



Sweden

Corporate Fact Sheet



Common forms of business

	Private Limited Company	Public Limited Company	Branch of a Foreign Company
In Swedish	Aktiebolag, suffix AB	Publikt aktiebolag, suffix AB (publ)	Utländsk filial
Use	The most common corporate form.	Companies considering public listing.	A foreign company carrying out business in Sweden from a fixed place of business in the name of the foreign company
Registration	Swedish Companies Registration Office and Tax Administration	Swedish Companies Registration Office and Tax Administration	Swedish Companies Registration Office and Tax Administration
Share capital	Min. SEK 25,000	Min. SEK 500,000	N/A
Liability	Limited Liability	Limited Liability	Limited Liability
Directors	At least one person. If less than three, a substitute director must be appointed. Directors can be of any nationality and reside anywhere in the world but at least half must reside in an EEA country. Corporate Directors not permitted.	At least three persons. Directors can be of any nationality and reside anywhere in the world but at least half must reside in an EEA country. Corporate Directors not permitted.	N/A – however a local individual representative needs to be appointed for non EEA companies.
Managing Director/CEO	Optional Must be EEA resident	Yes Must be EEA resident	N/A
Registered Office in Sweden	Yes	Yes	Yes
Shareholders	Minimum one. Any nationality. Shareholders appoint and dismiss Directors. Ultimate power within the company through the Annual General Meeting of Shareholders.	Minimum one. Any nationality. Shareholders appoint and dismiss directors. Ultimate power within the company through the Annual General Meeting of Shareholders.	N/A
Accounting & Audit	Ongoing accounting and annual filing of financial statements. At least one independent licensed Auditor needs to be appointed (except if small companies exceptions applicable).	Ongoing accounting and annual filing of financial statements. At least one independent licensed Auditor needs to be appointed.	Ongoing accounting and annual filing of financial statements. At least one independent licensed Auditor needs to be appointed (except if small companies exceptions applicable).
Incorporation	Usually about 3 weeks from filing incorporation documents with the Swedish Companies Registration Office. The share capital needs to be paid in to the corporate bank account before filing.	Usually about 3 weeks from filing incorporation documents with the Swedish Companies Registration Office. The share capital needs to be paid in to the corporate bank account before filing.	Usually about 3 weeks from filing documents with the Swedish Companies Registration Office, but trading can take place from day 1 since the company already exists abroad.
Law	The Swedish Companies Act (SFS 2005:551) with subsequent amendments.	The Swedish Companies Act (SFS 2005:551) with subsequent amendments.	The Swedish Foreign Branch Offices Act (SFS 1992:160) with subsequent amendments.



Corporate Tax Rate

22 % on corporate profits.

VAT Rate

Standard rate 25 % (reduced rates of 12 % and 6 % for some services and goods).

Other Tax Aspects

Capital gains generally taxed as ordinary income. Capital gains on qualifying shareholdings (i.e. shares held for “business purposes”) however, are tax exempt under the participation exemption rules. Dividends received by a Swedish corporate entity, are usually exempt from tax under the participation exemption rules.

Transfer pricing rules based on arm’s length principle.

Sweden has a general anti-avoidance rule and Controlled Foreign Company (CFC) rules applicable for low tax jurisdictions.

Although Sweden does not have thin capitalization rules, limits on interest deductions apply to all interest expense on loans granted by affiliated companies within a community of interests (intragroup loans), regardless of the purpose or origin of the loan. No withholding taxes on interest paid abroad.

Sweden has a good tax treaty network reducing or eliminating withholding taxes and the EU Parent-Subsidiary Directive is applicable.

The tax exemption for capital gains and dividends on shares held for business purposes in combination with an extensive tax treaty network and the absence of thin capitalization rules, make Sweden an attractive location for international holding companies.





Currency

Swedish Krona (SEK) but a Swedish company may elect to have the Euro as its accounting currency.

Accounting Period

12 months – Companies may choose their own year-end.

Language

Officially Swedish but English is widely spoken.

Name Restrictions

Names that are similar or identical to an existing company or a well-known names.

Other Forms of Business

Limited Partnership (Kommanditbolag), General Partnership (Handelsbolag) and Sole Trader (Enskild Firma).

Restrictions/Licensing Requirements

Only for specified business, including for example, banking, insurance and financial services.

Foreign-Exchange Controls

Generally no restrictions are imposed on payments abroad. Notifications for statistical purposes only.



About Us

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