

 SWEDEN

Sweden - Civil Law (Scandinavian)

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In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Sweden

Sweden taxes

If you want to set up a company in Sweden, you have to know about taxation for a LLC or a PLC which are the most common companies structure in Sweden.

Sweden taxes companies on their worldwide income. The headline estimated rate for income remitted back, from our research, and your results may vary, is 22%. Sweden may have exemptions to bring in income earned abroad. The headline Corporate Income Tax rate is 22%. This ranks Sweden as 90th when compared to CIT globally.

The valued added tax rate is 25%, that ranks Sweden as 86th overall in terms of VAT globally. In terms of other taxation, an employer will contribute 31.42% to the equivalent of a social security fund and an employee will contribute 7%. The overall complexity of the tax system is low. This is measured by average time to comply with a country's labor tax requirements is as it is 36hours. Contributing to this is the number of yearly labor tax payments, which is 1 in SE.

Thin capitalisation laws are in play. Thin capitalisation refers to any type of laws on a business and the debt-to-asset ratios. Dividends received are taxable. However, those received from a Swedish company or a non-resident company may be exempt, provided that the shareholding is business-related. This means that dividends may be exempted, if recipient holds at least 10% of participation of paying company voting rights for at least 1 year or shareholder is considered necessary for conducting the business of the company whose shares are held for at least 1 year. In the case of foreign-source dividends it also may be required that those not has been treated as a deductible expense in the country where is resident the payer. A dividend is a distribution of a portion of an earnings of the business, determined by the board of directors, to shareholders. Dividends can be either stock, cash, or property.

Capital Gains are taxable income and subject to Corporate Income Tax. However, those capital gains from the disposal of shares of a shareholding considered business related may be exempted. A capital gains tax is levied on the profits that a corporation or natural person realizes when he or she sells a capital asset for a price that is higher than the purchase price.

Dividends are subject to withholding tax of 30%. This means that tax authorities expect resident companies to withhold 30% on their dividend payments to non-residents, unless a tax treaty sets a different rate. An exemption may apply to payments on dividends under the EU parent-subsidiary directive. Sweden does not levy withholding taxes on payments on interests and royalties to non-residents. However, royalties received by a non-resident are subject to Swedish Corporate Income Tax.

There is no known tax on wealth in Sweden. There are no known inheritance taxes in Sweden. There is a stamp duty on certain transfers of real property and there is a real property tax. There are not many widely used R&D initiatives that provide tax incentives in this country.

The above is not tax or legal advice for your individual personal tax obligations. Incorporations.io can point you to a tax advisor in Sweden who can give you the proper advice and help you need. Contact us today. Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Sweden is 25% which ranks 171 in the world.

- ✗ Patent box
- ✗ RND credit
- ✗ Wealth tax
- ✗ Estate tax
- ☑ Transfer taxes
- ✗ Asset taxes

- 122 Tax treaties
- 22% Offshore Tax
- 22% Corp rate
- Loss carryback years
- 50 Corporate time
- 25% VAT rate

Sweden Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Sweden is civil law (scandinavian) law. You will want to get some local advice as to how to best structure a company in Sweden. E-signatures are allowed.

The abbreviation SE is for Sweden and the most common company type type in Sweden is a LLC , PLC .

The amount you'll have to wait is about 1 week to incorporate a LLC , PLC in SE. The types of currencies you can use to fund your business is often legal currency.

Yes, one is allowed to re-domicile a LLC , PLC from SE. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC , PLC in SE by yourself. Corporate Shareholders are permitted, which means you can have a legal entity as a shareholder. Foreign ownership is permitted, up to 50% of the total equity of the company.

There is a requirement to have at least 2 directors. Speaking of shareholders, corporate directors are not permitted. Directorship information is ususally not shared with the general public. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for an address which can receive a service of process on behalf of the business. However, a company secretary is not required in SE, which can save the company money if you can perform basic corporate governance internally.

There is a no requirement to file annual returns. This will not exclude the company or shareholders from additional tax or reporting obligations elsewhere and you would be wise to get personal advice on your own tax situation. On that note, there is oftentimes a requirement to have these accounts audited.

Overall we think Sweden is a good option and have given it a score of 71 as an IO score, using the Incorporations.IO proprietary formula.

- ✓ **Directors not disclosed in a public registry**
- ✗ **Shareholders not disclosed in a public registry**
- ✓ **Redomiciliation permitted**
- ✓ **Registered office required**
- ✗ **Corporate director permitted**
- ✗ **Local Secretary not required**
- ✗ **Local Director not required**
- ✓ **Electronic signature**

- 1 Shareholders required**
- 2 Directors required**
- 1 week to form**



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Country Info



🚩 National Flag of

Konungariket Sverige
(swe)

\$ Currency

SEK

☎ Area Code

+46

🏛 Capital

Stockholm

📍 Region

Northern Europe

🗣 Native Languages

Swedish