



# STARTING A BUSINESS IN SWEDEN



growth through clarity



Capital City

**Stockholm**

Currency

**Swedish krona  
(kr, SEK)**

VAT - standard rate

**25%**

Languages

**Swedish**

Ease of doing Business

**Easy**

Population Size

**10,277,701**



# INITIAL STEP WHEN STARTING A BUSINESS

The first step is to determine the type of business to establish in Sweden and ensure that the group structure is incorporated in a well-prepared manner.

## **Two common types of business structures in Sweden:**

- LIMITED COMPANY
- BRANCH

### **LIMITED COMPANY**

The most common way to establish the foreign company in Sweden is by registering a private limited company.

### **Opening a Bank Account**

The minimum share capital is SEK 25,000 which must be deposited into a bank account (usually a Swedish bank account) in the name of the Swedish Company along with the company registration number.

This step can be time-consuming, especially if the board members are foreigners, as signatures must be provided in ink. Having good bank connections is crucial during this phase.

We'll back you  
with clarity

## Board Requirements

### The board must consist of one of the following options:

1. One board member and one alternate
2. Two board members and one alternate
3. Three board members and no alternate

## Special Appointed Recipient

If all members of the Board are non-Swedish, a special recipient of traditional mail from authorities is required. This person cannot act as a signatory on behalf of the company, but must be a Swedish national who is authorized to receive legal documents, such as a lawsuit, where a Swedish recipient is required.

## Registration with Company Registration's Office (Bolagsverket)

The company must be registered with the Company Registration Office, along with the Board and other necessary information. The processing time is typically 2-4 weeks, depending on the workload of the Company Registration's Office.

## Tax Implications

It is important to ensure that the establishment in Sweden aligns with the foreign group structure to achieve a tax-efficient structure. It is recommended to investigate this before establishing the group.

## Tax Registration with the Swedish Tax Agency

After establishing the company, it is mandatory to register for different taxes such as VAT, Payroll, and Corporate Income Tax. Depending on the business activities that are to be conducted in Sweden.

The processing time for tax registration is typically 4-8 weeks, depending on the workload at the Swedish Tax Agency.



## Considerations before registering:

- Ensure that all technical solutions, such as the chart of accounts, are well-prepared and match Swedish accounting practices to facilitate cross-border payments. This includes granting access authorization to bank accounts and providing transfer details.
- Engage a Swedish accounting specialist who would be in the position to upload bank files with actual payments in a timely manner.
- Engage a local payroll consultant to ensure that reporting complies with local Swedish laws and to ease the reporting and filing of payroll returns to the Swedish Tax Agency.

## Did you know?

- No personal liability for shareholders
- Off-the-shelf solution an easy way to start
- Competitive corporate tax rate of 20.6 per cent
- Minimum SEK 25 000 shareholder capital



*Starting a business in Sweden is like planting a seed in fertile soil - with a supportive ecosystem, innovative mindset, and strong social values, your business has the potential to flourish and make a positive impact on both society and the world.*



## BRANCH

The following factors may indicate that a foreign company must register a branch in Sweden:

- The business is conducted professionally and with the intention of making a profit.
- The company regularly provides goods or services in Sweden.
- The business is extensive, either financially or in terms of employees.

### Exceptions from registration include:

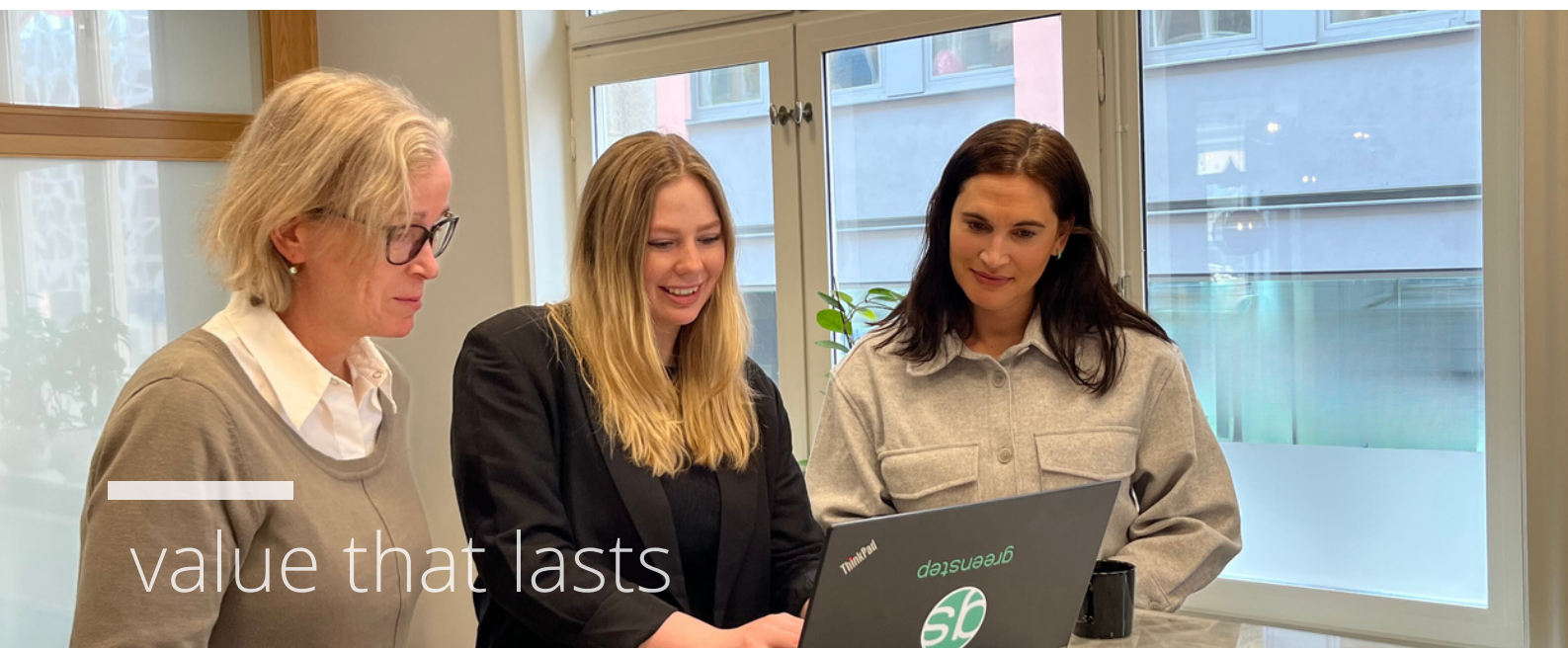
- Transport of persons and items to and from Sweden.
- Advertising and exhibition of goods.
- Taking orders for goods.
- Artistic activity.
- Construction contracts conducted for a maximum of one year.
- Business activities covered by the provision on free movement of goods and services in the EEA Treaty.

## Tax Implications

It is important to ensure that the establishment of the Branch in Sweden is aligned with the foreign group structure to ensure tax efficiency. We recommend investigating this prior to establishing the branch.

### Registration with the Company Registration's Office (Bolagsverket)

The registration of the Branch and its signatory is reported to and filed with the Company Registration's Office. Depending on the business activities that are to be conducted in Sweden. The processing time is typically 6-12 weeks, depending on the workload of the authority and the client's preparation of the required documentation to meet the conditions for registration.



### Tax Registration towards Swedish Tax Agency

After establishing the branch, it is necessary to register for various taxes with the Swedish Tax Agency, including VAT, Payroll, and Corporate Income Tax. The processing time for tax registration is typically 4-8 weeks, depending on the workload of the Swedish Tax Agency.

“

*A GOOD PREPARATION  
OF AN ESTABLISHMENT  
IN ADVANCE MAXIMIZES  
THE SUCCESSFUL OUTPUT*

”

**Both Limited Company and Branch established in Sweden have reporting requirements towards the Swedish Tax Agency and the Company Registration's Office.**

#### **These requirements may include:**

- Monthly reporting and mandatory social contribution payments for Payroll and labor/HR-related issues
- Monthly or quarterly VAT payments
- Monthly payments for Corporate Income Tax
- Invoicing from a branch
- Maintaining a separate balance sheet to allocate incomes and expenses to the Swedish Branch for accounting and tax purposes
- Filing a Corporate Income Tax return annually for the company
- Complying with auditor thresholds

### **Prior to registering a Branch in Sweden, it is important to consider the following:**

- **Ensure that all technical solutions are well-prepared**, such as setting up a chart of accounts that matches Swedish accounting practices to ease cross-border payments. This includes admitting access authorization to bank accounts and transfer details, among other things.
- **Engage a Swedish accounting specialist** who would be in the position to upload the bank file with the actual payments. This must be prepared in timely manner.
- **Engage a Payroll consultant** to ensure that reporting is compliant with local Swedish law and to ease the reporting and filing of payroll returns towards the Swedish Tax Agency.



growth through clarity

An aerial photograph of a city, likely Stockholm, Sweden, showing a mix of historic and modern architecture. A prominent church with a tall, dark spire is visible in the center. The city is built on islands and connected by bridges. A harbor with several ships, including a large white cruise ship, is visible in the foreground. The sky is blue with scattered white clouds.

Our  
partnership  
brings your  
business  
clarity

## REGISTRATION OF FOREIGN ENTREPRENEUR

---

If the Foreign entity will engage someone in Sweden (a Swedish National) for example in order to explore the Swedish market in Sweden, it could be the case that the Foreign company will not initially fulfill all criterion of a permanent establishment in Sweden.

Consequently, there is a possibility to register as a Foreign entrepreneur in Sweden as an employer only.

**This option is quite smooth**, but needs some preparation in terms of underlying documentation to submit towards the Swedish Tax Agency. It is also very important to be transparent within the application, should the Swedish Tax Agency come to a different conclusion.

Furthermore, a registration as Foreign Entrepreneur would for example be required from a Swedish VAT perspective, in case the foreign company plans to setup a warehouse in Sweden.





### **Requirements when registered as a Foreign Entrepreneur:**

- Monthly or quarterly reporting towards the Swedish Tax Agency depending on the type of tax registration.
- No accounting in Sweden required

### **Tax Implications**

- Check the domestic legislation in the applicable foreign country versus Swedish tax legislation, as there may be differences in tax laws that could impact the company's decision.
- Determine whether there is a tax difference between setting up a limited company compared to a branch in Sweden.
- Decide whether the company wants a permanent establishment in Sweden or not, as this can have implications for taxation and other legal requirements.

### **TO THINK ABOUT PRIOR TO REGISTERING**

- Make sure that all payment details and solutions are well prepared prior to the registration in order to ease the cross-border payments. This includes granting access authorization to bank accounts, transfer details, etc.
- Engage a Swedish payroll consultant who can also upload the bank file with the actual payments. This must be prepared in a timely manner.
- Engage the payroll consultant also to ease the reporting and uploading of the payroll returns towards the Swedish Tax Agency.





We'll back you  
with clarity

[CONTACT US](#)

