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SWITZERLAND GLOBAL ENTERPRISE

Sweden

Legal Provisions

Compiled by:

German-Swedish Chamber of Commerce (Deutsch-Schwedische Handelskammer)

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GENERAL REMARKS

The purpose of this document is to give an overview of trade-related legal provisions and regulations, particularly those relevant for small and medium sized Swiss companies operating from outside the target country. It outlines the current state of legislation and, to the extent possible, its practical application.

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CUSTOMS LAW AND DUTIES

As an EU-Member State, Sweden is bound to the Union Customs Code (UCC) and applies the EU Customs Tariff (TARIC). The Swedish Customs Administration (Tullverket) is responsible for enforcing customs laws and collecting duties. Further information about Swedish Customs can be found here: https://www.tullverket.se/en/. Imported goods to Sweden are subject to value-added tax (VAT). The general VAT rate in Sweden is 25 %, with a lower rate of 12 % for food and certain services and 6 % for books, newspapers and periodicals as well as public transportation. Alcoholic beverages with less than 3.5 % alcohol fall under the reduced VAT rate for food products (12 %). For alcoholic beverages with a higher alcoholic content than 3.5 % the general VAT rate of 25 % is applied.

IMPORT REGULATIONS / NON-TARIFF RESTRICTIONS

As Sweden is an EU member state, the Free Trade Agreement (FTA) between the EU and Switzerland applies to trade between Switzerland and Sweden which allows duty-free access for many goods.

The most important non-tariff restrictions that can affect trade between Switzerland and Sweden are, inter alia, certain sanitary and phytosanitary (SPS) measures especially with regard to food, agricultural products and live animals.

Furthermore, certain goods may require import licenses or are subject to quotas, especially in sensitive sectors like pharmaceuticals, chemicals and agricultural products.

The sale of alcoholic beverages is strictly regulated in Sweden. Alcoholic beverages with a higher alcoholic content of 3.5 % can only be sold to consumers in stores of the state-owned retail company called Systembolaget. Furthermore, Swedish law stipulates that Systembolaget may only purchase alcoholic beverages from Swedish importers or producers approved by the Swedish Tax Authority which makes in necessary for foreign companies in this sector to cooperate with an approved Swedish importer.

PRODUCT REGISTRATION AND TECHNICAL STANDARDS

Switzerland and the EU (including Sweden) have a Mutual Recognition Agreement (MRA) that reduces the need for duplicate testing and certification for many industrial products (e.g., machinery, medical devices, electrical equipment). However, some products still require separate conformity assessments, especially if they fall outside the scope of the MRA.

For the regulation and quality control of pharmaceuticals, medical devices, medical supplies and cosmetics the responsibility lies with the Swedish Medical Products Agency (https://www.lakemedelsverket.se/en).

Importers of medical devices and supplies are required to register themselves in EUDAMED (European database on medical devices).

The Swedish Food Agency (https://www.livsmedelsverket.se/en) is responsible for the regulation of commercial food imports to Sweden. Food products must be labeled in Swedish or a language that has marginal differences from Swedish (e.g. another Nordic language).

In general, the market regulation and control system is very decentralized in Sweden. The website https://verksamt.se/en as the Swedish point of single contact for services can provide some guidance regarding the agencies´ particular responsibilities.

The common EU Standards are used in Sweden. For ISO and CEN standards the main point of contact is the Swedish Institute for Standards (https://www.sis.se/en/). For standards in

electrotechnology SEK Svensk Elstandard (https://elstandard.se/in-english/) is the relevant organisation and for standards within IT and telecommunications it is ITS (https://its.se/?lang=en). Information about standards used in other industries can be found by contacting the respective trade associations. A list of trade associations in Sweden can be found on the website of the Swedish Agency for Economic and Regional Growth: https://tillvaxtverket.se/tillvaxtverket/guiderochverktyg/branschorganisationer.2744.html

CURRENCY REGULATIONS AND OTHER TRANSFER RESTRICTIONS

Sweden is part of the European Monetary Union but has not completed the process of Euro integration. Therefore, the currency used is the Swedish Krona (SEK).

EU directives on the prevention of money laundering and terrorist financing are applied in Sweden. Any person traveling from or entering to Sweden from a third country with more than 10,000 EUR is required to declare the money online or via paper to the Swedish Customs Agency.

According to the Swedish money laundering legislation companies are required to acquire customer knowledge if cash payments exceed 5,000 EUR.

The use of cash is in general limited in Sweden. Businesses are not required to accept it.

COMMERCIAL REGISTER AND OTHER SOURCES OF COMPANY INFORMATION

There are several online databases which offer company information from the commercial register. The Swedish Companies Registration Office (Bolagsverket) offers an own service under the link Sök företagsinformation including the download of e-registration certificates.

For persons with signatory power for the respective company and a Swedish e-identification/bank ID changes to the register can be filed online. This applies even to the annual statements that can be submitted online with a Swedish e-identification/bank ID.

Additionally, private providers such as Alla bolag and Bolagsfakta offer access to certain register data via their online databases, to a certain extent even free of charge.

LEGAL FORMS OF COMPANIES

In Sweden, businesses can be established under several legal forms, each suited to different needs and levels of liability:

Limited Company (Aktiebolag, AB):

This is the most common company form for middle-sized and larger businesses. It offers limited liability, meaning owners are not personally responsible for company debts. A private AB requires a minimum share capital of 25,000 SEK. Public ABs are used for companies listed on the stock exchange.

Sole Trader (Enskild näringsidkare):

Ideal for individuals starting a small business. The owner and the business are legally the same, the owner is personally liable for debts. Profits are taxed as personal income.

Trading Partnership (Handelsbolag, HB):

Formed by two or more partners who share responsibility and liability. No minimum capital is required but all partners are personally liable for the business's obligations.

Limited Partnership (Kommanditbolag, KB):

Similar to a trading partnership but includes at least one general partner with full liability and one or more limited partners whose liability is limited to their investment.

Branch of a Foreign Company (Filial):

A foreign company can operate in Sweden through a registered branch. The branch does not constitute an independent legal entity but is an annex to the foreign company. However, regarding the business of the branch in Sweden, the branch is treated as an independent entity. A managing director who resides in the EEA has to be appointed to the branch. In addition, the branch is subject to accounting according to Swedish law.

It has to be noted that foreign companies doing business in Sweden on a not only temporary basis are required by law to either establish a subsidiary, register a Swedish branch or conduct its business activities in Sweden through an agency with operations in Sweden.

REGULATIONS GOVERNING SALES AGENTS AND COMMERCIAL REPRESENTATIVES

The regulations governing sales agents and commercial representatives in Sweden are mainly based on the Swedish Commercial Agency Act (Lag (1991:351) om handelsagentur) which implemented the EU-Commercial Agents Directive (86/653/EEC). The Act contains mandatory regulations on the relationship between the sales agent and the principal but not on the relationship with the customers. We therefore recommend taking legal advice in such matters and in the drafting of contracts.

ENTRY CONDITIONS FOR STAFF PERFORMING MAINTENANCE OR REPAIR SERVICES

In accordance with the Agreement on the Free Movement of Persons (AFMP) between Switzerland and the EU, Swiss citizens can make use of the freedom of movement within the EU when traveling to Sweden. No visa is required and only either a Swiss passport or identity card are required for entry. Swiss citizens do not need a work permit but any Swiss citizen staying in Sweden for more than 90 days must apply for a residence permit at the Swedish Migration Agency (https://www.migrationsverket.se/en.html).

Posted workers need to be registered from the first day of their posting at the Swedish Work Environment Authority (https://www.av.se/en/). For postings of Swiss citizens that last more than 90 days, a residence permit must be applied for.

PROTECTION OF INTELLECTUAL PROPERTY

The protection of intellectual property (IP) is governed by a robust legal framework aligned with EU law and international agreements in Sweden.

Patents – Protection of inventions and technical solutions. Granted by the Swedish Intellectual Property Office (Patent och Registreringsverket, PRV) or via the European Patent Office (EPO).

Trademarks – Protection of brand names, logos, and symbols. Can be registered nationally (via PRV), EU-wide (via EUIPO), or internationally (via WIPO).

Designs – Protection of the appearance of products. Registered through PRV or EUIPO.

Copyright – Protection of original literary, artistic, and musical works. No registration required.

Trade Secrets – Protected under the Swedish Trade Secrets Act (Lag (2018:558) om företagshemligheter), aligned with the EU Trade Secrets Directive.

PROCEDURES FOR COLLECTING PAYMENT

Swiss companies can legally invoice Swedish customers. For B2B transactions, reverse charge often applies - no VAT is charged by the Swiss seller, and the Swedish buyer accounts for VAT locally. Commonly used currencies are SEK (Swedish Krona), EUR (Euro), and significantly less common CHF (Swiss Franc). Sweden is also preparing for mandatory e-invoicing for cross-border EU transactions by 2030, under the EU's VIDA initiative. While not yet mandatory for Swiss-Swedish trade, digital invoicing is already now encouraged for efficiency and automation.

With regard to payment methods, Sweden is highly digitalized. SEPA transfers (in EUR) are fast and low-cost within the EU/EEA. SWIFT transfers can be used for CHF or SEK payments from and to Switzerland. Payment by credit card is widely used in the B2C sector as well as the use of payment providers like Klarna and the mobile payment app Swish. Swish is, however, not interoperable with Swiss apps like Twint. Checks are rarely used in Sweden due to digitalization and not recommended for cross-border transactions.

If payment is not received, a debt collection agency (inkassobolag) is usually engaged in Sweden. These agencies must follow ethical guidelines and are regulated by the Swedish Financial Supervisory Authority (Finansinspektionen).

Legal collection is handled by the Swedish Enforcement Authority (Kronofogdemyndigheten): Creditors can apply to the Swedish Enforcement Authority for a payment order (betalningsföreläggande). If the debtor does not contest the payment order, it becomes legally enforceable.

Enforcement takes place by seizure of wages, bank accounts, property or assets.

ENFORCING COMMERCIAL CONTRACTS AND RESOLVING DISPUTES

Arbitration is a well-established and widely used method of resolving commercial disputes in Sweden. It is particularly favoured in international business due to its flexibility, confidentiality and enforceability. Sweden, and especially Stockholm, is recognized globally as a leading venue for arbitration, supported by a modern legal framework and a strong institutional infrastructure.

Arbitration in Sweden is governed by the Swedish Arbitration Act (Lag (1999:116) om skiljeförfarande), which is based on the UNCITRAL Model Law. The Stockholm Chamber of Commerce Arbitration Institute (SCC) is one of the world's leading arbitration institutions. It administers both international and domestic disputes and offers SCC Arbitration Rules, Expedited Arbitration Rules and Emergency Arbitrator procedures.

One of the key advantages of arbitration in Sweden is the confidential nature of proceedings. Unlike court cases, arbitration hearings and awards are not public unless the parties agree otherwise. This is especially valuable in sensitive commercial disputes.

OVERVIEW OF PUBLIC PROCUREMENT SYSTEM

Sweden's public procurement system is primarily governed by

- the Public Procurement Act (LOU) for general public sector procurement,
- the Utilities Procurement Act (LUF) for water, energy, transport, and postal services,
- the Defence and Security Procurement Act (LUFS), and
- the Concessions Procurement Act (LUK).

These laws implement the EU procurement directives ensuring transparency, competition and non-discrimination in public purchasing.

The Swedish National Agency for Public Procurement (Upphandlingsmyndigheten) provides support and guidance in public procurements. The agency's official website contains helpful information on public procurement rules, framework agreements, planned and ongoing procurements as well as tender invitations and evaluations.

Welcome | The National Agency for Public Procurement

The Administrative Court's (Förvaltningsdomstolen) also displays all ongoing tenders on its website: e-Avrop - Domstolsverket Upphandling Offentlig upphandling - Sveriges Domstolar

SOURCES OF INFORMATION AND REFERENCES

Eur-Lex	www.eur-lex.europa.eu/en/index.htm
European Single Point of Contact in Sweden	https://verksamt.se/en
Swedish Customs	https://www.tullverket.se
Swedish Food Agency	https://www.livsmedelsverket.se/en
Swedish Intellectual Property Office	https://www.prv.se/en
Swedish Medical Products Agency	https://www.lakemedelsverket.se/en
Swedish Migration Agency	https://www.migrationsverket.se/en.html
Swedish Tax Agency	https://www.skatteverket.se
Swedish Work Environment Authority	https://www.av.se/en/
The Riksbank (Swedish Central Bank)	https://www.riksbank.se
Swedish Companies Registration Office	https://bolagsverket.se/en/1.html

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