



LAWYERS COOPERATION



ESTABLISHING A LIMITED COMPANY IN SWEDEN

This short overview is intended to provide some answers to initial questions about what to know and consider when establishing a limited company in Sweden. It is part of a series of short guides for setting up a business in different jurisdictions worldwide, which have been produced by members of Lawyers Cooperation.

Lawyers Cooperation is an international association of independent business law firms offering members and their clients access to an international business law resource and local expertise from across member countries.

For further advice and information about setting up a business in Sweden, please contact **our member in Sweden:**

Advokatfirman Glimstedt,
Stortorget 17 | Box 1027, SE-251 10 Helsingborg, Sweden
Tel.: +46 70-658 75 98 **www.glimstedt.se**

This guide is also available for Austria, Belgium, Chile, Germany, Hungary, Italy, Netherlands, Poland, Portugal, Romania, Spain, Switzerland and the United Kingdom. This information is provided by our members who are located in these countries. If you need local advice or support in any of these jurisdictions, please search for our member firms on our website.

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SETTING UP A LIMITED COMPANY IN SWEDEN - YOUR QUESTIONS ANSWERED

1. Name of a limited company in the native language: Aktiebolag

2. Costs associated with setting-up a limited company

Usually in the span of SEK 15,000 – 40,000 (approx. € 1,500 – 4,000) depending on complexity, board etc.

3. Who is eligible to set up a limited company? Any natural person or legal entity

4. Are foreign nationals eligible to set-up a limited company? Yes

5. What is the minimum number of shareholders required? One is sufficient

6. When can the company start trading? As soon as it is created and has been assigned a registration number with the Swedish Companies Office (Sw: "Bolagsverket")

7. Who can be managing director of a limited company?

Any natural person. However, at least half of the board members and deputies as well as the Managing Director (if any, not required for most aktiebolag) must reside within the European Economic Area (i.e. the EU and, presently, Norway, Iceland and Liechtenstein).

If no director (board or Managing Director) resides in Sweden, the company needs to have a representative (does not have to be a director) that can receive and sign for official communication etc.

8. Paid-in minimum capital requirements?

Minimum paid-in share capital is SEK 25,000 (approx. € 2,500)

9. Is a Swedish bank account required for setting up a limited company?

No, a bank or similar within the EEA certifying that the share capital is paid is sufficient.

10. Do Articles of Association have to be prepared?

Yes and some other formation documents

11. Does the registered address need to be in Sweden? Yes, since 2020

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12. How long does the registration process take?

Depending on the backlog with Bolagsverket and the complexity, anything from a few days to a few weeks. Many "aktiebolag" can be registered online, but with non-Swedish directors or similar the paperwork needs to be filed in paper.

13. What are the main steps involved in setting up a limited company?

- Draft a Memorandum of formation (Sw: "stiftelseurkund") and Articles of Association
- Open an account and, when payment for shares have been made, have the bank issue a certificate over paid share capital
- Subscribe and pay for shares
- Founders (Shareholders) Meeting and appoint board members, other directors and auditor (if required)
- Initial board meeting (electing chairman, signatory rights etc.)
- File a registration form to Bolagsverket with appropriate enclosures and pay the fees (verified passport copies for non-Swedish board members to be included)
- Register for VAT and taxes
- Register Beneficial Owner
- File annual report annually

14. Does the Limited Company have to register for Corporation Tax, If so, what is the corporation tax rate? Yes and the corporate tax rate is (from 2021) 20.6%

15. What is the standard VAT rate?

- 25% on most goods and services
- 12% on e.g. food, restaurant and hotel services, some art
- 6% on magazines, newspapers, books, taxi services, entry fees to events and some grants (copyright)

16. Are there any important deadlines for setting up a limited company? No

17. Is information about a limited company publicly available, if so, which information is available? Yes - www.bolagsverket.se/en and www.verksam.se/en/web/international

Year of issue: 2021. Since regulations are subject to changes, we recommend that you seek advice from our local member in Sweden before you set up a limited company in Sweden.

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