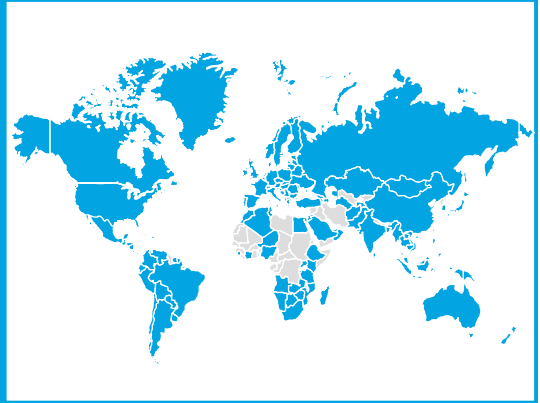


EXPATRIATES

Sweden

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

Swedish tax residents are subject to tax on their world wide income and all gains.

An individual maintaining a habitual abode in Sweden is considered as tax liable if he/she is present in Sweden for at least six consecutive months. This is applicable even if there is no intention of a permanent stay in Sweden.

An individual who has previously been a resident of Sweden may remain liable for tax. This is applicable if the individual has been resident in Sweden for at least 10 year, but not if the individual can provide information that there has not been any maintained essential ties with Sweden

Sweden has concluded over 80 double tax treaties. Hence, the tax liability can be regulated in a treaty.

Swedish Source Income

If an individual is considered not to be tax resident, he/she can be taxed under the nonresident income tax regime. The tax can only be applied after a special decision from the Swedish tax agency. The tax rate on Swedish source employment income is a flat rate of 25%.

Generally, dividends are taxed at source with a tax rate of 30%.

Liability for real estate tax is applicable to all owners.

Employment income earned abroad is tax exempt in Sweden if the employment and stay abroad lasts at least 6 months and the income is taxed in the country of employment (6-month rule) and not visiting Sweden more than 6 days a month.

If the income is not taxed abroad due to local rules, it is exempt only if the stay abroad lasts at least one year (1-year rule).

Sweden will allow foreign tax credits.

EXIT PROCEDURES

There is no exit tax in Sweden.

When the individual leaves Sweden, he/she will have to notify the Swedish Tax Authority.

INCOME TAX RATES

Tax rate*	Taxable income
29-34 %	Up to SEK 504 400
49-54 %	From SEK 504 400 to SEK 703 000
54-59 %	From SEK 703 000

*The ranges reflect the varying tax rates depending on where you live in Sweden (determined by local governments) and your income level.

The taxable income is defined after the basic deduction (between SEK 13 400 - 35 100).

SOCIAL TAX RATES

If an individual is assigned to perform work in another country and Sweden has entered into a social security totalization agreement with this country, then it is possible to provide relief from paying double social security contribution and remain covered by the Swedish Social Security (employer contributions 31.42% and Employee 0%). A Certificate of Coverage must be obtained from the National Social Security Office.

Employees assigned overseas to an EEA and Switzerland or to a country with which Sweden has concluded a social security convention can remain within the Swedish social security system

Employees assigned to a non-agreement count (e.g. PRC) will remain covered in Sweden if the assignment is assumed not to extend 12 months.

When the individual leaves Sweden he/she will have to notify the Swedish Social Insurance Office.

For further information and to register for future updates contact expat@bdo.global

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