

## ONE MINUTE GUIDE TO SWEDISH LAW – PART 2

### Companies

The Swedish Companies Act of 2005 contains detailed provisions on how to set up, run and liquidate a limited company, which is the most common association form in Sweden. It is however rather common to utilize shareholders agreements and more detailed articles of association as complementary instruments for corporate governance.

The Swedish Corporate Governance Code set out rules for companies listed at Nasdaq Stockholm and NGM Equity, according to the principle of “follow or explain”.

### Intellectual property

Sweden has been a member of the Paris Union since 1885 and of the Bern Union since 1904. The Swedish Government ratified the TRIP-agreement in 1994. As a member of the EU, Sweden is obliged to adhere to EU legislation on the field of intellectual property. In addition to international cooperation, Sweden has domestic acts of law regarding copyrights, patents, trademarks, designs, trade secrets etc.

Institutions such as The Swedish Patent and Registration Office (PRV) and European Union Intellectual Property Office, also play important roles on the field of intellectual property.

As regards litigation, The Patent and Market Court and the Patent and Market Court of Appeal are specialised courts that were established in 2016. These two courts hear all cases and matters in Sweden relating to intellectual property law, as well as competition law and marketing law

### Tax

Sweden has a progressive income tax system. The tax rate on capital gains is 30 % and the corporation tax rate is 21,4 %. Most material rules and principles are found in the Income Tax Act of 1999 whereas procedural rules are stipulated in the Tax Procedure Act of 2012.

Swedish law on VAT is since 1995 harmonized with the EU legislation on the area.

Tax cases are tried in the administrative courts but there is also a government agency (Skatterättsnämnden) which is responsible for providing legally binding advance tax rulings in response to tax questions.

## **Dispute Resolution**

Criminal and civil cases in Sweden are heard in 48 district courts, 6 courts of appeal and the Supreme Court. In addition, there are special courts for i.e. employment law, intellectual property law and environmental law. Most disputes are however settled before they are tried in court.

Arbitration is common method to settle disputes in Sweden. The Arbitration Institute of the Stockholm Chamber of Commerce (SCC), founded in 1917, is a famous forum for both domestic and international disputes.

## **Insurance**

The Insurance Contracts Act of 2005 is the main source of law regarding insurance contracts. The provisions of this act are mandatory for the benefit of the insured, unless otherwise expressly stated. The FSA (Finansinspektionen) is the Swedish authority in charge of supervising insurance and reinsurance companies.

Precedents on insurance law are rather sparse. Disputes regarding interpretation of insurance policies are however common.

## **White-collar crime**

White-collar crimes involve questions regarding crime in conjunction with commercial activities, examples are bribery, corruption, money laundering, fraud, tax, insider-trading and market abuse.

The relevant criminal law provisions are mainly found in The Swedish Penal Code, accompanied by several special laws. The area of white-collar crimes does not only comprise criminal law but also many different areas of business law as well as accounting.

It is common that Swedish corporations use preventative measures and compliance programs designed to reduce the risk of civil and criminal penalties.

## **Sports**

Sport in Sweden is historically organized as an independent voluntary movement with considerable freedom, and also with the help of financial support from the government. Local sports clubs are the foundation of the sports movement. The Swedish Sports Confederation is the unifying organization at the national level.

A current hot topic in Sweden is how to prevent match-fixing occurring primarily within football.

## Swedish business culture

In Sweden, colleagues address each other in a casual way. Regardless of title, everyone is on a first-name basis. Also, Swedish companies are usually less hierarchical than companies in other countries.

Punctuality is important for Swedes, especially when it comes to business. In a meeting, make sure to show up on time and stick to the agenda in order to finish on time. Don't boast or brag since Swedes in general are modest. Also, Swedes, as most other, don't appreciate such behavior.

*If you have any queries regarding Swedish law you are welcome to contact us on [gothenburg@nordialaw.com](mailto:gothenburg@nordialaw.com) / [stockholm@nordialaw.com](mailto:stockholm@nordialaw.com) or via [www.nordialaw.com](http://www.nordialaw.com)*

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The purpose of this "one-minute guide" is to give a very brief introduction to Swedish law only, based on the legislation as of 2020. It cannot substitute legal advice.