

SWEDEN

TRANSFER PRICING PROFILE

1. Reference to the Arm's Length Principle

Chapter 14 Section 19 of the Income Tax Act.

2. Reference to the OECD Transfer Pricing Guidelines

In the preparatory work to the legislation. There are also references in case law.

3. Definition of related parties

Chapter 14 Section 20 of the Income Tax Act (similar to the definition in Article 9 of the OECD Model Convention).

4. Transfer pricing methods

Sweden adheres to the methods as described in the OECD Guidelines.

5. Transfer pricing documentation requirements

Sweden has updated its legislation on documentation requirements. It is in line with the 2017 update of Chapter V (including Annex I and II) of the OECD Transfer Pricing Guidelines. The legislation is applicable as of 1st of April 2017 for fiscal years starting after the 31st of March 2017.

The requirements are stated in Chapter 39 Section 15-16f of the Tax Procedure Act (2011:1244) and Chapter 9 Section 9-19 of the Tax Procedure Ordinance (2011:1261), "Skatteförordning (2011:1244) 39 kap. 15-16f §§ och skatteförordningen (2011:1261) 9 kap. 9-19 §§".

https://www.riksdagen.se/sv/dokument-lagar/dokument/svensk-forfattningssamling/skatteforfarandelag-20111244_sfs-2011-1244

In addition, the Swedish Tax Agency ("Skatteverket") provides general guidance <https://www.skatteverket.se/tp> and guidance in depth in "rättslig vägledning", https://www4.skatteverket.se/rattsligvagledning/edition/2018.12/331434.html?pk_vid=e4e8e88a328b787e15427332500f3d45

6. Specific transfer pricing audit procedures and / or specific transfer pricing penalties

N/A

7. Information for Small and Medium Enterprises on TP

Information relevant for SMEs in tackling transfer pricing matters is available on the JTPF webpage at: https://ec.europa.eu/taxation_customs/sites/taxation/files/resources/documents/taxation/company_tax/transfer_pricing/forum/profiles/profile-se.pdf

8. Information on dispute resolution

Competent Authority	Mr. Roland Gustavsson +46(0)105748499 Mr. Per Kristiansson +46(0)105729637 E-mail to the Office of the Competent Authority: oca@skatteverket.se The Swedish Tax Agency (Skatteverket), Legal Department unit 1, Competent Authority, 171 94 Solna, Sweden Other issues concerning Tax Treaties or Domestic Law Ministry of Finance/International Tax Division / 103 33 Stockholm, Sweden Tel.: +46 8 405 1000
Organization	MAPs and APAs are generally handled by the Swedish Tax Agency, Legal Department unit 1, Competent Authority.
Scope of MAP & MAP APA	Application of Tax Treaties
Domestic guidelines & administrative arrangements	MAP: https://www4.skatteverket.se/rattsligvagledning/edition/2018.12/331441.html APA: https://www4.skatteverket.se/rattsligvagledning/edition/2018.12/339233.html
Time for filing	N/A
Form of request	N/A
Documentation requirement	No formal requirement.
User fees	None for MAPs.
Tax collection / penalty / interest	In cases of double taxation an extension of time can be granted upon request during MAP for the amount being taxed in both States.
Other dispute resolution mechanisms	The EU Arbitration Convention for transfer pricing cases.
Government Website	http://www.skatteverket.se

Dispute resolution under the Arbitration Convention does not need to be initiated and may be suspended if one of the enterprises involved is subject to a 'serious penalty' for the transactions giving rise to the profit adjustment (Article 8).

Unilateral Declaration of Sweden on Article 8 of the Arbitration Convention (*Official Journal C 026, 31/01/1996 P. 0001 - 0033*)

"An infringement of the tax laws punishable by a 'serious penalty' is constituted by an infringement of the tax laws penalized by detention, criminal or administrative fines."

9. Relevant regulations on Advance Pricing Arrangements

As of 1 January 2010, the Act (2009:1289) and the Ordinance (2009:1295) on Advance Pricing Agreements regarding international transactions entered into force in Sweden.

For further information on APAs, see general guidance provided by the Swedish Tax Agency:
<https://www4.skatteverket.se/rattsligvagledning/edition/2018.12/339233.html>

See also: <http://www.oecd.org/tax/dispute/Sweden-Dispute-Resolution-Profile.pdf>

10. Links to relevant government websites

www.skatteverket.se

<https://www.skatteverket.se/tp>

<https://www.regeringen.se/sveriges-regering/finansdepartementet/>

11. Other relevant information

N/A