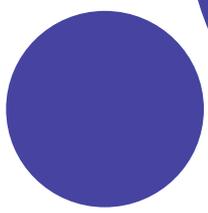
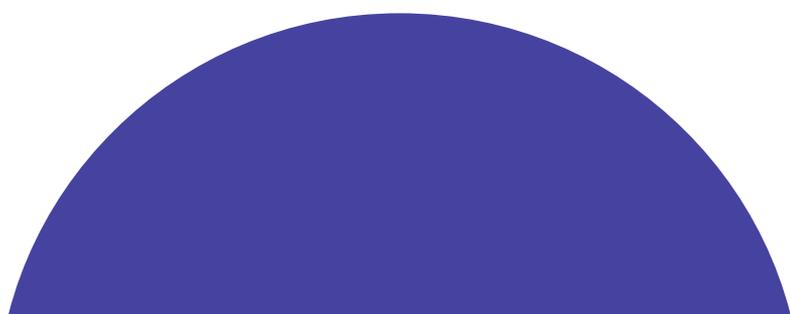




i-paye



**Guide to Contracting in
Sweden**



COUNTRY HIGHLIGHTS (2017)

SWEDEN – Individual

Currency	Swedish Krona (SEK)
Tax Year	Starts 1 January Ends 31 December
Taxation Rates	20% on income up to SEK 625,800 25% on Balance Municipal Taxation between 29% and 36% Non Residents who perform work in Sweden 20% The taxation regime in Sweden is Complex and is dictated by the Swedish Authorities who will provide a deduction amount to be retained and paid on account of the annual tax liability.
Social Security	Employers Average 31.42% (subject to age)

Tax Residency

An individual is resident if they are present in Sweden for six months or more and regularly stay overnight are generally considered resident for tax purposes.

An individual who is Tax Resident is taxable on Worldwide Income except if exempt under a double taxation treaty.

An individual who is not Tax Resident is taxable in Sweden may be taxable on Income earned or generated there, depending upon individual circumstances and whether protection under a DTA exists.

Social Security

Social Security is payable in the Sweden unless the individual is paying Social Security in the country in which their employer is based and they are habitually resident. A certificate of continuing liability to Social Security is required to exempt the individual from Swedish Social Security.

Right to Work

EU and EEA Nationals have an unfettered right to work in the Sweden without the need to hold a VISA or Work Permit. However, all EU and EEA Nationals must register for a residence permit if their stay exceeds 3 months.

Other Nationals, generally, need to have the relevant approval to work prior to their arrival in the Sweden.

I-PAYE Service

I-PAYE is registered as an employer in Sweden and all individuals are engaged on contracts of employment.

All income is reported to the Swedish Tax Authorities, with deduction for expenses allowed under Swedish Law. Any expenses that are reimbursed that are not allowed or are above published rates will be subject to Swedish Taxation and Social Security at the appropriate rates.

I-PAYE will provide UK Nationals that habitually reside in the UK and other EU Nationals that do not reside or are habitually resident in Sweden. I-PAYE will normally not seek to employ Swedish Nationals

As an employee of I-PAYE then you simply would register as working in Sweden and the rest is down to us.

Frequently Asked Questions

Q. I currently work on a project in the United Kingdom through a PSC and have an assignment in Sweden, is it true that I can operate the same model in Sweden?

A. Under Swedish Domestic Law a UK PSC may be considered as having a Permanent Establishment in Sweden, which means that all income derived by the business will be subject to Swedish Taxation. No matter the taxation position of the company any employment income paid in respect of duties performed in Sweden will be may be subject to Swedish Taxation and Social Security from day 1.

In addition any dividends payable to shareholders will be subject to Swedish Dividend Taxation either at resident or non-resident rates.

Q. What happens if I choose to ignore the rules?

A. Sweden as with all European Countries may seek to apply the Mutual Assistance Recovery Directive (MARD) to request the UK and other Tax Authorities to collect any unpaid moneys due.

From 1 October 2017 new legislation has been enacted in the United Kingdom that means that any entity engaging in or with business that evades taxation in a Foreign Country will be subject to an unlimited fine. Failing to report income to the Swedish Authorities is Tax Evasion, not avoidance, and under Swedish Law would generally lead to a criminal conviction.

Q. I want to do it correctly where should I seek advice?

A. The Swedish Tax Office provide limited advice in English on their website and it is generally difficult to obtain the answers to the most basic questions without having a working knowledge of how the Swedish Tax and Social Regime works.

Specialist advice should always be sought before going on assignment in Sweden.

More information is available from I-PAYE on 0151 449 3500



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