



Photo: www.imagebank.sweden.se © Louise Billger

Setting up and registering as a self-employed person in Sweden

This is an introduction for individuals planning to start a business in Sweden. It aims to provide a stand-alone and hands-on overview of key issues to consider and offer guidance on where to find further information.

Invest Sweden does not, apart from this fact sheet, provide any personal assistance regarding starting a business as an entrepreneur or a self-employed person. Invest Sweden recommends instead; www.verksamt.se and www.migrationsverket.se. In addition, the website www.sweden.se provides general information about Sweden and Swedish culture.



The main information source for individuals aiming to set up a business as a self-employed person in Sweden is the government web portal www.verksamt.se. The website includes information on regulations, business permits, contact details and information relevant when starting up a business as a self-employed person.

IN BRIEF

- Where to turn when setting up a business as a self-employed person
- Contact details to key institutions for further assistance

The other important information source is the Swedish Migration Board (*Migrationsverket*), which is the government agency responsible for work and residence permits for people considering moving to Sweden. Information on permits and requirements for permits can be found on the board's website at www.migrationsverket.se.

MOVING TO SWEDEN

Citizens of non-EEA countries

Individuals from outside the European Economic Area (EEA) wishing to become self-employed and set up a business in Sweden do not require a work permit. However, they need to apply for a residence permit. The residence permit application form "Application for Swedish residence permit for self-employed persons" is available on Migrationverket's website.

Residence permit qualification requirements:

- Valid passport
- Proof of ownership of at least 50 percent of the company and that the applicant runs and has ultimate responsibility for the business.

- The company must be expected to achieve satisfactory profits and be able to support the applicant and accompanying family (if applicable) during the two-year probationary period.
- Proof of solid experience in the sector and previous experience of running a business.
- English and/or Swedish language skills

Certain documentation regarding the proposed business must be supplied with the residence permit application:

- A detailed business plan which includes:
 1. Market survey
 2. Contracts with customers/suppliers
 3. Contract for business premises
 4. Business permits (if required)
 5. Investment budget
 6. Liquidity budget and profit/loss budget
 7. Budgeted balance sheet
- Evidence of capital required to set up or purchase a company, e.g. a bank statement or similar document.
- Proof of adequate funds to support the applicant and accompanying family (if applicable) during the two-year probationary period. Migrationsverket has set a minimum amount of SEK 200,000 for the applicant, SEK 100,000 for accompanying spouse and SEK 50,000 per child aged under 18.
- Submission of the two most recent annual reports if an existing company is being acquired.

Migrationsverket will assess your business plans from a financial perspective.

When applying for a residence permit for the first time, the full documentation should be submitted to the Swedish embassy or consulate in the country of origin or residence. The embassy or consulate will then pass the application to Migrationsverket for adjudication. The embassy or consulate will notify the applicant of the decision.

Residence permit applications are dealt with in application date order. The waiting time is about 10 months when applying for a residence permit as a self-employed person.

The residence application permit fee is SEK 2,000. Contact details and addresses for the Swedish diplomatic missions abroad can be found at www.swedenabroad.com, the website for Swedish Diplomatic Missions abroad.

Duration of residence permits

A residence permit granted to a self-employed person is normally valid for a two-year probationary period, unless the

permit is only needed for a shorter period. After two years, the applicant can apply for a permanent residence permit. Migrationsverket needs verification of the following:

- That the applicant can support him/herself and accompanying family (if applicable) from the business.
- That he/she is running the company in accordance with the plans reported.
- Whether the business has been registered with the Swedish Companies Registration Office (*Bolagsverket*).
- That relevant permits for the business activities are in place.

The applicant also needs to show that he/she is living in Sweden and that the business activities are conducted primarily from Sweden. If the requirements are met, Migrationsverket may grant a permanent residence permit.

Family members

A spouse/cohabitant and unmarried children under 18 are eligible for residence permits if they can show that their upkeep is assured. They are granted permits for the same length of time as the main applicant. However, spouses or cohabitants cannot obtain a work permit based on their connection to the self-employed.

EU/EEA COUNTRIES

EU member states are:

Austria, Belgium, Bulgaria, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxemburg, Malta, Netherlands, Poland, Portugal, Romania, Slovakia, Slovenia, Spain, Sweden and United Kingdom.

EEA countries:

The EEA consists of the EU member states and Iceland, Norway and Liechtenstein.

Citizens of EEA countries

An applicant who is an EU/EEA citizen has “the right to reside” in Sweden without applying for a work or residence permit when setting up a business as a self-employed person. Right to reside means that an EU/EEA citizen and his/her family members are permitted to stay in Sweden for more than 90 days without applying for a residence permit. EEA citizens do not need a work permit to start working in Sweden.

EU/EEA citizens must register for their right to reside with Migrationsverket within 90 days of entering Sweden. This is done at any of Migrationsverket's permit units in Sweden or by sending the registration by post. Addresses can be found at www.migrationsverket.se.

Swiss citizens must apply for a residence permit when



staying in Sweden for more than three months.

Nordic citizens can live in Sweden without holding a residence permit or registering their right to reside.

Right to reside is registered by completing a “Registration of right of residence form,” available at Migrationsverket website.

Registrations should include the registration certificate for the company, issued by Bolagsverket and/or an “F-tax” certificate for the Swedish business.

Further documentation may also be required, for example:

- Marketing plan for the company
- Lease agreement for premises necessary for the company’s operations
- Proof of previous experience and expertise in the field in question
- Company invoices
- Receipts/invoices for materials purchased
- VAT accounts
- Transfer documents if an established business has been purchased

When entering Sweden, EEA citizens and their family members must have a valid passport or EU identity card stating their nationality.

Family members who are EU/EEA citizens

Family members include:

- Husband, wife, registered partner or cohabitant
- Children under the age of 21 years or older children who are dependent on their parents for upkeep
- Parents who are financially dependent on children who live in Sweden

PERSONAL REGISTRATION

Individual tax and civic registration and personal identity numbers

A person planning to reside in Sweden for more than 12 months needs to register at a local office of the Swedish Tax Agency (*Skatteverket*) for civic purposes. When registered, he/she receives a personal identity number (*personnummer*). This number is unique and is needed for basic tasks like opening a bank account and obtaining a phone number. It is sent to the person’s Swedish address.

Source: Swedish Tax Agency (*Skatteverket*)

Registration for social insurance

The Swedish social insurance system normally covers everyone who lives or works in Sweden and is to a large extent funded by social security contributions (*arbetsgivaravgifter*).

- Parents of students do not have an automatic right to reside

The following documents must be enclosed with the application for right to reside:

- Marriage certificate or proof of cohabitation
- Documents that show that the applicants relative still have the right of residence
- Civil registration certificate, lease agreement or proof of purchase of a property (cohabitants)
- Birth certificate (children)
- Civil registration certificate from the applicant’s home country or bank statement showing receipt of regular financial support from the child/parent (children aged over 21 and parents)

The right to reside application can be posted to Migrationsverket or handed in to a Migrationsverket permit unit in Sweden. Addresses are found at the Migrationsverket website. The registration application should be complete and signed to ensure a speedy process.

The registration certificate is sent to the applicant’s address in Sweden. The registration certificate is permanent, does not need to be renewed and is valid as long as the applicant is resident in Sweden, on condition that the above requirements are satisfied. The certificate is free of charge.

Permanent right to reside

Persons who successfully register their right to reside in Sweden for five consecutive years gain a permanent right of residence.

Source: Swedish Migration Board (*Migrationsverket*)

Coverage includes:

- Retirement pension
- Survivor’s pension
- Healthcare
- Occupational injury insurance
- Parental insurance
- Unemployment insurance

Social security contributions are based on a percentage of gross income. For self-employed people using certain business form, the rate is 28.97 percent of gross salary. For employees, the rate is 31.42 percent.

An individual registers with the social insurance system at a local office of the Social Insurance Agency (*Försäkringskassan*) after receiving a personal identity number from Skatteverket.

Source: Swedish Social Insurance Agency (*Försäkringskassan*)



COMPANY REGISTRATION

New companies are registered with the Swedish Companies Registration Office (*Bolagsverket*).

Business structures

Different business structures have different requirements and rules, as described below:

Sole trader (*Enskild näringsidkare*)

A sole trader is a person who runs a business and represents it himself or herself. A business that operates in this way is not a legal entity and the sole trader is personally liable for any debts that the business may incur.

Trading partnership and limited partnership (*Handelsbolag and kommanditbolag*)

Trading partnerships and limited partnerships are operated by two or more partners. The partners in a trading partnership are

personally liable for the partnership's agreements and debts. A limited partnership is a special form of trading partnership that must include at least one partner with limited liability (a limited partner) and at least one with unlimited liability (a general partner).

Limited liability company (*Aktiebolag*)

A limited liability company is represented by a board of directors and requires minimum share capital of SEK 50,000 if the company is privately held. The liability of the shareholders is normally limited to the capital invested in the company.

Registration fee

The registration fee is SEK 900–2,200 depending on the business structure. The fee is paid to Bolagsverket and the registration process takes 4–10 weeks.

Source: Swedish Companies Registration Office (*Bolagsverket*)

Summary of some legal differences between the most common business structures

	Sole trader	Trading partnership	Limited partnership	Limited liability company
Legal entity	No	Yes	Yes	Yes
Owners liable for the debts of the business	Unlimited personal liability for owner	Unlimited joint and personal liability for owners	General partner: Unlimited joint and personal liability. Limited partner: Own contribution	No personal liability. Only capital invested at risk
Registration	With the Swedish Tax Agency. In some cases with the Swedish Companies Registration Office	With the Swedish Companies Registration Office and the Swedish Tax Agency	With the Swedish Companies Registration Office and the Swedish Tax Agency	With the Swedish Companies Registration Office and the Swedish Tax Agency
Tax payable	The owner is taxed on the surplus	Each owner is taxed on his/her share of the surplus	The respective owner is taxed on his share of the surplus	The business is taxed on its profit. The owner is taxed on salary and any dividend received.
Protection of name	Within the county if registered at Swedish Companies Registration Office	Within the county	Within the county	Throughout Sweden
Number of owners	Always a natural person	At least two people, natural persons or legal entities	At least two people, natural persons or legal entities	One person or more or legal entities
Auditor required	No, not usually ¹	No, not usually ¹	No, not usually ¹	Yes, at least one certified public accountant Small companies may choose not to have an auditor
Distribution of profit and loss	Normally only to the owner. Exception: husband, wife and cohabiting partner with mutual children.	By agreement if such exists. Otherwise equal shares.	By agreement if such exists. Otherwise equal shares.	The profit can be distributed to owners in the form of dividends
Capital requirement	No	No	General partner: No Limited partner: min. SEK 0.50	SEK 50,000 for a private limited liability company. SEK 500,000 for a public limited liability company.
Who represents the business?	The trader (owner)	The partners, individually or jointly	The general partners	The board of directors, the managing director
Can the business employ staff?	Yes	Yes	Yes	Yes

¹ There are exceptions for large corporations, certain trading partnerships and limited partnerships owned by legal entities. May also apply to businesses with special business operations.

REGISTRATION FOR CORPORATE TAX AND VAT

All types of business entities except for sole traders have to be registered with Bolagsverket before they can start operating. A sole trader can choose to register only for tax with Skatteverket.

Whatever the type of business entity, the owner needs to register the company for tax and social security contributions with Skatteverket. This registration includes:

- Application for F tax or FA tax status
- Registration of the business for value-added tax (VAT)
- Registration as an employer, (if there are employees)
- Details for calculation of preliminary tax

When registrations are complete, the company receives a registration certificate, an F or FA tax certificate and notification of the amount of preliminary tax it needs to pay.

Having an F tax certificate means that the business owner is responsible for paying corporate taxes and social insurance fees.

The notified tax charge is based on an assumed profit for the business, which is calculated at the beginning of the financial year and can be amended during the financial year. VAT is

payable on almost all consumption of goods and services. Companies that conduct commercial activities and sell goods or services liable for VAT need to register with Skatteverket.

Swedish VAT (*moms*) is based on an input/output system, generally granting full credit for all companies registered for VAT. The standard rate of VAT is 25 percent. A reduced rate of 12 percent applies primarily to food, hotel accommodation, camping, and cultural and sporting events. As of 1 January 2012 it also applies to restaurant and catering services (except for wine, beer and spirits, where the standard VAT rate applies). A reduced rate of 6 percent applies mainly to newspapers, books, magazines and public transport.

Certain services are VAT-exempt. These include medical and dental care, social services, banking and financial services.

If the company imports goods, it has to pay VAT to Swedish Customs (*Tullverket*).

Sources: Swedish Tax Agency (*Skatteverket*)
Swedish Customs (*Tullverket*)

LICENSES AND PERMITS

Almost everyone is free to start business in Sweden. However, certain activities require a permit. Make sure to confirm what permits/licenses are needed. Here is a list of organizations that can help you with necessary permits:

Local municipality (*Kommun*)

Sweden is geographically divided into 290 municipalities. The municipality where the company is registered issues permits for food handling, serving alcohol and construction work relating to property change of use.

Certain environmentally hazardous activities must also be reported to the municipal environment and health protection department.

The website of the Swedish Association of Local Authorities and Regions (*Sveriges Kommuner och Landsting*) includes contact details to all municipalities in Sweden as well as general information on the Swedish system of local authorities (www.skl.se).

County administrative board (*Länsstyrelsen*)

Sweden is geographically divided into 21 counties, each of which has a county administrative board (*Länsstyrelse*). The boards issue permits for commercial traffic, car rental, security companies and certain environmentally hazardous activities (www.lst.se).

National Board of Health and Welfare (*Socialstyrelsen*)

All healthcare personnel, including doctors, nurses, physiotherapists and dentists, are obliged to report the start of private businesses (www.socialstyrelsen.se).

National Board of Trade (*Kommerskollegium*)

Issues licenses for imports of goods such as textiles and clothing (www.kommers.se).

Swedish Board of Agriculture (*Jordbruksverket*)

Issues licenses for imports of agricultural products (www.sjv.se).

National Food Administration (*Livsmedelsverket*)

Registration of food importers (www.slv.se).

Swedish Customs (*Tullverket*)

Answers questions about customs regulations, for example how to fill out a customs declaration and what the current tariff rates, duties and taxes are (www.tullverket.se).

Others

A comprehensive list of the most common permits and licenses for business enterprises in Sweden can be found on the website www.verksam.se.

Source: Swedish Agency for Economic and Regional Growth (*Tillväxtverket*)



ACCOUNTING

Swedish companies can choose either to keep their own books or outsource their bookkeeping to an external company that manages the accounts and tax payments.

The Swedish Accounting Act (*Bokföringslagen*) requires all business owners to keep their books in good order, whatever the level of activity in the business. Bookkeeping starts when the business starts and the owner is responsible for ensuring that the accounting is correct.

All business transactions (i.e. everything that affects a company's finances) must be documented.

Vouchers are papers that document a business transaction and can include receipts and invoices. They can also be in electronic form. A voucher must clearly state the date of the transaction and what it applies to, the total amount (with VAT specified) and the names of buyer and seller. Under Swedish law, all accounting information must be saved for seven years.

COMMERCIAL REAL ESTATE

To find office premises or other types of facilities, consult the local municipality's department for trade, commerce and

business development. Some municipalities offer services to find available office, retail and restaurant space. Alternatively, they can direct to a local real estate broker.

USEFUL CONTACTS

Government agencies

www.verksamst.se

On this website three government agencies have brought together and structured information and services of value when considering starting a company or providing services in Sweden.

www.sweden.se

The official website of Sweden. Learn more about Swedish society, lifestyle and much more through facts, guides, stories and images.

www.workinginsweden.se

The website is aimed mainly at non-EU/EEA citizens interested in working in Sweden for at least one year.

Swedish Embassies / Consulates

www.swedenabroad.se

The web site for Swedish Diplomatic Missions abroad.

Swedish Migration Board (Migrationsverket)

SE-601 70 Norrköping
+46 771 194400
www.migrationsverket.se

The Migration Board is responsible for permits for people visiting and settling in Sweden, citizenship affairs and repatriation.

Swedish Companies Registration Office (Bolagsverket)

SE-851 81 Sundsvall
+46 60 18 40 00
www.bolagsverket.se

The Swedish Companies Registration Office is the government agency that registers new companies as well as changes in established companies and receives annual accounts, etc.

Swedish Tax Agency (Skatteverket)

SE-171 94 Solna
0771 567 567 (from Sweden)
+46 8 564 851 60 (from abroad)
www.skatteverket.se

The Swedish Tax Agency is the government agency for taxation, tax collection and national registration of residents.

Swedish Agency for Economic and Regional Growth (Tillväxtverket)

Götgatan 74
Box 4044, SE-102 61 Stockholm
+46 8 681 91 00
www.tillvaxtverket.se

Swedish Agency for Economic and Regional Growth is responsible for the information on www.verksamst.se

Swedish Customs (Tullverket)

Box 12854, SE-112 98 Stockholm
+46 771 520 520
www.tullverket.se

Swedish Customs manages the flow of goods in and out of Sweden and simplifies legal trade by offering flexible customs procedures for international trade.

Swedish Social Insurance Agency (Försäkringskassan)

For information on the nearest office please see the agency's website www.forsakringskassan.se

The Swedish Social Insurance Agency administers insurance and benefits of the social insurance system. It has some 240 local offices in the various counties.

REGIONAL CONTACTS

A number of regional organizations provide free advice to people who want to become self-employed and set up a business. Contacts for these organizations are found below.

1. Skåne County

Douglas Almquist
Invest in Skåne
Tel: +46 40 675 34 53
douglas.almquist@skane.com

2. Blekinge County

Sofia M Westerberg
Region Blekinge
Tel: +46 455 30 50 32
sofia.m-westerberg@regionblekinge.se

3. Kronoberg County

Anders Unger
Regional Council of Southern Småland
Tel: +46 470 724 734
anders.unger@rfss.se

4. Halland County

Peter Syrén
Region Halland
Tel: +46 35 17 98 44
peter.syren@regionhalland.se

5. Kalmar County

Magnus Gustafson
Kalmar County Regional Council
Tel: +46 703 78 68 47
magnus.gustafson@kalmar.regionforbund.se

6. Jönköping County

Anne-Marie Hagström Hirschberg
Regional Development Council of Jönköping County
Tel: +46 70 657 92 00
anne-marie.hagstrom-hirschberg@regionjonkoping.se

7. Sjuhärad Region

9 municipalities in Västra Götaland and Halland Counties
Hans Nyhlén
Sjuhärad County Regional Council
Tel: +46 33 35 70 48
hans.nyhlen@boras.se

8. Region Göteborg

13 municipalities in the Gothenburg Region
Helen Teame
Business Region Göteborg
Tel: +46 367 61 39
helen.teame@businessregion.se

9. Gotland County

Stefan Persson
Region Gotland
Tel: +46 498 20 41 58
stefan.persson@gotland.se

10. Östergötland County

Mattias Flodström
East Sweden Business Region
Tel: +46 13 262710
mattias.flodstrom@ostsam.se

11. Skaraborg

15 municipalities in Västra Götaland County
Ingemar Fredriksson
Invest in Skaraborg
Tel: +46 708 46 33 75
ingemar@tsp-consultancy.com

12. Fyrbodal Region

14 municipalities in Västra Götaland County
Lars Hultberg
Fyrbodal Kommunförbund
Tel: +46 522 44 08 42
lars.hultberg@fyrbodal.se

13. Stockholm-Mälardalen

50 municipalities in Stockholm, Uppsala, Västmanland, Södermanland, Örebro, Dalarna and Gävleborg counties
Ulrika Andersson Rosén
Stockholm Business Region Development
Tel: +46 8 508 280 78
ulrika.rosen@stockholm.se

14. Örebro County

Mats Helgesson
Business Region Örebro
Tel: +46 19 21 26 15
mats.helgesson@orebro.se

15. Värmland County

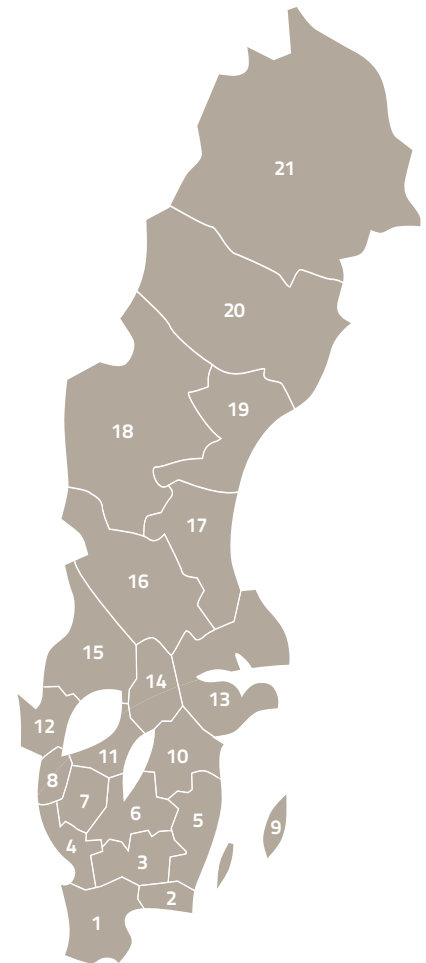
Lars Christensen
Region Värmland
Tel: +46 54 701 10 30
lars.christensen@regionvarmland.se

16. Dalarna County

Johan Holmberg
Invest in Dalarna Agency
Tel: +46 243 48 88 61
johan.holmberg@investindalarna.se

17. Gävleborg County

Carina Åkerberg
Region Gävleborg
Tel: +46 26 65 02 23
carina.akerberg@regiongavleborg.se

**18. Jämtland County**

Calle Suwe
Midscand
Tel: +46 706 80 62 45
calle.suwe@midscand.com

19. Västernorrland County

Robert Nordin
Invest in Mid Sweden
Tel: +46 703 79 40 19
robert.nordin@midsweden.eu

20. Västerbotten County

Anders Wangby
Västerbotten Investment Agency
Tel: +46 910 71 26 80
anders.wangby@viavasterbotten.se

21. Norrbotten County

Jörgen Eriksson
Invest in Norrbotten
Tel: +46 70 636 00 55
jorgen.eriksson@norrbotten.se