



Sweden

WTS Global Country TP Guide

Last Update: December 2017

1. Legal Basis	
Is there a legal requirement to prepare TP documentation?	Yes
Since when does a TP documentation requirement exist in your country?	2007
Are TP policies of multinational enterprises in principle accepted by the tax authorities, if they are in line with the OECD TP Guidelines?	Yes
Which TP methods may be applied?	All commonly used TP methods
Are any TP methods preferred over others?	No (as long as reasonable and arm's length the method is accepted).
Have the documentation requirements of OECD BEPS Action 13 already been implemented (i.e. the LF, MF and CbCR concepts)?	CbCR/MF/LF implemented
Reference to documentation and statements of local-government or tax authorities regarding OECD BEPS implementation status	The proposed law (prop. 2016/17:47) implementing BEPS Action 13 was adopted in March 2017 and entered into force on 1 April 2017.
Reference to relevant articles of law, legislative regulation or applicable administrative guidance that are in place for TP documentation in general.	In Sweden there is only one statutory rule on transfer pricing (Chapter 14 Section 19 SITA). This section adopts the arm's-length principle for transactions between related enterprises and authorities. However, the Swedish Tax Authority ("STA") and the Supreme Administrative Court seek guidance from Article 9 of OECD's Model Tax Convention and OECD's Transfer Pricing Guidelines.

2. Master File (MF)	
	Yes
What is the (consolidated revenue) threshold requirement for the obligation to prepare a MF?	Companies will be exempt from the requirement to prepare Swedish transfer pricing documentation if, in the year prior to the subject financial year, the company had less than 250 employees and either reported revenue not exceeding SEK 450 million (EUR 45,995,323) or total assets not exceeding SEK 400 million (EUR 40,884,732).
Euro Equivalent	EUR 45,995,323
As from which year does this obligation exist?	The new documentation requirements are effective for fiscal years beginning 1 April 2017 or later. The Master file must be prepared/available by the time when the Corporate Income Tax return of the parent company is due. Which in Sweden normally is 6 months after the end of the fiscal/financial year end.
When does the Master File need to be available?	See answer above.
When does it need to be submitted?	Upon request from STA. Such request is possible from the date the income tax return is filed (no later than six months after the fiscal year ends).
Does the MF have to be prepared in the relevant local language ?	No. The documentation can be prepared in Swedish, Norwegian, Danish or English.
Is documentation in English permissible?	Yes

What are the possible consequences of not having the MF available?	
Penalties?	Yes
Imprisonment?	No
Shifting of the burden of proof?	Yes
Other?	No
To which extent do the local rules differ from the OECD standard regarding the OECD content requirements for the MF as shown in the BEPS implementation overview chart?	Consistent with OECD requirements.

3. Local File (LF)	Yes
What is the threshold requirement for the obligation to prepare a LF?	Revenue threshold is the same as for the Master File (no specific requirements for Local Files). (However, insignificant transactions (below SEK 5 million) do not need to be documented)
Euro Equivalent	EUR 496,914
As from which year does this obligation exist?	The new documentation requirements are effective for fiscal years beginning 1 April 2017 or later. The Local file must be prepared by the time when the tax return of the parent company is due.
When does the LF need to be available?	Same as for Master File.
When does the LF need to be submitted?	Same as for Master File.
How and where should the LF be filed?	Same as for Master File.
Does the LF have to be prepared in the relevant local language?	No
Or is documentation in English permissible?	Yes
What are the possible consequences of not having the LF available?	
Penalties?	Yes
Imprisonment?	No
Shifting of the burden of proof?	Yes
Other?	No
To which extent do local rules differ from the OECD standard regarding the OECD content requirements for the LF as shown in the 2017 OECD TP Guidelines?	Consistent with OECD requirements.

4. Country-by-Country Reporting	Yes
What is the threshold requirement for the obligation to prepare Country-by-Country Reporting?	Applies to companies with annual consolidated group revenue equal to or exceeding SEK 7 billion in the previous year. Regulations extend to subsidiary entities.
Euro Equivalent	EUR 695,680,000
As from which year does this CbCR obligation exist?	Applies to fiscal years beginning on or after 1 January 2016.
When and how do the tax authorities need to be notified who the reporting entity is?	Must be filed no later than 12 months after the last day of the reporting fiscal years. Swedish entities must submit a notification to STA by the end of the fiscal year with information of which group entity that will be filing the CbC reporting for the group. An extension has been granted for the first fiscal year. The notification should be submitted by 30 April 2017, for fiscal years that have ended before 1 April 2017. The notification should be sent manually to STA (Skatteverket, 403 32 Göteborg, Sweden). A notification has to be prepared for each Swedish taxpayer within the group. The notification does not have to be signed by the representative of the Swedish taxpayer.

If the reporting entity (ultimate parent or surrogate parent) is in your country, what is the CbCR submission deadline?	See answer above.
Are there any deviating submission deadlines for the secondary mechanism?	No
Does your country have a requirement that the financial figures of the group need to be aligned with?	No
Does your country have a requirement that the financial years of the group need to be aligned with?	No
Where is the CbCR to be submitted ?	The report needs to be filed electronically on the STA website (https://www.skatteverket.se/). The online service will open the autumn of 2017.
How is the CbCR to be submitted, specifically, is there any prescribed standard?	The CbC report will need to be provided in Swedish, Danish, Norwegian, or English and Sweden has adopted the OECD's XML Schema standardised electronic format.
To which extent do your local rules differ from the OECD standard regarding the content requirements for the CbCR as shown in the 2017 OECD TP Guidelines?	Consistent with OECD requirements.
Did your country sign the Multilateral Competent Authority Agreement on the Exchange of CbC Reports ("CbC MCAA")?	Yes
Did your country enter into other information exchange agreements, such as on a bilateral basis?	Yes
Please specify the country involved and date the agreement came into force.	Sweden has implemented the European Union Automatic Exchange Directive (EU Directive 2016/881/EU). The directive was implemented 2 march 2017.
Can a taxpayer in your country fulfil his CbCR requirement by referring to the reporting entity in the same or another country?	Yes

5. TP disclosure in tax return or transfer pricing specific returns

Does a taxpayer need to disclose information regarding TP documentation in his tax return?	No
When a taxpayer files a tax return for which he understands or should understand that the result reported in that tax return is too low due to incorrect transfer pricing, what could be the legal consequences?	The penalties are ranging from 10% to 40% of the additional tax imposed. However, an intentionally submitted incorrect tax return may constitute a tax crime (with risk of imprisonment of up to 6 years in serious cases).
What could be the consequences for the tax advisor/accountant/administrator drafting and filing the tax return of a client where that advisor/accountant/administrator understands or should understand that the result reported is too low due to incorrect TP?	An intentionally submitted incorrect tax return may constitute a tax crime (with risk of imprisonment of up to 6 years in serious cases).
Does a taxpayer need to file TP-specific returns?	No

6. Benchmarking	
Is there any local guidance or requirement with regard to the preparation of a benchmark study?	No. There are no legal requirements to present a benchmark. Only a comparability analysis is required. However, a benchmark is commonly requested by the STA. The STA prefers Swedish comparables when auditing a Swedish company, but pan-European comparables are readily accepted. Comparability is more important than location. Local comparables are preferred when a foreign entity is the tested party, but also in these cases pan-European, pan-Asian comparables etc. are readily accepted depending on tested party's location.
Are there any materiality thresholds that apply for the requirement to have a benchmark study available?	No
Does your country apply the general guidance by the OECD to prepare a new benchmarking search every three years and an update of the financial data of the accepted comparable in year 2 or 3?	Yes
Or is a new search every three years without any financial updates in year 2 and 3 sufficient?	No

7. Year-end adjustments	
Are year-end adjustments permissible?	Yes
Does the taxpayer have to comply with any specific features or guidance?	No

8. Transfer Pricing Audit and Dispute Resolution Mechanisms	
What are currently the main TP areas of scrutiny by the tax authorities in your country?	Restructurings/IP transfers/IP-set-ups and more general/overall TP-doc/set-up compliance checkings.
Based on your experience, are joint or multilateral audits initiated and carried out?	No
Does the taxpayer have the option to apply for bilateral or multilateral APAs?	Yes
Are there any restrictions?	The current filing fee is SEK 150,000 per country involved for a new APA and SEK 100,000 for a renewal. Unfortunately, STA has limited resources which makes the APA process slow.

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