



GMS Flash Alert

Immigration Edition

2020-466 | November 24, 2020

Sweden - Brexit Update: The Time for Preparation Is Now

The European Union (EU) and the United Kingdom (U.K.) have yet to negotiate a deal following the transition period's end on 31 December 2020.

In this *GMS Flash Alert*, we look at what we know about the possible Brexit outcomes for global mobility professionals and their employees, as they affect Sweden and the United Kingdom.

WHY THIS MATTERS

With only six weeks to go until this date, now more than ever before, it is essential that businesses consider taking the appropriate steps to get ready for possible outcomes at the end of the transition period, if they aren't already doing so. This will help them to better deploy an advantageous strategy for their business and their personnel and to avail of opportunities that will come with the changing relationships between Sweden, as a part of the EU, and the United Kingdom. It will also help foster compliance with the new rules.

Background

Migration – What We Know

Sweden

On 11 November 2020, the Riksdag (Sweden's parliament) formalised the arrangements for British nationals who will enter Sweden prior to the end of the Brexit transition period, which ends on 31 December 2020. It has now been confirmed that any British citizens who arrive in Sweden to live, work, and study prior to 31 December will retain their right to remain in Sweden.¹ (For prior coverage, see [GMS *Flash Alert* 2020-370](#), 25 August 2020.)

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For such British citizens, a new 'residence status' has been introduced, and from 1 December 2020, an application can be made to the Swedish Migration Agency to obtain it.

To make the process as time efficient as possible, the Migration Agency will introduce a special web application exclusively for British nationals, which will allow a whole family to file a single application.² The application can be made any time from 1 December 2020 to 30 September 2021, during which time British nationals can remain in Sweden without a special permit. Once granted, the residence status will apply indefinitely, but the certificate will need to be renewed every five years.

The position for U.K. nationals arriving in Sweden after Brexit remains unclear, but it is likely that they will be treated the same way as all third-country nationals arriving in Sweden.

United Kingdom

For Swedish nationals who arrive in the U.K. prior to 31 December 2020, an application must be made to the EU Settlement Scheme prior to 30 June 2021, to protect their right to remain in the U.K. post-Brexit.

The U.K. has released its Statement of Changes to U.K. Immigration (for prior coverage, see GMS [Flash Alert 2020-446](#), 3 November 2020). Many of the changes will come into force from 09:00 on 1 December 2020, in order to prepare for the end to freedom of movement between the U.K. and the European Union. From 1 January 2021, all foreign nationals (including EU nationals) will be subject to the new immigration rules.

KPMG NOTE

Companies should make themselves aware of the new immigration rules for relocating and visiting employees to the United Kingdom.

Social Security – What We Know

In the event of the U.K.'s departure from the EU on 31 December without any further agreement, the EU Commission has confirmed that social security entitlements acquired by the EU27 or U.K. nationals prior to 31 December 2020, will be protected.³

However, in the absence of any new agreement, EU Social Security coordination rules including the rules for posted workers will cease to apply to any new cross-border arrangements. New rules between Sweden and the U.K. will have to be agreed at a country level. The existing bi-lateral agreement between the two countries is somewhat insufficient and outdated, particularly, with respect to multi-state workers. If this bi-lateral agreement is not renegotiated, there is a risk that social security may be payable in both Sweden and the United Kingdom.

The U.K. government has confirmed that any A1 certificates granted prior to the end of the transition period with an end date after 1 January 2021, will remain valid until the end date on the certificate.⁴

KPMG NOTE

Sweden has not yet confirmed the final position on A1 certificates after Brexit, but the most recent information available suggests the possibility that A1 certificates may be revoked in the event of a no-deal exit. This is in line with current EU guidance on the potential implications of a 'no deal' exit.

Health Insurance – What We Know

European Health Insurance Cards and S1 reciprocal schemes may cease to be valid for cross-border U.K./EU health-care. Employers should therefore carefully review their health-care insurance policies for their employees.

KPMG NOTE

The KPMG International member firm in Sweden understands that particularly in the current climate, the focus on Brexit may have slipped for many mobility stakeholders. Companies concerned about the impact of the various options on their business and on their employees, should reach out to their qualified professional services providers.

KPMG in Sweden has a range of support options to assist with all your Brexit planning requirements including employee audit strategy, process administration solutions, and bespoke advice. Please contact us (see the Contact Us information on the following page) for more information.

FOOTNOTES:

1 See *Migrationsverket* (in English) "Residence status is being introduced for British citizens after Brexit" (11 November 2020) at: <https://www.migrationsverket.se/English/About-the-Migration-Agency/For-press/News-archive/News-archive-2020/2020-11-11-Residence-status-is-being-introduced-for-British-citizens-after-Brexit.html> .

2 Ibid.

3 European Commission, "A 'No-Deal' Brexit: Securing Citizens' Residence and Social Security Rights" (April 2019) at: https://ec.europa.eu/info/sites/info/files/factsheet_social_security_contingency_final_2.pdf .

4 See HM Revenue & Customs, "Social security contributions for UK and EU, EEA or Swiss workers in a no-deal Brexit" (updated 5 November 2019): <https://www.gov.uk/guidance/social-security-contributions-for-uk-and-eu-workers-if-the-uk-leaves-the-eu-with-no-deal> .

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RELATED RESOURCE:

This article is excerpted, with permission, from "[Brexit Update – The Time is Now](#)" (13 November 2020), an online publication of KPMG AB, a KPMG International member firm in Sweden.

Contact us

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