KPMG

Taxation of international executives: Sweden

January 2026

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Overview and Introduction

1 Overview and Introduction

Residence is the decisive factor in determining the scope of individual income tax liability in Sweden. Nationality is not relevant, but it is one factor among others for determining whether an individual has an essential connection with Sweden. The concept of domicile in the Anglo-Saxon sense has no equivalent in Swedish taxation.

While individual residents in Sweden are subject to tax on worldwide income (with some exceptions as regards income from employment abroad), non-residents are liable to income tax on Swedish- sourced income.

A non-resident is subject to a final withholding tax of 22.5 percent on employment income. Where the stay in Sweden is scheduled for a period of more than six consecutive months the individual will be regarded as resident and normal tax rates for residents will generally apply.

The official currency of Sweden is the Swedish Krona (SEK). Sweden has a decimal currency system with 100 öre making up one Krona (SEK).

Herein, host country/jurisdiction refers to the country/jurisdiction to which the employee is assigned. Home country/jurisdiction refers to the country/jurisdiction where the assignee normally lives when they are not on assignment.

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Income tax

2 Income Tax

2.1 Tax Returns and Compliance

When are tax returns due? That is, what is the tax return due date?

Individual tax returns are due by 2 May of the year following the income year (calendar year). If this date falls on a Saturday, Sunday or a national holiday, the tax returns must be filed by the following weekday.

What is the tax year end?

The tax year ends 31 December.

What are the compliance requirements for tax returns in Sweden?

Residents and Non-Residents

Full-year and part-year residents in Sweden file general tax returns. Tax return forms may be partly pre-printed based on income statements issued by employers, banks, etc. If a spouse or child has income, they must file their own return (joint returns do not exist).

The tax agency issues final notices of tax assessments from April through December in the year following the income year. Where tax withheld exceeds the final tax liability, any excess is refunded when the final assessment is issued. Otherwise, if the tax withheld falls short of the final tax liability, the residue must be paid within 3 months after the final assessment has been issued.

Interest is payable on unpaid taxes as from 12 February in the year following the income year for unpaid taxes exceeding SEK 30,000 and, from early May, for all unpaid taxes.

Non-residents with only Sweden-sourced taxable employment income are normally not required to file a tax return.

2.2 Tax rates

What are the current income tax rates for residents and non-residents in Sweden?

Employment income for non-residents is taxed at a flat rate of 22.5 percent, provided they received a decision to be taxed under the Special Income Tax for Non-Residents Act.

Investment income is generally subject to tax at a flat rate of 30 percent.

Employment income for residents and business income is subject to municipal income tax and national income tax. Municipal income tax is levied at a rate that varies from one municipality to another and may be adjusted annually. The present average rate is 32.38 percent.

National tax on employment income is levied at a rate of 20 percent on the portion of taxable income starting from SEK 643,000.

Residents Income Tax Table for 2026 – Employment Income and Business income

Municipal Income Tax on Earned Income and Business Income

Levied with 32.38 percent (average rate) on total of taxable income.

National Income Tax on Earned Income and Business Income

Taxable income (SEK)	Tax on lower amount	Tax within bracket
Up to 643,000	SEK 0	0%
643,000 and above	SEK 0	20%

The top marginal rate on earned income is approximately 55 percent in practice (considering a municipal tax of 35%).

Personal Earned Income Allowance

Full Year Residents

Total Income (SEK)	Allowance (SEK)
25,100 – 58,900	25,100
59,000 - 160,900	25,200 - 45,500
161,000 - 184,900	45,600
185,000 - 465,900	45,500 - 17,500
466,000 and above	17,400

Part Year Residents receive a prorated portion of the minimum SEK 17,400 full year allowance.

Personal tax credit for People in Work (Work Allowance)

Total Income (SEK)	Credit (SEK)
100,000	12,415
300,000	32,537
479,000 and above	52,390

The example calculation above is assuming a municipal tax rate of 32.38 percent (average rate for 2026) and that the taxpayer is tax resident in Sweden during the whole year of 2026.

Income tax table for 2026 – Investment income

Taxable income bracket		Tax on lower amount	Tax rate on income in bracket
From SEK	To SEK	SEK	Percent
0	Over	Flat rate	30

Non-residents

Income tax table for 2026 – Employment income

Taxable income bracket	Tax on lower amount	Tax rate on income in bracket

From SEK	To SEK	SEK	Percent
0	Over	Flat rate	22.5

Income tax table for 2026 – Business income
Municipal Income Tax on Business income on total of taxable income.

Levied with 32.38 percent (average rate) on total of taxable income. Please note, this is understood to be personal business income (not corporate income).

National Income Tax on Business income

Taxable income (SEK)	Tax on lower amount	Tax within bracket
Up to 643,000	SEK 0	0%
From and above 643,000	SEK 0	20%

2.3 Residence Rules

For the purposes of taxation, how is an individual defined as a resident of Sweden?

An individual is considered a resident in Sweden for tax purposes if one of the following three conditions is met:

- The individual resides in Sweden (home and dwelling in Sweden).
- The individual stays in Sweden during a lengthy period of time (permanent stay). This means staying in Sweden continuously for 6 months; short breaks included. In practice, and following recent case law, as little as one regular overnight stay per week (i.e. two days) during a 6 month-period could trigger Swedish tax residency. If so, the individual is liable to tax from the arrival date in Sweden. When calculating days spent in Sweden all types of days (workdays, non-workdays and travel days) are included, provided the individual was in Sweden any part of that day.
- The individual, who has previously been tax resident, maintains essential connection(s) to Sweden. Swedish citizen and prior residents that lived in Sweden for more than 10 years are considered to have an essential connection to Sweden for 5 years after departure if they cannot prove that they do not have any connections to Sweden. Keeping a permanent home in Sweden is a strong indication that the individual has an essential connection to Sweden.

Is there, a de minimus number of days rule when it comes to residency start and end date? For example, a taxpayer can't come back to the host country/jurisdiction for more than 10 days after their assignment is over and they repatriate.

There is no de minimus number of days rule.

What if the assignee enters the country/jurisdiction before their assignment begins?

The residency status will be based upon the arrival date.

2.4 Termination of residence

Are there any tax compliance requirements when leaving Sweden?

The individual must file a Moving Abroad notification with the Swedish Tax Agency upon departure.

There is not exit taxation. However, any employment income received after departure due to work performed in Sweden is taxable. Either under normal progressive tax rates (for tax residents) or flat rate of 22.5 percent (for non-tax residents).

Please note that Sweden will source stock awards from the date of grant to the date of vesting. However, the applicable tax treaty must be analysed from a sourcing perspective. Moreover, taxation is triggered if an individual has postponed capital gains taxation on stocks when a buying company or cooperative society offers stocks in exchange for the sold stocks instead of cash.

An individual who is considered non-resident in Sweden after departure can be subject to taxation on capital gains on shares and other securities. Should the disposal be made within 10 years following the departure from Sweden, provided that the shares/securities were acquired while the individual was tax resident in Sweden, the capital gain will be subject to tax. This may be restricted or reduced under tax treaties between Sweden and the other country.

What if the assignee comes back for a trip after residency has terminated?

Normally, the residency will not be extended. However, residency may still be valid if it can be concluded from the circumstances that the assignee still resides in Sweden. The tax agency may decide this on a case-by-case basis.

Communication between immigration and taxation authorities

Do the immigration authorities in Sweden provide information to the local taxation authorities regarding when a person enters or leaves Sweden?

No.

Filing requirements

Will an assignee have a filing requirement in the host country/jurisdiction after they leave the country/jurisdiction and repatriate?

An assignee is obliged to file a Swedish tax return the year after repatriating on income derived from Sweden while resident here. Payments made after the repatriation but attributable to work performed in Sweden are taxed under the Special Income Tax for Non-Residents Act at a flat rate of 22.5 percent instead of the progressive rate (assuming non-residency after repatriation).

The assignee should two weeks before repatriating, deregister from the national registry.

2.5 Economic Employer Approach

Do the taxation authorities in Sweden adopt the economic employer approach to interpreting Article 15 of the OECD treaty? If no, are the taxation authorities in Sweden considering the adoption of this interpretation of economic employer in the future?

Yes, from 1 January 2021 Sweden applies the Economic Employer approach.

De minimus number of days

Are there a de minimus number of days before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimus number of days?

De minimus number of days is 15 consecutive workdays (work free days do not break the suite of workdays) and 45 workdays in a calendar year, if the business visitor is deemed to have an Economic employer in Sweden. De minimus number of days is only applicable if the individual is deemed as non-resident under Swedish law.

2.6 Types of taxable compensation

What categories are subject to income tax in general situations?

The general rule is that all remuneration and benefits, whether in-cash or in-kind, in respect of an employment or temporary assignment constitute taxable income. Typical items of an expatriate compensation package treated as taxable are the following:

- base salary
- reimbursement of taxes

Remuneration received free of tax will be grossed up for income tax purposes to a pre-tax gross salary.

- school tuition reimbursements
- cost-of-living and home leave allowances
- expatriation premiums for working in Sweden
- the benefit of free accommodation in employer-owned premises would be valued at market value

In the case of employer-rented accommodation, the value of the benefit would probably be equal to the rent paid by the employer. Where the employer reimburses rent paid by the employee to them, the whole amount of the rent constitutes taxable employment income for the employee. The two latter cases also apply where (higher) rents are paid for furnished accommodation.

- the provision of a company car

The provisions on assessing the taxable benefit of a company car are complex. Company cars are taxed at standard values, based on a given list price. Benefit of free fuel is taxed separately from the company car.

- the provision of rest and relaxation facilities, or the contributions paid to the employee and/or their family for such purposes, constitutes taxable income
- private healthcare, whether paid directly or an insurance premium
- low-interest loans to employees and employer-financed stock options acquired below market value are generally taxable as employment income

Employer's contributions to a foreign pension plan may under certain conditions constitute taxable income, unless corresponding approval is granted, or the plan is deemed to be tax qualified in Sweden or a tax exemption follows from tax treaty provisions.

- employee stock options as defined for Swedish tax purposes are generally taxed at exercise

The taxable value is determined as the fair market value of the underlying stocks at the time of exercise less the strike price of the options and any premiums paid by the employee.

- under Swedish tax laws, compensation is taxable when available to the employee (at the employee's disposal), even if paid later

Where remuneration becomes available to the employee after their departure from Sweden (when they have become a non-resident of Sweden), such remuneration would be taxable if it refers to services previously performed in Sweden. However, the income will in this case be taxed at the non- resident rate of 22.5 percent.

Intra-group statutory directors

Will a non-resident of Sweden who, as part of their employment within a group company, is also appointed as a statutory director (i.e., member of the Board of Directors in a group company

situated in Sweden) trigger a personal tax liability in Sweden, even though no separate director's fee/remuneration is paid for their duties as a board member?

No.

a) Will the taxation be triggered irrespective of whether or not the board member is physically present at the board meetings in Sweden?

Not applicable. Taxation will be triggered if separate director's fee or remuneration is paid.

b) Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Sweden (i.e., as a general management fee where the duties rendered as a board member is included)?

No.

c) In the case that a tax liability is triggered, how will the taxable income be determined?

Not applicable

2.7 Tax exempt income

Are there any areas of income that are exempt from taxation in Sweden? If so, please provide a general definition of these areas.

Typical tax-free benefits include the following items.

Reimbursed moving expenses

Moving expenses, including transportation of the employee and their family, when the move is induced by a change in the place of employment.

Group life assurance plan

Normal contributions to a group life assurance plan.

2.8 Expatriate concessions

Are there any concessions made for expatriates in Sweden? The content of the rules, the conditions for them to apply, and the categories of personnel that may qualify are summarized below.

Contents

- 25 percent of gross remuneration is exempt from income tax.
- Exemption will also cover reimbursement of moving expenses, home leave (twice a year for the employee and family members), and certain school fees for nine-year compulsory school and for upper secondary school.
- Social security fees not levied on tax-exempt amounts.
- Rules to apply for the first 7 years of the temporary stay in Sweden.

Conditions

- The employee must not be a Swedish citizen.
- The employee must not have been resident nor had their habitual abode in Sweden at any time during the 5 calendar years preceding the year when the temporary assignment started.
- It is required that the temporary assignment is intended not to last longer than 5 years.
- The employer who pays the salary must be resident in Sweden or be a foreign enterprise with a permanent establishment in Sweden.

- The authority granting exemption, Forskarskattenämnden, will decide if the employee meets the necessary requirements. The decision may be appealed. An application must be filed within 3 months after the beginning of the assignment.

Categories of personnel

Qualification based on Employment Income Level

Provided that the above conditions are met, an expatriate with an employment income level exceeding SEK 88,801 (2026) automatically qualifies for the relief. However, an application will still have to be filed within three months after the beginning of the assignment.

Should not the employment income level requirement be met, the relief can still be applicable for the following categories of personnel:

- Specialists and experts with an expertise not available or difficult to find in Sweden (such as technical experts).
- Scientists employed in industry as well as any research institute with an expertise not available or difficult to find in Sweden.
- Executives and other key personnel (such as directors, senior management, and top-level specialists in different fields such as administration, logistics, marketing, and IT).

2.9 Salary earned from working abroad

Is salary earned from working abroad taxed in Sweden? If so, how?

Under domestic law income earned worldwide by a tax resident person is taxable in Sweden.

Where a resident of Sweden performs work abroad as an employee, any remuneration received in respect of such work may be exempt from Swedish income tax under one of the following conditions:

- The employment and the stay abroad last for 6 months or more and the income has been taxed in the country/jurisdiction where the work is performed.
- The employment and the stay last for 1 year or more in one country/jurisdiction. In this case, the income need not be taxed in the country/jurisdiction where the work is performed, but there must be a bona fide reason for non-taxation, other than that the income is exempt under a tax treaty.

Furthermore, exemption will only be granted where visits to Sweden do not exceed in average of 6 days per calendar month or in aggregate 72 days during a 12-month period. The rules may apply if the stay abroad is interrupted because of war, earthquake, and similar circumstances or due to illness of the employee or a member of their family. The rules imply full exemption, that is, the exempt income is not considered for progressing the individual's tax rates.

2.10 Taxation of investment income and capital gains

Are investment income and capital gains taxed in Sweden? If so, how?

Investment income includes dividends, interest, capital gains, and rental income from private residences. This type of income is subject to tax at a flat rate of 30 percent.

Dividends, interest, and rental income

Dividends

Dividends are generally taxable as investment income at a flat rate of 30 percent. However, part of the dividends from closely held companies may be taxed as employment income in the hands of a

shareholder who actively works or who has actively worked for the company to a significant degree during the last five years.

Interest

Interest is taxed as investment income at a flat rate of 30 percent.

Rental income

Rental income from immovable property such as a private residence is taxable as investment income at a flat rate of 30 percent. A standard deduction of SEK 40,000, plus 20 percent of the gross rental income, is allowed. If the rental object is a flat that is part of a housing co-operative, the 20 percent deduction does not apply. Instead, other deductions are available. Other rental income from immovable property, that is, not from private residences, is taxed as business income and hence at ordinary progressive tax rate.

If the property or flat is let out to the owner's employer, or to their own company, deductions above do not apply. Instead, a reasonable deduction is allowed which is normally considerably lower than deductions above.

Gains from stock option exercises

Please note that this only refers to employee stock options.

Residency status	Taxable at:		
	Grant	Vest	Exercise
Resident	N	N	Y
Non-resident	N	N	Y
Other (if applicable)	N/A	N/A	N/A

Foreign exchange gains and losses

Regardless of if the gain accrues by a business activity or not, exchange gains are considered a taxable income in Sweden. An exchange gain is taxable as investment income at a flat rate of 30 percent.

If payments are received due to a sale of assets in a foreign currency and the money is exchanged within 30 days, the exchange rate on the day of exchange shall be applied when calculating the gain/loss.

Principal residence gains and losses

22/30 of principal residence gains are taxed at a flat rate of 30 percent. Taxation may be deferred if a substitute home is bought within the EU and if certain criteria are met.

Moreover, under general rules for capital losses, for net capital losses not exceeding SEK 100,000 the taxpayer is entitled to a tax relief equal to 30 percent of the loss. Any portion of the loss exceeding

SEK 100,000 will entitle the taxpayer to a tax relief of 21 percent. The tax credit can be used to set-off national and municipal income tax and the municipal real property fee.

Please note that Sweden also taxes gains on properties located outside of Sweden if the individual is a tax resident in Sweden at the time of signing the sales contract.

Capital losses

Capital losses may be set-off against capital gains. Depending on type of gain/loss, the gain/loss may be pro-rated. Please also see above regarding deductible amounts.

Personal use items

On property used by the taxpayer themselves for private purposes, gains are included in taxable investment income only to the extent that the gain exceeds SEK 50,000 per year.

Losses on such assets are not deductible.

Gifts

There is no gift tax.

2.11 Additional capital gains tax (CGT) issues and exceptions

Are there additional capital gains tax (CGT) issues in Sweden?

Not applicable.

Are there capital gains tax exceptions in Sweden?

Pre-CGT assets

Not applicable. Please see above under Personal Use Items.

Deemed disposal and acquisition

Not applicable.

2.12 General deductions from income

What are the general deductions from income allowed in Sweden?

For employment income, deductions are granted for travel costs between home and office to the extent that such expenses exceed SEK 11,000 and certain criteria are met. Increased cost-of-living during business trips, temporary assignments away from home and other necessary expenses related to the employment are deductible under certain circumstances.

For 2026, a resident taxpayer is granted an income-related personal allowance ranging from SEK 17,400 to SEK 45,600. For part-year residents, an allowance of SEK 17,400 is granted on a pro rata basis.

Alimony paid to a divorced spouse is deductible if the liability is established through a written agreement or by a court order. Alimony payments received constitute taxable income. Maintenance paid to children is not deductible.

Interest not attributable to a business activity is fully deductible against investment income. From 2026, interest expenses on unsecured loans are not deductible. Where investment income totals a loss not exceeding SEK 100,000 the taxpayer is entitled to tax relief equal to 30 percent of the loss. Any portion of the loss exceeding SEK 100,000 will entitle the taxpayer to a tax relief of 21 percent. The tax credit can be used to set-off national and municipal income tax and the municipal real property fee. Any excess/loss cannot be carried forward.

2.13 Tax reimbursement methods

What are the tax reimbursement methods generally used by employers in Sweden?

The following is the normal method of recognizing tax reimbursements paid by the employer:

- current year gross-up

- 1-year roll over may be used under certain conditions.

2.14 Relief for foreign taxes

Is there any Relief for Foreign Taxes in Sweden? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on?

International double taxation is avoided or relieved in three different ways:

- deduction from income of foreign income taxes paid
- credit of foreign income tax against Swedish income tax
- tax exemption (applicable only in respect of income from employment abroad).

The rules apply only to residents of Sweden.

Sweden has an extensive network of tax treaties covering income tax. Sweden generally applies the tax credit for foreign tax relief.

2.15 Calculation of estimates/prepayments/withholding

How are estimates/prepayments/withholding of tax handled in Sweden? For example, Pay- As-You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.

Resident employers are required to withhold income tax from salaries, wages and other remuneration, normally according to tables determined annually by the Tax Agency. The withholding is based on a tax bill (an A tax bill) issued automatically by the tax agency stating which tax table to use when computing the withholding. An employee may apply for an adjusted tax bill based on estimated taxable income, such as, in the case of interest expenses, high deductible losses or alimony payments to a divorced spouse. Non-resident employers without a permanent establishment in Sweden are, since 1 January 2021, obligated to withhold preliminary tax on remuneration to resident employees where the work is considered to be performed in Sweden.

For companies with a turnover subject to VAT less than SEK 40 million the tax collection return should be submitted not later than the 12th of the month following the withholding month. Tax withheld is due to the tax agency not later than the 12th of the month following the withholding month (in January and August the 17th). For companies with a turnover subject to VAT exceeding SEK 40 million the tax collection return should be submitted not later than the 26th of the month following the withholding month (in December, the 27th). Tax withheld is due to the tax agency not later than the 12th of the month following the withholding month (in January the 17th).

Employers file an income statement for the individual on a monthly basis.

When are estimates/prepayments/withholding of tax due in Sweden? For example: monthly, annually, both, and so on.

Employers report and pay preliminary tax withheld monthly.

Interest is payable on unpaid taxes (difference between the preliminary tax and the final taxes) from 12 February in the year following the income year for taxes exceeding SEK 30,000 and from early May for taxes below SEK 30,000.

2.16 General tax credits

What are the general tax credits that may be claimed in Sweden? Please list below.

The employee social security contributions are fully credited against income tax.

A tax reduction can be claimed for costs relating to household services. There are two different service types, ROT-avdrag (tax-deduction for domestic service work in reparation, renovation and maintenance of houses) and RUT-avdrag (tax-deduction for domestic service work). The ROT tax reduction equals 30 percent of the labour cost, and the RUT tax reduction equals 50 percent of the labour cost of the household service. The reduction is capped at SEK 75,000 per person and per year for both RUT and ROT together.

2.17 Sample tax calculation

This calculation assumes a married taxpayer resident in Sweden with two children whose three-year assignment begins 1 January 2024 and ends 31 December 2026. The taxpayer's base salary is 100,000 US dollars (USD) and the calculation covers three years.

	2024 USD	2025 USD	2026 USD
Salary	100,000	100,000	125,000
Bonus	20,000	20,000	25,000
Cost-of-living allowance	10,000	10,000	10,000
Housing allowance	12,000	12,000	12,000
Company car	6,000	6,000	6,000
Moving expense reimbursement	20,000	0	20,000
Home leave	0	5,000	0
Education allowance	3,000	3,000	3,000
Interest income from non-local sources	6,000	6,000	6,000

Exchange rate used for calculation: USD1.00 = SEK10.00.

Other Assumptions

- All earned income is attributable to local sources.
- Bonuses are paid at the end of each tax year and accrue evenly throughout the year.
- Interest income is not remitted to Sweden.
- Moving expenses paid by the employer, not by employee.
- The company car is manufactured in 2024 and is used for business and private purposes and originally cost USD 50,000.
- The employee is deemed resident throughout the assignment.
- Tax treaties and totalization agreements are ignored for the purpose of this calculation.
- The present average municipality tax rate of 32.38 percent has been used for all years

Calculation of taxable income

Year-ended	2024 SEK	2025 SEK	2026 SEK
Days in Sweden during year	**365**	**365**	**365**
Earned income subject to income tax			
Salary	1,000,000	1,000,000	1,250,000
Bonus	200,000	200,000	250,000
Cost-of-living allowance	100,000	100,000	100,000
Net housing allowance	120,000	120,000	120,000
Company car	95,786	93,911	96,093
Moving expense reimbursement	200,000	0	200,000
Home leave	0	50,000	0
Education allowance	30,000	30,000	30,000
Total earned income	1,745,786	1,593,911	2,046,093
Deductions	-16,800	-17,300	-17,400
Total taxable earned income (taxed at progressive rates)	1,728,900	1,576,600	2,028,600
Other income (capital income, flat tax rate 30%)	60,000	60,000	60,000

Calculation of tax liability

	2024 SEK	2025 SEK	2026 SEK
Taxable income	1,728,900	1,576,600	2,028,600
Taxable capital income	60,000	60,000	60,000
Swedish tax due	789,764	671,161	899,274
Less:			
Domestic tax rebates (dependent spouse rebate)	0	0	0
Foreign tax credits	0	0	0
Total Swedish tax	789,764	671,161	899,274

03

Special considerations for short term assignments

3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than one year.

3.1 Residency rules

Are there special residency considerations for short-term assignments?

A foreign employee will be considered as resident in Sweden if they have their principal home in Sweden or is present in Sweden for at least 6 consecutive months. A stay is considered continuous despite temporary absence.

Non-residents can apply to be taxed under the Special Income Tax for Non-Residents Act. However, the employee may voluntarily choose to be taxed under the rules for tax residents.

3.2 Payroll considerations

Are there special payroll considerations for short-term assignments?

An application must be made in order to be taxed under the Special Income Tax for Non- Residents.

There is also a risk that individuals be subjected to tax due to the economic employer approach. This can/will lead to additional reporting obligations for the legal employer.

3.3 Taxable income

What income will be taxed during short-term assignments?

If the employee is considered non-resident, only employment income (remuneration and benefits-in- kind) derived from Sweden will be taxed in Sweden. Trips to and from Sweden, when the employee starts and ends the assignment, are tax-free as well as housing if temporarily assigned.

For resident short-term assignees, ordinary tax rules apply.

3.4 Additional considerations

Are there any additional considerations that should be considered before initiating a short- term assignment in Sweden?

Not applicable.

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Other taxes and levies

4 Other taxes and levies

4.1 Social security tax

Are there social security/social insurance taxes in Sweden? If so, what are the rates for employers and employees?

Swedish social security contributions for employed personnel are payable by the employer at a rate of 31.42 percent of the gross salary. There are no upper limits in respect of employer contributions.

Swedish social security contributions are payable by the employee at the rate of 7 percent of the net earned income with a cap at an annual income of SEK 673,038 (maximum contribution SEK 47,100). The full amount is allowed as a credit against income taxes.

Sweden has concluded several conventions on social security with different countries, mostly within Europe but also including non-European countries such as Morocco, Canada, Quebec, Turkey, Israel, and the United States. Since Sweden is a member of the EU, the provisions in Council Regulations 1408/71 and 883/2004 will apply for intra-community transfers.

Where an employee is assigned from a non-treaty country/jurisdiction to perform work in Sweden, different rules apply depending on the length of stay. If the intended length of the stay does not exceed 12 months, no social security levies are payable. If the length of the stay exceeds 12 months, levies are payable in full since the first day. If the employer has a permanent establishment in Sweden full charges are payable from the first day.

As a main rule, Swedish social security contributions are always payable by a Swedish employer or a foreign employer if the work is performed in Sweden. This applies irrespective of the nationality of the employee. For foreign employers with no permanent establishment, the liability to pay social security contributions could be transferred to the employee by an agreement between the employer and the employee.

4.2 Gift, wealth, estate, and/or inheritance tax

Are there any gift, wealth, estate, and/or inheritance taxes in Sweden?

The net wealth tax was abolished from 1 January 2007.

Inheritance and gift tax were abolished for both private individuals and companies from 1 January2005.

4.3 Real estate tax (real property tax)

Are there real estate taxes in Sweden?

From 1 January 2008, Real Property Tax on Private Residences is abolished and replaced with a Municipal Property Fee. The Municipal Property Fee for a house is SEK 10,425 (2026) fee or 0.75 percent of the assessed value of the property if that amount is lower.

4.4 Sales/VAT tax

Are there sales and/or value-added taxes in Sweden?

The standard rate of VAT is 25 percent. However, there is a reduced rate of 12 percent for certain goods and services such as restaurant services and hotel accommodation. In addition, there is a reduced rate of

6 percent for certain goods and services such as food (from 1 April 2026), books, newspapers, passenger transportation, cultural events, and so on.

4.5 Unemployment tax

Are there unemployment taxes in Sweden?

No. However, one can voluntarily contribute to an unemployment fund

4.6 Other taxes

Are there additional taxes in Sweden that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.

Local taxes

There are no local taxes in Sweden. The municipal income tax referred to above is not a local tax but is an integrated part of the general income tax system.

Yield tax

Yield tax is levied on foreign life insurance policies. A Swedish resident policyholder will be liable to pay an annual yield tax levied at a rate of 30 percent of a deemed yield. Tax on non- Swedish pension insurance policies, which are considered qualifying for Swedish tax purposes, is levied at a rate of 15 percent and is payable by Swedish resident policyholders. The tax applies where contributions have been made from 1 January 1997. As of January 1, 2025, a tax-free base amount of SEK 150,000 applies to the total savings in a life insurance. On January 1, 2026, this tax-free threshold was increased to SEK 300,000.

Foreign Financial Assets

Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country/jurisdiction's fiscal or banking authorities?

No. However, income from offshore assets must be declared in Sweden.

05
Immigration

5 Immigration

The following is an overview of the concept of Sweden's immigration system for skilled labor.

The Swedish immigration system differentiates between EU nationals and third-country/jurisdiction nationals. In addition, the so called third-country/jurisdiction nationals can be divided into two groups: visa free and non-visa free (i.e., visa to enter Sweden).

EU citizens have the right to work in Sweden without a work permit. This right is called the right of residence. When entering Sweden, EU citizens need a valid passport or ID card showing their citizenship. All EU citizens can start working directly after their arrival in Sweden. No immigration registration is required.

Third-country/jurisdiction nationals are required to have a work permit in order to perform work in Sweden. The work permit must be applied for and granted before the individual enters Sweden. For stays up to 90 days with the purpose to only perform tasks comparable with a business trip for a foreign employer no work permit is required. Also, there are certain exemptions from the work permit requirement, which follows below.

- Specialists in an international corporation who work temporarily in Sweden for the corporation for a total of less than 1 year. The exception does not apply to specialists who are subject to the ICT regulations. This means that specialists residing outside the EU are exempted from the work permit requirement if they work in Sweden for less than 90 days.
- Employees who participate in practical experience, internal training or other skills development at a company in an international group for up to 3 months altogether over the period of 12 months.
- People who participate in training, testing, preparation or completion of deliveries, or similar activities within the framework of a business transaction for up to 3 months altogether over the period of 12 months.
- Visiting research fellows or teachers at higher education institutions who participate in research, teaching or lecturing activities for up to 3 months altogether over the period of 12 months.
- Fitters or technical instructors in connection with urgent installation or repair of machinery for up to two months. The work must be an emergency – in other words, an unexpected event that requires immediate measures. Scheduled or foreseeable work does not qualify for the exemption.
- Professional athletes and functionaries who participate in international competitions for up to 3 months over the period of 12 months
- Railway personnel and lorry drivers in international commercial traffic who are employed outside Sweden.
- Drivers and staff of tourist buses for up to 3 months.
- Representatives who work temporarily as salespeople, journalists, etc., for a company that does not have a branch or office in Sweden.
- Caregivers employed for a person who is visiting Sweden for up to 3 months.
- People who work temporarily in Sweden as a contractor or the equivalent. In order for the exception to be applicable, the person must live in an EU/EEA country/jurisdiction or
- Switzerland without being a citizen there and have a permit that entitles them to work and reside in that country/jurisdiction. It is also required that the person is employed by a company in the country/jurisdiction in question and will work temporarily in Sweden for the company. The exception applies during the period of temporary work.
- Witnesses or plaintiffs in a criminal investigation who have obtained a residence permit as a result.

- For the period of deployment for a person who is part of an aid effort for a disaster or accident in Sweden

The most common work permit in Sweden would be the national Swedish work permit, which can be granted to both local hires and international assignees. For the national work permit to be granted, the individual must be offered terms of employment (salary, insurances etc.) in line with Swedish collective agreements. (There are different collective agreements with different trade unions depending on the category of employee, for example engineers, administrative personnel or executives.) From 1st of November 2023 there is a new salary requirement for work permit applications. The new requirement means that the salary must correspond to at least 80% of the median salary in Sweden. At the moment, the salary requirement amounts to at least SEK 29 680 per month. Please note, the minimum salary requirement will increase yearly, as the median salary will most probably increase every year. The new salary requirement is only applicable to those who applies for a national Swedish work permit the first time.
Before the application for a national work permit is submitted, the terms of employment should be sent to a relevant Swedish trade union for their approval. The trade union will assess if the salary and insurance coverage is in line with Swedish collective agreements. A national Swedish work permit can only be granted for up to two years at the time or limited to the validity of the individual's passport. After four years of working in Sweden with a national work permit, permanent residency can be applied for.

The second type of permit for skilled labour is the so-called ICT permit. The ICT permit can be granted to individuals who work as managers, specialists or interns and are temporarily relocated to Sweden from a country/jurisdiction outside the EU/EEA and Switzerland as an intra corporate transfer. To qualify for the ICT permit, the individual must have the intention to work in Sweden during a period longer than 90 days. In addition, the above-mentioned requirements for a national work permit also applies to ICT permits. During the processing time of an ICT application the individual is not allowed to reside in Sweden. Please note, if the individual qualifies for an ICT permit a regular work permit application will not be accepted. An ICT permit can be granted for a maximum of 3 years in total.

The third type of work permit that can be granted to skilled labour in Sweden is the EU Blue Card. If the individual travelling to Sweden is a citizen of a country/jurisdiction outside the EU and has received an offer of a highly qualified job, it is possible to apply for an EU Blue Card. The employee must have a university education equivalent to 180 Swedish university credits, or five years professional experience and a salary equal to at least 1.25 times the average gross salary in Sweden. The employee should also have been offered an employment of at least 6 months Just as for the national work permit and the ICT permit, the employee must be offered terms of employment in line with Swedish collective agreement for the application to be granted.

5.1 International Business Travel/Short-Term Assignments

Describe (a) which nationalities may enter Sweden as non-visa national, (b) which activities they may perform and (c) the maximum length of stay.

Non-EU nationals are allowed to stay in Sweden as tourists or business visitors for 90 days during a 180-day period without a residence permit. The activities allowed to perform as a business visitor is limited to tasks comparable with a business trip, no actual work for a Swedish entity can be performed.

List of foreign citizens who require Visa for entry into Sweden https://www.government.se/government-policy/migration-and-asylum/list-of-foreign-citizens-who- require-visa-for-entry-into-sweden/

Describe (a) the regulatory framework for business traveller being visa nationals (especially the applicable visa type), (b) which activities they may perform under this visa type and the (c) maximum length of stay.

Visa nationals need to obtain a Schengen-C visa to be able to enter Sweden for business activities. The Schengen Visa is usually issued for multiple entries. Although circumstances may vary, a business visitor may receive authorization to visit Sweden for up to 90 days within a 180-day period.

The application for the Schengen Visa must be submitted at the Swedish embassy/consulate in the applicant's country/jurisdiction of residence. The activities allowed to perform as a business visitor are limited to tasks comparable with a business trip, no actual work for a Swedish entity can be performed.

Outline the process for obtaining the visa type(s) named above and describe (a) the required documents (including any legalization or translation requirements), (b) process steps, (c) processing time and (d) location of application.

Application process

- Document gathering
- Booking of visa appointment at the Swedish embassy/ consulate in the country/jurisdiction of residence
- Prepare Visa application and invitation letter from Swedish entity
- File Visa application at the Swedish embassy/ consulate and submit biometric features
- Obtain Visa in the passport

Required documents

- Valid passport
- Prepared visa application form
- Invitation letter from Swedish entity
- Proof of financial means to cover costs while in Sweden
- Proof of medical insurance covering costs of at least EUR 30,000 valid in all Schengen countries
- Additional documents required by the Swedish embassy/consulate

Are there any visa waiver programs or specific visa categories for technical support staff on short-term assignments?

No specific visa category exists. However, some of the above-mentioned exemptions from having a work permit might apply for technical support staff.

5.2 Long-Term Assignments

What are the main work permit categories for long-term assignments to Sweden? In this context outline whether a local employment contract is required for the specific permit type.

- **National work permit**
- **ICT permit**
- **EU Blue Card (local employment contract required)**

Find further information on these permits above.

Provide a general process overview to obtain a work and residence permit for long- term assignments (including processing times and maximum validation of the permit).

The process of applying for a Swedish work permit follows below.

- The employer creates an offer of employment containing certain information about the assignment to Sweden (salary level, insurance coverage, period of assignment etc.). This is prepared online through the Migration Agency's web portal (www.migrationsverket.se).

- The offer of employment must thereafter be sent to a relevant Swedish trade union for their assessment and approval of the terms of employment.

  Once the trade union approval is received the next step is to proceed with the actual application. After filing out the assignee's information online, the required documents must be enclosed.
- The Migration Agency processes the application. The estimated average processing time for highly qualified workers with a complete application is 30 days. This includes national work permits, EU Blue Card applications, and ICT permits. The work permit can be granted for up to 2 years at the time.
- A. If the employee is visa free to Sweden or holds a residence card from another EU country/jurisdiction the employee can travel to Sweden and start working as soon as the work permit is granted. Upon the arrival in Sweden the employee must visit the Migration Agency and submit biometric features for the residence card. The residence card will be delivered to the employee's Swedish address within one to two weeks.

B. If the employee is not visa free and does not hold an EU residence card or a valid Schengen visa, a visit to the Swedish embassy in the country/jurisdiction of residence is required to submit biometric features. The residence card will then be delivered to the embassy 3 to four weeks after the application is approved. The employee can travel to Sweden once the residence card is received.

Is there a minimum salary requirement to obtain a long-term work and residence permit for assignments? Can allowances be taken into account for the salary?

From 1st of November 2023 there is a new salary requirement for work permit applications. The new requirement means that the salary must correspond to at least 80% of the median salary in Sweden. At the moment the salary requirement amounts to at least SEK 29 680 per month. Please note, the minimum salary requirement will increase yearly, as the median salary will increase every year. The new salary requirement is only applicable to those who applies for a national Swedish work permit the first time The salary needs to be in line with Swedish collective agreements for the position considered. Certain allowances and taxable benefits can be considered.

Is there a fast-track process which could expedite the visa/ work permit?

From the 15th of December 2023 the fast-track application system is no longer available. However, the Migration agency has implemented a new way of working, by categorizing the applications based on profession. The new system was implemented in the end of January 2024 with the purpose to focus on highly skilled workers and reduce the processing times to 30 days for complete applications (both new and extension applications).

At what stage is the employee permitted to start working when applying for a long-term work and residence permit (assignees/ local hire)?

The employee can start working in Sweden once the work permit application has been granted. If a renewal application is submitted due to change of title or employer the employee can start working once the renewal application is submitted to the Migration Agency, no need to wait for permit to be granted.

Can a short-term permit/ business visa be transferred to a long-term permit in Sweden?

Business visitors can not extend the stay in Sweden past 90 days while in the country/jurisdiction. If the assignment is extended the employee must return to the home country/jurisdiction and apply for a relevant work/residence permit.

Is it possible to renew work and residence permits?

Work permits can be renewed from inside of Sweden provided that the renewal application is submitted prior to the expiry of the previous work permit. In most cases, the individual will be allowed to work during the entire processing time of the application.

Is there a quota or system or a labor market test in place?

There is no test regarding the local labor market. However, for all local hires the position must be advertised with the Swedish Public Employment Service for 10 days before the application process for the work permit is initiated. The employer is however not restricted or obliged to, for example, offer the position to the highest qualified applicant.

5.3 General Immigration Related Questions

Would it be possible to bring family members to Sweden?

Family members of the employee can apply for a residence permit in Sweden for the same period as the employee. Family members over 16 years old will also be allowed to work in Sweden without a separate work permit. The following are counted as family members for national work permits, from an immigration point of view; wife, husband, cohabiting partner, registered partner, and unmarried children under the age of 21.

Is it possible to obtain a permanent residence permit?

Permanent residency can be obtained for individuals who have had a valid work permit in Sweden for 4 years during a 7-year period. Please note that the individual normally must have lived and worked in Sweden for the entire 4-year period for permanent residency to be granted. If an individual is not qualified for permanent residency after 4 years due to too much absence during the 4 years, an additional 2-year period with a time limited work permit may be granted in certain cases.

What if circumstances change after the Work and Residence application process (e.g. change of employment or personal situation, including job title, job role or salary)?

During the first 2 years in Sweden the work permit is tied to the position and the employer. If the employee changes title or employer during this period, a new work permit must be applied for. The employee can start the new position once the application has been submitted to the Migration Agency, no need to wait for permit to be granted. After 2 years in Sweden, the permit is only tied to the position. If the employee changes employer put keeps the same title/position, no new work permit must be applied for.

How long can a permit holder leave Sweden without their permit becoming invalid?

The permit does not become invalid automatically after a certain period outside of Sweden. However, if the employee spends more than 3 months per year outside of Sweden when holding a valid work permit, the intention to live and work in Sweden might be questioned when a renewal application is submitted (see above under permanent residence permit).

Must immigration permissions be cancelled by the end of the assignment/employment?

Work permits are automatically cancelled on the date of expiry if no renewal application is submitted. However, if the individual moves from Sweden when the work permit has more than 3 months validity left, the work permit needs to be cancelled.

Are there any penalties for individuals and/or companies in place for non-compliance with immigration law?

If a third country/jurisdiction national works in Sweden without a valid work- and residence permit this can have consequences for both the Swedish employer and the employee. For the Swedish company a financial penalty may be imposed, and the company might also have difficulties applying for work permits for its employees in the future. For 2025 the penalty fee for the employer is SEK 59 200 per employee without a valid work permit, provided that the individual has been working in Sweden for a maximum of 3 months. If the individual has been working in Sweden without a valid work permit for more than 3 months, the penalty fee is SEK 118 400. The Swedish government has proposed to double these penalty fees starting June 2026. Under aggravating circumstances, the employer representative could also be sentenced to a one-year imprisonment.

For the employee, working in Sweden without the right permit can result in deportation and possibly a re-entry ban. The individual could also face difficulties in the future if applying for a Swedish work permit or visa.

5.4 Other Important Items

List any other important items to note, or common obstacles faced, in Sweden when it comes to the immigration processes.

Below you will find a list of other important items to note and the most common obstacles:

- Salary according to minimum salary requirement of SEK 29 680 per month (2026).
- Insurances according to Swedish collective agreements, especially a health insurance covering loss of income due to sickness-related absence from work.
- Salary and other employment terms in renewal cases – it is of high importance that the salary indicated in the first application has been paid during the entire period of the assignment, and that all insurances have been in place throughout the past period(s).
- Advertisement of local positions with the Public Employment Services prior to the application process (concerns local employment only).

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