

SWEDEN

TRANSFER PRICING PROFILE

1. Reference to the Arm's Length Principle

Chapter 14 Section 19 of the Income Tax Act

2. Reference to the OECD Transfer Pricing Guidelines

In the preparatory work to the legislation. There are also references in case law.

3. Definition of related parties

Chapter 14 Section 20 of the Income Tax Act (similar to the definition in Article 9 of the OECD Model Convention).

4. Transfer pricing methods

Sweden adheres to the methods as described in the OECD Guidelines.

5. Transfer pricing documentation requirements

Documentation requirements were introduced in 2007 and are from 1 January 2012 stated in Chapter 39 Section 15 and Section 16 of the Tax Procedure Act (2011:1244) and Chapter 9 Section 9 of the Tax Procedure Ordinance (2011:1261). The Swedish Tax Agency has also issued a communication, SKV M 2007:25, with further information on documentation requirements. Link to SKV M 2007:25:

<http://www.skatteverket.se/rattsinformation/reglerochstallningstaganden/meddelanden/arkiv/2007/meddelanden2007/skvm200725.5.225c96e811ae46c823f800018300.html>

For further information on the transfer pricing documentation requirements, see the Annex 1 ("Transfer pricing documentation") to the Swedish transfer pricing profile, which can be found at [insert link to Annex1].

The Swedish Tax Agency adopted Regulations on the documentation of transfer pricing between associated enterprises (SKVFS 2007:1) which came into effect 1 March 2007 and applies to financial years commencing on or after 1 January 2007.

The legislation contains general requirements for documentation, and does not only focus on implementation of the Code of Conduct. The national provisions are assessed as being in line with the Code of Conduct, but the Tax Agency has expressly stated in its regulations and in the communication that documentation drawn up in accordance with the Code of Conduct complies with Swedish documentation rules.

Implementation of the Code of Conduct on Transfer Pricing documentation for associated enterprises in the European Union (EU TPD) - summary of Member States' responses to the 2013 JTPF questionnaire on the implementation of the EU TPD:

http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transfer_pricing/forum/jtpf/2013/summary-ms.pdf

6. Specific transfer pricing audit procedures and / or specific transfer pricing penalties

N/A

7. Information for Small and Medium Enterprises on TP

Information relevant for SMEs in tackling transfer pricing matters is available on the JTPF webpage at: http://ec.europa.eu/taxation_customs/resources/documents/taxation/company_tax/transfer_pricing/forum/profiles/profile-se.pdf

8. Information on dispute resolution

Competent Authority	Mr. Roland Gustavsson Mr. Stefan Bergqvist Swedish Tax Agency (Skatteverket) / Office of the Competent Authority 171 94 SOLNA / SWEDEN Tel: + 46 8 764 8499 / Email: roland.gustavsson@skatteverket.se Tel: + 46 8 764 8265 / Email: stefan.bergqvist@skatteverket.se Fax: + 46 8 29 13 60
Organization	Other issues concerning Tax Treaties or Domestic Law Ministry of Finance/International Tax Division / 103 33 Stockholm Tel.: +46 8 405 1000 Fax.: +46 8 405 14 66
Scope of MAP & MAP APA	MAPs and APAs are generally handled by the Swedish Tax Agency. Application of Tax Treaties
Domestic guidelines & administrative arrangements	None
Time for filing	N/A
Form of request	N/A
Documentation requirement	No formal requirement.
User fees	None for MAPs.
Tax collection / penalty / interest	In cases of double taxation an extension of time is sometimes granted upon request during MAP for the amount being taxed in both States.
Other dispute resolution mechanisms	The EU Arbitration convention for transfer pricing cases
Government Website	http://www.skatteverket.se

Dispute resolution under the Arbitration Convention does not need to be initiated and may be suspended if one of the enterprises involved is subject to a 'serious penalty' for the transactions giving rise to the profit adjustment (Article 8).

Unilateral Declaration of Sweden on Article 8 of the Arbitration Convention (*Official Journal C 026, 31/01/1996 P. 0001 - 0033*)

“An infringement of the tax laws punishable by a ‘serious penalty’ is constituted by an infringement of the tax laws penalized by detention, criminal or administrative fines.”

9. Relevant regulations on Advance Pricing Arrangements

[As of 1 January 2010, the Act (2009:1289) and the Ordinance (2009:1295) on Advance Pricing Agreements regarding international transactions entered into force in Sweden. For further information on APAs, see the Annex 2 to the Swedish transfer pricing profile, which can be found at [insert link to Annex2].

10. Links to relevant government websites

www.skatteverket.se

<http://www.skatteverket.se/foretagorganisationer/skatter/internationellt/internprissattning.4.3dfca4f410f4fc63c8680005982.html>

<http://www.finance.gov.sk>

11. Other relevant information

Secondary and compensating year-end adjustments may result in double taxation. Two questionnaires launched by the EU Joint Transfer Pricing Forum (JTPF) in 2011 took stock of the situation prevailing in each EU Member State with respect to secondary and compensating year-end adjustments as on 1 July 2011.

[Secondary Adjustments - overview on the legal and administrative/practical aspects in the different Member States](#)

[Compensating/year-end Adjustments - overview on the legal and administrative/practical aspects in the different Member States](#)