

Sweden

RISK & COMPLIANCE REPORT

DATE: January 2017

Executive Summary - Sweden

Sanctions:	None
FAFT list of AML Deficient Countries	No
Medium Risk Areas:	Weakness in Government Legislation to combat Money Laundering
Major Investment Areas:	
Industries:	
iron and steel, precision equipment (bearings, radio and telephone parts, armaments), wood pulp and paper products, processed foods, motor vehicles	
Exports - commodities:	
machinery 35%, motor vehicles, paper products, pulp and wood, iron and steel products, chemicals	
Exports - partners:	
Norway 10.4%, Germany 10.3%, UK 8.1%, Denmark 6.7%, Finland 6.7%, Netherlands 5.5%, US 5.5%, Belgium 5%, France 4.8% (2012)	
Imports - commodities:	
machinery, petroleum and petroleum products, chemicals, motor vehicles, iron and steel; foodstuffs, clothing	
Imports - partners:	
Germany 17.4%, Denmark 8.5%, Norway 8.4%, UK 6.5%, Netherlands 6.4%, Russia 5.6%, Finland 5.1%, China 4.9%, France 4.2% (2012)	
Investment Restrictions:	
Until the mid-1980s, Sweden's approach to direct investment from abroad was quite restrictive and governed by a complex system of laws and regulations. Sweden's entry into the European Union (EU) in 1995 has greatly improved the investment climate and attracted foreign investors to the country.	

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Section 1 - Background

A military power during the 17th century, Sweden has not participated in any war for almost two centuries. An armed neutrality was preserved in both world wars. Sweden's long-successful economic formula of a capitalist system intermixed with substantial welfare elements was challenged in the 1990s by high unemployment and in 2000-02 and 2009 by the global economic downturns, but fiscal discipline over the past several years has allowed the country to weather economic vagaries. Sweden joined the EU in 1995, but the public rejected the introduction of the euro in a 2003 referendum.



Section 2 - Anti – Money Laundering / Terrorist Financing

FATF status

Sweden is not on the FATF List of Countries that have been identified as having strategic AML deficiencies

Compliance with FATF Recommendations

The FATF has released the Follow-Up Report to the Mutual Evaluation Report of Sweden, which was adopted in February 2006. In October 2010, the FATF recognised that Sweden had made significant progress in addressing deficiencies identified in their Mutual Evaluation Report and decided that the country should be removed from the regular follow-up process. The FATF agreed that Sweden should now report on any further improvements to its Anti-Money Laundering/Combating the Financing of Terrorism (AML/CFT) system on a biennial basis.

In its 2006 mutual evaluation, Sweden was rated partially compliant (PC) for the core following Recommendations, Recommendation 5 (Customer due diligence) and Recommendation 13 (Reporting of suspicious transactions and compliance). As a result, it was placed in the regular follow-up process (1).

The Follow-Up Report agreed by the FATF in October 2010 and published here, finds that Sweden has taken sufficient action in remedying the identified deficiencies for the above mentioned Recommendations, that all the Core and most of the Key Recommendations overall are at a level essentially equivalent to compliant (C) or largely compliant (LC), and that substantial progress has also been made on the overall set of Recommendations which were rated NC or PC.

The decision by the FATF to remove a country from the regular follow-up process is based on updated procedures agreed in October 2008. These procedures require a country to have taken sufficient and effective action to address the compliance levels of Core Recommendations 1, 5, 10, 13, SR II and IV and overall sufficient and effective action to address the compliance levels of Key Recommendations 3, 4, 23, 26, 35, 36, 40, SR I, SR III, SR V, where those Recommendations were previously rated as partially compliant or non-compliant. "Sufficient and effective action" is defined as a level essentially equivalent to compliant (C) or largely compliant (LC).

US Department of State Money Laundering assessment (INCSR)

Sweden was deemed a 'Monitored' Jurisdiction by the US Department of State 2016 International Narcotics Control Strategy Report (INCSR).

Key Findings from the report are as follows: -

Perceived Risks:

Sweden is not a regional financial center. Money laundering in Sweden generally occurs through individuals who use the financial system to turn over illicit funds or with the help of corporations that use financial services. Money laundering is further facilitated by criminals having contacts or acquaintances within, or influence over, corporations and actors within the financial system. Laundered money emanates from sales of narcotics, tax fraud, economic crimes, robbery, and organized crime. Money laundering is concentrated primarily in large urban regions, such as Stockholm, and is frequently conducted over the internet, utilizing international money transfer services, gaming sites, and narcotics and illicit chemical vending sites. Suspicious transaction reports (STRs) generally do not reference organized crime, although it is a growing concern. Public corruption is not an issue in Sweden.

Sweden provides no offshore banking and does not readily attract foreign criminal proceeds. There is not a significant market for smuggled goods in Sweden; however, the Swedish police consider the smuggling of bulk cash to be a problem. Sweden is a member of the EU, and money moves freely within the EU. Sweden has foreign trade zones with bonded warehouses in the ports of Stockholm, Göteborg, Malmö, and Jönköping. Goods may be stored for an unlimited time in these zones without customs clearance, but they may not be consumed or sold on a retail basis. Permission may be granted to use these goods as materials for industrial operations within a zone. The same tax and labor laws apply to the zones as to other workplaces in Sweden.

DO FINANCIAL INSTITUTIONS ENGAGE IN CURRENCY TRANSACTIONS RELATED TO INTERNATIONAL NARCOTICS TRAFFICKING THAT INCLUDE SIGNIFICANT AMOUNTS OF US CURRENCY; CURRENCY DERIVED FROM ILLEGAL SALES IN THE U.S.; OR ILLEGAL DRUG SALES THAT OTHERWISE SIGNIFICANTLY AFFECT THE U.S.: NO

CRIMINALIZATION OF MONEY LAUNDERING:

“All serious crimes” approach or “list” approach to predicate crimes: Are legal persons covered: criminally: YES civilly: YES

KNOW-YOUR-CUSTOMER (KYC) RULES:

Enhanced due diligence procedures for PEPs: Foreign: YES Domestic: YES

KYC covered entities: Banks; insurance companies; securities firms; currency exchange houses, providers of electronic money, and money transfer companies; accounting firms; law firms and tax counselors; casinos, gaming entities, and lottery ticket sales outlets; dealers of vehicles, art, antiques and jewelry; and real estate brokers

REPORTING REQUIREMENTS:

Number of STRs received and time frame: 9,183 in 2014

Number of CTRs received and time frame: Not applicable

STR covered entities: Accountants; tax advisors; lawyers; real estate agents; casinos; banks; life insurance companies and insurance brokers; securities and fund companies; issuers of electronic money; and dealers of high-value goods

MONEY LAUNDERING CRIMINAL PROSECUTIONS/CONVICTIONS:

Prosecutions: 154: July, 2014 – December, 2014

Convictions: 2: July, 2014 – December, 2014

RECORDS EXCHANGE MECHANISM:

With U.S.: MLAT: YES Other mechanism: YES

With other governments/jurisdictions: YES

Sweden is a member of the FATF.

ENFORCEMENT AND IMPLEMENTATION ISSUES AND COMMENTS:

The Act on Penalties for Money Laundering Offenses entered into force on July 1, 2014. The Act comprises provisions on money laundering offenses and on the seizure and forfeiture of laundered property. Prohibition on disposal of property is also included in the new Act, as is the temporary freezing of suspicious transactions in urgent cases. Amendments to the Act that took effect August 1, 2015 cover enhanced due diligence for both domestic and foreign politically exposed persons (PEPs).

In May, 2015 the Swedish Financial Supervisory Authority fined two Swedish banks, Nordea and Handelsbanken, for failing to maintain satisfactory internal governance and controls in regards to the AML regulations. As a result of deficiencies, Nordea received a warning and an administrative fine of SEK 50 million (approximately \$5.9 million), and Handelsbanken a remark and an administrative fine of SEK 35 million (approximately \$4.1million).

Although EU regulations call for the reporting of cash entering and leaving the EU, the Swedish financial intelligence unit believes the number of individuals who declare these transfers falls short of the real number carrying reportable amounts. In terms of volume, Swedish authorities report that, in 2014, the most popular destinations for money leaving Sweden were the UK, Nigeria, Ghana, and Turkey; while money entered Sweden from the U.S., China, Germany, and Russia.

Current Weaknesses in Government Legislation (2013 INCRS Comparative Tables):

According to the US State Department, Sweden does not conform with regard to the following government legislation: -

Record Large Transactions - By law or regulation, banks are required to maintain records of large transactions in currency or other monetary instruments.

Arrangements for Asset Sharing - By law, regulation or bilateral agreement, the jurisdiction permits sharing of seized assets with third party jurisdictions that assisted in the conduct of the underlying investigation.

International Transportation of Currency - By law or regulation, the jurisdiction, in cooperation with banks, controls or monitors the flow of currency and monetary

EU White list of Equivalent Jurisdictions

Sweden is on the EU White list of Equivalent Jurisdictions

World Governance indicators

[To view historic Governance Indicators Ctrl + Click here and then select country](#)

Failed States Index

[To view Failed States Index Ctrl + Click here](#)

Offshore Financial Centre

Sweden is not considered to be an Offshore Financial Centre

US State Dept Narcotics Report 2013 (introduction):

No report available

US State Dept Trafficking in Persons Report 2014 (introduction):

Sweden is classified a Tier 1 country - is a country whose government fully complies with the Trafficking Victims Protection Act's (TVPA) minimum standards.

Sweden is a destination, source, and, to a lesser extent, transit country for women and children subjected to sex trafficking, and a destination country for men, women, and children subjected to forced labor, including forced begging and stealing. Identified and suspected victims of forced prostitution largely originate from Eastern Europe (Azerbaijan, Belarus, Bulgaria, Georgia, Hungary, Latvia, Romania, Russia, Serbia, and Ukraine), Africa (Nigeria, Democratic Republic of the Congo, Gambia, Sierra Leone, and Uganda), and Asia (Kazakhstan, Mongolia, Nepal, and Vietnam). Swedish women and girls are also vulnerable to sex trafficking within the country. Identified and suspected victims of labor trafficking, who largely originate from Bulgaria, Romania, Cameroon, and Thailand, are subjected to labor trafficking in the domestic service and hospitality sectors, as well as in seasonal labor, when workers travel to Sweden to pick berries or perform construction, forestry, or gardening work. Victims of forced begging and stealing originate primarily from Romania and Bulgaria. The nearly 4,000 unaccompanied foreign children who arrived in Sweden in 2013 to seek asylum, primarily from Afghanistan, Syria, Somalia, and Eritrea, are vulnerable to human trafficking. Child sex tourism offenses committed by Swedish nationals traveling abroad remain a problem.

The Government of Sweden fully complies with the minimum standards for the elimination of trafficking. Swedish authorities launched more trafficking investigations, though courts convicted fewer traffickers than in 2012, and judges reportedly did not fully understand trafficking. The government identified a greater number of victims and issued more temporary and permanent residence permits in 2013, but municipalities lacked trafficking-specific care facilities for child and adult male victims. The government formally expanded the mandate of its national coordinating body to include all forms of human trafficking, allowing for an enhanced response to forced labor and forced begging.

US State Dept Terrorism Report 2015

Overview: The United States and Sweden maintained good cooperation on counterterrorism and law enforcement issues. U.S. agencies worked with their Swedish counterparts in 2015 to improve information sharing and the evaluation of terrorist-related information. Sweden is also active within the EU, UN, and Council of Europe on countering violent extremism and the recruitment of foreign terrorist fighters.

The Swedish Security Services (SAPO) is concerned with the number of foreign terrorist fighters who have left Sweden to join terrorist groups in Syria and Iraq. Of the 280 individuals who

traveled, some 40 were killed in action, 125 remained in the country, and 115 have returned to Sweden. Thirty-five of the foreign terrorist fighters were females.

Foreign terrorist fighters in Sweden have been recruited mainly through word of mouth or online by friends and/or family members. Foreign terrorist fighters travelling to Syria and Iraq from Sweden were usually young males of immigrant background, but generally not of Syrian descent. Females who traveled to Syria and Iraq either traveled alone or with male companions or husbands.

SAPO views the returnees with specific concern as they could potentially plan an attack in Sweden or could radicalize and recruit others for travel. SAPO reported to Swedish media that it was conducting several "pre-investigations" related to individuals who have returned from conflict areas with fighting experience.

The Swedish Civil Contingencies Agency continuously reached out to various agencies and communities to develop awareness of the foreign terrorist fighter threat. The Counterterrorism Cooperative Council, consisting of 13 government agencies, coordinated Sweden's interagency counterterrorism cooperation. The National Center for Terrorism Threat Assessment produced long- and short-term strategic assessments of the terrorist threat against Sweden and Swedish interests. SAPO monitored returned foreign terrorist fighters to evaluate their condition.

On November 18, SAPO raised the national alert level to "four" (or "high"), just below the highest level of five ("very high"), indicating a real threat from a serious perpetrator with means to carry out an attack. This was the first time in modern history that Sweden had a level four alert.

Sweden is a member of the Global Coalition to Counter the Islamic State of Iraq and the Levant (ISIL) and has made generous humanitarian contributions to ISIL-impacted populations in Iraq.

Johan Gustafsson, a Swedish citizen who was kidnapped by al-Qa'ida in the Islamic Maghreb (AQIM) when visiting Mali in November 2011, remained in AQIM's detention at the end of 2015. Gustafsson was last seen in an AQIM-released video allegedly made on October 20.

Legislation, Law Enforcement, and Border Security: Sweden's legislation criminalizes inciting terrorist acts, recruiting to terrorist organizations, and providing terrorism training. While five people have been convicted under these laws, only two convictions have been stayed following appeals. In all of the dismissed cases, the courts deemed that there was insufficient evidence to prove that the defendants would have carried out their terrorist plots had they not been intercepted by law enforcement officials.

In 2015, Swedish law enforcement reorganized to unite the country's current 21 separate county police departments into one national agency with seven regions. This reorganization aimed to streamline police work through clearer guidance and centralization of law enforcement efforts.

In order to implement UN Security Council Resolution (UNSCR) 2178, 2199 and the UN 1267/1989/2253 ISIL (Da'esh) and al-Qa'ida sanctions regime, the Swedish government proposed new legislation in December with new counterterrorism provisions, including measures to criminalize travel to support terrorist organizations and the financing of terrorism,

and measures to increase information exchange within Swedish intelligence channels and with partner countries. Within the EU Commission, Sweden continued to strongly advocate for a targeted revision of the Schengen Borders Code to provide for more thorough checks of EU nationals on entry into Schengen, including mandatory verification of biometric information.

Sweden also participated in the EU Schengen working group and used the Schengen Information System II for information sharing, port of entry screening, lost and stolen passport information, and watchlisting. Under the auspices of the Passenger Name Record (PNR) Agreement between the EU and the United States, Sweden collects and shares PNR information from commercial flights.

In response to UNSCR 2199, the Nordic culture ministers met in May and adopted a declaration to curb the illegal trade of cultural objects from Iraq and Syria. The Nordic Council also decided to host a conference on the illegal trade of cultural objects in Oslo in December.

With the aim of improving border checks, Sweden has introduced provisions that allow the Swedish Police Authority to request passenger information to perform identity checks (Advance Passenger Information, from any carrier that transports passengers to Sweden by air from a state outside the Schengen zone. This information provides greater opportunities to identify travelers with links to terrorism at an early stage. Sweden thereby complies with the undertakings set out in Directive 2004/82/EC on the obligation of carriers to communicate passenger data.

On November 12, the Government of Sweden announced that temporary internal border controls would be instituted due to the massive influx of asylum seekers into the country. The border controls consisted of spot checks at the Öresund Bridge to Denmark and at ports connecting Sweden to Germany via ferries. Such temporary border controls are permitted under the Schengen Border Code if a "serious threat to public policy or internal security" exists, which the Swedish government determined to be the case after consulting with the police and the Migration Agency.

On December 14, the Gothenburg District Court sentenced Hassan Al-Mandlawi (32-year-old from Iraq) and Al Amin Sultan (30-year-old from Ethiopia) to life in prison for "the crime of terrorism through murder" after it ruled that graphic video evidence showed the pair taking part in the beheadings of two people in Syria. The verdicts marked the first time foreign terrorist fighters were convicted in Sweden of crimes committed in Syria, and the first time individuals were convicted specifically for the crime of terrorism as opposed to the secondary charges of crimes against humanity and murder.

Countering the Financing of Terrorism: Sweden has been a member of the Financial Action Task Force (FATF) since 1990. A new penal provision for terrorism financing was proposed in 2015. The new provision will penalize those who collect, provide, or receive funds or other property in the knowledge that it is intended for a person or group of people who commit, attempt to commit, prepare, or participate in a particularly serious crime. Criminal culpability in these cases does not require that the funds or property be intended to be used for a particularly serious crime, but instead focus on the recipient of the financing and the individual's intent to prepare or commit serious crimes. The proposed scale of penalties for ordinary offenses is imprisonment for a maximum of two years.

In 2015, the Swedish Economic Crime Authority and the Prosecution Development Centre prepared a memorandum to provide prosecutors with knowledge and guidance on how to apply the new legislation.

Countering Violent Extremism: The Swedish government appointed its first ever National Coordinator for Safeguarding Democracy from Violent Extremism in 2014. The Swedish government has described its approach to countering violent extremism (CVE) as attempting to address underlying factors behind radicalization. The government seeks to depolarize Swedish society as a necessary step to counter violent extremism, believing that people who do not feel welcome and integrated in Swedish society might turn to violent extremism. An additional US \$1 million was allocated for the setup of a support hotline.

The Swedish government has instructed authorities to strengthen efforts to work against radicalization and has been active on issues related to countering violent extremism within the EU. Sweden belongs to the EU-9, a group within the EU that focuses on the foreign terrorist fighter issue.

National Coordinator against Violent Extremism, Mona Sahlin, announced a CVE pilot program to open Knowledge Centers in January 2016 to aid the cities of Stockholm, Gothenburg, Örebro, and Borlänge. The Knowledge Centers will provide information about violent extremism and advice on how to prevent it. Concerned relatives of individuals who are on the brink of being radicalized and those who seek to leave such an environment will be able to turn to the centers to seek support and will not be shuffled between different authorities and agencies.

International and Regional Cooperation: Sweden is a member of the EU and participated in an ad hoc group consisting of several member states to focus on foreign terrorist fighter issues. In May 2015, the Council of Europe's Committee of Ministers adopted an action plan entitled "The Fight Against Violent Extremism and Radicalisation Leading to Terrorism." The action plan contained measures regarding the international legal framework for combating terrorism and violent extremism and measures for preventive work. Sweden has been active in ensuring that the action plan focused on areas where the Council of Europe added value, primarily in preventive initiatives.

In 2015, Denmark, Finland, Norway, and Sweden established a working group to share expertise to prevent violent extremism. The ministers adopted a joint, non-binding declaration of intent in Oslo in January 2015.

Sweden participated in the European Programme for Critical Infrastructure Protection. The goal was to improve the protection of critical infrastructure in the EU network and information security across the EU (the NIS Directive). All member states were required to provide a national network and information security strategy and ensure there was an agency structure to tackle information security issues. The member states were also asked to identify public and individual subjects ("operators") that could provide critical services on electronic networks and information systems. The Government of Sweden stated that it would act to ensure that the NIS Directive is adopted.

Sweden continued to contribute to counterterrorism capacity-building projects through its development aid work carried out by the Swedish International Development Cooperation Agency, and also via funding to the UN Office on Drugs and Crime-Terrorism Prevention Branch and the OSCE. Sweden supported the EU's work with capacity-building projects in

prioritized countries and regions, such as Pakistan, Yemen, the Horn of Africa, the Maghreb, and the Sahel. Sweden provided trainers to the UN Multidimensional Integrated Stabilization Mission in Mali.

Sweden is a member of a number of multinational forums and collaborative groups, including the Counter-Terrorism Group (CTG). The Group comprises security and intelligence services from all the EU Member States, Norway, and Switzerland. EUROPOL is tasked with helping its Member States to prevent and combat serious cross-border crime and terrorism in Europe. EUROPOL has started work to combine its various areas of expertise in counterterrorism into one department (the European Counterterrorism Centre) to further support Member States.

International Sanctions

None applicable

Bribery & Corruption

Index	Rating (100-Good / 0-Bad)
Transparency International Corruption Index	88
World Governance Indicator – Control of Corruption	99

Corruption and Government Transparency - Report by US State Department

For those interested to invest in Sweden, corruption will probably not be an issue. While there have been cases of domestic corruption at the municipal level, most companies have high anti-corruption standards and an investor would not typically be put in the position of having to make a bribe to do business here.

However, it's possible that some Swedish companies operating overseas have indulged in bribery of foreign officials. Although Sweden has comprehensive laws against corruption, and has ratified the 1997 OECD Anti-bribery Convention, in June of 2012 the OECD Anti-Bribery Working Group gave an unfavorable review of Swedish compliance to the dictates of that Convention. The group faulted Sweden for not having a single conviction of a Swedish company for bribery in the last eight years, for having unreasonably low fines, and for not re-framing their legal system so that a corporation could be charged with a crime. Swedish officials object to the review, claiming that lack of convictions is not proof of prosecutorial indifference, but rather indicative of high standards of ethics in Swedish companies. In the last two years, a high-profile issue involving telecom giant TeliaSonera's operations in Uzbekistan has received quite a lot of attention. It cost the CEO and other senior officials their job, and the corruption prosecutor is currently investigating the case.

Sweden does not have an agency devoted exclusively to anti-corruption but a number of agencies cooperate together. A list of Sweden's Public and Private Anti-Corruption Initiatives can be found at <http://www.business-anti-corruption.com/country-profiles/europe-central-asia/sweden/initiatives.aspx>.

Resources to report corruption:

The National Corruption Group at the Swedish Police (Den Nationella Korruptionsgruppen) handles the investigation of corruption offences and is engaged in preventive efforts. Corruption claims can be reported to the Group at corruption@polisen.se.

Section 3 - Economy

Aided by peace and neutrality for the whole of the 20th century, Sweden has achieved an enviable standard of living under a mixed system of high-tech capitalism and extensive welfare benefits. It has a modern distribution system, excellent internal and external communications, and a highly skilled labor force. In September 2003, Swedish voters turned down entry into the euro system concerned about the impact on the economy and sovereignty. Timber, hydropower, and iron ore constitute the resource base of an economy heavily oriented toward foreign trade. Privately owned firms account for vast majority of industrial output, of which the engineering sector accounts for about 50% of output and exports. Agriculture accounts for little more than 1% of GDP and of employment. Until 2008, Sweden was in the midst of a sustained economic upswing, boosted by increased domestic demand and strong exports. This, and robust finances, offered the center-right government considerable scope to implement its reform program aimed at increasing employment, reducing welfare dependence, and streamlining the state's role in the economy. Despite strong finances and underlying fundamentals, the Swedish economy slid into recession in the third quarter of 2008 and the contraction continued in 2009 as deteriorating global conditions reduced export demand and consumption. Strong exports of commodities and a return to profitability by Sweden's banking sector drove a rebound in 2010, but growth slipped in 2013, as a result of continued economic weakness in the EU - Sweden's main export market.

Agriculture - products:

barley, wheat, sugar beets; meat, milk

Industries:

iron and steel, precision equipment (bearings, radio and telephone parts, armaments), wood pulp and paper products, processed foods, motor vehicles

Exports - commodities:

machinery 35%, motor vehicles, paper products, pulp and wood, iron and steel products, chemicals

Exports - partners:

Norway 10.4%, Germany 10.3%, UK 8.1%, Denmark 6.7%, Finland 6.7%, Netherlands 5.5%, US 5.5%, Belgium 5%, France 4.8% (2012)

Imports - commodities:

machinery, petroleum and petroleum products, chemicals, motor vehicles, iron and steel; foodstuffs, clothing

Imports - partners:

Germany 17.4%, Denmark 8.5%, Norway 8.4%, UK 6.5%, Netherlands 6.4%, Russia 5.6%, Finland 5.1%, China 4.9%, France 4.2% (2012)

Banking

The Swedish banking system is made up of four main categories: Swedish commercial banks (joint-stock banks), foreign banks, savings banks and co-operative banks. All the above-mentioned types of banks are - since the amendment of banking legislation in 1969 - entitled to operate in all areas of banking. In December 2009 Sweden had a total of 117 banks

In 1986, Sweden issued a charter for the first 12 foreign-owned commercial banks and since 1990 foreign-owned banks have been entitled to open branch offices in Sweden. These branch offices have primarily concentrated on servicing the business sector. Also in 1990, the restrictions concerning foreign ownership of Swedish bank stock were abolished. In December 2009 there were a total of 30 foreign banks represented in Sweden, the largest being the Danske Bank, which after acquiring the Swedish Ostgota Bank in 1997 became the fifth largest bank in Sweden.

The banks' activities are closely supervised by the Swedish Financial Supervisory Authority (Finansinspektionen) (<http://www.fi.se>) to ensure that all necessary standards are met. Swedish banks' financial statements meet the international standards well and are audited by internationally recognized auditors only.

The Swedish Bankers' Association (<http://www.bankforeningen.se>) represents the banks in Sweden. The association disseminates information about the banks and their position in society. The Association has 28 members –banks, financial institutions, mortgage institutions and branches of foreign banks in Sweden. New smaller, so-called 'niche banks' have been established. These banks tend to concentrate on certain areas of banking services or methods of banking, e.g. 'dial-in' banks for banking services by telephone. All major banks are offering banking services through Internet.

Stock Exchange

The Stockholm Stock Exchange was acquired by OMX in 1998, and in 2003 the operations were merged with those of the Helsinki Stock Exchange. Prior to the introduction of electronic trading in 1990, all trading was conducted on the floor of the Stockholm Stock Exchange Building.

It is a modern, open, and active forum for domestic and foreign portfolio investment. It is an official institution and operates under specific legislation. Swedes and foreigners alike may acquire shares in any company listed on the Stockholm Stock Exchange.

Executive Summary

Sweden is generally considered a favorable country in which to invest. Sweden offers an extremely competitive, largely corruption-free economy with access to new products, technologies, skills, and innovations. Having only 9.6 million people, Sweden is highly dependent on exports and is one of the most pro-free trade countries in the world. Sweden is the largest market in the Baltic Sea region and is the gateway to Northern Europe and the Baltic Sea region. Low levels of corporate tax, the absence of withholding tax on dividends, and a favorable holding company regime combine to make Sweden particularly attractive for doing business.

Combined with a well-educated labor force, outstanding telecommunications network, and a stable political environment, Sweden has become more competitive as a choice for American and foreign companies establishing a presence in the Nordic region. In the World Economic Forum's 2013-2014 report, Sweden ranked sixth out of 144 countries in overall competitiveness and productivity and has been in the top six for the past ten years.

Also in 2013, Transparency International ranked Sweden as one of the most corruption-free countries in the world; third out of 177. Sweden's economy has strong potential to benefit from intensifying, technology-driven global competition. Sweden already hosts one of the most internationally integrated economies in the world. Large flows of trade, capital, and foreign investment attest to Sweden's global competitiveness. It is seen as a frontrunner in adopting new technologies and setting new consumer trends. U.S. exporters can take advantage of a test market full of demanding customers and high levels of technical sophistication.

Surveys conducted by investors in recent years ranking the investment climate in Sweden show little variation in their appraisals: positives mentioned are a well-trained and educated workforce; low corporate tax rates; excellent infrastructure; and easy access to capital. On the negative side are the high cost of labor, rigid labor legislation, high individual tax rates, longer processing times and overall high costs in Sweden.

1. Openness to, and Restrictions Upon, Foreign Investment

Attitude Toward FDI:

Until the mid 1980s, Sweden's approach to direct investment from abroad was quite restrictive and governed by a complex system of laws and regulations. Sweden's entry into the European Union (EU) in 1995 has greatly improved the investment climate and attracted foreign investors to the country. The number of foreign subsidiaries in Sweden increased sharply from the mid 1990s, from just over 3,000 to over 10,000 ten years later. Despite substantial FDI inflows, the stock of Swedish assets held abroad still exceeds the stock of foreign assets in Sweden. In 2012, the stock of foreign direct investments in Sweden amounted to 72 percent of GDP, placing Sweden in 10th place among OECD countries, after Luxemburg, Belgium, Ireland, Switzerland, Estonia, Hungary, the Netherlands, Iceland and Chile. The 2012 OECD average was about 31 percent of GDP.

In a 2003 public referendum on whether or not to join the European Monetary Union (EMU), a majority voted for Sweden to remain outside. In 2009, public opinion shifted somewhat and a majority of Swedes viewed the euro positively for the first time ever. However, the 2010 debt crises in the eurozone have caused public opinion to once again favor retention of the SEK, which has weathered the financial crisis well. The EMU issue is not expected to be an issue in the current four year political cycle, which ends in 2014.

Swedish authorities have implemented a number of reforms to improve the business regulatory environment and benefit investment inflows. The Moderate Party-led center-right coalition government (also known as the Alliance Government) was elected in September 2006 set a goal of selling some US\$31 billion in state assets between 2007 and 2010 to stimulate growth and raise revenue to pay down the national debt. In 2008, the Swedish government sold liquor company V&S (Vin & Sprit AB) to French company Pernod Ricard for US\$8.3 billion and the Swedish OMX stock exchange to NASDAQ for US\$318 Million. Further deregulation progress was made in the beginning of 2010 as the state-owned and former Government-run pharmaceutical company Apoteket was split into two parts, one public and one private. The privatization trend was reversed by an opposition-led majority vote in March of 2011 in Parliament that put a halt to the sale of stakes in SBAB bank, telecom firm TeliaSonera, power utility Vattenfall, and Posten, the Swedish postal service. Such a consolidated opposition indicates that the future of privatization will be a function of politics, and thus is difficult to predict.

The Alliance government has pursued a macroeconomic policy favorable to the business sector. While the government lost its majority in Parliamentary elections in September 2010, the election results were nonetheless considered an endorsement of the government's economic policies, especially as the Social Democrat-led opposition fared poorly in the elections. The Moderate Party-led coalition has continued its pro-business sector policies as a minority government.

Sweden is also actively seeking ways to ensure wider ownership in Swedish industry, which it believes will increase competition and lead to greater efficiency on the markets. As a result, foreign ownership in Sweden has increased rapidly in the last decade. Approximately 50 percent of foreign-owned firms are acquisitions, and 30 percent are new establishments. Foreign owned firms now employ almost 25 percent of the work force in the business sector, mostly in the service and manufacturing industries. In 2012, foreign companies in Sweden employed about 639,340 employees. Foreign ownership in urban areas of Sweden is dominated by Norway and EU countries. The U.S. is one of the largest foreign investors in Sweden with approximately 1,323 companies with 71,904 employees. U.S. companies representing a wide range of industry sectors are present in Sweden and many Fortune 500 Companies have their Nordic/Baltic headquarters in Sweden.

The Swedish Government recognizes the need to improve the business climate for entrepreneurs, education, and the flow of research from the lab to the market. The government's innovation strategy aims to improve the business climate for entrepreneurs, education, and the flow of research from the lab to the market. Sweden spends one of the highest amounts per capita on research and development in the European Union.

Other Investment Policy Reviews:

Sweden has not recently undergone an investment policy review by the OECD, World Trade Organization (WTO), or United Nations Committee on Trade and Development (UNCTAD).

Laws/Regulations of FDI:

During the 1990s, Sweden made considerable progress deregulating its markets. In a number of areas, including the electricity and telecommunication markets, Sweden has been on the leading edge of reform. These reforms have resulted in more efficient sectors and lower prices. Nevertheless, a number of practical impediments to direct investments remain. These include a fairly extensive, though non-discriminatory, system of permits and authorizations needed to engage in many activities and the dominance of a few very large players in certain sectors, such as construction and food wholesaling.

Regulation on foreign ownership in financial services has been liberalized. Foreign banks, insurance companies, brokerage firms, and cooperative mortgage institutions are permitted to establish branches in Sweden on equal terms with domestic firms, although a permit is required. Swedes and foreigners alike may acquire shares in any company listed on NASDAQ OMX.

Government monopolies: Foreign and domestic investors are still barred from retail sale of alcoholic beverages. In early 2010, the Swedish Government went through with the privatization of pharmaceutical company Apoteket, allowing for private retailing of pharmaceuticals. Approximately 600 pharmacies were sold to private enterprises. The previously monopolized market for vehicle emissions testing was opened to certified private parties in 2010. The vehicle emissions testing centers were divided into three equivalent groups, two of which became independent subsidiaries in March 2012.

Legal Aspects: Swedish company law provides various forms under which a business can be organized. The main difference between these forms is whether the founder must own capital and to what extent the founder is personally liable for the company's debt. The Swedish Law, Act (1992:160) on Foreign Branches, applies to foreign companies operating some form of business through a branch and also to people residing abroad who run a business in Sweden. A branch must have a president who resides within the European Economic Area (EEA). All business enterprises in Sweden (including branches) are required to register at the Swedish Companies Registration Office. An invention or trademark must be registered in Sweden in order to obtain legal protection. A bank from a non-EEA country needs special permission from the Financial Supervision Authority to establish a branch in Sweden.

Taxes: Sweden's taxation structure is straightforward and corporate tax levels are low. In 2013, Sweden lowered its corporate tax from 26.3 percent to 22 percent in nominal terms. The effective rate can be even lower as companies have the option of making deductible annual appropriations to a tax allocation reserve of up to 25 percent of their pretax profit for the year. Companies can make pre-tax allocations to untaxed reserves, which are subject to tax only when utilized. Certain amounts of untaxed reserves may be used to cover losses.

Due to tax exemptions on capital gains and dividends, as well as other competitive tax rules such as low effective corporate tax rates, deductible interest costs for tax purposes, no withholding tax on interest, no stamp duty or capital duties on share capital, and an

extensive double tax treaty network, Sweden is among Europe’s most favorable jurisdictions for holding companies. Unlisted shares are always tax-exempt, meaning no qualification time or minimum holding of votes or capital. Listed shares are exempt if the holding represents at least 10 percent of the voting rights (or is contingent on the holder’s business) and the shares are held for at least one year.

Personal income taxes are among the highest in the world. Since public finances have improved due to extensive consolidation packages to reduce deficits, the government has been able to reduce the tax pressure as a percentage of GDP. Currently, it is below 50 percent for the first time in decades. One particular focus has been tax reductions to encourage employers to hire the long-term unemployed.

One tax reform to help bring foreign experts to Sweden is a reduction of key foreign personnel’s income tax. Under the reform, only 75 percent of the person’s income is taxable for the first three years of employment in Sweden. Likewise, their employers pay social security contributions on only 75 percent of the taxable salary. This tax relief applies to all salaries and benefits in kind, as well as stock options and other compensations offered by the employer. This applies to foreign key personnel such as executives, researchers, and experts who work temporarily in Sweden and are a resident in Sweden for tax purposes. The tax relief is not applicable to individuals assigned to Sweden by a foreign company that has no operations in Sweden.

Dividends paid by foreign subsidiaries in Sweden to their parent company are not subject to Swedish taxation. Dividends distributed to other foreign shareholders are subject to a 30 percent withholding tax under domestic law, unless dividends are exempt or taxed at a lower rate under a tax treaty. Tax liability may also be eliminated under the EC Parent Subsidiary Directive. Profits of a Swedish branch of a foreign company may be remitted abroad without being subject to any other tax than the regular corporate income tax. Sweden has no foreign exchange controls or restrictions.

There is no exit taxation and no specific rules regarding taxation of stock options received before a move to Sweden. Instead, cases of double taxation are solved by applying tax treaties and cover not only moves within the EU but all countries, including the United States.

Competition Law: The competition law rules are contained in the Swedish Competition Act (2008:579), which entered into force in November 2008. The fundamental antitrust provisions have been the same since 1993. The Swedish Competition Authority (SCA) is the main enforcement authority of the Swedish Competition Act.

TABLE 1: The following chart summarizes several well-regarded indices and rankings.

Measure	Year	Rank or value	Website Address
TI Corruption Perceptions index	2013	(3 of 177)	http://cpi.transparency.org/cpi2013/results/

Heritage Foundation's Economic Freedom index	2014	(20 of 178)	http://www.heritage.org/index/ranking
World Bank's Doing Business Report "Ease of Doing Business"	2014	(14 of 189)	http://doingbusiness.org/rankings
Global Innovation Index	2013	(2 of 142)	http://www.globalinnovationindex.org/content.aspx?page=gii-full-report-2013#pdfopener
World Bank GNI per capita	2012	USD 55,970	http://data.worldbank.org/indicator/NY.GNP.PCAP.CD

2. Conversion and Transfer Policies

There are no foreign exchange controls in Sweden, nor are there any restrictions on remittances of profits, proceeds from the liquidation of an investment, or royalty and license fee payments. A subsidiary or branch may transfer fees to a parent company outside of Sweden for management services, research expenditures, etc. In general, yields on invested funds, such as dividends and interest receipts, may be freely transferred. A foreign-owned firm may also raise foreign currency loans both from its parent corporation and credit institutions abroad.

3. Expropriation and Compensation

Private property is only expropriated for public purposes, in a non-discriminatory manner, with reasonable compensation, and in accordance with established principles of international law.

4. Dispute Settlement

There have been no major disputes over investment in Sweden in recent years. The country has written and consistently applied commercial and bankruptcy laws, and secured interests in property are recognized and enforced.

Sweden is a member of the International Center for the Settlement of Investment Disputes and is a signatory to the New York Convention on the Recognition and Enforcement of Foreign Arbitration Awards. The Arbitration Institute of the Stockholm Chamber of Commerce is one of the leading arbitration centers in the world, with many of its cases originating in East West business relations. An agreement between the American Arbitration Association and the Russian Federation Chamber of Commerce, stemming back to the 1990's, provides for

arbitration to take place in Sweden under the rules of the United Nations Commission on International Trade Law, with the Stockholm Chamber of Commerce administering the cases and acting as appointing authority if needed.

5. Performance Requirements and Investment Incentives

The Swedish government offers certain incentives to set up a business in targeted depressed areas. Loans are available on favorable terms from the Swedish Agency for Economic and Regional Growth (Tillväxtverket) and from regional development funds. A range of regional support programs, including location and employment grants, low rent industrial parks, and economic free zones are also available. Regional development support is concentrated in the lightly populated northern two-thirds of the country. There are also several European funds that offer subsidies for starting enterprises and a range of incentives to research and development programs provided by the Swedish Government.

Sweden imposes no performance requirements on presumptive foreign investors.

6. Right to Private Ownership and Establishment

Rights of this kind are not specifically written into Swedish law, but individuals and Swedish entities are well protected by the legal system. Private and public enterprises enjoy equal access to markets necessary for conducting business operations.

7. Protection of Property Rights

Swedish law generally provides adequate protection of all property rights, including intellectual property and real property. As a member of the European Union, Sweden adheres to a series of multilateral conventions on industrial, intellectual, and commercial property.

Intellectual Property (IP) Rights:

Patents - Protection in all areas of technology may be obtained for 20 years. Sweden is a party to the Patent Cooperation Treaty and the European Patent Convention of 1973; both entered into force in 1978.

Copyrights - Sweden is a signatory to various multilateral conventions on the protection of copyrights, including the Berne Convention of 1971, the Rome Convention of 1961, and the WTO's trade related intellectual property (TRIPS) agreement. Swedish copyright law protects computer programs and databases. More recently, Sweden gained notoriety as somewhat of a safe haven for internet piracy, due to rapid internet connection speeds, a lag in implementing EU Directives, and weak enforcement efforts. Over the course of 2009, however, Sweden implemented the EU's Intellectual Property Rights Enforcement Directive (IPRED) 2004/48/EC, and continued to step up its enforcement against internet piracy. The last few years also saw the conviction of the operators behind the Pirate Bay.org, a notorious BitTorrent tracker for illegal file-sharing, and an increase in legal file-sharing. The 2010 appeal trial upheld the guilty verdict, signaling that Sweden is no longer a safe haven for internet piracy. Legislative measures, combined with added resources on the enforcement side and the emergence of successful legal alternative such as Sweden-based sites Spotify and

Voddler all contributed to a substantial increase in 2010-2011 for music and film distribution using legal means.

Trademarks - Sweden protects trademarks under a specific trademark act (1960:644) and is a signatory to the 1989 Madrid Protocol.

Trade secrets - proprietary information is protected under Sweden's patent and copyright laws unless acquired by a government ministry or authority, in which case it may be made available to the public on demand.

For additional information about treaty obligations and points of contact at local IP offices, please see WIPO's country profiles at <http://www.wipo.int/directory/en/>.

Resources for Rights Holders:

Contact at US Embassy Stockholm:

- Michael Sullivan
- Economic Counselor
- +46 8 783 5323
- StockholmICS@state.gov

Local lawyers list: http://sweden.usembassy.gov/consulate/acs_attorney.html

Country/Economy resources:

American Chamber of Commerce in Sweden <http://www.amchamswe.se>.

8. Transparency of the Regulatory System

As an EU member, Sweden has altered its legislation to comply with the EU's stringent rules on competition. The country has made extensive changes in its laws and regulations to harmonize with EU practices, all with a view to avoiding distortions in or impediments to the efficient mobilization and allocation of investment.

9. Efficient Capital Markets and Portfolio Investment

Credit is allocated on market terms and is made available to foreign investors in a non-discriminatory fashion. The private sector has access to a variety of credit instruments. Legal, regulatory, and accounting systems are transparent and consistent with international norms.

NASDAQ OMX is a modern, open, and active forum for domestic and foreign portfolio investment. It is an official institution and operates under specific legislation.

The banking crisis of the early 1990s changed the structure of the banking sector, with a large number of savings banks being converted into commercial banks. Several foreign banks, including Citibank, have established branch offices in Sweden, and several niche banks have started to compete in the retail bank market. Danske Bank is the largest foreign bank and the fifth largest bank in Sweden. A deposit insurance system was introduced in 1996,

whereby individuals received protection of up to SEK 250,000 (US\$38,285) of their deposits in case of bank insolvency. This guarantee was increased to SEK 500,000 (US\$76,546) in the fall of 2008 in response to the onset of the global financial crisis, and altered to cover all types of accounts, regardless of the availability of account funds for withdrawal. On December 31, 2010, the maximum compensation was raised again as a result of amendments in the EC directive and is now the SEK equivalent of 100,000 euro.

10. Competition from State-Owned Enterprises (SOEs)

Private enterprises compete with public enterprises under the same terms and conditions with respect to access to markets, credit, and other business operations.

The Swedish state is Sweden's largest company owner and employer. As of December 2013, fifty-three companies/concerns are managed through the Government Offices, 44 of which are entirely state-owned and 9 companies partially state-owned. Approximately 175,000 people are employed by these companies. Sectors which feature State-Owned Enterprises include energy/power generation, forestry, mining, finance, telecom, postal services, gambling, and liquor retail sales.

These companies operate under the same laws as private companies, although the government appoints board members representing the owners. Like private companies, SOE's have appointed boards of directors, and the government is constitutionally prevented from direct involvement in the company's operations. Like private companies, SOE's publish their annual reports, and they are subject to independent audit.

There is no sovereign wealth fund in Sweden.

11. Corporate Social Responsibility (CSR)

There is wide-spread awareness of corporate social responsibility among both producers and consumers in Sweden. Firms who pursue CSR are viewed favorably, often publicizing their adherence to generally accepted CSR principles such those contained in OECD guidelines.

12. Political Violence

Sweden is politically stable and no changes are expected.

13. Corruption

For those interested to invest in Sweden, corruption will probably not be an issue. While there have been cases of domestic corruption at the municipal level, most companies have high anti-corruption standards and an investor would not typically be put in the position of having to make a bribe to do business here.

However, it's possible that some Swedish companies operating overseas have indulged in bribery of foreign officials. Although Sweden has comprehensive laws against corruption, and has ratified the 1997 OECD Anti-bribery Convention, in June of 2012 the OECD Anti-Bribery Working Group gave an unfavorable review of Swedish compliance to the dictates of that Convention. The group faulted Sweden for not having a single conviction of a Swedish company for bribery in the last eight years, for having unreasonably low fines, and for not re-framing their legal system so that a corporation could be charged with a crime. Swedish

officials object to the review, claiming that lack of convictions is not proof of prosecutorial indifference, but rather indicative of high standards of ethics in Swedish companies. In the last two years, a high-profile issue involving telecom giant TeliaSonera's operations in Uzbekistan has received quite a lot of attention. It cost the CEO and other senior officials their job, and the corruption prosecutor is currently investigating the case.

Sweden does not have an agency devoted exclusively to anti-corruption but a number of agencies cooperate together. A list of Sweden's Public and Private Anti-Corruption Initiatives can be found at <http://www.business-anti-corruption.com/country-profiles/europe-central-asia/sweden/initiatives.aspx>.

Resources to report corruption:

The National Corruption Group at the Swedish Police (Den Nationella Korruptionsgruppen) handles the investigation of corruption offences and is engaged in preventive efforts. Corruption claims can be reported to the Group at corruption@polisen.se.

14. Bilateral Investment Agreements

Sweden has concluded investment protection agreements with the following countries:

Albania, Algeria, Argentina, Armenia, Belarus, Bolivia, Bosnia and Herzegovina, Bulgaria, Chile, China, Cote d'Ivoire, Croatia, Czech Republic, Ecuador, Egypt, Estonia, Ethiopia, Georgia, Guatemala, Hong Kong, Hungary, India, Indonesia, Iran, Kazakhstan, Kyrgyzstan, Kuwait, Laos, Latvia, Lithuania, Lebanon, Madagascar, Macedonia, Malaysia, Malta, Mauritius, Mexico, Mongolia, Morocco, Mozambique, Nicaragua, Nigeria, Oman, Pakistan, Panama, Peru, Philippines, Poland, Republic of Korea, Romania, Russian Federation, Saudi Arabia, Senegal, Serbia, Slovakia, Slovenia, South Africa, Sri Lanka, , Tanzania, Thailand, Tunisia, Turkey, Ukraine, United Arab Emirates, Uruguay, Uzbekistan, Venezuela, Vietnam, Yemen and Zimbabwe.

There is a bilateral taxation agreement between the U.S. and Sweden, but no bilateral investment protection agreement.

15. OPIC and Other Investment Insurance Programs

The Overseas Private Insurance Corporation (OPIC) does not operate in Sweden.

16. Labor

Sweden's labor force of 5.1 million is disciplined, well-educated, and experienced in all modern technologies. About 68 percent of the Swedish labor force is unionized, although membership is declining. Swedish unions have helped to implement business rationalization, and strongly favor employee education and technical progress. Management labor cooperation is generally excellent and non-confrontational.

The cost of doing business in Sweden is generally comparable to most OECD countries, though some country-specific cost advantages are present. Overall salary costs have become increasingly competitive due to relatively modest wage increases over the last decade and a favorable exchange rate. This development is even more pronounced for

highly qualified personnel and researchers. The leverage in terms of high productivity and skills is substantial and offers investors good value for money.

There is no fixed minimum wage by legislation. Instead, wages are set by collective bargaining. The traditionally low wage differential has increased in recent years as a result of increased wage setting flexibility at the company level. Still, Swedish unskilled employees are relatively well paid, while well-educated Swedish employees are low-paid compared to those in competitor countries. The average increases in real wages in recent years have been high by historical standards, in large due to price stability. Even so nominal wages in recent years have been slightly above those in competitor countries, about 3 percent annually.

Employers must pay social security fees of about 31.5 percent. The fee consists of statutory contributions for pensions, health insurance and other social benefits. For employees under 25, the fee is 15.5 percent.

Sweden has a Co-determination at Work Act, which provides for labor representation on the boards of corporate directors once a company has reached a more than 25 persons. This law also requires management to negotiate with the appropriate union or unions prior to implementing certain major changes in company activities. It calls for a company to furnish information on many aspects of its economic status to labor representatives. But in the end, management has the final say. Labor and management usually find this system works to both sides' benefit.

Sweden has ratified most International Labor Organization (ILO) conventions dealing with workers rights, freedom of association, collective bargaining, and the major working conditions and occupational safety and health conventions.

17. Foreign Trade Zones/Free Ports

Sweden has foreign trade zones with bonded warehouses in the ports of Stockholm, Göteborg, Malmö, and Jonköping. Goods may be stored indefinitely in these zones without customs clearance, but they may not be consumed or sold on a retail basis. Permission may be granted to use these goods as materials for industrial operations within a free trade zone. The same tax and labor laws apply to foreign trade zones as to other workplaces in Sweden.

18. Foreign Direct Investment and Foreign Portfolio Investment Statistics

Both the origin of foreign direct investments in Sweden, as well as the net result of Swedish direct investments abroad fluctuates greatly from year to year. The major actors are usually the U.S. and countries within the EU.

TABLE 2: Key Macroeconomic data, U.S. FDI in Sweden.

	Host Country Statistical source*	USG or international statistical source	USG or international Source of data (Source of Data: BEA; IMF; Eurostat; UNCTAD, Other)
--	--	--	--

Economic Data	Year	Amount	Year	Amount	
Host Country Gross Domestic Product (GDP) (<i>Millions U.S. Dollars</i>)	2012	524,00	2012	523,900	http://www.worldbank.org/en/country
Foreign Direct Investment	Host Country Statistical source*		USG or international statistical source		USG or international Source of data: BEA; IMF; Eurostat; UNCTAD, Other
U.S. FDI in partner country (<i>Millions U.S. Dollars, stock positions</i>)	2012	29,511	2012	31,978	Source of data: UNCTAD
Host country's FDI in the United States (<i>Millions U.S. Dollars, stock positions</i>)	2012	60,300	2012	65,339	Source of data: UNCTAD
Total inbound stock of FDI as % host GDP			2012	72	Source of data: OECD International direct Investment database, IMF.

* Host Country Statistical Source: Statistics Sweden; www.scb.se.

TABLE 3: Sources and Destination of FDI

Sweden, 2012

Direct Investment from/in Counterpart Economy Data					
From Top Five Sources/To Top Five Destinations (<i>US Dollars, Millions</i>)					
Inward Direct Investment			Outward Direct Investment		
Total Inward	352,926	100%	Total Outward	358,667	100%
Netherlands	75,426	21%	United States	64,504	18%
Luxembourg	51,007	14%	Finland	37,826	11%

United Kingdom	45,222	13%	Netherlands	30,601	9%
Finland	33,781	10%	United Kingdom	25,883	7%
United States	28,677	8%	Norway	25,809	7%
"0" reflects amounts rounded to +/- USD 500,000.					

Source: <http://cds.imf.org>

TABLE 4: Sources of Portfolio Investment

Sweden, 2012

Portfolio Investment Assets								
Top Five Partners (Millions, US Dollars)								
Total			Equity Securities			Total Debt Securities		
World	505,403	100%	World	355,466	100%	World	149,937	100%
United States	106,279	21%	United States	82,835	23%	Germany	25,533	17%
Luxembourg	86,073	17%	Luxembourg	80,364	23%	United States	23,444	16%
United Kingdom	46,522	9%	United Kingdom	33,274	9%	Denmark	17,816	12%
Finland	39,424	8%	Finland	29,622	8%	Norway	13,328	9%
Germany	37,391	7%	Switzerland	16,417	5%	United Kingdom	13,248	9%

Source: <http://cpis.imf.org>

Section 5 - Government

Chiefs of State and Cabinet Members:

For the current list of Chief of State and Cabinet Members, please access the following - [Central Intelligence Agency online directory of Chiefs of State and Cabinet Members of Foreign Governments](#)

Legal system:

Chief of state: King CARL XVI GUSTAF (since 19 September 1973); Heir Apparent Princess VICTORIA Ingrid Alice Desiree, daughter of the monarch (born 14 July 1977)

Head of government: Prime Minister Fredrik REINFELDT (since 5 October 2006); Deputy Prime Minister Jan BJORKLUND (since 5 October 2010)

Cabinet: Cabinet appointed by the prime minister

elections: the monarchy is hereditary; following legislative elections, the leader of the majority party or the leader of the majority coalition usually becomes the prime minister

International organization participation:

ADB (nonregional member), AfDB (nonregional member), Arctic Council, Australia Group, BIS, CBSS, CD, CE, CERN, EAPC, EBRD, EIB, EITI (implementing country), ESA, EU, FAO, FATF, G-9, G-10, IADB, IAEA, IBRD, ICAO, ICC (national committees), ICRM, IDA, IEA, IFAD, IFC, IFRCs, IGAD (partners), IHO, ILO, IMF, IMO, IMSO, Interpol, IOC, IOM, IPU, ISO, ITSO, ITU, ITUC (NGOs), MIGA, MONUSCO, NC, NEA, NIB, NSG, OAS (observer), OECD, OPCW, OSCE, Paris Club, PCA, PFP, Schengen Convention, UN, UNCTAD, UNESCO, UNHCR, UNIDO, UNISFA, UNMISS, UNMOGIP, UNRWA, UNTSO, UPU, WCO, WFTU (NGOs), WHO, WIPO, WMO, WTO, ZC

Section 6 - Tax

Exchange control

There is no exchange control in Sweden.

Treaty and non-treaty withholding tax rates

Sweden has signed **123 agreements (77 DTC and 46 TIEA agreements)** providing for the exchange of information.

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Albania	DTC	26 Mar 1998	9 Feb 1999	Unreviewed	No	
Andorra	TIEA	24 Feb 2010	11 Feb 2011	Yes	Yes	
Anguilla	TIEA	14 Dec 2009	1 Jun 2011	Yes	Yes	
Antigua and Barbuda	DTC	20 Aug 1963	1 Jan 1961	Yes	No	
Antigua and Barbuda	TIEA	19 May 2010	1 Jun 2013	Yes	Yes	
Argentina	DTC	31 May 1995	10 May 1997	Yes	No	
Aruba	TIEA	10 Sep 2009	2 Jun 2011	Yes	Yes	
Australia	DTC	14 Jan 1981	4 Sep 1981	Yes	No	
Austria	DTC	14 Oct 1959	29 Dec 1959	Yes	Yes	
Azerbaijan	DTC	25 Jan 1988	1 Oct 1994	Unreviewed	No	
Bahamas, The	TIEA	10 Mar 2010	24 Dec 2010	Yes	Yes	
Bahrain	TIEA	14 Oct 2011	not yet in force	Yes	Yes	
Bangladesh	DTC	3 May 1982	19 Aug 1983	Unreviewed	No	
Barbados	DTC	1 Jul 1991	1 Dec 1991	Yes	Yes	
Belarus	DTC	10 Mar 1994	28 Dec 1994	Unreviewed	No	
Belgium	DTC	5 Feb 1991	24 Feb 1993	Yes	No	
Belize	TIEA	15 Sep 2010	not yet in force	Yes	Yes	
Bermuda	TIEA	16 Apr 2009	25 Dec 2009	Yes	Yes	
Bolivia	DTC	14 Jan 1994	4 Oct 1995	Unreviewed	No	
Bosnia and Herzegovina	DTC	18 Jun 1980	1 Jan 1982	Unreviewed	No	
Botswana	DTC	19 Oct 1982	18 Dec 1992	No	No	
Botswana	DTC Protocol	20 Feb 2013	not yet in force	Unreviewed	Yes	
Brazil	DTC	25 Apr 1975	29 Dec 1975	Yes	No	
Brunei Darussalam	TIEA	27 Jun 2012	not yet in force	No	Yes	
Bulgaria	DTC	21 Jun 1988	28 Dec 1988	Unreviewed	No	
Canada	DTC	27 Aug 1996	23 Dec 1997	Yes	No	
Cayman Islands	TIEA	1 Apr 2009	27 Dec 2009	Yes	Yes	
Chile	DTC	4 Jun 2004	30 Dec 2005	Yes	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
China	DTC	16 May 1986	3 Jan 1987	Yes	No	
Cook Islands	TIEA	16 Dec 2009	6 Oct 2011	Yes	Yes	
Costa Rica	TIEA	29 Jun 2011	not yet in force	Yes	Yes	
Croatia	DTC	18 Jun 1980	16 Dec 1981	Unreviewed	No	
Curaçao	TIEA	10 Sep 2009	20 Apr 2011	Yes	Yes	
Cyprus	DTC	25 Oct 1988	13 Nov 1989	Yes	No	
Czech Republic	DTC	16 Feb 1979	8 Oct 1980	Yes	No	
Denmark	TIEA	7 Dec 1989	9 May 1991	Yes	No	
Dominica	TIEA	19 May 2010	not yet in force	No	Yes	
Egypt	DTC	26 Dec 1994	16 Mar 1996	Unreviewed	No	
Estonia	DTC	5 Apr 1993	30 Dec 1993	Yes	No	
Faroe Islands	TIEA	7 Dec 1989	9 May 1991	Unreviewed	No	
Finland	TIEA	7 Dec 1989	9 May 1991	Yes	No	
Former Yugoslav Republic of Macedonia	DTC	17 Feb 1998	18 May 1998	Yes	No	
France	DTC	27 Nov 1990	1 Apr 1992	Yes	No	
Gambia, The	DTC	8 Dec 1993	30 Nov 1994	Unreviewed	No	
Germany	DTC	14 Jul 1992	13 Oct 1994	Yes	No	
Gibraltar	TIEA	16 Dec 2009	3 Jul 2010	Yes	Yes	
Greece	DTC	6 Oct 1961	20 Aug 1963	Yes	No	
Greenland	TIEA	7 Dec 1989	9 May 1991	Unreviewed	No	
Grenada	TIEA	19 May 2010	not yet in force	Yes	Yes	
Guatemala	TIEA	15 May 2012	not yet in force	No	Yes	
Guernsey	TIEA	28 Oct 2008	23 Dec 2009	Yes	Yes	
Hungary	DTC	12 Oct 1981	1 Jan 1983	Yes	No	
Iceland	TIEA	7 Dec 1989	9 May 1991	Yes	No	
India	DTC	24 Jun 1997	25 Dec 1997	Yes	Yes	
Indonesia	DTC	28 Feb 1989	27 Sep 1989	Yes	No	
Ireland	DTC	8 Oct 1986	5 Apr 1988	Yes	No	
Isle of Man	TIEA	30 Oct 2007	27 Dec 2008	Yes	Yes	
Israel	DTC	22 Dec 1959	3 Jun 1960	Yes	No	
Italy	DTC	6 Mar 1980	5 Jul 1983	Yes	No	
Jamaica	DTC	13 Mar 1985	7 Apr 1986	Yes	No	
Jamaica	DTC Protocol	4 Dec 2012	not yet in force	Yes	Yes	
Japan	DTC	19 Feb 1999	25 Dec 1999	Yes	No	
Jersey	TIEA	28 Oct 2008	23 Dec 2009	Yes	Yes	
Kazakhstan	DTC	19 Mar 1997	2 Oct 1998	Unreviewed	Yes	
Kenya	DTC	28 Jun 1973	28 Dec 1973	No	No	
Korea, Republic of	DTC	27 May 1981	9 Sep 1982	Yes	No	
Latvia	DTC	5 Apr 1993	30 Dec 1993	Unreviewed	No	
Liberia	TIEA	11 Oct 2010	4 May 2012	Yes	Yes	
Liechtenstein	TIEA	17 Dec 2010	8 Apr 2012	Yes	Yes	
Lithuania	DTC	27 Sep 1993	31 Dec 1993	Yes	No	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Luxembourg	DTC	14 Oct 1996	15 Mar 1998	Yes	Yes	
Macao, China	TIEA	29 Apr 2011	not yet in force	Yes	Yes	
Malaysia	DTC	12 Mar 2002	28 Jan 2005	No	No	
Malta	DTC	9 Oct 1995	1 Jan 1997	Yes	No	
Marshall Islands	TIEA	28 Sep 2010	not yet in force	Yes	Yes	
Mauritius	DTC	1 Dec 2011	31 Dec 2012	Yes	Yes	
Mexico	DTC	21 Sep 1992	18 Dec 1992	Yes	No	
Monaco	TIEA	23 Jun 2010	26 Dec 2010	Yes	Yes	
Montenegro	DTC	18 Jun 1980	16 Dec 1981	Unreviewed	No	
Montserrat	TIEA	22 Nov 2010	not yet in force	Yes	Yes	
Namibia	DTC	16 Jul 1993	26 Jun 1995	Unreviewed	No	
Netherlands	DTC	18 Jun 1991	12 Aug 1992	Yes	No	
New Zealand	DTC	21 Feb 1979	14 Nov 1980	Yes	No	
Nigeria	DTC	18 Nov 2004	not yet in force	Yes	No	
Niue	TIEA	16 Oct 2013	not yet in force	Unreviewed	Yes	
Norway	TIEA	7 Dec 1989	9 May 1991	Yes	No	
Pakistan	DTC	22 Dec 1985	30 Jun 1986	Unreviewed	No	
Panama	TIEA	12 Nov 2012	not yet in force	Yes	Yes	
Philippines	DTC	24 Jun 1998	1 Nov 2003	Yes	No	
Poland	DTC	19 Nov 2004	1 Jan 2006	Yes	Yes	
Portugal	DTC	29 Aug 2002	19 Dec 2003	Yes	No	
Qatar	TIEA	6 Sep 2013	not yet in force	Yes	Yes	
Romania	DTC	22 Dec 1976	8 Dec 1978	Unreviewed	No	
Russian Federation	DTC	15 Jun 1993	1 Jan 1996	Yes	No	
Saint Kitts and Nevis	TIEA	24 Mar 2010	31 Dec 2010	Yes	Yes	
Saint Lucia	TIEA	19 May 2010	1 Aug 2013	Yes	Yes	
Saint Vincent and the Grenadines	TIEA	24 Mar 2010	21 Mar 2011	Yes	Yes	
Samoa	TIEA	16 Dec 2009	1 Dec 2012	Yes	Yes	
San Marino	TIEA	12 Jan 2010	1 Jul 2010	Yes	Yes	
Serbia	DTC	18 Jun 1980	16 Dec 1981	Unreviewed	No	
Seychelles	TIEA	30 Mar 2011	not yet in force	Yes	Yes	
Singapore	DTC	17 Jun 1968	14 Feb 1969	No	No	
Sint Maarten	TIEA	10 Sep 2009	20 Apr 2011	Yes	Yes	
Slovakia	DTC	16 Feb 1979	8 Oct 1980	Yes	No	
Slovenia	DTC	18 Jun 1980	16 Dec 1981	Yes	No	
South Africa	DTC	24 May 1995	25 Dec 1995	Yes	No	
Spain	DTC	16 Jun 1976	21 Dec 1976	Yes	No	
Sri Lanka	DTC	23 Feb 1983	30 Jul 1984	Unreviewed	No	
Switzerland	DTC	7 May 1965	6 Jun 1966	No	Yes	

Jurisdiction	Type of EOI Arrangement	Date Signed	Date entered into Force	Meets standard	Contains paras 4 and 5	
Tanzania	DTC	2 May 1976	31 Dec 1976	Unreviewed	No	
Thailand	DTC	19 Oct 1988	26 Sep 1989	Unreviewed	No	
Trinidad and Tobago	DTC	17 Feb 1984	12 Dec 1984	No	No	
Tunisia	DTC	7 May 1981	19 Apr 1983	Unreviewed	No	
Turkey	DTC	21 Jan 1988	18 Nov 1990	Yes	No	
Turks and Caicos Islands	TIEA	16 Dec 2009	2 Apr 2011	Yes	Yes	
Ukraine	DTC	14 Aug 1995	4 Jun 1996	Unreviewed	No	
United Kingdom	DTC	30 Aug 1983	26 Mar 1984	Yes	No	
United States	DTC	1 Sep 1994	26 Oct 1995	Yes	No	
Uruguay	TIEA	14 Dec 2011	not yet in force	Yes	Yes	
Vanuatu	TIEA	13 Oct 2010	not yet in force	No	Yes	
Venezuela	DTC	8 Sep 1993	3 Dec 1998	Unreviewed	No	
Viet nam	DTC	24 Mar 1994	9 Aug 1994	Unreviewed	No	
Virgin Islands, British	TIEA	18 May 2009	16 May 2010	Yes	Yes	
Zambia	DTC	18 Mar 1974	7 Nov 1975	Unreviewed	No	
Zimbabwe	DTC	10 Mar 1989	5 Dec 1990	Unreviewed	No	

Methodology and Sources

Section 1 - General Background Report and Map

(Source: [CIA World Factbook](#))

Section 2 - Anti – Money Laundering / Terrorist Financing

	Lower Risk	Medium Risk	Higher Risk
FATF List of Countries identified with strategic AML deficiencies	Not Listed	AML Deficient but Committed	High Risk
Compliance with FATF 40 + 9 recommendations	>69% Compliant or Fully Compliant	35 – 69% Compliant or Fully Compliant	<35% Compliant or Fully Compliant
US Dept of State Money Laundering assessment (INCSR)	Monitored	Concern	Primary Concern
INCSR - Weakness in Government Legislation	<2	2-4	5-20
US Sec of State supporter of / Safe Haven for International Terrorism	No	Safe Haven for Terrorism	State Supporter of Terrorism
EU White list equivalent jurisdictions	Yes		No
International Sanctions UN Sanctions / US Sanctions / EU Sanctions	None	Arab League / Other	UN , EU or US
Corruption Index (Transparency International) Control of corruption (WGI) Global Advice Network	>69%	35 – 69%	<35%
World government Indicators (Average)	>69%	35 – 69%	<35%
Failed States Index (Average)	>69%	35 – 69%	<35%
Offshore Finance Centre	No		Yes

Section 3 - Economy

General Information on the current economic climate in the country and information on imports, exports, main industries and trading partners.

(Source: [CIA World Factbook](#))

Section 4 - Foreign Investment

Information on the openness of foreign investment into the country and the foreign investment markets.

(Source: [US State Department](#))

Section 5 - Government

Names of Government Ministers and general information on political matters.

(Source: [CIA World Factbook](#) / <https://www.cia.gov/library/publications/world-leaders-1/index.html>)

Section 6 - Tax

Information on Tax Information Exchange Agreements entered into, Double Tax Agreements and Exchange Controls.

(Sources: [OECD Global Forum on Transparency and Exchange of Information for Tax Purposes](#) [PKF International](#))

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