SWEDEN

PRIVATE LIMITED COMPANY (AB)

CLIENT GUIDE 2026

Company formation, taxation, holding benefits and annual compliance

Professional company formation and ongoing corporate administration

BRIS GR LIMITED | 66 Paul Street, London EC2A 4NA, United Kingdom

general.info@bris-group.com | +44 207 206 2487 | +44 775 479 5814 | bris-group.com

COMPANY FORMATION OVERVIEW

Sweden Private Limited Company (AB) at a Glance

A Swedish **private aktiebolag (AB)** is a separate legal entity in which shareholders are normally not personally liable for company debts beyond the capital invested. It is Sweden's standard limited-company form for privately held businesses and is registered with Bolagsverket.

Topic	Current legal / practical position
Shareholder(s)	A private AB can be started by **one or more individuals or companies**.
Minimum share capital	At least **SEK 25,000**. Capital may be cash or qualifying property contributed in kind.
Board	Minimum practical board: **one board member and one deputy**. If the board has one or two members, at least one deputy is required.
Managing director	Optional for a private AB.
EEA residence	At least half of board members and half of deputies must reside in the EEA; the managing director and deputy managing directors must also reside in the EEA. Bolagsverket can grant exemptions.
Registration fee	Bolagsverket 2026 fee: **SEK 2,400 online** or **SEK 2,700 by form**.
Corporate income tax	**20.6%** on taxable profits. A Swedish AB is generally taxable on income whether earned in Sweden or abroad.
VAT	Standard **25%**; reduced rates **12%** and **6%** for specified supplies. A small-business VAT exemption may apply within the SEK 120,000 domestic turnover threshold and statutory conditions.
Annual report	All limited companies must prepare an annual report and send it to Bolagsverket within **seven months after financial year-end**.

Key Benefits for International Clients

• EU private limited company with limited shareholder liability.

• Single shareholder permitted.

• Relatively modest SEK 25,000 minimum share capital.

• 20.6% corporate income tax with Sweden's treaty and EU framework.

• Potential tax exemption for qualifying dividends and capital gains on business-related shares (näringsbetingade andelar).

• Most newly established private ABs can choose not to appoint an auditor if statutory audit thresholds are not exceeded.

• Transparent corporate, beneficial-ownership and annual-reporting framework.

Tax Position for Foreign Owners

Sweden is NOT a blanket 0% foreign-source jurisdiction

A Swedish AB is generally taxable in Sweden on its income regardless of whether it is earned in Sweden or abroad. The ordinary corporate income-tax rate is **20.6%**. Foreign shareholders or foreign customers do not by themselves create a 0% tax result.

Important Holding-Company Benefit

Qualifying dividends and capital gains can be tax-exempt

Sweden has a significant participation-style regime for **business-related shares (näringsbetingade andelar)**. Qualifying dividends are generally tax-exempt, and capital gains on qualifying business-related shares are generally tax-exempt. Specific conditions and anti-avoidance rules apply, especially for listed shares and foreign entities.

Shareholders, Board & Capital

Topic	Current legal / practical position
Shareholders	One or more individuals and/or legal entities may establish the company.
Board	A private AB may have one or more board members. If fewer than three, at least one deputy is required.
Chair	If there are two or more board members, one must be chair.
Managing director	Not mandatory for a private AB.
EEA residency	At least half of board members and deputies, plus the MD/deputy MDs if appointed, must reside within the EEA unless exemption is granted.
Service recipient	If no board member, MD or authorised signatory resides in Sweden, the company must appoint a person resident in Sweden authorised to receive service.
Beneficial owner	The company must register its beneficial owner with Bolagsverket and keep the information current.

Share Capital

Official Swedish business guidance confirms a minimum of **SEK 25,000** in share capital. Cash capital is normally evidenced through a bank certificate before registration. If capital is contributed as useful property, an approved/authorised auditor must value the contribution and provide the required statement.

Capital should match the actual business

SEK 25,000 is the statutory minimum. Banks, landlords, suppliers, regulators and counterparties may expect greater working capital depending on the proposed activity.

Corporate Income Tax - 20.6%

Skatteverket confirms that a Swedish limited company is its own tax subject and is in principle taxable for all income regardless of whether it is earned in Sweden or abroad. State corporate income tax is **20.6%**. Sweden therefore does not offer an ordinary foreign-source exemption for an AB.

Participation / Holding Exemption

For qualifying **näringsbetingade andelar**, dividends are generally tax-exempt and capital gains are generally tax-exempt. Foreign-company shares can also qualify where the foreign legal entity sufficiently corresponds to a Swedish limited company/economic association and the statutory conditions are met. Listed business-related shares have additional holding-period requirements.

Dividends Paid to Non-Residents

Skatteverket states that dividends paid by Swedish limited companies to non-residents are normally subject to **30% withholding tax**. A lower rate or exemption may apply under a tax treaty, EU rules or specific Swedish legislation, depending on the beneficial owner and circumstances.

VAT - 2026

The general Swedish VAT rate is **25%**; specified goods and services are taxed at **12%** or **6%**. For businesses established in Sweden, a small-business exemption can apply where Swedish annual turnover does not exceed **SEK 120,000** and the statutory conditions are satisfied.

Documents Required from the Client

- Passport / acceptable identification for shareholders, board members, deputies, MD and UBOs.
- Recent proof of residential address.
- For corporate shareholders: incorporation, constitutional, management and ownership-chain documents.
- Proposed company name, registered address and detailed business activities.
- Proposed share capital and ownership percentages.
- Proposed board / deputy / MD structure and EEA-residency details.
- Expected countries of operation, customers/suppliers, turnover and transaction profile.
- Source-of-funds and, where appropriate, source-of-wealth evidence.
- Certified translations, apostilles/legalisation and powers of attorney where required.

Formation Process & Documents Received

1. Structure/tax review **2.** KYC/UBO & governance review **3.** Memorandum/articles & share capital **4.** Bolagsverket registration **5.** F-tax/VAT/employer registration **6.** Banking and annual compliance

Typical corporate file: certificate/registration information and organisation number; memorandum of association; articles of association; board/authorised-signatory details; share register; beneficial-owner registration and Skatteverket registrations where applicable.

Official Registration Fees

Bolagsverket's current 2026 fee schedule lists **SEK 2,400** to register an AB electronically and **SEK 2,700** using the paper form. Registration of the beneficial owner costs **SEK 250 electronically** (paper only where an exemption from electronic filing has been granted: SEK 400). These are official fees and exclude BRIS professional services and other third-party costs.

Beneficial Ownership

A new limited company should register its beneficial owner with Bolagsverket. The beneficial-owner register remains part of Sweden's AML framework; from 1 July 2026, access to information from the register became more restricted following EU AML-law changes. Company obligations to identify and report the beneficial owner remain relevant.

Accounting & Annual Report

All Swedish limited companies must prepare an annual report each year, even where no auditor is appointed. The annual report must be submitted to Bolagsverket **within seven months after the end of the financial year** and signed by all board members and the managing director, if one exists.

Audit

Most small private limited companies can opt not to appoint an auditor. Audit becomes mandatory when the applicable statutory size/other requirements are met, and regulated or special businesses may have separate requirements. Audit status should therefore be reviewed annually.

Annual reporting is mandatory even for a dormant company

A Swedish AB must submit its annual report on time. Bolagsverket's 2026 late-fee schedule for private ABs starts at **SEK 7,500**, with additional late fees if the delay continues.

Annual Compliance Checklist

- Maintain registered address and current Bolagsverket particulars.
- Maintain the statutory share register.
- Maintain board/deputy/MD structure and EEA-residency compliance or valid exemptions.
- Maintain and update beneficial-owner information.
- Keep proper accounting records and supporting documents.
- Prepare and file annual report within seven months after financial year-end.
- Complete statutory audit where required.
- File corporate income-tax return and pay tax due.
- Maintain F-tax, VAT and employer registrations as applicable.
- Review VAT small-business exemption eligibility where relevant.
- Review withholding tax/treaty/EU relief before dividends to non-residents.
- Review participation-exemption conditions for holding-company income.
- Maintain bank/service-provider AML/KYC and genuine-business evidence.

Banking & Operational Setup

A Swedish AB may apply for Swedish, EEA or international banking/payment services subject to provider policy. Banks commonly request the Bolagsverket registration, organisation number, memorandum/articles, share register, board/UBO details, source of funds/wealth, contracts, business plan, expected turnover and countries of activity.

Why Sweden AB Can Be Attractive

Topic	Current legal / practical position
EU company	Swedish legal entity within the EU corporate and VAT framework.
Limited liability	Conventional private limited-company protection.
SEK 25,000 capital	Moderate statutory minimum share capital.
20.6% CIT	Stable standard corporate income-tax rate.
Holding exemption	Potential 0% Swedish tax on qualifying dividends and capital gains from business-related shares.
Treaty network	Treaty and EU mechanisms may reduce cross-border withholding/double taxation when conditions are met.

How BRIS Group Supports You

Structure & tax review - Assess whether a Swedish private AB and any holding-company participation exemption fit the client's business and ownership structure.

Formation - Coordinate company name, memorandum/articles, share capital and Bolagsverket registration.

Foreign founder documents - Coordinate foreign corporate records, identification, translations, authentication and powers of attorney where required.

Governance - Coordinate board/deputy structure, EEA-residency review, service-recipient and exemption requirements where applicable.

KYC / UBO - Coordinate shareholder, board, beneficial-owner and source-of-funds/wealth due diligence.

Accounting & tax - Coordinate bookkeeping, annual accounts, corporate income tax, VAT, payroll and employer support.

Holding / dividend review - Coordinate specialist review of näringsbetingade andelar, withholding tax and treaty/EU relief.

Banking & annual compliance - Prepare banking/KYC documentation and coordinate ongoing corporate administration.

Professional Fees & Quotations

Tailored quotation

This brochure is an informational guide to Sweden AB formation and maintenance and is not a fee quotation. BRIS Group professional fees, official registration charges, registered-address/governance services, accounting/tax, translations/certifications, banking support and other optional services are quoted separately according to the structure and required work.

Important Legal Notes & Official Sources

This brochure is a general commercial guide and does not constitute Swedish or foreign legal, tax, accounting, regulatory or investment advice. **Sweden is not a blanket 0% foreign-source jurisdiction.** A Swedish AB is generally taxed at 20.6% on taxable income regardless of whether it arises in Sweden or abroad. A genuine tax exemption may, however, apply to qualifying dividends and capital gains on business-related shares.

Primary official/legal sources reviewed: Bolagsverket, including 2026 AB registration fees, board/governance, beneficial-owner and annual-report guidance; Verksamt.se / Tillväxtverket, including current 2026 private limited-company formation guidance; and Skatteverket 2026 legal guidance on corporate taxation, VAT, withholding tax and business-related shares (näringsbetingade andelar).

Information reviewed: August 2026. Tax, VAT, withholding, participation-exemption, EEA-residence, audit and annual-filing requirements should be reconfirmed for the client's actual circumstances before incorporation or transactions.

PREPARED BY BRIS GROUP

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Professional incorporation and corporate administration for international clients.