



The Legal 500 Country Comparative Guides

Sweden

INVESTING IN

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This country-specific Q&A provides an overview of investing in laws and regulations applicable in Sweden.

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SWEDEN INVESTING IN



1. Please briefly describe the current investment climate in the country and the average volume of foreign direct investments (by value in US dollars and by deal number) over the last three years.

Sweden is generally considered a favorable investment destination for foreign investors due to its stable investment climate, underpinned by factors such as innovation, economic robustness, and stability. Moreover, despite current challenges posed by inflationary pressures, Sweden's economic resilience, aided by its well-established infrastructure, a highly skilled workforce, political steadiness, and an environment conducive to business, continues to enhance its attractiveness to foreign investors.

As of the past three years, the investment climate in Sweden has witnessed a substantial influx of foreign direct investments ("FDI"). According to Business Sweden, there was a significant increase in FDI in Sweden in 2022, reaching 512 billion SEK (approximately 49 billion US dollars), showcasing a notable surge compared to previous years. In 2021, the FDI amounted to 220 billion SEK (approximately 21 billion US dollars), representing a noteworthy increase from the FDI in 2020, which totaled 165 billion SEK (approximately 16 billion US dollars).

2. What are the typical forms of Foreign Direct Investments (FDI) in the country: a) greenfield or brownfield projects to build new facilities by foreign companies, b) acquisition of businesses (in asset or stock transactions), c) acquisition of minority interests in existing companies, d) joint ventures, e) other?

Foreign Direct Investments in Sweden manifest in various forms. Predominantly, acquiring ownership stakes in existing Swedish companies through stock transactions and obtaining minority interests in these

companies have been prevalent. Additionally, key approaches include starting greenfield projects and developing joint ventures.

3. Are foreign investors allowed to own 100% of a domestic company or business? If not, what is the maximum percentage that a foreign investor can own?

Foreign investors are generally allowed to own 100% of domestic companies across most industries, there are no strict ownership limitations imposed in Sweden. However, certain sectors may have restrictions or regulations due to national security or strategic industry concerns.

4. Are foreign investors allowed to invest and hold the same class of stock or other equity securities as domestic shareholders? Is it true for both public and private companies?

Foreign investors in Sweden are typically allowed to invest in the same class of equity securities as domestic shareholders. The rights and privileges associated with ownership are usually governed by the company's articles of association or shareholder agreements, ensuring equitable treatment for both domestic and foreign shareholders. This applies to both public and private companies.

5. Are domestic businesses organized and managed through domestic companies or primarily offshore companies?

Swedish domestic businesses primarily operate through domestic companies within the country's legal framework and corporate governance guidelines. While some multinational corporations may have offshore entities for specific purposes, the majority of businesses in Sweden are organised as domestic companies.

6. What are the forms of domestic companies? Briefly describe the differences. Which form is preferred by domestic shareholders? Which form is preferred by foreign investors/shareholders? What are the reasons for foreign shareholders preferring one form over the other?

The main forms of entities in Sweden are the following:

a) Limited liability company (Sw. *Aktiebolag*);

There are two categories of limited liability companies, private (Sw. *privat*) and public (Sw. *publikt*). The difference between the two categories is determined by the right to turn to the public for capital; only public companies can issue shares or other securities intended for trade on a stock exchange or other regulated markets.

In limited liability companies, the shareholders are not personally liable for the company's obligations. However, the board members may be personally liable if they, in the performance of their duties, intentionally or negligently cause damage to the company.

The share capital must be at least 25,000 SEK in a private limited liability company and 500,000 SEK in a public limited liability company.

b) Branch of a foreign company (Sw. *Filial*);

A branch is not considered to be a legal entity of its own but instead part of a foreign-based company. However, the branch still receives a company registration number and is subject to Swedish law. Since the branch is part of a foreign-based company, the shareholders' personal liability depends on the legal structure of the foreign-based company.

A foreign-based company is only allowed to have one branch in Sweden. The branch must be placed under the direction of a managing director, who must be a resident in the EEA. The managing director represents the branch through a power of attorney from the foreign-based company.

c) Trading partnership (Sw. *Handelsbolag*);

A trading partnership is a legal entity with two or more partners (natural persons or legal entities). In a trading partnership, the partners are personally, jointly and severally liable for the obligations of the trading partnership.

d) Limited partnership (Sw. *Kommanditbolag*);

A limited partnership is a form of a trading partnership, with the difference that at least one partner must have unlimited personal liability for the limited partnership's obligations (general partner), while the other partner(s) is only liable for the capital they have invested (limited partner).

e) Sole trader (Sw. *Enskild firma*).

A sole trader is a person who runs a business on his or her own. This means that the private individual, own, operate and is responsible for the business. The private individual is personally responsible for the business.

To register as a sole trader, the private individual must have a Swedish identity or co-ordination number.

• Which form is preferred by domestic shareholders?

Domestic shareholders typically prefer to set up a business in Sweden in a limited liability company.

• Which form is preferred by foreign investors/shareholders?

Foreign investors/shareholders typically prefer to set up a business in Sweden in a limited liability company or a branch.

• What are the reasons for foreign shareholders preferring one form over the other?

The main advantage of setting up a business in a limited liability company is that the shareholders are not personally liable for the company's obligations.

7. What are the requirements for forming a company? Which governmental entities have to give approvals? What is the process for forming/incorporating a domestic company? What is a required capitalization for forming/incorporating a company? How long does it take to form a domestic company? How many shareholders is the company required to have? Is the list of shareholders publicly available?

Since most businesses are set up in a limited liability company, the below answers relate to this form of legal entity.

• Which governmental entities have to give approvals?

Approvals from governmental entities are normally not required, with the exceptions of a few specific sectors where there is a requirement for obtaining necessary permits (for example, insurance, banking and financial service, as well as manufacturing of military products).

Additionally, if the company is to engage in protection-worthy activities (Sw. *skyddsvärd verksamhet*) approval may be required according to the Swedish FDI Act (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*).

• What is the process for forming/incorporating a domestic company?

Forming a limited liability company in Sweden is a relatively simple process. The following are the main steps that must be taken to form a limited liability company:

- The founder(s) must draft and sign a memorandum of association (Sw. *stiftelseurkund*).
- The founder(s) must subscribe and pay for all the shares in the limited liability company.
- The board of directors must register the limited liability company with the Swedish Companies Registration Office (Sw. *Bolagsverket*).

However, the easiest and most common way of setting up a limited liability company in Sweden is to purchase an already fully organized and registered shelf company by share transfer. After the share transfer is concluded the new shareholder(s) may modify the structure of the company, add objects of activity, change the name, modify the articles of association etc. All such changes must be registered with the Swedish Companies Registration Office.

All limited liability companies must also register with the Swedish Tax Agency (Sw. *Skatteverket*). The company must apply for F-tax and VAT registration and, if relevant, register as an employer.

There might be other permits or registrations that need to be considered, depending on what kind of business will be conducted.

• What is a required capitalization for forming/incorporating a company?

The share capital must be at least 25,000 SEK in a private limited liability company and 500,000 SEK in a public limited liability company. There is no maximum share capital.

• How long does it take to form a domestic company?

It takes approximately 4–8 weeks to form a limited liability company.

• How many shareholders is the company required to have?

Limited liability companies must have at least one shareholder (legal or natural person).

• Is the list of shareholders publicly available?

The share register of a limited liability company (that is not a central securities depository company) is a public document and must be kept available to the public at the company's office.

The Swedish Companies Registration Office does not register shareholders of a limited liability company. However, a limited liability company must register the party or parties that ultimately own or control the legal entity, i.e. the beneficial owner (Sw. *verklig huvudman*), with the Swedish Companies Registration Office.

For central securities depository companies, the rules are somewhat different. The company and the central securities depository are obligated to provide information to whoever requests it about shareholders owning 500 shares or more in the company.

8. What are the requirements and necessary governmental approvals for a foreign investor acquiring shares in a private company? What about for an acquisition of assets?

Foreign investors are typically not subjected to specific approval procedures solely based on their status as foreign. However, investments in Swedish companies engaged in certain protection-worthy activities (Sw. *skyddsvärd verksamhet*) that meet certain thresholds are subject to a mandatory notification requirement under the Swedish FDI Act (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*), and have to be notified to the Inspectorate of Strategic Products (Sw. *Inspektionen för strategiska produkter*).

If a foreign investor intends to invest in any form other than through direct share acquisition, the investor is also subject to a mandatory notification requirement according to the Swedish FDI Act if the investor will assume control, wholly or partially, over any aspect of the business or assets engaged in the protection-worthy activities. This means that acquisitions of assets also can be subject to the mandatory notification requirement.

In cases where the target company is classified as 'security-sensitive' under the Swedish Protective Security Act (Sw. *säkerhetskyddslagen* (2018:585)), the operator of the security-sensitive company and the seller of the shares must consult with the relevant supervisory authority and obtain approval before proceeding with the investment. This process may include a review of the investor and its ownership structure.

9. Does a foreign investor need approval to acquire shares in a public company on a domestic stock market? What about acquiring shares of a public company in a direct (private) transaction from another shareholder?

Foreign investors are typically not subject to specific approval procedures solely based on their status as foreign. However, investment in public companies engaged in protection-worthy activities that meet the thresholds in the Swedish FDI Act (Sw. *lag* (2023:560) *om granskning av utländska direktinvesteringar*) are subject to the mandatory notification requirement.

If the investment involves a public company engaged in activities classified as "security sensitive" by the Swedish Protective Security Act (Sw. *säkerhetskyddslagen* (2018:585)), the operator (Sw. *verksamhetsutövare*) of the "security sensitive" activities is required to consult with the relevant supervisory authority and obtain approval before the investor can proceed with the investment. The approval process may include a review of the investor and its ownership structure.

Thus, a foreign investor may need prior approval before acquiring shares in a public company in Sweden, regardless of whether the shares are acquired in a direct (private) transaction from another shareholder or on a domestic stock market.

10. Is there a requirement for a mandatory tender offer if an investor acquired a certain percentage of shares of a public company?

Yes, a party who, through the acquisition of shares in a Swedish public company whose shares are traded on a regulated marketplace or a comparable marketplace outside of the EEA (and companies listed on an MTF), alone or together with a closely related party or parties, holds shares representing more than 30% of the voting rights of the target company, must make a mandatory tender offer for the remaining outstanding shares within

four weeks.

However, there are exceptions to the obligation to make a mandatory tender offer. The obligation will lapse if (i) a party attains a shareholding representing more than 30% of the voting rights of the target company through a takeover bid that pertains to all shares in the company, (ii) a party (or, where applicable, a closely related party) within four weeks sells shares so that their holding no longer represents 30% of the voting rights of the target company (the aforesaid shall also apply where, within the same period, the obligated party, another party, or the company takes any other measure as a consequence of which the shareholding does not represent at least 30% of the voting rights for all shares in the company), or (iii) a party within four weeks initiates buy-out of all remaining shares of the target company pursuant to the squeeze-out procedure in the Swedish Companies Act (Sw. *Aktiebolagslag* (2005:551)).

Additionally, the Swedish Securities Council (Sw. *Aktiemarknadsnämnden*) may grant exceptions from the mandatory tender obligation. For example, the Swedish Securities Council has granted exceptions when the shares were acquired from an affiliate (i.e. there was no real change of control).

11. What is the approval process for building a new facility in the country (in a greenfield or brownfield project)?

A building permit is typically required for a new construction in Sweden. Other permits, such as an environmental permit, may also be required depending on the intended measures and the type of facility to be built. In general, the approval process for building a new facility in Sweden is as follows:

1. Application

An application shall be submitted to the local building committee (Sw. *byggnadsnämnden*) in the municipality where the measures are to be carried out. It is possible to apply for an advance notice (Sw. *förhandsbesked*) before the building permit application is made. An advance notice is a way to find out early if it is at all possible to build at a particular location.

2. Review of application

The building committee shall conduct an initial review of the matter. When the application is deemed to be complete with all necessary documents, the building committee shall send an acknowledgement of receipt to the applicant.

The local building committee then reviews the application. The review varies depending on the character of the measure and whether it will be carried out within or outside an area with a detailed development plan.

The building committee must in some cases notify stakeholders, such as neighbours, affected by the application and allow them to submit their views.

3. Decision

The building committee shall decide on issuing a building permit if the measure meets all requirements. Once the building permit is received, the neighbours and other stakeholders are notified. If nobody appeals, the building permit decision gains legal force provided that the committee has correctly dispatched and announced the decision. A rejected application can be appealed by the applicant.

It shall be noted that the construction works may not begin until a starting clearance (Sw. *startbesked*) is given from the building committee. Thus, it is not enough to have an approved building permit to be able to begin the construction works. If no technical consultation is needed (see point four below), the building committee shall provide a starting clearance already in the permit decision, or as soon as possible thereafter.

4. Technical consultation

A technical consultation shall often be held after a building permit has been granted by the building committee. At this stage, the proposal on an inspection plan and other relevant documents are reviewed. For example, if the inspection plan concerns demolition measures, there shall be information on what hazardous waste the measure can give rise to and how both hazardous waste and other waste will be taken care of.

5. Starting clearance

To obtain a starting clearance, it must be shown that the measures that are planned can be assumed to meet the requirements in the Swedish Planning and Building Act (Sw. *plan- och bygglagen (2010:900)*). The inspection plan and information on any requirements that may exist in other legislation are established in the starting clearance. The construction work can begin once the starting clearance is received.

6. Work site visits

The building committee shall in most cases visit the work site at least once in the course of the work. The visits

shall be documented.

7. Final consultation

Once the project is complete, the local building committee usually holds a final consultation where they go through how the inspection plan was followed and how conditions in the starting clearance were followed. The local building committee also assesses if a completion decision will be able to be issued.

8. Final clearance

It is required to receive a final clearance for all measures covered by a starting clearance. In order to obtain a final clearance, it must be shown that all requirements that apply under the permit, inspection plan, starting clearance or decision on supplemental conditions are met and that the building committee has not found reason to intervene with an inspection. Normally the construction works may not be put into use before the building committee has issued a final clearance.

If the building committee concludes in its final assessment that the requirements and conditions for issuing a final clearance are not met and it is not possible to issue a final clearance with remarks, the building committee must decide not to issue a final clearance and the structure may then not be used. This decision may be appealed.

12. Can an investor do a transaction in the country in any currency or only in domestic currency? a) Is there an approval requirement (e.g. through Central Bank or another governmental agency) to use foreign currency in the country to pay: i. in an acquisition, or, ii. to pay to contractors, or, iii. to pay salaries of employees? b) Is there a limit on the amount of foreign currency in any transaction or series of related transactions? i. Is there an approval requirement and a limit on how much foreign currency a foreign investor can transfer into the country? ii. Is there an approval requirement and a limit on how much domestic currency a foreign investor can buy in the country? iii. Can an investor buy domestic currency outside of the country and transfer it into the country to pay for an acquisition or to third parties

for goods or services or to pay salaries of employees?

Within the private sector, an investor can do a transaction in Sweden in another currency than the Swedish krona (which is the official domestic currency) if the parties to the transaction are in agreement. However, international transactions with certain currencies and to certain countries may be subject to sanctions.

- Is there an approval requirement (e.g. through Central Bank or another governmental agency) to use foreign currency in the country to pay:
 - in an acquisition, or
 - to pay to contractors, or
 - to pay salaries of employees?

There are no approval requirements (e.g., through Central Bank or another governmental agency) to use foreign currency in Sweden to pay any of the above.

- Is there a limit on the amount of foreign currency in any transaction or series of related transactions?

There is no formal limit on the amount of foreign currency in any transaction or series of related transactions. The parties to the transaction may however decide upon a limit amongst themselves.

Please note that the Swedish Government is permitted to implement currency regulations and controls under certain extraordinary circumstances, e.g. if Sweden is at war or during an epidemic.

- Is there an approval requirement and a limit on how much foreign currency a foreign investor can transfer into the country?

There are no approval requirements or limits on how much foreign currency a foreign investor can transfer into Sweden. However, there is a requirement to give notification to the responsible authority when carrying the equivalent of 10,000 EUR or more in cash or equivalent assets when traveling across an EU border. The purpose of the notification requirement is to prevent money laundering, organised crime and fight terrorism. Besides notes and coins, "cash and equivalent assets" are also defined as travelers' cheques, cheques, promissory notes, debt instruments, debentures, shares, money orders and securities.

Notification must be given to the responsible authority in either the first EU country which is entered into, or the final EU country being exited. In Sweden, the responsible authority is Swedish Customs (Sw. *Tullverket*).

- Is there an approval requirement and a limit on how much domestic currency a foreign investor can buy in the country?

There are no approval requirements in this regard in Sweden.

- Can an investor buy domestic currency outside of the country and transfer it into the country to pay for an acquisition or to third parties for goods or services or to pay salaries of employees?

An investor can buy Swedish krona outside of Sweden and transfer it into Sweden to pay for an acquisition or to third parties for goods or services or to pay salaries of employees. However, there is a requirement to give notification to the responsible authority (in Sweden, the responsible authority is Swedish Customs) when carrying the equivalent of 10,000 EUR or more in cash or equivalent assets when traveling across an EU border.

13. Are there approval requirements for a foreign investor for transferring domestic currency or foreign currency out of the country? Whose approval is required? How long does it take to get the approval? Are there limitations on the amount of foreign or domestic currency that can be transferred out of the country? Is the approval required for each transfer or can it be granted for all future transfers?

There are no approval requirements for a foreign investor to transfer Swedish krona or foreign currency out of Sweden. However, there is a requirement to give notification to the responsible authority (in Sweden, the responsible authority is Swedish Customs) when carrying the equivalent of 10,000 EUR or more in cash or equivalent assets when traveling across an EU border.

- Whose approval is required?

N/A.

- How long does it take to get the approval?

N/A.

- Are there limitations on the amount of foreign or domestic currency that can be transferred out of the country?

There are no limits, but when carrying the equivalent of 10,000 EUR or more in cash or equivalent assets across an EU border there is a notification requirement.

- Is the approval required for each transfer or can it be granted for all future transfers?

N/A.

14. Is there a tax or duty on foreign currency conversion?

In Sweden, profits from trading foreign currencies and currency derivatives, such as CFDs, futures and options, are taxed as capital gains.

15. Is there a tax or duty on bringing foreign or domestic currency into the country?

No.

16. Is there a difference in tax treatment between acquisition of assets or shares (e.g. a stamp duty)?

No transfer tax or stamp duty is levied on securities transactions or asset sales in Sweden. However, the sale of shares is more common in Sweden as the capital gains on the sale of shares may be tax-exempt. Please note that stamp duty is levied on direct transfers of real property (1.5% of the purchase price for individuals and 4.25% for corporate buyers). Transfer of shares is VAT-exempt and the same, typically, applies as regards the sale of a well separated business (transfer of going concern).

17. When is a stamp duty required to be paid?

Stamp duty is levied on direct transfers of real property (1.5% of the purchase price for individuals and 4.25% for corporate buyers).

18. Are shares in private domestic companies easily transferable? Can the shares be held outside of the home jurisdiction? What approval does a foreign investor need to transfer shares to another foreign or domestic shareholder? Are changes in shareholding publicly reported or publicly available?

Shares in private companies are generally easy to transfer. However, most companies typically have

limitations on transferability imposed by shareholder agreements or company bylaws.

- Can the shares be held outside of the home jurisdiction?

Yes, shares of Swedish companies can be held outside of Sweden by foreign investors. Sweden allows for international ownership of shares in its companies without any restrictions or limitations based on the investor's location or jurisdiction.

- What approval does a foreign investor need to transfer shares to another foreign or domestic shareholder?

Foreign investors usually do not require specific approval to transfer shares to another foreign or domestic shareholder, unless the company is involved in protection-worthy activities (Sw. *skyddsvärd verksamhet*). In such cases, approval may be necessary according to the Swedish FDI Act (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*).

- Are changes in shareholding publicly reported or publicly available?

In Sweden, changes in shareholding in private companies are not publicly reported. However, the share register of a limited liability company is a public document and must be made available to the public at the company's office.

Moreover, a limited company is required to register the party or parties that ultimately own or control the legal entity, referred to as the beneficial owner (Sw. *verklig huvudman*), and this information is also publicly available.

19. Is there a mandatory FDI filing? With which agency is it required to be made? How long does it take to obtain an FDI approval? Under what circumstances is the mandatory FDI filing required to be made? If a mandatory filing is not required, can a transaction be reviewed by a governmental authority and be blocked? If a transaction is outside of the home jurisdiction (e.g. a global transaction where shares of a foreign incorporated parent company are being bought by another foreign company, but the parent company that's been acquired has a subsidiary in your jurisdiction), could such a transaction

trigger a mandatory FDI filing in your jurisdiction? Can a governmental authority in such a transaction prohibit the indirect transfer of control of the subsidiary?

The scope of the Swedish FDI Act (Sw. *lag (2023:560) om granskning av utländska direktinvesteringar*) is very broad, and the mandatory notification requirements affect quite a few transactions. All investments, directly or indirectly, in companies engaged in protection-worthy activities [Sw. *skyddsvärda verksamheter*] above certain thresholds are subject to mandatory notification requirements and need prior approval before the closing of the transaction. The mandatory notification requirement applies to all investors, regardless of the investor's actual domicile.

The target company has an obligation to inform the investor that its activities are classified as protection-worthy by the Swedish FDI Act.

- With which agency is it required to be made?

To the Inspectorate of Strategic Products [Sw. *Inspektion för Strategisk Produkter*]

- How long does it take to obtain an FDI approval?

Following the mandatory notification, the Inspectorate of Strategic Products shall, within 25 working days, determine whether the investment requires no further action or to initiate an examination. In instances where the Inspectorate of Strategic Products decides that the investment requires an examination, it shall within three months after it decides to initiate the examination, adopt a final decision to either approve or prohibit the investment. This deadline may be extended by three additional months if the Inspectorate of Strategic Products deems that there are special reasons for a prolonged examination.

- Under what circumstances is the mandatory FDI filing required to be made?

All investments (not only foreign investments), directly or indirectly, in protection-worthy activities that meet certain thresholds in the Swedish FDI Act are subject to the mandatory notification requirements.

According to the Swedish FDI Act, protection-worthy activities refer to activities that are;

- essential for society (Sw. *samhällsviktig verksamhet*),
- security sensitives (Sw. *säkerhetskänslig verksamhet*),
- related to critical raw materials, metals, or

minerals (Sw. *kritiska råvaror, metaller och mineraler*),

- related to the processing of sensitive personal data or location data (Sw. *känsliga personuppgifter eller lokaliseringssuppgifter*),
- related to the development, production, or research of war material (Sw. *krigsmateriel*),
- related to the development, production, or research of dual-use items (Sw. *produkter med dubbla användningsområden*), and
- related to the research of, or supplying of products in, emerging technology or strategically valuable technology (Sw. *framväxande teknologi eller strategiskt skyddsvärd teknologi*).

The thresholds of the notification requirements in the Swedish FDI Act are the following:

- Investment in an existing company engaged in protection-worthy activities, if the investment results in the investor gaining control of 10, 20, 30, 50, 65 and 90 %, or more of the voting rights in the company.
- Investment in a company where protection-worthy activities are planned to be established, if the investment results in the investor gaining control of 10 % or more of the voting rights in the company.
- The investor would become a partner in a partnership (Sw. *handelsbolag*) or sole proprietorship (Sw. *enkelt bolag*) that is engaged in, or is planned to be engaged in, protection-worthy activities.
- Establishing a foundation (Sw. *stiftelse*) that is planned to be engaged in protection-worthy activities.
- Asset deal relating to all or part of the protection-worthy activity.
- In any other way receives direct or indirect influence over the management of a company engaged in protection-worthy activities.

- If a mandatory filing is not required, can a transaction be reviewed by a governmental authority and be blocked?

If the Inspectorate of Strategic Products has reason to believe that the investment may have a detrimental effect on Sweden's security, it may review the transaction, even though a notification is not required, and block it. The Inspectorate of Strategic Products may also initiate ex officio examinations if a mandatory notification has not been made where one was required.

- If a transaction is outside of the home jurisdiction (e.g. a global transaction where shares of a foreign

incorporated parent company are being bought by another foreign company, but the parent company that's been acquired has a subsidiary in your jurisdiction, could such a transaction trigger a mandatory FDI filing in your jurisdiction?

Yes, this will trigger the mandatory notification requirements under the Swedish FDI Act.

- Can a governmental authority in such a transaction prohibit the indirect transfer of control of the subsidiary?

Yes, an investment in a non-Swedish parent company that has a subsidiary in Sweden that conducts protectionworthy activity will trigger the mandatory notification requirements under the Swedish FDI Act as an indirect investment.

20. What are typical exit transactions for foreign companies?

The most common exit transaction for foreign companies is the acquisition of businesses (in asset or stock transactions).

21. Do private companies prefer to pursue an IPO? i. on a domestic stock market, or ii. on a foreign stock market? iii. If foreign, which one?

Private companies in Sweden often prefer to pursue a domestic IPO due to their local investor access. If opting for a foreign IPO, choices may include NASDAQ or NYSE in the United States or London Stock Exchange.

22. Do M&A/Investment/JV agreements typically provide for dispute resolution in domestic courts or through international arbitration?

M&A/Investment/JV agreements typically provide for dispute resolution through arbitration. These agreements often stipulate dispute resolution through arbitration following the procedural rules and guidelines set forth by the Stockholm Chamber of Commerce.

It should be noted that although it is more common for the agreements to provide for dispute resolution through arbitration, it is not uncommon for the agreements to provide for domestic courts.

23. How long does a typical contract dispute case take in domestic courts for a final resolution?

A typical commercial dispute will generally take approximately two years in the district court and approximately another year in the appeal court (it is possible to appeal to the Supreme Court but naturally, most cases are not granted leave). It should be noted that the time spent up and until a final resolution varies, depending on the complexity of the case, the specific district court handling the case and the responsible judge involved. Arbitration is advisable in international commercial contract disputes of any size since it normally takes approximately one year to reach a final resolution.

24. Are domestic courts reliable in enforcing foreign investors rights under agreements and under the law?

Yes. But generally, arbitration is advisable when you have a contract of some size and value.

25. Are there instances of abuse of foreign investors? How are cases of investor abuse handled?

No.

26. Are international arbitral awards recognized and enforced in your country?

Yes, the Swedish courts highly respect arbitral awards and will always follow the New York Convention.

27. Are there foreign investment protection treaties in place between your country and major other countries?

Yes, Sweden has signed numerous bilateral investment treaties and international agreements aimed at protecting foreign investments. Noteworthy among these are treaties with nations such as the United States, China, Germany, France, the United Kingdom, and many others.

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