

INFORMATION - Sweden

Use and Enjoyment - VAT Directive 2006/112/EC - Article 59a

In Sweden, there are no use and enjoyment rules applicable with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons in accordance with Article 59a of Directive 2006/112/EC. Reference to the above may be found in the preparatory work for the legislative changes (Prop. 2013/2014:224).

Time of supply / chargeability - Deferment and Cash Accounting Scheme - VAT Directive 2006/112/EC - Article 66

In Sweden, telecommunications, broadcasting and electronic services provided to non-VAT taxable persons become taxable according to the normal rules provided for under Directive 2006/112/EC.

Reference to the above may be found in Chapter 1, para. 3 of the Swedish VAT Act.

Time of supply / chargeability - Continuous supplies - VAT Directive 2006/112/EC - Article 64(2)

In Sweden, continuous supplies are to be considered as provided successively (if the supply of services give rise to successive statements of account or successive payments, the chargeable event occurs by the end of the periods to which the settlement services or payment relates). Otherwise, when the chargeable event occurs depends, according to the Swedish Tax Agency, on the agreed payment period. If no payment has been received the service is deemed to be supplied, and the chargeable event occurs, on the last day of the agreed payment period.

If the payment is received before the supply, the chargeable event occurs when the payment is received.

Reference to the above may be found in Chapter 1, para. 3, Chapter 13, para 6 of the Swedish VAT Act and the Swedish Tax Agency's guidelines.

Re-valuation of services at open market value - VAT Directive 2006/112/EC - Article 80

In Sweden the consideration for telecommunications, broadcasting and electronic services provided can be revaluated to its market value if the seller and the purchaser are connected provided that:

- The consideration is less than its open market value and the recipient cannot fully deduct input VAT; or
- The consideration is higher than its open market value and the seller is not able to fully deduct input VAT.

Connected parties are relatives or when both parties are under common ownership by a controlling entity. The Swedish definition of connected (related parties) is broad and includes, for example, organizational ties, ties related to ownership, financial ties, ties due to membership and ties due to employment or other legal ties.

Reference to the above may be found in chapter 7, para. 3a, 3b, 3c and 3d of the Swedish VAT Act.

Bad Debt relief - VAT Directive 2006/112/EC - Article 90

Bad debt relief is available in Sweden where an outstanding VAT amount due to the supplier remains unpaid and the supplier has shown that a bad debt exists.

The supplier holds information to show that the customer lacks financial means to pay the debt, such as bankruptcy or unsuccessful legal attempt.

An unsecured claim can also fall within the provision of bad debt relief, provided that the claim is older than a normal credit period and in case of unsuccessful recovery actions.

Reference to the above may be found in chapter 7, para. 6, subpara. 4 of the Swedish VAT Act.

Application of reduced VAT rates - VAT Directive 2006/112/EC - Article 98

In Sweden, no reduced VAT rates apply with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

Standard VAT Rate - VAT Directive 2006/112/EC - Article 96-97

In Sweden the standard VAT rate is 25%.

Reference to the above may be found in Chapter 7, para. 1 of the Swedish VAT Act.

Release from payment of insignificant amounts of VAT - VAT Directive 2006/112/EC - Article 212

Sweden has not implemented rules under its domestic legislation whereby taxable persons are released from the payment of the VAT where the amount due is insignificant.

Invoicing Obligations - Obligation to issue an invoice - VAT Directive 2006/112/EC - Articles 217-249

In Sweden, there is no obligation to issue a VAT invoice in relation to the supply of telecommunications, broadcasting and electronic services provided to private individuals.

Reference to the above may be found in Chapter 11, para. 1 of the Swedish VAT Act.

Invoicing Obligations - Content of an invoice - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Invoicing Obligations - Time limit for issuing an invoice - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Invoicing Obligations - Summary Invoices - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Invoicing Obligations - Electronic invoices - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Invoicing Obligations - Batch of electronic invoices - VAT Directive 2006/112/EC - Articles 217-249

Not applicable given that there is no obligation to issue a VAT invoice in relation to telecommunications, broadcasting and electronic services provided to private individuals.

Additional obligations deemed necessary for collecting VAT and preventing evasion (anti-avoidance measures) - VAT Directive 2006/112/EC - Article 273

Sweden has not implemented any rules or anti-avoidance measures that may directly impact telecommunications, broadcasting and electronic services provided to private individuals.

Stand-still scheme - Derogations for States which were members of the Community on 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391

N/A

Stand-still scheme - Derogations for States which acceded to the Community after 1 January 1978 - VAT Directive 2006/112/EC - Articles 370-391

No provisions are applicable under a Stand-still Scheme in the Swedish VAT legislation or subject to common practice in Sweden that may be relevant for telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

VAT Treatment of vouchers

There are guidelines published by the Swedish Tax Agency regarding vouchers. These guidelines apply to the relevant services such as prepaid telephone cards. The Swedish Tax Agency's guidelines are based on EU case law. Vouchers are defined as a kind of certificate of value that enables future consumption of goods or services.

The Swedish Tax Agency's guidelines make a distinction between Single Purpose Vouchers and Multi-Purpose Vouchers.

A voucher that carries the right to receive only one type of goods or services, all subject to a single VAT rate, and specifies who the supplier of the goods or services is and in which country the goods or services have been supplied, is to be considered a single purpose voucher ("SPV").

A multi-purpose voucher ("MPV") carries the right to redeem against all services or goods offered by the supplier.

For SPVs: VAT becomes due upon sale of the voucher.

For MPVs: VAT becomes due upon redemption.

The supplier charge and collect the VAT. The VAT is calculated based on the value of the services/goods. It is common that other companies (other than the actual issuers of the vouchers) sell or resell vouchers, e.g. department stores or tobacconists.

In case of SPVs, these suppliers may be considered as resellers of these vouchers. In case of MPVs, the resale is not in itself seen as a VAT supply. There is an intermediary service provided by the resellers. The difference between the value of the voucher and the amount paid is seen as a consideration for that intermediary service.

Reference to the above may be found in Chapter 1 para. 3 of the Swedish VAT Act and in the Swedish Tax Agency's guidelines.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (E-learning activities)

According to Swedish legislation the supply of education by an eligible body (i.e., school, university or college) is an exempt supply with no right to input VAT deduction. E-learning services are in principle taxable in Sweden, unless made by an eligible body, school, university or college.

Reference to the above may be found in Chapter 3, para. 8 of the Swedish VAT Act.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (Gambling activities)

Generally, in Sweden, gambling services are exempt supplies for VAT purposes with no right of input VAT deduction. The Swedish VAT Act states that lotteries, betting and other types of similar games are exempt from VAT and such exemption should, in principle, apply to e-gambling activities.

There is no clear guidance in the Swedish legislation regarding the VAT treatment of bonus points or credits earned as part of gambling activities. This is considering that such activities are generally exempt from VAT.

Recreation games such as flipper games, car games and other games which do not include a chance to win a prize or the only prize is additional game time are subject to VAT.

Reference to the above may be found in Chapter 3, para. 23, subpara. 5 of the Swedish VAT Act.

Exemptions - VAT Directive 2006/112/EC - Articles 132 & 135 (General)

There are no exemptions applicable in Sweden that may be of relevance with respect to telecommunications, broadcasting and electronic services provided to non-VAT taxable persons.

VAT Registration Process

Registration to the VAT MOSS scheme has to be made electronically at the Swedish Tax Agency's website.

Swedish established entities registering for MOSS must provide the following information:

Preferred date for registration / the country of establishment if other than Sweden / Contact details / Website URL / Bank details / VAT registration in another EU country / Information on previous MOSS (or VoeS) registration number, if applicable.

Entities with a fixed establishment outside Sweden must also provide the following information: VAT registration number in another EU country / Trading name / Address in the other country / EU country in which the business activity is conducted.

Non-EU-established entities must provide the following information: Company name / Address / Local Tax Identification Number (TIN) / Trading name / Contact details / Website URL / Bank details / Preferred date for registration / previous MOSS or VoeS ID-number, if applicable / Password (created for logging in to MOSS) / confirmation that the company is not identified for VAT purposes in another EU country.

Access to web-portal and contact details of the local VAT authorities

Contact details regarding MOSS.

Swedish established entities:

The registration portal is found at the following link:

<http://www.skatteverket.se/foretagorganisationer/sjalvservice/allaetjanster/tjanster/minionestopshopmoss.4.3aa8c78a1466c584587ef5e.html>

Swedish businesses are recommended to send e-mail via www.skatteverket.se or contact Skatteverket via phone number 0771-567-567

Non-EU established entities:

The registration portal MOSS (VoeS) is found at the following link:

<http://www.skatteverket.se/foretagorganisationer/sjalvservice/allaetjanster/tjanster/mossvoes.4.18e1b10334ebe8bc80002474.html>

Telephone: + 46 8 564 851 60, e-mail: servicejouren@skatteverket.se. Regarding the MOSS all countries are handled by Skatteverket Utlandsskattekontoret SE-106 61 Stockholm Sweden.

EU established entities:

Find information on the Swedish Tax Agency's website (www.skatteverket.se) or contact the Swedish Tax Agency International Tax Office Stockholm, SE 106 61 STOCKHOLM Sweden, Telephone: +46 8 564 851 60, e-mail:

servicejouren@skatteverket.se. Or reply to the e-mail address when contacted by the Swedish Tax Agency's MOSS-team.

Appointment of a VAT Agent

One or several agents can be appointed in Sweden if Sweden is the Member State of Identification.

Penalties for non-compliance (Failure to register and late registration)

No penalties are charged due to non-registration and/or late registration as such. Interest may be calculated as for late payment of VAT, see below section.

Reference to the above may be found in Chapter 49, 57 and 65 of the Swedish Tax Procedure Act (Sw. Skatteförfarandelagen).

Penalties for non-compliance (Non-payment and late payment of VAT)

In case of late payment of VAT, the Swedish Tax Agency will issue a demand for payment and charge interest on the shortage. Interest is calculated on the shortage. If the Swedish Tax Agency does not receive the payment, the debt will be transferred to the Swedish Enforcement Authority (Sw: Kronofogden).

Reference to the above may be found in Para. 23 of the Swedish Act on Special Schemes for VAT on Electronic Services and Chapter 65, para. 13 of the Swedish Tax Procedure Act.

Penalties for non-compliance (Non-submission and late submission of VAT returns)

If the VAT return is not submitted, the Swedish Tax Agency may decide to do an arbitrary tax assessment and impose a tax surcharge. Please note that these penalties may also apply if the supplier has not registered for VAT and is required to register. Interest will be calculated. No penalty is charged for late submission of the VAT returns.

Reference to the above may be found in Para. 23 of the Swedish Act on Special Schemes for VAT on Electronic Services and Chapter 49, para. 6, Chapter 57, para. 1 and Chapter 65, para. 11 of the Swedish Tax Procedure Act.

Penalties for non-compliance (Incomplete and incorrect VAT returns)

In case of inaccuracy, the Swedish Tax Agency may impose a tax surcharge.

The tax surcharge may differ depending on the error.

If the output VAT has been under-calculated, or the input VAT has been over-deducted, the tax surcharge rate is 20% of the VAT due after correction. Late declaration of output VAT or early recovery of input VAT is subject to a tax surcharge at a rate of 2 or 5% of the VAT due after correction.

Reference to the above may be found in Para. 23 of the Swedish Act on Special Schemes for VAT on Electronic Services and Chapter 49, para. 4-5, para. 11 and para. 13 and Chapter 65, para. 13 of the Swedish Tax Procedure Act.

Penalties for non-compliance (Non-compliance with invoicing and accounting obligations)

Sanctions are applicable.

For not accounting the VAT correct, reference may be found in Para. 23 of the Swedish Act on Special Schemes for VAT on Electronic Services and Chapter 49, 57 and 65 of the Swedish Tax Procedure Act.

For not fulfilling the accounting obligations in the Swedish Accounting Act (Sw: Bokföringslagen), reference may be found in Chapter 11, para. 5 of the Swedish Criminal Code (Sw: Brottsbalken).