

## Sweden

1. Sweden was first reviewed during the 2017/2018 peer review. This report is supplementary to Sweden's 2017/2018 peer review report (OECD, 2018<sub>[1]</sub>). The first filing obligation for a CbC report in Sweden applies to reporting fiscal years commencing on or after 1 January 2016.

### Summary of key findings

2. Sweden's implementation of the Action 13 minimum standard meets all applicable terms of reference (OECD, 2017<sub>[2]</sub>).

### Part A: The domestic legal and administrative framework

3. Sweden has primary and secondary laws in place for implementing the BEPS Action 13 minimum standard<sup>1</sup> establishing the necessary requirements, including the filing and reporting obligations. Since the 2017/2018 peer review, guidance has also been published and updated.<sup>2</sup> Sweden has provided an update with respect to the processes it has in place to ensure effective implementation.

#### *(a) Parent entity filing obligation*

4. No changes were identified with respect to the parent entity filing obligation.

#### *(b) Scope and timing of parent entity filing*

5. No changes were identified with respect to the scope and timing of parent entity filing.

#### *(c) Limitation on local filing obligation*

6. No changes were identified with respect to the limitation on local filing obligation.<sup>3</sup>

#### *(d) Limitation on local filing in case of surrogate filing*

7. No changes were identified with respect to the limitation on local filing in case of surrogate filing.

#### *(e) Effective implementation*

8. Sweden's 2017/2018 peer review included a general monitoring point concerning the fact that there was no specific process that would allow it to take appropriate measures in case Sweden is notified by another jurisdiction that such other jurisdiction has reason to believe that an error may have led to incorrect or incomplete information reporting by a Reporting Entity or that there is non-compliance of a Reporting Entity with respect to its obligation to file a CbC report. Since the 2017/2018 peer review, Sweden has provided updated information, explaining that, in such a situation, a team of tax officers who work under the CbCR Competent Authority function will be assigned to contact the Reporting Entity, which will be required to file a correction of the CbC report. Other appropriate measures will be taken if necessary. Once a corrected CbC report has been submitted to the

Swedish Tax Agency, it will then be exchanged with other jurisdictions shortly thereafter. In view of this update and specific process, the monitoring point is removed.

9. No other changes were identified with respect to the effective implementation.

### ***Conclusion***

10. There is no change to the conclusion in relation to the domestic legal and administration framework for Sweden since the previous peer review. Sweden meets all the terms of reference relating to the domestic legal and administrative framework.

## **Part B: The exchange of information framework**

### ***(a) Exchange of information framework***

11. As of 31 May 2019, Sweden has 65 bilateral relationships, including those activated under the CbC MCAA, under bilateral CAAs and under the EU Council Directive (2016/881/EU). Within the context of its international exchange of information agreements that allow automatic exchange of information, Sweden has taken steps to have qualifying competent authority agreements in effect with jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions.<sup>4</sup> Regarding Sweden's exchange of information framework, no inconsistencies with the terms of reference were identified.

### ***(b) Content of information exchanged***

12. Sweden has processes in place that are intended to ensure that each of the mandatory fields of information as required in the CbC template are present in the information exchanged. It has provided details in relation to these processes.

13. Peer input was received from one jurisdiction in relation to the content of information exchanged. There are no concerns to be reported in respect of the content of information exchanged.

### ***(c) Completeness of exchanges***

14. Sweden has processes in place that are intended to ensure that CbC reports are exchanged with all tax jurisdictions listed in Table 1 of a CbC reporting template with which it should exchange information as per the relevant QCAAs. It has provided details in relation to these processes.

15. Peer input was received from one jurisdiction in relation to the completeness of exchanges. There are no concerns to be reported in respect of the completeness of exchanges.

### ***(d) Timeliness of exchanges***

16. Sweden has processes in place that are intended to ensure that the information to be exchanged is transmitted to the relevant jurisdictions in accordance with the timelines provided for in the relevant QCAAs and terms of reference. It has provided details in relation to these processes.

17. Peer input was received from one jurisdiction in relation to the timeliness of exchanges. There are no concerns to be reported in respect of the timeliness of exchanges.<sup>5</sup>

### ***(e) Temporary suspension of exchange or termination of QCAA***

18. Sweden has processes in place that are intended to ensure that a temporary suspension of the exchange of information or termination of a relevant QCAA be carried

out only as per the conditions set out in the QCAA. It has provided details in relation to those processes.

19. Peer input was received from one jurisdiction in relation to a temporary suspension of exchange or termination of a QCAA. There are no concerns to be reported in respect of the temporary suspension of exchange or termination of QCAA.

***(f) Consultation with other Competent Authority before determining systemic failure or significant non-compliance***

20. Sweden has processes in place that are intended to ensure that the Competent Authority consults with the other Competent Authority prior to making a determination that there is or has been significant non-compliance with the terms of the relevant QCAA or that the other Competent Authority has caused a systemic failure. It has provided details in relation to those processes.

21. Peer input was received from one jurisdiction in relation to the requirement for a consultation before determining systemic failure or significant non-compliance. There are no concerns to be reported in respect of consultation with the other Competent Authority before determining systemic failure or significant non-compliance.

***(g) Format for information exchange***

22. Sweden confirms that it uses the OECD XML Schema and User Guide (OECD, 2017<sup>[31]</sup>) for the international exchange of CbC reports.

23. Peer input was received from one jurisdiction in relation to the format for information exchange. There are no concerns to be reported in respect of the format of information exchange.

***(h) Method for transmission***

24. Sweden indicates that it uses the Common Transmission System to exchange CbC reports.<sup>6</sup>

25. Peer input was received from one jurisdiction in relation to the method for transmission. There are no concerns to be reported in respect of the method used for transmission.

***Conclusion***

26. Sweden has in place the necessary processes to ensure that the exchange of information is conducted in a manner consistent with the terms of reference relating to the exchange of information framework. Sweden meets all the terms of reference regarding the exchange of information.

## **Part C: Appropriate use**

27. No changes were identified in respect of appropriate use. There were no recommendations issued in the 2017/2018 peer review.

28. No information or peer input was received for the reviewed jurisdiction suggesting any issues with appropriate use. There are no concerns to be reported in respect of appropriate use.

***Conclusion***

29. Sweden meets all the terms of reference relating to the appropriate use of CbC reports.

## Summary of recommendations on the implementation of country-by-country reporting

Aspect of the implementation that should be improved		Recommendation for improvement
Part A	Domestic legal and administrative framework	-
Part B	Exchange of information framework	-
Part C	Appropriate use	-

## Notes

<sup>1</sup> Primary law implementing CbC Reporting consists of law SFS 2011:1244 amending the Swedish Administrative Tax Code (Skatteförordningen (2011:1244) Chapter 33a). The Swedish tax Agency provided an in-office translation of the CbC reporting sections included in Chapter 33a of the Tax Code.

Sweden indicates that objective of secondary law (Skatteförordningen (2011:1261) Ch. 7, par. 2 a) is to ensure that the main business activity(ies) of each constituent entity is stated in accordance with table 2 of the Annex III of the Transfer Pricing documentation – CbC Report.

<sup>2</sup> The Swedish tax agency has published a technical user guide to assist MNEs in complying with Swedish legislation, which follows the OECD schema and guidelines, available at <https://www.skatteverket.se/servicelankar/otherlanguages/inenglish/businessesandemployers/declaringtaxes/businesses/countrybycountryreportscbcrandnotificationsregardingsuchreports.4.b1014b415f3321c0de6db4.html>. The user guide, available in Swedish only, has been subsequently been updated three times.

<sup>3</sup> Sweden's 2017/2018 peer review included a monitoring point relating to the conditions under which local filing may be required (paragraph 8 (c) iv. b) of the terms of reference). This monitoring point remains in place.

<sup>4</sup> No inconsistency with the terms of reference will be identified where a QCAA is not in effect with one or more jurisdictions of the Inclusive Framework that meet the confidentiality, consistency and appropriate use conditions, but this is due to circumstances that are not under the control of the reviewed jurisdiction. This may include, for example, where the other jurisdiction intends to exchange CbC reports using the MCAA but it does not have the Convention in effect for the relevant fiscal period, or where the other jurisdiction has declined to have a QCAA in effect with the reviewed jurisdiction

<sup>5</sup> Delays due entirely to the fact that an exchange partner was not able to participate in the exchange of CbC reports are not considered to raise concerns with respect to the jurisdiction under review.

<sup>6</sup> Countries exchanging under the EU Council Directive (2016/881/EU) use the Common Communication Network (CCN).



From:

## Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2)

Inclusive Framework on BEPS: Action 13

Access the complete publication at:

<https://doi.org/10.1787/f9bf1157-en>

### Please cite this chapter as:

OECD (2019), “Sweden”, in *Country-by-Country Reporting – Compilation of Peer Review Reports (Phase 2): Inclusive Framework on BEPS: Action 13*, OECD Publishing, Paris.

DOI: <https://doi.org/10.1787/50aedb11-en>

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