



OPENING UP SHOP

CEDERQUIST is a member of L&E Global, the alliance of employment counsel worldwide

Sweden has historically been a jurisdiction where labor law is intricate and the relationships between employers and trade unions are strong. The share of Swedish workers who are members of a trade union is approx. 70 per cent and Swedish labor law gives trade unions right to consultations and information with the employer – a right that is reinforced if the employer is bound by a collective bargaining agreement. Despite the trade unions' strong position in Sweden, employers have a fundamental right to organize the work and, as long as the statutory requirements are followed, doing business in Sweden is rather straightforward. The following checklist will allow your organization to understand some of the most important legal

requirements for opening up shop in Sweden.

ABOUT CEDERQUIST

Drawing on our broad experience and in-depth knowledge of Swedish labor law, we are able to manage risks in all of our clients' labor law-related situations. Our labor practice handles all matters relating to the legal areas of labor, pension, and benefits. We would be delighted to have the opportunity to assist with your organization's establishment in Sweden.

We know that relentless commitment, experience and expertise at the highest level are required in order to meet our clients' high expectations in

relation to sustainable advice at all stages. Swedish and international companies, labor organizations and authorities are among our diverse client base. Our labor team distinguishes itself from the competition by combining our unrivaled expertise with detailed, practical knowledge of various industries, such as banking and finance, media and telecommunications, private equity and financial services. Whenever necessary or deemed appropriate, our experienced, efficient and committed team also draws on the expertise of other practice groups in relevant legal areas (e.g. Private M&A, Public M&A and Stock Market, Commercial Agreements and Dispute Resolution).

I. LABOUR AND EMPLOYMENT REQUIREMENTS

A. EMPLOYER POLICY REQUIREMENTS

In order to be legally compliant, employers are required by legislation to create and implement a number of employment policies. The following are required policies for an organization commencing work in Sweden:

- a written occupational health and safety policy;
- a policy containing guidelines and routines to prevent harassment, sexual harassment and retaliatory measures in your organization;
- a policy containing routines for first aid and crisis support;
- a policy with routines concerning rehabilitation and work adjustments for when the

employees turn ill, or suffer from injury or other conditions, including the abuse of alcohol and drugs;

- a policy with routines concerning chemical work hazards;
- a policy with routines concerning the introduction and guidance for the minor employees in your organization; and
- a policy with security routines within your organization.

This guide is intended as general information only. For legal advice and assistance with your business needs, please contact our Swedish firm, Cederquist.



There are a number of policies that employers should create. These policies will help an organization manage employee relations and mitigate the risk of legal liability in the future.

- a general discrimination policy concerning the prevention of discrimination in your organization;
- a whistleblowing policy;
- a general policy concerning misconduct with routines on how your organization handles employee misconduct;
- a policy governing the accessibility for employees or other persons with disabilities;
- policies governing attendance, work hours and leave of absence such as annual leave, parental leave and sick leave to manage the expectations of attendance and leave of absence in your organization;
- a policy concerning the processing of employees' and customers' personal data; and
- a policy concerning the usage of employer property (computers, phones, internet and social media etc.) to assure employee awareness of your organization's expectations surrounding the usage of such property.

Having an employee manual is not a statutory requirement in Sweden, but we do recommend employers to collect all applicable policies in one employee manual. This is a practical way for employers to make the policies visible and easily accessible for the employees. Preferably, the employee manual can be kept digitally on your organization's intranet.

We would be pleased to assist your organization with drafting and adopting the abovementioned policies.

B) EMPLOYEE TRAINING REQUIREMENTS

Employers are required to complete certain training activities. The following is statutorily mandated training that employers must provide:

- training to ensure knowledge concerning occupational health and safety for managers, supervisors, safety representatives and other employees;
- training to ensure knowledge for the managers and supervisors relating to unhealthy workloads and victimization within your organization;
- training and human resources development to prevent discrimination and promote an even gender breakdown at the workplace;
- training to ensure knowledge concerning rehabilitation and work adjustments for the people responsible for tasks related to this;
- training for employees concerning violence and threats to ensure that your employees can perform their work safely;
- training to ensure that employees have sufficient knowledge concerning ergonomics related to the work;
- training concerning management of work that may imply exposure to hazardous chemical products; and
- training to ensure that some of your employees can perform first

aid and have adequate knowledge in crisis support.

C) EMPLOYMENT AGREEMENTS

An employment agreement does not have to be in writing to be valid in Sweden. In fact, an employment agreement does not have to take any specific form. However, we always recommend that written employment agreements are entered into with all employees. Also, Sweden has implemented the directive on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship. As a result of this, the employer must provide certain information in writing concerning the principal terms of the employment, such as duties and title, commencement date, place of work, form of employment, period of notice etc. This information must be provided to the employee within one month of the commencement of the employment.

Our firm has vast experience with drafting and negotiating employment agreements, including executive agreements, incentive agreements and collective agreements.



II. CORPORATE LAW REQUIREMENTS

If you are planning to open up shop in Sweden, you can do so by either registering a Swedish branch or by establishing a Swedish subsidiary. A branch is not its own legal entity, but an extension of the parent company. As such, the branch's assets and liabilities are a part of the parent company's total assets and liabilities. Both branches and subsidiaries are registered with the Swedish Companies Registration Office. If you want to establish a limited liability company in Sweden, two alternatives are available: (i) buying an existing, empty, company off the shelf from a supplier or (ii) registering a new company.

A new company is registered by following the following basic steps. If the company is bought off the shelf instead, the required amount of time and administration in each step is reduced. Steps 4-6 are also relevant when establishing a Swedish branch.

1. Memorandum of association

The founders draw up and issue a memorandum of association, which must include information on the share price, information on the company's future directors and auditor as well as draft articles of association. The articles of association must include information on inter alia company name and business operations.

2. Subscription and payment

The shareholders-to-be subscribe and pay for the shares in the company. The share capital invested in the company must be

at least SEK 50,000 (approximately EUR 5,000).

3. Registration of the memorandum of association

The founders complete, date and sign the memorandum of association and the company's board of directors submit the memorandum of association and a bank certificate evidencing the payment of the shares to the Swedish Companies Registration Office.

4. Registration of beneficial ownership information

The company must register information concerning beneficial ownership with the Swedish Companies Registration Office. The beneficial owner is the person who ultimately owns or controls the company.

5. Registration with the Swedish Tax Authority

Most companies are required to apply for F-tax and VAT registrations with the Swedish Tax Agency. Further, if the company is to have employees, the company must also register as an employer.

6. Business specific permits and registrations

Depending on the conducted business operations, the company may be required to apply for additional permits or registrations. Example of business operations that often require additional permits or registrations are inter alia financial services, healthcare and environmentally hazardous operations.

Our firm has a team specialized in both registering a new company or branch in Sweden and buying an off the shelf company. Please contact us for assistance with setting up your corporate entity in Sweden.



III. PAYROLL AND BENEFITS PROVIDERS

In Sweden, the vast majority of employers outsource payroll and benefit responsibilities to third party companies. This reduces the administrative burden faced by the company by outsourcing payroll deductions and benefit administration to qualified companies that specialize in these areas.

We have close contacts with the leading payroll providers in Sweden and we would be happy to recommend payroll providers to fit your business's requirements.

We are pleased to offer our services for all of the required work identified above and assist

your organization to open in Sweden. Any portion of the work can be conducted on the basis of a blended rate of 320 EUR per hour in addition to any required disbursements and tax. As an alternative, all of the above work can be offered for a project budget of 15,000 EUR plus disbursements and tax.

If you have any questions, please contact

Robert Stromberg
Partner, Cederquist

+46 522 065 67
robert.stromberg@cederquist.se

We look forward to working with you.



L&E Global CVBA is a civil company under Belgian Law that coordinates an alliance of independent member firms. L&E Global provides no client services. Such services are solely provided by the member firms in their respective jurisdictions. In certain circumstances, L&E Global is used as a brand or business name in relation to and by some or all of the member firms. L&E Global CVBA and its member firms are legally distinct and separate entities. They do not have, and nothing contained herein shall be construed to place these entities in, the relationship of parents, subsidiaries, agents, partners or joint ventures. No member firm has any authority (actual, apparent, implied or otherwise) to bind L&E Global CVBA or any other member firm in any manner whatsoever.

This L&E Global publication is intended for informational purposes only. Nothing in the document is to be considered as either creating an attorney client relationship between the reader and L&E Global, or any of the law firms that are part of the L&E Global alliance and/or named in the publication, or as rendering of legal advice for any specific matter. Readers are responsible for obtaining such advice from law firms of L&E Global upon retaining their services. The independent law firms of L&E Global are not responsible for the acts or omissions of each other, nor may any firm or any of its partners or other employees, act as agent for any other L&E Global firm. Absent the express agreement and consent of the parties involved, no L&E Global firm has the authority to obligate or otherwise bind any other L&E Global firm.