

M E M O R A N D U M

Date **2014-03-04**
(partly revised **2017-06-27, 2018-03-06, 2018-10-01, 2020-12-03**)

Cross-border services in Sweden

The first part of this document contains general information regarding authorities overseeing cross-border activities in Sweden and the rules that are applicable to such activities. The second part of this document covers specific business rules for different types of financial institutions.

The document highlights the laws and regulations a financial institution¹ domiciled in another EEA member state must comply with when conducting financial activities in Sweden. Some information that is of a practical nature or related to the common good is also included.

The information below is not exhaustive and should not be regarded as a substitute for seeking legal advice. The translation of legal provisions and Finansinspektionen's regulatory code (FFFS) is provided for general information purposes only. The original version in Swedish prevails at all times.

General information

Finansinspektionen

Finansinspektionen (the Swedish Financial Supervisory Authority) is the competent authority responsible for supervising activities on the financial markets. Over 3,800 institutions are subject to the supervision of Finansinspektionen within three areas: the insurance market, the credit market and the securities market.

The address is:

Finansinspektionen
(Swedish Financial Supervisory Authority)
Box 7821
SE-103 97 STOCKHOLM, SWEDEN
Street address: Brunnsgränd 3
Telephone: +46 8 408 980 00
Fax: +46 8 24 13 35 www.fi.se
finansinspektionen@fi.se

Konsumentverket

Methods of marketing in Sweden must be in compliance with Marknadsföringslagen (2008:486) [Marketing Act]. According to Section 9 of

¹ Investment funds and management companies, investment firms, credit institutions, insurers and insurance intermediaries.

the Marketing Act, all marketing shall be designed and presented in such a manner that no doubt exists as to its nature as a marketing product. The company responsible for the marketing shall be clearly indicated.

A special judicial procedure has been introduced for marketing cases. Patent- och marknadsdomstolen (Patent and Market Court), a part of Stockholms tingsrätt (Stockholm District Court), is the first instance and Patent- och marknadsöverdomstolen (Patent and Market Court of Appeal), a part of Svea hovrätt (Svea Court of Appeal), is the second instance. Generally, decisions reached in Patent- och marknadsöverdomstolen cannot be appealed except for judgments and decisions reached in criminal cases. In certain instances, the court can grant leave for a judgment or decision to be appealed to Högsta domstolen (the Supreme Court).

The address is: Konsumentverket / Konsumentombudsmannen
(Swedish Consumer Agency / Consumer Ombudsman)
Box 48
SE-651 02 KARLSTAD, SWEDEN
Street address: Tage Erlandergatan 8A
Telephone: +46 771 42 33 00
www.konsumentverket.se

Allmänna reklamationsnämnden

Allmänna reklamationsnämnden (The National Board for Consumer Complaints) examines disputes between consumers and companies relating to the purchase of goods and services of various kinds, and recommends ways of settling them.

The address is: Allmänna reklamationsnämnden
(The National Board for Consumer Complaints)
Box 174
101 23 STOCKHOLM, SWEDEN
Street address: Kungsholmstorg 5
Telephone: +46 8 508 860 00
Telefax: + 46 8 508 860 01
www.arn.se

Konsumenternas Bank- och finansbyrå/ Konsumenternas Försäkringsbyrå
Konsumenternas Bank- och Finansbyrå och Konsumenternas Försäkringsbyrå provide consumers neutral information and guidance with regard to financial services. The information and guidance is free of charge.

The address is: Konsumenternas Bank- och finansbyrå
(The Swedish Consumers Banking and Finance Bureau)
Konsumenternas Försäkringsbyrå
(The Swedish Consumers Insurance Bureau)
Box 24215
104 51 STOCKHOLM, SWEDEN
Street address: Karlavägen 108
Telephone: +46 200 22 58 00
www.konsumenternas.se

Konkurrensverket

To avoid obstacles that hinder efficient competition in inter alia the service sector companies must comply with Konkurrenslagen (2008:579) [Competition Act]. The Competition Act is modelled on the competition rules of the EU as laid down in the Treaty of Rome and the corresponding rules of the EEA Agreement.

The responsible authority is Konkurrensverket (Swedish Competition Authority).

The address is: Konkurrensverket
(Swedish Competition Authority)
SE-103 85 STOCKHOLM, SWEDEN
Street address: Torsgatan 11
Telephone: + 46 8 700 16 00
Telefax: +46 8 24 55 43
www.kkv.se
konkurrensverket@kkv.se

Skatteverket

According to Chapter 23, section 5 of Skatteförfarandelagen (2011:1244) [Tax Procedure Act], foreign credit and securities institutions, insurance undertakings and investment funds or management companies conducting business in Sweden without establishing a branch office in this country must furnish Finansinspektionen with an undertaking to file annual income statements with Skatteverket (Swedish National Tax Board) no later than 31 January of the year following the income year.² For further information, please contact the Large Taxpayer's Office at the Swedish National Tax Board.

The address is: Swedish National Tax Board
Large Taxpayer's Office
SFSK Stockholm
SE-171 94 Solna, SWEDEN
Telephone: + 46 8 564 85 160 (press 9 for switchboard)
www.skatteverket.se
storforetagsregionen@skatteverket.se

Insider trading supervision

The regulations governing insider trading are stated in Lagen (2005:377) om straff för marknadsmissbruk vid handel med finansiella instrument [Financial Instruments Trading (Market Abuse Penalties) Act]. Finansinspektionen supervises compliance with the provisions of the Financial Instruments Trading (Market Abuse Penalties) Act and the provisions regarding market manipulation. The Act is adapted to the EC rules where applicable.

When Finansinspektionen investigates cases where illegal trading is suspected, it has the legal right to obtain the information required for an investigation from a financial institution providing financial services in Sweden without a

² The Undertaking, form SKV 2745, can be downloaded at www.skatteverket.se.

permanent place of business here.

Market abuse

FI monitors, according to Lagen (2016:1306) med kompletterande bestämmelser till EU:s marknadsmissbruksförordning, that the market complies with the Market Abuse Regulation (EU) No 596/2014 (MAR). The criminal sanctions are regulated in Lagen (2016:1307) om straff för marknadsmissbruk på värdepappersmarknaden [Market Abuse Act].

Foreign branch

Financial institutions that pursue their activities through an establishment in Sweden are required to keep their books in the country. They are also required to have an auditor. This is regulated in Lag (1992:160) om utländska filialer m.m [Act on Branches of Foreign Companies]. Financial institutions are also required to comply with Bokföringslagen (1999:1078) [Accounting Act].

Distance marketing

Distans- och hemförsäljningslagen (2005:59) [Distance and Doorstep Sales Act] contains requirements for information and statutory cancellation rights that must be observed regarding contracts for insurance and other financial services.

Electronic commerce and information society services

The definition of and conditions for information society services are set out in Lagen (2002:562) om elektronisk handel och andra informationssamhällets tjänster [Electronic Commerce and Other Information Society Services Act]. This Act also includes provisions applicable to service providers from jurisdictions other than Sweden but within the EEA when conducting business in Sweden.

Specific business rules

Investment firms

The relevant law for investment firms' activities in Sweden is Lagen (2007:528) om värdepappersmarknaden [Securities Markets Act]. This Act contains the Swedish implementation of the Directive on markets in financial instruments (MiFID II).

Finansinspektionen has issued further regulations as to what investment firms should observe – Finansinspektionen's regulations governing investment services and activities (FFFS 2017:2) – which is the Swedish incorporation of the MiFID II implementing directive. Regarding the activities of regulated markets and multilateral trading facilities (MTF), Finansinspektionen has issued regulations governing operations on trading venues (FFFS 2007:17).

Credit institutions

The applicable law for activities conducted by credit institutions in Sweden is Lagen (2004:297) om bank- och finansieringsrörelse [Banking and Financing Business Act].

Payment institutions

The applicable law for activities conducted by payment institutions in Sweden is lagen (2010:751) om betaltjänster [Payment Services Act]. This law implements the second Payment Services Directive (PSD2).

E-money institutions

The applicable law for activities conducted by e-money institutions in Sweden is lagen (2011:755) om elektroniska pengar [e-money act]. This law implements the second e-money directive

Marketing and consumer credits

The relevant law for consumer credit companies in Sweden is Lagen (2014:275) om viss verksamhet med konsumentkrediter [Act on Certain Consumer Credit-related Operations]. Finansinspektionen has issued regulations further governing certain consumer credit-related operations (FFFS 2014:8). Konsumentkreditlagen (2010:1846) [Act on Consumer Credits] contains additional regulations regarding consumer credits that must be complied with when dealing with clients who are consumers. Finansinspektionen has further issued general guidelines regarding what should be observed in this context (Finansinspektionen's general guidelines regarding consumer credits (FFFS 2011:47)).

Mortgage Credit Intermediary Branches

The relevant financial and business legislation for branches operating in Sweden is Lagen (1992:160) om utländska filialer m.m. [Act on Branches of Foreign Companies] and Lagen (2016:1024) om verksamhet med bostadskrediter [Credit Mortgage Act], where the latter is a result of the Swedish implementation of the Mortgage Credit Directive (2014/17/EU). In addition to this, Finansinspektionen has issued further regulation as to what mortgage credit branches in Sweden should observe in Finansinspektionen's regulations governing mortgage credits (FFFS 2016:29).

Investment funds and management companies

The applicable law, based on the amended EC Directive 85/611/EC, for activities conducted by an investment fund or a management company in Sweden is Lagen (2004:46) om investeringsfonder [Investment Funds Act].

According to Chapter 2, section 17b of the Investment Funds Act, a fund management company shall conduct its activities in such a manner that the general public's confidence in the market is upheld and individual investments are not unduly jeopardized. Furthermore, the investment funds' activities in general should be considered to be sound.

Insurance undertakings

The Solvency 2 Directive has been implemented into Swedish law. Foreign insurance undertakings that conduct insurance business in Sweden must comply with Swedish laws, regulations, decisions and regulatory code from Swedish authorities and answer in Swedish courts of law.

Finansinspektionen supervises the activities of EEA insurers with regard to

market conduct, e.g. consumer protection, insurance contract practices and insurance business practices. EEA insurers must provide Finansinspektionen with information regarding their activities that is necessary for the supervision. Insurance undertakings must also hold accounts and other documents available for review.

Relevant regulation for EEA insurers' activities in Sweden is lagen (1998:293) om utländska försäkringsgivares och tjänstepensionsinstituts verksamhet i Sverige [Act on Undertakings of Foreign Insurers and Institutions for Occupational Retirement Provision in Sweden].

The terms and conditions of all insurance contracts in Sweden must comply with försäkringsavtalslagen (2005:104) [Insurance Contracts Act]. This Act contains extensive information requirements as well as language requirements that are to the benefit of the customer. Finansinspektionen has issued regulations that supplement the Insurance Contracts Act regarding information to policyholders (FFFS 2011:39).

Motor Third Party Liability Insurance (MTPL) (updated info May 2017)

TPL is compulsory in Sweden. The applicable law is trafikskadelagen (1975:1410) [Traffic Injuries Act]. Insurers who provide traffic insurance in Sweden are obliged to cover such risks.

EEA insurers who intend to cover motor vehicle liability risks in Sweden by use of the freedom to provide services must have a representative in Sweden, authorised to handle claims on behalf of the insurer, and be a member of the Association of Motor Insurers. EEA insurers who intend to cover motor vehicle liability risks in Sweden by use of the freedom of establishment must be a member of the Association of Motor Insurers. These requirements do not apply to EEA insurers who intend to only cover carrier's liability risks.

The address is:

Trafikförsäkringsföreningen
(Swedish Motor Insurers)
Box 240 35
SE-104 50 STOCKHOLM, SWEDEN
Street address: Karlavägen 108
Telephone: +46 8 522 782 00
www.tff.se

Patient insurance

Patient insurance is mandatory in Sweden. The applicable law is Patientskadelagen (1996:799) [Patient Injury Act].

An insurer who intends to pursue patient insurance in Sweden must be a member of the Swedish Patient Insurance Association.

The address is:

Patientförsäkringsföreningen
(Swedish Patient Insurance Association)
Box 241 27
SE-104 51 Stockholm, SWEDEN

Telephone: +46 8 522 782 90

info@pff.se

www.pff.se

Insurance Distribution

The Insurance Distribution Directive (EU) 2016/97 (IDD) has been implemented into Swedish law. Relevant regulations for conducting business with insurance distribution are Lagen (2018:1219) om försäkringsdistribution [Insurance Distribution Act (IDA)] and Finansinspektionen's regulations on insurance distribution (Regulatory Code FFFS 2018:10).

For further detailed information on the application of the Insurance Distribution Directive for insurance distribution activities in Sweden please refer to the document General Good Rules IDD at <https://www.fi.se/en/markets/apply-for-authorisation/notification/>