



❖ **Does Sweden apply the economic employer concept for the establishment of wage tax withholding obligations?**

Yes.

❖ **Is the concept implemented into national law or is it applied via practice or based on administrative instructions?**

National law. In the Special income tax act for non-residents.

❖ **When did your country adopt the economic employer concept?**

The new rule came into force as of 1 January 2021.

❖ **Is there a threshold of days that an employee can work in your country for a domestic client without meeting the requirements of an economic employer?**

Yes.

❖ **If so, how many days and for which period?**

15 consecutive workdays and 45 workdays during a calendar year. Only actual workdays are counted. Workdays in the employee's home country discontinue the consecutive workdays in Sweden.

❖ **Is the formal employer obliged to register and pay wage taxes?**

Yes.

❖ **Can the economic employer register and report wage taxes on behalf of the formal employer?**

No.

❖ **Comments regarding the impact of the "economic employer concept" on individuals that travel for work to your country, i.e., increased administrative requirements etc.? Do the companies experience these requirements as burdening?**

If there is an economic employer in Sweden the formal employer is obliged to

- (i) register for employer reporting purposes in Sweden,
- (ii) file monthly payroll returns,
- (iii) pay/report withholding tax (30 %) for employees performing services in Sweden, and
- (iv) pay/report social security contributions (as a general rule). The administrative burden for the foreign employer will increase in relation to Sweden applying the economic employer concept.
- (v) file specific information with the Tax Agency the year after the income year, in order for the tax Agency to assess whether a permanent establishment is at hand.



## CONTACT

**Pernilla van der Capellen**  
Skeppsbron Skatt AB

[pernilla.van.der.capellen@skeppsbronskatt.se](mailto:pernilla.van.der.capellen@skeppsbronskatt.se)

Tel: +46 73 640 91 81