

## Starting up a limited company

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# Are you planning to start a limited company?

Before starting a limited company you need to consider a number of things. What should be the name of the company? Who should be on the board of directors and does the company need an auditor?

In this brochure you can read about how to start a limited company, what choices you have to make and what to submit to Bolagsverket. Below you will find a short description of the process from your decision to start the limited company till the business is running.

## Do you want to read more about limited liability companies?

Have a look at our website [bolagsverket.se](http://bolagsverket.se). From the website you will also reach [verksamt.se](http://verksamt.se) by which you may start the limited company yourself, both with us and with Skatteverket (the tax authorities).

## How to start a limited company

1. Decision to start - Memorandum of association and Articles of association
2. Payment of the shares - the share capital
3. The bank provides a Bank certificate
4. Application and payment of the registration fee to Bolagsverket
5. Submission of additional information to Bolagsverket, when applicable
6. Bolagsverket registers the company; registration number and certificate of registration
7. The business activities may start

# Limited companies in brief

A limited company is a form of business enterprise in which the shareholders' responsibility is limited to the capital they invested in the company. Here we present short facts on limited companies.



The limited company is a legal entity. A limited company becomes a legal entity upon registration with Bolagsverket. A legal entity may enter into agreements, have employees, own things and be a party in legal proceedings.

## **Registration number as the identification of the company**

The limited company receives a registration number upon registration with Bolagsverket. The registration number is used as the identification of the company at contacts with authorities and others.

## **Private and public limited companies**

A limited company may be private or public. A public limited company is an enterprise with the right to offer its shares to the public. All the other limited companies are private.

## **The business name**

When you register a limited company with Bolagsverket you gain protection for the business name throughout the country. Read more about business name on page 10.

## **The share capital**

The share capital must be minimum 50 000 Swedish kronor for private limited companies and minimum 500 000 Swedish kronor for public limited companies. The people who invested capital in the company may lose only the amount invested.

## **Shareholders**

A limited company may have one or more owners, who are natural persons or legal entities. Shareholders may be

domiciled in any country. Bolagsverket does not register the shareholders of a company. But the board of directors is obliged to establish a share register with an updated list of the shareholders. The share register is a public document and must be kept available to the public by the company.

## **The board of directors represents the company**

A limited company is represented by a board of directors, appointed by the shareholders' meeting. A limited company may also have a managing director. Sometimes a person authorized to receive service of process is also needed.

## **The auditor checks up the board of directors**

If the limited company decides to have an auditor, it must be an authorized or approved auditor who examines the work of the board of directors. The auditor is appointed by the shareholders' meeting.

## **Shareholders' meeting**

The shareholders' meeting is the highest decision-making body of a limited company. The shareholders' meeting

- appoints the board of directors and may discharge the board
- decides on discharge from liability for the board of directors
- appoints the auditor
- decides on changes of the articles of association
- decides on changes of the share capital
- adopts the balance sheet and the profit and loss statement



- makes decisions regarding the profit and loss of the company
- decides in what manner the company should be dissolved.

### **The articles of association**

The articles of association are the rules and regulations of the company, governing the business activities. A copy of the articles of association must be filed with Bolagsverket and is a public document. Read more about the articles of association on page 20.

### **Submit the annual report on time**

It is the obligation of the board of directors once a year to prepare and submit the annual report to Bolagsverket. If the annual report is submitted too late, the company must pay a late filing penalty. If the documents have not been filed within eleven months from the end of the financial year, Bolagsverket may after

a special injunction decide that the company must be wound up. This is referred to as compulsory liquidation.

### **The financial year**

The financial year of a limited company must comprise twelve months. The first financial year starts on the day of registration of the company. This applies even if the company starts up its business activities at a later date.

### **Report changes immediately**

You must immediately report changes to Bolagsverket, when for example changes are made of the board of directors or in the line of business. Use the e-service on the website [verksamt.se](http://verksamt.se). The service provides help in filling in the application for registration and makes sure that all information needed is filled in. Furthermore, the registration fee is lower than when you use a paper form. Through the service you may also reply to messages sent from us.

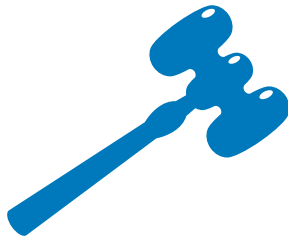
You will find the forms on [bolagsverket.se](http://bolagsverket.se).

### **Wind up a company**

The commonest way to wind up a limited company is by a liquidation procedure. Further, a limited company may be wound up by a merger or a division procedure or through bankruptcy. Read more about winding up on our website [bolagsverket.se](http://bolagsverket.se).

# Form the limited company

A limited company is formed through a decision by one or more persons, enterprises or associations to start a limited company. The person starting a limited company is referred to as the founder.



## 1. Decide to start up - memorandum of association and articles of association

You and the other owners (founders) decide to start the limited company. This is done by drawing up and issuing a document referred to as the memorandum of association. Being the founders you must also draw up the articles of association.

As a founder you must be resident within the EEA or be a legal entity from a country within the EEA, unless you have applied for and received a special permit from Bolagsverket

On page 9 you will find more information regarding the contents of the memorandum of association and on the pages 18 and 19 you may see two examples of the contents of a memorandum of association. Please note that this document must be issued and filed in Swedish.

The articles of association must among other things contain information on the business name and the business activities of the company.

On page 21 you will find an example of articles of association. Please note that this document must be issued in Swedish.

## 2. Pay the shares

The founders, starting the limited company, also buy the shares in the

company. The share capital of a private limited company must be at least 50 000 kronor and of a public limited company at least 500 000 kronor.

The founders buying (subscribing to) the shares are listed in the memorandum of association. The subscribers sign the memorandum stating the number of shares they buy. If the shares are to be paid in cash the whole amount subscribed for must be paid. The money must be deposited in a bank, a credit market company, or a credit institute within the EEA, in an account specially opened for the limited company.

If somebody pays for the shares with other assets than money (capital contributed in kind), a note about this must be made in the memorandum of association. All capital contributed in kind must be provided to the company before the registration. Only property which is or may be of use for the business activities of the company can be accepted as a contribution in kind, for instance

- real estate
- car
- another enterprise
- computers
- tools
- machinery.

Read more on page 9 regarding the wording of the memorandum of association if the shares are paid by contribution in kind.

### **3. Submit a bank certificate or a certificate proving the value of the contribution in kind**

The bank submits a bank certificate to Bolagsverket by the e-service [verksamt.se](http://verksamt.se) or as an original paper copy. The certificate proves that the share capital has been paid. If the share capital is paid by contribution in kind, an authorized or approved auditor must issue a certificate proving the value of the contribution in kind.

The contribution in kind is other property than money. It may for instance be a car or real estate.

### **4. Apply and pay to Bolagsverket**

Submit an application for registration to Bolagsverket, by the e-service on the website [verksamt.se](http://verksamt.se) or by using a paper form. At the same time you must send in the memorandum of association and the articles of association.

The application for registration must be submitted not later than six months after the drawing up of the memorandum of association. The registration fee must be paid at the same time as you submit the application to Bolagsverket.

Read more about application to Bolagsverket on page 8.

### **5. Submit supplementary details to Bolagsverket when applicable (if something is missing)**

### **6. Bolagsverket registers the company**

Bolagsverket decides on the registration and issues a registration number. Among other things we check up that nobody else has registered the proposed business name.

When the company is registered we shall send you a certificate of registration (in Swedish). At the same time the company becomes a legal entity.



# Application to Bolagsverket

In order for the limited company to start its business activities you must submit an application for registration to Bolagsverket. You may do so in two different ways - by the e-service on the website [verksam.se](http://verksam.se) or by using a form.

At the same time you must submit the memorandum of association and the articles of association to Bolagsverket. The application for registration must be submitted not later than six months from the date of drawing up the memorandum of association.



## Application by the e-service on the website [verksam.se](http://verksam.se)

You may register the limited company with Bolagsverket by using the e-service [verksam.se](http://verksam.se). The service provides help to fill in the application to ensure that all the necessary details are filed. Furthermore, the registration fee is lower than if you use a form.

You also report the registration of the enterprise to Skatteverket (the tax authorities) by using this e-service.

A board member or the managing director must sign the application. To do so they need an electronic identification (e-ID). The e-ID serves as an identity card when proving your identity on the Internet. You may easily get an e-ID through your bank.

## Application by using a form

Another alternative is to use the form 'Registration of a new company' which must be submitted in the original. The form must be signed by a board member or by the managing director. You will find the form on our website, [bolagsverket.se](http://bolagsverket.se).

## Attachments

Always enclose the following documents

- Memorandum of association – fill in directly on the website [verksam.se](http://verksam.se) or submit as a certified copy
- Article of association – fill in directly on the website [verksam.se](http://verksam.se)

or submit as a certified copy

- Bank certificate from a bank, a credit market company or a credit institute within the EEA. The bank official signs the bank certificate directly on the website [verksam.se](http://verksam.se), or you may submit it in the original.

The bank certificate must be in Swedish and contain information on the amount paid for the shares (subscription price).

A Swedish bank certificate on paper must be signed by two bank officials. If the bank certificate is on paper it must be issued on a special form. You cannot use an ordinary deposit receipt.

Bank certificates from other EEA countries must be signed in accordance with the legislation of the country in question.

## Submit the following attachments, when applicable

- A certified copy of the passport of a representative who is domiciled abroad or not registered in the Swedish population register
- Minutes or other document – for instance when an employee representative has been appointed for the board of directors
- Permit from Bolagsverket – when the board of directors does not meet the requirements for country of residence, see page 13
- Statement regarding the contribution in kind in the memorandum of association – if the shares have

- been paid by contribution in kind
- Profit and loss statements for the two most recent financial years – if the contribution in kind is an enterprise
  - Written agreement, if any, about contribution in kind in the original or as a copy
  - Statement from authorized or approved auditor regarding the capital contributed in kind – if the shares have been paid by contribution in kind.

### **The memorandum of association**

The memorandum of association must contain the following information

- The amount to be paid for each share
- The name, personal identity number (date of birth) and postal address of the board members and the deputy board members, if any
- The name, personal identity number (date of birth) and postal address of the auditor and, when applicable, the equivalent information for deputy auditor and lay auditor
- Subscribers to the shares, i.e. who buys the shares of the company by putting his/her signature at the number of shares that he/she buys.

### **If the share capital is paid by contribution in kind, the memorandum of association must also include the following information**

- The estimated value that the capital contributed in kind is to be entered as in the balance sheet and the

circumstances which may be of importance in connection with the evaluation of this value

- The number of shares to be granted for the contribution in kind
- Who is paying by capital contributed in kind: name, personal identity number (date of birth) and municipality of registration in the population register.
- If no written agreement on contribution in kind exists – a description of the implication of the agreement.

### **If the share capital is paid by contribution in kind an authorized or approved auditor must issue a certificate proving the following**

- the type of property, for example a lorry
- all property has been transferred to the company
- the property is or will be of use for the company
- the property has been reported at the actual value for the company
- the method of evaluation to estimate the value of the property
- difficulties, if any, when evaluating the property.

### **Pay the registration fee**

Pay the fee at the same time as you submit your application to Bolagsverket. State your first name proposal when paying.

Please note that it is cheaper to register when submitting your application through the e-service on the website [verksamt.se](http://verksamt.se) than when using a form.

You will find the registration fees as well as information regarding payment from abroad at our website [bolagsverket.se](http://bolagsverket.se).

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# Choose a business name

The business name is the public face of the company and shall make it easy to find exactly your company. It is important that the name makes it possible to distinguish your company from other enterprises, associations and trademarks. Therefore, consider your name proposals carefully.



Bolagsverket decides if your company may be named according to your proposal.

When the company is registered you have achieved protection for the name throughout Sweden, within the line of business of the company.

## How to do

### 1. Consider the name you want for the company.

Before you submit your proposals you may check if anyone else has already registered the name that you would like to have for your company. You may do so in our e-service Näringslivsregistret to which you will find a link on [bolagsverket.se](http://bolagsverket.se).

### 2. Submit your name proposals to Bolagsverket.

Preferably you should submit several proposals and vary them as much as possible.

### 3. Bolagsverket examines the names in the order you have submitted them.

Among other things we check if any other enterprise or trademark is already registered by that name.

### 4. Bolagsverket registers the first possible name proposal to be approved of without first contacting you.

Now you have protection for the business name throughout Sweden, within the line of business of your company. Please note that we do

not give advance notice regarding a business name.

### 5. Important! Before ordering printed matters, a domain name, signs and similar...

Important: Do not order the above products before the company has been registered.

### 6. When the business is running.

When you are running the business you should always use the full business name the way it is registered. This will reduce the risk of misunderstandings and conflicts. The protection of the business name provided by the registration refers to the full business name only.

## Different sorts of business name

A business name may consist of the following:

- **imaginary words**,  
for example Cajin Aktiebolag
- **imaginary words + business activity word**,  
for example Cajin Fashion Aktiebolag
- **name of town + business activity word**,  
for example Ronneby IT Aktiebolag
- **surname + business activity word**,  
for example Brobergs Motor Aktiebolag
- **combinations of letters + business activity word**,  
for example P.M. Accounting Aktiebolag.

## The following cannot be approved

A few examples of business names which we cannot approve of

- The name is merely a description of the business activities or the company's products or services, as for example The Bike Shop Aktiebolag or IT Consulting Aktiebolag. These examples require an addition, for example an imaginary word, a first name or a surname.
- The name is confusable with another business name or a trademark.
- The name may be taken for somebody else's surname (family name).
- The name indicates another business activity than the actual one or is misleading in any other way.

Read more about business names on [bolagsverket.se](http://bolagsverket.se).

## Private and public limited companies

Limited companies are divided into private and public. The business name of a private limited company may not include the word public and the business name of a public limited company may not include the word private.

The business name of a public limited company must – if it is not evident from the business name that the company is a public limited company – in the articles of association and elsewhere be referred to with the term (publ) after the name.

## Describe the business activities

You have the sole right to your business name within the line of business in which the company is active. Therefore it is important that you describe the line of business in which you intend to carry on business, when you register your enterprise.

The description of the line of business must be explicit and so well defined that it is easy to understand. You must not write too generally. For instance it is not sufficient to write that you intend to carry on trade or consulting business. Write instead for example trade in cars or consulting business within skin care.



# The board of directors and the managing director

The board of directors and the managing director manage the business activities of the company. Their responsibility is extensive and they must be reported to Bolagsverket for registration.



## The responsibility of the board of directors

The responsibility of the board is extensive and the board members may under certain circumstances be personally responsible for the debts of the company. The tasks of the board vary, dependent on the size of the company and whether a managing director has been appointed.

If a managing director has been appointed he/she will be responsible for the day-to-day management.

## The board of directors must

- decide who is to represent the company (signatory power)
- summon the shareholders to the shareholders' meeting
- draw up the instructions for the distribution of work, if the board has appointed a managing director or other bodies, for example a working group or a committee
- determine a working plan for its work – if there is more than one board member. If the work of the board needs to be divided, the working plan must show how the division took place. In the working plan it must also be stated how often you have to have meetings and if the deputy members of the board should be present. The working plan is not to be submitted to Bolagsverket.
- be responsible for payment of taxes in time
- prepare and submit annual reports to Bolagsverket

- report changes in the company to Bolagsverket.

## Signatory power

The board of directors may decide regarding the signatory power, i.e. who has the right to sign for example agreements on behalf of the company.

If no special signatory power is reported, the board of directors is entitled to sign on behalf of the company. This means that more than half of the members of the board jointly need to sign for example loan instruments and agreements.

## Members of the board

The board of directors of a limited company must consist of at least three board members. If it is a private limited company the board may consist of only one or two board members with at least one deputy board member.

The board members are usually elected to the end of the next general shareholders' meeting. If they are elected for a longer period of time, the number of years must be stated in the articles of association. The period of time for which the board of directors is elected is referred to as the mandate period and this period cannot exceed four financial years. A board of directors may be re-elected for one new mandate period. If the regular board members are unable to fulfil their duties, the deputy members will act as deputies for them.

A change of the board of directors comes into force at the earliest from the moment the application for the change has been filed with Bolagsverket. Until then it is the old, resigning board that is authorized to represent the company. Therefore, remember to report changes as soon as possible.

### **Chair of the board**

If the board of directors consists of more than one board member, the board must appoint a chair among its members. The chair must lead the work of the board and follow up that the board performs its tasks. The chair of the board must be reported to Bolagsverket for registration.

### **Managing director**

The board of directors appoints the managing director. In public limited companies the board must always appoint a managing director. In these companies the managing director and the chair of the board cannot be the same person.

In private limited companies the board may appoint a managing director. If a managing director is appointed, he/she must be reported to Bolagsverket for registration.

The change of the managing director is valid from the moment the application for the registration is filed with Bolagsverket. Therefore, changes should be reported immediately.

### **Employee representatives**

The employees of a limited company may be represented on the board. This applies if the conditions in the Act on Board Representation (Private Sector Employees) are fulfilled. These members are referred to as employee representatives. They are counted in the total number of board members who are at any time to be in the company, but they are not counted in the number of board members stipulated in the articles of association. The reason for this is that it is the local employee organization and not the shareholders' meeting that appoints the employee representatives and decides the time for their assignment. They have the same responsibility as the other board members.

### **Country of residence**

The managing director, at least half of the board members, at least half of the deputy members of the board and at least one of the specially authorized signatories must be resident within the European Economic Area, the EEA. If you do not fulfil these requirements, the company may apply for exemption with Bolagsverket.

Read more about exemptions (in Swedish only) on our website, [bolagsverket.se](http://bolagsverket.se).

### **A person authorized to receive service of process**

If the company does not have an authorized representative resident in Sweden, the board must appoint a person resident in Sweden (registered in the Swedish population register) to be authorized to receive service of process on behalf of the company.

The person authorized to receive service of process must not be under the age of 18 or have a custodian pursuant to the Parental Code.

The appointed person must be reported to Bolagsverket for registration.

### **Competent board of directors**

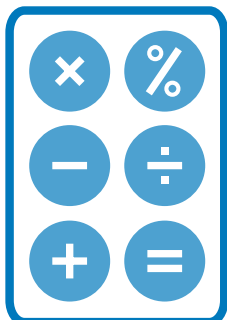
If the company does not have a competent board of directors, a managing director and a person authorized to receive service of process, when applicable, the company is at risk of compulsory liquidation.

The company may also be liable to pay a penalty fee to cover Bolagsverket's administrative costs.

Bolagsverket decides on compulsory liquidation and on the fee.

# Auditors

The fundamental rule is that a limited company must have an auditor. Small companies may however choose not to.



## The tasks of the auditor

The period of the auditor's assignment is one year; but the company may decide on a longer period in the articles of association, however not exceeding four years.

The auditor must

- examine the accounting of the company and the board's management of the company
- report certain violations that he/she discovers when examining the accounting documents.

The auditor must never keep the accounts of the company.

## Who may be the auditor?

Authorized or approved public accountants may act as auditors of limited companies.

The shareholders' meeting may appoint one or more auditors and deputy auditors, when applicable. A registered accounting firm may likewise be appointed the auditor. In these cases the accounting firm must appoint a person being principally responsible for the audit.

Both the accounting firm and the principally responsible auditor must be reported for registration with Bolagsverket.

Certain larger limited companies must have an authorized auditor or an approved public accountant who has passed the examination of professional competence. Therefore, it is not sufficient to have an approved auditor.

## An auditor must not

- be bankrupt
- be prohibited from carrying on business
- be prohibited from carrying out counselling business
- have a custodian pursuant to Article 11, section 7 of the Parental Code

## Lay auditor

You have an option to appoint one or more lay auditors in addition to the company's auditor.

The lay auditor shall

- examine that the business activities of the company is managed in an appropriate and – from a financial point of view – satisfactory way
- examine if the internal control of the company is sufficient

A lay auditor need not have an auditor's education. He/she is appointed by the shareholder's meeting or in another way as stipulated in the articles of association and must be reported to Bolagsverket for registration.

The examination report of the lay auditors is not to be submitted to Bolagsverket.

## If the auditor's assignment ends prematurely

An assignment as auditor ends prematurely

- if the auditor reports that the assignment is to be terminated or
- if the appointing body releases him/her on "a factual basis" and reports to the board of directors that the assignment is to end.

If an auditor who is not appointed on a shareholders' meeting wants to resign, he/she must also report this to the appointing body. The auditor or the company must thereafter report his/her resignation to Bolagsverket for registration.

## Attachments to be enclosed to the application

- A statement from the auditor for the examination performed under the current financial year during his/her assignment
- Information from the auditor regarding why the assignment has ended prematurely.
- Information from the company or the appointing body regarding why the assignment has ended prematurely.

## Small limited companies may choose not to have an auditor

Certain private limited companies may choose not to register an auditor. In that case they need a clause about this in the articles of association. This only refers to small companies.

The limited companies which do not meet at least two of the following criteria for each of the two latest financial years may choose not to have an auditor –

- more than 3 employees (as an average)
- a balance sheet total of more than 1.5 million kronor
- a net turnover of more than 3 million kronor

# File the annual report

A limited company must for every financial year submit its annual report to Bolagsverket. This applies, no matter whether the company has been carrying on business activities or has been dormant.

You may submit the annual report through our e-service or by regular mail.



The annual report is thereafter a public document, which makes public control possible. Anybody may read it.

## How to do

1. The company shall prepare an annual report after the expiry of the financial year.
2. If the company has an auditor, he/she shall examine the accounting documents.
3. The company shall hold an annual general meeting, i.e. a general shareholders' meeting, within six months after the expiry of the financial year. At the meeting the balance sheet and the profit and loss statement must be adopted and the meeting must decide how to allocate the profit or the loss.
4. The company submits the annual report and the auditor's report, if any, to Bolagsverket not later than one month after the adoption of the profit and loss statement and the balance sheet on the shareholders' meeting.

If the annual report and the auditor's report, if any, have not been filed with Bolagsverket within eleven months from the end of the financial year, Bolagsverket may – after a special official notice – decide that the company must be liquidated. This is referred to as compulsory liquidation.

## Submit the annual report through our e-service

It is possible to submit the annual report to Bolagsverket through our

e-service Lämna årsredovisning (in Swedish only). Automatic controls in the service secure that you may avoid the most common mistakes and the risk of late filing penalties will be reduced. You will also receive a receipt as soon as the documents have arrived at Bolagsverket.

Read more about the e-service on [bolagsverket.se](http://bolagsverket.se) (in Swedish only).

## This is what you must submit to Bolagsverket

- the annual report, consisting of a balance sheet, profit and loss statement, notes and the directors' report as well as – for larger companies – cash flow analysis,
- an auditor's report, when applicable,
- minutes from the shareholders' meeting if the meeting has decided on profit distribution,
- consolidated accounts and auditor's report for the group for most parent companies if the company is part of a group.

Write the business name and registration number of the company on all documents, preferably on each page, if you submit the annual report by regular mail.

## Signatures

The annual report (a certified copy) must be signed by the managing director and all the board members.

A board member cannot refuse to sign. If he believes that the annual

report is incorrect, he must still sign it, but state his diverging opinion in an attachment.

When an auditor's report exists, it must be signed by the auditor; he must also make an auditor's endorsement in the annual report.

### **Certificate of adoption (fastställelseintyg)**

On the certified copy of the annual report a board member or the managing director must certify (a so-called certificate of adoption) that the profit and loss statement and the balance sheet have been adopted at the annual general meeting.

The date of the general meeting must be stated. The signature in the certificate must be in the original.

If the annual report is submitted through our e-service, you must sign by e-identification.

### **Late filing penalties**

To avoid late filing penalties the documents must be complete and correct and be filed with (not sent to!) Bolagsverket not later than the last day of the seventh month after the end of the financial year.

- Already after a delay of one day the company must pay a penalty fee of 5 000 kronor.
- After a delay of more than two months the company must pay another penalty fee of 5 000 kronor.
- A delay of more than 4 months

will cost the company an additional penalty fee of 10 000 kronor. The total cost for a delay of four months will be 20 000 kronor.

For public limited companies the amounts are double up. A delay of more than four months will imply a cost of 40 000 kronor.

### **Interim report**

Interim reports are compulsory for large limited companies which are obliged to have an authorized auditor or an approved public accountant who has passed the examination of professional competence.

The interim report must cover the

business activities of the company from the beginning of the financial year. The period of the report must comprise at least half and max. two-thirds of the financial year. The interim report must be filed not later than two months after the end of the period of the report.

In 2007 the Swedish Parliament passed a resolution on simpler accounting regulations. The regulations mean for instance that considerably fewer enterprises need to file an interim report. More information is available on [bolagsverket.se](http://bolagsverket.se) (in Swedish).



# Attachments to the application

## An example of the contents of the Memorandum of Association when forming the company on a cash basis

Please note that the Memorandum of Association must be in Swedish

### § 1.

We, the undersigned founders, hereby agree on forming a limited liability company, the name and business activities of which shall be according to the information stated in the articles of association (attachment 1). The founders who have subscribed for shares shall pay \_\_\_\_\_ kronor for each share.

### § 2.

The company is to have the following officials

Board member:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Personal identity number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Postcode and town

Deputy board member:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Personal identity number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Postcode and town

Auditor:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Personal identity number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Postcode and town

\_\_\_\_\_  
Town and date

### Signature of all the founders

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Clarification of name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Clarification of name

### § 3.

Signature of the founders subscribing to shares.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Number of shares

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Number of shares

# An example of the contents of the Memorandum of Association when forming the company by contribution in kind

Please note that the Memorandum of Association must be in Swedish

## § 1.

We, the undersigned founders, hereby agree on forming a limited liability company, the name and business activities of which shall be according to the information stated in the articles of association (attachment 1). Shares amounting to the number of \_\_\_\_\_ must be subscribed for, and for each share the sum of \_\_\_\_\_ kronor must be paid through contribution in kind. The contribution in kind will be entered into the company's balance sheet to the amount of \_\_\_\_\_ kronor, and will consist of \_\_\_\_\_. The value is the market value.

The contribution in kind is provided by:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Personal identity number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Postcode and town

## § 2.

The company is to have the following officials

Board member:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Personal identity number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Postcode and town

Deputy board member:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Personal identity number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Postcode and town

Auditor:

\_\_\_\_\_  
Name

\_\_\_\_\_  
Personal identity number

\_\_\_\_\_  
Address

\_\_\_\_\_  
Postcode and town

\_\_\_\_\_  
Town and date

Signature of all the founders

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Clarification of name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Clarification of name

## § 3.

Signature of the founders subscribing to shares.

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Number of shares

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Number of shares

# The contents of the Articles of Association for private limited companies

Please note that the Memorandum of Association must be in Swedish

## Article 1. Business name of the company

The word "aktiebolag" must be written in full or abbreviated as "AB"

## Article 2. Registered office of the board

The registered office is the municipality in which the board of directors shall meet and in which the shareholders' meeting must be held.

## Article 3. Objects of the company

Describe carefully (be precise). This will make it easier to get good protection for the business name of the company. The board of directors is thereby given specific limits regarding the lines of business of the company.

## Article 4. Share capital

State the exact share capital as registered, or state the minimum and maximum share capital allowed (share capital limits). The possibility to state limits for the share capital allows the company to increase or reduce the share capital within the limits without changing the articles of association.

The minimum capital must not be less than a fourth of the maximum capital. The share capital must be stated in euro in the articles of association if the company is to keep its accounting records in euro.

## Article 5. Number of shares

The articles of association must state the number of shares or the minimum and maximum number of shares.

## Article 6. Board of directors

State the exact number or the lowest and the highest number of board members and deputy board members when the latter are needed.

The fundamental rule is that the board of directors must consist of at least three board members. In private limited companies the board of directors may consist of one or two board members, if at least one deputy board member is appointed.

## Article 7. Auditors

State either

- a) The company shall not have an auditor. However, the shareholders' meeting may anyway choose to appoint an auditor with reference to the provisions in the Companies Act.
- b) the exact number of auditors or
- c) an interval with the lowest (minimum 1) and the highest number of auditors which the limited company shall have.

## Article 8. Summons to the shareholders' meeting (the annual general meeting)

Summons to the annual and extraordinary general meetings during which the articles of association are to be changed must take place no earlier than six weeks and no later than four weeks before the general meeting. The summons to any other extraordinary general meeting must take place no earlier than six weeks and no later than two weeks before the general meeting.

The articles of association must contain information regarding the way of summoning to the general meeting, but not information regarding the time. The summons must contain an agenda for the meeting.

Private limited companies may prescribe in the articles of association that summons to all sorts of shareholders' meetings must be made not later than two weeks before the meeting.

Public limited companies must always summon to general meetings through an advertisement in Post- och Inrikes Tidningar (the Official Swedish Gazette) as well as in a nation-wide, named daily newspaper.

Further ways of summoning may be stated in the articles of association.

## Article 9. Annual general meeting

It is no longer compulsory to state the matters to be discussed at the general meeting, but it may still be an advantage to include these in the articles of association.

## Article 10. Financial year

The financial year of a limited company must comprise twelve months. The first financial year starts on the day of registration of the company. This also applies even though the company might start carrying on business at a later date.

Permitted financial years:

- 1 January - 31 December
- 1 May - 30 April
- 1 July - 30 June
- 1 September - 31 August

When a limited company is formed, when a financial year is changed, or when a limited company is being wound up, it is permitted to have a financial year which is shorter than twelve months, or to prolong it to a maximum of eighteen months.

## Optional articles, for example post-sale purchase right clause (or pre-emption clause)

It is not mandatory, but very common to have a clause in the articles of association regarding post-sale purchase right (Pre-emption clause). For further information, see the Swedish information brochure or the website.

# Example of the contents of the Articles of Association for a private limited company

Please note that the Memorandum of Association must be in Swedish

Registration number 556123-4567

## Article 1. Business name of the company

The business name of the company is Munkedals Finsnickeri AB.

## Article 2. Registered office

The board of directors shall have its registered office in the municipality of Munkedal.

## Article 3. Objects of the company

The company shall carry on manufacture and sale of joiner's fine work such as furniture, doors and windows as well as business compatible therewith.

## Article 4. Share capital

The share capital shall be a minimum of 100 000 and a maximum of 400 000 kronor.

## Article 5. Number of shares

The number of shares shall be a minimum of 1 000 and a maximum of 4 000.

## Article 6. Board of directors

The board of directors shall consist of at least one board member and at most five board members with at least one and at most two deputy board members.

The board members and the deputy board members are elected yearly at the annual general meeting for the time until the end of the next annual general meeting.

## Article 7. Auditors

An auditor and a deputy auditor are appointed for the examination of the annual report of the company and the accounting records as well as the administration of the board of directors and the managing director.

## Article 8. Summons

Summons to the general annual meeting shall take place through announcement on the company's website.

## Article 9. Agenda for the annual general meeting

At the annual general meeting the following matters shall be dealt with

1. Election of chair of the meeting.
2. Preparation and approval of the voting list.
3. Election of one or two persons to verify the minutes.
4. Determination whether the general meeting has been duly summoned.
5. Approval of the agenda.
6. Presentation of the annual report and the auditor's report.
7. Resolution on the following:
  - a) Approval of the profit and loss statement and the balance sheet.
  - b) Dispositions regarding the company's profit or loss in accordance with the approved balance sheet.
  - c) Discharge of the board members' and the managing director's personal liability.
8. Determination of the fees to the board members and the auditors.
9. Election of board members and auditors, when applicable.
10. Other matters to be discussed at the general meeting in accordance with the Companies Act (2005:551) or the articles of association.

## Article 10. Financial year

The company's financial year shall be 1 January to 31 December.

## Article 11. Post-sale purchase right clause (or pre-emption clause)

For further information regarding optional clauses in the articles of association, see information in the Swedish brochure or the website.

# References

Some of the most important provisions within this area are

- The Companies Ordinance (2005:559)
- The Companies Act (2005:551)
- The Trade Names Act (1974:156)
- The Accounting Act (1999:1078)
- The Coupon Tax Act (1970:624)
- The Trading Prohibition Act (1986:436)
- The Act on Prohibition of Professional Counselling in Certain Cases, etc. (1985:354)
- The Act on Certain Directed Shares Issues in Share Market Companies, etc. (1987:464)
- The Act (2005:552) on Introduction of the Companies Act (2005:551)
- The Auditors Act (2001:883)
- The Annual Accounts Act (1995:1554)

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Through our e-service "Sök företagsfakta" you may for example download a certificate of registration, annual reports and articles of association (all documents in Swedish) at a far lower cost than the same documents would be as paper products. You pay by bank card and the documents are delivered directly to your e-mail address.

[www.bolagsverket.se](http://www.bolagsverket.se)

\* Price, excl. VAT

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Agents may form shelf companies, transform these into private limited companies, as well as handle the deposit account with Bolagsverket (in Swedish only).

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Banks and other credit institutes apply for, convert and transfer corporate mortgage deeds (in Swedish only).

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Submit your annual report, the auditor's report and the certificate of adoption (in Swedish only).

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### Minameddelanden.se

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### Post- och Inrikes Tidningar

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### European Business Register

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Order a certificate showing the corporate mortgages registered for a certain enterprise (in Swedish only).

 **Bolagsverket**  
Swedish Companies Registration Office

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Postal address: Bolagsverket, SE-851 81 Sundsvall, Sweden  
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