# THE SWEDISH KEGISTKY

- NEW OPPORTUNITIES, AGREEMENTS AND TONNAGE TAX SYSTEM







## The Swedish flag - competitive conditions

The Swedish flag is becoming more competitive. It stands for quality shipping with recurring top positions on the Paris MoU list and is also on the Tokyo MOU's grey list and is part of the United States Coastguard Qualship 21 program.

The Swedish maritime strategy states that Sweden should have Europe's best regulatory framework for shipping. Several measures are already taken, leading the way forward:

## - Delegation to the classification society

Since 2016, almost all certificates have been delegated to classification societies, which means a reduction of state supervision fees by approximately 80%.

#### - Tonnage tax system

Since January 1 2017, it is possible to be included in the Swedish tonnage tax system.

#### - Net model

A strong and competitive system for Swedish flagged vessels.

## - Collective agreements

Competitive collective agreements with special focus on cargo ships.

- Customer-oriented entry procedure to the Swedish flag Simplification of registration.

Establishment of a single entry to the Swedish flag.

## One single entry point to join the Swedish flag

Swedish Flag Entry Point (in Swedish: Inflaggningslotsen), offers one single entry point for those wishing to join the Swedish flag and is making the flag more accessible. The Swedish Flag Entry Point has been established by the Swedish Transport Agency and provides information and guidance – and can also provide contact with all relevant agencies, such as the Swedish Tax Agency, Swedish Maritime Administration, the Swedish Transport Agency and the Delegation for shipping support.

For more information: www.transportstyrelsen.se/en/shipping/Ves-sels/fly-the-swedish-flag/

## The Swedish Registry January 1 2017







## Tonnage tax system

On 28 September 2016, the Swedish Parliament decided to introduce a Swedish tonnage tax system starting from fiscal year January 1 2017. Tonnage tax is an alternative to the traditional corporate taxation system.

You can decide to join the tonnage tax system at any time, but you sign up for a minimum of ten years. A standard income is calculated on an estimated earning capacity i.e. the company/corporate group receives a fixed amount on which ordinary corporate tax is calculated.

Interest is paid on the untaxed reserve, which is part of the financing of the system.

#### Requirements

- At least 20% of the fleet must be registered in the EU/EEA
- The ships should have their strategic and economic leadership in Sweden

## Collective agreement for cargo ships

#### Trade association and trade union: Seko sjöfolk

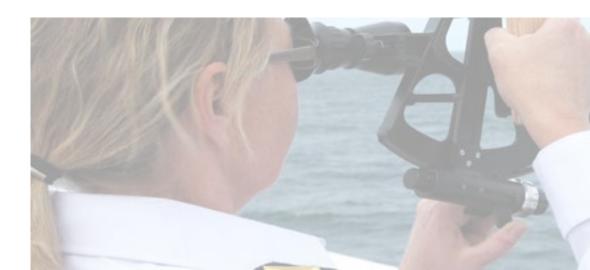
A new central collective agreement has been met with the trade union Seko sjöfolk, which includes:

- More competitive TAP salaries from April 1, 2017
- Minimum TAP level is 75% of the positions on board
- Possible to employ personnel from Philippines, Burma and Russia

#### Trade union: MOA, (in Swedish: Sjöbefälsföreningen, SBF)

The TAP Agreement with the MOA (SBF) does not contain any percentage limitations. However, the master and technical manager should be Swedish citizens. Furthermore, MOA (SBF) and the Swedish Shipowners' Association work for the regeneration of Swedish commanders. Hence, a certain number of junior appointments should be manned by Swedes.

New possibility to employ officers from Burma and the Philippines.





## Taxes, fees and net model

**Simplified registration of vessels:** The work is expected to lead to a simplification for companies when the same data no longer needs to be submitted to several authorities.

**Corporate tax:** A company may choose to be included in the tonnage tax system instead of the conventional taxing system. Tonnage taxation is voluntary and companies must therefore apply to the system. The tonnage tax means that a flat-rate estimated income is calculated, which is then taxed at the current tax rate (today 22%).

**The net model:** 100% of the employer's income for tax on seafarers, as well as employer's expenses for employer's fees and general payroll taxes, are provided by the state in the form of statutory survey fee. The government has announced a reduction of statutory survey fee to 99% (not yet entered into force 31 August 2017).

**Stamp tax:** The stamp tax is 0.4% and is a one-time fee that is levied on registration of ships in the Swedish register.

**Survey (statutory) fees:** In addition to the fixed portion shown in the table, a variable portion is determined based on gross. For periodic oversight of vessels with a gross tonnage over 999, 0.50 SEK per gross is added to the fee. Vessels certified as both cargo and passenger ships shall pay a fee corresponding to the highest tax certificate.

## Statutory survey fees

Yearly fee in SEK								
Gross tonnage interval								
Type of ship	0- 19	20- 49	50- 99	100- 149	150- 299	300- 399	400- 499	over 499
Leisure vessels over 99 gross				8	10 200	12 700	15 200	
Barges		10 200	12 700	14 800	16 900	21 100	25 300	31 700
Cargo ship under 500 gross (working ship, ships with maximum 12 passengers and other ships)		12 100	14 500	16 900	19 300	24 100	28 900	
Cargo ship over 499 gross (working vessels, car transport vessel, ice-breakers and other ships)								63 200
Fishing vessels		13 600	16 300	19	21 700	27 100	32 500	40 700
Fishing vessels - EU				22 800	26 000	32 500	39 100	48 800
Passenger ships E (incl. Road ferries)	12 700	15 800	19 000	22 200	25 300	31 700	37 900	47 400
Passenger A-D, EU-passenger ships and passenger ship under 500 gross in international traffic	19 900	24 800	29 900	34 800	39 800	49 700	59 600	74 500
Passenger ships over 499 gross in international traffic								350 000
Tankers under 500 gross		14 500	17 400	20 300	23 100	28 900	34 700	
Tankers over 499 gross (oil, chemicals)								73 200

## Contacts

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