General guidelines from the Swedish Tax Agency (Sw. allmänna råd)

Unofficial office translation

SKV A 2024:12
Income tax

Printed 26 August 2024

General guidelines from the Swedish Tax Agency ("STA") on the allocation of acquisition costs for shares due to the redemption in 2024 of shares in Kinnevik against cash consideration

The STA decides upon the following general advice on the allocation of acquisition costs for shares due to the redemption in 2024 of shares in Kinnevik AB against cash consideration.[1]

Capital gains and losses from sale of capital assets are considered income from capital according to Ch. 41 Sections 1 and 2 of the Swedish Income Tax Act (1999:1229) (the "ITA").

The capital gain shall according to Ch. 44 Section 13 of the ITA be calculated as the difference between

- the remuneration for the asset disposed of or the issued obligation reduced by the costs associated with the disposal or the issuance, and
- the cost basis (Sw. omkostnadsbeloppet).

The cost basis is defined in Ch. 44 Sec. 14 of the ITA as expenses for acquisition (Sw. anskaffningsutgifter) increased by improvement expenses (Sw. förbättringsutgifter).

In case RÅ 1997 ref. 43 it is stated that redemption shares, received as a result of an existing shareholding, should not be considered to be of the same series and type as other shares in the company and that the acquisition cost for the original shares should be allocated between remaining shares and redemption shares based on the market values at the time of the separation of the redemption shares.

General guidelines:

81 percent of the acquisition cost for an original share of series A or series B in Kinnevik AB should be attributed to the remaining share, and 19 percent to the redemption share.

These guidelines are applicable from the taxation year 2024.

[1] For further information, see the STA's notice, SKV M 2024:5.