

Swedish Tax Agency general guidelines *

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Swedish Tax Agency general guidelines regarding the allocation of acquisition cost by reason of redemption in 2008 of shares in Scania AB in return for payment in cash

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Income tax
assessment

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Pursuant to Section 2 of the Ordinance (2007:780) with instructions for the Swedish Tax Agency, the Agency is issuing the following general guidelines regarding the allocation of acquisition cost by reason of the redemption in 2008 of shares in Scania AB in return for payment in cash.¹

Section 41, sub-sections 1 and 2 of the Income Tax Act (1999:1229) state that the income category 'capital' includes capital gains and capital losses incurred in conjunction with the disposal of assets.

According to Section 44, sub-section 13 of the Income Tax Act, the capital gain shall be calculated as the difference between

- payment for the disposed asset or for the issued obligation minus the costs for disposal or issue, and
- the overhead amount.

According to Section 44, sub-section 14 of the Income Tax Act, the term 'overhead' refers to costs of acquisition (acquisition costs) plus costs for improvement (improvement costs).

From the legal case RÅ 1997 ref. 43 it emerges that redemption shares received by reason of a shareholding cannot be deemed to be of the same nature as other shares in the company and that the acquisition cost for the original shares shall be allocated between the remaining shares and the redemption shares using their market values at the time of the separation of the redemption shares as a starting point.

General guidelines:

Of the acquisition cost for an original Series A share in Scania AB, 94.5 percent should be attributed to the remaining shares in the same series and 5.5 percent to the redemption shares.

Of the acquisition cost for an original Series B share in Scania AB, 94.1 percent should be attributed to the remaining shares in the same series and 5.9 percent to the redemption shares.

¹ For further information see Swedish Tax Agency notifications, SKV M 2008:8.

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These general guidelines are applicable from the 2009 tax assessment and thereafter.

On behalf of the Swedish Tax Agency

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This is a translation of the Swedish language original made by Scania. In the event of any differences between this translation and the Swedish Tax Agency's Swedish language original, the latter shall prevail.