
Help with your Swedish tax returns - how to handle Sectra redemption shares 2016



The Annual General Meeting 2016 in [Sectra](#) resolved to carry out a redemption program and SEK 4.50 per share was distributed to Sectra shareholders in October. According to general advice issued by the Swedish Tax Agency regarding the redemption program, 96.9% of the acquisition fees for an original class A or class B share in Sectra AB should be attributed to remaining shares and 3.1% to redemption shares of the respective class.

In the Swedish tax assessment, the redemption or sale of shares (designated SECT IL A and SECT IL B) is declared as sale of shares on Form K4. The calculation of the acquisition fees for redemption shares can be made according to:

- The general advice issued by the Swedish Tax Agency, which implies that you allot a certain portion of the relevant acquisition fees for the original shares to redemption shares.
- Alternatively, the standard rule can be applied if the transaction pertains to Class B redemption shares.

Example based on the general advice issued by the Swedish Tax Agency

A shareholder owns one (1) Sectra share with an acquisition cost of SEK 100 immediately prior to the share split. Accordingly, the acquisition cost allocated to each redemption share should be (SEK 100 x 0,031=) SEK 3.10. The acquisition cost of the remaining share will then be (SEK 100 - 3.10 =) SEK 96.90. If the redemption shares were disposed of (through sale or redemption) at a price of SEK 4.50, the capital gain calculated based on the general advice is (SEK 4.50 – 3.10 =) SEK 1.40.

Example based on the standard rule

Since the class B redemption shares were traded for a certain period of time, these can be regarded as listed. However, the class A redemption shares are not regarded as listed and accordingly, the standard rule cannot be applied to them.

The standard rule implies that the acquisition cost is equal to 20% of the net proceeds for the redeemed or sold redemption shares. This corresponds to an acquisition fee of (4.50 x 0.2=) 0.90 SEK per redemption share redeemed.

If the payment for a Class B redemption share amounted to SEK 4.50 through sale or redemption, calculation using the standard method would generate a capital gain of (SEK 4.50 - 0.90 =) SEK 3.60.

Information published by the Swedish Tax Agency (language Swedish)

- [Notice SKV M 2016:24](#)
- [General advice SKV A 2016:35](#)

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