Global Template Configuration

Sweden

SAP Concur

Last Updated: December 2019
### Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>09-Dec-2019</td>
<td>Updated 2020 Travel Allowance rates</td>
</tr>
<tr>
<td>12-Dec-2017</td>
<td>Updated 2018 Travel Allowance rates</td>
</tr>
<tr>
<td>18-Oct-2017</td>
<td>Updated for 2017 Entertainment Deductibility rule changes</td>
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</tbody>
</table>
Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution, and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
## Table of Contents

**Best Practice VAT Configuration Options** .......................................................... 5  
VAT Considerations ........................................................................................................... 5  
Expense Types with Special VAT Handling ................................................................. 6  
Expense Types without Special Handling .................................................................. 7  
VAT on Deductible Expenses ......................................................................................... 8  
Exclusions ....................................................................................................................... 10  
Expense Types Not Activated ....................................................................................... 10  
**Travel Allowance** .................................................................................................... 11  
Common Practice .......................................................................................................... 11  
Allowance Rates ............................................................................................................ 11  
Allowance Rules Overview ............................................................................................ 12  
Special Considerations .................................................................................................. 14  
Exclusions ....................................................................................................................... 15  
**Mileage Rates** ........................................................................................................... 16  
Personal Car Mileage ..................................................................................................... 16  
Company Car Mileage ................................................................................................... 16  
Exclusions ....................................................................................................................... 16
Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT within the Template environment using pre-configured elements to support the statutory VAT requirements in Sweden. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for Sweden based on the following model:

- Best Practice configuration options - specific data entry fields and audit rules (where applicable) to control compliance before the expense claim is audited or processed
- 3 Receipt Types (Tax Receipt, Receipt and No Receipt)

The standard VAT rate in Sweden is 25%. There are also two reduced rates of VAT (12% and 6%), while many expenses are VAT exempt.

In some cases, it is sufficient to issue a simple invoice or simplified tax receipt. This applies under the following circumstances:

- If the sale amounts to less than SEK 2 000 including VAT
- If the circumstances of invoicing make it difficult to issue a complete invoice (fuel, train or bus tickets).

A simple invoice or tax receipt must show:

- Date of issue (date of invoice)
- Vendor’s identity
- Identification of the goods/services that have been delivered/provided
- VAT to be paid or information enabling the calculation of the VAT.

If the sale amount is SEK 2 000 or greater then a full VAT invoice is required
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which we include special pre-configured tax handling in the template system.

Airfare / Train

VAT is only applicable on Airfare/Train expenses where the destination is domestic and the ticket is purchased within Sweden. Even if the City of Purchase selected by the user is within the Sweden, if the trip is overseas (International) then no VAT is applied. In order to assist in providing the necessary information to calculate VAT on Airfare/Train the user will be required to select from the following options in a drop-down field:

- Domestic Trip
- International (No VAT)

Based on the selection of the value the system will calculate the VAT. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.

Laundry

Where a Laundry expense is identified as part of a Hotel invoice the reduced tax rate of 12% applies. Where the Laundry expense is separate from a Hotel then the standard rate of 25% applies.

The system will calculate VAT at 25% for Laundry except where this is identified as an itemization within a parent expense. Where Laundry is an itemized expense (this is only expected to be the case when part of a Hotel invoice) the VAT rate applied will be 12%. Based on the selection of the Receipt Status the system will calculate whether the VAT is reclaimable.
Expense Types without Special Handling

Standard 25%
Alcoholic Beverages
Car Maintenance/Repairs
Car Rental
Courier/Shipping/Freight
Fuel
Gifts - Clients
Gifts - Staff
Internet/Online Fees
Marketing/Promotional Costs
Mobile Phone
Office Equipment/Hardware
Office Supplies/Software
Parking
Postage
Printing/Photocopying/Stationery
Relocation Expenses
Seminar/Course fees
Telephone/Fax
Tolls/Road Charges
Tuition Reimbursement

Reduced 12%
Breakfast
Dinner
Entertainment - Deductible
Hotel
Individual Meals
Lunch

Reduced 6%
Newspapers/Magazines/Books
Professional Subscriptions
Public Transport
Taxi

Zero/Exempt 0%
Airline Fees
Bank Fees
Currency Exchange Fees
Fixed Meals
Miscellaneous
Passports/Visa Fees
Personal Car Mileage
Tips/Gratuities
VAT on Deductible Entertainment Expenses

The template for Sweden includes special handling for VAT on Deductible Entertainment expenses. The employee will still be reimbursed for the total amount of the expense but the company needs to track which items are tax-deductible.

In January 2017 the rules were changed regarding the VAT reclaim on Entertainment expenses:

- The new Net per Person/Attendee Limit for reclaimable/deductible VAT on Entertainment is 300 SEK.
- If the net cost per Person is below 300 SEK, the whole VAT according to the receipt is deductible.
- Where the Net Per Person/Attendee Limit exceeds 300 SEK then the reclaimable/deductible VAT is limited as follows:
  - A maximum reclaimable/deductible VAT amount of 36 SEK per person/attendee where it is food only or food and alcohol (beverage with less than 3.6% alcohol)
  - A maximum reclaimable/deductible VAT amount of 46 SEK per person/attendee where there is a mix of food and alcohol (beverage with higher than 3.6% alcohol i.e. strong beer, wine, spirits)

The following expense type has been created specifically for Sweden to support the legal requirement for calculating deductibility:

<table>
<thead>
<tr>
<th>Deductible Amounts per Attendee</th>
</tr>
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<tbody>
<tr>
<td>Entertainment - Deductible</td>
</tr>
</tbody>
</table>

Example of Entertainment Deductibility and VAT in Sweden:

If the Entertainment expense is a ‘meal’ then the system needs to be able to track the tax deductible amount based on the number of attendees. For Example:

- An Entertainment (meal only) is tax-deductible up to 300 SEK per attendee.
- The entire amount of the meal is 1500 SEK and the VAT on the receipt is **160.71** SEK (based on 12% VAT of 1500 SEK)
- 3 Attendees x 300 SEK = **900** SEK which is tax deductible.
- VAT is then calculated on the tax deductible amount (for example at the Swedish reduced rate of 12%). This is done by multiplying the tax deductible amount by the VAT rate = **900** SEK x 0.12 = **108** SEK.
- This leaves the total Deductible Amount as **1008** SEK (900+108)
- The remaining meal expense is non-tax-deductible In this example the remainder is **492** SEK – this is calculated as follows:
  - Total receipt amount (1500 SEK)
  - MINUS the tax deductible amount (900 SEK)
  - MINUS the tax deductible VAT amount (108 SEK)
  - Equals 492 SEK
- The deductible VAT is therefore **108** SEK
- The non-deductible VAT is calculated as **52.71** SEK (160.71 minus 108).
Configuration Options

Customers should decide whether they wish to track Deductibility for the Food element of Entertainment ONLY or if they wish to have the Food and Alcohol elements individually tracked. The reason for this is that Food and Alcohol are associated to different rates of VAT - Food (12% Reduced); Alcohol (25% Standard). As most elements of the Entertainment expense may be made up of Food or expenses at the Reduced 12% rate many companies do not wish to introduce extra complexity in their calculations of Deductible (reclaimable) VAT by having to account for the alcohol element.

Therefore the recommended practice is to manage Deductibility through the use of a single Entertainment expense type and calculate all deductible VAT on the basis that a 12% rate is applied to all elements including alcohol above 3.6%. Although this slightly reduces the amount of reclaimable VAT on the expense (where alcohol is included) it does simplify the calculation significantly. This is the approach that is pre-configured in the template for Sweden.

For those customers who wish to manage the complex calculations of food and alcohol independently there are guidelines detailed below - Complex Deductibility for Food and Alcohol.

Complex Deductibility for Food and Alcohol

The option here is to configure 2 new Expense types
- Entertainment – Food only
- Entertainment – Food with Alcohol

Entertainment – Food only would be associated to the 12% Tax Rate for all VAT calculations and would be use in circumstances where there was no alcohol included on the Entertainment invoice/receipt. The calculations here would work the same way as the example highlighted above where a single Entertainment – Deductible expense type is used.

Entertainment – Food with Alcohol would be a mix of 12% and 25% VAT rates therefore the option exists to create a new VAT Rate for Food with Alcohol of 15.3333% based on the calculation of 46 SEK/300 SEK calculation - NOTE: this creates a fictive VAT % to account for the mixed VAT handling where Entertainment includes Food at 12% and Alcohol (above 3.6) at 25% VAT.

Best practice however will be to also allow the end user to edit/update the actual Tax Posted Amount on the expense entry to align this with the amount of VAT on the receipt (see below). IMPORTANT - The fictive VAT rate of 15.3333% is legally valid in Sweden as a simplification. In some scenarios the 15.3333% may mean a greater VAT deduction than the amount on the receipt, but in such cases it may be so minimal that the tax authority should accept it. Customers would however need to validate this with their tax advisors or compliance department.

NOTE: Alcohol beverages with a lower alcohol % have the same VAT % as food (12%)

An optional step is available to configure the entry form to allow users to edit the VAT amount for Entertainment – Food with Alcohol by making the ‘Tax Posted Amount’ field editable so that they can enter the exact VAT as in receipt (initially the system will
calculate VAT using fictive %). This is to allow the user to enter the correct VAT from the receipt on the expense entry, as Concur will have calculated this initially using the Fictive 15.3333% VAT which is almost certainly going to be incorrect. This step is only required therefore if the customer wishes to have the exact amount of VAT from the receipt available on the expense entry. If the customer is happy to accept the Fictive VAT % and does not require the exact VAT (mixed for 12% and 25%) then this step is not required. The deductible VAT limits setup for Entertainment expenses will ensure that the system never over-calculates the deductible VAT. Alternatively the Expense Processor can also adjust the amount post submission.

**NOTE:** By default the configuration for Entertainment Deductibility is setup to use the simplified approach of a single Entertainment expense type with a 12% VAT rate applied to the calculation logic. If customers wish to implement the complex method detailed above this will require a scoping exercise working with your Implementation Consultant.

### Exclusions
Special VAT conditions for which we do not include special tax handling conditions:

None

### Expense Types Not Activated

The following are a list of standard Expense Types not activated for Sweden:

- Company Car Mileage
- Ex Pat Expenses
- Medical fees
- Non Reimbursable Expense
- Staff Awards/Incentives

Customers who wish to activate these expense types must request this via their Readiness Consultant or Implementation Project Manager.
Travel Allowance

Common Practice

The Swedish government allows for full- or half-day allowances for meals to employees traveling for business based on rate schedules published by the government.

The most common method of reimbursement is either fixed allowances for meals and actual expenses for lodging. It is also common that the business elects to use company rates higher than the government limits – in such cases the amount over the allowance limit may be considered taxable income to the employee and is tracked separately by the system.

Our standard template for Travel Allowances includes the following additional features:

- Fixed Meals Allowances based on Government Published Tax Free Rates
- Inclusion of Company Rates based on the Government Tax Free Rates but available to be updated to support higher company rates (typically this applies to the domestic meals allowance and occasionally overnight rates)
- Overnight Allowances based on Government Published Tax Free Rates - given to the traveller in lieu of the lodging allowance when staying with friends, in a caravan, or any other lodging arrangement other than hotel
- Inclusive of Provided Meal Deductions
- Tracking for over limit taxable amounts where the company allowance exceeds the government tax free rate

For more information please see the section Allowance Rules Overview

Allowance Rates

The Swedish government publishes the allowance amounts on an annual basis for all domestic locations and specific international countries.

- [Domestic Allowance Rates](#)
- [Foreign Allowance Rates](#)
Allowance Rules Overview

The following is a brief overview of the core rules and calculations provided as part of the standard Swedish travel allowance solution. For further information, or to review the rules in greater detail, please refer to the Travel Allowance Configuration Guide for Sweden.

- The Swedish government allows for full- or half-day allowances for meals to employees traveling for business based on rate schedules published by the government.
- When the traveller is at a single location for the entire day, that location is used for the travel allowance location in determining the rate.
- If multiple locations are visited on the same day, the location where the longest period of the day (defined as between 06:00 and 24:00) has been spent is the allowance location.
- The basis of the allowance is either a full or half day (50% allowance), unless this is an extended trip.
- The meals allowance is based on a published amount per location, then adjusted for partial days and provided meals. The allowance amount never is reduced below zero.
- Domestic Allowance rates are as follows:
  - 240 SEK for a Full Day (Tax Free)
  - 120 SEK for a Half Day (Tax Free)
- Overseas Allowance rates are dependent on the destination location.
- Partial days are handled differently based on whether they are the first or last day of the trip.
  - First Day of a Multiple Day Trip
    - 100% Departure before 12:00
    - 50% Departure 12:00-19:00
    - 50% Departure after 19:00
  - Last Day of a Multiple Day Trip
    - 50% Return before 12:00
    - 50% Return 12:00-19:00
    - 100% Return after 19:00
- The system is configured to allow allowances for single-day trips. The allowance amount is based on the following information:
  - 0% Depart before 12:00 & Return before 12:00
  - 50% Depart before 12:00 & Return 12:00-19:00
  - 100% Depart before 12:00 & Return after 19:00
  - 50% Depart 12:00-19:00 & Return 12:00-19:00
  - 50% Depart 12:00-19:00 & Return after 19:00
  - 0% Depart after 19:00 & Return after 19:00
• Sweden permits the use of an overnight allowance. This is given to the traveller in lieu of the lodging allowance when the traveller stays with friends, in a caravan, or any other lodging arrangement other than traditional hotel accommodations. The amounts configured are based on the government published tax free rates – calculated as 50% of a Full Day Meals Allowance.

• If a trip lasts longer than 90 days (three months), the meals allowance is reduced to 70%.

• Amounts for provided meals are determined from the allowance for the location based on a percentage. The percentages differ for domestic and international locations.

  Domestic
  o 20% Deduction for Provided Breakfast
  o 35% Deduction for Provided Lunch
  o 35% Deduction for Provided Dinner

  International
  o 15% Deduction for Provided Breakfast
  o 35% Deduction for Provided Lunch
  o 35% Deduction for Provided Dinner

• The individual meal deduction for a day entitled to a reduced allowance uses the reduced allowance as the base for calculating the meals deduction.
Special Considerations

In Transit Rates

Some clients elect to use special rates for days of travel wholly in-transit and thus do not really have a location. These rates are supported via optional system parameters.

NOTE: By default the In Transit Rate is not activated. If customers wish to configure travel allowance to support In Transit Rates this will require a scoping exercise working with your Implementation Consultant.

Short Distance Trips (< 50 km)

The Swedish government does not allow tax-free meals allowances for trips less than 50 kilometres from the home location; however, it is common for companies to reimburse their travellers in this circumstance.

If a company wishes to do this, the travel allowance configuration can be set to show a check box on the itinerary for the traveller to indicate that this is a short distance trip. If the traveller checks this box, the allowances given will be based on special amounts configured in the system for short distance trips.

NOTE: By default the setting to pay allowances for Short Distance Trips is not activated. If customers wish to configure travel allowance to support Short Distance Trips this will require a scoping exercise working with your Implementation Consultant.

Single Day Trips

The Swedish government does not allow tax-free meals allowances for single-day trips; however, it is common for companies to reimburse their travellers in this circumstance. Meal allowances paid for one-day business trips are considered taxable income to the employee, and the system can be configured to allow or not allow allowances for a single-day trip to meet the preferences of the business.

If configured to provide allowances for single-day trips, the system records that the trip was a single-day trip in the database and sets the GL account code for the expense to the taxable or over limit account code. This information can be used for reporting purposes and can be included in the financial extract.

The following options are available:

- Option 1 – No single day allowances are paid
- Option 2 – Single day allowances based on depart and return time (default)
- Option 3 – Single day allowances based on number of hours travelled
NOTE: By default the setting to pay single day allowances is activated based on the departure and return time. If customers wish to configure travel allowance to either support Single Day Trips based on the number of hours travelled, or alternatively wish to deactivate allowances for single day trips, this will require a scoping exercise working with your Implementation Consultant.

Extended Trips (Greater than 3 months)

If a trip lasts longer than 3 months days the meals allowance is reduced to 70%.

As an extended trip is legally defined as 3 months and not 90 days the logic required for Concur to calculate this exactly would be complex (i.e. the duration in days of 3 months differs depending on the months in question). In addition to this certain conditions can extend the 3 month period (i.e. to restart the calculation of the 90-day period, the employee must work at a different location for four weeks. Shorter changes to location, holidays, and sick leaves are not counted but do not reset the 90-day counter).

There are two ways to configure the system for extended trips:

- Option 1: The system will automatically calculate whether or not a day is an extended-trip day based on number of days in the itinerary (default)
- Option 2: The system shows a check box for the user to indicate that a day is an extended-trip day. For this option, the system does no validation.

NOTE: By default the setting for extended trips is activated based on the 90 day calculation. If customers wish to configure travel allowance to support manual selection of extended trips (option 2), this will require a scoping exercise working with your Implementation Consultant.

GL Account Code based on Type of Trip

Clients can set different account codes based on the nature of the trip – multi-day domestic, extended multi-day domestic, multi-day international, extended multi-day international, single-day domestic, single-day international. This option is typically used by clients needing a different account code to indicate the wage type for taxability purpose.

To use this option, an expense custom field is configured to hold the trip type. Once configured, this field can be used to define alternate GL account codes.

NOTE: By default the setting to define GL Account Codes based on the type of trip is not activated. If customers wish to configure travel allowance to support Trip Type Account Codes this will require a scoping exercise working with your Implementation Consultant.

Exclusions

None
Mileage Rates

Personal Car Mileage

Personal Car Mileage in Sweden is pre-configured with the following rates:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Rate Per KM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Personal Car</td>
<td>1.85 SEK</td>
</tr>
</tbody>
</table>

Update as of January 1st 2011

Company Car Mileage

No statutory Company Car Mileage rates are configured as part of the Template for Sweden.

Exclusions

Personal Car Mileage (Additional Vehicle Types)

A single rate Personal Mileage configuration exists to support only the vehicle type of Car. Rates for additional vehicle types are published by the government however these are not commonly used. These are:

- Motorcycle

**NOTE:** If customers wish to configure these additional vehicle rates this will require a scoping exercise working with your Implementation Consultant.

Company Car Mileage

Rates for Company Car Mileage are published by the government however these are not commonly used. These are based on the vehicle fuel type:

- Petrol/Gasoline
- Diesel

**NOTE:** If customers wish to configure company car rates this will require a scoping exercise working with your Implementation Consultant.