

PRESS RELEASE

Stockholm, February 20, 2018

Nordstjernan opposes exit tax

In the memorandum *Exit tax for natural persons (Exitbeskattning för fysiska personer)*, the Swedish Tax Agency has proposed that persons who move from Sweden should pay capital gains tax on assets that have not been realized. The Tax Agency also proposes that inheritance and gift tax should be introduced for persons with an heir or intended gift recipient living abroad.

Due to the serious damage that the proposal may cause and as the Tax Agency has not conducted an acceptable impact analysis, Nordstjernan has submitted a statement of opinion to the Ministry of Finance. The opinion (in Swedish) is attached to this press release and is available on Nordstjernan's website www.nordstjernan.se.

In summary, Nordstjernan rejects the proposal in its entirety for the following reasons:

1. The proposed exit tax would have a negative impact on business and entrepreneurship in Sweden in a manner that risks becoming permanent.
2. The proposed inheritance and gift tax manifestly discriminates against individuals who have an heir or gift recipient living in a country other than Sweden. It is contrary to the free movement of both persons and capital within the EU. This tax would make it more difficult for family businesses when they pass from one generation to the next, administration would be expensive and it would offer only meagre revenues to the state. The state's interest in introducing such a tax would not be proportionate to the damage it would cause and it therefore contravenes EU law.
3. If the proposal would become law, it would also undermine opportunities for Sweden to promote free trade and a deepening of the internal market, which would damage Swedish companies, Swedish employees and the Swedish economy.

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