

Sweden

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1. Fintech regulatory framework: a summary of the most relevant laws and regulations concerning fintech and financial innovation.

As fintech may encompass any activities related to the financial system, such as lending, payment mediation, asset management and insurance activities, fintech companies must comply with prevailing legislation like any other financial company in Sweden. Due to this, fintech business may be subject to several regulations at both the national and European Union levels. The regulation applicable depends on the specific fintech activity. However, in order for a company to engage in fintech activity, the regulations generally require a licence from or registration with the Swedish Financial Supervisory Authority (SFSA).

The most relevant regulations concerning fintech are listed below. Further, certain authorities, such as the SFSA, have issued guidelines and supplements to the regulations mentioned in this report.

The most relevant laws and regulations related to lending and payment mediation business

The Banking and Financing Business Act (2004:297) (lag om bank- och finansieringsrörelse) regulates banking and financing business conducted by credit institutions (ie, banks and credit market companies).

The Consumer Credit Act (2010:1846) (konsumentkreditlag) implements the EU Consumer Credit Directive and parts of the EU Mortgage Credit Directive. The Act regulates the provision and intermediation of consumer credits, and contains mandatory consumer protection provisions related to such activities.

The Mortgage Business Act (2016:1024) (lag om verksamhet med bostadskrediter) implements the EU Mortgage Credit Directive and regulates lending, credit intermediation and counselling activities in respect of consumer mortgages.

The Payment Services Act (2010:751) (lag om betaltjänster) implements the EU Payment Services Directive ('PSD2'), and regulates payment services provided in Sweden and conducted within the European Economic Area (EEA).

The Electronic Money Act (2011:755) (lag om elektroniska pengar) implements the EU Electronic Money Directive and regulates the issuance of electronic money, as well as the business of institutions of electronic money and registered issuers.

The Certain Financial Operations Act (1996:1006) (lag om viss finansiell verksamhet) regulates businesses that are not credit market institutions or banks, but conduct similar business (including, but not limited to, provision of credit, assistance with financing and currency exchange). The scope of the regulated activities are listed in chapter 7, section 1, second paragraph, points 2, 3 and 5–12 of the Banking and Financing Business Act (2004:297).

The Debt Recovery Act (1974:182) (inkassolag) regulates debt recovery activities.

The most relevant laws and regulations related to asset management business

The Securities Market Act (2007:528) (lag om värdepappersmarknaden) implements the EU Markets in Financial Instruments Directive ('MiFID II') and regulates, inter alia, investment advisory business, regulated markets and portfolio management. The Securities Market Act further implements parts of the EU Investment Firm Directive (IFD), which, together with the EU Investment Firms Regulation (IFR), inter alia, stipulates the capital adequacy of investment firms.

The Alternative Investment Fund Managers Act (2013:561) (lag om förvaltare av alternativa investeringsfonder) implements the EU Alternative Investment Fund Managers Directive (AIFMD), and regulates the management of alternative investment funds and the supervision of entities that manage such funds.

The Swedish UCITS Act (2004:46) (lag om värdepappersfonder) implements the EU Undertakings for Collective Investment in Transferable Securities Directive (UCITSD) and regulates the operations of UCITS funds.

The most relevant laws and regulations related to insurance business

The Insurance Business Act (2010:2043) (försäkringsrörelselag) implements the EU Solvency II Directive and regulates insurance activities conducted by insurance companies.

The Insurance Distribution Act (2018:1219) (lag om försäkringsdistribution) implements the EU Insurance Distribution Directive and regulates insurance distribution by insurance companies and insurance intermediaries.

The Insurance Contracts Act (2005:104) (försäkringsavtalslag) regulates insurance contracts and the legal relationship between the insurer and the insured (or other persons covered by the insurance).

The Foreign Insurance Contracts Act (1998:293) (lag om utländska försäkringsgivares och tjänstepensionsinstituts verksamhet i Sverige) regulates the insurance business of foreign insurers in Sweden.

Crowdfunding

Crowdfunding activities are regulated in the EU Crowdfunding Regulation and the Swedish supplement law to this regulation. These regulations set out requirements for the provision of crowdfunding services and the business of crowdfunding service providers. For a business to provide crowdfunding services a licence from the SFSA is required. The SFSA is further the supervisory authority of companies conducting crowdfunding business.

Other regulations and guidelines

Entities conducting fintech business may also have to comply with certain other regulations, such as the Money Laundering and Terrorism Financing Act (2017:630) (lag om åtgärder mot penningtvätt och finansiering av terrorism) (the 'AML Act'); the EU General Data Protection Regulation (GDPR); and the Supervision of Credit Institutions and Investment Firms Act (2014:968) (lag om särskild tillsyn över kreditinstitut och värdepappersbolag), which implements the EU Capital Requirements Directive.

2. Regulations on crypto assets: a summary of the legal framework regarding crypto assets and how they are regulated.

MiCA

Crypto assets are regulated by the EU Markets in Crypto-Asset Regulation ('MiCA'), which became applicable with direct effect in Sweden on 30 December 2024. The MiCA regulation covers both issuers of certain types of crypto assets (e-money tokens, asset-referenced tokens and other tokens that are neither asset-referenced nor e-money tokens) and providers of crypto asset services, including the offering of crypto wallets, buying or selling crypto assets, or providing customers with investment advice. MiCA contains consumer and investor protection rules, as well as rules aiming to ensure market integrity and financial stability.

Central bank digital currency

The Riksbank, the Swedish central bank, created a technical pilot to establish a Swedish central bank digital currency, the 'e-krona'. Establishing an e-krona is, however, a political decision, and in an inquiry into the state's role in the payments market, presented in March 2023, it was assessed that there is currently no sufficient societal need for the Riksbank to issue an e-krona.

3. Payment service providers and digital wallets: a summary of regulations applying to payment service providers and/or digital wallets.

Pursuant to the Payment Services Act (2010:751), a business requires a licence as a payment institute from the SFSA to provide payment services. There are, however, exemptions to this licence requirement. Account information service providers (AISP) may apply to the SFSA to be exempted from the licence requirement. To be exempted, the AISP shall instead, inter alia, have liability insurance. The SFSA registers those who have been exempted from the licence requirement.

Certain entities, for instance, credit institutions, do not require a separate licence as payment services are covered by the licence requirement in the Banking and Financing Business Act (2004:297). Further, entities licensed to issue electronic money under the Electronic Money Act (2011:755) (ie, institutions for electronic money and registered issuers) may, in addition to issuing electronic money, provide payment services under the Payment Services Act (2010:751).

Payment service providers are subject to certain requirements, such as information and capital requirements. The Payment Services Act (2010:751) also stipulates certain qualification requirements for management. Payment service providers must further have a system of appropriate measures and controls for operational and security risks related to the provided payment services.

4. Special support to fintechs: a description of special programmes supporting the fintech ecosystem, fintech startups (eg, regulatory sandboxes and accelerator programmes) and regulations regarding special support.

The SFSA has established an innovation centre to facilitate dialogue with companies conducting innovative business, with the aim to ensure that financial regulation does not prevent development and innovation in the financial sector. The innovation centre is a first point of contact for companies that are uncertain about the rules, processes and principles related to innovation. It enables companies to get information on relevant regulations and supervision related to fintech business. However, the SFSA does not engage in sandbox activities.

5. Open banking: a summary of regulations regarding open banking and direct or indirect regulations that affect open banking.

PSD2 is implemented in Sweden primarily by amendments to the Payment Services Act (2010:751). PSD2 has broadened the scope of the Payment Services Act to cover new types of payment and account information services. It stipulates requirements for third-party operators, that is, operators other than banks, to obtain a licence from the SFSA or similar authority within the EU/EEA to provide payment initiation services and collect account information by accessing bank accounts.

Following the implementation of PSD2, the legislator has made further amendments to the Payment Services Act (2010:751). The amendments included a prohibition on having credit purchases as the default payment alternative for online consumer payments in the case in which there are other payment alternatives offered.

6. Regulation of virtual asset service providers

Virtual asset service providers (VASPs) may be subject to the requirements in MiCA and the EU Transfer of Funds Regulation (the 'TFR'), which is directly applicable in Sweden as it is in all other jurisdictions within the EU. MiCA establishes uniform rules for issuers and providers of crypto asset services, while the TFR regulates the type of information about senders and recipients that must accompany transfers of funds in order to prevent such transactions from being carried out anonymously.

In order for the EU regulations to have full effect in Swedish law, the Swedish Parliament has adopted Act (2024:1159) with supplementary provisions to the EU Regulation on Markets in Crypto-Assets (lag (2024:1159) med kompletterande bestämmelser till EU:s förordning om marknader för kryptotillgångar or the 'Swedish Supplementary Act to MiCA'), which regulates, for example, the supervisory powers of the SFSA, and interventions and sanctions against companies within the scope of MiCA.

The SFSA is the supervisory authority responsible for the supervision, licensing and enforcement of MiCA. Swedish VASPs must obtain a licence from the SFSA if they are to engage in regulated activities within the scope of MiCA. When assessing authorisation applications, the SFSA applies MiCA, the Swedish Supplementary Act to MiCA, and guidelines issued by the European Banking Authority (EBA) and the European Securities and Markets Authority (ESMA).

Therefore, the EU regulations directly applied by the SFSA are decisive in determining who is considered a VASP in Sweden.

7. AML and the Travel Rule in crypto asset transactions. VASPs authorised under MiCA must comply with the AML Act and the TFR (ie, the 'Travel Rule').

Pursuant to the TFR, VASPs are required to collect, verify and store specific data about both transferees and transferors (including beneficiaries), and the information accompanies each transaction when it occurs, thereby enabling traceability of crypto asset transactions.

Pursuant to the AML Act, VASPs are required to conduct customer due diligence (know your customer or KYC) to identify and verify customer identities, perform internal risk assessments and mitigation, monitor transactions, report suspicious activity to the Swedish Financial Intelligence Unit (Finanspolisen) and establish internal AML policies.

8. Enforcement and cross-border recognition of tokenisation, and structuring of secured transactions involving crypto assets.

There are several types of security interests under Swedish law, for example, pledges, floating charges (*företagshypotek*), mortgages for real estate (*inteckning*), security assignment, guarantees and retention of title. In addition, escrow arrangements with a third-party escrow agent can also be made. There is no specific regulation in relation to security interests over digital assets. Floating charges and mortgages need to be registered. In addition, pledges have to be perfected through transfer of possession. Escrow arrangements are most common to secure crypto assets.

Swedish courts will uphold choice of jurisdiction clauses if the clause is clear and precise; the chosen jurisdiction is within the EU or a Lugano Convention contracting state; and the clause does not violate Swedish public policy or mandatory procedural rules.

In the event of a default, secured lenders have several enforcement mechanisms under Swedish law, including: (1) a private sale of pledged assets; (2) court-supervised enforcement; and (3) appointment of a security agent to act on behalf of lenders. Enforcement may be restricted by bankruptcy or insolvency laws, general equitable principles, time-bar provisions and revocability of mandates or powers of attorney, which may terminate upon bankruptcy.

9. Litigation and jurisdiction on crypto assets: legal implications of disputes involving crypto assets.

A party's submission to a foreign jurisdiction is legally binding and enforceable under Swedish law, as Sweden is bound by the Brussels I Regulation (Regulation (EU) No 1215/2012), which governs jurisdiction and the recognition and enforcement of judgments in civil and commercial matters across EU Member States. Similarly, exclusive jurisdiction clauses are upheld by Swedish courts if the clause is clear and precise; the chosen jurisdiction is within the EU or a Lugano Convention contracting state; and the clause does not violate Swedish public policy or mandatory procedural rules.

10. Intellectual property and crypto assets: legal protection, ownership, enforcement and monetisation of IP rights related to digital and virtual assets

In Sweden, IP rights are protected through a combination of national laws and EU regulations. The primary mechanisms include: (1) patents for technical inventions (via the Swedish Patent and Registration Office or the European Patent Office); (2) trademarks and design rights for branding and aesthetic elements; (3) copyright for literary and artistic works, which includes software; and (4) trade secrets. Copyright protection does not generally extend to crypto assets themselves, such as tokens or coins, because they are not considered literary or artistic works. Protocols and software can, however, be protected, primarily, by copyright.



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