

The Swedish Tax Agency's general advice (Sw. allmänna råd)

Unofficial office translation

The Swedish Tax Agency's ("STA") general advice on allocation of acquisition costs for shares with respect to redemption of shares in Kinnevik AB against cash payment in 2020.

**SKV A 2020:17
Income Tax
Released from print
30 October 2020**

The STA decides upon the following general advice on the allocation of acquisition costs with respect to the redemption shares in Kinnevik AB against cash payment.¹

Capital gains and losses from sale of capital assets is considered as income from capital according to Ch. 41 Section 1 and 2 of the Swedish Income Tax Act (1999:1229) (the "ITA").

A capital gain shall according to Ch. 44 Section 13 of the ITA be calculated as the difference between

- the remuneration for the asset disposed of or the issued obligation reduced with the costs for the disposal or the issuance, and
- the cost basis (Sw. omkostnadsbeloppet).

The cost basis means acquisition expenses (Sw. anskaffningsutgifter) increased with improvement expenses (Sw. förbättringsutgifter)s, according to Ch. 44 Sec. 14 of the ITA.

In case RÅ 1997 ref. 43 it is stated that redemption shares, received based on an existing shareholding, should not be considered to be of the same series and type as other shares in the company and that the acquisition cost for the original shares should be allocated between remaining shares and redemption shares based on the market values at the time of the separation of the redemption shares.

General advice:

97.9 percent of the of the acquisition cost for an original class A or B share in Kinnevik AB should be allocated to the remaining share and 2.1 percent should be allocated to the redemption share.

The general advice is applicable s of FY20.

On behalf of the Swedish Tax Agency

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¹ For further information, See *the Swedish Tax Agency's message, SKV M 2020:12.*