



## NEW TAX RULES

Will the new Swedish tax rules affect you from January 1? The BSCC gets the details. – PAGE



## GREAT GOLF

The BSCC golf tournament was "a hole in one" and may become a regular event. – PAGE 5



## NOT ONLY MONEY

Marianne Hamilton, formerly HR chief at Atlas Copco, introduces her new book. – PAGE 6

## First patrons dinner for new ambassador



Left to right: Birgitta Rydbeck, HMR Andrew Mitchell, Claes Dinkelspiel and Helen Mitchell all enjoy a welcome glass of champagne.

British ambassador Andrew Mitchell and wife Helen welcome the BSCC patrons and board members to his residence to enjoy fine dining and interesting conversation. FULL STORY PAGE 3



# My "wish list" for improvement



**MORE THAN SEVEN MONTHS** have passed since I became Secretary General. It has been a lot of fun and always interesting but a lot of hard work at the same time. At the moment we are busy working on a series of events, the business directory, our new website, next year's newsletters and getting advertising for our publications.

The Board is currently looking into the Chamber's strategy. We are working on several ways of increasing the attractiveness of the Chamber to its members old and new.

The underlying need is to increase the membership for us to be able to do more quality events, attract more advertisers, and ultimately, become more profitable. We have taken the first step - to invest in a new website! Any offers to build the site and make it professional on competitive terms will be welcome and appreciated.

If I could make my "wish list" for Christmas, I have some issues that would really be at top of such a list. These are;

- Close contact with all the members to understand what they want with their membership in BSCC. This will give us a guideline to provide better services to members and be able to be more selective in our events to suit their needs
- A large number of new members with ambitions to get a lot out of their membership and that all of the present members and patrons also enjoy their membership and have the same ambitions, and
- To finalise the attendance lists and information well in advance of the last day; i) the list of people attending an event, ii) the information for the business directory from members, iii) the list of advertisers and the advertisements for The Network and the

Business Directory. This will save both time and money and we will have more time for arranging quality events and services.

These three points will help to develop the Chamber into a very attractive, powerful and active British - Swedish network with a stable and healthy economy, delivering the services which all our members deserve.

The Chamber would like to take this opportunity to thank you all for your support during 2007 and last but not least, to wish you all a Merry Christmas and a Happy New Year!

*Ingrid Berggren, Secretary General*  
Ingrid.berggren@chamber.se  
Tel 08-506 126 17

# Invitation to advertise

**Networking is the key to spreading knowledge and creating business opportunities - BSCC provides networking opportunities.**

**TO ADVERTISE IS** to inform about your business and project. You know what you are doing but are you sure others do? BSCC provides opportunities to inform your fellow members. The Network is issued 3-4 times a year, and more than 600 copies are distributed to over 400 member contacts. It is an important tool in the BSCC marketing strategy and reaches a wider target audience through publication on the BSCC web site www.bscc.info. It is also read by the British and

Swedish Embassies in Sweden and the UK and all at a very reasonable cost! (see below)

You are all very welcome to advertise during 2008. Our challenge is to publish The Network at break-even.

The following rates apply for The Network 2008 for a full colour advertisements (excluding VAT):

- ¼ page SEK 2.500
- ½ page SEK 4.500
- 1/1 page SEK 8.500

Should you decide to advertise a 15 % discount is offered for advertisements in all issues in 2008 (3-4) and 10 % discount is offered on orders of 2 consecutive entries in 2008.

During the year you will also be invited to advertise in our Business Directory and also on our website. ●

## Upcoming events

**February 5-8th**  
South East Region in England presentation with UKTI.

**February 7th**  
Joint event French and British Chambers of Commerce together with Stockholm Business Region.

**February 18th**  
HE Andrew Mitchell speech.  
Date to be fixed  
PG Gyllenhammar speech

**April 9th**  
KSSS Fashion Show

**May 28th**  
BSCC AGM

# International tax gets new focus

**BSCC members received a valuable insight into a move by the Swedish tax authorities to introduce new tax laws from Jan 1, 2008.**

**THE MEMBERS OF BSCC** were invited to a breakfast at Grand Hotel and to listen to a presentation by Cecilia Gunne, partner at independent financial advisor Burenstam & Partners AB.

Cecilia guided the members through this difficult topic with great competence and knowledge. Among the members were people working for companies who recruit from abroad to work for Swedish and or international companies here in Sweden. The tax rules were certainly of great interest to those guests.

We all learned about new rules being implemented on January 1st, 2008 and in particular about the new 10-year rule.

The 10-year rule says; Sweden keeps the right to tax capital gains on securities (shares, mutual funds etc) during a 10 year period after a resident individual moves out of Sweden. Sweden has today the right to tax capital gains only on shares in Swedish companies and certain other instruments issued by Swedish companies. The decided new rules will extend Sweden's right to tax capital gains on foreign shares. The right to tax on foreign securities is limited to securities acquired when the individual lived in Sweden. For Swedish shares the right to



Cecilia Gunne takes to the floor and gives a presentation on the new tax laws which come into force next year.

tax is regardless if the shares were acquired before or after moving from Sweden. Units in Swedish and foreign mutual funds are still tax exempt after the individual's move out of Sweden.

The breakfast guests including the Chairman of BSCC also learnt about the effect for employees to receive shares and options while working in Sweden. The rules may have a negative impact on attracting management from abroad to our locally based head offices. This relates both to those presently working here and for new people moving to Sweden for assignments over some years. Any instruments where the employment is a condition are taxed as earned income where the maximum is 57 per cent income tax, while capital gains are otherwise usually taxed at 30 per cent.

Other topics that were discussed were the ultimate country to move to in Europe if you only were thinking of lowering your income tax. Cecilia was very clear with the message that you should not only move to a country just to get the lowest tax!

Questions were raised and in particular we came to discuss the attractiveness of Sweden even though we have higher taxes than other countries and the other topic that was also on the table was how to act if you have deferred tax relating to transaction in real estate and in particular relating to your residence. Each case is as always very individual.

What is certain is that you do need very good advice on your tax situation when moving in and out of Sweden and for other major changes in your portfolios and investments. ●

# Patrons welcome new ambassador

**At the beginning of October the Patrons and the Board members of BSCC were invited by H.E. Ambassador Andrew Mitchell and his wife Helen to the Embassy for the annual Patrons Dinner.**

**THIS WAS THE FIRST** Patrons dinner for Andrew and Helen Mitchell since coming to Sweden. Probably many things this autumn have been a first for them to arrange at the embassy. They have had to both adopt Swedish customs and habits whilst also maintaining traditional British styles and traditions. They have certainly

been influenced by their previous posting, such as the one in Kathmandu. All the kitchen and other embassy staff made it an evening to remember. We were served an excellent dinner that began with a light starter ending with a wide selection of cheeses and Port or Madeira. We were all also informed about the importance of

servicing the port by passing the bottle and how to pass it!

The Patrons and board members very much enjoyed the dinner and would like to thank the Embassy, H.E. Ambassador Andrew Mitchell and his wife Helen for the extremely enjoyable evening. ●

## Employment law:

# A business burden or a benefit?



**UK employment law imposes onerous obligations on employers and regulates practically every aspect of employment, before, during and after the employment relationship.**

**THE COST OF** getting it wrong can be high for businesses. For example, over 127,000 cases involving over 200,000 claims were brought before the Employment Tribunals between 1 April 2005 and 31 March 2006

and the highest award of compensation (for race discrimination) was over £980,000. Although the median compensation awards were much lower (for example, £6,640 for race discrimination), the legal costs of defending these claims are usually several times the compensation claimed and costs are rarely recoverable in the Employment Tribunal (costs awards are made in less than 0.5% of all cases and then mostly in favour of employees). Even worse, these figures represent only a very small minority of workplace disputes, as most never become the subject of litigation, but all involve time and expense for businesses.

However, the main focus of UK employment law is on businesses putting in place and following correct procedures and this can benefit businesses:

- The focus on procedure assists employers in managing risk because procedures (a) act as early warning systems for potential disputes and claims, providing a mechanism to identify problems early and (b) tell managers how to deal correctly with poten-

tial problems, thereby reducing the risk of claims.

- The focus on procedures means that Employment Tribunals are less likely to interfere with the substantive business reasons behind a decision provided the correct procedure has been followed.

- Procedures are useful management tools (for example, disciplinary and performance procedures are useful tools for managing disruptive or poorly performing employees out of the business).

- The contract of employment itself can be used to protect important assets of the business, such as confidential information, client connections and key employees, most commonly through confidentiality provisions, post-termination restrictive covenants and garden leave provisions.

Therefore, if businesses simply put in place the right procedures and follow them, they will substantially reduce the risk of claims and may see some benefits. ●

– Article by Grundberg Mocatta Rakinson

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# COBCOE consulted by UK Government

**The President of COBCOE, Howard Rosen CBE, was invited to a private meeting of industry leaders at 11 Downing Street chaired by John Healey MP, the Financial Secretary to the UK Treasury.**

**COBCOE HAD BEEN** asked by the British Government to contribute their ideas on the way forward for the single market in the EU in the coming years.

“The efficient and consistent operation of an open market for goods and services in the EU is vital for our members and for the

Community” commented Howard Rosen. “We are pleased and stand ready to play our part in London, Brussels and across Europe, working with policy makers, to ensure that the single market project advances so that Europe can be competitive and prosper in the global economy” he added.

## COBCOE NEWS

The British Chamber of Commerce in Denmark was accepted by COBCOE as the 24th member chamber of the council of the British chamber of Commerce in Continental Europe.

In 2004, the BCCD has developed naturally from the forty year tradition of the British Business Lunch club in Copenhagen and has evolved into a modern commer-

cially-orientated entity. They are cultivating a strong bilateral networking forum for Danish and British companies and business people. The chamber operates out of its own offices, in the centre of Copenhagen with an active Board chaired by Mariano Adavies and a full-time administrator, Penny Schmith.

## WHY NOT ATTEND OTHER CHAMBER'S EVENTS?

On Wednesday March 28, 2007 at the AGM held in London, the council passed a resolution formalising normal practice that members of a COBCOE chamber may attend another COBCOE chamber's events at the local member's price. Do check forthcoming chamber's events at: [www.cobcoe.eu/chamberevents.asp](http://www.cobcoe.eu/chamberevents.asp) ●

# Golf tournament to be a regular event?



Members meet in the clubhouse to discuss the day's events and discuss holding another golf tournament!

**The sun was shining, the golf course looked magnificent, and BSCC members came to have fun and to also take part in some friendly competition.**

**THE DAY STARTED** with lunch and some training to get in the right mood for the competition. Players were then placed in groups of three. We played a Stableforth (poängbogey) with also longest drive and closest to pin. The day started off as sunny but there were some really heavy rain and hail showers. later on This made the game more challenging not to mention slightly more difficult! As a result, the later players were somewhat delayed which gave the earlier starters the opportunity to have a beer in the clubhouse bar while waiting. Everyone then enjoyed an excellent dinner together.

The overall winner was Fredrik de Geer, from HSBC with 33 points. Henrik Bielenstein from Bird & Bird was second with 33 points as well although he had a higher handicap. In third place was Peter Sjölund from DLA Nordic with 32 points. A very close race indeed!.

Peter Sjölund also achieved the longest drive of 250 metres and closest to pin was won by Dick Poppelman, Bird & Bird, with 4m 24 cm. All other players including the Chairman and BSCC board members also played a good game. We at the BSCC would like to send our warmest CONGRATULATIONS to you ALL!

18 members signed up to the event and had a great day before staying on for the dinner! There was a very good ambiance and everyone had a great time. The members stated that they would like this to be a regular event!

The competition was sponsored by Industri Kapital and Gärde Wesslau Advokatbyrå, both Patrons of the chamber and by the Members HSBC and Bird & Bird. The BSCC would like to thank you all for your contribution and for making the day possible and a huge success! ●

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# It's not just about the money

The Grand Hotel was the sumptuous setting for Marianne Hamilton's presentation of her new book "Inte Bara Pengar" (Not Only Money) about human resources and the turnaround of the internal labour market at Atlas Copco.

BSCC WELCOMED MARIANNE Hamilton as she gave a presentation to members. She is a former head of human resources and member of the management team since 1991 of Atlas Copco and the author of "Inte bara pengar...". The book has now also just been released in English.

Marianne talked to us about her work at Atlas Copco with all the challenges, achievements, and changing trends that she has experienced over the last few years. Before joining Atlas Copco, Marianne worked with Astra and Mercuri

Urval where she also gained a lot of insight in the way people act and behave and into the driving force of the employees.

The understanding of all the processes involved in managing human resources of major groups like Atlas Copco is key to ensuring that the staff work in line with the company goals. In the end, it is the staff who make the difference.

Guests asked many questions and it was clear that they all saw career planning and leadership from different angles and with different experiences. The simple fact is that if you like your work, you will do a better job. If you yourself really want a particular position, then you will do everything to prove that you are the right person for the job!

In addition to the presentation, guests were treated to a top quality lunch with fried fillet of pike-perch with shiitake



Networking on a European scale.

mushrooms, almond potato pure and chardonnay sauce followed by coffee and chocolates. We would like to take this opportunity to thank Marianne for her very interesting speech and anecdotes about her personal experiences in the field. The book 'Inte bara Pengar' is hopefully the first book of many on what is a rich yet complex subject. ●

# Why they come to Stockholm



## SOME FACTS ON FDI:

- 2007 trends looks good but M&A and Private equity projects are struggling. The world can count some 11.000 FDI projects in 2007 and on average since 2003 there has been between 8.000 and 10.000 a year. Total value for 2007 is estimated at USD 900 billion and FDI account for almost 50% of the global investments. There is a significant change to last year as China and India is slowing down. There is also a change in market share of manufacturing related FDI's from 39% in 2003 down to 29% in 2007.
- EU has a global market share of some 25 % (19% in 2003) and within EU the major receivers are the UK with 25% and France with 20% of the EU share. The fastest growing sectors are the creative industries and environmental technologies. Sweden accounts for 4% within the EU with some 100 projects a year since 2003 until 2006. Estimates for 2007 amounts to some 60 project. Trends in the EU this year show a little slowdown in general and in Sweden in particular. The sector trends in Sweden are more construction and environmental FDI's. The backbone of Swedish FDI remains in ICT, life science and financial services.
- The major investors in Sweden are the US with 25% ( but you will see a drop in 2007), the UK with 12 %, Finland with 9% and Germany with 8% aggregated over a 5 year period. Then follows Norway, Denmark, Japan, France with smaller shares and then follows Others for as much as 25%. The Nordic countries together counts for close to 25%. Stockholm has benefited from roughly 40% of all FDI in Sweden with a creation of 1.300 jobs and of USD 600 mio per year.

BSCC members were recently invited to this very interesting presentation: "This is why foreign companies move to Stockholm".

PARTICIPANTS WERE MARK O'CONNELL from OCO Consulting and Francois Le Maistre, CEO of Renault. They presented a broader view on establishing global trends and how Stockholm is placed regarding foreign direct investments ("FDI"), and to why Renault moved to Sweden and Stockholm in particular.

Looking on industries you find leaders in different cities. Copenhagen has a leading position in life science. New York, the creative industry and Sweden in ICT. This shows that a focus is key and drives other to invest. We must provide specific very focused propositions and more actively approach these investors in relation to our strengths to win the competition. The right investors must see it as a Business opportunity to invest in Sweden now! Create value added, create interest.

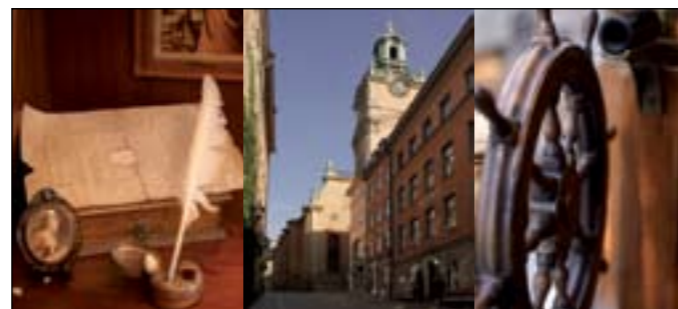
The Renault case was presented.

Some of the reasons why they are investing in Sweden is that it is in the middle of Scandinavia, you can easily build a company network for support of sales in all four countries. Remember four different currencies, different languages, different tax systems and so on. In order to raise overall operating profit for Renault of over 6% they need to raise overall sales for 2.5 million cars up to 3.5 million. The possibility is there as they have a market share in Europe on 7 % but only 3.5% in Sweden.

Factors that were important for Renault to establish in Stockholm were real estate and staff costs 30%, communication 15%, Reach of major fleet customers, 10%, transfer of existing staff 10%, redundancy risk 10%, commercial risk 5%, recruitment 10% and expatriates 5%. Giving each type a note between 1-10 Stock-

holm reached 46 points, Gothenburg 37 points and Malmö 30 points. He commented on two important issues saying that recruitment had been more difficult than expected and that the overall organisations in Sweden worked extremely well and quick! He summarised by saying would they take the decision today they would also go for Stockholm. ●

Thank you to our patrons



Did you know that a hotel in Stockholm is displaying in its lobby an original letter that Lord Nelson wrote to Lady Hamilton?

Read the whole story on [www.trehotell.se](http://www.trehotell.se)



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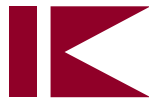
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# The Industri Kapital 2007 Fund

# EUR 1,675,000,000

Industri Kapital is proud to announce the successful closing of our sixth fund. The Industri Kapital 2007 Fund will continue to focus on private equity investments in the Nordic region and Continental Europe.



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Industri Kapital is a European private equity firm, having raised a total of EUR 5.7 billion including EUR 1.7 billion in the latest fund IK 2007.

Since 1989, Industri Kapital has acquired 64 European companies.

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