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## SWEDEN MOVES FORWARD ON IMPLEMENTING EU SHAREHOLDER RIGHTS DIRECTIVE

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New rules on executive remuneration in Sweden feature in a [bill](#) (Swedish) that aims to give effect to the European Union's (EU) [shareholder rights directive](#). The parliament will vote on the proposals later this spring — EU member states must implement the directive into national laws by 10 Jun 2019.

### KEY PROPOSALS

Highlights of the bill include the following:

- The remuneration of the CEO and deputy would need to be disclosed. The remuneration of other senior executives no longer would have to be disclosed, but current rules requiring the disclosure of the remuneration of the board of directors are unchanged.
- A binding “say on pay” vote on the company's remuneration guidelines would need to take place every four years. The current requirement to hold an annual vote would no longer be required.
- The company's remuneration policy would need to include a comprehensive description of the link between remuneration and the company's long-term results, and an explanation of how the performance criteria are applied.
- Companies would have to publish a separate annual remuneration report that describes the fixed and variable remuneration. The report would need to compare the remuneration paid to executives with the company's results and the average remuneration paid to employees other than directors calculated over the previous five-year period. The report must also explain the extent to which employees' remuneration informed the salary decisions for the company's CEO and deputy. An advisory vote on the report would be taken at the annual shareholders' meeting.

### RELATED RESOURCES

- [Proposed Law](#) (Swedish) (Swedish government, 12 Mar 2019)
- [Directive Regarding the Encouragement of Long-Term Shareholder Engagement](#) (EurLex, 17 May 2017)

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