



The Swedish Market

Financial technology



**Open Trade
Gate Sweden**
National Board of Trade



The purpose of the market study

The market study provides a comprehensive guide for companies in developing countries that are interested in entering the Swedish market for financial technology (fintech). It aims to offer valuable insights and support actionable strategies for service providers and product/solution providers looking to establish a presence in Sweden.

The study outlines, for example, key market trends, technical, regulatory and cultural requirements, and where and how to find business partners.

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Important trends shaping the market

The Swedish fintech landscape has been shifting in recent years as companies face economic challenges and evolving investor expectations. Once focused on rapid growth, the sector is now prioritising profitability and sustainability. Rising inflation, interest rates, and cautious investors are pushing fintech companies to streamline their operations and ensure long-term viability.

This chapter covers the key trends reshaping the market, including the shift towards profitability, the challenges of de-risking, regulatory pressures, cybersecurity concerns, AI adoption, blockchain innovations, and the growing focus on SMEs and climate fintech.

Shift from growth to profitability

In 2024, the Swedish fintech market has faced significant challenges in raising capital. Sweden has been facing high rates of inflation and rising interest rates, which is particularly troublesome for tech companies dependent on investment and consumer spending.

The global economic climate remains uncertain, and investor sentiment is increasingly cautious. Startups and early-stage companies, in particular, are finding it difficult to secure funding unless they present robust business models with clear paths to profitability. Investors are prioritising stability and long-term viability over rapid expansion, making it essential for fintech companies to demonstrate financial prudence and strategic planning.

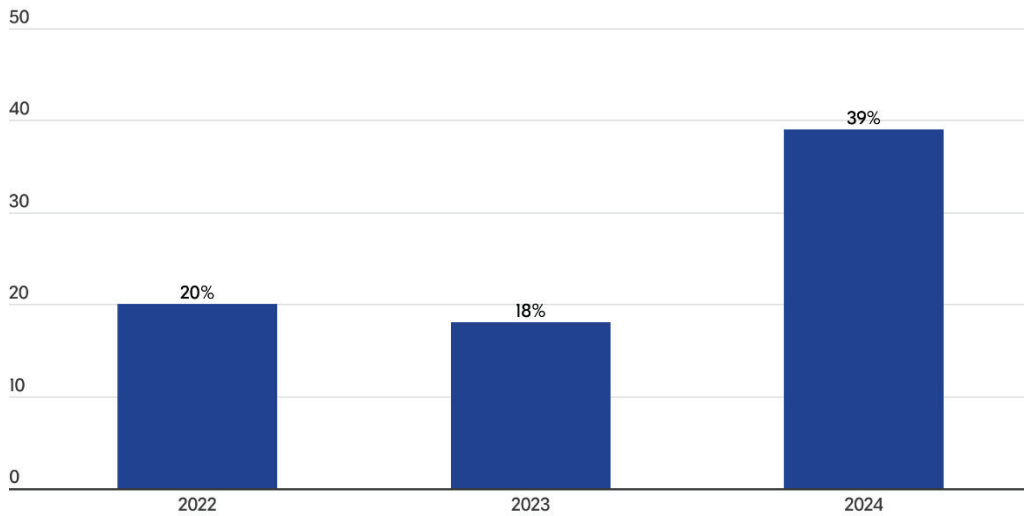
In response to the tougher fundraising environment, many companies are shifting their focus from growth to profitability. This shift involves optimising operations, reducing unnecessary expenditures, and enhancing revenue streams. Companies are increasingly looking to improve their unit economics and demonstrate sustainable business practices. This trend towards profitability is reshaping product development priorities, with a greater emphasis on value-added services that can drive consistent revenue.

The economic situation has also influenced the labour market, making it easier for fintech companies to attract skilled professionals. Layoffs and hiring freezes in other sectors have led to an increase in available talent, providing fintech companies with opportunities to strengthen their teams. This influx of experienced professionals is enabling them to accelerate innovation, improve their product offerings, and enhance their operational efficiency.

Increased challenges of de-risking

Fintech companies are encountering increased difficulties in securing bank accounts due to stringent de-risking measures adopted by banks, as illustrated in Figure 1. Banks are more cautious about partnering with fintechs, driven by concerns over regulatory compliance and potential financial crimes. This compels fintechs to explore alternative banking solutions and partnerships to ensure their operations remain smooth and compliant with regulatory standards.

Figure 1. Share of fintech companies that have experienced issues with de-risking



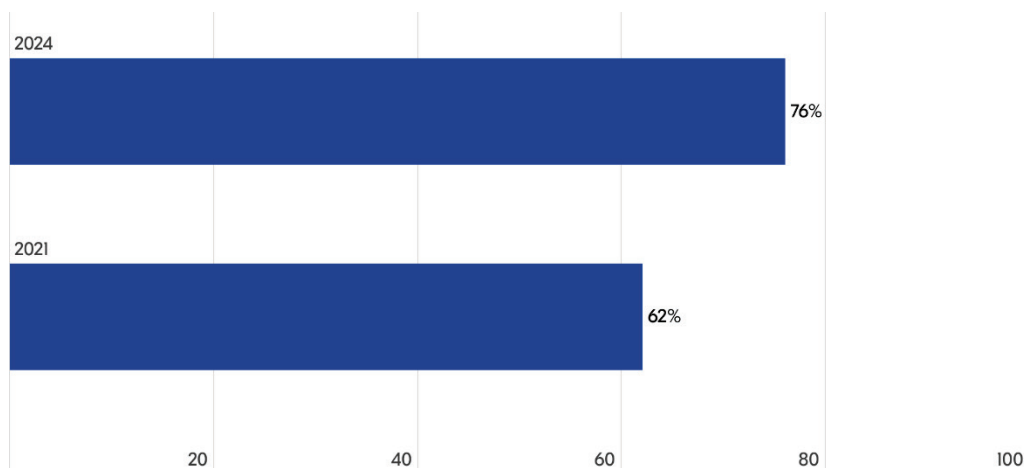
Source: SweFintech

Large banks and corporations are increasingly favouring partnerships with scaleups that have proven, market-tested solutions. These institutions prefer collaborating with companies that have demonstrated reliability and that have a strong customer base. This preference poses challenges for new entrants and early-stage startups, making it crucial for them to achieve early market validation and demonstrate the effectiveness and security of their solutions.

Challenging regulatory landscape

The Swedish fintech sector faces a more challenging regulatory landscape as new EU rules are introduced. Fintech companies find the regulatory requirements increasingly burdensome, as illustrated in Figure 2.

Figure 2. Share of fintech companies that find the regulatory requirements burdensome



Source: SweFintech

Payment Services Directive 3 (PSD3) and the Payment Services Regulation (PSR) are the main new regulations and they impose strict compliance demands. PSD3 focuses on consumer protection, fraud reduction and fostering competition, requiring fintechs to invest in advanced security and customer authentication systems, with implementation expected by 2025. PSR complements this by regulating transaction transparency and data protection, with compliance deadlines from 2024 to 2025.

Additionally, the Open Finance Framework and Financial Data Access (FiDA, 2025) expand data-sharing obligations, pushing fintechs to enhance their data security systems to manage more complex financial data, such as savings and investments. The SEPA Payment Account Access Scheme, which comes into effect in 2024, requires companies to streamline their cross-border transactions, offering lower cost and seamless payment services across Europe. The European Digital Identity Regulation (EUDIR) and the EU Digital Identity Wallet (EUDIW), expected to be implemented in 2025, will establish a unified digital identity framework in the EU.

Fintechs will be required to integrate these digital identity tools into their platforms to comply with customer verification standards. These cumulative regulatory demands are putting pressure on fintech companies to overhaul their systems.

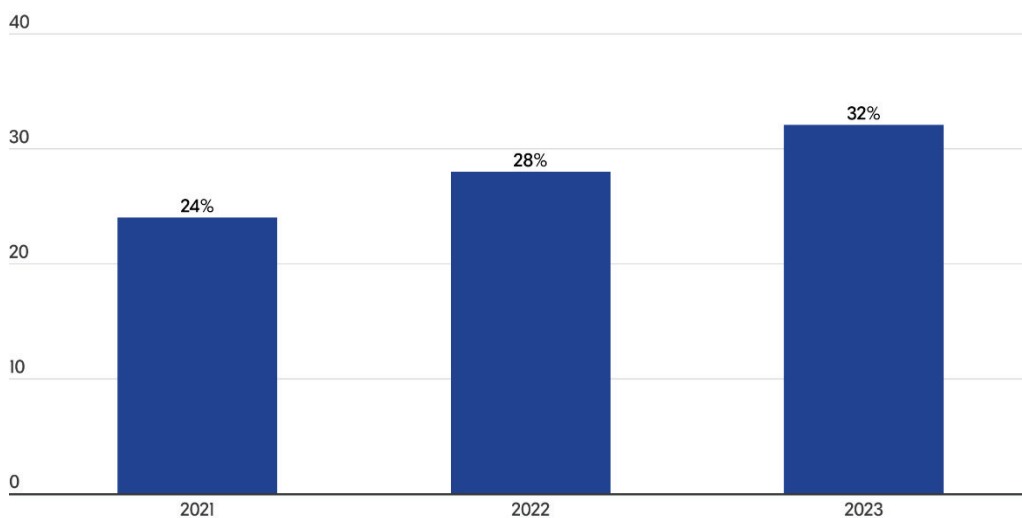
“*SweFintech looks forward to monitoring the Financial Services Authority’s process of regulatory simplification and hopes that this may lead to initiatives that benefit the dialogue between the industry and the supervisory authority and enhance the competitiveness of the fintech industry.*”

Louise Grabo, Secretary General of SweFintech

Cyber security

In 2023, Europe had the highest number of cyber threats globally (32 per cent of incidents, according to the IBM X-Force Threat Intelligence Index). As illustrated in Figure 3, this percentage has steadily increased since 2021.

Figure 3. Global share of incident response cases in Europe



Source: IBM X-Force Threat Intelligence Index 2024

Hence, cybersecurity remains a paramount concern for the Swedish fintech sector. With the increase in cyber threats and stricter regulatory scrutiny, fintech companies are now focusing on implementing robust security measures. This includes advanced threat detection systems, comprehensive data encryption, and multi-factor authentication protocols. Companies are investing in cybersecurity to protect sensitive financial information, maintain customer trust, and comply with stringent regulatory requirements. The emphasis on cybersecurity involves regular audits, vulnerability assessments, and continuous monitoring to safeguard against potential breaches.

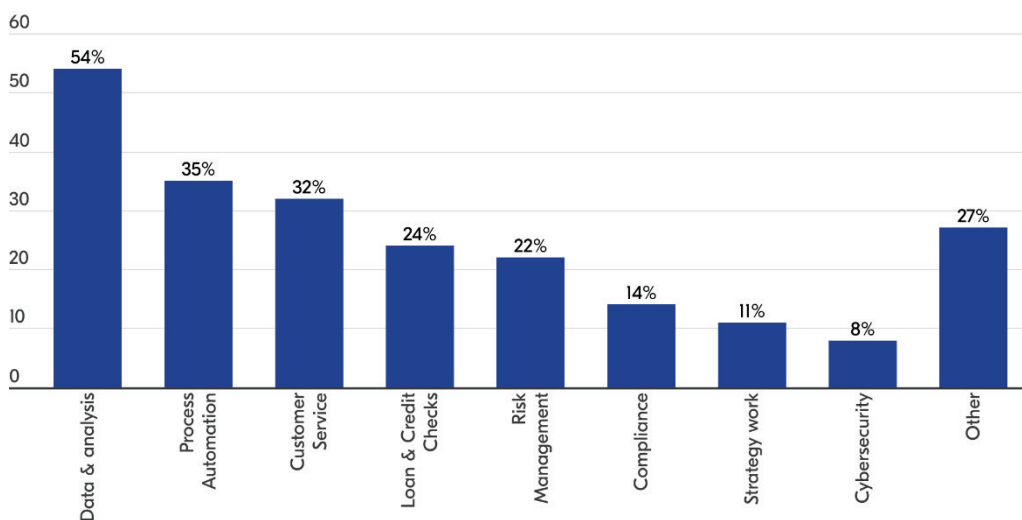
“ SaaS providers, such as air traffic controllers, automate 90–95 per cent of threat detection but need human oversight for critical issues. For Swedish businesses, the 80/20 rule applies: SaaS providers should focus on major threats, such as state-sponsored attacks, while accepting that smaller risks will occur.”

Anonymous cybersecurity professional

AI in fintech

AI is becoming essential in all business areas, including fintech, enhancing the efficiency and personalisation of financial services. According to a study by SweFintech (The Swedish Fintech Association¹), 73 per cent of its member companies use AI in their operations. The purpose of using AI differs across companies and subsectors, but a general overview is provided in Figure 4.

Figure 4. The purpose of using AI among Swedish fintech companies



Source: SweFintech

¹ A trade association for fintech companies operating in Sweden, <https://en.swefintech.se/>

AI-powered chatbots provide 24/7 customer support, streamlining interactions and reducing costs. In fraud detection, AI analyses transaction data to identify suspicious activities in real-time, bolstering security. For credit scoring and risk management, AI assesses a broader set of data points, offering more accurate evaluations and including underserved customers.

Personalised financial services benefit from AI's ability to analyse customer data and offer tailored product recommendations, enhancing customer satisfaction and loyalty. Additionally, AI-driven automation streamlines back-office tasks such as compliance checks and transaction processing, reducing errors and costs.

The adoption of AI by Swedish fintech companies improves the customer experience, operational efficiency, and gives them a competitive edge, while also aiding regulatory compliance. However, challenges such as ensuring data privacy, navigating complex regulations and addressing ethical concerns around the use of AI remain.

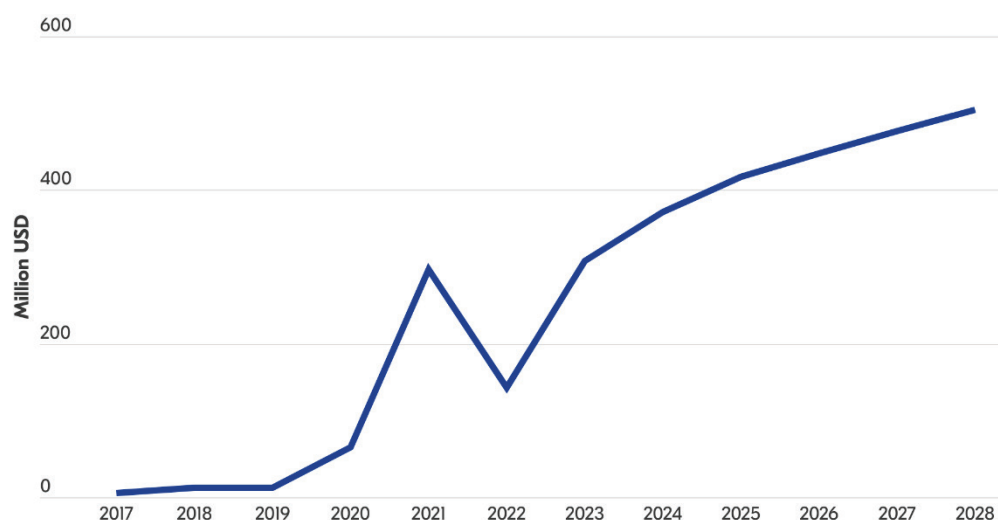
The role of AI in Swedish fintech will grow, driven by continuous advancements. Companies must navigate the various challenges, including compliance with the upcoming EU AI Act, which aims to regulate AI systems for safety and transparency. The successful integration of AI will be key to positioning fintech firms as market leaders.

“Big investments in artificial intelligence and other technological leaps – such as blockchain technology – are about to redraw the financial world map. The tight grip on payments, loans and savings of the four major Swedish banks is being challenged.”

Ronit Ghose, Global Manager, Citi Future of Finance

Blockchain and cryptocurrencies

Blockchain technology is gaining significant traction in Sweden, and the Swedish cryptocurrency market is rebounding, as illustrated in Figure 5. The Swedish financial sector is at the forefront of this development with key institutions leveraging blockchain for secure transactions and digital identity verification. A notable example is the Swedish Land Registry, which has piloted blockchain technology to secure real estate transactions and mitigate fraud.

Figure 5. Revenues in the Swedish market for cryptocurrencies, 2017–2028*

*) 2024–2028 – estimations

Source: Statista Research Department 2024

Several Swedish fintech companies are actively utilising blockchain technology. For example, Centiglobe uses blockchain to streamline its international payments, ensuring faster and more secure transactions. Another prominent player is Safello, which uses blockchain to provide a secure and user-friendly platform for cryptocurrency trading. ChromaWay is also noteworthy, having developed blockchain solutions for financial institutions, including the Green Asset Wallet for sustainable investments.

“One significant trend is fractionalisation, in which assets are divided into smaller parts, allowing retail investors to own a fraction of an asset, such as part of a property, and receive a proportionate share of the returns, such as rental income. Tokenised deposits are also emerging as a fast-growing trend in Sweden, with several payment providers exploring the potential to eliminate the need for pre-funded and multiple correspondent bank accounts. This approach reduces locked-up liquidity and minimises the risks associated with having funds spread across different regions. Additionally, tokenised deposits offer the advantage of enabling the instant movement of value, streamlining financial transactions.”

Isak Nyberg, Partnership Manager – Centiglobe

Also, major corporations such as BlackRock are utilising blockchain for ETF (exchange-traded fund) offerings, further solidifying the technology's credibility and broadening its applications. IT companies have a prime opportunity to focus on blockchain development and integration services to capitalise on this growing trend.

Increased focus on SME as a target group

A significant trend in the Swedish fintech landscape is the increasing focus on serving small and medium-sized enterprises (SMEs). Recognising the unique needs and challenges faced by SMEs, several Swedish fintech companies are developing innovative solutions tailored to this segment.

For example, Froda offers flexible financing solutions to small businesses, leveraging advanced algorithms and data analytics for quick loan approvals and competitive rates. Qred specialises in fast, uncomplicated business loans, with a user-friendly platform. Capcito provides invoice financing and credit solutions by integrating with accounting software to offer customised financing options based on real-time financial data.

As the SME sector continues to grow and evolve, the demand for specialised fintech solutions is expected to increase, presenting significant opportunities for innovation and market expansion in Sweden.

“Gilion is a good example of the role of technology in transforming SME financing in Sweden, using advanced data analysis to achieve a quick response on financing. In general, solutions that reduce/eliminate long lead times and, of course, open financing options, are impacting SME financing.”

Anders Norlin, Strategic Advisor and Venture Builder

Climate fintech

Despite economic challenges, over 40 per cent of climate fintech financing rounds were at the pre-seed and seed stages, indicating strong investor confidence in early-stage companies. In 2023, Climate fintech investments reached USD 2.3 billion, only 19 per cent below the record levels seen in 2022 and compared with a 38 per cent decline in overall venture funding.²

Swedish climate fintech companies are gaining significant attention for their innovative solutions to climate-related financial challenges, successfully attracting financing due to the global focus on sustainability. Swedish climate fintechs are most active in the fields of green digital payment and account solutions, and green ESG data and analytics, which are among the green fintech categories classified by the Green Digital Finance Alliance (listed below).³

² CommerzVentures – [Climate FinTech Report 2024](#)

³ Business Sweden – [A green wave of Swedish Fintech](#)

Swedish green fintech categories:

- Green payment and account solutions
- Green digital investment solutions
- Digital ESG data and analytics solutions
- Green digital crowdfunding and syndication platforms
- Green digital risk analysis
- Green digital deposit and lending solutions
- Green digital asset solutions

“*Since innovation has, to some extent, caused the acceleration of climate change, innovation will be crucial in finding the solution. At Doconomy we’re undeniable optimists and believe that with the right tools we can achieve a fast and effective shift towards a more sustainable future together.*”

Johan Pihl, Chief Innovation Officer & Co-Founder – Doconomy

The Swedish fintech market

Historically, Sweden has been at the forefront of the fintech sector. It is home to globally recognised companies like Klarna, Zettle and Trustly, and is one of the EU countries with the highest number of nationally licensed payment institutions.⁴ Over the past decade, Sweden has cultivated a dynamic ecosystem, supported by a robust regulatory framework, strong digital infrastructure, and a culture of entrepreneurship. The country's early adoption of digital banking, electronic identification systems such as Bank ID, as well as mobile payments, paved the way for a thriving fintech sector.

As of 2024, the Swedish fintech market continues to evolve, characterised by advanced technological solutions, increasing regulatory complexity, and a strong focus on sustainable and ethical practices. These developments have positioned Sweden as a hub for fintech innovation, attracting talent, investment and international partnerships.

Investments

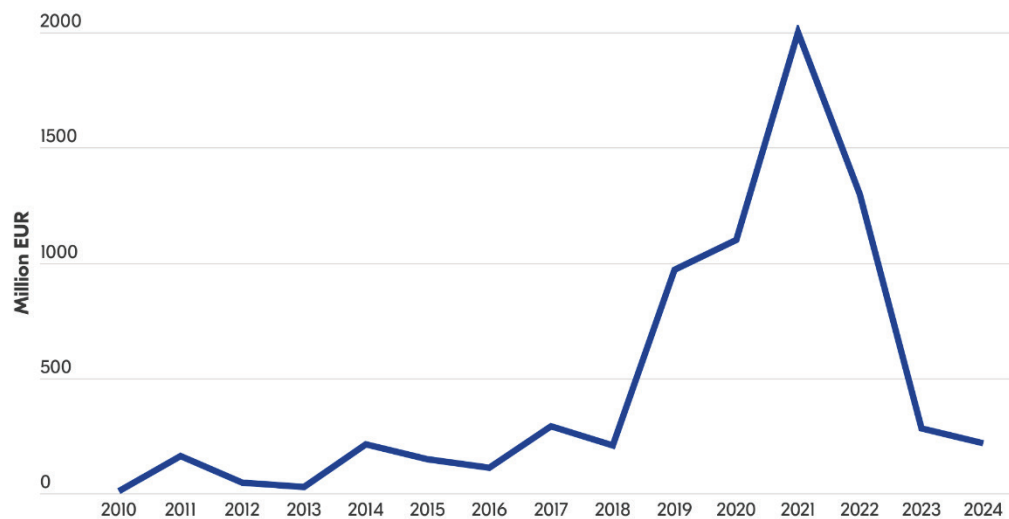
The total VC investment in Swedish fintech companies has significantly decreased in recent years, as illustrated in Figure 6. Sweden experienced a peak in VC fintech investments in 2021 (EUR two billion), mainly due to major investments in the payments sector. However, subsequent years have shown a decline, with 2023 and 2024 witnessing a reduction to EUR 280 million and EUR 216 million, respectively. Investors are increasingly prioritising areas such as artificial intelligence and carbon and energy over fintech, resulting in less capital being invested in the fintech sector.⁵

59 per cent of Swedish fintech companies reported increased difficulty in raising capital in 2023, but 45 per cent of them managed to secure capital.⁶ The recent downturn in VC funding highlights the importance of agility and strategic planning for fintech companies, extending runways through cost-saving or a shift towards profitability over growth.

⁴ SOU 2023:16 “Staten och Betalningarna”

⁵ Atomico (2023) – [State of European Tech 2023](#)

⁶ The Swedish Fintech Association (2024) – [Fintech Report 2024, fifth edition](#)

Figure 6. VC investment in fintech

Source: Sweden Tech Ecosystem, 2024

Despite the investment peak in 2021, fewer new fintech companies were started between 2020 and 2021. This decline is attributable to several factors, such as the COVID-19 pandemic, geopolitical instability, increasing inflation and interest rates. The global economic situation has not improved since 2022, with inflation remaining high throughout 2023 and the first half of 2024. The second half of 2024 is starting to see declining interest rates, so the market might be changing for the better.

Leading fintech market players

The fintech market in Sweden comprises of local players and many major international players, which are visible in certain subsectors more than others.

For example, while local Swedish fintechs lead the payment and transfer subsector in terms of digital banking and instant mobile payments solutions (e.g. Klarna, Trustly, Tink), international players have overtaken the point-of-sales and credit card payment services area (for example, US-based Verifone, Denmark-based Nets, and now US-based, PayPal-owned Zettle), with some exceptions, such as the local payment and transaction solutions provider Bambora. However, overall, Swedish companies dominate the fintech market in Sweden across most subsectors.

Klarna remains a global frontrunner in payment solutions, offering buy-now-pay-later services that have revolutionised online shopping. Trustly continues to innovate in the realm of A2A (account-to-account) bank payments, providing seamless and secure payment solutions. Tink, as a pioneer in open banking, empowers financial institutions with the tools to develop next-generation banking services.

The lending and financing subsector has seen significant contributions from local players such as Froda and Qred. Froda, known for its innovative financing solutions for small businesses, has been growing rapidly, leveraging advanced technology to simplify and expedite the loan process. In a similar vein, Qred has made substantial

inroads into the market by offering flexible financing options tailored to small business needs, reinforcing Sweden's strength in this segment.

For updated data and an overview of players in the Swedish fintech market, the Swedish Fintech Association's website is a good place to start.

Opportunities for companies from developing countries

For companies from developing countries, access to Sweden's fintech ecosystem offers significant opportunities. The Swedish market's strong preference for digital, cashless solutions and the demand for efficient, affordable payment services, particularly from its migrant communities, create unique opportunities for innovation and growth in cross-border payments.

Payments (local and cross-border remittance)

Sweden's strong focus on digital payments and decreasing reliance on cash transactions opens the door for innovative solutions in cross-border remittances. The Swedish immigration, particularly migrants from Africa, the Middle East and Asia, creates demand for affordable and efficient remittance services.

Opportunities

- **Cross-border remittances:** Introducing affordable remittance services that address the needs of such migrant communities could represent a significant opportunity, particularly given the expected growth in the global remittance market to USD one trillion by 2030. Globally, sending a remittance costs an average of 6.35 per cent of the amount sent. Cutting prices by at least five percentage points could save up to USD 16 billion per year.
- **Partnerships with Swedish players:** Collaborating with established Swedish payment companies could help to overcome regulatory barriers and gain market entry. For example, integrating mobile payment solutions with Swedish platforms could create seamless remittance services.

Anti-Money Laundering (AML)

AML compliance remains a critical regulatory challenge in the Swedish fintech landscape, significantly impacting costs and operations for payment providers. With the EU tightening the AML directives, Swedish companies face increasing costs regarding compliance, particularly in sectors involved in cross-border transactions.

Opportunities

Companies specialising in advanced anti-money laundering (AML) technologies have a unique opportunity to enter the Swedish fintech market. As financial institutions in Sweden face increased regulatory pressure to enhance their compliance frameworks, innovative solutions that streamline AML processes can be highly attractive. Key areas include:

- **AI-Driven Transaction Monitoring:** AI-powered systems can enhance transaction monitoring by detecting subtle patterns that traditional rule-based methods fail to detect, reducing false positives and improving the detection of suspicious activities.
- **Blockchain-based compliance:** Blockchain offers secure, transparent transaction tracking, ideal for cross-border compliance and faster auditing. Swedish financial institutions can benefit from integrating blockchain into their AML systems.
- **Automated Customer Due Diligence (CDD):** Automated CDD solutions using AI and big data can streamline the know-your-customer (KYC) process, reducing onboarding times and costs while ensuring compliance with the EU's AML regulations.
- **Collaborative partnerships:** Swedish fintech is collaborative in nature, and companies providing AML solutions can form strategic alliances with local banks and fintech firms to enter the market and build long-term relationships.

One of the challenges is regulatory complexity: complying with the stringent AML regulations in Sweden requires significant investment in compliance technologies, including transaction monitoring, customer due diligence (CDD) and reporting systems. Companies from developing countries may need to collaborate with local Swedish firms or invest in partnerships with AML compliance service providers to navigate this challenging landscape.

Climate fintech

Sweden is increasingly becoming a hub for climate fintech, where financial technology intersects with environmental sustainability goals. Swedish companies are focusing on green bonds, carbon trading platforms and financing mechanisms for sustainable development projects.

Opportunities

- **Global interconnections:** Climate fintech solutions, especially those addressing global carbon credit markets or trade certificates, are prime areas for companies from developing countries to explore. By leveraging Sweden's strong regulatory framework for green finance, companies offering climate-related fintech services can tap into the country's growing market for sustainable finance.
- **Trade certificates:** Companies from developing countries could provide solutions that enable the issuance, trading and verification of environmental trade certificates (for example, carbon credits, renewable energy certificates). This could support international trade, particularly in sectors in which Sweden has strong trade relationships with developing countries, such as sustainable agriculture, textiles and mining.

Integrated fintech – co-operation with incumbents

Developments in the Swedish fintech market are increasingly driven by co-operation between startups and major incumbents such as Visa, Mastercard and traditional banks. This is partially due to the economic slowdown and the tougher funding environments for startups. Larger companies have the resources to weather economic downturns, while fintech startups, particularly those that have struggled to secure investment, are increasingly looking for partnerships in order to thrive and scale.

Opportunities

- **Collaborating with incumbents:** Swedish incumbents are open to partnering with innovative fintech companies from around the world, including fintech companies from developing countries. By offering niche solutions such as mobile banking technologies, credit scoring for underbanked populations, or alternative financing platforms fintech companies from developing countries can position themselves as valuable partners in Sweden's integrated fintech ecosystem.
- **Trade finance solutions:** Fintech solutions supporting international trade, such as blockchain-based trade finance platforms or digital letters of credit, can open new avenues for collaboration with Swedish financial institutions and corporations involved in global trade. With Sweden's strong import and export sectors, particularly in manufacturing, machinery and telecommunications, there is a growing need for efficient, secure and transparent trade financing solutions that companies from developing countries can provide.

Conclusion

For companies from developing countries, entering the Swedish fintech market requires them to focus on innovation, compliance with regulatory standards, and strategic partnerships. Solutions that address Sweden's evolving needs in payments, AML, climate fintech and integrated fintech can offer significant opportunities. If they are to succeed, companies in developing countries must adapt to the unique demands of the Swedish market, including sustainability, compliance and collaboration with established players. By leveraging Sweden's strong regulatory framework and demand for fintech solutions that support global trade, such companies can create pathways for international digital trade and tap into one of Europe's most dynamic fintech ecosystems.

What requirements should suppliers meet?

Suppliers in the Swedish fintech market need to meet a variety of technical, legal and governance requirements to ensure compliance and operational excellence.

Technical requirements

For companies entering or supporting the Swedish fintech market, meeting specific technical requirements and demonstrating key competences are essential prerequisites. Adhering to established standards ensures interoperability, security and regulatory compliance, which are critical for success in this highly competitive and regulated industry.

Bank ID scheme

Suppliers must support the local Bank ID scheme, a key electronic identification system widely used in Sweden. Bank ID ensures secure and reliable user authentication, essential for fintech applications that handle sensitive financial data.

SAML (Security Assertion Markup Language) enables the secure exchange of authentication data between the user's identity provider (Bank ID) and service providers. This integration offers:

- High level of security: Protects against phishing and identity theft.
- Seamless user experience: Easy login with no new credentials required.
- Regulatory compliance: Meets Swedish and EU standards for data protection and e-identification.

Supporting this scheme is crucial for suppliers aiming to enter the Swedish fintech market.

ISO 20022

Compliance with ISO 20022 is essential for suppliers offering financial messaging solutions. This international standard for electronic data interchange between financial institutions ensures interoperability, standardisation and efficiency in financial transactions and reporting.

Legal requirements

Entering or supporting the Swedish fintech market requires compliance with several key regulations. These legal frameworks ensure that fintech companies operate securely, ethically and transparently, maintaining the integrity of the financial system and protecting consumers.

“ One of the key regulatory challenges for blockchain technology in Sweden is the need for greater education and understanding of the technology. The reputation of blockchain has been impacted by the risks and issues associated with cryptocurrencies, prompting regulators to focus on protecting the public through initiatives like MiCA⁷. ”

Isak Nyberg, Partnership Manager – Centiglobe

When fintech companies outsource part of their operations, they must ensure that third-party suppliers adhere to the regulatory requirements and maintain high standards of data protection and security. This requires due diligence in selecting suppliers and continuous monitoring of their compliance.

Registration with the Swedish Financial Supervisory Authority

Any company intending to offer financial services in Sweden, even if it is not formally operating in Sweden, must register its operations with the Swedish Financial Supervisory Authority (SFSA). Registered entities are obligated to notify the SFSA of any changes in management or ownership. They are also required to submit information upon request, particularly concerning their anti-money laundering (AML) measures.

Authorisation and supervision by the SFSA

Authorisation from the SFSA is necessary for companies engaging in certain financial activities such as banking, payment services, exchange and clearing, funding and insurance services, issuing electronic money, crediting and investing. Authorised companies are subject to ongoing monitoring by the SFSA.

Key EU regulations

PSD3 (Revised Payment Services Directive): The Payment Services Directive 3 (PSD3) aims to build on the foundations of PSD2 by introducing stronger protections and stricter rules for payment systems and account information. A new directive, the Payment Services Regulation (PSR), is included to further strengthen consumer protection and is directly applicable to EU member states. Key aspects of PSD3:

- **Enhanced security measures:** PSD3 strengthens the requirements for securing payment transactions and protecting account information beyond the Strong Customer Authentication (SCA) introduced by PSD2.
- **Consumer privacy protection:** It introduces stricter rules to protect consumer data and privacy, ensuring that personal data is handled securely.
- **Promotion of competition:** By setting clear and fair regulatory standards, PSD3 encourages competition among payment service providers, fostering innovation and better services for consumers.

⁷ Markets in Crypto-Assets (MiCA) Regulation

- **Regulatory compliance:** It imposes more stringent compliance requirements on payment institutions to ensure transparency and security in their operations.
- **PSR:** Imposes specific compliance requirements on payment service providers, including fintech companies. PSR outlines how fintechs must handle customer data, ensure the security of their payment platforms, and adhere to standards relating to transaction transparency and reporting. PSR also promotes fairness in the marketplace by regulating fees, ensuring that payment service providers cannot charge excessive fees for their services, and mandating the publication of clear and comprehensible terms for consumers. PSR is not an actual part of PSD3, but these two are meant to function together. PSD3 provides the high-level policy framework, while PSR enforces specific technical standards and uniform rules, creating a comprehensive regulatory approach to payment services in the EU.
- **Timeline:** The final versions of PSD3 and PSR may be available by the end of 2024, with implementation expected by 2026 after an 18-month transition period for EU member states.

Open Finance Framework and the Financial Data Access (FiDA) Regulation:

This regulation represents an evolution of the current open banking standards by expanding the scope of data-sharing requirements beyond payment accounts only. Under the FiDA Regulation, expected to come into force 2025, fintech companies will be required to facilitate the secure exchange of a broader range of financial data, including savings accounts, mortgages and investments. The Regulation aims to promote transparency and drive innovation by allowing consumers to easily switch between financial service providers and access more personalised financial products. Fintechs must prepare for secure data-sharing requirements to stay compliant and enable greater transparency and innovation.

Single Euro Payments Area (SEPA) Payment Account Access Scheme: SEPA aims to simplify cross-border payments by creating a unified payment system in Europe. The SEPA Payment Account Access Scheme is designed to provide fintech companies with streamlined, standardised access to payment accounts across EU member states. This will enable fintechs to offer more efficient and cost-effective payment solutions for consumers and businesses alike, eliminating many of the current challenges associated with cross-border transactions.

European Digital Identity Regulation (EUDIR) and the EU Digital Identity Wallet (EUDIW): The EUDIR and EUDIW initiatives are designed to create a unified digital identity framework across the EU, allowing individuals and businesses to securely verify their identities when accessing financial and other digital services. The EU Digital Identity Wallet is a key component of the European Digital Identity Regulation, allowing users to securely store and share their digital identity information. For fintech companies, integrating EUDIW into their platforms will improve the efficiency and security of customer verification processes, making it easier to onboard new customers and comply with anti-money laundering (AML) and know-your-customer (KYC) requirements.

Fintechs are required to adopt these digital identity solutions by 2025 to comply with EU regulations and enhance customer verification processes.

AI Act: The AI Act was issued by the European Commission and aims to ensure that AI systems used within the EU are safe, transparent and respect fundamental rights. The Act categorises AI applications based on their risk levels and sets stringent requirements for high-risk AI systems, including rigorous testing, documentation and human oversight. For fintech companies, compliance with the AI Act means ensuring that the AI technologies used in their products/services are trustworthy and adhere to ethical standards.

The Act came into force on 1 August 2024 and must be implemented by EU member states by 1 August 2026.

AML (Anti-Money Laundering) Regulations: The AML regulations are designed to prevent the laundering of illicit funds and the financing of terrorism. These regulations require fintech companies to implement robust customer due diligence (CDD) measures, monitor transactions for suspicious activities, and report any suspicious transactions to the relevant authorities. Compliance with the AML regulations help to maintain the integrity of the financial system and prevents the misuse of fintech platforms for illegal activities.

The timeline for full implementation of the latest AML framework (AML Package) extends to 2025-2026.

Markets in Crypto-Assets (MiCA) Regulation: Fintech companies involved in cryptocurrency activities are required to monitor developments related to the Markets in Crypto-Assets (MiCA) Regulation. MiCA aims to establish a comprehensive regulatory framework for crypto assets across the EU, including Sweden, covering issuance, trading and custody of crypto assets.

MiCA is expected to be implemented in Swedish law by 30 December 2024.

GDPR (General Data Protection Regulation): The GDPR is a comprehensive data protection law that governs the collection, storage and processing of the personal data of individuals within the EU. It mandates strict consent requirements, data protection principles, and rights for individuals, such as the right to access and delete their data. Compliance with the GDPR is crucial for suppliers to protect user privacy and avoid hefty fines and legal repercussions. The GDPR came into force in May 2018.

Swedish regulations

Besides compliance with the EU regulations mentioned above, companies operating in Sweden also need to comply with specific local regulations. The regulatory framework for fintech companies in Sweden varies depending on the nature of their activities:

- Payment Services Institutions: Governed by the Payment Services Act (2010:751).
- Electronic Money Institutions: Regulated under the Electronic Money Act (2011:755).

- Consumer Credit Institutions: Subject to the Certain Consumer Credit-related Operations Act (2014:275).
- Consumer Mortgage Services: Covered by the Mortgage Business Act (2016:1024).
- Banking Companies: Regulated under the Banking and Financing Business Act (2004:297).
- Insurance Companies: Are required to comply with the Insurance Distribution Act (2018:1219) and Insurance Business Act (SFS 2010:2043).
- Securities Companies: Governed by the Securities Market Act (SFS 2007:528).
- Fund Operations: Subject to the UCITS Act (2004:46) and Alternative Investment Fund Managers Act (2013:561).
- Currency and Cryptocurrency Trading: Regulated under the Certain Financial Operations Act (1996:1006).
- Financial Institutions exempt from authorisation: Governed by the Certain Financial Operations Act (1996:1006).

Navigating the regulatory landscape for fintech services in Sweden demands a thorough understanding of sector-specific legislation and ongoing compliance with the regulatory requirements. By maintaining compliance and staying informed about regulatory updates, fintech companies can operate confidently within Sweden's financial ecosystem.

Other requirements that Swedish companies impose on their suppliers

Besides the legal requirements mentioned above, Swedish companies impose additional requirements on their suppliers. The most important requirements are listed below.

Governance and ethical business practices

Suppliers are required to implement robust governance frameworks that include clear policies, procedures and accountability mechanisms. This will ensure ethical conduct, transparency and compliance with legal and regulatory requirements.

Adopting ethical business practices is crucial for maintaining trust and integrity in the fintech market. Suppliers are required to commit to fair treatment of their customers, transparency in operations, as well as corporate social responsibility. This includes safeguarding customer data, providing clear terms and conditions, and engaging in fair competition.

Sustainability

The focus on sustainability in Sweden has intensified, driven by the United Nations Sustainable Development Goals (SDGs) and an evolving regulatory landscape. Recent legislative developments, such as the European Green Deal and Sweden's climate policies, emphasise the need for robust digital systems to effectively manage compliance, sustainability and transparency.

In the Swedish fintech sector, businesses are increasingly relying on digital platforms to enhance their efficiency and profitability while aligning with the SDGs. These platforms help organisations track and report their environmental, social and governance (ESG) metrics, ensuring compliance with both international and national standards. The integration of advanced technologies like AI and blockchain into these platforms has revolutionised how fintech companies manage their sustainability initiatives, providing real-time data analysis and transparent reporting mechanisms.

Investor and consumer pressure for greater ESG efforts has grown substantially. Investors are prioritising those fintech companies that demonstrate strong ethical standards and sustainable practices, leading to a surge in ESG-focused investments. Similarly, consumers are choosing fintech services that are transparent about their sustainability initiatives and are committed to making a positive impact on society and the environment.

This shift towards sustainability presents significant opportunities for fintechs. Companies are looking for IT partners who can offer technologies and services that support sustainable growth. This includes developing software for efficient resource management, creating digital platforms for ESG reporting, and implementing AI-driven solutions for sustainability analytics. By helping businesses integrate sustainability into their core operations, fintech service providers can play a crucial role in driving the transition towards a more sustainable future.

Recommendations for suppliers aiming to enter the Swedish market

Service providers

For service providers aiming to enter the Swedish market, compliance with local and international regulations is paramount. Adhering to the General Data Protection Regulation (GDPR), the Cybersecurity Act and other relevant regulations will ensure that the services provided meet the high standards expected in Sweden. Quality assurance is another critical factor, with a focus on delivering high-quality services and excellent customer support.

Establishing a local presence or partnering with local businesses can significantly enhance trust and market penetration. A local presence helps build strong business relationships and fosters trust among Swedish customers. Furthermore, cultural awareness is essential, as understanding and integrating into the Swedish business culture can facilitate smoother interaction and better alignment with local business practices.

Products and solutions providers

Products and solutions providers must ensure regulatory compliance with EU and Swedish regulations, including safety, environmental and data protection standards. Localisation is also key, as products need to be adapted to the local language, culture and user preferences if they are to succeed in the Swedish market.

Demonstrating a commitment to sustainability is increasingly important, with customers and investors alike expecting products and solutions to be developed and managed in an environmentally responsible manner. Providing robust customer support, including after-sales services and maintenance, is crucial for building and maintaining customer trust and satisfaction in the Swedish market.

Where and how to find business partners

Finding business partners in the Swedish fintech market involves leveraging a combination of industry events, online platforms and professional associations.

Trade fairs and conferences

Below are some key events in Sweden and the Nordics.

Stockholm Fintech Week – February stockholmFintechweek.com

Stockholm Fintech Week is a premier event that gathers industry leaders, startups, investors and regulators. It offers a range of opportunities for networking, learning, and collaboration through panels, workshops and meetups. Participants can explore the latest industry trends, share innovative ideas, and establish connections with potential partners and clients.

Fintech Day – November en.sweFintech.se

Fintech Day, arranged by the Swedish FinTech Association (SweFinTech), is a significant event for the Swedish fintech community. It brings together industry stakeholders, including startups, established companies, investors and regulators to discuss the latest trends, share insights and explore collaboration opportunities. The event includes keynote presentations, panel discussions and networking sessions, providing a comprehensive platform for learning and partnership building.

Nordic Fintech Summit – May nordicFintechsummit.com

The Nordic Fintech Summit is a key event on the Nordic fintech calendar, bringing together innovators from across the region. This summit features industry-leading speakers, interactive sessions and extensive networking opportunities. It is an essential event for anyone looking to understand the Nordic fintech landscape and engage with key players in the industry.

Nordic Fintech Week – September nfweek.com

Nordic Fintech Week is a major annual event in Copenhagen, connecting the fintech ecosystem in the Nordics and globally. It features conferences, networking and showcases for fintech startups. Originally launched in 2017 as "Copenhagen Fintech Week," it was rebranded in 2022 to reflect its broader Nordic focus.

TechBBQ – September techbbq.dk

TechBBQ in Copenhagen, Denmark, is a notable event that brings together the startup ecosystem, including fintech startups. It provides a platform for networking, knowledge sharing and collaboration, featuring a variety of sessions and workshops focused on innovation and technology in the financial sector.

Slush – November slush.org

Held in Helsinki, Finland, Slush is one of the largest tech and startup events in the world. It attracts a significant number of fintech startups, investors and industry experts from the Nordics and beyond. The event offers a mix of keynote speeches,

panel discussions and networking opportunities, making it a valuable platform for fintech professionals.

Business associations and information sources

There are a number of platforms, organisations and associations where companies from outside Sweden can meet potential partners. These platforms, organisations and associations are also a relevant source of information about the Swedish market.

Swedish Fintech Association

The Swedish Fintech Association (SweFintech; en.sweFintech.se/) is an industry association that gathers companies from the Swedish fintech sector and was founded in 2017. The association publishes regular reports and insights on the fintech industry, providing valuable information on market trends, regulatory updates and industry performance. These reports and insights are crucial for staying informed about the latest developments, understanding the competitive landscape, and making data-driven business decisions.

Sweden Tech Ecosystem sweden.dealroom.co/intro

The Sweden Tech Ecosystem website offers comprehensive information on the tech landscape in Sweden, including fintech. It provides resources on industry news, upcoming events and key players, serving as a useful tool for market research and strategic planning. The website also features directories of fintech companies, investment opportunities and innovation hubs, helping businesses connect with potential partners and stay updated on industry dynamics.

Accelerators and Incubators

Accelerator and incubator programmes play a key role in helping fintech startups identify business partners and investors. These programmes offer mentorship, resources and networking opportunities that are essential for business growth and collaboration. Participating in such programmes can help startups refine their business models, gain exposure to potential partners, as well as access funding. STING (Stockholm Innovation & Growth) is one of the most notable programmes in the region.

Company databases

How do I find the right company? Here you can find companies that may be relevant:

- **LinkedIn:** Many Swedish companies have a presence on LinkedIn, and it is possible to search and find companies in different sectors, such as IT.
- **Bolagsverket:** Swedish Companies Registration Office.
- **Statistics Sweden (SCB)** helps you find the right statistics and companies.
- **Hitta.se** is a website with information on Swedish businesses (only available in Swedish).

- **Allabolag.se** is a website that provides detailed information about companies registered in Sweden. It offers a wide range of data, including company financials, board members, corporate structure and business activities. Users can access annual reports, financial statements and other key documents (only available in Swedish).
- **International company databases:** opencorporates.com, vainu.io/search, crunchbase.com.

Summary: What you need to do to get business

To successfully enter the Swedish fintech market, companies need to adopt a strategic approach tailored to their specific offerings. Here is a list of aspects that companies will need to address:

- **Market research:** Conduct market research in order to thoroughly understand the Swedish market, including demand, competition and consumer behaviour. Use resources such as Business Sweden, Swedenabroad.se and Allabolag.se for insights and data.
- **Regulatory compliance:** Familiarise yourself with Swedish and EU regulations, including PSD3, PSR, FiDA, GDPR, cybersecurity laws, as well as industry-specific standards. Ensure compliance to avoid legal issues. Obtaining certifications that demonstrate compliance can be advantageous.
- **Identify product/market fit:** finding the right niche in the Swedish market and adapting your product/service accordingly is key in order to create partner trust.
- **Market entry strategy:** Develop a clear market entry strategy, which may include direct sales, partnerships or establishing a local subsidiary. Tailor your approach based on market research and competitive analysis.
- **Business communication:** A critical part of gaining access to the Swedish market is to develop clear and appropriate business communication in order to successfully reach out to potential Swedish partners.
- **Business registration** (where applicable): Register your business with the relevant Swedish authorities. This may involve obtaining the necessary permits and licences, which can be facilitated through platforms like Verksam.se.
- **Cultural competence:** Understand Swedish business culture, which emphasises consensus decision-making, punctuality and work-life balance. Adapting to these cultural nuances could enhance your business relationships.
- **Local presence:** Consider establishing a local office or partnering with a Swedish firm to build trust and credibility. This could also help you understand local business practices more effectively.
- **Customisation:** Adapt your products/services to the local language, culture and user preferences. This includes the translation of product manuals and ensuring that your product/services are suitable for the Swedish market.
- **Quality assurance:** Ensure high standards of service delivery and customer support. Swedish businesses place a strong emphasis on quality and reliability, so demonstrating these attributes can give you a competitive edge.
- **Customer support:** Provide robust after-sales support and maintenance services. Having a local support team or a reliable partner in Sweden can enhance the level of customer satisfaction.

- **Sustainability:** Demonstrate a commitment to sustainable practices in product/service development and lifecycle management. Swedish consumers and businesses value sustainability highly.
- **Strong online presence:** Website, LinkedIn, social media platforms
- **Networking:** Actively participate in industry events, seminars and workshops to build a network of contacts and potential clients.

By working actively on these factors, companies from developing countries can effectively navigate the Swedish fintech market, ensuring compliance, establishing strong partnerships, and driving sustainable growth.