

G&D Monthly Digest

May 2025

This news overview has been compiled by Gernandt & Danielsson's specialist team and is updated month by month. Added news for this month are highlighted in beige.

Data and Tech

ARTIFICIAL INTELLIGENCE

- On 23 May 2025, the European Commission announced a Call for Evidence for its forthcoming European Data Union Strategy planned for Q3 2025. Building on the 2020 EU Data Strategy, this initiative aims to address challenges in the evolving data economy, particularly in light of accelerating AI development. The strategy will pursue three main objectives: stimulating investment in data technologies and improving data availability for AI development; simplifying the regulatory landscape by streamlining existing rules and developing tools to reduce administrative burden; and creating an "International Data Strategy" to manage data flows between the EU and third countries. Stakeholders are invited to participate in an eight-week public consultation.
- On 14 May 2025, the privacy activist group None of Your Business (NOYB) sent a cease-and-desist letter to Meta regarding the company's AI training. The company had disclosed its intended use of EU Instagram and Facebook users' personal data for AI training without opt-in consent. Under the Directive (EU) 2020/1828 (the Collective Redress Directive) (Sw. *grupptalandirektivet*), approved entities like NOYB can seek EU-wide injunctions in cases of alleged privacy infringements. The organisation may seek court-ordered injunctions requiring deletion of AI models trained with illegally obtained data and class actions for damages that, according to NOYB, could potentially reach billions of euros.
- On 22 April 2025, the European AI Office published a working document containing preliminary guidelines to clarify the scope of the obligations of providers of general-purpose AI models (Sw. *AI-modell för allmänna ändamål*). The guidelines will elaborate the scope of general-purpose AI models and other key concepts under Regulation (EU) 2024/1689 (the AI Act) (Sw. *AI-förordningen* or *AI-akten*). Stakeholders are invited to provide feedback by 22 May 2025 and the final guidelines are expected to be published in August 2025.

PRIVACY

- On 21 May 2025, the European Commission presented proposal COM(2025) 501 final regarding, among other things, amendments to Regulation (EU) 2016/679 (the GDPR) (Sw. *dataskyddsförordningen*). Under the current proposal, organisations employing fewer than 750 persons would be exempt from the GDPR's Record of Processing Activities (RoPA) requirements unless their processing activities pose a high risk to data subjects' rights and freedoms. The change could significantly reduce the administrative burden for smaller organisations. The proposal is part of the Commission's comprehensive package of regulatory changes aiming to simplify rules and to reduce bureaucracy in the EU.
- On 19 May 2025, the Swedish Authority for Privacy Protection (IMY) (Sw. *Integritetsskyddsmyndigheten*) published its final report on the regulatory sandbox project "Sharing of customer data between banks to counter financial crime" (Sw. "*Delning av kunduppgifter mellan banker i syfte att motverka ekonomisk brottslighet*"). Through the regulatory sandbox, IMY has collaborated with four major Swedish banks exploring the legal possibility of flagging high-risk individuals in a shared system to prevent financial crimes. The project concluded that this type of information sharing constitutes processing of criminal data under Article 10 of the GDPR and that there is probably no legal basis for banks to carry out such processing. That is in part because Swedish bank secrecy laws likely prevent this kind of information from being disclosed.
- On 1 May 2025, new provisions in the Swedish Data Protection Act (2018:218) (Sw. *dataskyddslagen*) came into effect. Under the new provisions, a complainant who has lodged a complaint with IMY may, after three months without a substantive response from the authority, request a decision. If the authority refrains from further supervisory actions, the complainant may appeal such decision. The changes aim to bolster the complainants' right to an effective remedy.

Employment and Incentives

- On 30 May 2025, the Swedish government presented memorandum Fi2025/01199 on legislative changes due to the latest EU Banking Package, which implements the final parts of the Basel 3 Agreement. The memorandum proposes, among other things, stricter suitability requirements for executives in financial institutions and a completely new law with qualifying periods (Sw. *karenstid*) for certain employees of the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). Under this proposal, the head and board members of the authority must report any new employment within 12 months of leaving their positions. Such persons must also observe a 12-month waiting period before transferring to a supervised entity and a three-month waiting period before transferring to a stakeholder organisation (such as a lobbying group). Other persons involved in supervisory activities must report new assignments within six months and may be subject to waiting periods of up to six months if they have acquired certain sensitive information or skills. The new law is proposed to enter into force on 11 January 2026. [More information on the EU Banking Package will follow in future editions of G&D Monthly Digest.](#)
- On 14 May 2025, the Swedish Labour Court (Sw. *Arbetsdomstolen*) ruled in favour of a labour union in a dispute concerning taxi drivers' overtime compensation (case AD 2025 nr 29). The court assessed whether two taxi drivers continued to be employed by a taxi company when performing overtime work or if they instead were employed by a staffing company (as claimed by the employer). The court determined that the employer had failed to prove that the drivers were employed by the staffing company during the performance of the disputed work. Notably, no employment agreements existed with the staffing company and both companies shared the same address and ownership structure. Furthermore, all work was performed using the taxi company's vehicles and equipment. Consequently, the court ordered the employer to pay overtime compensation and vacation pay as well as general damages to each driver and to the union for breach against the terms and conditions of the collective bargaining agreement. The ruling illustrates that multiple-employment arrangements, where the same type of work is performed, do not allow employers to avoid paying overtime compensation (if agreed to, for instance, under a collective bargaining agreement).
- On 21 January 2025, the Swedish Arbitral Tribunal for Inventions and Non-competition Disputes (Sw. *Skiljenämnden i uppfinnar- och konkurrensklausultvister*) published a summary of an award rendered in November 2024. The tribunal assessed the enforceability of a non-compete clause (Sw. *konkurrensklausul*) in an employment

agreement concerning a sales representative. Following a collective bargaining agreement in 2015, a nine-month restrictive period is generally accepted in cases where the underpinning trade secrets warranting a non-compete clause are deemed to be short-lived and as long as the employee is entitled to 60 % of his or her average monthly salary. Nonetheless, in the present case, the non-compete clause was declared null and void in its entirety partly because the remuneration amounting to 60 % of the employee's previous monthly salary of around SEK 40 000 was considered too low.

Environmental, Social and Governance

- On 2 May 2025, the European Commission announced a new call for evidence due to its review of Regulation (EU) 2019/2088 (the Sustainable Finance Disclosure Regulation, "SFDR") (Sw. *disclosureförfordningen*). The SFDR, in application since 2021, sets out how financial market participants have to communicate sustainability information to investors. The Commission's initiative aims to review the rules on sustainable finance disclosure with the objective of simplifying the framework, enhancing its usability and preventing greenwashing. A proposal revising the SFDR is planned in the European Commission work programme for Q4 2025.
- On 15 April 2025, the European Commission published a guidance (C[2025] 2485 final) on Regulation (EU) 2023/1115 (the Deforestation Regulation) (Sw. *EU:s avskogningsförfordning*). The new guidance aims to provide additional simplified measures and clarifications on how to demonstrate that products are deforestation-free. Notably, the Commission expects that the updated measures will significantly reduce the number of due diligence statements that companies need to file under the Deforestation Regulation. Most obligations under the regulation will apply from 30 December 2025.
- On 14 April 2025, the European Council approved the "Stop-the-clock Directive" (Directive [EU] 2025/794). The Stop-the-clock directive delays the implementation of the second and third waves of reporting under the Corporate Sustainability Reporting Directive (Directive [EU] 2022/2464) (the CSRD) (Sw. *EU:s direktiv om företagens hållbarhetsrapportering*) by two years (to 2027 and 2028) and the first wave of the Sustainability Due Diligence Directive (Directive [EU] 2024/1760) (the CDDD) (Sw. *EU:s direktiv om tillbörlig aktsamhet för företag i fråga om hållbarhet*) by one year (to 2028). The Stop-the-clock Directive grants businesses a grace period to prepare for the sustainability reporting and due diligence requirements that they will be subject to under each regime. The directive forms part of the Omnibus I package adopted by the

Commission at the end of February 2025 to simplify EU legislation in the field of sustainability. The Stop-the-clock Directive entered into force on 17 April 2025 and Member States are required to transpose it into national law by 31 December 2025.

EU, Competition and FDI

COMPETITION

- On 26 May 2025, the Swedish Competition Authority's (Sw. *Konkurrensverket*) new regulations and guidelines on merger notifications under the Swedish Competition Act (2008:579) (Sw. *konkurrenslagen*) entered into force. This updated framework (KKVFS 2025:1) replaces the previous one (KKVFS 2010:3). The primary objective of this update is to enhance the efficiency of the Competition Authority's review process and to streamline the procedures for notified concentrations. The regulations will not affect mergers in which there is no overlap between the parties' activities. However, they will entail increased information requirements in case of overlaps. The authority has also issued updated guidance for the notification and review of mergers, in which details are provided on when businesses might need to notify acquisitions falling below the thresholds and specifications regarding information requirements.
- On 20 May 2025, the European Commission adopted the proposals for Council decisions to sign and conclude the EU-UK Competition Cooperation Agreement. This agreement will establish a structured framework for cooperation on competition matters between the Commission and EU Member States' competition authorities on one side, and the UK's Competition and Markets Authority on the other side. The agreement will become effective once both the EU and the UK have completed their respective ratification procedures.
- On 8 May 2025, the European Commission launched a public consultation to seek feedback on its ongoing review of the EU merger guidelines. This review aims to examine how the Commission's assessment should appropriately consider factors such as innovation, efficiency, resilience, competitive time horizons and investment intensity in strategic sectors, sustainability, the evolving defence and security landscape, and other pressing transformational requirements. Stakeholders have until 3 September 2025 to submit responses to the questionnaires.

FDI AND NATIONAL SECURITY

- On 14 May 2025, the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*) announced that it had issued an administrative fine of SEK 12 500 000 against a major bank. The fine is the

result of supervisory action concerning the bank's compliance with the Swedish Protective Security Act (2018:585) (Sw. *säkerhetsskyddslagen*). According to the Financial Supervisory Authority, the bank's protective security analyses had been deficient. Moreover, the bank had violated several provisions of the protective security regulatory framework and thereby had created national security vulnerabilities according to the authority.

- On 5 March 2025, the European Commission published a Call for Evidence seeking feedback on the main objectives, scope and context of its upcoming guidelines regarding the implementation of Regulation (EU) 2022/2560 (the Foreign Subsidies Regulation) (Sw. *Förordningen om utländska subventioner*). The regulation entered into force on 13 July 2023 and enables the Commission to address distortions caused by foreign subsidies and ensures a level playing field for all companies operating in the internal market. The upcoming guidelines will clarify key concepts such as determination of a distortion caused by a foreign subsidy and the application of the balancing test. This is a first step towards the publication of the guidelines, expected to be finalised by 13 January 2026.
- On 10 January 2025, Ramsbury Invest became the first entity to be sanctioned under the Swedish FDI Act (2023:560) (Sw. *lagen om granskning av utländska direktinvesteringar*). The basis for the sanction was that Ramsbury Invest failed to notify the Inspectorate of Strategic Products (ISP) (Sw. *Inspektionen för strategiska produkter*) about its investment in a Swedish defence technology group in December 2023. The sanction imposed on Ramsbury Invest amounted to SEK 200 000. Sanctions under the Swedish FDI Act may amount to between SEK 25 000 and SEK 100 000 000. The company has publicly stated its intention to appeal ISP's decision.

Family Offices and Foundations

- On 19 March 2025, the European Commission unveiled its strategy for the Savings and Investments Union (SIU), aiming to bolster the EU's financial ecosystem by channelling savings more efficiently into productive investments. A significant component of this strategy involves a forthcoming review and enhancement of the European Venture Capital Funds Regulation (Regulation [EU] No 345/2013) (the EuVECA) (Sw. *förordningen om riskkapitalfonder*), scheduled for Q3 2026. The proposed review seeks to broaden the scope of investable assets and strategies permissible under the EuVECA framework. This initiative is designed to foster a more dynamic venture capital market, thereby supporting innovative startups and scale-ups across key sectors such as AI, biotechnology,

and clean technology. By expanding the range of eligible investments, the Commission aims to enhance the attractiveness of the EuVECA label for fund managers and investors alike. This move is anticipated to facilitate greater capital flow into high-growth potential enterprises, contributing to the EU's broader objectives of innovation, competitiveness, and economic resilience. The broadening may also offer family offices more alternatives, given that the EuVECA is tailored to semi-professional investors.

- On 10 March 2025, the Swedish Supreme Administrative Court (Sw. *Högsta förvaltningsdomstolen*) delivered a ruling in case no. 463-24 (HFD 2025 ref. 9). The case concerned a foundation that almost 20 years earlier had been granted permission by the Swedish Legal, Financial and Administrative Services Agency (Sw. *Kammarkollegiet*) to amend a provision in its deed. Much later, it was discovered that the amendment had resulted in an expansion of the group of beneficiaries that the foundation did not intend. The foundation then requested that the agency amend its previous decision on the basis of Section 37, first paragraph, of the Swedish Administrative Procedure Act (2017:900) (Sw. *förvaltningslagen*) as being incorrect, a request that was denied. The Supreme Administrative Court upheld the agency's decision and stated that an amendment to a provision in the foundation deed regarding the foundation's purpose can only be made if the conditions in Chapter 6, Section 1, of the Swedish Foundation Act (1994:1220) (Sw. *stiftelselagen*) are met.
- On 1 January 2025, certain amendments to the Foundation Act came into force. An important amendment was the introduction of a new ground for conflict of interests for representatives (Sw. *ställföreträdarjäv*). This means that, as a general rule, a board member or a trustee may not handle a matter concerning an agreement between the foundation and a legal entity that the board member or trustee may represent alone or together with someone else. Exceptions apply, for example, in intra-group relationships. In addition, other new rules were introduced, including an obligation for the auditor to make a police report in the event of suspicion of certain criminality. The news also includes fees for late submissions of annual reports and audit reports and a ban on board members who do not intend to take part in the board's activities.

Financial Services

- On 21 May 2025, the Swedish parliament approved a package of legislative amendments for enhanced consumer protection in the lending market (government bill prop. 2024/25:138, in Sw. "*Stärkt konsumentskydd på kreditmarknaden*"). Most notably, the legislative changes repeal the Swedish

act which has enabled consumer credit brokers and consumer lenders to operate as consumer credit institutions under authorisation by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*). As of 1 July 2025, when the legislative changes will enter into force, consumer lenders and consumer loan brokers will be required to operate with a licence as a regular credit institution (Sw. *kreditinstitut*). However, existing consumer credit institutions will be permitted to continue operations during a transitional period of a year and, if they have applied for authorisation as a credit institution by that date, their operations may also continue during the application processing time.

- On 16 May 2025, governmental inquiry SOU 2025:60 (in Sw. "*En starkare fondmarknad*") was presented. This marks the first stage of a broader government-initiated review of the Swedish fund regulation framework. The inquiry includes legislative proposals with the aim to modernise fund legislation and enhance the competitiveness and resilience of the Swedish fund market. Furthermore, the inquiry addresses the transposition of the latest amendments to Directive 2009/65/EC (the Undertakings for Collective Investment in Transferable Securities [UCITS] Directive) and Directive 2011/61/EU (the Alternative Investment Fund Managers [AIFM] Directive) into Swedish law. One notable novelty is the new liquidity management tools to help protect investors during market stress and the more flexible redemption rules that give fund managers greater control over liquidity management. Another key proposal is to allow exchange-traded unit classes alongside traditional distribution channels for the same fund. Most changes are proposed to enter into force on 16 April 2026.
- On 13 May 2025, the Financial Supervisory Authority issued delegated regulations and general guidelines for debt collection (FFFS 2025:2) and amendments in regulations and general guidelines on the purchase and servicing of non-performing credit agreements (FFFS 2025:3). The new regulations and guidelines provide rules for applications for authorisation for debt collection activities, as well as detailed requirements which principally stem from the overarching requirement to comply with good debt collection practices (Sw. *god inkassosed*).

Intellectual Property and Marketing

INTELLECTUAL PROPERTY RIGHTS

- On 12 May 2025, the EU Intellectual Property Office (EUIPO) published an extensive study titled "The development of Generative Artificial Intelligence from a Copyright perspective". The study examines the relationship between generative AI and copyright including the evolving

legal landscape associated with it. As of this date, the legal landscape is characterised by the first significant member state ruling establishing a precedent for research exceptions. Furthermore, a licensing ecosystem has emerged between right holders and AI developers, with major publishers securing agreements worth millions. Right holders protect content through various technical measures including website terms, specialised protocols, and detection tools according to the study.

- On 8 May 2025, the Advocate General delivered its opinion in the joined cases C-580/23 (Mio AB v. Galleri Mikael & Thomas Asplund Aktiebolag) and C-795/23 (konektra GmbH, LN v. USM U. Schärer Söhne AG) concerning copyright protection for works of applied art (Sw. *brukskonst*). Notably, the first case concerns a request for a preliminary ruling by the Swedish Patent and Market Court of Appeal (Sw. *Patent- och marknadsöverdomstolen*). The opinion reiterates that there is no higher threshold for copyright protection of utilitarian objects compared to other types of works. For infringement assessments, it must according to the Advocate General be determined if the protected work has been reproduced in a recognisable manner instead of merely focusing on the overall impressions of the two objects.
- On 1 May 2025, the first phase of the new European Design Regulation (Regulation [EU] 2024/2822) (Sw. *EU:s formskyddsförordning*) started to apply. The new design framework entails numerous changes. One obvious change is that a “Community Design” (Sw. *gemenskapsformgivning*) henceforth will be known as a “Registered EU Design” (Sw. *EU-formgivning*). The eligibility of protectable designs has been expanded to include dynamic objects, animations, digital designs, and graphical user interfaces. New infringement provisions explicitly covering 3D printing and digital sharing of designs have been introduced. This comprehensive modernisation aims to better protect designers in an increasingly digital world while making the system more accessible and aligned with technological advancements. The second phase of the EU design reform will apply from 1 July 2026.

MARKETING AND CONSUMER PROTECTION

- On 19 May 2025, the Swedish Consumer Ombudsman (Sw. *Konsumentombudsmannen*) announced that it had taken enforcement actions against ten major retailers due to violations of the Swedish Price Information Act (2004:347) (Sw. *prisinformationslag*). The retailers had failed to correctly disclose the lowest price applied 30 days before a claimed price reduction (in Sw. commonly known as “30-dagarsregeln”). The Consumer Ombudsman issued injunctions with potential penalties totalling SEK 22 million. The

authority’s decisions may be appealed to the Swedish Patent and Market Court (Sw. *Patent- och marknadsdomstolen*).

- On 14 May 2025, the Patent and Market Court partially upheld the Consumer Ombudsman’s claims against a bank regarding unfair contract terms in car leasing agreements (case no. PMT 7494-24). The court prohibited the bank from using contract terms that may allow arbitrary changes of leasing fees based on interest rates, allow discretionary administrative fees, and allow modification of fixed-term contracts without clear justification. The court emphasised that the concerned terms lacked transparency and created significant imbalances between the contractual parties’ rights. While the court rejected some of the Consumer Ombudsman’s claims, a one-month transition period to implement necessary changes was granted to the bank.
- On 8 May 2025, the EU Court of Justice rendered a ruling in case C-697/23 (HUK-COBURG Haftpflicht-Unterstützungs-Kasse) concerning an online comparison website. The referring court had asked whether a grading system for insurance products constituted “comparative advertising” (Sw. *jämförande reklam*) under Directive 2006/114/EC concerning misleading and comparative advertising. The court determined that online comparison services do not qualify as “comparative advertising” when the service provider: 1) is not a competitor of the compared businesses, 2) does not itself offer the products it compares, and 3) operates in a separate market (even when acting as an intermediary allowing consumers to conclude contracts with other businesses).

Real Estate and Environment

- On 22 May 2025, the Swedish Supreme Court (Sw. *Högsta domstolen*) ruled in case no. T 1347-24 (Sw. “*Bergrumsgaraget*”) and classified an underground rock cavern as a “house” under Chapter 12 of the Swedish Land Code (1970:994) (Sw. *jordabalken*). The dispute concerned whether a facility with natural rock walls and ceiling could legally be classified as a “house” for rental purposes. Despite the unconventional setting, the Supreme Court ruled that function prevails over form and determined that a rock cavern can indeed be considered a building or house depending on its design and how it is used. The ruling ensured that the tenant would benefit from tenant protection under Chapter 12 of the Land Code, which governs matters such as tenure security and rent regulation.
- On 15 May 2025, the government submitted a draft legislative bill to the Legislative Council (Sw. *lagrådet*) regarding an improved model for presumption rent (Sw. *presumtionshyra*). The presumption rent system was introduced in 2006

to facilitate the construction of new rental housing. However, limited possibilities for rent adjustments during the presumption period have made rental investments less attractive and landlords are forced to set higher initial rents to compensate. The main proposals in the draft bill include the possibility to adjust rent on an ongoing basis in line with the general rent development and clearer regulation in the way that certain provisions are moved from the Land Code to the Swedish Rent Negotiation Act (1978:304) (Sw. *hyresförhandlingslagen*). Additionally, a new dispute resolution mechanism is proposed. The legislation is proposed to enter into force on 1 January 2026.

- On 12 May 2025, the governmental inquiry SOU 2025:51 (Sw. *Bättre förutsättningar för klimatanpassning*) was presented with legislative proposals regarding climate adaptation measures and financing models to distribute costs between actors who benefit from climate adaptation measures. Eleven amendments to existing legislation are proposed. The amendments include adding climate adaptation as grounds for exemption from shore protection rules, requirements for municipalities to specify climate adaptation measures in comprehensive plans (Sw. *översiktsplaner*), allowing temporary land access for protecting roads and railways from natural hazards, new co-financing model for climate adaptation allowing municipalities to charge property owners up to 50 % of costs for climate adaptation measures protecting their properties (capped at 10 % of the property's market value), and expanded responsibility for coastal protection against sea level rise. The majority of the legislative amendments are proposed to enter into force on 1 January 2027.

Gernandt & Danielsson is one of the leading business law firms in Sweden. The firm's specialist team covers all specialist practice areas of the firm including AI, competition, data protection, employment, EU, environment, FDI, financial services, intellectual property and marketing, IT and technology, public procurement, and real estate. The team is led by Niclas Rockborn.