We are open about the way we are structured
Ingvar Kamprad comments

“Already back in the 60’s, I started to look for ways to ensure IKEA could be kept as a private company to secure true financial independence and thus the freedom to have a long term view on our investments and in business development. I have often referred to that as securing “eternal life” for IKEA.

At that time, the wealth tax and inheritance tax (in combination with income tax) regime in Sweden was unsuitable for private ownership so I was forced to look for other options. I didn’t want to take IKEA public and lose control.

My solution was to set up what was to become the current franchise structure with the two separate companies: Inter IKEA and IKEA Group – owned by two separate foundations. I decided to give IKEA to those independent foundations. By doing so I relinquished the rights to ownership and future earnings but retained some influence on the future direction of the companies.

My main interest lie in securing that IKEA could continue to operate with the same purpose and set of values that I felt had been the formula for IKEA’s success – even after I personally relinquish control or pass away. This could be best accomplished by the foundation structure.

My priority was to ensure that the majority of profits would either be reinvested in the business or used for philanthropic purposes. As an emerging global company, I also had to ensure that we were structured in tax efficient ways to avoid the burden of double taxation.

**Inter IKEA**, owned by Inter IKEA Holding S.A., based in Luxembourg, would own the right to the IKEA concept and thus become the franchisor with responsibility to protect the brand and further develop the concept.

**IKEA Group**, owned by INGKA Holding B.V., based in the Netherlands, became the main franchisee (among other independent franchisees), as well as the company responsible for product development and total supply chain.

**The foundations**
The characteristic of a foundation is that it owns itself. Subsequently, funds held by a foundation can only be used for purposes determined by the foundation’s statutes.

**Interogo Foundation**, based in Liechtenstein, is the owner of Inter IKEA Holding S.A., the parent company of the Inter IKEA Group. Interogo Foundation is an enterprise foundation whose entire purpose is to invest in expansion of the company business and secure longevity. In other words, funds held by the Interogo foundation are kept as a financial security only to be used in the event of Inter-IKEA experiencing financial difficulties. Funds could also be used to support individual IKEA retailers experiencing financial difficulties and for philanthropic purposes.

The Interogo foundation is controlled by my family and is managed by a board of directors (Stiftungsrat) consisting of external board members only.
Stichting INGKA Foundation, based in The Netherlands, is the sole owner of INGKA Holding B.V., the parent company of the IKEA Group. The statutes of that foundation determine, similarly, the two sole purposes of the foundation to be to secure necessary financial security and longevity for the IKEA Group and to support philanthropic programs through the Stichting IKEA Foundation, according to the statutes of that foundation. The foundation is lead by a five member board of directors, on which my family has two seats.

Taxes
It goes without saying that both Inter IKEA and the IKEA Group pay taxes, as any other company, in every country they operate around the world. The operations comply with all relevant laws and regulations and thus pay taxes accordingly. However, we have always viewed taxes as a cost, equal to any other cost of doing business. An optimized tax structure allows us the flexibility to use funds, that have already been taxed in one market, in new markets for further business development without the additional burden of double taxation. IKEA has grown to become a global and well recognized brand that contributes to the publicity of Sweden around the globe. But our roots are in Småland in the south of Sweden. And we are very proud of that.

For further questions regarding Ingvar Kamprad, please contact Per Heggenes on per.heggenes@ikeafoundation.org, or by +31 6 1313 9958