

COUNTRY GUIDE

DENMARK

Once an important seat in Viking society, Denmark has evolved into one of the most prominent Scandinavian nations with a modern and one of the most stable economies in Europe. Regardless of its small size and population, Denmark holds an important role in European history dating back to the Iron Age, and to this day is still a mayor player in the general political and economic integration of Europe. While Denmark is a member of the European Union, it has opted out of certain elements of the EU's Maastricht Treaty, including adopting the Euro as its official currency.



ROBUST DOMESTIC ECONOMY

While a small country, Denmark ranks within the top 40 largest economies in the world (based on nominal GDP). Its economy is diverse with a mixture of agriculture, industry, and services. The latter accounting for about 75% of the country's GDP. Denmark's economy is characterized by a balanced state budget, stable currency, low interest rates and low inflation, making it one of the strongest in Europe.

EASE OF DOING BUSINESS





According to the World Bank's Ease of Doing Business Index, Denmark tops the ranking as the easiest place to do business in Europe and is #4 in the world. After introducing measures to improve establishment procedures to faster, more informal and cost-efficient processes, including the simplification of a number of legal procedures, Denmark has improved its offering to international businesses even further.

SERVICES SECTOR

The services sector is by far the largest contributor to the Danish economy, employing about 80% of the country's population. The services sector is comprised of a strong banking sector with a high degree of concentration (over 85% of assets are owned by domestic banks), a growing tourism sector, and an important trade and transport services sector.

ONE OF THE HAPPIEST COUNTRIES IN THE WORLD

The World Happiness survey, a report released by the UN's Sustainable Development Solutions Network, measures how happy a country's citizens perceive themselves to be. Denmark has consistently ranked at the top of this list for many years. It is currently in the second spot behind Finland.

 Geography 	Location: Denmark is located in northern Europe, bordering the Baltic Sea to the east and the North Sea to the west. This small country sits on a peninsula north of Germany and also includes several major islands (Sjælland, Fyn, and Bornholm) Area: 43,094 sq km Time zone: Central European Standard Time (GMT+1)
 Population	5,869,410 (<i>July 2020 est.</i>)
 Language(s)	Danish, English, Faroese, Greenlandic, German
 Economy	Agriculture, Tourism, Energy, Transportation
 Capital City	Copenhagen
 Currency	Krone (DKK)
 Political structure	Parliamentary constitutional monarchy
 Legal system	Civil Law, judicial review of legislative acts

This information is not intended to provide legal advice or serve as a substitute for legal research to address specific situations.

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Main Types of Legal Entities

	LIMITED LIABILITY COMPANY (KAPITALSELSKAB)	GENERAL PARTNERSHIP (INTERESSENTSKAB, I/S)	LIMITED PARTNERSHIP (KOMMANDITSKAB, K/S)	BRANCH OFFICE (FILIAL)
Share capital				
Minimum paid-up	Private limited company: DKK 40,000 Public limited company: DKK 400,000	No minimum requirement	Minimum of DKK 1 for each limited partner	N/A
Maximum authorized	No maximum	No maximum	No maximum	N/A
Usual currency	Krone (DKK)	Krone (DKK)	Krone (DKK)	Krone (DKK)
Permitted currencies	Krone (DKK)	Krone (DKK)	Krone (DKK)	Krone (DKK)
Domiciliation				
Registered address	Required	Required	Required	Required
Directors				
Minimum number	Private limited company: One. Public limited company: a board of at least three.	Not required, partner managed	Not required, managed by general partner(s)	One
Minimum local	No requirement	No requirement	No requirement	No requirement
Corporate directors	Allowed	Allowed	Allowed	Allowed
Statutory				
Annual filing	Required	Required	Required	Required
Company secretary	No requirement	N/A	N/A	N/A
Annual general meeting (AGM)	Required	Required	Required	N/A
Beneficial owner reporting	Required for those who hold or control at least 25% of the shares	Required for those who hold or control at least 25% of the shares	Required for those who hold or control at least 25% of the shares	Required for those who hold or control at least 25% of the shares
Re-domiciliation	Allowed	Allowed	Allowed	Allowed
Financial administration				
Audit required	Required. If company is under reporting class B, it can opt out if it meets one of the following: <ul style="list-style-type: none"> ➤ 12 or more employees in the last two years ➤ Balance sheet of DKK 4 Million in last two years ➤ Turnover of DKK 8 Million in last two years 	Required where the general partnership meets certain criteria regarding partners, number of employees, balance sheet total and net turnover	Required where the limited partnership meets certain criteria regarding partners, number of employees, balance sheet total and net turnover	Not required
Filing of annual return	Filed annually with the Danish Business Authority	Filed annually with the Danish Business Authority	Filed annually with the Danish Business Authority	A branch must file annual reports of the foreign company with the Danish Business Authority

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Tax				
Tax rates	22%	Each partner is taxed individually	Each partner is taxed individually	22%
VAT	25%	25%	25%	25%
Tax treaties	Negotiated with 84+ countries	Negotiated with 84+ countries	Negotiated with 84+ countries	Negotiated with 84+ countries
Other taxes	Withholding tax, payroll tax, customs duties, property tax, stamp tax, etc.	Withholding tax, payroll tax, customs duties, property tax, stamp tax, etc.	Withholding tax, payroll tax, customs duties, property tax, stamp tax, etc.	Withholding tax, payroll tax, customs duties, property tax, stamp tax, etc.
Government fees				
Registry fee	DKK 670	DKK 670	DKK 670	DKK 670
License fee	Required only for some professions and activities	Required only for some professions and activities	Required only for some professions and activities	Required only for some professions and activities
Incorporation process				
Summary	<p>Registration with the Danish Business Authority requires:</p> <ul style="list-style-type: none"> ➤ Memorandum of Association ➤ Articles of Association ➤ If share capital paid in assets other than cash, a valuation report must be included ➤ Opening bank account <p>The application must be submitted two weeks after Memorandum of Association is signed</p>	<p>Registration with the Danish Business Authority requires:</p> <ul style="list-style-type: none"> ➤ Memorandum of Association ➤ Articles of Association ➤ If share capital paid in assets other than cash, a valuation report must be included ➤ Opening bank account <p>The application must be submitted two weeks after Memorandum of Association is signed</p>	<p>Registration with the Danish Business Authority requires:</p> <ul style="list-style-type: none"> ➤ Memorandum of Association ➤ Articles of Association ➤ If share capital paid in assets other than cash, a valuation report must be included ➤ Opening bank account <p>The application must be submitted two weeks after Memorandum of Association is signed</p>	<ul style="list-style-type: none"> ➤ Registration with the Danish Business Authority, including filing specific information about the foreign parent company. ➤ Must open a bank account for incorporation.
Time	1-2 days	1-2 days	1-2 days	Several weeks
Other				
Are shelf corporations available?	Yes	N/A	N/A	N/A

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CT Service Offerings – Denmark

Global Transactional Services

- Due diligence searches
 - Certificate of Good Standing (or equivalent)
 - Health check services
 - Liens/charges
 - Litigation
 - Bankruptcy
- Document retrieval
 - Articles of Incorporation
 - Memorandum of Association
 - Chamber of Commerce Extract
- Authentications & legalizations
- Board changes
- Company searches
- Incorporations
- Liquidation of entities
- Process agent appointments
- Translation services
- Global Entity Management

Corporate Secretarial Services

- Annual Compliance
 - Statutory filings
 - Annual board resolution drafting
 - Corporate minute book management
- Domiciliation/Registered address
- Director Services and Legal Representation



To learn more about how CT can help you better manage your global compliance needs, contact a CT representative at 855.444.5358 (toll-free U.S.).

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