



# NEWS INTERNATIONAL

E-MAIL NEWSLETTER  
Eighth edition of 2020

**Dear Sir or Madam,**

## **Come and do business in Denmark!**

In Denmark, we are proud to say that we are one of the easiest countries to establish a business setup, because everything is digitalized, and all registrations are done promptly.

In recent years, Denmark has been in the top 4 (3-4) in studies done by the World Bank Group, regarding best places in the world to establish and do business. As an added plus we are also one of the “happiest” countries in the world in international studies.

In Denmark, business will be conducted through companies, by partnerships or by individuals acting as sole traders.

Most foreign investors prefer to set up a new business under one of the following types of companies, as they are regulated by law:

- Public limited companies (A/S). Requirements for share capital DKK 400,000, only 25% of the initial share capital DKK 100,000 must be fully paid up before registration.
- Private limited companies (ApS). Requirements for share capital DKK 40,000
- Branches (of foreign limited companies).

Foreign individuals and companies are allowed to own a Danish company by 100%.

## **Establishment procedures**

If you instead want to register a branch office the following documents must be submitted:

- A certification on the legal existence of the foreign company in its home country.
- A certified power of attorney to a branch manager.
- Documentation with respect to the person authorized to sign for the foreign company.

## **Corporate Taxation**

Taxable income - including capital gains - is subject to a corporate tax of 22%. The tax rate is identical for A/S, ApS and branches.

A company resident in Denmark is subject to corporate tax on income and gains from Danish territory. A company is resident in Denmark for tax purposes if it is incorporated in Denmark and its effective management is done within the country.

### ***Limited tax liability***

Foreign companies can be subject to limited tax liability either through a branch or a permanent establishment or through withholding taxes on certain types of Danish source income.

### ***Permanent establishment***

If you chose to do business through a branch the income is subjected to tax on all income received by the branch.

### ***Dividends***

Dividends from Danish companies can be distributed without withholding tax

If you as an investor are planning to set up a subsidiary in Denmark as an A/S or ApS.

The memorandum of association must provide certain formal information including names and addresses of the founders etc.

provided if certain requirements are fulfilled.

**Best regards**



Søren Larsen



## The author

Søren Larsen is a partner and CEO in Baagøe Schou, Copenhagen, Denmark, the Danish member of GMN International.

Søren is active in the GMNI's European and International board and European President.

Søren services as well Danish as international clients in tax, auditing and accounting matters, etc.

## Søren Larsen

Partner, CEO

### Contact

Baagøe Schou  
Fiolstræde 44, 3. th.  
1171 København K  
Denmark  
Phone +45 35 24 59 23  
Mobile +45 20 74 54 05  
Mail [SL@bsrev.dk](mailto:SL@bsrev.dk)

## Company presentation

### B a a g ø e | S c h o u

Since 1970, Baagøe Schou has serviced clients based on our core values of our corporate culture and embodied in the following three words:

#### **Responsible**

We are accountable to ourselves and our clients, and we know when to say "go" and when to say "no".

#### **Open-minded**

We see opportunities instead of limitations and use our open-mindedness to bring out the best in everyone.

#### **Foresighted**

We are constantly developing, both professionally and personally.

Baagøe Schou is part of the largest Danish network of accounting firms, RevisorGruppen Danmark, which includes more than 1,500 employees. Through this membership we are also joint owners of a specialized tax advising company, Revitax.

Further, we use our colleagues in GMN International in addition to our own expertise.



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Anton-Jordan-Straße 1, 56070 Koblenz, Telefon +49 (0) 261 94 31-438, E-Mail: [international@dornbach.de](mailto:international@dornbach.de)

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