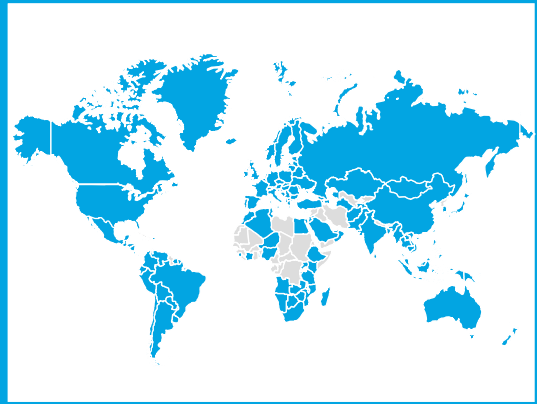


EXPATRIATES

Denmark

Tax facts for international assignees



INCOME TAX: WHO IS LIABLE

A resident in Denmark must file a Danish Tax Return.

A non-resident is only taxable on income from Danish sources and must file a Tax Return. The Danish-source income includes income from a permanent establishment in Denmark, salaries paid in Denmark for work performed in Denmark, directors' fee, real property in Denmark, dividends, royalties and similar income.

The filing date for Tax Returns is 1 May or 1 July of the following income year.

Denmark will allow credit for taxes paid abroad.

BREAKING RESIDENCY - EXIT PROCEDURES

An individual is no longer resident in Denmark if the house/apartment in Denmark is disposed of or rented out for a binding period of at least 3 years.

In case of residency in Denmark it is possible to obtain salary income abroad and be exempted from taxation in Denmark if the stay abroad will last for longer than 6 month and the stay in Denmark will not exceed 42 days as a maximum in any 6 month period. A detailed calendar is recommended.

If an individual has been living in Denmark for 7 years within the last 10 years, he/she could be liable to Danish exit taxation and will have to value certain assets to fair market value at the date of leaving Denmark (if market value exceeds 100,000 DKK). A tax on unrealized gains will be calculated, but payment of the tax can be postponed.

Exit taxation could also apply to foreign assets, where the 7/10 years rule is not applicable.

Contributions to an employer pension fund during the assignment should in most instances be re-organized.

When the individual leaves Denmark he/she will have to de-register at the National Register. However the tax return will have to be filed the following year.

INCOME TAX RATES

Tax rate	
32.84 %	Expatriate Tax Regime flat Rate Tax (max. 7 years)
38.9 / 40.0* %	Marginal Tax Rate for income below DKK 531,000 yearly
56.5 %	Marginal Tax Rate for income above DKK 531,000 yearly

*If income below 195,800 DKK

SOCIAL TAX RATES

DKK 1,136 - Employee contribution (yearly).

Approx. DKK 10 - 15,000 - Employer contribution (yearly).

If an individual is assigned to perform work in another country and Denmark has entered into a totalization agreement with this country, then it is possible to provide relief from paying double social security contribution. For EU member states, Norway, Iceland, Liechtenstein and Switzerland, an A1 Certificate must be obtained from the National Social Security Agency.

For further information and to register for future updates contact expat@bdo.global

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