

Denmark

Danish VAT is known as "Merværdiafgift" (MOMS).

The standard VAT rate is 25%, and a reduced rate of 0%.

The Faeroe Islands and Greenland are not part of Denmark or the EU.

An extensive overview of the VAT rates applied in Denmark can be found at:
http://ec.europa.eu/comm/taxation_customs/taxation/vat/how_vat_works/rates/index_en.htm

It is not necessary to appoint a Danish fiscal representative to claim a VAT refund under Directive 2008/09/EC or the 13th Directive.

EU businesses (Directive 2008/09/EC)

A foreign taxable person is entitled to recover Danish VAT if the following conditions are satisfied:

- The business is not registered, liable or eligible to be registered for VAT in Denmark;
- The business would have been liable to register for VAT in Denmark if established in Denmark; and
- The business has not rendered any taxable supplies in Denmark, except for:
 - Certain tax exempt transportations by busses registered in other countries;
 - Certain tax-exempt cross-border transportation;
 - Supplies for which the reverse charge mechanism applies; and
 - Electronically provided supplies where the foreign taxable person opted for application of the special regime for non-established taxable persons supplying electronic services to non-taxable persons.

VAT cannot be recovered on:

- Meals for the owner and staff of the enterprise. However, VAT on meals in the form of restaurant bills incurred for business purposes is partly refundable;
- The acquisition and running of places of residence for the owner and staff of the enterprise;
- The acquisition and operating costs connected to holiday homes, weekend houses, etc., for the owner and staff of the enterprise;

- Entertainment expenses, representation costs and gifts. However, VAT on business entertainment in the form of restaurant bills is partly refundable;
- The acquisition, repair and operation of motor vehicles designed for the conveyance of not more than nine persons; however, VAT on long term leasing of passenger cars is partly recoverable under certain conditions; and
- Payments in kind to the staff of the company.

No more than 25% of VAT may be recovered on restaurant bills and no more than 50% of VAT on hotel accommodation. As a general remark and in order to (partially) deduct VAT, the cost must strictly be borne for business purposes.

There is a right to deduct a specific amount of VAT for companies that lease passenger cars if:

- The leasing period is at least six months; and
- The vehicle is used for business/VAT purposes for at least 10% of the annual mileage.

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than DKK 3,000; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than DKK 400.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

Filing

The application must be submitted electronically through the portal of the tax authorities in the country in which the claimant is established (https://www.skat.dk/front/appmanager/skat/ntse?nfpb=true&pageLabel=login_page&nfls=false for claimants established in Denmark)

The application must be filed at the latest on 30 September of the calendar year following the refund period. The deadline will not be extended.

Danish businesses should submit the application in relation to a refund of VAT in other EU member states through the above website.

The request may be submitted by the applicant or an authorized person. If that person is a non-established business, it should register in Denmark for refund purposes before filing the refund claim. The registration form can be obtained through the following website: [http://www.virk.dk/myndigheder/stat/ERST/Registration_of_Non-Danish_Company_Start - 40112](http://www.virk.dk/myndigheder/stat/ERST/Registration_of_Non-Danish_Company_Start_-_40112)

Section 14 of the registration form should indicate that the foreign non-established business is applying for an SE number only in relation to a VAT refund.

IT requirements

Danish taxpayers registered for VAT purposes can file a refund claim electronically using the refund menu in the "TastSelv – Erhverv" service from the Danish authorities, through the following web portal: www.skat.dk. The business will gain access to "TastSelv – Erhverv" once it registers for VAT purposes in Denmark.

The form can be completed by uploading a file in CSV or TXT format.

Access is granted by using the taxpayer's "TastSelv" code or a digital signature. If the taxpayer does not have a "TastSelv" code or digital signature, it can request one from the homepage of the Danish tax authorities.

The following information should be filled in:

- General information relating to the taxpayer, bank information and the period for which the refund is requested;
- List of invoices in which each document can be manually typed in or where all documents can be uploaded in a semicolon separated format;
- Annexes: scanned invoices/annexes can be uploaded, taking the following into account :
 - Maximum one file per country for which a reclaim has been made;
 - File types accepted : JPEG, PDF or TIFF;
 - Maximum file size: 5MB.

Follow up on submitted claims

The claimant or a third party with a power to attorney to act on behalf of the claimant can follow up on the status of a VAT refund claim.

The power of attorney should state the name, address, phone number and VAT number of the claimant and the representative or third party. If the refund is to be paid to the representative, this also should also be included in the power of attorney. The power of attorney should be dated and signed by both parties and can be accepted in Danish, English or German.

Supporting documentation

The Danish authorities can request additional documents/information.

The Danish tax authorities must issue a decision on the refund claim within four months of receipt of the claim:

- The authorities can reject the application in whole or in part and so inform the claimant;
- The authorities can accept the refund claim and so inform the claimant;
- The authorities can request additional information and so notify the claimant via electronic means. The claimant must provide all information within one month of receipt of the notification.

The period in which the authorities must make a decision will be extended to six months where additional information is requested or eight months where the authorities request additional information after a first request.

If a refund is granted, it will be processed within 10 business days after the relevant period and paid to the bank account number provided to the authorities. Possible transaction costs are to be borne by the business. This bank account can be held by the claimant, a proxy holder or any other person.

The Danish tax authorities will be liable for late payment interest if the refund is not processed in a timely manner.

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal of the rejection may be made to the Danish National Tax Tribunal within three months from the notification of the rejection.

Non-EU businesses (13th Directive)

Reciprocity is not required.

Minimum amounts

If the application relates to a period of less than one calendar year but not less than three months, the amount for which application is made may not be less than DKK 3,000; if the application relates to a period of a calendar year or the remainder of a calendar year, the amount may not be less than DKK 400.

Time limits

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

The application must be submitted to the Danish tax authorities at the latest on 30 September of the calendar year following the refund period. The deadline will not be extended.

Application forms

The claim is made on Form 31.004, issued by the Danish tax authorities. The form must be completed in Danish, English, German or Swedish, and the amounts stated in DKK. Application forms can be obtained from the local VAT offices or downloaded at:

<http://www.skat.dk/getFile.aspx?id=39972&newwindow=true>

If specifications must be made, Form 31.016 must be completed. This form can be obtained at: <http://www.skat.dk/getFile.aspx?ID=10735&newwindow=true>.

All invoices must be listed in the attachment to the application form. An excel spread sheet may be used to provide an overview of the claimed amounts.

The application must be signed by a person who is legally entitled to represent the company (e.g. managing director). Otherwise, a letter of authority should be provided. The form and supporting documentation must be sent to:

Skattecenter Toender
8/13 moms
Pionér Allé 1
DK-6270 Toender
Denmark
T: + 45 72 22 18 18
www.skat.dk

Applications cannot be filed electronically.

However, in the case of foreign companies crossing the bridge Oeresundsbroen (i.e. bridge between Denmark and Sweden), applications for a refund of VAT on toll charges must be sent to the Swedish tax authorities.

Companies in Austria, Czech Republic, Faroe Islands, Germany, Greenland, Iceland, Poland, Slovakia and Slovenia must contact:

Skatteverket
Utländsenheten
SE-205-31 Malmö
Sweden
skattekontor1.malmo@skatteverket.se

Companies in other countries must contact:

Skatteverket
Utlandsenheten
SE-106 61 Stockholm
Sweden
stockholm@skatteverket.se

Refunds of VAT on the toll charges cannot be obtained by contacting Skattecenter Toender in Denmark.

Supporting documentation

When a non-EU business initially applies for a VAT refund in Denmark, it will be given a registration number, which the business must use each time it applies for a VAT refund. The registration number is strictly a VAT refund number; it is not a Danish VAT number.

The following documents must be submitted with each application:

- Original invoices or import documents (copies are not accepted). However, sales tickets or bills for not more than DKK 3.000 that are issued by retailers or other firms whose sales are made predominantly to private consumers may be used as documentation;
- An original certificate of VAT status confirming that the claimant is registered for VAT purposes in its country of residence/carries out economic activities in its country of residence. The certificate may not be more than one year old;
- A certificate stating the use of the purchased goods and service covered by the claim, which is stated directly on the application form; and
- A certificate stating that the taxpayer has not carried out any activities in Denmark that require a VAT registration. This is stated directly on the application form.

Refunds and appeals

The Danish tax authorities must issue a decision on the refund claim within eight months of receipt of the claim.

If the refund is granted, it will be processed on the bank account number as provided to the authorities. The business will be liable to pay possible transaction costs. The authorities will sign and return all original invoices and import documents to the business.

E-invoicing

There is no specific procedure to reclaim VAT under Directive 2008/09/EC or the 13th Directive on the basis of e-invoices.

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