

## WHY DENMARK?

Maybe you have not thought about Denmark as an experienced jurisdiction in tax planning yet; so below we indicate different cases to show you how to use in an efficient way the corporate solutions offered by a country widely renowned “high tax level”

Many aspects make Denmark a proper country for doing business:

### **DANISH HOLDING REGIMES**

#### **ESTABLISHMENT OF DANISH HOLDCO**

- Creation within 1 day.
- No notary requirements.
- No capital duty. No share transfer duty.
- Contributions in kind with/-out share consideration.
- Settle for either a director or a board of directors.
- Minimum capital EUR 10,750.
- Tax resident based on registration criteria

Danish Holding Company is, therefore, an excellent corporate instrument for: holding shares into subsidiary companies and for holding real estate

#### **DANISH TRADING COMPANY**

Provided some conditions, it's possible to reduce sensibly the standard corporate tax (25%). This means that a Danish trading company is a valuable instrument for intra EU goods trading, import-export, invoicing services and triangulations.

Requirements for setting up a trading company are the same of above (Holding company)

#### **DANISH INVESTMENT COMPANY**

The Danish Investment Company (DIC) is a fully tax-exempt entity which can be used to invest in securities. Foreign investors will in most cases not be taxable in Denmark of income from DIC if certain ownership requirements are met.

The local tax position of the foreign investor must of course be considered.

DIC Definition:

1. a collective investment undertaking covered by Council Directive 85/611/EEC (UCIT);
2. a company investing in securities whose units (shares) may be repurchased or redeemed at the unit holders 'request out of the company's assets at net asset value; or
3. a company whose business is investment in securities and which has at least 8 (unrelated) shareholders (Collective Investment).
4. Can be established as an ordinary public limited company (Aktieselskab (A/S)) or a private limited company (Anpartsselskab (ApS))

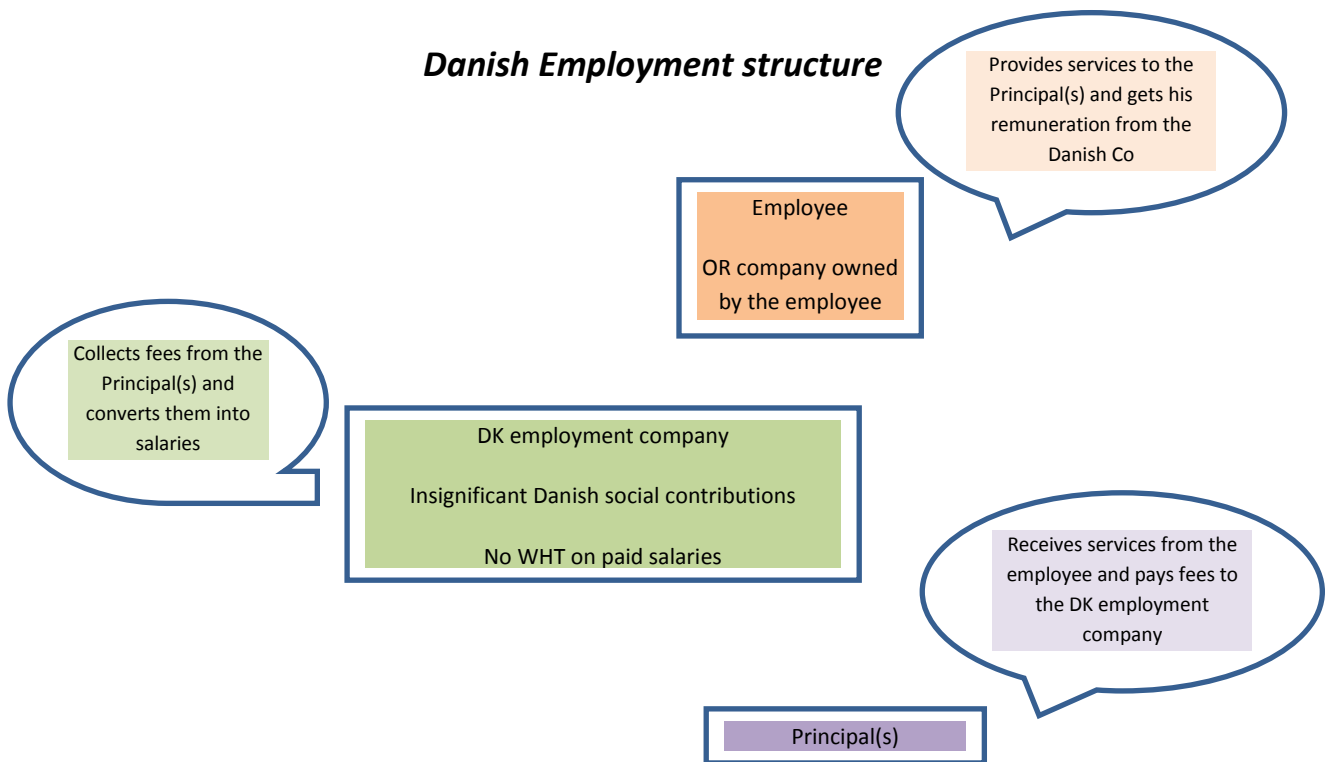
## ***DANISH EMPLOYMENT OPPORTUNITY***

Danish employment structure is appropriate for persons having assignments outside their country of residence and benefitting from a tax-regime similar to the UK regime for non-domiciled. It can also be a reputable corporate vehicle to collect incomes for persons not taxed on their incomes anywhere. The qualifying person will be employed by a Danish company, which will collect the remunerations from the different assignments and pay a salary to the employee against the collected fees.

Main advantages:

- No income tax on the salary paid by the Danish company in Denmark;
- Minor social contributions payable in Denmark;
- Reasonable costs as only a small profit margin is to be left for taxation in the Danish company.

### ***Danish Employment structure***



## ***DANISH SHIP REGISTRATION***

The Danish Tonnage Tax regime is based on EU's Community Guidelines on state aid to maritime transport. Under the Danish Tonnage Tax Regime, the owner's tax is not calculated on the basis of its actual income and expenses but of the net tonnage carrying capacity of its vessels. Salary paid to seafarers on vessels registered in the Danish International Ship register is tax-exempted and paid as a net salary allowing the owners to limit their expenses for manning of vessels.

The regime may be applied by the following companies operating a shipping business covered by the Tonnage Tax Act:



- Danish registered companies
- Foreign companies becoming resident in Denmark by moving the management's domicile to Denmark, and
- Foreign companies resident in another EU Member State if these companies have a permanent establishment in Denmark

### ***DANISH AVIATION STRUCTURE***

The Danish OY-registration (Danish Civil Aircraft Register) is accepted and recognized worldwide. There are no geographical restrictions as to where an OY registered aircraft can be operated from the Danish Civil Aviation Authorities side, as long as the operator is certified. Furthermore, the jurisdiction itself is highly reliable with a strong solid tradition and excellent infrastructure. When it comes to Aircraft, it can be noted that until 2010 all operations within the aviation industry was under a VAT rule of 0 %. This made Denmark the most favorable jurisdiction in Europe for private aircraft management. Having adjusted Danish legislation to the rest of Europe, there are still procedures to reduce the VAT to an absolute minimum even for private companies operating their own aircraft under strictly private conditions.

For more information please feel free to contact us: [info@trust4trust.com](mailto:info@trust4trust.com)