

Denmark

VAT Standard rate

The standard VAT rate in Denmark in 2023 is 25%.

Threshold

For digital services, the threshold is the same as for goods – €10,000.

Pieces of evidence

It is very important to correctly determine the location of the buyer. To do this, it is necessary to reliably establish at least two elements from the following:

- Customer's permanent address;
- Billing address (bank or electronic payment operator);
- Internet Protocol (IP) address;
- Telephone number;
- The location of the customer's fixed landline through which the service is supplied to him;
- Other commercially relevant information.

And if two of them are in Denmark, the customer may be determined as Danish.

E-services list

EU legislation states that a digital product is any product that is stored, delivered, and used in an electronic format. These are goods or services that a customer can receive by e-mail, downloading them from the Internet, or by logging into a website, in particular:

- Electronic books, images, movies, and videos, whether buying a copy from Shopify or using a service (for example Amazon Prime). In tax materials, these products are referred to as "Audio, visual or audiovisual products";
- Downloadable and streaming music, whether buying an MP3 or using music services;
- Cloud-based software and as-a-Service products (SaaS, PaaS, IaaS);
- Websites, site hosting services, and Internet service providers;

- Online ads and affiliate marketing.

Registration procedure

Taxable persons registered shall register via the Government portal using ‘E-tax for businesses’ (“TastSelv Erhverv”). The following information is to be provided to the Tax Authority upon registration:

Taxable persons registered outside the European Union (non-Union scheme):

Full information about the company:

- Company’s name, a trading name of the company (If applicable), full postal address, email address and website of the taxable person, name and phone number of the contact person;
- National tax number (If applicable);
- Country in which the taxable person has his place of business;
- International bank account number or IBAN number and BIC;
- An electronic declaration that the taxable person is not registered for VAT within the Union;
- Date of commencement of using the scheme.

Taxable person established in Denmark (Union scheme)

- Company’s name, a trading name of the company if different from the company name, full postal address, email address and website of the taxable person, name and phone number of the contact person, BIC number;
- Tax identification number in Denmark;
- Full postal address of fixed establishment(s) situated in other Member States of the European Community;
- VAT identification number issued to the taxable person by any Member State of the European Community where the taxable person is not established;
- VAT identification number issued by any Member State of the European Community where the taxable person’s fixed establishment is located, or tax reference number in the absence thereof;
- Country where the taxable person is established if established outside the territory of the European Community;
- Date of commencement of using the scheme;
- International bank account number number.

Keeping records

You must keep records of your activities for at least 10 years from the end of the year in which the service was provided. If requested, you must provide digital copies.

Filing VAT returns

EU VAT returns are due quarterly. You must submit a declaration and pay the tax within 20 days after the end of the quarter.

- 20 April, for the Q1 ending 31 March;
- 20 July, for the Q2 ending 30 June;
- 20 October, for the Q3 ending 30 September;
- 20 January, for the Q4 ending 31 December.

VAT payment date

Payment must be made before the deadline for filing a tax return. Ideally, make the payment together with the provision of reports. Please note that when making a payment, you must specify a unique number of that return.



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