

# Denmark

This guide is for e-commerce companies that sell online via web stores or at marketplaces.

## VAT Standard rate

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

## VAT Reduced rate

A special reduced rate of 0% applies to certain goods and services that are generally of increased social importance (for example, newspapers; hospital treatment; insurance and reinsurance services; most financial transactions, including cash deposits and loans).

## Threshold

Since July 1, 2021, new rules have been introduced throughout the EU, according to which the threshold is €10,000.

## Deductible VAT

VAT due or paid on the following transactions can be deducted:

- Domestic supplies of goods or services and transactions treated as such;
- Intra-EU acquisitions of goods and transactions treated as such;
- Importation of goods.

## Registration procedure

To register, you must send a package of the following documents by e-mail:

- A form filled out in accordance with the rules;
- A copy of your passport/ID;
- A copy of the company's registration certificate in your established.

After reviewing your application, the tax office may request additional documents.

## Tax representative

There is no liability to appoint a tax representative in Denmark.

## VAT returns filing date

The period for filing tax returns depends on your turnover and several other conditions.

Filing period	Annual turnover
Quarterly	DKK 5-50 million (€670.000 – €6.700.000 )
Half a year	Less than DKK 5 million

However, even if your turnover is less than DKK 5 million, the IRS may impose a quarterly filing regime if you fail to file your tax returns and pay taxes on time. Besides, you need to file a VAT return quarterly if your business is new and if you have requested quarterly settlement.

The deadlines are 1st day of the 3rd month after the end of the quarter or half-year in case of the VAT returns are submitted on a quarterly or half-yearly basis.

## VAT payment date

It is better to pay taxes together with the filing of the tax return. The payment deadline coincides with the deadline for filing tax reports.

## Keeping records

For various reasons, the obligation to keep documentation is set from 5 to 10 years.

## Penalties

Interest is accrued starting from the date of late payment until the payment is made. This also applies to fees.

The interest rate is 0.7% a month in the 2021 year.



[www.vatcompliance.co](http://www.vatcompliance.co)