

Denmark

Goods

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 2024 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

Enterprises without a place of business or permanent residence in Denmark have to register through a VAT representative. Unlike a business, a representative must have a place of business or a registered office in Denmark. The representative is also jointly responsible for filing the VAT return and paying the value-added tax.

Enterprises from UK, Norway, Iceland and EU countries are exempt from the obligation to appoint a tax representative.

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

If the declaration is not filed, the amount owed will be assessed using estimates, resulting in a fine of DKK 800 and a reminder fee of DKK 65. In addition, 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 2023.

Digital

VAT Standard rate

The standard VAT rate in Denmark in 2024 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.