



Establishing a Regional Headquarters in Denmark

Why Denmark?

- Best Entry Point into the European Market
- Easiest Place in Europe to Do Business¹
- Best Hiring & Firing Practices²
- Most Skilled Labour Force³

1 - WORLD BANK, DOING BUSINESS REPORT, 2 - WEF, 3 - IMD

Photograph: Copenhagen Media Center / Thomas Hoyrup Christensen

Low Company Establishment Costs

Establishing a business in Denmark is easy and cost-effective

Limited liability companies

The most commonly used limited liability companies in Denmark are the private limited company (ApS) with a share capital of DKK 50,000 (approx. EUR 6.727) and the public limited company (A/S) with a share capital of DKK 500.000 (approx. EUR 67.266). A “start-up” company (IVS) with a share capital of as low as DKK 1 is also available.

Online company registration

A/S can be registered online with the Danish Business Authority (in Danish: “Erhvervsstyrelsen”), within a few hours. The share capital is part of the operating capital and can be used to cover costs in the interest of the company. There are no resident requirements for management or shareholders. General meetings and executive board meetings may be held electronically without physical meetings.

Low running costs

Compared to Norway, Sweden, Germany and the UK, Denmark offers low office rentals as well as many scalable co-working locations. It also has the lowest energy tax for industrial processes within the European Union.

Furthermore, a company may opt out of having its annual report audited if 2 out of the following 3 limits are not exceeded:

- a balance sheet of DKK 4 million (approx. USD 735,000),
- a net turnover of DKK 8 million (approx. USD 1,470,000),
- and an average of 12 full-time employees during the financial year.

Employers additionally have virtually no social security contribution costs. This makes the overall labour costs in Denmark very competitive.



Simplified Gross to Net Calculation - Nordic Comparative (DKK)

	NORWAY	SWEDEN	DENMARK
Gross Salary	60,000.00	60,000.00	60,000.00
Labour Market Contributions	-	-	4,800.00
Total Personal Income Tax	13,533.00	21,742.00	20,634.00
Social Security - Employee	4,920.00	-	94.65
Net in Pocket	41,547.00	38,258.00	34,471.00
Approx. Social Security - Employer	8,460.00 (14.10%)	18,852.00 (31.42%)	833.00 (1.39%)
Employer total cost	68,460.00	78,852.00	60,833.00

Note: No other income was considered in the calculation.

Source: KPMG Tax 2017

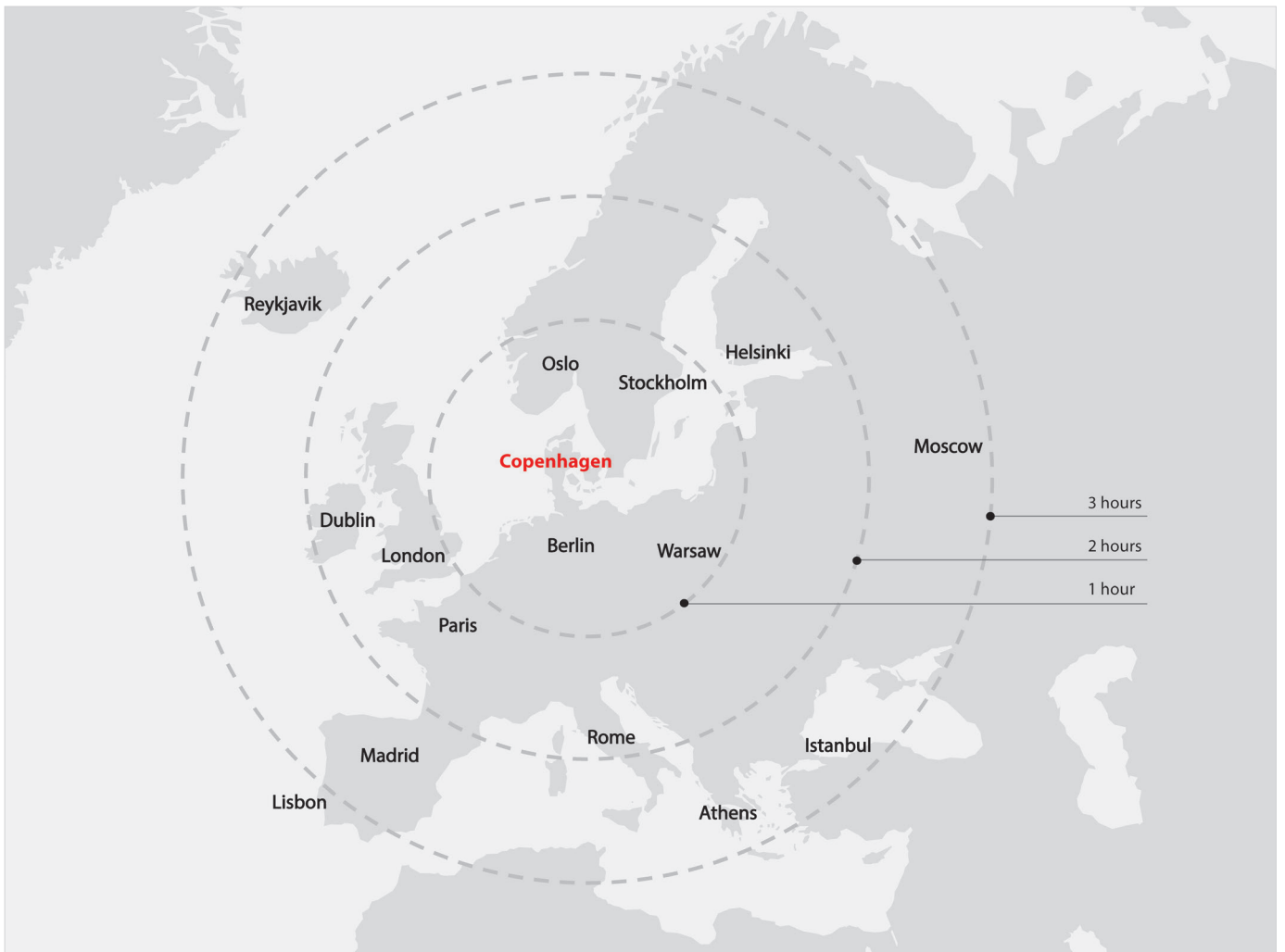
Proximity & Centrality

Denmark is a central access point to the rest of Europe. Denmark is situated at the heart of the Baltic Sea market with more than 500 million consumers.

Denmark has an impressive road and rail network, including the Øresund Bridge connecting Denmark and Sweden, and 6 international airports of which

Copenhagen Airport is the Nordic hub with 29 million million passengers and 390,000 tons of cargo per year. Additionally, Denmark has ten seaports with free port and trade zone facilities.

Furthermore, Denmark is in close proximity to leading industry clusters within Tech/ICT, Life Sciences, Cleantech, Maritime and Food & Agriculture.



Flexible Labour Market

Denmark has an extremely flexible and robust labour market. The Danish “flexicurity” model offers a high level of flexibility in hiring and firing practices.

The Danish flexicurity model combines flexibility for employers with state-ensured security for their employees. The flexicurity model creates a dynamic labour market. For example, Denmark does not have the principle of “last in - first out” as they do in Sweden and Norway.

If you are a citizen from outside the Nordic countries and the EU/EEA, you must apply for a residence and work permit before you start working.

Fast track work permits

A number of schemes have been designed in order to make it easier for highly qualified professionals from countries outside the Nordic countries or the EU/EEA to get a residence and work permit in Denmark.

A residence permit under the fast-track scheme is contingent upon the company in Denmark (the employer) being certified by the Danish Agency for International Recruitment and Integration. Work permits can be issued within a few weeks if the employer already has an approval.

The positive list

Foreign nationals from outside the Nordic countries, EU/EEA and Switzerland who have a written employment contract within professional areas in which there is a shortage of specially qualified manpower, will have easy access to a residence and work permit.

The pay limit scheme

Under the pay limit scheme an applicant will be eligible for a work and residence permit if the applicant has been offered a job with an annual gross salary of not less than DKK 408.800 (approx. EUR 54.997) irrespective of the field or specific nature of the job.

Special tax regime for foreign experts and key employees

Denmark has a special tax scheme for highly paid foreign researchers and key employees (annual salary minimum DKK 764.000 or approx. EUR 102.783 or USD 108.901). Such researchers who are recruited abroad and are able to meet a number of conditions may chose to pay tax at a rate of 26% plus labour market contribution, a total of 31.9% for a period of 5 years without deductions of any kind.



Multi-lingual Capabilities

Danish population:

- 86% speak English
- 47% speak German
- 13% speak Swedish

Flexible Labour Market

Top talent at competitive rates

Denmark is one of the top 2 countries in Europe when it comes to competitive salary levels for professionals and management, and the Danish workforce is among the most productive in Europe. The excellent reputation of the Danish workforce can to a large extent be ascribed to the traditional awareness in Denmark of the importance of education.

The percentage of the population that has attained at least upper secondary education is 80% - among the highest in the European Union.

Looking at skilled labour that is readily available, Denmark scores 7.87 of 8, and Danish employees are ranked no. 1 in the world on worker motivation (IMD 2015).

Foreigners with work permits in Denmark receive the same benefits as Danish citizens, including universal healthcare, free schools, etc.

Business-Friendly Tax Rates

Denmark has made tax treaties with many nations, including the US, to avoid double taxation.

Competitive corporate tax level

The Danish Government has lowered the corporate tax level to 22%. This is a competitive tax rate compared to like countries such as Sweden; 22%, Norway; 25%, Finland; 20%, Germany; 29.8% and UK; 20%.

Reimbursement of tax losses in R&D

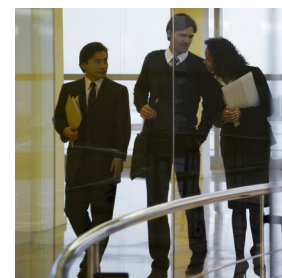
Businesses that have research and development expenses resulting in tax losses are entitled to a cash reimbursement of 22% of the losses up to a total loss of DKK 25 million. This means a

maximum case reimbursement of DKK 5.5 million.

Additionally, Denmark is one of the only countries that allows losses to be carried forward indefinitely with certain thresholds.

Political focus on business climate

Good and stable framework conditions for the business sector have a high priority across parties in the Danish political system. Both the former and the current government have implemented a range of initiatives to constantly improve the Danish business environment.



Cost-Effective Corporate Structure for Expansion into Larger Markets

The general assumption is that foreign investors prefer to establish in the largest markets and expand from there. However, this strategy does not provide the best corporate setup and tax structure, nor is it the most cost effective when it comes to trying out what works best.

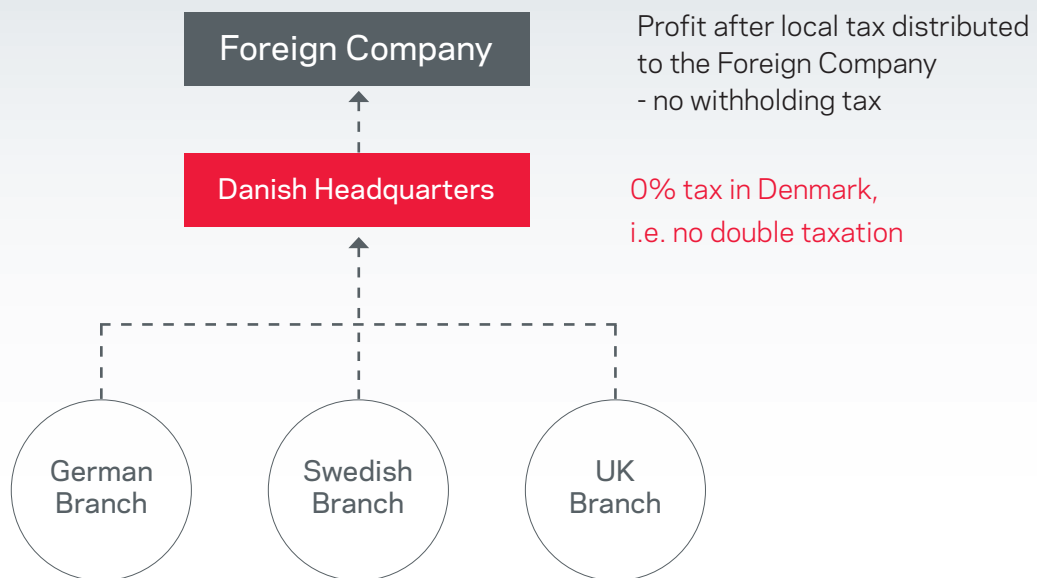
Expansion through branches will in most countries lead to double taxation of income

from branches. According to the unique tax rule in Denmark, a Danish company is not subject to tax on income from foreign branches. Furthermore, as a general rule, a Danish company may receive dividends from subsidiaries without paying taxes in Denmark (with a minimum of 10% ownership), and distribute dividends without withholding taxes.

Thus, the unique tax rule sets Denmark apart from other countries and makes it a perfect solution for the establishment of a regional headquarters.



Possible Regional Headquarters Corporate Structure



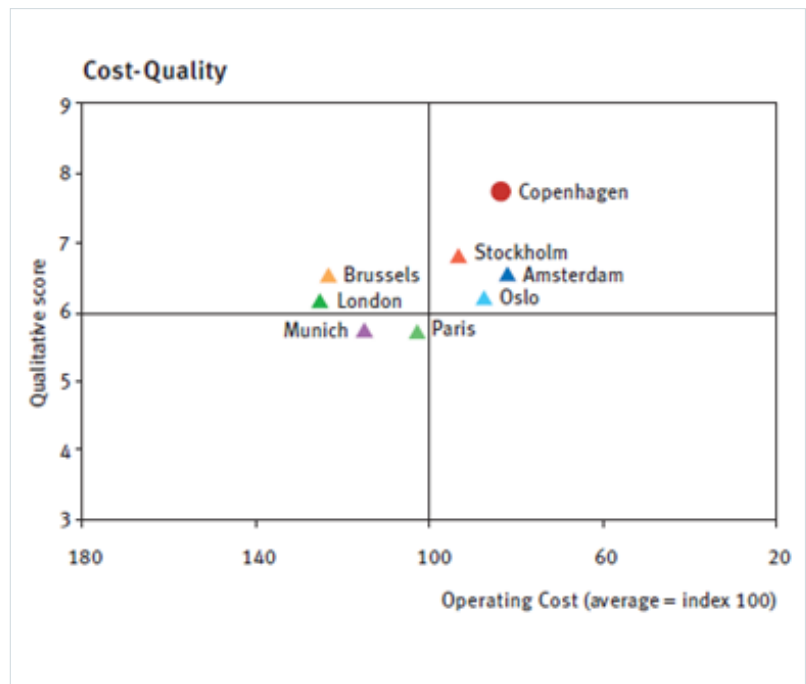
Denmark's Overall Attractiveness as a Location for Headquarters Activities

Invest in Denmark together with IBM offers companies the utilisation of a benchmarking tool using a quality-cost matrix which allows objective comparison of Denmark with up to 35 different global locations.

All the data programmed into the tool is kept constantly up to date and fully referenced. Quality factors include general business environment, human resources, infrastructure, labor flexibility, etc. Cost factors include taxation, total employment costs, real estate, etc.

Assuming 50 employees at the regional headquarter, Copenhagen comes out as a high quality, low cost location as compared to comparable cities in Europe.

This benchmarking can be further adapted and specified depending on client objectives and needs.



They have all selected Denmark for their Regional Headquarters



Start with Denmark

Invest in Denmark provides your company with a tailor-made solution for locating your business in Denmark. We measure our success by how well we contribute to yours. So, if you are considering setting up business or expanding your activities in Denmark, make us your first stop.

Our specialized staff across the globe has the corporate background, industry insight and well-connected networks to advise you on every aspect of locating in Denmark. Not only when you set up, but also as your business grows. Our tailor-made solutions include connecting companies with key local contacts, arranging fact-finding tours and providing comprehensive benchmark analyses. We make sense of local legislation and advantages of locating in Denmark - all free of charge and in guaranteed full confidentiality.

We Look Forward to Hearing from You

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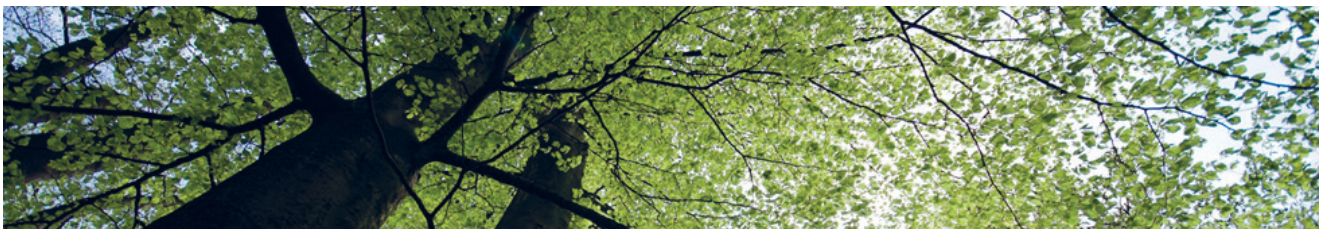
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