



EUROPEAN COMMISSION
DIRECTORATE-GENERAL
TAXATION AND CUSTOMS UNION
Indirect Taxation and Tax administration
Value Added Tax

UPDATED January 2016

VAT IN THE EUROPEAN COMMUNITY

**VADEMECUM FOR THE ELECTRONIC
REFUND PROCEDURE TO TAXABLE
PERSONS NOT ESTABLISHED IN THE
MEMBER STATE OF REFUND BUT
ESTABLISHED IN ANOTHER MEMBER
STATE (COUNCIL DIRECTIVE 2008/9/EC)**

NOTE

**THIS DOCUMENT COLLATES A RANGE OF
BASIC INFORMATION ON THE
APPLICATION OF THE REFUND
ARRANGEMENTS IN THE MEMBER
STATES WHICH HAS BEEN OBTAINED
FROM THE TAX AUTHORITIES
CONCERNED.**

**THIS DOES NOT REFLECT THE VIEWS OF
THE COMMISSION OF THE EUROPEAN
UNION, NOR DOES IT SIGNIFY APPROVAL
OF THE LEGISLATION.**

DENMARK

VADEMECUM FOR THE ELECTRONIC REFUND PROCEDURE TO TAXABLE PERSONS NOT ESTABLISHED IN THE MEMBER STATE OF REFUND BUT ESTABLISHED IN ANOTHER MEMBER STATE

General

1. Where could a non-established taxable person (NETP) find information on your laws and guidelines?

www.skat.dk/English.

2. Eligibility for a refund

To be eligible for a refund the applicant must be a taxable person established in the EU making taxable supplies in his own Member State (the Member State of Establishment). He must have incurred VAT on expenses in a Member State in which he has no establishment (the Member State of Refund), and he must have made no supplies within that Member State other than reverse charge supplies, or certain exempt transport services, during the refund period.

3. What can be refunded

VAT relating to business activities carried out outside the Member State of Refund if those activities would be subject to tax or exempt with a right to deduct in the Member State of Refund if they had been made there, and VAT relating to supplies on which the reverse charge is applicable in the Member State of Refund.

4. What cannot be refunded

VAT incurred which relates directly to activities which are exempt without the right to deduct.

VAT incurred on expenses on which there are restrictions on the right to deduct in the Member State of Refund.

VAT cannot be recovered on:

- Meals for the owner and staff of the enterprise. However, VAT on meals in the form of restaurant bills incurred for business purposes is partly refundable;
- The acquisition and running of places of residence for the owner and staff of the enterprise;
- The acquisition and operating costs connected to holiday homes, weekend houses, etc., for the owner and staff of the enterprise;
- Entertainment expenses, representation costs and gifts. However, VAT on business entertainment in the form of restaurant bills is partly refundable;
- The acquisition, repair and operation of motor vehicles designed for the conveyance of not more than nine persons; however, VAT on long term leasing of passenger cars is partly recoverable under certain conditions; and
- Payments in kind to the staff of the company.

No more than 25% of VAT may be recovered on restaurant bills, but 100% of VAT on hotel accommodation. As a general remark and in order to (partially) deduct VAT, the cost must strictly be borne for business purposes.

There is a right to deduct a specific amount of VAT for companies that lease passenger cars if:

- The leasing period is at least six months; and
- The vehicle is used for business/VAT purposes for at least 10% of the annual mileage.

5. Proportional deduction

Where the taxable person is only able to deduct a proportion of his input tax because he makes taxable and exempt supplies, that person can only have the amount refunded according to the rules on proportional deduction in his Member State.

Procedures in the Member State of Establishment

6. What is the application procedure?

The request may be submitted by the applicant or an authorized person. If that person is a non-established business, it should register in Denmark for refund purposes before filing the refund claim. The registration form can be obtained through the web portal www.virk.dk.

Section 14 of the registration form should indicate that the foreign non-established business is applying for an SE number only in relation to a VAT refund.

Business enterprises registered for VAT purposes in Denmark can file a refund claim electronically using the refund menu in the “TastSelv – Erhverv” service from the Danish TAX authorities, through the following web portal: www.skat.dk. The business will gain access to “TastSelv – Erhverv” once it registers for VAT purposes in Denmark.

The form can be completed by uploading a file in CSV or TXT format.

Access is granted by using the taxpayer’s “TastSelv” code or NemID. If the taxpayer does not have a “TastSelv” code or NemID, it can request one from the homepage of the Danish tax authorities.

The following information should be filled in:

- General information relating to the taxpayer, bank information and the period for which the refund is requested;
- List of invoices in which each document can be manually typed in or where all documents can be uploaded in a semicolon separated format;
- Annexes: scanned invoices/annexes can be uploaded, taking the following into account:
 - Maximum one file per country for which a reclaim has been made;
 - File types accepted : JPEG, PDF, TIFF or ZIP;
 - Maximum file size: 5MB.

7. Are there any particular requirements for an agent to be able to submit a claim on behalf of the applicant?

The applicant must on “TastSelv Erhverv” digitally approve an agent. If the applicant has an agent who is resident abroad, the agent will upon application be given a particular registration number which

will enable him to access the TastSelv service. Further information is available at www.skat.dk/English.

8. Content of the application:

The application should contain the following information:

- the applicant's name
- the applicant's VAT identification number or tax reference number
- the applicant's full address including country code (the address which is on record in Member State of Establishment)
- e-mail address
- a description of the applicant's business activity for which the goods and services are acquired via NACE v.2 codes – [*All Member States have indicated that they would use NACE codes*] Denmark use NACE codes.
- the refund period covered by the application
- declaration by the applicant that he has supplied no goods and services deemed to have been supplied in Member State of Refund during the refund period, with the exception of the supply of specific transport services and services ancillary thereto or supplies to which the reverse charge mechanism is applicable in Member State of Refund
- bank account details including IBAN and BIC codes

In addition, the following details of each invoice or importation document

- name and full address of the supplier;
- the VAT identification number or tax reference number of the supplier except in the case of importation
- the prefix of the Member State of Refund (except in the case of importation)
- date and number of the invoice or importation document
- taxable amount and amount of VAT expressed in the currency of Member State of Refund
- the amount of deductible VAT calculated expressed in the currency of Member State of Refund
- where applicable, the deductible proportion expressed as a percentage
- nature of the goods and services acquired according to the codes 1 to 10
- Where requested, further information on the nature of the goods and services acquired according to the sub-codes of 1 to 10.

9. The circumstances under which a Member State of Establishment will not send an application to the Member State of refund.

- If the details in point 8 above are not filled in.
- The applicant is not a taxable person during the refund period.
- The applicant only carries out exempt supplies in the Member State of establishment during the refund period.
- The applicant is covered by the exemption for small businesses.
- The applicant is covered by the flat rate scheme for farmers.

10. Minimum refund limits

- 400 EUR or 3000 DKK if the refund period is between 3 months and less than a calendar year
- 50 EUR or 400 DKK if the refund period is of a calendar year, or the remainder of a calendar year.

11. Time limit

The application must be submitted to the Member State of Establishment by 30 September of the calendar year following the refund period. The application is only considered as submitted if the applicant has filled in all the required information.

12. Is an applicant able to correct an error on an application which has been forwarded to a Member State of Refund?

It is possible to send corrections to the amounts in prior applications. However, the correction should be within the original deadline 30 September.

Procedures in the Member State of Refund

13. Are copies of invoices required?

No. We only require original Invoices or Import documents when The Danish Tax authority need it for their assessment or control.

14. The maximum size limit for an attachment has been agreed at 5 mb. What is the applicant to do if they exceed this limit?

The question is not relevant. Denmark do not require Invoices or Import documents attach to the application.

15. As a Member State of refund, do you require additional documentation for claims submitted by an agent?

No. We do not require other documentation for claims submitted by an agent

16. Can payments be made to agents?

Yes. But it is a precondition however, that you send an original power of attorney to the Danish Tax Authority by mail. It must be stated clearly who is eligible to receive the amount.

Send the power of attorney to:

SKAT Tønder
Udland - Momsrefusion & Momsregistrering
Pionér Alle 1
DK-6270 Tønder

17. How will the Member State of Refund communicate with the applicant?

Denmark communicate directly via email to the NETP. Receipts, Acknowledgements and decisions to the applicants will be sent via MSEST.

18. Time limits for the processing of an application

The Member State of refund has four months from the date of receipt of an application to notify the applicant of its decision to approve or refuse the application, or to ask for further additional information. Where additional information is required, it has a further two months from receiving that information. Where it has asked for further information, it shall, in any case, notify the applicant of its decision within 8 months of the receipt of the application.

Where the refund application is approved, payment should be made within 10 working days.

19. Procedure for sending additional information to the Member State of Refund

Member States can ask for additional information from persons other than the applicant. In all cases, the information should be provided to the Member State of Refund within one month of the date on which the request is received by the addressee.

The applicant may use the following languages when sending further information to Denmark; English, German, Swedish or Danish.

20. The refund period

The application must cover a period of not less than three consecutive calendar months (e.g. from 1 January to 31 March) in one calendar year and not more than one calendar year, unless the period represents the remainder of a calendar year (e.g. from 1 November to 31 December). The application can relate to invoices or import documents not covered by previous applications in respect of transactions carried out during that calendar year.

21. Number of applications accepted per year.

Denmark accepts 5 applications per year.

22. What is the procedure for appealing against a decision? Are there any time limits for appeals?

If the refund is not granted, the grounds for rejection of the application will be stated. An appeal of the rejection may be made to the Danish Tax Appeals Agency (Skatteankestyrelsen) within 3 months from the notification of the rejection.

Skatteankestyrelsen
Ved Vesterport 6, 6.
DK-1612 København V

23. Incorrect applications

If an amount has been recovered in a fraudulent or incorrect way, Member States may recover those amounts.