

Denmark Dispute Resolution Profile

(Last update: 11 February 2020)

General Information

- **Denmark tax treaties are available at:**
<http://www.skm.dk/love/internationalt/dobbelbeskatningsoverenskomster> or at [the legal guide about Danish double tax treaties and agreements \(in Danish\)](#) on www.skat.dk

- **MAP request should be made to:**

Concerning double taxation due to transfer pricing or attribution of profits to a PE:

Mr. Bo Darling Larsen

Large Companies – Competent Authority

Skattestyrelsen/Danish Tax Agency

Hannemanns Allé 25, DK-2300 Copenhagen S, Denmark or by email to store-selskaber-sikker-post@sktst.dk

Concerning all other tax matters:

Mr. Jesper Leth Vestergaard

Law Department – Competent Authority

Skattestyrelsen/Danish Tax Agency

Hannemanns Allé 25, DK-2300 Copenhagen S, Denmark or by email to HovedpostkasseJura@SKTST.dk

- **APA request should be made to:**

Mr. Bo Darling Larsen

Large Companies – Competent Authority

Skattestyrelsen/Danish Tax Agency

Hannemanns Allé 25, DK-2300 Copenhagen S, Denmark or by email to store-selskaber-sikker-post@sktst.dk

Denmark Dispute Resolution Profile – Preventing Disputes

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
A. Preventing Disputes				
1.	Are agreements reached by your competent authority to resolve difficulties or doubts arising as to the interpretation or application of your tax treaties in relation to issues of a general nature which concern, or which may concern, a category of taxpayers published?	Yes	In the legal guide, Den Juridiske Vejledning, on www.skat.dk	General agreements on DTC (in Danish only)

Denmark Dispute Resolution Profile – Preventing Disputes

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2.	Are bilateral APA programmes implemented? If yes:	Yes	On the basis of each DTC's article equivalent to article 25(3) of the OECD Model Tax Convention. Read more in the legal guide, Den Juridiske Vejledning, on www.skat.dk	Advance Pricing Arrangement (in English) and (in Danish) About transfer pricing (in English) and (in Danish)
a.	<ul style="list-style-type: none"> Are roll-back of APAs provided for in the bilateral APA programmes? 	Yes	Both the financial year of the submission of the APA request and earlier financial years if the other CA accepts the same changes.	APA roll back (in English) and (in Danish)
b.	<ul style="list-style-type: none"> Are there specific timeline for the filing of an APA request? 	No	Tax years preceding the submission of the APA request will be considered to be roll back years.	
c.	<ul style="list-style-type: none"> Are rules, guidelines and procedures on how taxpayers can access and use bilateral APAs, including the specific information and documentation that should be submitted in a taxpayer's request for bilateral APA assistance, publicly available? 	Yes	<p>In the legal guide, Den Juridiske Vejledning, on www.skat.dk</p> <p>A request for a bilateral or multilateral APA must be submitted in writing (email requests are accepted) and must as a minimum contain:</p> <p>A description of the company, the group and the market, a description of the controlled transactions including an analysis of functions, assets and risks of each party to the transactions, a comparability study, a choice of transfer pricing method and how it will be implemented including critical assumptions and annual APA compliance reports.</p>	APA (in English) and (in Danish) About transfer pricing (in English) and (in Danish)

Denmark Dispute Resolution Profile – Preventing Disputes

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d.	<ul style="list-style-type: none"> Are there any fees charged to taxpayers for a bilateral APA request? 	No	Not in Denmark but the other country may charge a fee to their taxpayer.	
e.	<ul style="list-style-type: none"> Are statistics relating to bilateral APAs publicly available? 	No	Only the total number of APA's reached and the number of cases under scrutiny at the end of the year in the annual report to the Danish Parliament and in the statistics publications from the EU.	Search: Transfer pricing-redegørelse (only in Danish)
3.	Is training provided to your officials involved in the auditing /examination of taxpayers to ensure that any assessments made by them are in accordance with the provisions of your tax treaties?	yes	Concerning transfer pricing: Through the prescribed use of the OECD Transfer Pricing Guidelines as the basis for all transfer pricing adjustments and through biannual seminars for all transfer pricing auditors/examiners.	
4.	Is other information available on preventing tax treaty-related disputes?	No		

Notes:

1. An APA is an "arrangement that determines, in advance of controlled transactions, an appropriate set of criteria (e.g. method, comparables and appropriate adjustments thereto, critical assumptions as to future events) for the determination of the transfer pricing for those transactions over a fixed period of time". (see definition of APA in the *OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations* ("Transfer Pricing Guidelines")).

2. Situations may arise in which the issues resolved through an APA are relevant with respect to previous filed tax years not included within the original scope of the APA. The concept of "roll-back" is further elaborated in paragraph 4.136 of Section F (Advance pricing arrangement) of Chapter IV of the Transfer Pricing Guidelines and in paragraph 69 of Section D.4.2 (Possible retrospective application ("Roll back")) of the Annex to Chapter IV (Guidelines for Conducting Advance Pricing Arrangements under the Mutual Agreement Procedure ("MAP APAs")) of the Transfer Pricing Guidelines. Simply put, the "roll-back" of the APA is understood to mean that the outcome of the APA is applied to previous filed tax years not included within the original scope of the APA.

Denmark Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
B. Availability and Access to MAP				
5.	Are transfer pricing cases covered within the scope of MAP?	Yes	Both according to most DTC and within the EU according to the EU Arbitration Convention and the EU Arbitration Directive.	On MAP in transfer pricing cases (In English) and (in Danish) About transfer pricing (in English) and (in Danish)
6.	Are issues relating to the application of treaty anti-abuse provision covered within the scope of MAP?	Yes	If a specific DTC contains a treaty anti-abuse clause the issue can still be discussed between the two competent authorities.	
7.	Are issues relating to the application of domestic anti-abuse provision covered within the scope of MAP?	Yes		
8.	Are issues where there is already an audit settlement between the tax authority and the taxpayer covered within the scope of MAP?	Yes	An audit settlement is not an obstacle for MAP.	
9.	Are double taxation cases resulting from bona fide taxpayer initiated foreign	Yes	If the bona fide adjustment can be documented by an official document from the other tax jurisdiction.	

Denmark Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
	adjustments covered within the scope of MAP?			
10.	Are there any other treaty related issues not covered under s/n 5 to 9 which are not within the scope of MAP?	No		
11.	Are taxpayers allowed to request MAP assistance in cases where the taxpayer has sought to resolve the issue under dispute via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	In principle, the two instruments can be handled in parallel but often the taxpayer makes a protective request/complaint to stay within the time limits of both instruments and asks either the judicial party or the competent authority not to proceed before the other party has terminated the preferred instrument.	
12.	Are taxpayers allowed to request for MAP assistance in cases where the issue under dispute has already been decided via the judicial and administrative remedies provided by the domestic law of your jurisdiction?	Yes	If the adjustment of the Danish Tax Agency is confirmed by the court, the taxpayer can still request a MAP to relieve the double taxation in the other tax jurisdiction, fully or partially. If the judicial or administrative remedies lead to the cancellation of the adjustment, there is no double taxation and no reason for requesting a MAP.	About parallel access to MAP and national legal remedies (in English) and in (in Danish)

Denmark Dispute Resolution Profile – Availability and Access to MAP

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13.	Are rules, guidelines and procedures on how taxpayers can access and use MAP, including the specific information and documentation that should be submitted in a taxpayer's request for MAP assistance, publicly available?	Yes	There are no specific format requirements. Only a list of types of information and documentation to include with the MAP request.	On MAP requests in general (in English) (in Danish) On the EU Arbitration Convention (in English) (in Danish)
14.	Are there specific timeline for the filing of a MAP request?	Yes	Within the time limit of the specific DTC equivalent to article 25 (1) second sentence. In most cases 3 years from the date of the tax adjustment decision.	On time limitations for MAP requests (in English) and (in Danish) Dobbeltbeskatningsoverenskomster
15.	Are guidance on multilateral MAPs publicly available?	No	Denmark is not against multilateral MAP but has no experience in this field.	
16.	Are tax collection procedures suspended during the period a MAP case is pending?	Yes/No	The taxpayer can apply for a suspension of the tax collection upon the submission of a MAP request.	On suspension on tax collection (henstand) (in English) and (in Danish).
17.	Are there any fees charged to taxpayers for a MAP request?	No		

Denmark Dispute Resolution Profile – Availability and Access to MAP

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
18.	Is there any other information available on availability and access to MAP?	No		

Denmark Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
C. Resolution of MAP Cases				
19.	Are there any model timeframes for the steps taken by your competent authority from the receipt of a MAP case to the resolution of the case provided to taxpayers?	Yes	24 months.	
20.	Are statistics relating to the time taken to resolve MAP cases publicly available?	Yes	Only communicated to the OECD and the EU and published by these organisations.	
21.	Is interest or penalties resulting from adjustments made pursuant to a MAP agreement waived or dealt with as part of the MAP procedure?	Yes	Possible in some specific non transfer pricing cases.	
22.	Are the roles and responsibility of the MAP office publicly available, for example, is the mission statement of the MAP office available in the <i>annual</i> report of the organisation?	Yes	The role and responsibility of the competent authority are described in the legal guide on www.skat.dk .	About the competent authority in Denmark (in English) and (in Danish)
23.	Is MAP arbitration a mechanism currently available	Yes	Both according to the EU Arbitration Convention, concerning transfer pricing and attribution of profits	

Denmark Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
	<p>for the resolution of tax treaty related disputes in any of your tax treaties?</p> <p>If not:</p>		<p>to PE's and according to the EU Arbitration Directive.</p> <p>Denmark has chosen to apply Part VI (Arbitration) of the MLI. Arbitration under the MLI will, if Part VI is applied, be an option, and the arbitration clauses in Denmark's tax treaties with Israel, Switzerland and Japan will become effective once arbitration provisions under the MLI become effective between Denmark and another country.</p>	
a.	<ul style="list-style-type: none"> Are there any legal limitations in your domestic law (for example in your constitution) to include MAP arbitration in your tax treaties? 	N/A		
b.	<ul style="list-style-type: none"> Does your treaty policy allow you to include MAP arbitration in your tax treaties? 	N/A		
24.	<p>Is the explanation of the relationship between the MAP and domestic law administrative and judicial remedies publicly available? If yes:</p>	Yes	<p>Both access to MAP and to the domestic Tax Tribunal is explained as parallel options in the Danish Tax Agency's final transfer pricing adjustment decisions sent to the taxpayers. There is also a description of this in the legal guide on www.skat.dk.</p>	<p>About parallel access to MAP and national legal remedies (in English) and (in Danish)</p>

Denmark Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
a.	<ul style="list-style-type: none"> Does the guidance specifically address whether the competent authority considers that it is legally bound to follow a domestic court decision in the MAP or will not deviate from a domestic court decision as a matter of administrative policy or practice? 	Yes	<p>It is only under very specific circumstances that the competent authority will be able to reach a different result than the National Tax Tribunal.</p> <p>The competent authority cannot deviate from a court decision.</p>	About court decisions versus MAP (in English) and (in Danish)
25.	Are taxpayers allowed to request for multi-year resolution through the MAP of recurring issues with respect to filed tax years?	Yes		
26.	Do all your jurisdiction's tax treaties contain a provision which would oblige your jurisdiction to make corresponding adjustments or to grant access to the MAP with respect to the economic double taxation that may otherwise result from a primary transfer pricing	No	Article 9 (2) is missing in Denmark's Tax Treaties with Belarus, Belgium, Brazil, Bulgaria, Kenya, Korea, Malaysia, Montenegro, Romania, Tanzania, Trinidad & Tobago and Zambia.	

Denmark Dispute Resolution Profile – Resolution of MAP Cases

s/n		Response	Detailed explanation	Where publicly available information and guidance can be found
	adjustment (i.e. is paragraph 2 of Article 9 of the OECD Model Tax Convention or the UN Model Double Taxation Convention included in all of your jurisdiction's tax treaties)?			
27.	Is there any other information available on resolution of MAP cases?	No		

Denmark Dispute Resolution Profile – Implementation of MAP Agreements

s/n			Response	Detailed explanation	Where publicly available information and guidance can be found
D. Implementation of MAP Agreements					
28.	Where the agreement reached by your competent authority through the MAP process leads to additional tax to be paid by your taxpayer, is there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the agreement reached by the competent authority and/or for the additional tax to be paid?		No	As quick as possible.	
29.	Where the agreement reached by your competent authority through the MAP process leads to a refund of the tax due or paid by your taxpayer, are there publicly available information on the timeframe the taxpayer could expect its tax position to be amended to reflect the		Yes	<p>According to the Danish Administration of Justice Act, any court decision or administrative decision concerning a complaint from a taxpayer resulting in refund of paid taxes must be executed within 14 days from the date of the decision.</p> <p>Concerning MAP, this means the date the Danish Tax Agency / Competent Authority receives the taxpayer's acceptance of the MAP agreement and the assurance that the</p>	About the time limitations for the refunding of paid taxes (in Danish only)

Denmark Dispute Resolution Profile – Implementation of MAP Agreements

s/n			Response	Detailed explanation	Where publicly available information and guidance can be found
	agreement reached by the competent authority and/or for a refund of the tax paid?			taxpayer in either Denmark or the other jurisdiction has withdrawn their court case on the same issue.	
30.	Are all mutual agreements reached through MAP implemented notwithstanding any time limits in your domestic law?		Yes		
31.	Is there any other information available on the implementation of MAP agreements?		No		