



GUIDE TO GOING GLOBAL CORPORATE

Denmark



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INTRODUCTION

Welcome to the 2023 edition of DLA Piper's *Guide to Going Global – Corporate*.

GUIDE TO GOING GLOBAL SERIES

To compete and be successful today, companies need to develop and scale their businesses globally. Each country presents its own set of unique laws, rules and regulations and business practices that companies must understand to be successful. In order to help clients meet the opportunities and challenges of expanding internationally, we have created a handy set of global guides that cover the basics companies need to know when going into and doing business in new countries. The *Guide to Going Global* series reviews business-relevant corporate, employment, intellectual property and technology, executive compensation, and tax laws in key jurisdictions around the world.

CORPORATE

The *Guide to Going Global – Corporate* has been created based on our research, our experience and feedback we have received from clients in both established and emerging businesses that have expanded internationally. We hope it will be a helpful resource for you.

The *Guide to Going Global – Corporate* covers corporate basics in 54 key jurisdictions across the Americas, Asia Pacific, Europe and the Middle East. We touch on a wide range of corporate issues for companies expanding internationally, including establishing a corporate presence and choice of entity, liability considerations, tax presence and tax filings, capital requirements, the formation process, director, officer and shareholder requirements, registration processes, office lease processes and possible exit strategies.

With more than 600 lawyers, DLA Piper's global Corporate group is one of the largest in the world, with one of the widest geographical footprints of any global law firm and experience across the legal areas companies need as they expand internationally. With both global experience and local knowledge, we partner with our clients wherever they do business to find solutions and manage their risk in relation to their challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to seek advice regarding the specific matters that concern you. If you wish to speak to any of our contributors, you may find their contact details at the end of the guide.

We hope you find this guide valuable, and we welcome your feedback.

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This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

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DENMARK



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FORM OF ENTITY

Limited liability company (*Kapitalselskab*)

There are 3 types of limited companies: public limited companies, private limited companies and limited partnership companies. They are all separate and distinct legal entities. A limited liability company is owned by the shareholders, and the shareholders' meeting is the ultimate authority of the company. However, the shareholders mainly control the company by instructing and supervising the board of directors and/or the general manager. In general, only the company is liable to creditors for corporate debts, and once the share contribution has been paid, the shareholders have no obligation to contribute further to the capital of the company.

ENTITY SET UP

Limited company (*Kapitalselskab*)

- There are 3 types of limited companies: public limited companies (*Aktieselskaber* or *A/S*), private limited companies (*Anpartsselskaber* or *ApS*) and limited partnership companies (*Partnerselskaber* or *P/S*)
- Minimum 1 shareholder and no maximum.
- Generally no personal liability of the shareholders.
- Limited companies are taxed on their earnings at a corporate level, and shareholders are taxed on distributed profits and salary from the company.
- Limited companies are subject to a Danish corporate income tax rate which currently amounts to 22 percent.
- Typical corporate documents include:
 - memorandum of association
 - articles of association

- rules of procedure for the board of directors
 - minutes of the general meetings
 - shareholders' agreement and
 - register of shareholders.
- The board of directors holds the overall and strategic management responsibility; the executive board has day-to-day management responsibility of the company.
 - Separate classes of shares with different rights (voting, dividends, etc.) are commonly used.
 - Annual reports must be filed annually with the Danish Business Authority.

General partnership (*Interessentskab, I/S*)

- Minimum 2 partners are required, which can be either natural persons or legal entities such as limited companies.
- No startup capital requirement.
- Founded by an agreement between the partners; registration with the Danish Business Authority is possible and mandatory if all partners are legal entities.
- A general partnership is tax transparent. Each partner is taxed individually for its part of the profits of the general partnership (income tax).
- The partners are personally liable for the debt of the general partnership.
- An authorized or approved auditor and filing of annual reports are required where the general partnership meets certain criteria regarding partners, number of employees, balance sheet total and net turnover.

Limited partnership (*Kommanditselskab, K/S*)

- Minimum two partners are required, which can be either natural persons or legal entities, such as limited companies.
- At least one partner of the limited partnership must take status as the general partner (*Komplementar*) and at least one as the limited partner (*Kommanditist*).
- The general partner has unlimited, personal liability (jointly and severally) for the agreements and debt of the limited partnership. The limited partner is only liable for the subscribed capital, which is similar to the liability of limited companies. The liability includes debt that already exists at the time of becoming a partner.

- There is no startup capital requirement for the general partner, but a capital requirement for each limited partner is minimum DKK1.
- A limited partnership is tax transparent like a general partnership. Partners are taxed individually for their part of the profits of the limited partnership (income tax and social security contributions).
- A limited partnership is incorporated by filing with the Danish Business Authority.
- An authorized or approved auditor and filing of annual reports are required where the limited partnership meets certain criteria regarding partners, number of employees, balance sheet total and net turnover.

Branch office (*Filial*)

- A company based within the EU or EEA or based in the US, Switzerland, South Korea or Georgia that engage in business activities in Denmark may register a branch office with separate management in Denmark. Companies based in other countries may register a branch in Denmark as well; however, a declaration from the business authorities in the country in which the company is incorporated is required.
- A branch is not a separate legal entity but is part of the foreign-based company.
- It has no independent capital and the assets and liabilities are a part of the total assets of the foreign-based company.
- 1 or more branch managers must be appointed to run the business activities in Denmark.
- The branch is subject to a Danish corporate tax rate which currently amounts to 22 percent.
- The branch is incorporated by filing with the Danish Business Authority.
- The business name must contain the name of the foreign-based company and the word "filial" added hereto.
- A branch must file annual reports of the foreign company with the Danish Business Authority.

MINIMUM CAPITAL REQUIREMENT

Limited liability company (*Kapitalselskab*)

Limited liability companies must have the following minimum share capitals respectively:

- Private limited company (*anpartsselskab*): DKK40,000.
- Public limited company (*aktieselskab*): DKK400,000.
- Limited partnership company (*partnerselskab*): DKK400,000.

The share capital may be paid in the form of cash, assets (non-cash contribution) or a combination of the 2.

It is possible to pay only 25 percent of the nominal share capital upon formation if the contribution is paid in cash only; however, at least DKK40,000 must be paid prior to registration.

The share capital may be increased or decreased later by following the procedures stipulated in the Danish Companies Act, which generally requires a decision by qualified majority of the shareholders.

However, the share capital may not be decreased below the company's legal minimum share capital.

LEGAL LIABILITY

Limited liability company (*Kapitalselskab*)

The owners of the company (the shareholders) are not personally liable for the acts and/or omissions of the limited liability company.

The liability of the shareholders is generally limited to their capital investment in the company (ie, the amount the shareholder has paid for its shares).

The only express authority for holding a shareholder liable is a provision in the Danish Companies Act whereby a shareholder is liable for damages suffered by the company, other shareholders or third parties if the shareholder intentionally or negligently has caused damage to the company and/or the shareholders.

TAX PRESENCE

Limited liability company (*Kapitalselskab*)

The profits of a limited company are taxed at 2 levels (commonly referred to as double taxation). Firstly, the limited company pays a corporate tax on its corporate income. Limited companies are subject to a Danish corporate income tax rate, which currently amounts to 22 percent.

Secondly, the shareholders pay tax on the distributed profits from the limited company.

INCORPORATION PROCESS

Limited liability company (*Kapitalselskab*)

A Danish limited company may be incorporated by 1 or more founders.

Both natural and legal persons can act as founders of the company. The founder does not have to be a Danish citizen or an entity established in Denmark.

The founder needs to prepare at least 2 documents before applying for registration with the Danish Business Authority: The memorandum of association (*stiftelsesdokument*) and the articles of association (*vedtægter*).

Where the share capital of the limited company is to be paid in assets other than cash (*apportindskud*), a valuation report is also to be enclosed.

Once the memorandum of association has been signed, the application for registration of the company with the Danish Business Authority must be submitted within two weeks.

When the company has been registered in the Danish Business Authority's IT system, it will receive a registration number (CVR no.) and the registration is granted with effect from the date of signature of the memorandum of association.

As soon as possible after the formation of the company, the management must set up a (non-public) register of all shareholders who have subscribed for shares in the company (*ejerbog*).

If the company has a board of directors, the duties of the board of directors must be laid down in the rules of procedure (*forretningsorden*).

The new Danish limited company must generally appoint an auditor upon formation, but under certain conditions the company can deselect auditing.

If a company has several shareholders, it will often be relevant to enter into a shareholders' agreement in close connection to the formation of the company (*ejerftale*).

A shareholders' agreement may, for example, contain provisions on voting rights, restrictions on the transfer of shares, the right to appoint members of the board, etc. While a shareholders' agreement does not bind the company – and therefore has no effect on the validity of the decisions made by the general meeting – the agreement is still valid among the shareholders, and a violation of the shareholders' agreement will often result in the party in breach incurring liability.

BUSINESS RECOGNITION

Limited liability company (*Kapitalselskab*)

Public and private limited companies are both well regarded and widely used.

The limited partnership company are in the newer alley of corporate forms, thus not as commonly known. However, the company form provide certain benefits regarding share capital requirements and tax considerations.

For instance, many partner-based companies, such as liberal professions, law firms and auditing firms, have reorganized to a limited partnership company in recent years.

SHAREHOLDER MEETING REQUIREMENTS

Limited liability company (*Kapitalselskab*)

The shareholders' right to pass resolutions is exercised at the general meetings of the limited liability company.

Each shareholder must vote in respect of its shares, unless otherwise provided in the articles of association. Separate classes of shares with different rights (eg, in respect to voting rights) are commonly used.

Unless otherwise provided in the Danish Companies Act or in the articles of association of the company, all resolutions at general meetings are passed by a simple majority of votes. Resolutions to amend the articles of

association must be passed by at least 2/3 of the votes cast as well as at least 2/3 of the share capital represented at the general meeting.

The company is required to hold annual general meetings where the shareholders vote on certain items, such as adoption of annual report, appropriation of or loss recorded in the approved annual report, etc.

Resolutions passed by the shareholders at general meetings may, in general, be passed without complying with the provisions of the Danish Companies Act on form and notice and can therefore be held electronically if agreed upon. Shareholders are further entitled to attend general meetings by proxy.

All shareholders are entitled to attend and speak at general meetings, and any shareholder is entitled to have a specific issue included on the agenda for an annual general meeting.

The annual general meeting must be held in time for the approved annual report to be received by the Danish Business Authority before the expiry of the time-limit set out in the Financial Statements Act, which currently is no later than 5 months after the end of the financial year of the company.

Extraordinary general meetings may be held at the request of the central management body, the supervisory board or the auditor elected by the general meeting. In private limited companies, any shareholder may request an extraordinary general meeting, and in public limited companies the requesting shareholder must hold 5 percent of the share capital in order to request the extraordinary general meeting.

The central management body is obliged to call and organize the general meeting by a notice of no more than four weeks before the general meeting and, unless the articles of association provide for a longer period of notice, no less than two weeks before the general meeting.

General meetings must be conducted in Danish, unless otherwise decided at the general meeting. The general meeting may resolve by a simple majority of votes to conduct the meeting in a language other than Danish, offering all attendees simultaneous interpretation to and from Danish.

BOARD OF DIRECTOR MEETING REQUIREMENTS

Limited liability company (*Kapitalselskab*)

The board of directors of a public limited company shall consist of minimum 3 members, and such board members are elected by the shareholders at the shareholders meeting. No requirements are set for the number of board members in private limited companies.

The board of directors is quorate when more than half of its members are represented, unless a higher proportion is required by the articles of association.

There are no requirements regarding the frequency of the board of directors' meetings.

The board of directors is entrusted with the ultimate responsibility of the company as they have both the supervisory function of the executive board and the overall strategic responsibility of the company. The board must therefore make sure to be convened as frequently as this responsibility necessitates.

The board of directors of a public limited company elects its own chairman, unless otherwise provided in the articles of association.

The chairman of the board of directors will procure that the board convenes when necessary and, in addition, ensure that all members receive due notice of the meeting.

Any member of the board of directors may request that a board meeting is held.

Meetings of the board of directors are held in person unless the board decides that members may participate by electronic means and such participation is compatible with the members carrying out their duties.

The language of the board meetings must be Danish, but the majority of the board may resolve to conduct the meeting in a language other than Danish, offering all attendees simultaneous interpretation to and from Danish.

ANNUAL COMPANY TAX RETURNS

Limited liability company (*Kapitalselskab*)

The company must annually file tax returns with the Danish Tax Authority, SKAT, to declare its income, as all limited companies are subject to a corporate tax of 22 percent of their taxable income and gains.

The filing deadline is 6 months after the end of the income year, however no later than August 1 the following year.

BUSINESS REGISTRATION FILING REQUIREMENTS

Limited liability company (*Kapitalselskab*)

Some information and resolutions in the limited company must be registered with the Danish Business Authority.

The company's central management body – often its board of directors – is responsible for ensuring that the necessary information is registered with the Danish Business Authority within 2 weeks after the date of the relevant resolution.

For instance, the initial registration at the formation of the company must be registered within 2 weeks from signing of the memorandum of association.

Further, all amendments to the articles of association, and all members of the executive board, the board of directors and the supervisory board of a limited liability company as well as the company's auditor, if any, must always be registered.

The limited company must also ensure to annually file its annual accounts with the Danish Business Authority.

BUSINESS EXPANSION

Limited liability company (*Kapitalselskab*)

There is no requirement to change the form of the company as the business expands.

However, there may be several advantages in terms of flexibility, recognition, tax purposes etc. in changing the form as the business grows, and this should therefore always be considered. However, this will always depend on the company in question.

EXIT STRATEGY

Limited liability company (*Kapitalselskab*)

If the shareholders wish to dissolve a solvent company, this is by default done by a resolution which must be adopted by the general meeting. After this, a liquidator must be appointed. The final dissolution must be registered by the Danish Business Authority.

The company can also be dissolved by declaration rather than liquidation, which is a more expedient process. However, this is only when the limited liability company has paid all its creditors, and it entails that the shareholder(s) will be held liable for all debts, whether due or not and whether disputed or not, that existed at the date of the declaration.

Further, a company can be dissolved by a merger where 1 company integrates another or where both companies combine to make one new company. By contrast, the general meeting of a limited company can also decide to split up the company and thereby transfer assets and debts collectively to other existing or new companies.

Finally, the shareholders can decide to convert a public limited company into a private limited company or a limited partnership company – and the other way around. The managing body must ensure that all regulations of the new form of entity is complied with after such conversion.

ANNUAL CORPORATE MAINTENANCE REQUIREMENTS

Limited liability company (*Kapitalselskab*)

The shareholders of the limited company must hold annual shareholders' meetings.

The audited and approved annual report of all limited companies must annually be filed with the Danish Business Authority without undue delay after approval.

The Danish Business Authority must receive the annual report no later than 5 months after the end of the financial year of the company. It is possible to have a financial year other than the calendar year (i.e., July 1 to June 30).

DIRECTOR / OFFICER REQUIREMENTS

Limited liability company (*Kapitalselskab*)

The term "management" covers both members of the board of directors, the supervisory board and the executive board.

All limited companies need to have 1 or more general managers – together the executive board (*Direktion*). However, the choice of managing structure can vary depending on the form of the company chosen.

A public limited company and a limited partnership company may choose between 2 management systems, which are both structured as a 2-tier system:

- A system with a board of directors responsible for the overall and strategic management of the company and an executive director or an executive board consisting of several managing directors responsible for the day-to-day management. The executive board is appointed and dismissed by the board of directors.
- An executive director or an executive board, which is responsible for the overall and strategic management as well as the day-to-day management. The executive(s) must be appointed and dismissed by a supervisory board.

The private limited company can also choose to have a 2-tier management system, but is not required to, as opposed to the public limited company and the limited partnership company. They may therefore choose either of the 2 options above or:

- A system with only an executive director or an executive board. In this case, the executive board assumes the responsibilities that would otherwise have been those of the board of directors.

In a public limited company and a limited partnership company, the board of directors or the supervisory board must consist of at least 3 members while the same does not apply to the private limited company.

None of the limited companies are subject to requirements with regards to nationality or addresses for any member of the management.

There are no rules that prohibits the members of the executive board from being members of the board of directors too. However, in a public limited company, the majority of the board of directors cannot be members of the executive board and the chairman cannot be member of the executive board.

For more information on directors' duties, see our [Global Guide to Directors' Duties](#).

LOCAL CORPORATE SECRETARY REQUIREMENT

Limited liability company (*Kapitalselskab*)

There is no requirement for a local corporate secretary in Denmark.

LOCAL LEGAL OR ADMIN REPRESENTATIVE REQUIREMENT

Limited liability company (*Kapitalselskab*)

None beyond the required management and, where applicable, members of the board of directors or supervisory board.

LOCAL OFFICE LEASE REQUIREMENT

Limited liability company (*Kapitalselskab*)

Limited companies must have a registered office in Denmark, but it does not have to be either owned or leased by the company.

OTHER PHYSICAL PRESENCE REQUIREMENTS

Limited liability company (*Kapitalselskab*)

Not applicable for this jurisdiction.

SUFFICIENCY OF VIRTUAL OFFICE

Limited liability company (*Kapitalselskab*)

An address is needed, but here are no requirements as to the presence of directors or employees on that address.

PROVISION OF LOCAL REGISTERED ADDRESS BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Limited liability company (*Kapitalselskab*)

It is accepted that the limited company has its registered address at a law firm or third-party service provider, and as such the address can be a *c/o*-address at the office of another entity in Denmark.

PROVISION OF LOCAL DIRECTOR OR CORPORATE SECRETARY BY LAW FIRM OR THIRD-PARTY SERVICE PROVIDER

Limited liability company (*Kapitalselskab*)

There are no requirements as to the presence of directors or employees on their address or in Denmark in general.

By default, all general meetings must be held at the registered office of the limited liability company, unless the articles of association specify that general meetings must or may be held elsewhere – for instance within a specified municipality.

It is not required that general meetings or board meetings are held as physical meetings, as the general meeting and the meeting of the board of directors may pass a resolution on electronic communication.

However, the residential status of the entity might be compromised if none of the meetings are held in Denmark, which can be problematic from a tax perspective. Thus, it may be required that some of the management services are performed effectively from Denmark.

There are no further formal requirements in Denmark for the company's physical presence.

NATIONALITY OR RESIDENCY REQUIREMENTS FOR SHAREHOLDERS, DIRECTORS AND OFFICERS

Limited liability company (*Kapitalselskab*)

None of the limited companies are subject to requirements with regards to nationality or addresses of the shareholders, directors, officers or any member of the management

RESTRICTIONS REGARDING APPOINTMENT OF NOMINEE SHAREHOLDERS OR DIRECTORS

Limited liability company (*Kapitalselskab*)

Limited liability companies must keep a register of shareholders. The register of shareholders is the company's own register of all shareholders. As for registered shares (which is far the most common), information about the shareholder has to be entered into the register of shareholders.

Previously, bearer shares could be issued, and they were only registered by serial numbers in the register of shareholders. Bearer shares can no longer be issued, and existing bearer shares shall be registered with the Danish Business Authority (not public).

Furthermore, shareholders must notify the company if the share capital or voting rights attached to the shares represent at least 5 percent of the total share capital or voting right. This information must be registered in the Public Register of Shareholders with the Danish Business Authority. The Public Register of Shareholders is accessible to both public authorities and the general public.

SUMMARY OF DIRECTOR'S, OFFICER'S AND SHAREHOLDER'S AUTHORITY AND LIMITATIONS THEREOF

Limited liability company (*Kapitalselskab*)

The executive board carries out the day-to-day management.

If the company has a board of directors, the board of directors is responsible for the overall management of the company and appoints and supervises the directors. If the company has a supervisory board, this board supervises the directors of the company.

A public limited company needs to have either a board of directors or a supervisory board. It is by far most common for a public limited company to have a board of directors.

PUBLIC DISCLOSURE OF IDENTITY OF DIRECTORS, OFFICERS AND SHAREHOLDERS

Limited liability company (*Kapitalselskab*)

The identity of registered executives and shareholders holding at least 5 percent of the share capital is publicly disclosed in the Public Register of Shareholders.

The company must also publicly disclose information on the beneficial ownership, if any. A beneficial owner is the physical person(s), who directly or indirectly, holds or controls more than 25 percent of the share capital or the votes, or who practices control by other means. The company is obliged to verify on an annual basis whether the information on beneficial owners is updated and correct. This could be handled at the annual general meeting.

MINIMUM AND MAXIMUM NUMBER OF DIRECTORS AND SHAREHOLDERS

Limited liability company (*Kapitalselskab*)

Only 1 shareholder is mandatory and there is no maximum of shareholders.

The executive board may consist of minimum 1 person and there is no maximum.

A public limited company needs to have either a board of directors or a supervisory board. In both cases, the board must consist of at least 3 members.

MINIMUM NUMBER OF SHAREHOLDERS REQUIRED

Limited liability company (*Kapitalselskab*)

Only 1 shareholder is required.

REMOVAL OF DIRECTORS OR OFFICERS

Limited liability company (*Kapitalselskab*)

The shareholders have the authority to remove the board of directors or the supervisory board at a shareholders' meeting, and a member of the board of directors may resign at any time.

The executive board is both appointed and dismissed by the board of directors. If the company has no board of directors, the executive board is dismissed by the general meeting.

The limited company's articles of association may include provisions on appointment and removal of the board members that deviates from the above.

REQUIRED AND OPTIONAL OFFICERS

Limited liability company (*Kapitalselskab*)

In a public limited company, the board of directors or the supervisory board need to appoint its chairman unless otherwise provided in the company's articles of association.

BOARD MEETING REQUIREMENTS

Limited liability company (*Kapitalselskab*)

No requirements regarding the frequency. Meetings must be convened in Danish unless at least 1/2 of the board agree to hold the meeting in another language. Meetings may be completed in writing or using electronic communication unless 1 member of the board requires a verbal debate.

QUORUM REQUIREMENTS FOR SHAREHOLDER AND BOARD MEETINGS

Limited liability company (*Kapitalselskab*)

The board of directors or the supervisory board is quorate when more than 1/2 of its members are represented, unless a higher quorum is decided in the articles of association. However, resolutions cannot be passed without all members having been allowed to participate in the transaction of business, if possible.

When the provisions of the Danish Companies Act and the company's articles of association in regard of notice have been complied with, the actual turnout will be able to vote on the general meeting. However, the articles of association may contain a provision regulating if a certain number of votes of the shareholders' general meeting is required in order to pass a resolution.

MUST A BANK ACCOUNT BE OPENED PRIOR TO INCORPORATION, AND MUST THE BANK ACCOUNT BE LOCAL?

Limited liability company (*Kapitalselskab*)

Banks will usually not open an account before the company is incorporated.

All companies in Denmark are required to have a NemKonto/Easy Account. A company's Nemkonto is a designated bank account that receives payments from the public sector.

The NemKonto can either be a bank account in Denmark or a designated foreign bank account.

The expected timeline for opening a bank account in Denmark is around 2-3 weeks, often due to AML requirements and disclosing of KYC documentation.

AUDITING OF LOCAL FINANCIALS. IF SO, MUST THE AUDITOR BE LOCATED IN LOCAL JURISDICTION, AND MUST THE COMPANY'S BOOKS BE KEPT LOCALLY?

Limited liability company (*Kapitalselskab*)

A limited company encompassed by either reporting classes B, C or D pursuant to Danish Financial Statements Act must have its annual report audited by 1 or more independent auditors. A company within reporting class B can deselect to have the annual report audited if it fulfills at least 2 of the following conditions:

- The average number of full-time employees during each of the 2 most recent financial years has exceeded 12.
- The company's reported balance sheet total for each of the 2 most recent financial years has exceeded DKK4,000,000.
- The company's reported net turnover for each of the 2 most recent financial years has exceeded DKK8,000,000.

Only auditors registered at the Danish Business Authority may carry out the auditing, however, auditors from another EU or EEA country may be registered in Denmark.

Accounting documents must be kept in a manner ensuring that they can be easily made available for local authorities.

REQUIREMENT REGARDING PAR VALUE OF STOCK

Limited liability company (*Kapitalselskab*)

Stocks cannot be subscribed at a price below par.

INCREASING OF CAPITALIZATION IF NEEDED

Limited liability company (*Kapitalselskab*)

The share capital may be increased or decreased by following the procedures stipulated in the Danish Companies Act, which generally requires a decision by qualified majority of the shareholders.

Adopted by the shareholders' meeting, the articles of associations must be changed accordingly (in general a majority of 2/3 of the votes as well as of the represented capital at the shareholders' meeting is required to change the article of associations).

The share capital may not be decreased below the company's legal minimum share capital.

SUMMARY OF HOW FUNDS CAN BE REPATRIATED FROM YOUR JURISDICTION (IE DIVIDENDS OR REDEMPTION)

Limited liability company (*Kapitalselskab*)

Funds may be repatriated from Denmark when paid out to shareholders as dividend.

Dividends may be paid to the shareholders without them having to pay withholding tax under certain conditions (eg, if the recipient is the rightful owner of at least 10 percent or more of the shares in the company).

RESTRICTIONS ON TRANSFERABILITY OF SHARES

Limited liability company (*Kapitalselskab*)

In general, no restriction by law, but transferability may be restricted by specific legislation.

Further, it is fairly common that the shareholders' agreement and/or the company's articles of association contain provisions regulating the transferability of shares.

While a shareholders' agreement does not bind the company – and therefore has no effect on the validity of the decisions made by the general meeting – the agreement is still valid among the shareholders, and a violation of the shareholders' agreement will often result in the party in breach incurring liability.

OBTAINING A NAME AND NAMING REQUIREMENTS

Limited liability company (*Kapitalselskab*)

The name is required information in the memorandum of association and the articles of association.

The name must contain the name of the company form (A/S or ApS) and must be clearly distinguishable from the names of other enterprises registered by the Danish Business Authority.

The name must not include any family name, business name, distinctive name of real estate, trademark, distinctive mark or the like not belonging to the company.

SUMMARY OF "KNOW YOUR CLIENT" REQUIREMENTS

Limited liability company (*Kapitalselskab*)

There are no general "KYC" requirements applicable to all companies in Denmark.

However, several specific businesses such as banking, law firms, accountants and real estate agencies are subject to the Danish Money Laundering Act, which contains certain "know your client" requirements. Business is required to provide sufficient and correct information upon request from the relevant authorities.

APPROVAL REQUIREMENTS FOR AMENDING CHARTER DOCUMENT

Such requirements depend on the type of business the company is conducting.

LICENSES REQUIRED TO CONDUCT BUSINESS IN JURISDICTION

Limited liability company (*Kapitalselskab*)

In general, there are no licenses required to conduct business in Denmark.

However, some professions and activities require that you apply for a permit, license, obtain an admission or an authorization (eg, banking business, food businesses, gambling providers, lawyers and auditors).

PROCESS OF PURCHASING AND UTILIZING A SHELF COMPANY

Limited liability company (*Kapitalselskab*)

Shelf companies are not commonly used anymore as the incorporation process has been simplified and can now be carried out electronically in most cases on a day-to-day basis.

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