

KROMANN REUMERT



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COMMERCIAL AND COMPANY LAW

Copenhagen Capacity

ACCESS SCANDINAVIA

– SETTING UP IN DENMARK

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OPPORTUNITIES

Denmark is heavily dependent on foreign trade and international cooperation. It follows liberal trade and investment policies and encourages foreign investments in Denmark.

Denmark benefits from a well developed infrastructure, an advanced telecommunications system, and a highly educated, flexible, and stable work force. Denmark maintains high standards of environmental protection and product safety and the Danish market values quality in production, finish and design.

Copenhagen, the capital of Denmark, is geographically well situated as a centre for activities in and gate way to the other Scandinavian countries as well as Northern Germany, the Baltic States and other parts of Eastern Europe. Many European firms have realised substantial benefits by locating their Northern European distribution centres in Denmark.

Denmark does not discriminate between foreign investors and Danish investors. Foreign firms may participate in government financed and/or subsidized research and development programs on equal terms with Danish national investors. Generally, foreign direct investment in Denmark is not subject to restrictions or screening although a few sectors such as defense and other national security interests are subject to ownership restrictions.

While Denmark is a high-cost country, it nevertheless ranks highly in international surveys on economic competitiveness in the transport (land, sea and air), energy, telecommunications and distribution systems sectors.

Denmark offers political stability, the lowest corporate taxation in Scandinavia (25%), flexible and streamlined corporate formalities, and flexible employment regulation.

SETTING UP IN DENMARK

The most commonly used forms of companies in Denmark are Public Limited Companies (“Aktieselskab”, abbreviated “A/S”) and Private Limited Companies (“Anpartsselskab”, abbreviated “ApS”). Both are regulated by the Companies Act, benefit from limited liability for shareholders and are subject to the same tax treatment. Private limited companies are subject to less comprehensive regulation.

Danish companies may be incorporated by any number of founders. Companies must be registered with the Danish Commerce and Companies Agency (the “DCCA”), a process that takes approximately four weeks. The DCCA operates a web-based service called “Webreg” which allows registered parties, such as Kromann Reumert, to register corporate changes and statutory registrations online thus shortening the registration process. Existing “ready to be used” shelf companies can be acquired from Kromann Reumert for a small fee.

Until a company is registered, the founders/promoters acting on behalf of the company will be personally liable for all obligations undertaken by them in the company’s name.

Kromann Reumert assists a large number of public and private limited companies, including many that are foreign owned or controlled. The firm advises on all aspects of corporate and commercial matters, including corporate governance, capital structures, and corporate financing, assists in the drafting of corporate documentation, and handles notifications to and registrations with the DCCA and all other public authorities.

KEY CONTACT PERSONS AT KROMANN REUMERT



VAGN THORUP
Phone: +45 40 15 51 18
E-mail: vt@kromannreumert.com



WILLIAM KANTA
Phone: +45 61 20 11 73
E-mail: wka@kromannreumert.com

ESSENTIALS: GENERAL OVERVIEW OF FORMATION OF A SUBSIDIARY

The following steps must be accomplished to form a Danish company:

✚ **Signing of Memorandum of association and Articles of association**

These must be adopted and filed with the DCCA. The Companies Act sets out the minimum formal requirements.

✚ **Election of the board of directors**

Public limited companies must have a two-tier management structure comprised of a board of directors and at least one managing director. Private limited companies may be managed by either a board of directors or by a manager or by a combination thereof.

✚ **Subscription of shares**

The minimum share capital for public limited companies and private limited companies is DKK 500,000 and DKK 80,000, respectively.

✚ **Filing with the Danish Commercial and Companies Agency**

The company must be registered with the DCCA within two weeks from signing of them.

✚ **Registration with the Danish Tax authorities**

The company must be registered with the Danish tax authorities for customs and taxation purposes.

✚ **Bank**

A bank account must be opened.

✚ **Work and residence permits**

Non-EU citizens must have residence and work permits in order to do business or work in Denmark. EU citizens may enter into and work in Denmark without permits for up to three months. Kromann Reumert is experienced in assisting with all matters pertaining to immigration and employment law.

INBOUND SERVICES

– HELPING FOREIGN BUSINESSES IN DENMARK

More and more businesses operate internationally in an increasingly global marketplace. Massive resources are spent locating local lawyers and getting them up to speed on the client's business and the particular challenges the business faces. Kromann Reumert's Inbound Services assist Foreign businesses in all areas of Danish law related to their start up of business in Denmark.

CONTACT INFORMATION

United Kingdom



VAGN THORUP
Phone: + 45 40 15 51 18
E-mail: vt@kromannreumert.com



JAKOB HANS JOHANSEN
Phone: + 44 77 996 22201
E-mail: jaj@kromannreumert.com

Germany



MICHAEL KELDSEN
Phone: +45 20 16 20 92
E-mail: mk@kromannreumert.com



HAUKE WULF
Phone: +45 20 19 74 07
E-mail: hwu@kromannreumert.com

India

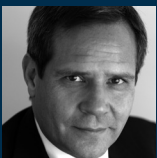


VAGN THORUP
Phone: + 45 40 15 51 18
E-mail: vt@kromannreumert.com



MANDEEP SINGH RATHOUR
Phone: +45 24 86 00 56
E-mail: msr@kromannreumert.com

China



IAN TOKLEY
Phone: +45 61 63 54 37
E-mail: ito@kromannreumert.com



JENS BLOMGREN-HANSEN
Phone: +45 24 86 00 76
E-mail: jbh@kromannreumert.com

Immigration and employment law



HELENE AMSINCK
Phone: +45 20 19 74 74
E-mail: ham@kromannreumert.com



TOMMY ANGERMAIR
Phone: +45 61 63 54 23
E-mail: tma@kromannreumert.com

COPENHAGEN

Kromann Reumert
Sundkrogsgade 5
DK-2100 Copenhagen
Denmark

Phone: +45 70 12 12 11
Fax: +45 70 12 13 11
E-mail: cph@kromannreumert.com

LONDON

Kromann Reumert
42 New Broad Street
London EC2M 1JD
England

Phone: +44 207 920 3030
Fax: +44 207 920 3099
E-mail: lon@kromannreumert.com

AARHUS

Kromann Reumert
Rådhuspladsen 3
DK-8000 Aarhus C
Denmark

Phone: +45 70 12 12 11
Fax: +45 70 12 14 11
E-mail: arh@kromannreumert.com

BRUSSELS

Kromann Reumert
Rue du Luxembourg 3
B-1000 Brussels
Belgium

Phone: +32 2 501 07 00
Fax: +32 2 501 07 01
E-mail: bru@kromannreumert.com

About Kromann Reumert

Kromann Reumert is the leading, full-service law firm in Denmark employing almost 600 dedicated people, including approx. 320 lawyers. We provide legal services within all areas of law relevant to our clients. Kromann Reumert's outstanding reputation has been recognised by many international legal surveys. The firm is a multiple winner of the Legal Office Client Choice Award and Who is Who Legal Denmark's Firm of the Year awards. We have also been named as Denmark's best law firm across a number of practice areas.