



# KROMANN REUMERT

## TAX AMNESTY

*All parties in the Danish Parliament, except for the Social Democrats, have agreed to introduce a tax amnesty scheme in 2011 for taxpayers with assets in tax haven countries. The Minister of Taxation will also be given the authority to buy information from banks and other sources abroad.*

The historic agreement between the parties in the Parliament uses both stick and carrot, and the intention is to make Danish taxpayers with assets in foreign tax havens come clean.

The carrot is that Denmark, like a number of other countries, will offer a short-term amnesty scheme.

The scheme has the following advantages:

- Guarantee of no prison term regardless of the amount involved.
- Resolution of the matter on a confidential basis without involving the courts.
- A fine of 60% of the evaded amount.

Unpaid direct and indirect taxes on assets - tax, VAT, gift and estate taxes - must be paid regardless of the amnesty.

Under the existing rules, taxpayers that turn them-

selves in often receive a fine levied at 50% of the evaded amount (i.e. a 50% discount on the fine). Therefore, the primary advantages of the amnesty scheme are the avoidance of imprisonment and guaranteed confidentiality, but penalties will be higher (60% of the evaded amount, which effectively means only a 40% discount).

The amnesty is available to individuals and businesses, but only if they turn themselves in during 2011 and only in respect of assets held in countries from which Denmark could not obtain bank information at 1 January 2008.

The stick is twofold. Firstly, Denmark is now prepared, if necessary, to pay for information from informants in line with the practice in, for example, Germany, which has uncovered considerable assets hidden abroad. Secondly, at the same time as the amnesty, the political parties behind the agreement are seeking to increase penalties in major evasion cases in which taxpayers do not voluntarily come forward.

The scheme requires a statutory amendment, and the bill is expected to be tabled in the Autumn of 2010.



## 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](mailto:lon@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](mailto:bru@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](mailto:cph@kromannreumert.com)

## Aarhus

Kromann Reumert  
Raadhuspladsen 3  
DK-8000 Aarhus C  
Denmark  
Phone: +45 70 12 12 11  
Fax: +45 70 12 14 11  
E-mail: [arh@kromannreumert.com](mailto:arh@kromannreumert.com)

## PRIMARY CONTACTS

Please do not hesitate to contact us with any questions or comments:



Mette Porskær Winther  
[mpw@kromannreumert.com](mailto:mpw@kromannreumert.com)  
Direct: + 45 38 77 45 33



Arne Møllin Ottosen  
[ao@kromannreumert.com](mailto:ao@kromannreumert.com)  
Direct: + 45 38 77 44 66



Lene Juel  
[lej@kromannreumert.com](mailto:lej@kromannreumert.com)  
Direct: + 45 38 77 46 18



Eduardo Vistisen  
[evi@kromannreumert.com](mailto:evi@kromannreumert.com)  
Direct + 45 38 77 44 19

## MORE NEWS?

Sign up for our Tax and/or Private Client newsletters at  
[www.kromannreumert.com/newsletter](http://www.kromannreumert.com/newsletter)

*Kromann Reumert provides this newsletter as a service and for informational purposes only. It does not constitute legal advice and does not create any form of attorney-client relationship with our firm. While every effort is made to ensure that the information in this newsletter is accurate, it may contain errors or omissions for which we disclaim any and all liability.*

**KROMANN  
REUMERT**