



GUIDELINES FOR DANISH VAT

For congresses etc.
held by non-profit organisations



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1. INTRODUCTION

This guide about Danish VAT is aimed at associations, societies, charity unions, universities and other non-profit entities holding a conference, congress or similar in Denmark (from here on the term 'congress' is used as the collective term for these events).

In general, as in all other EU countries, VAT is due in Denmark. If your revenues are VAT liable, with few exemptions, you are entitled to set off VAT on all your purchases. On the other hand, if your revenues are VAT exempted, VAT is definite on your purchases.

VAT is the only tax due on congresses in Denmark. Danish cities do not charge tourist or environmental taxes.

If you are a non-profit organisation holding a congress in Denmark, you are eligible for certain flexible Danish VAT rules on participation fees.

2. PARTICIPATION FEES

Congresses with an educational or scientific purpose

If you do not aim to make a profit on the participation fee, or the participants take part as private individuals (not as representatives from an organisation), the participation fee is not VAT liable. On the other hand, you will not be able to set off VAT on costs directly linked to the participation fee.

If you obtain other revenues from the congress, e.g. exhibitions and sponsors, these revenues are VAT liable but may not be levied Danish VAT. These revenues entitle you to partial VAT deduction/refund on general costs related to the congress.

If you aim to make a profit on the participation fee, the fee will be VAT liable as a main rule. In this case, with very few exemptions, you are entitled to set off VAT on all costs related to the congress.

| Education- al/ scien- tific congress | Revenue | VAT liable | Danish VAT on revenue | VAT set off on costs directly rela- ted to in- come | VAT set off on costs related to all activities (general costs) |
|---|---------------------------|---------------|-----------------------------|---|--|
| Aim: Non-profit congress | Partic- ipation fee | No | No | No | Yes, partial based on pro- portion of VAT liable income and total reve- nue |
| | Exhibits revenue | Yes | No | Yes | |
| | Sponsor revenue | Yes | No | Yes | |
| Aim: Profitable congress | Parti- cipation fee | Yes | Yes | Yes | Yes, with a few exemptions |
| | Exhibits revenue | Yes | No | Yes | |
| | Sponsor revenue | Yes | No | Yes | |

Thus, in many cases you have the opportunity to choose whether you want to pay VAT on the participation fee or pay (partial) VAT on the congress costs.

If you hold a VAT liable congress in Copenhagen, you must submit a VAT application form to the Danish Business Authority within 8 days of the conference. Please go to chapter 5 for further information.

If you hold a non-VAT liable congress in Denmark and obtain other revenues from the congress (exhibitions and sponsors), you do not need to VAT register in Denmark – but you will be entitled to a partial VAT refund for costs related to the revenues from sponsors and exhibitions. However, in order for the refund to be valid, the application for VAT refund must be submitted to the Danish VAT Authorities no later than 1 September the following year after the congress has been held. Please go to chapter 6 for further information.

In general, the above procedures are very easy and simple. If your participation fee is VAT liable, please go to chapter 3. If your participation fee is VAT exempted, please go to chapter 4.

Other purposes

If your congress does not have an educational or scientific purpose, but your organisation has a broadly recognised charity aim, you may have the opportunity to obtain VAT exemption on the participation fee. This opportunity is valid whether you make a profit on the fee or not.

Other revenues from the congress, e.g. exhibitions and sponsors, are VAT liable but may not be subject to Danish VAT. Please reach out to your Danish contact person for further advice on this opportunity (go to chapter 7).

3. CONGRESSES WITH VAT LIABLE PARTICIPATION FEE

The registration fee

If the registration fee is VAT liable, it is subject to Danish VAT. This also means that your organisation must VAT register in Denmark.

Commercial revenues

If your congress includes revenues from commercial activities, e.g. exhibitions and sponsors, these activities are by principle VAT liable. However, depending on your organisation and the customers' country of establishment, the fee may not be subject to Danish VAT. That said, you must add Danish VAT in case you only supply stands without at least one more additional service, e.g. communication lines, furniture or similar.

| Revenues from exhibitions and sponsors | Your organisation's country of establishment | Your customers country of establishment | | |
|--|--|---|---------------|---------------|
| | | Denmark | EU | Outside EU |
| | Denmark | Danish VAT | No Danish VAT | Danish VAT |
| | EU | No Danish VAT | No Danish VAT | No Danish VAT |
| | Outside EU | No Danish VAT | No Danish VAT | No Danish VAT |

Other income

If your organisation, in its own name, supplies other services against separate consideration to the attendees, the Danish VAT treatment of these supplies depends on the nature of the service. The table shows examples of the Danish VAT treatment.

| Separate invoiced services | VAT liable |
|--|-----------------------------------|
| Accommodation Food and beverages, gala dinners Sale of goods/gimmicks Entertainment | Yes, 25% Danish VAT must be added |
| Visits at museums Canal tours | No (VAT exempted) |

VAT deduction

With only a few exemptions, you are entitled to deduct input VAT on all purchases with Danish VAT, e.g. accommodation and congress services.

Services without VAT deduction or with partial VAT deduction are:

- Restaurant meals and gala dinners – here you are only entitled to deduct 1/4 of the VAT. However, under certain circumstances meals supplied in the exhibition area is 100% recoverable.
- Entertainment – however, artists (singers, dancers, actors and DJ's) are VAT exempted.

A number of services from Danish suppliers to your organisation can be supplied without Danish VAT if they are invoiced to your home address. However, in general we recommend that you instruct the suppliers to invoice your Danish VAT registration number with Danish VAT. You are entitled to Danish VAT deduction and thereby avoid mixing the congress budget with your domestic costs. Services invoiced without Danish VAT may be subject to VAT in your home country (reverse charge).

4. CONGRESSES WITH VAT EXEMPTED PARTICIPATION FEE

The registration fee

If the registration fee is VAT exempted, you should of course not add Danish VAT on the participation fee.

Commercial revenues

If your congress includes revenues from commercial activities, e.g. exhibitions and sponsors, these activities are by principle VAT liable. However, depending on your organisation and the customers' country of establishment, the fee may not be subject to Danish VAT. That said, you must add Danish VAT in case you only supply stands without at least one more additional service, e.g. communication lines, furniture or similar.

| Revenues from exhibitions and sponsors | Your organisation's country of establishment | Your customers country of establishment | | |
|--|--|---|---------------|---------------|
| | | Denmark | EU | Outside EU |
| | Denmark | Danish VAT | No Danish VAT | Danish VAT |
| | EU | No Danish VAT | No Danish VAT | No Danish VAT |
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Other income

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| Separate invoiced services | VAT liable |
|--|-----------------------------------|
| Accommodation Food and beverages, gala dinners Sale of goods/gimmicks Entertainment | Yes, 25% Danish VAT must be added |
| Visit at museums Canal tours | No (VAT exempted) |

VAT deduction

As the participation fee is VAT exempted, you are not able to deduct or obtain refund of purchases directly linked to the congress. However, some of your purchases may be without Danish VAT (go to section on “Place of VAT taxation of services” below).

Furthermore, if you have VAT liable commercial revenues or other VAT liable income in Denmark you will be eligible for partial VAT deduction (go to section on “Partial VAT decution” on page 8).

Place of VAT taxation of services

The services supplied to support your conference will as a main rule be levied with Danish VAT. If you are partial VAT liable, you will also be liable to partial VAT deduction/refund (go to section on “Partial VAT decution” on page 8).

If your organisation is established in the EU, the following services are not liable to Danish VAT. However, they may be subject to VAT (reverse charge) in the country where your organisation is established:

- Rent of furniture and AV equipment
- Communication services
- Meeting packages
- Rent of stands (if you include other services as well) and decorations

VAT exempted services

The following services are VAT exempted in Denmark and thus not subject to Danish VAT:

- Museum tickets
- Guide services
- Artists
- Passenger transport (including water boat tours, but excluding coaches)

Partial VAT deduction

If you have a VAT exempted congress that includes VAT liable commercial and/or sponsor activities, your organisation is entitled to partial VAT deduction/refund.

| VAT exempted activities | VAT liable activities |
|--|--|
| Participation fee (and ancillary services here to) | Rent of stands Sponsors Commercial activities Rent of meeting rooms Sales in own name of accommodation, gala dinners |

VAT on costs solely linked to the VAT exempted activities is not refundable.

VAT on costs solely linked to the VAT liable activities is refundable.

VAT on costs both linked to VAT liable and VAT exempted activities is partially refundable.

The refund is calculated as:

$\text{VAT liable revenue} \times 100 / \text{total revenue} = \text{pro rata VAT deduction rate.}$

As an example, if your VAT liable revenue is 33% of the total revenue from the venue, you are entitled to 33% VAT deduction of for example rent of space, since the rent of space generates both VAT liable and VAT exempted income.

5. VAT REGISTRATION

If the participation fee is VAT liable, and/or your organisation supplies services that are subject to Danish VAT for a separate fee, e.g. a gala dinner, your organisation is obliged to VAT register in Denmark.

A VAT registration usually takes 2-3 weeks. In some cases it may be possible to obtain faster.

When the VAT registration is approved, your organisation also has an obligation to submit VAT returns to the Danish VAT Authorities.

Generally, the VAT term is quarterly. The VAT return must be submitted no later than the first working day in the third month after the end of the VAT term. The VAT payable is due at the same date.

Organisations established in the EU, Greenland, Faroe Islands, Iceland or Norway

If your organisation is established in the European Union, Greenland, Faroe Islands, Iceland or Norway, your organisation is able to be VAT registered in Denmark at place of domicile.

Alternatively, your organisation can choose to be VAT registered through a Danish representative, i.e. a Danish PCO or a Danish Tax/Audit firm.

If your organisation chooses to be registered at your domicile address, you must file registration form **40.110** and submit the form to the Danish Business Authority. The registration form can be found on the following link:

www.skat.dk

If you choose to be registered through a Danish representative, your organisation will be registered at the address of the Danish representative. It is solely your organisation that is liable for declaration and payment of the VAT. The representative must fill out a special form about the liability. The registration form must be submitted alongside the liability form to the Danish Business Authority.

The Danish Business Authority has issued a guide in English about registration in Denmark of foreign entities on the following link:

www.indberet.virk.dk

Organisations established outside EU (except Greenland, Faroe Islands, Iceland and Norway)

If your organisation is established in a country outside EU, your organisation must be VAT registered through a Danish fiscal representative. Your organisation must be registered at the representative's address in Denmark. Your organisation and your representative are jointly liable for payment of VAT. Often a Danish PCO is used as the fiscal representative.

In this case, you must fill out VAT registration form **40.112**. Also, the representative must fill out a declaration regarding the VAT liability. The form can be found on the following link:

www.skat.dk

Deregister

When your congress has ended, you can deregister for VAT. Form **40.003** is used for deregistration. The form must be submitted to the Danish Business Authority and can be found on the following link:

www.skat.dk

6. VAT REFUND

If your organisation is entitled to a VAT refund, the procedure depends on whether your organisation is established in EU or outside EU.

If your organisation is established in EU, you must submit the application for VAT refund electronically via your own VAT Authorities homepage. This must be done no later than 30 September following the year the cost has incurred.

If your organisation is established outside EU, you must use form **31.004** for application. The form can be found on the following link:

www.skat.dk

The form must be send to the Danish VAT Authorities on following address:

SKAT
Udland Momsrefusion & Momsregistrering
Pioner Allé 1
DK-6270 Tønder

The above VAT authority must receive the application no later than 30 September following the year the cost has incurred. Also, the application must include the original invoices for which you are seeking the VAT refund.

7. MORE INFORMATION

We realise that organisers of conferences frequently face complex VAT rules. However, Danish VAT rules are rather flexible, and we would be pleased to help you VAT optimise your Danish event.

For more information, please do not hesitate to contact the members of MeetDenmark:



Wonderful Copenhagen

(CVB for the Capital Region/Greater Copenhagen and Region Zealand)
Email: kongres@woco.dk



Inspiring Denmark

(CVB for the Region of Southern Denmark)
Email: ela@inspiringdenmark.dk



Visit Aarhus

(CVB for Aarhus and Central Denmark Region)
Email: convention@visitaarhus.com



Visit Aalborg

(CVB for Aalborg and North Denmark Region)
Email: convention@visitaalborg.com

Or our VAT liaison partner:



KPMG Acor Tax

Email: flemming.lind.johansen@kpmg.com
Telephone: +45 5374 7057

This leaflet is based on general terms. Where any of the above assumptions are not valid, we recommend specific advice is obtained.

The leaflet sets out our interpretation of the relevant Danish tax law and practice in this area. For the avoidance of doubt, we confirm that we have no responsibility to update the report for any changes in law and practice that take place after the leaflet has been published.

