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Denmark – New Rules for Recruitment of Foreign Specialists

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Denmark has decided to implement a new Fast Track procedure and amend the Special Taxation Scheme for Key Employees from 1 January 2015, as a means of making it easier to recruit highly qualified employees/specialists to come to work in Denmark and strengthen the competitive edge of Danish companies.¹

Why This Matters

These amendments² to Denmark's rules aim to provide companies in Denmark a faster and more flexible recruitment process, as well as to expand the available pool with respect to highly qualified international foreign specialists who can come to work in Denmark. There are new possibilities for companies that wish to obtain work permissions for certain highly qualified foreign employees.

Fast Track Procedure

The Fast Track procedure will grant foreign employees work permission **just after arrival** in Denmark after submitting an application and getting an interim permit from the *Danish Agency for Labor Market and Recruitment* (STAR) instead of awaiting the legal proceedings at STAR, which typically takes four weeks. The approval, in accordance with the Fast Track procedure, requires that the company be certified by STAR. Companies can apply for certification from 1 January 2015.

Requirements

The requirements for a foreign employee to apply under the Fast Track procedure are:

- the foreign employee is offered a basic salary of DKK 375,000 annually, or
- the foreign employee is a researcher, or
- the employment requires a placement of highly qualified level of education, or
- the foreign employee's stay in Denmark does not exceed a period of three months from the first day of arrival in Denmark.

Aspects of Fast Track and Other Advantages

Under the Fast Track procedure, the foreign employee will have the opportunity to work alternately in Denmark and abroad, without termination of his or her Danish work permit.

A foreign employee under the Fast Track recruitment procedure will be able to work in Denmark while his or her application is still processing/pending at STAR, instead of waiting for a final approval of work permit from STAR.

As a result of this change in Denmark's law and the implementation of the Fast Track procedure, the previous Corporate Scheme³ will be terminated. STAR will be issuing notices to all companies currently availing of the Corporate Scheme about the implications of the Fast Track procedure and the transition from the Corporate Scheme to the Fast Track procedure.

Tax - Special Taxation Scheme for Key Employees

With effect from 1 January 2015, the minimum salary under the Special Taxation Scheme for Key Employees ("the Special Scheme") will be reduced by DKK 10,000. In 2015, the minimum salary will now be DKK 61,500 compared with DKK 71,600 in 2014. The purpose of this change is to expand the pool of key employees with access to Denmark's labor market under the Special Scheme.

Footnotes:

1 For more on the reform of international recruitment (*en reform af international rekruttering*) agreed by the governing parties, see:

<http://bm.dk/da/Aktuelt/Politiske%20aftaler/International%20rekruttering.aspx> .

See the 22-page government document "Aftale om en reform af international rekruttering – Lettere adgang til højt kvalificeret arbejdskraft."

2 Udlændingeloven and Kildeskatteloven.

3 The corporate scheme is a way to transfer employees with special abilities or qualifications from the company's foreign departments to Denmark to work on a project or to carry out work that is innovative or educational in nature. While the permit is valid, the employee can alternate between working in Denmark and abroad without the permit lapsing.

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DKK 1 = EUR 0.134
DKK 1 = GBP 0.1056
DKK1 = USD 0.1635

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