



GMS Flash Alert

Immigration Edition

2019-060 | March 28, 2019



Denmark – Law Passes on Status and Rights of U.K. Nationals if “No-Deal” Brexit

The central elements in new legislation¹ promulgated in Denmark dealing with a “no-deal Brexit” scenario are that U.K. nationals who reside and/or work in Denmark before Brexit will not be required to apply for residence and work permits and the transitional period is not limited in time.

This also means that any U.K. commuters to Denmark who began commuting before Brexit will not be required to apply for a work permit.

We reported the intention of the Danish government to adopt measures in case of a no-deal Brexit in GMS [Flash Alert 2019-017](#) (31 January 2019). Following up on that report, on 19 March 2019, the government passed a bill that outlines rules for a no-deal Brexit.² That bill passed without significant changes as compared to the proposals we reported on in January.

The new legislation is slated to enter into force when the U.K. exits the EU.

WHY THIS MATTERS

After Brexit, U.K. nationals are no longer nationals of an EU country and thus can no longer claim residence in an EU or European Economic Area (EEA) member state on the basis of the EU treaty. This means that U.K. nationals will be subject to rules and conditions similar to those afforded third-country nationals in Denmark and the rest of the EU.

The new legislation passed by the Danish government on 19 March addresses the uncertainties and concerns in respect of U.K. nationals living and working in Denmark in the event of a no-deal Brexit. However, U.K. nationals in Denmark pre-Brexit, or planning to travel to Denmark post-Brexit to take up work and/or residence, are advised to discuss their situations and plans with immigration counsel and/or their global mobility advisers and tax professionals.

Transitional Measures in Brief

Immigration

As noted in our earlier report, those U.K. nationals and their family members who have taken up residence in Denmark prior to Brexit will maintain their right to residence and they will be able to work in Denmark without having to apply for a work permit. U.K. nationals posted to Denmark will be allowed to continue their posting as planned without any additional requirements for residence and work permits.

KPMG NOTE

U.K. nationals who are in Denmark, but have not registered their residence, are encouraged to do so before Brexit. If it is not possible to get the EU registration proof due to the lack of a permanent address in Denmark (for instance, the individual is a cross-border commuter), it would be prudent to keep documents that prove the individual's commuting status before Brexit, e.g., commuting contract/agreement.

Social Security

In the event of a no-deal Brexit, the U.K. would no longer be a party to the existing EU social security regulations. Furthermore, the old bilateral agreement on social security between Denmark and the U.K. dating back to 1956 will not apply, which means that mobility between Denmark and the U.K. post-Brexit will be regulated by national legislation on social security in each country.

U.K. nationals posted to Denmark *prior to Brexit* will maintain their social security-related rights (and obligations) during the transitional period.

As we indicated in our earlier report, U.K. nationals posted from Denmark to another European Economic Area (EEA) country, however, will not be eligible for A1 certificates after the date of Brexit. This is because Denmark has an exemption from applying EU regulations for social security to third-country nationals. Nonetheless, depending on the host country, U.K. nationals can maintain certain rights on the basis of other international agreements – e.g., Nordic Agreement for social security – but this must be assessed on a case-by-case basis.

This means that, in terms of social security, the movement of U.K. nationals from Denmark to other EEA countries will be affected in the event of a no-deal Brexit.

U.K. nationals posted to/working in Denmark *post-Brexit* will be covered by national legislation in Denmark and possibly by the national legislation of the United Kingdom.

KPMG NOTE

Please note that Denmark is a part of the Nordic Convention on social security that extends the application of EC Regulations on social security to third-country nationals within the Nordic countries³. In this context, Denmark has applied the requirement for residence in a Nordic country strictly and according to national legislation⁴. At this point, it is unclear if Denmark will apply the Nordic Convention to third-country nationals with temporary stay and work in a Nordic country.

FOOTNOTES:

1 For the text and status (in Danish) of *L 166 Forslag til lov om videreførelse af visse rettigheder i forbindelse med Det Forenede Kongeriges udtræden af Den Europæiske Union uden en aftale*, click [here](#).

For other information in English on developments regarding a no-deal Brexit and the ramifications for U.K. nationals in Denmark, see the Danish Ministry of Immigration and Integration web page, click [here](#).

2 Ibid.

3 Parties to the Nordic Convention on social security: Denmark, Sweden, Norway, Finland, and Iceland.

4 Article 5 in Nordic Convention on Social Security from 12 June 2012.

* * * *

Contact us

For additional information or assistance, please contact your local GMS or People Services professional* or the following professional with the KPMG International member firm in Denmark:



Pernille Paisen

Tel. +45 5374 7024

pernille.paisen@kpmg.com

** Please note the KPMG International member firm in the United States does not provide immigration or labour law services. However, KPMG Law LLP in Canada can assist clients with U.S. immigration matters.*

The information contained in this newsletter was submitted by the KPMG International member firm in Denmark.

© 2019 KPMG P/S, a Danish limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. © 2019 KPMG ACOR TAX, a Danish limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative, a Swiss entity. All rights reserved.

www.kpmg.com

kpmg.com/socialmedia



© 2019 KPMG LLP, a Delaware limited liability partnership and the U.S. member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity. All rights reserved. Printed in the U.S.A. NDPPS 530159

The KPMG name and logo are registered trademarks or trademarks of KPMG International.

The KPMG logo and name are trademarks of KPMG International. KPMG International is a Swiss cooperative that serves as a coordinating entity for a network of independent member firms. KPMG International provides no audit or other client services. Such services are provided solely by member firms in their respective geographic areas. KPMG International and its member firms are legally distinct and separate entities. They are not and nothing contained herein shall be construed to place these entities in the relationship of parents, subsidiaries, agents, partners, or joint venturers. No member firm has any authority (actual, apparent, implied or otherwise) to obligate or bind KPMG International or any member firm in any manner whatsoever. The information contained in herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

Flash Alert is a GMS publication of KPMG LLP's Washington National Tax practice. To view this publication or recent prior issues online, please click [here](#). To learn more about our GMS practice, please visit us on the Internet: click [here](#) or go to <http://www.kpmg.com>.