

Transfer Pricing Country Profile
(to be posted on the OECD Internet site www.oecd.org/taxation)

Name of Country: Denmark Date of profile: April 2009

No.	Item	Reference to and wherever possible text of the provisions; Wherever needed and possible, a translation into one of the OECD official languages would be welcome.
1	Reference to the Arm's Length Principle	Yes, in the Tax Assessment Act § 2.
2	Reference to the OECD Transfer Pricing Guidelines (if any)	Yes, in the explanatory memorandum of our transfer pricing legislation.
3	Definition of related parties	Yes, in the Tax Assessment Act § 2.
4	Transfer pricing methods	Reference to the OECD Transfer Pricing Guidelines and the methods therein (including hierarchy among them).
5	Transfer pricing documentation requirements	<p>Yes, in the Tax Control Act § 3B according to which the taxpayer is required to prepare transfer pricing documentation should the Tax Administration request it. This documentation must be presented to the tax authorities within 60 days of the initial request. Certain taxpayers (small/medium sized MNG's) are exempted from these requirements, apart from the documentation of certain transactions (§ 3 B, 6).</p> <p>Requirements are laid down by Danish Tax and Customs Administration. This is put into practice in order no. 42, 24/1 2006. Alternatively, transfer pricing documentation in Denmark can be drawn up according to the Pacific Association of Tax Administrators (PATA) Transfer Pricing Documentation Package or according to the EU transfer pricing documentation requirements.</p> <p>Domestic transfer pricing documentation guidelines (only in Danish language) are available on www.skat.dk.</p>
6	Specific transfer pricing audit procedures and / or specific transfer pricing penalties.	<p>Specific TP audit procedures: No.</p> <p>Specific TP penalties: Yes, specific penalties as regards to documentation requirements (Tax Control Act §§ 17, 3 and 14, 3).</p>

7	Relevant regulations on Advance Pricing Arrangements	None.
8	Link to relevant Government Internet sites	www.skat.dk (Danish Tax and Customs Administration). www.skm.dk (The Tax Ministry).
9	Other relevant information	The authoritative Tax Guidance (in Danish only) is available on www.skat.dk .

Note

1. Relevant provisions of domestic legislation referring to the Arm's Length Principle.
2. Reference if any to the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations in domestic legislation or regulations.
3. Relevant legislation or regulations containing a definition of related parties or associated enterprises.
4. Relevant legislation or regulations containing guidance on transfer pricing methods including hierarchy among them if any.
5. Relevant regulations if any in relation to transfer pricing documentation requirements.
6. Relevant regulations if any on specific transfer pricing audit procedures and / or specific transfer pricing penalties.
7. Relevant regulations if any on Advance Pricing Arrangements.
8. Addresses of the Internet sites of the relevant authorities in charge of transfer pricing policy, its administration and Advance Pricing Arrangements.
9. Other relevant information, for instance having gone through a peer review, or having new transfer pricing regulations in preparation.