

Jurisdiction's name:

Greenland

Information on Residency for tax purposes

Section I – Criteria for Individuals to be considered a tax resident

This section includes parts of section 1 and 2 of the Tax Income Law, available here:

<http://int.aka.gl/en/Tax-legislation>

Section 1.-(1) The following are subject to tax as residents:

- 1) individuals who are domiciled in Greenland,
- 2) individuals who are not domiciled in Greenland but remain in the country for at least 6 months including short stays outside Greenland for holidays, etc.,

Section 2.-(1) The following are subject to tax as non-residents: individuals, corporate forms, funds, associations, etc. specified in section 1(1), paras. 3-14 and deceased estates administered outside Greenland not falling within the scope of section 1(1) which:

- 1) receive any form of payment for work services performed in Greenland or on board ships or aircrafts registered in Greenland unless the work is performed during a stay which does not exceed 60 consecutive days and the individual in question remains employed by an employer who is not resident in Greenland,
- 2) receive any form of payment for work services performed in Greenland after termination of employment, including consideration for entering into a non-competition clause. It is irrelevant that the settlement and/or amount of payment in question is determined by court ruling, court settlement, arbitration or similar,
- 3) receive salary, wages or similar from a Greenland employer where relocation to Greenland is briefly delayed due to moving household effects, traffic conditions or similar,
- 4) receive salary, wages, etc. from a state employer in Greenland where relocation to Greenland is briefly delayed due to short course participation,
- 5) receive a student's grant, salary, etc. during studies or education, etc. from sources in Greenland,
- 6) receive income for activities carried out in Greenland as a professional performer, athlete or similar, including cases where the income does not accrue to the performer or sportsman himself but to another person, etc.,
- 7) receive remuneration of the category referred to in section 75(1), para. 2 for membership of or assistance to boards of directors, committees, commissions, councils, etc. which are domiciled in Greenland,
- 8) receive income from Greenland which is A-income pursuant to section 75(2), para. 1,
- 9) receive dividend from a public or private limited company or cooperative society, etc. which is registered as domiciled in Greenland,
- 10) carry out business with a permanent establishment in Greenland or participate in business

activities with a permanent establishment in Greenland or are otherwise entitled to a share in the revenue, profits, etc. of such business,

11) carry out professional services from a fixed place of business in Greenland or in order to provide such services remain in Greenland for at least 90 consecutive days, or participate in such business or are otherwise entitled to a share in the revenue, profits, etc. from such business,

12) carry out shipping or air transport operations in Greenland territory or regular traffic between a location on Greenlandic territory and a location outside Greenland, or participate in such business or are otherwise entitled to a share in the revenue, profits, etc. of such business,

13) receive royalties from a source in Greenland,

14) receive income from hiring out or leasing out business operations in Greenland,

15) own real property in Greenland or receive income from such in Greenland, or

16) receive income as beneficiary in a deceased estate administered in Greenland.

(2) The tax liability under subsection (1) only covers the income and income bases specified therein, and expenses are only deductible to the extent they relate to such income or income bases. Individuals subject to tax under subsection (1), para. 1 are entitled to a deduction of 10 percent of the remuneration up to an annual maximum amount specified by the Landsting (Parliament). The annual deduction referred to in the second sentence is determined by a Landsting Assembly in the first half of the year prior to the calendar year in question.

Section II – Criteria for Entities to be considered a tax resident

Section 1.-(1) The following are subject to tax as residents:

- 1) individuals who are domiciled in Greenland,
- 2) individuals who are not domiciled in Greenland but remain in the country for at least 6 months including short stays outside Greenland for holidays, etc.,
- 3) public and private limited companies registered as domiciled in Greenland,
- 4) other companies domiciled in Greenland in which the partners are not personally liable for the obligations of the company and which distribute profits in proportion to the capital subscribed by the partners,
- 5) savings banks domiciled in Greenland,
- 6) consumer cooperatives domiciled in Greenland, meaning associations whose objective is to purchase, procure or produce goods or provide services fully or partly for the private consumption of their members, and which - apart from normal interest on paid-up membership subscriptions - use the revenue generated by the members as the basis for distribution of profits to said members,
- 7) other cooperatives domiciled in Greenland,
- 8) mutual insurance associations domiciled in Greenland which also undertake insurance without any obligation to participate in the mutual liability,
- 9) pension funds domiciled in Greenland,
- 10) other associations domiciled in Greenland whose objective is to receive deposits from their members and to invest such deposits in securities,
- 11) credit unions domiciled in Greenland,
- 12) associations, corporate bodies, foundations, trusts and self-governing institutions domiciled in Greenland which run hotel or catering business. The tax liability applies only to income from hotel or catering business and gains or losses from sale, disposal or surrender of assets which are or have been connected to hotel or catering business.
- 13) funds, foundations, trusts and self-governing institutions domiciled in Greenland and
- 14) other associations and cooperatives domiciled in Greenland which have income from business activities.

(2) The tax liability for associations, etc. listed in subsection (1), para. 14 only applies to the income of such from business activities. Business income is income from trade or other business activities, including income from operation, leasing or letting of real property. In the event that an association, etc. has been given a right to a share in the profits of a business activity that is not operated by the association itself, the resulting income is also categorised as business income. Profits which an association, etc. generates from supplies to members are not deemed as generated by business activities.

Section 2.-(1) The following are subject to tax as non-residents: individuals, corporate forms, funds, associations, etc. specified in section 1(1), paras. 3-14 and deceased estates administered outside Greenland not falling within the scope of section 1(1) which:

- 1) receive any form of payment for work services performed in Greenland or on board ships or aircrafts registered in Greenland unless the work is performed during a stay which does not

exceed 60 consecutive days and the individual in question remains employed by an employer who is not resident in Greenland,

2) receive any form of payment for work services performed in Greenland after termination of employment, including consideration for entering into a non-competition clause. It is irrelevant that the settlement and/or amount of payment in question is determined by court ruling, court settlement, arbitration or similar,

3) receive salary, wages or similar from a Greenland employer where relocation to Greenland is briefly delayed due to moving household effects, traffic conditions or similar,

4) receive salary, wages, etc. from a state employer in Greenland where relocation to Greenland is briefly delayed due to short course participation,

5) receive a student's grant, salary, etc. during studies or education, etc. from sources in Greenland,

6) receive income for activities carried out in Greenland as a professional performer, athlete or similar, including cases where the income does not accrue to the performer or sportsman himself but to another person, etc.,

7) receive remuneration of the category referred to in section 75(1), para. 2 for membership of or assistance to boards of directors, committees, commissions, councils, etc. which are domiciled in Greenland,

8) receive income from Greenland which is A-income pursuant to section 75(2), para. 1,

9) receive dividend from a public or private limited company or cooperative society, etc. which is registered as domiciled in Greenland,

10) carry out business with a permanent establishment in Greenland or participate in business activities with a permanent establishment in Greenland or are otherwise entitled to a share in the revenue, profits, etc. of such business,

11) carry out professional services from a fixed place of business in Greenland or in order to provide such services remain in Greenland for at least 90 consecutive days, or participate in such business or are otherwise entitled to a share in the revenue, profits, etc. from such business,

12) carry out shipping or air transport operations in Greenland territory or regular traffic between a location on Greenlandic territory and a location outside Greenland, or participate in such business or are otherwise entitled to a share in the revenue, profits, etc. of such business,

13) receive royalties from a source in Greenland,

14) receive income from hiring out or leasing out business operations in Greenland,

15) own real property in Greenland or receive income from such in Greenland, or

16) receive income as beneficiary in a deceased estate administered in Greenland.

(2) The tax liability under subsection (1) only covers the income and income bases specified therein, and expenses are only deductible to the extent they relate to such income or income bases. Individuals subject to tax under subsection (1), para. 1 are entitled to a deduction of 10 percent of the remuneration up to an annual maximum amount specified by the Landsting (Parliament). The annual deduction referred to in the second sentence is determined by a Landsting Assembly in the first half of the year prior to the calendar year in question.

Section III – Entity types that are as a rule not considered tax residents

Apart from types that are not included in section 1 or 2, section 3 of the Tax Income Law provides the types that are not considered tax residents.

Section 3.-(1) The following are exempt from tax liability:

1) The king and the king's spouse and members of the royal house who are children of Danish kings, or for whom apanage have been specified under section 11 of the Constitutional Act of Denmark (grundlovens), as well as their spouses. This also applies to the deceased estates of such.

2) the Greenland Self Rule Government (Selvstyre), municipalities, the state and state enterprises and institutions.

3) Diplomatic representatives of foreign states, their staff, their family members and personnel and private servants who are in Greenland will be taxed in accordance with the provisions of the Vienna Convention on Diplomatic Relations.

4) Consular representatives of foreign states, their staff, their family members and personnel who are in Greenland will be taxed in accordance with the provisions of the Vienna Convention on Consular Relations.

5) Recognized religious communities and religious institutions set up in connection hereto or to the state church.

6) Educational, social and cultural institutions that are independent non-profit institutions whose revenues can be used only for the purposes of the institution.

7) Persons and enterprises, etc., covered by Article VII of the Agreement pursuant to the North Atlantic Treaty between the government of the Kingdom of Denmark and the government of the United States of America concerning the defence of Greenland.

8) Associations, corporate bodies, foundations, trusts and self-governing institutions domiciled in Greenland which run catering business in sports halls.

(2) Funds, associations, etc. taxable according to section 1(1), paras. 13 and 14, where the statutory objective of the fund, association, etc. is charitable or non-profit may be fully or partially exempted from taxation. The decision to this effect is made by the Landsstyre.

(3) The taxation of companies and enterprises granted an exploitation licence under The Act on mineral resources and mineral resource activities will be waived to the extent this follows from the licence awarded to the licence-holder.

Section IV – Contact point for further information

Please use the following contact points for further information:

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