

COVID-19 Response: Denmark

GOVERNMENT MEASURES FOR BUSINESSES	ELIGIBILITY	WHEN?
Finance / Loan Schemes		
<p>Interest-free VAT loans to SMEs and tax on labor costs for certain businesses</p> <p>SMEs may apply for interest-free VAT loans for an amount equal to the VAT, which the company declared for Q4 2019 (for medium enterprises) and H2 2019 (for small enterprises)</p> <p>Additionally, SMEs may apply for interest-free VAT loans for an amount equal to the tax on labor costs, which the company declared for Q1 2020</p>	<p>Companies with VAT-required deliveries not exceeding DKK 50M, and hence that do not pay VAT on a monthly basis</p>	<p>Applications are open</p>
Tax		
<p>Postponement of the deadline for payment of VAT and taxes</p>	<p>Companies that are subject to Danish tax</p>	<p>Varies</p>

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Employment

Salary compensation scheme

- ▶ Companies will be compensated by the Danish government for 75% of the salaries which they must pay to employees who have been requested to go on temporary unemployment (capped at DKK 30,000 (c. €4,000) per month for each employee). The remaining 25% (or the amount above DKK 30,000 (c. €4,000) per month) must be paid by the company. For employees employed on an hourly basis, compensation will amount to 90% of their salary (capped at DKK 30,000 (c. €4,000) per month for each employee)
- ▶ The scheme requires that companies commit not to dismiss the relevant employees during the period in which the company receives compensation. In addition, the employees are not allowed to work during the compensation period
- ▶ The individual employees must take five days unpaid holiday during the compensation period
- ▶ Employers who apply for the salary compensation scheme for the period between 9 July 2020 until 29 August 2020 are subject to a requirement that the employees who are sent home take three weeks (15 days) of paid holiday if the employees have already accrued paid holiday in accordance with the Danish Holiday Act. In this period of three weeks, the employer will not receive any salary compensation
- ▶ For companies that are critically restricted by law to do business, the salary compensation scheme will continue beyond 29 August 2020 if such companies are subject to or effected by one or more of the following restrictions beyond 31 October 2020: (i) prohibition from opening; (ii) assembly ban of 500 persons; (iii) closing of the borders; or (iv) the Ministry of Foreign Affairs' traveling guidelines. The salary compensation scheme will regardless of any prohibitions expire 31 December 2020 at the latest
- ▶ Companies must apply to the Danish Business Authority to participate in the scheme

Companies in Denmark that lay off at least 30% of their employees or more than 50 employees in total

From 9 March to 8 July

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Other		
Danish Export Credit Agency (“DECA”) schemes The DECA will offer a re-insurance scheme to cover Danish exporters’ risk (i.e., companies will be compensated if their overseas customers default on their contractual payments) In addition, the DECA will cover 80% of any bank losses on new lines of credit which are extended to secure the liquidity of exporting companies	Companies in Denmark that export goods	Not specified

Note:

- ▶ This document only summarizes key measures implemented to benefit businesses operating in Denmark.
- ▶ The measures described above were in place as of **28 October 2020**. Updates and additional government measures are expected.