

2021

CPR no. (Civil reg. no.)

Guidance

The tax return for foreign income must be completed if

you are fully liable to pay tax in Denmark and have income from and/or assets abroad. You must also declare salary/wages from your Danish employer if you have worked abroad. If your foreign income is also stated in box 11 of the extended tax return (form no. 04.003), it must be reduced by the amount you earned abroad. The salary/wages must be declared in Danish kroner. All foreign incomes must be declared, regardless of whether or not Denmark has the right to tax these incomes. If you have incomes from several countries, you must complete one tax return form for each country.

It is important to state the period during which you worked abroad, because that will determine whether the country where you worked has the right to tax the foreign income, and thus whether Denmark must reduce the tax on foreign income (see below).

In box 403 you must state the entire period during which you stayed abroad. If the stay abroad lasted more than one year, you must also state the total length of your stay abroad.

Real property owned abroad

If you own property abroad, you must complete the appendix to the tax return concerning foreign property, form no. 04.053 EN. On that form you must declare any rental income if you have rented out the property, interest payments/interest income, and debts to/deposits in banks relating to your property.

Labour market contributions

If you get relief under the exemption method, the labour market contributions will be reduced like the other Danish taxes. If you get relief under the credit method, the labour market contributions will be reduced by an amount corresponding to the tax you have paid abroad.

Social benefits and other transfer income, such as pension and sickness benefits, are exempt from payment of labour market contributions.

Foreign mandatory social contributions

In box 459 you can claim deductions for foreign mandatory social contributions that you pay to another country. To be eligible for the deductions, you must be covered by social security in another country under the regulations of the European Community on social security or under an intergovernmental agreement. You must contact the Danish Tax Agency and bring form A1 with you or similar documentation from the country where you are paying social contributions before you can get the deductions.

Foreign tax and relief

Tax paid abroad must be declared separately, and you must be able to provide documentation of the tax paid. If you have paid tax abroad, you may in some cases be entitled to relief on the Danish tax.

Personal income

Salary/wages:

Salary/wages from a Danish employer for work performed abroad must be entered as foreign income.

Salary/wages from a foreign employer for work performed abroad must be entered as foreign income.

Salary/wages from a foreign employer for work performed in Denmark must be entered in box 15 as Danish income.

Salary/wages from an international organisation (enter the name of the organisation in box 401).

Please tick the box if the entire salary/wages are exempt from Danish tax under section 33A of the Danish Tax Assessment Act. If only part of the salary/wages is exempt from tax, you must send in supplementary information to the Danish Tax Agency. If you do not tick the box, the Danish tax will be reduced according to any double taxation agreement with the country in question.

Pension payments from abroad:

- Regular life-contingent payments from foreign pension fund schemes and life assurance schemes
- Payments from schemes taken out with a foreign life assurance company, pension fund or bank (the scheme must have been established while you resided in the country in which the scheme was established, and all pension contributions etc. must have been deducted from positive taxable income in the country in question according to the tax rules of that country).

Income from capital

Dividends which are income from capital

In this box you must state dividends from shares and investment units if the dividends are from foreign investment companies. However, you should not state dividends from a foreign investment institute or company that has chosen to follow the Danish rules for investment institutes with minimum taxation ('IMBs'). You must state the dividend income before deduction of foreign tax.

Assessed deductions concerning foreign income

The following expenses related to your foreign salary/wages are tax deductible:

1. Fees for trade union membership, provided that the fees were paid abroad – cannot exceed DKK 6,000. Fees for trade union membership paid in Denmark must be entered in box 50 of the extended tax return (form no. 04.003).
2. Cost of transport between home and work, unless you receive transport allowance from your employer.
3. Expenses for food and accommodation (travel deduction) at fixed rates or at actual expenses. The deduction cannot exceed DKK 29,300.
4. Standard deduction for sales personnel performing work abroad for a Danish employer. Only the part of the standard deduction exceeding DKK 6,500 is deductible.

All these deductions cannot exceed your foreign earned income.

Note that contributions paid in Denmark towards unemployment insurance and early retirement schemes must be entered in box 52 on page 2 of the extended tax return (form no. 04.003).

Income from shares

Under foreign dividends which are income from shares, you must state the dividends from shares in foreign companies.

This tax return covers dividends from shares which have been admitted for trading on a regulated market and are not held in custody account in a Danish bank, and dividends from shares which have not been admitted for trading on a regulated market. Box 452 must also be used for dividends from foreign shares held in a custody account in a Danish bank in those cases where Denmark either has an agreement with the country in question, but where no specified percentage for taxation has been decided (for example with Greenland and Malaysia), or where Denmark does not have an agreement (for example with France and Spain).

Asset information

Only asset information mentioned explicitly in the asset boxes on the tax return must be stated. You must always state the market value of foreign shares.

Asset information	Market value of shares held in a custody account in a foreign bank, and foreign investment units	490	671
	Deposits in foreign banks etc. Market value of bonds and of mortgage deeds held in a custody account in a foreign bank	492	673
	Debt to foreign banks etc.	493	674

