ELYSIUM WEALTH ADVISORS
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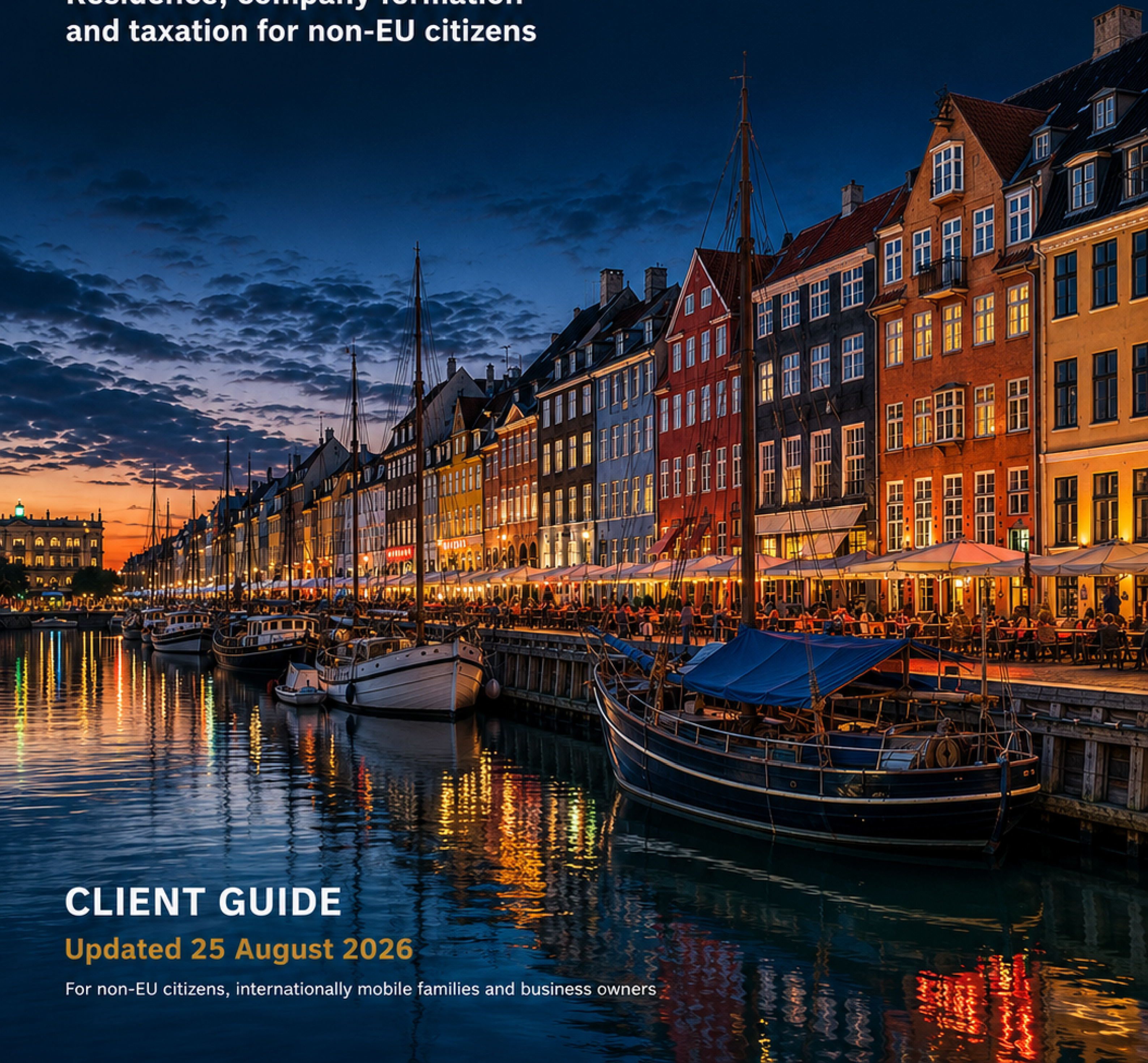
RESIDENCE • BUSINESS • TAX

MOVING TO DENMARK

Residence, company formation and taxation for non-EU citizens



CLIENT GUIDE

Updated 25 August 2026

For non-EU citizens, internationally mobile families and business owners

Executive overview

A non-EEA national may generally incorporate and own a Danish company, but company ownership does not by itself provide permission to live or work in Denmark. The residence or work route, company structure and personal tax strategy should be planned together before relocation.

KEY PRINCIPLE Danish company law and Danish immigration law operate independently. Share ownership or a directorship does not create a right of residence or the right to work.

At a glance

Question	General position
Can a non-EEA national own a Danish ApS?	Generally yes. Foreign ownership is permitted, subject to normal company, sanctions and regulated-sector rules.
Does incorporation grant residence?	No. A separate Danish residence / work basis is required.
Can the owner work in Denmark?	Only where the person holds a permission that authorises the intended employment, management or self-employment activity.
Can a passive investor live in Denmark?	Not merely because of investment or wealth. Denmark has no general retirement / passive-income residence permit for non-EEA nationals.
Can an entrepreneur use Start-up Denmark?	Potentially, if the business is innovative, approved by the expert panel and the founder meets the residence requirements.
Main company tax rate?	22% corporation tax on taxable company income.

Who this guide is for

- Non-EEA founders planning to relocate to Denmark and build a Danish business.
- International entrepreneurs who want a Danish company but may remain resident elsewhere.
- Financially independent individuals assessing whether Denmark offers a suitable no-work residence route.
- Professionals considering the Pay Limit, Supplementary Pay Limit or Positive List schemes.
- Families comparing employment, study, accompanying-family and family-reunification routes.

Important terminology

Denmark applies EU free-movement rules to EU/EEA and Swiss citizens, while third-country nationals generally need a Danish residence and, where relevant, work permit. The exact process depends on nationality, intended activity, employer or business model and the competent Danish authority.

Choosing a Danish residence route

Company ownership and immigration permission must be assessed separately.

WHAT WILL THE APPLICANT DO IN DENMARK?

Take qualifying employment	Build an innovative company	Join family or study	Live without working
Pay Limit / Supplementary / Positive List / Fast-track	Start-up Denmark	Family / accompanying family / study	No general passive-income or retirement route

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BEFORE COMMITTING TO A ROUTE Confirm nationality, intended activity, salary / occupation or business eligibility, family position, funding and tax residence. An ApS certificate does not itself confer a right to live or work in Denmark.

Figure 1. Indicative residence-route decision map.

1. Main routes to Danish residence

The correct route depends on nationality, qualifications, salary, occupation, employer, business model, family relationships and whether the individual will work in Denmark.

Employment permits

For many non-EEA applicants, employment is the most practical route. Denmark offers several work schemes, including the Pay Limit Scheme, Supplementary Pay Limit Scheme, Positive Lists and Fast-track routes. The job, salary and employment terms must satisfy the relevant scheme and Danish standards.

Route	Typical features	Residence implications
Pay Limit Scheme	2026 salary threshold DKK 552,000 per year; role need not be on a shortage list, but salary and terms must meet Danish standards.	Residence and work permission linked to the qualifying job and permit conditions.
Supplementary Pay Limit Scheme	2026 salary threshold DKK 446,000 per year, with additional scheme conditions.	Residence and work permission linked to the qualifying employment.
Positive Lists	Qualifying job on the current Higher Education or Skilled Work list; lists updated 1 January and 1 July.	Permission linked to the listed occupation, employer and permit conditions.

OWNER-MANAGED COMPANY Forming an ApS does not automatically allow its shareholder or director to work in Denmark. The immigration basis must authorise the actual role and activity.

Positive Lists and Fast-track

The Positive Lists cover occupations experiencing shortages and are updated twice a year. From 1 July 2026, SIRI states that the Positive List for People with a Higher Education contains 164 job titles and the Positive List for Skilled Work contains 63. Certified employers may also use relevant Fast-track Scheme tracks where the conditions are met.

Family and study

Accompanying-family and family-reunification routes depend on the sponsor's immigration status and relationship. Students generally need admission to an eligible programme, sufficient funds and any required tuition payment. Work rights depend on the specific permit and its conditions.

2. Retirement and independent means: no general passive route

Denmark does not offer a general residence permit for a non-EEA national solely because the person is retired, wealthy or able to support themselves from passive income. A qualifying immigration basis - such as work, Start-up Denmark, study or family - is normally required.

Practical implications

- Owning investments, Danish property or shares in a Danish company does not by itself create a residence right.
- Passive company ownership should be distinguished from active management, employment or self-employment in Denmark.
- A person wishing to live in Denmark without working should first identify a specific immigration category that actually fits the circumstances.
- Private financial resources may still be relevant where a particular permit requires proof of self-support.
- Tax residence can arise independently of immigration status and should be reviewed separately.

NO GENERAL RETIREMENT VISA Denmark does not have a broad residence category for a non-EEA person solely on the basis of private wealth, pension income or investment assets.

WORK RESTRICTION Passive investment should not be confused with employment, self-employment or active company management. A person carrying out work in Denmark needs an immigration basis that permits it.

Passive ownership versus active management

Activity	Likely position for a non-EEA person without work permission
Holding shares as an investment	Potentially possible, subject to company law, sanctions, tax and sector rules.
Receiving dividends / investment returns	Potentially possible, with Danish and cross-border tax consequences.
Managing daily operations	Work activity; an appropriate residence and work basis is normally required.
Providing services to the company	Work / self-employment activity; do not assume it is permitted without authorisation.
Drawing salary or management fees for work	Requires immigration, payroll and tax analysis.

Long-term residence caution

Temporary residence, permanent residence, citizenship residence and tax residence are separate tests. Whether time under a particular permit counts toward a long-term objective depends on the permit and the rules in force at the relevant time.

3. Start-up Denmark and founder routes

Start-up Denmark

Start-up Denmark is the main residence and work route designed for foreign entrepreneurs who want to establish or run an innovative growth company in Denmark. The business idea must first be approved by a panel of experts appointed by the Danish Business Authority.

Core requirements

- An innovative business idea with credible growth potential and contribution to the Danish business community.
- Approval from the Danish Business Authority's expert panel before the SIRI residence and work application.
- Active ownership and genuine participation in running the approved business; teams of up to three founders may apply on a shared business plan.
- Documented self-support. For an applicant applying alone, SIRI's 2026 amount is DKK 153,240, with higher amounts where accompanying family members are included.

More likely to fit Start-up Denmark	Generally less likely to fit
Innovative technology, IP, science or scalable product venture	Ordinary local consultancy with no meaningful innovation
Credible growth model with potential to create jobs	Conventional retail, restaurant or personal-service business
Strong founder capability, active ownership and documented plan	Passive holding, property or investment vehicle

Permit duration and limits

A Start-up Denmark residence and work permit can be granted for up to two years and can then be extended for up to three years at a time if the conditions continue to be met.

- The work permission is tied to running the approved business.
- Material changes to the business may require notification, renewed expert evaluation or a new application.
- Starting unrelated paid employment or a different business can require a new immigration basis.
- Denmark does not operate a general passive investor visa comparable to some other European jurisdictions.

CONDITION OF PERMISSION The Start-up Denmark permit is tied to the approved business. The founder must actively run that business, and significant changes or unrelated employment can require a new application.

4. Establishing a Danish private limited company

The usual owner-managed vehicle is an anpartsselskab (ApS), a private limited company with separate legal personality and shareholder liability generally limited to the subscribed capital.

Coordinated Denmark planning sequence

1	IMMIGRATION	Choose a permit that authorises the intended employment or founder activity.
2	COMPANY	Design the ApS ownership, management, capital and governance arrangements.
3	REGISTRATION	Register with Virk / CVR; complete tax, VAT, payroll and ownership registrations.
4	REMUNERATION	Model salary, management fees, dividends, pension and payroll exposure.
5	COMPLIANCE	Maintain books, annual accounts, tax returns, payroll and sector licences.

Figure 2. Coordinated implementation sequence.

SEQUENCE MATTERS **Immigration, company substance, payroll and personal tax residence are legally distinct, but they interact in practice and should be planned together.**

Core formation requirements

Requirement	Practical point
Company name	Must be available and comply with Danish naming rules.
Constitution	An ApS requires a memorandum of association and articles of association.
Shareholder	One or more shareholders are permitted; foreign ownership is generally possible.
Management	An ApS must have a management structure complying with the Danish Companies Act; many small ApS companies use an executive management board.
Share capital	Minimum DKK 20,000 for an ApS. Capital must be documented in the prescribed manner.
Registered address	A Danish address must be registered for the company.
CVR registration	The company is registered through Virk and receives a CVR number.
Ownership data	Legal owners and beneficial owners must be registered where the statutory conditions are met.

Registration and ongoing obligations

1. **Prepare the memorandum of association and articles of association.**
2. **Contribute and document the required share capital and register the ApS through Virk with the Danish Business Authority.**
3. **Obtain the CVR number and register tax, VAT, payroll and employer obligations where relevant.**
4. **Register and maintain ownership and beneficial-owner information as required.**
5. **Maintain proper bookkeeping and prepare / file annual financial statements under the applicable accounting rules.**
6. **File corporation tax, VAT, payroll and other returns and keep sector licences or registrations current.**

FOREIGN OWNERSHIP A non-EEA person can generally own a Danish ApS, but ownership is separate from immigration permission. Banking, sanctions, regulated-sector and tax-residence issues may require additional review.

5. Company taxation

A Danish resident company is generally subject to Danish corporation tax on its taxable income. Cross-border management, permanent establishments, transfer pricing and treaty residence require specialist analysis.

Principal company tax rates

Tax / item	Indicative 2026 treatment
Corporation tax	22% of taxable company income.
Standard VAT	25% for most taxable goods and services.
VAT registration threshold	Generally required where taxable turnover exceeds DKK 50,000 in a calendar year.
Dividend withholding to individuals	Generally 27% at source, subject to specific cases and treaty / domestic relief for non-residents.
Transfer pricing / cross-border	Documentation and arm's-length rules can apply to related-party transactions.

Trading-profit illustration

Calculation	Amount
Taxable company profit	DKK 1,000,000
Corporation tax at 22%	DKK 220,000
Profit after corporation tax	DKK 780,000

The illustration excludes payroll taxes, VAT, withholding taxes and any special deductions, incentives or cross-border adjustments. The actual tax base can differ from accounting profit.

PLANNING POINT The 22% corporation-tax rate is not the owner's final tax rate. Additional personal tax can arise when profits are extracted as salary, management remuneration, benefits or dividends.

Company residence and management

Where a Danish company is effectively managed from another country, or a foreign company is effectively managed from Denmark, dual-residence, permanent-establishment and treaty issues can arise. Board process, decision-making, personnel and operating substance should match the intended structure.

6. Personal Income Tax - 2026

Danish personal taxation combines an 8% labour-market contribution on most employment income with state taxes and municipal tax. The final liability depends on municipality, deductions, income type, pension treatment, family circumstances and treaty relief.

Principal 2026 personal tax components

2026 component	Rate / threshold
Labour-market contribution (AM-bidrag)	8% on most employment / earned income before income tax.
Bottom state tax	12.01% after the personal allowance rules.
Middle tax	7.5% above DKK 641,200 of personal income after AM-bidrag.

Municipal income tax is charged in addition and varies by municipality. Members of the Danish National Church may also pay church tax. Personal cash-flow modelling should therefore use the taxpayer's actual municipality rather than a single national headline rate.

2026 state-tax reform

From 2026, the former top-tax structure changed. The state system includes 12.01% bottom tax, 7.5% middle tax above DKK 641,200 of personal income after labour-market contribution, 7.5% top tax above DKK 777,900 and 5% top-top tax above DKK 2,592,700. The general personal allowance is DKK 54,100 for 2026.

> PERSONAL ALLOWANCE **The general Danish personal allowance is DKK 54,100 for 2026. Municipal tax is additional and varies by municipality, so a single national marginal-rate figure can be misleading.**

Share income

For 2026, an individual generally pays 27% tax on the first DKK 79,400 of share income and 42% on share income above that threshold. For married spouses living together at year-end, the threshold is doubled to DKK 158,800 for their combined share income.

Tax residence is separate from immigration

A residence or work permit does not by itself decide Danish tax residence. Full Danish tax liability can arise through residence or a continuous stay of at least six months, and shorter stays can also have tax consequences where work is performed in Denmark.

7. Salary, director remuneration and dividends

Owner-directors commonly extract value through salary, director remuneration, dividends, pension contributions or a combination. Each route has different company, personal-tax, payroll, social-security, cash-flow and immigration consequences.

Salary / employment remuneration

- Normally deductible for the company where the remuneration is commercially supportable and incurred for the business.
- Subject to payroll withholding and generally the 8% labour-market contribution plus the applicable state and municipal income taxes.
- Employer pension, ATP and other employment-related obligations may apply depending on the arrangement.
- A non-EEA owner must hold a residence and work permission that authorises the actual employment or management activity.

Director / management remuneration

Board or management fees require separate tax and payroll analysis. The treatment can depend on whether the individual is an employee, executive director, board member or non-resident and on any applicable treaty.

Dividends

- Paid from distributable profits after corporation tax and subject to proper corporate approval.
- Not deductible in calculating company taxable profit.
- A Danish company generally withholds 27% dividend tax when paying dividends to an individual.
- For a Danish-resident individual, final 2026 share-income tax is generally 27% up to the threshold and 42% above it; non-residents may have treaty or domestic relief.
- Dividends are investment returns and do not by themselves create a right to work or manage the company.

> **IMMIGRATION CHECK Changing the extraction method does not cure an immigration mismatch. Salary or management activity requires a permit that authorises the underlying work.**

8. Combined company and shareholder illustration

This simplified example shows the potential combined tax where all profit remaining after 22% corporation tax is distributed to a single Danish-resident individual shareholder and the ordinary 2026 share-income rates apply. It excludes salary, deductions, pension, municipal income tax and special circumstances.

Stage	Approximate amount
Company taxable profit	DKK 1,000,000
Corporation tax at 22%	(DKK 220,000)
Gross dividend available	DKK 780,000
Share-income tax: 27% first DKK 79,400 + 42% balance	(DKK 315,690)
Approximate net amount retained personally	DKK 464,310

EFFECTIVE RESULT On these assumptions, corporation tax plus share-income tax is approximately DKK 535,690, or 53.57% of the original DKK 1,000,000 company profit. This is an illustration, not a personal tax calculation.

Salary versus dividend comparison

Salary / remuneration	Dividend
Normally deductible for the company if properly incurred for the business.	Not deductible for the company.
AM-bidrag, state tax, municipal tax and payroll withholding may apply.	Share-income tax generally applies at 27% / 42% for a resident individual in 2026.
Pension, ATP and other employer obligations may apply.	No payroll contribution merely because a dividend is paid.
Requires work permission for a non-EEA owner performing the activity.	Does not itself authorise work or management.
May build pension / employment contribution history.	Investment return rather than earned remuneration.

This comparison is deliberately high-level. The appropriate mix depends on company profitability, the owner's tax residence, immigration permission, pension strategy, payroll classification, treaty relief and whether profits are retained or distributed.

9. Recommended planning sequence

The sequence matters. Incorporating first and addressing immigration or tax residence later can create a company that the founder is not legally permitted to operate in Denmark, or can create unintended cross-border tax exposure.

1. **Confirm nationality, current residence and whether a Danish entry visa is required.**
2. **Identify the immigration route before committing to relocation, employment or active company management.**
3. **Test Pay Limit, Supplementary Pay Limit, Positive List, Fast-track, Start-up Denmark, family or study routes against the actual facts.**
4. **Define ownership, management, registered office, capital and banking arrangements for the ApS.**
5. **Prepare the employment file or, for founders, the business plan, expert-panel application, funding and self-support evidence.**
6. **Incorporate through Virk and complete CVR, tax, VAT, payroll and ownership registrations.**
7. **Agree a compliant salary, dividend, pension and payroll strategy with Danish advisers.**
8. **Review personal and company tax residence, treaty exposure, foreign companies, permanent establishments and continuing obligations elsewhere.**
9. **Complete post-arrival CPR, tax-card and residence formalities and comply with the conditions of the chosen permit.**

Documents commonly required

Immigration and personal	Company and commercial
Passport, civil-status and residence documents	Memorandum, articles and Virk / CVR filings
Employment contract or Start-up Denmark approval	Business plan and financial forecasts
Proof of qualifications / salary / self-support where relevant	Funding and source-of-funds evidence
Family, study or accommodation evidence where required	Management, registered-address and ownership details
Tax-card / CPR and cross-border documentation	Tax, VAT, payroll and beneficial-owner registrations

DO NOT RELY ON INCORPORATION A CVR registration proves that the company exists. It does not prove that a non-EEA founder may enter Denmark, reside there, work for the company or manage it.

10. Cross-border and advisory considerations

Tax residence is separate from immigration residence

A Danish residence or work permit does not determine tax residence. Full tax liability generally arises where a person is resident in Denmark or stays for at least six months, with tax applying from the beginning of the qualifying stay. Treaty tie-breakers may be needed where another country also treats the person as resident.

Operating from another country

A Danish ApS managed from abroad can create foreign permanent-establishment, payroll, social-security, VAT and company-residence issues. The owner's home country may also tax salary, director fees, dividends or capital gains. Treaty relief and reporting should be mapped before trading begins.

Remote work and foreign employers

Working physically in Denmark for a foreign employer can create Danish payroll or personal-tax exposure even where the employer is abroad. The 183-day rule is not a universal exemption and must be considered alongside Danish domestic residence rules, employer residence and any applicable tax treaty.

Regulated and professional activities

Company registration does not replace professional licences or regulatory permissions. Financial services, insurance, legal work, healthcare, recruitment, transport, food, hospitality and other regulated sectors may require separate Danish or EU authorisation.

Questions to resolve before proceeding

- What is the applicant's nationality and current country of tax residence?
- Will the person be employed in Denmark, run an approved startup or remain only a passive shareholder?
- Does the job meet a Pay Limit / Positive List / Fast-track route, or does the business fit Start-up Denmark?
- How much funding and self-support capital is available and can its source be documented?
- Where will company management decisions actually be taken?
- Will profits be retained, paid as salary, contributed to pension arrangements or distributed as dividends?
- Does the person have ongoing tax, company, social-security or estate-planning exposure elsewhere?

PROFESSIONAL REVIEW Immigration, corporate, tax, payroll, social-security and regulatory advice should be coordinated. A structure that works for tax may not satisfy immigration conditions, and a residence route may restrict the intended company role.

About the Founder - Gary Day

Founder and Senior Wealth Advisor

> **A DISCIPLINED INTERNATIONAL PERSPECTIVE Gary combines military discipline with decades of experience helping internationally mobile clients navigate cross-border financial decisions.**

Gary Day is the Founder and a Senior Wealth Advisor at Elysium Wealth Advisors, bringing over 25 years of international financial-services experience across the United Kingdom, Europe and the Middle East.

Gary began his professional career in the British Army before moving into financial services in 1990. That background shaped the disciplined, structured and analytical approach that continues to underpin his work in wealth advisory and financial planning.

He has held senior advisory and leadership roles within FCA-regulated firms in the UK and has extensive experience advising expatriates, internationally mobile professionals and high-net-worth individuals. His work focuses on bringing clarity and coordination to complex, multi-jurisdictional financial arrangements.

Core areas of expertise

- Cross-border financial planning
- Estate and succession planning, including UAE wills
- Pension structuring and transfers
- Investment portfolio design and analysis
- Individual and corporate protection planning

Professional qualifications and specialist education

Area	Background
PROFESSIONAL QUALIFICATIONS	Level 4 Diploma in Financial Services; Financial Planning Certificate; CF2 Investment and Risk.
SPECIALIST ADVICE	Mortgage Advice; Equity Release; Long-Term Care; Level 6 Award in Pension Transfers.
INVESTMENT & MARKETS	Hedge Funds, Equity Portfolio Management and Fixed Income Portfolio Management - New York Institute of Finance.
INTERNATIONAL STUDY	Programmes through KU Leuven, HarvardX and the IMF, together with specialist Islamic banking, insurance and investment certifications.

Gary regularly works with clients across the EU, the UAE and other international markets, supporting Elysium Wealth Advisors' commitment to bespoke, client-centred planning.

Gary Day

Founder and Senior Wealth Advisor

A DISCIPLINED INTERNATIONAL PERSPECTIVE

Gary combines military discipline with more than 25 years of international financial-services experience, supporting internationally mobile clients with structured cross-border planning.

Founder profile | Elysium Wealth Advisors Group of Companies

Official sources and further information

- New to Denmark / SIRI - residence and work schemes, minimum amounts and Start-up Denmark
- Danish Business Authority / Virk / Virksomhedsguiden - ApS formation, capital and company registrations
- Danish Tax Agency (Skattestyrelsen) - corporation tax, VAT, payroll and cross-border tax
- Skattestyrelsen - 2026 state income-tax rates and thresholds
- Skattestyrelsen - 2026 share-income and dividend-tax rates
- Life in Denmark - CPR, relocation and public-service guidance
- Danish Business Authority - annual reports, ownership and beneficial-owner registrations
- Retsinformation / Danish legislation - company, tax and immigration legislation
- Danish Agency for International Recruitment and Integration - Positive Lists and processing guidance
- Official sources should be checked again immediately before any application or transaction.

Important Disclaimer

This guide is provided for general information and client education only. It does not constitute legal, immigration, tax, accounting, investment, pension or regulatory advice, and it does not take account of any person's objectives, financial position, nationality, residence, domicile or individual circumstances. All tax figures and worked examples are illustrative only and must not be treated as personal calculations, forecasts or recommendations.

The information is based on public and official sources reviewed up to 25 August 2026. Laws, salary thresholds, occupation lists, administrative practices, tax rates and official interpretations may change. Before taking action, obtain written, case-specific advice from appropriately qualified Danish immigration, legal, tax and accounting professionals and, where relevant, a suitably authorised financial adviser.

Particular points to reconfirm at the action date include Pay Limit thresholds, the current Positive Lists, Start-up Denmark self-support amounts, company-registration requirements, payroll classification, personal tax thresholds and any treaty relief.

About this guide

Prepared as a client education document by Elysium Wealth Advisors Group of Companies. The guide is designed to support an initial professional discussion and should be supplemented by a written, case-specific assessment.

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To arrange an initial discussion, contact Elysium Wealth Advisors using the most convenient regional WhatsApp number:

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