



## ISSUES RELATING TO FOREIGN INVESTMENT

### Denmark Kromann Reumert

#### CONTACT INFORMATION

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**1. Is state governmental permission required for foreign investors to acquire real estate? If so, please identify.**

Foreign investors cannot acquire real estate in Denmark without permission from the Danish Ministry of Justice. Danish legislation is not aimed directly at foreigners; there is a residence requirement, not a nationality requirement. To buy real estate in Denmark without permission, you have to be a resident of Denmark. According to Ministry practice, a person will not be considered having his or her permanent address in Denmark until after 5 years of living here.

The rules apply also to foreign enterprises, associations, etc., as such legal persons do not have residence, or do not have their registered office, in Denmark. However, enterprises may set up Danish subsidiaries, which subsidiaries are free to acquire real estate. Such subsidiaries will be Danish legal persons, even if 100% foreign-owned, and even if made for the purpose of owning real estate in Denmark.

Although EU citizens may not have resided in Denmark for a total of 5 years, persons and enterprises may acquire title to real estate in Denmark without the permission of the Ministry if persons/enterprises:  
are employees working as salaried employees,

are seeking to establish themselves in Denmark for the purpose of undertaking business as independent contractors, or intend to set up agencies/branches in Denmark or to supply or receive services in Denmark.

- 2. Are there other state restrictions imposed on ownership of real estate by foreign investors? To acquire interests in entities which own real estate? If so, please identify.**

No, see above.

- 3. Are foreign investors required to invest with a local partner? If not, is investment with a local partner advisable?**

There is no such requirement.

- 4. What state taxes are levied solely on foreign individuals or entities acquiring or transferring real estate or interests in entities which acquire real estate?**

There are no taxes levied solely on foreign individuals or entities acquiring or transferring real estate or interests in entities which acquire real estate.

- 5. Describe reporting requirements for reporting the acquisition, ownership or disposition of real estate which relate solely to foreign direct or indirect owners of real estate.**

There are no such specific requirements.