

## Operational Tax News

### Denmark – Tax reclaims statute of limitation – New rules in place

19 July 2016

#### Facts

On the 13th June 2016, the Danish Tax Authorities (hereinafter “SKAT”) have issued [Guidance Note SKM2016.263.SKAT](#) stating that the statute of limitation for withholding tax claims will be reduced to three years, as from the dividend distribution date. Previous versions of the SKAT’s legal guidelines stated that the limitation period for claims for refunds of dividend withholding tax was five years, as from the date of the distribution.

On the 13th July, the translation into English of the Guidance Note was published - please find it here the [Guidance Note SKM2016.313.SKAT](#).

The SKAT acknowledges that any change to the statute of limitation can only have prospective effects and, therefore, their decision will only apply after three months of the publication of Guidance Note SKM2016.263.SKAT, leaving time for the impacted citizens and entities to adapt.

This change will not impact any specific statutes of limitation under the Double Tax Treaties signed between Denmark and its other Treaty countries.

#### New rules

Therefore, the change of practice will apply as from the 13th September 2016 - three months after the publication of the first guidance note.

As from that date on, claims for refunds of dividend tax withheld will become time-barred as follows:

- After five years (from the dividend distribution date), if the request for a withholding tax refund is received by the SKAT before the 13th June 2016;
- After five years (from the dividend distribution date), if the request for a withholding tax refund is received by the SKAT in the period between the 13th June 2016 and the 13th September 2016; and
- After three years (from the dividend distribution date), if the request for a withholding tax refund is received by the SKAT after the 13th September 2016.



### **Impact for Luxembourg**

Any entities entitled to reclaim Danish withholding taxes in 2016, should quickly revisit the amounts at stake and reassess which statute of limitation should apply.

Deloitte Luxembourg would be happy to assist you in performing this exercise.

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