Danish Tax Authorities suspend all claims for refunds of dividend withholding tax

The Danish Tax Authorities (SKAT) announced they will suspend processing all incoming dividend withholding tax refund claims with immediate effect. However, SKAT expects to process all pending claims within the statutory deadline of six months, which is an estimated 6,000 cases.

SKAT suspects that there has been widespread fraud by foreign claimants during the 2012-2015 tax years. The alleged fraud concerns 2,120 refund claims corresponding to a total amount of DKK 6.2 billion (approx. €830 million). According to SKAT’s preliminary investigations, the refunds were paid out on the basis of fictitious shareholdings and forged documentation concerning dividends from a number of Danish listed companies. The refund claims were apparently filed by a network of more than 100 nonresident companies.

SKAT has handed the case over to the Danish Prosecutor for Serious Economic and International Crime (SØIK), and SKAT internal auditors have initiated an investigation of the refund procedures. The Danish Minister of Tax has asked for a report on the case to be finalized within four weeks.

For additional information with respect to this Alert, please contact the following:

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