

	Company	Branch	Representative office
Establishment	+ Can be bought readily incorporated and the shares can be owned irrespective of the nationality of shareholders. ÷ Capital requirements	÷ May not be available to companies resident in certain countries. ÷ Registration documents from home country must be translated into Danish. + No paid-in capital	+ Few formal establishment procedures. ÷ The scope of activities possible is rather limited and it cannot engage in sales activities or conclusion of contracts.
Annual report	+/- Must prepare and file audited annual report.	+/- Must file the audited annual report of the head office.	+ Annual report is not required.
Changes in structure	÷ Additional formal requirements in respect of changes in capital, capital requirements, winding-up etc.	+/- Easy to close down, but may result in taxation of capital gains, as assets are considered sold/transferred or if the branch is converted into a subsidiary later on (exception possible for branches of SE companies).	+ Easy to close.
Liability	+ Liability limited to the share capital of the company.	÷ Head office and branch manager are liable for the acts and omissions of the branch.	÷ Head office is liable for the acts and omissions of the representative office.
Cross border	+ Can be used for cross border activities, e.g. holding company and R&D company.	÷ Cannot be used for cross border activities.	÷ Cannot be used for cross border activities.
Dividends	+ No withholding tax on distribution of profit to corporate 10% shareholders or group company within the EU/EAA or a tax treaty country. + Possible to distribute interim dividend if provided for in the articles of association.	+ No withholding tax on payments of profits to the head office.	Not applicable – no profit to be distributed.
Transfer pricing	+/- Must comply with transfer pricing regulation similar to OECD guidelines.	+/- Must comply with transfer pricing regulation similar to OECD guidelines.	+ Not taxable in Denmark.