

INSOL Europe/LexisNexis coronavirus (COVID-19) Tracker of Insolvency Reforms—Denmark

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Restructuring & Insolvency analysis: We look at the reforms to the insolvency law of Denmark prompted by the coronavirus (COVID-19) pandemic. Written by Michala Beathe Roepstorff, Plesner Law Firm. Member of INSOL Europe.

No legislative changes to the Danish Bankruptcy Act

No legislative changes have been made to the Danish Bankruptcy Act due to the coronavirus crisis. However, insolvency-related legislation has been passed in order to mitigate the economic consequences of coronavirus.

Extended deadline for submitting annual reports

Ministerial order no 393 of 7 April 2020, extends the deadline for submitting annual report by three months and as a result most companies will have until 31 August 2020, to submit an annual report. Irrespective of the three-month extension, it will be regarded as timely if the annual report is submitted within eight weeks from the end of the ban on holding and participating in larger assemblies if the company is unable to hold a general assembly at which the annual report must be approved due to the ban. A company can be compulsory dissolved if the company has not submitted the annual report in time and thus, the extension will prevent companies from being subject to compulsory dissolution as a result of the ban on holding and participating in larger assemblies.

Deadline for applying for resumption of a company under compulsory dissolution

According to Ministerial order no 393 of 7 April 2020, the application for resumption of a company under compulsory dissolution can be submitted to the Danish Business Authority within eight weeks from the end of the ban on holding and participating in larger assemblies. Under normal circumstances, an application for resumption of a company under compulsory dissolution must be submitted within three months after the Danish Business Authority has requested the bankruptcy court to dissolve the company.

Deadline for payment of income tax (in Danish; A-skat), labour market contribution and VAT is extended

Act no 211 of 17 March 2020 extends the payment deadlines in April, May and June 2020 for income tax (A-skat) and labour market contribution by four months. The Act also extends the payment deadlines in April and May 2020 for income tax (the so-called B-skat). VAT specification and payment deadlines in April, May and June 2020 for companies that settle VAT monthly have been extended by 30 days. As regards companies that settle VAT on a quarterly or semi-annual basis, VAT specification and payment deadlines for the first quarter and the first half of the year, respectively, will coincide with the deadlines for the second quarter and the second half of the year, respectively.

VAT and payroll tax as an interest-free loan

In draft legislation no 175 of 22 April 2020 it is proposed that small and medium-sized companies should be able to obtain an interest-free loan equal to the amount specified in VAT in the second half of 2019 and the fourth quarter of 2019, respectively. Furthermore, it is proposed that a certain group of companies paying payroll tax (dentists, road carriers, occupational therapists among others) should be able to obtain an amount equal to the payroll tax for the first quarter of 2020 (if the company settles payroll tax on an ongoing basis) or an amount equal to a quarter of the tax amount for the 2019 income year (for companies that have already specified payroll tax on profits for the 2019 income year). The loans are to be repaid by 1 April 2021. It is not possible for a company which is undergoing bankruptcy proceedings or restructuring proceedings or a company which is under compulsory dissolution or voluntary liquidation to obtain a loan under the scheme.

Other schemes

Denmark has introduced other compensation schemes, including a scheme compensating companies for salary expenses, a scheme compensating companies for fixed costs, a scheme compensating self-employed and freelancers, a scheme compensating the main organiser for cancelled or postponed events and a scheme that allows companies affected by coronavirus to obtain state-guaranteed loans.

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A tracker of insolvency reforms globally produced by Lexis Nexis in partnership with INSOL Europe is now available: [Coronavirus \(COVID-19\) Tracker of insolvency reforms globally](#).

We look at various countries worldwide which are expediting reforms to their restructuring and insolvency laws, temporarily suspending onerous insolvency law provisions, increasing limits for statutory demands, suspending enforcement powers and introducing other measures to deal with the coronavirus crisis. As the situation is rapidly evolving with more countries adding new measures daily, you should contact local lawyers in the relevant jurisdiction to check the current measures in force.