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Company formation Fact Sheet – Denmark (September 2012)

Types of company	Two main forms of companies with limited liability: 1. Aktieselskab (A/S) or Public Limited Company 2. Anpartsselskab (Aps) or Private Limited Company
Formation requirements	The rules for the formation of a Public Limited Company or Private Limited Company are the same. The formation is in three stages: 1. The subscriber must sign a Memorandum of Association which must include the Articles of Association. 2. The subscriber applies to shares in the Memorandum of Association or as an Annex attached a subscription list. and 3. The documents are filed at the Commerce Agency.
Duration of procedure	A company can typically be formed online within 48 hours. If formed in paper format the time is typically up to 12 weeks.
Shareholder and capital	Public Limited Company A public limited company must have a share capital of a nominal value of at least DKK 500,000. Only 25% or DKK 125,000 of the initial share capital must be fully paid up before registration. The capital may be obtained by injection of cash or in other assets. Private Limited Company A minimum share capital of DKK 80,000 is required. The initial share capital must be fully paid up before registration. Shareholders' liability The liability of each shareholder is limited to the shares they have been subscribed to.
Management requirements	Public Limited Company The management may be organised in one of two ways: it can either (1) consist of a board of non-executive directors (bestyrelse) and a board of executive director(s) (a minimum of 1 person) (direction) or (2) consist of a board of managing directors (direction) supervised by a supervisory board (tilsynsråd). For both the board of non-executive directors and supervisory board the requirement is a minimum of 3 persons.



	<p>The executive directors may also sit on the board of non-executive directors but the majority of the members of the board of non-executive directors must be people who are non-executive directors of the company. An executive directors is prohibited from chairing or vice-chairing the board of non-executive directors. A managing director is prohibited from sitting on the board of non-executive directors.</p> <p>The board of non-executive directors is elected by the shareholders at the annual general meeting and its primary task is to organise the overall management of the company and to give guidelines for the executive directors.</p> <p>Where a company for the previous 3 years has employed on average more than 35 people, the employees are entitled to representation on the board of non-executive directors or on the supervisory board as applicable.</p> <p>The board of non-executive directors appoints the managing director. The managing director's primary task is the day-to-day management of the company.</p> <p>Private limited companies</p> <p>In general, private limited companies are regulated by the same law as described above for public limited companies but the management is generally simpler.</p> <p>The main difference is:</p> <ul style="list-style-type: none">• A private company may operate with a board of managing director(s) (a minimum of 1 person) only unless otherwise agreed in the articles or the company employs more than 35 people. If so, the employees are entitled to be represented on the board of directors or on the supervisory board. <p>General requirements:</p> <ul style="list-style-type: none">- Members of the management must have legal capacity.- Members of the management are generally not allowed to be involved in speculative share dealings against the company or companies in the same group.- Finally, in accordance with section 114 of the Companies Act the chairman of the non-executive board is not generally entitled to perform executive duties for the company.
Incorporation costs	The fee is DDK 670 to register a company online and DDK 2,150 when submitting in paper form. To this you would



	have to add the costs of any professional advice.
Publicity requirements	<p>Statutory publication</p> <p>The following information must be filed with the Erhvervsstyrelsen (the Commerce Agency):</p> <ul style="list-style-type: none">• Denomination of the share capital.• Names and addresses of the founders of the company.• Names and addresses of the members of the non-executive board of directors and the managing director(s).• Articles of association.• Details of the authorised signatories.• The annual report which includes names and addresses of shareholders with a voting power of 5% or more. <p>Further, shareholders holding at least 5% of the capital are recorded in a register which is publicly available.</p>

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