

Starting your own business

Rules and regulations

Starting your own business requires a good amount of forethought and preparation. There are a number of laws and regulations with which you need to be familiar. The purpose of these is to protect citizens and employees against poor hygiene and occupational injuries, and to ensure that businesses do not commit tax and VAT fraud.

Seek advice and guidance before you begin.

You can get help from your local business development centre, from a start-up consultant, from SKAT (the Danish tax authorities) and your job centre. The Internet can also provide you with an overview of advice options as well as information regarding laws, regulations, financing and other topics relevant to starting your own business. We refer to www.virk.dk for further details.

Your unemployment fund can also advise you about how starting your own business will affect your ability to claim unemployment [benefit*](#).

Company registration

As a general rule, all companies must register with the Danish Commerce and Companies Agency. This is optional, however, if your annual earnings are less than DKK 50,000. Once the company has been registered, you will receive a CBR-number (Central Business Register), which is the company's identification number. You will need your CBR-number, for example, when it comes to completing your tax and VAT declaration. You can register your company by logging onto www.eogs.dk.

Trade and drinking licence

All companies that sell more than DKK 50,000 of foodstuffs per year must be registered in a special business register. In this connection, foodstuffs are taken to mean any kind of foodstuffs, beer, wine, soft drinks and other foodstuffs regardless of whether they are in sealed packaging.

The Danish Catering and Restaurant Act applies to all self-employed businesses that serve food and drinks. Such businesses might be restaurants, bars, discotheques, pizzerias, grill bars or hot dog stands.

The Danish Catering and Restaurant Act stipulates which regulations must be complied with when persons or companies apply for a trade or drinking licence. If you apply for a drinking licence, you must meet certain age requirements and be able to provide a financial business plan.

The police are responsible for issuing trade licences to businesses without a drinking licence, whereas municipal authorities are responsible for issuing drinking licences. In Copenhagen, however, it is the municipal authority that issues trade licences.

A restaurant can apply for a drinking licence, and the restaurant kitchen must live up to certain requirements from the health authorities.

Tax and VAT

You must file trading and business accounts with the Danish tax authorities, also known as SKAT.

Insuring employees

If your company employs staff, you must take out employer's liability insurance to cover them.