## Revision History

<table>
<thead>
<tr>
<th>Date</th>
<th>Revision Notes / Comments</th>
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<tbody>
<tr>
<td>03-Jan-2019</td>
<td>Updated 2019 Travel Allowance Rate and Mileage Rates</td>
</tr>
<tr>
<td>15-Dec-2017</td>
<td>Updated 2018 Travel Allowance Rate and Mileage Rates</td>
</tr>
<tr>
<td>04-Jan-2017</td>
<td>Updated 2017 Travel Allowance Rate and Mileage Rates</td>
</tr>
<tr>
<td>22-Dec-2015</td>
<td>Updated 2016 Travel Allowance Rate</td>
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Disclaimer

The Concur Global Template consists of Expense configurations designed to support the most commonly known configuration and statutory requirements for supporting T&E best practices. The system includes support for specific statutory requirements based on our understanding of “common interpretation” gathered from our experience of in-country legislation through the deployment of Concur into this market. The Country Template represented in this guide is intended to provide customers with a starting point to aid in the deployment of their T&E solution, and should in no way be construed as tax or compliance advice for your business. The template configuration may need to be adjusted to match the requirements of your business, and any legal or statutory requirements should be confirmed with your company’s tax accounting and/or compliance departments before being authorized for configuration into your Concur Expense system.

Updates

Rates and/or regulatory requirements provided as part of the Templates are not guaranteed to be up to date, so any information provided should always be verified by the customer against the current government regulations. Updates are applied through on-going partnership with in-country Concur product marketing teams, liaison with implementing customers, and through collaboration across the various Concur implementation teams deploying in these countries.

The timing of updates can vary by country and feature. For example, certain countries provide regular annual updates to statutory travel allowance and mileage rates, while the rates in other countries are less frequently updated. VAT rate updates are typically less frequent or predictable and can occur at any time and are quite often dependent on broader economic situations. Tax authorities do however typically provide advanced warning where VAT rate or rule changes come into effect to allow businesses time to prepare.

Every effort is made to ensure that where updates are known to Concur that these are applied to the latest version of the template in a timely fashion. Where updates have been applied these will be reflected in any available template documentation.
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Best Practice VAT Configuration Options

VAT Considerations

The intention is to pre-configure the VAT within the Template environment using pre-configured elements to support the statutory VAT requirements in Denmark. This will assist with ensuring that users enter the correct information before auditing to ensure compliance with the tax regulations for reclaiming VAT.

Concur will provide recommended best practices for configuring the environment for Denmark based on the following model:

- Best Practice configuration options - specific data entry fields and audit rules (where applicable) to control compliance before the expense claim is audited or processed
- 3 Receipt Types (Tax Receipt, Receipt and No Receipt)

The standard VAT rate in Denmark is 25%. No reduced rates apply, while many expenses are VAT exempt.
Expense Types with Special VAT Handling

Special VAT conditions and data entry requirements for which we include special pre-configured tax handling in the template system

Non-Reclaimable Expenses

The following expenses have the standard rate of VAT applied however these are non-reclaimable. These expense types will be setup in a separate VAT Group which sets the reclaim to 0% irrespective of the Receipt Type is selected.

- Car Maintenance/Repairs
- Car Rental
- Fuel
- Gifts - Clients
- Gifts - Staff
- Parking

Meals & Entertainment (Restaurant Meals)

All restaurant meals including those classed as entertainment, are subject to the standard rate of VAT, however only 25% is reclaimable to the company. With regards events and entertainment these must be related to the company’s activities and take place in a restaurant, etc.

Based on the selection of the Receipt Status (Tax Receipt) the system will calculate whether the 25% VAT is reclaimable.

Hotel

As with Meals and Entertainment, Hotel expenses are subject to the standard rate of VAT with only 25% is reclaimable to the company.

Based on the selection of the Receipt Status (Tax Receipt) the system will calculate whether the 25% VAT is reclaimable.

Telephone

50% of the VAT amount on fixed network telephones in the employee’s home is recoverable where the telephone bill (invoice) is issued in the company name.

The entry form for Telephone/Fax includes an additional checkbox which controls whether the VAT is reclaimable when selected by the user together with the Receipt Status of "Tax Receipt".
**Newspapers/Magazines/Books**

The VAT rate for Newspapers, Magazines and Books varies depending on what is purchased. VAT on Books is calculated at the standard rate of 25% while for Newspapers and Magazines the rate is 0%.

In order to assist in providing the necessary information to calculate VAT the user will be required to select from the following options in a drop-down field:

- Books
- Newspapers/Magazines

Based on the selection of the value above together with the Receipt Status of “Tax Receipt” the system will determine whether VAT applies, and if it is reclaimable.
Expense Types without Special Handling

**Standard 25%**
- Courier/Shipping/Freight
- Internet/Online Fees
- Marketing/Promotional Costs
- Mobile Phone
- Office Equipment/Hardware
- Office Supplies/Software
- Printing/Photocopying/Stationery
- Seminar/Course fees
- Tuition Reimbursement

**Zero/Exempt 0%**
- Airfare
- Airline Fees
- Bank Fees
- Currency Exchange Fees
- Fixed Meals
- Laundry
- Miscellaneous
- Passports/Visa Fees
- Personal Car Mileage
- Postage
- Professional Subscriptions
- Public Transport
- Relocation Expenses
- Taxi
- Tips/Gratuities
- Tolls/Road Charges
- Train
Exclusions
Special VAT conditions for which we do not include special tax handling conditions:

None

Expense Types Not Activated
The following are a list of standard Expense Types not activated for Denmark:

- Alcoholic Beverages
- Company Car Mileage
- Ex Pat Expenses
- Medical fees
- Non Reimbursable Expense
- Staff Awards/Incentives

Customers who wish to activate these expense types must request this via their Readiness Consultant or Implementation Project Manager.
Travel Allowance

Common Practice

The Danish travel allowance model compensates the employee for meals and incidentals and does not include lodging expenses (which are reimbursed at the actual expense amount). The system is based on the number of hours of travel for each day of the trip.

The typical method of reimbursement is fixed allowances.

Our standard template for Travel Allowances includes the following additional features:

- Fixed Meals Allowances based on Government Published Tax Free Rates
- Inclusive of Provided Meal Deductions

For more information please see the section Allowance Rules Overview

Allowance Rates

The Danish government publishes the meals allowance amounts on an annual basis for all domestic and international locations. Currently the same allowance rate applies for both domestic and international travel.

The current rate for meals and incidentals is 509 DKK (effective 1 January 2019)
**Allowance Rules Overview**

The following is a brief overview of the core rules and calculations provided as part of the standard Denmark travel allowance solution. For further information, or to review the rules in greater detail, please refer to the Travel Allowance Configuration Guide for Denmark.

- The Danish allowance is a travel allowance that covers meals and incidental expenses. The basis for the meals allowance is the number of hours for that day of travel.
- The definition of a “Day” for Allowances is based on the Calendar Date method (i.e. a new allowance day commences on/after midnight).
- The option exists to switch the definition of a day to 24-hour period. Here a day of travel is defined as a period of no more than 24 hours beginning from the time that the employee sets out on a business trip from his workplace or home. A day of travel ends at 24 hours (when the next day commences) or when the employee returns from a business trip to his workplace or home.
- 25% of the allowance amount is for incidental expenses.
- For any day of the trip during which the employee receives free meals or meals included in the price of a travel ticket or lodging, the fixed travel allowance for the day is reduced. Note that the allowance cannot be reduced to less than 25% of the original allowance amount (the amount allowed for incidental expenses).
- Provided Meal Deductions are calculated as follows:
  - 15% Deduction for Provided Breakfast
  - 30% Deduction for Provided Lunch
  - 30% Deduction for Provided Dinner
- There is no allowance allowed for trips lasting less than 24 hours based on the entire duration of the trip.
- For the first and last day of a multiple-day trip, the allowance is based on the total number of hours, where the traveller receives 1/24 of the allowance for each hour of duration for that day.

\[
\text{Allowance} = \text{Rate} \times \left( \frac{\text{hours travelled}}{24} \right)
\]
Special Considerations

24 Hour Definition of a Day

The option exists to switch the definition of a day to 24-hour period. Here a day of travel is defined as a period of no more than 24 hours beginning from the time that the employee sets out on a business trip from his workplace or home. A day of travel ends at 24 hours (when the next day commences) or when the employee returns from a business trip to his workplace or home.

*NOTE:* By default the Calendar Day definition is activated. If customers wish to configure travel allowance to support 24 Hour Day calculations this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

Allowance for Single Day Trips

Some clients elect to pay no allowances at all for a partial day of travel. If a meal allowance is paid for one-day business trips (trips with a total duration less than 24 hours) as many companies elect to do, it is always taxable. If the system is configured to pay this allowance, then it is marked as fully taxable and uses a unique account code set for the expense type. The allowance calculation used is the same as for the first and last day of a multiple-day trip.

*NOTE:* By default the setting to pay allowances for Single Day Trips is not activated. If customers wish to configure travel allowance to support single day allowances this will require working with your Concur Implementation Consultant to scope the additional configuration work required.

Exclusions

None
Mileage Rates

Personal Car Mileage

Personal Car Mileage in Denmark is pre-configured with the following rates:

<table>
<thead>
<tr>
<th>Vehicle Type</th>
<th>Rate up to 20,000 KM</th>
<th>Rate over 20,000 KM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Car</td>
<td>DKK 3.56 per km</td>
<td>DKK 1.98 per km</td>
</tr>
</tbody>
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Update as of January 1st 2019

Company Car Mileage

No statutory Company Car Mileage rates are configured as part of the Template for Denmark.

Exclusions

Personal Car Mileage (Additional Vehicle Types)

A single rate Personal Mileage configuration exists to support only the vehicle type of Car (which includes vans and motorcycles). Rates for additional vehicle types are published by the government however these are not commonly used. These are:

- Bicycle or small motorcycle

**NOTE:** If customers wish to configure these additional vehicle rates this will require working with your Concur Implementation Consultant to scope the additional configuration work required.