

Gør tanke til handling  
VIA University College



# Registration

Masterclass Tax and Digital transformation

# Registration – Why?

- From a Danish perspective
  - Securing the Tax Base
  - Opens the possibilities for use of data to target auditing
  - Datamining
    - Cross references
    - And logic contexts

From simple to more complex cases

# Registration - Individuals

- The Danish Tax Administration does not have its own registration process on individuals.
- Instead 2 systems are in place to ensure automatic registration.
  - Social security number
  - 3rd party data

# 3rd party data

- The danish tax return can be made 100% without taxpayer involvement , some deductions require actions – but all in all its 100% generated by 3<sup>rd</sup> party data
  - Banks are required to give informations about Loans, interests and securities etc.
  - Informations regarding real estate and alike are sent automatically
  - Whenever wages are paid from employer to employee, the Tax Administration is notified.

So to put it short, whenever an action that have an impact on the tax return happens in real life, It will automatically go on the tax return.

# Risk – individuals

- There are two kinds of risks that occur regarding the individuals registration
  - 3rd party dataproviders – system based approach more than normal audit.
  - People that work off the grid – or what we in Denmark call “The grey economy”
    - Anti money laundering
    - Targeting auditing
  - The Tax gap on individuals in Denmark is 1,5% and they are all placed in “the grey economy)

# Registration – firms

- The Danish Tax Administration does not have its own registration process on firms either. The process has the last 25 years been done by the central company registration agency.
- The political Denmark wanted to make it easier to start your own firm, and they wanted it to be easy for the willing and able, and difficult for the unwilling and unable.
- As a consequence it takes about 2-5 minutes in order to setup your firm online with your unique internet ID issued by the Danish Government.

# Registration – firms

- As the registration is done online, robotics and AI work in the back ground, making sure that people with quarantine due to bankruptcy or due to fraud convictions cannot register firms.
- The guide to register your firm is very intuitive and if you are trying to start a legitimate firm, the guide will make sure, that you get all the right registrations e.g. as employer, VAT, Excises etc.....

# Registration – firms

- The system that makes the registrations are owned by the central company registration agency but the Danish Tax administration has both work rights and "see" rights into the system.
- That means no transfer of data, the system is up to date both places



# Risks – firms

The risks are higher on firms that with individuals

- Enablers
- Vehicles
- Business areas
- Beneficial owner
- Adresses
- Economy takes new forms – how to put it into the existing frames (Airbnb and others)
- International Tax Evasion

The tax gab on this combined area is estimated at 10%-20%

Targeted auditing, meetings between Tax and company registration agency , AML and