

Unofficial compilation of the Tax Administration Act

- The Greenlandic Act no. 11 of November 2, 2006
- The Greenlandic Act no. 3 of April 26, 2007* language change to the Greenland edition*
- The Greenlandic Act no. 12 of November 15, 2007
- The Greenlandic Act no. 10 of December 5, 2008
- Inatsisartut Act no. 2 of May 18, 2010
- Inatsisartut Act no. 14 of November 22, 2011
- Inatsisartut Act no. 9 of June 8, 2014
- Inatsisartut Act no. 8 of June 6, 2016
- Inatsisartut Act no. 32 of November 28, 2016
- Inatsisartut Act no. 11 of June 1, 2017

Links to amending acts and an overview of commencement provisions are found at the end of the document.

Section I

The organization and duties of the administration

Part 1

The tax administration

1. The tax administration administers legislation regarding taxes, including direct and indirect taxes.

Part 2

The National Tax Board

2. The National Tax Board determines complaints about the decisions of the tax administration in cases concerning the legislation regarding taxes.

Subsection 2. Notwithstanding the provision in subsection 1, cases on measures or confiscation under the legislation regarding taxes, cannot be appealed against before the National Tax Tribunal.

Subsection 3. Notwithstanding the provision in subsection 1, the stance of the tax administration

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on questions of a case administrative nature and decisions about access to documents in this relation cannot be appealed to the National Tax Tribunal.

3. The National Tax Board comprises seven members.

Subsection 2. The Government of Greenland appoints the chairperson of the National Tax Board. In the appointment, the chairperson's insight into the tax rules and otherwise the person's reputation must be taken into account.

Subsection 3. The other six members of the National Tax Board plus an alternate for each of them are appointed by the Government of Greenland after recommendation from SIK, AK, GE, NUSUKA, KNAPK and by the municipalities jointly. If an organization fails to make a recommendation to the Government of Greenland, the member plus an alternate are appointed by the Government of Greenland.

Subsection 4. The term of office of the members is four years. The first term of office commences on January 1, 2007.

4. The National Tax Board determines whether a member may be deemed unfit to perform their duty when a member:

- 1) has failed to submit a tax return in timely manner, including an income statement or reporting as regards taxes,
- 2) has not paid taxes in a timely manner, including B-taxes, any residual taxes and dues,
- 3) has failed to comply with its duty to withhold A-tax, has not submitted in a timely manner accounts concerning A-tax or has not paid withheld A-taxes in a timely manner, or
- 4) adopts or is sentenced with a punitive measure for violating tax legislation.

Subsection 2. The Government of Greenland determines whether a member for reasons other than those mentioned in subsection 1 should be deemed unfit to perform their duty, including if a member is sentenced with punitive measures under the criminal law of Greenland.

Subsection 3. A member who is deemed unfit to perform their duty must resign from the National Tax Board.

Subsection 4. Upon request, the Government of Greenland may permit a member to resign from the National Tax Board if the member, due to their health, handling of another public duty, business

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or similar, has a justifiable reason to seek to be released from duty.

Subsection 5. When a member resigns from the National Tax Board, a new member of the National Tax Board is appointed for the remaining part of the term of office, in compliance with the rules in section 3(2) and (3).

5. The National Tax Board elects the first and second vice chairpersons from among the members of the National Tax Board.

Subsection 2. The National Tax Board cannot make a decision without the presence of the chairperson or a vice chairperson.

Subsection 3. In order that the National Tax Board can make a decision, at least half of the members of the National Tax Board or their alternates must take part in the decision. The decision is made by a simple majority of votes. In case of an equality of votes, the chairperson, or the first vice chairperson if the chairperson does not participate in the decision, has the casting vote. If neither the chairperson nor the first vice chairperson participates in the decision, and in case of an equality of votes, the second vice chairperson has the casting vote.

Subsection 4. The National Tax Board may choose to split into a deciding part comprising at least three members, of which one must be the chairperson or a vice chairperson. Any member of the National Tax Board can request that a case be submitted to the entire National Tax Board.

Subsection 5. In order that a deciding part can make a decision, at least three members must participate in the decision. In case of an equality of votes, the entire National Tax Board makes the decision.

Subsection 6. The Government of Greenland determines the rules of procedure of the National Tax Board.

Subsection 7. The Government of Greenland makes available secretarial support to the National Tax Board. In its business, the secretariat is independent of the Government of Greenland.

Part 3

Powers, duty of confidentiality, etc.

Mutual powers

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6. The tax administration cannot make a decision in a case to the extent that the National Tax Board has previously made a decision in the case about the same issue.

Legal capacity

7. An employee of the tax administration cannot be a member of or an alternate on the National Tax Board.

Municipal authorities

8. The Government of Greenland may stipulate rules to the effect that the municipal authority must undertake duties of the nature of citizen guidance and similar actual administration activities, and which under subsection 1 come within the duties of the tax administration.

Duty of confidentiality and disclosure of information

9. Under section 29 of the criminal code of Greenland, employees of the tax administration and members of the National Tax Board and their alternates must observe unconditional silence to third parties as regards the information about a natural or legal person's financial, business or private affairs of which they become aware during the performance of their duties. The obligation also applies to expert assistants and otherwise any person who, as a result of any work undertaken according to agreement with the public sector, becomes aware of such circumstances. If the agreement was concluded with a public authority or a business, the obligation applies to all who during their work for the authority or the business learn about circumstances that can be defined as those mentioned above.

10. Spouses and ex-spouses each have a right, on contacting the tax administration, to be informed of the contents of their own and the other spouse's tax return and assessment of income for accounting periods when they were spouses and cohabitants.

Section II

Rules for case processing

Part 4

Statement of the facts and letter outlining an intention

Statement of the facts

11. A statement of facts must be made in cases on decisions,

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- 1) to be presented to the National Tax Board.
- 2) concerning adjustments of previous assessments.
- 3) concerning measures under the tax legislation.

Subsection 2. The provision in subsection 1 para (2) does not apply to the extent that the decision is made at the request of the parties to the case, and the tax administration can fully meet the request, or the tax administration and the parties to the case otherwise agree on the decision.

Subsection 3. The statement of the facts must contain an account of the information concerning the actual facts of the case that are intended to be attached importance to in the decision. Furthermore, the decision that this information leads to, in the tax administration's assessment, must be disclosed with a reasoning that complies with the requirements for the statement of reasoning arising from the Greenlandic Act on Case Administration in Public Administration.

Subsection 4. The statement of the facts must be sent to the parties to the case for comments with a deadline that cannot be less than four weeks, calculated from the date of the consultation letter, without the consent of the parties, unless another deadline is stipulated in the applicable legislation. On request from the parties to the case, the tax administration can extend the deadline for responses.

Subsection 5. If there is consultation according to subsection 4, the tax administration may inform the parties to the case that the decision will be made based on the statement of the facts, unless the parties to the case present to the tax administration a reasoned written or oral declaration against the statement of the facts, or the contemplated decision within a specified deadline that cannot be less than four weeks without consent from the parties to the case calculated from the date of the letter, unless another deadline is stipulated in the applicable legislation. On request from the parties to the case, the tax administration can extend the deadline for submitting a reasoned written or oral declaration against the decision, unless the deadline is stipulated in the applicable legislation. If the parties have made no statement before the expiration of the deadline, the decision can be made as notified without further notice.

Subsection 6. When there is an obvious and actually reasoned risk that the party to whom the decision pertains will seek to avoid payment of the tax liability if said party becomes aware of the contemplated adjustments, the tax administration may set a shorter deadline than specified in subsections 4 and 5. The deadline cannot be shorter than three days from when the parties to the case received the statement of the facts.

Letter outlining an intention

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12. If the tax administration intends to make a decision on assessment of taxes on a basis other than what was filed or reported, the parties must be notified in writing. The same applies to the extent that the assessment is made based on an estimate. The notification must comply with the requirements for the reasoning of a decision from an administration arising from the Greenlandic Act on Case Administration in Public Administration.

Subsection 2. The parties must also be notified that the decision will be made as notified unless the parties submit to the tax administration a reasoned written or oral statement against the decision within a specified deadline that cannot be less than four weeks without the consent of the parties, calculated from the date of the letter, unless another deadline is stipulated in the applicable legislation. If the parties have made no statement before the expiration of the deadline, the decision can be made as notified without further notice.

Subsection 3. Notification as mentioned in subsections 1 and 2 can be omitted to the extent that the decision is made at the request of the parties to the case, and the tax administration can fully meet the request, or the tax administration and the parties to the case otherwise agree on the decision.

Section III

Processing of cases on income tax

Part 5

Preliminary assessment of income, tax return, etc.

Preliminary assessment of income

13. The tax administration determines a basis for the preliminary tax payment by preliminary assessment of income.

Subsection 2. The preliminary assessment of income is made based on the information about the taxpayer's income situation that most recently formed the basis for tax assessment or preliminary assessment of income. The tax administration may make a percentage increase or reduction of the income situation for all taxpayers or for groups of taxpayers.

Subsection 3. The tax administration may make the preliminary assessment of income based on the estimated expected income situation when, according to information at hand, there is reason to assume that the taxpayer's income situation in the accounting period will deviate materially from what most recently formed the basis of the tax assessment or preliminary assessment of income.

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Subsection 4. The tax administration may, during the accounting period, change the preliminary assessment of income based on the estimated expected income situation when, according to information at hand, there is reason to assume that the taxpayer's income situation in the accounting period will deviate materially from what most recently formed the basis of the tax assessment or preliminary assessment of income.

Subsection 5. For the purpose of decisions according to subsections 3 and 4, the tax administration may demand an account from the taxpayer.

Subsection 6. If no tax assessment or preliminary assessment of income of the taxpayer has previously been made, this party must give an account of its expected income situation. It depends on an estimate to which extent the taxpayer's information must form the basis of the preliminary assessment of income.

Subsection 7. The Government of Greenland stipulates rules on the form and contents of the accounts specified in subsections 5 and 6. The Government of Greenland may also stipulate rules on deadlines for submission of the account specified in subsection 6.

Subsection 8. The Government of Greenland may stipulate rules according to which taxes, including residual taxes, additions, charges and interest, can be charged with the provisional tax for the assessment year or the subsequent year. The Government of Greenland may thus stipulate that instead of addition of interest concerning taxes that are charged together with the provisional tax, an addition is charged.

14. If the taxpayer assumes that its income situation in the accounting period will deviate materially from the latest basis for tax assessment or preliminary assessment of income, the taxpayer can request that the preliminary assessment of income is made based on the taxpayer's information about their expected income situation. To the extent that the tax administration finds that the taxpayer's information in the request is adequately rendered probable, the request forms the basis of the preliminary assessment of income. The Government of Greenland may stipulate rules on the form and contents of the request and set a deadline for its submission.

Subsection 2. During the accounting period, the taxpayer can demand that the preliminary assessment of income be changed with effect for future tax payments under the conditions specified in subsection 1.

15. If it is assumed that the preliminary tax already paid will exceed the final tax by DKK 5,000 or more, at the taxpayer's request an amount that, in the estimate of the tax administration, has been paid in excess is repaid. The taxpayer is not entitled to any reimbursement or interest in case of such

a repayment.

Subsection 2. A request for repayment under subsection 1 must be made to the tax administration no later than one month after the tax return has been received by the tax administration. The Government of Greenland may stipulate detailed rules about the form and content of the request.

Subsection 3. The tax administration can comply with a request for payment of a smaller amount than specified in subsection 1 in cases where the taxpayer has been exposed to a material, unforeseen social event.

Tax return

16. The tax administration forwards a tax form for all taxpayers so that they are received by the taxpayers as soon as possible after the end of the accounting period.

Subsection 2. The circumstance that a taxpayer does not receive a tax form does not release the taxpayer from the duty to file a tax return.

Subsection 3. The tax return must be sent to the tax administration in the year after the accounting period and no later than:

- 1) May 1 for everyone not covered by subsections 2–3 below.
- 2) May 15 for self-employed persons who report the tax return electronically in the manner designated by the tax administration.
- 3) May 15 for all companies, associations, etc., who report the tax return electronically in the manner designated by the tax administration.

Subsection 4. As regards self-employed persons, companies and associations covered by subsection 3, para (2) and (3), where the tax administration has made a decision about estimated tax assessment for the previous accounting period, the deadline for submitting the tax return is May 1.

Subsection 5. Where special reasons speak in favor thereof, the tax administration may grant an extension for the submission of the tax return in as far as this is compatible with the preparation and timely completion of the tax assessment. An application for an extension of the deadline for filing the tax return must be reasoned and submitted no later than on the same date on which the tax return must be filed (see subsections 3–4).

Subsection 6. Natural persons with a duty to submit a tax return who receive a tax form filled out by the tax administration, can omit to file the tax return if the information used is correct and adequate (see section 17).

Subsection 7. The Government of Greenland may stipulate rules on the form and submission of the tax form, and the Government of Greenland may stipulate rules according to which the taxpayers must use the tax forms approved by the Government of Greenland.

17. In the tax return, the taxpayer must state its income in the accounting period, whether or not the income is positive or negative. In addition to a specification of the amount of the net income, the tax return must contain specifications of incomes and expenses and other information of importance to the tax assessment, as laid out by the Government of Greenland. Income that is not included in the determination of taxable income may also be required to be specified in the tax return. The Government of Greenland may stipulate rules that taxpayers who are not required to keep accounts must, in connection with the tax return, provide information about principal items of private consumption, including expenses for private assistance, large purchases of goods and similar.

Subsection 2. The tax return must further contain information about the taxpayer's assets upon expiration of the accounting period and also on commencement of the accounting year in so far as this is not specified in a previously filed tax return. The assets must be stated, whether they are positive or negative, and must be stated with such specification of assets and liabilities as stipulated by the Government of Greenland.

Subsection 3. Taxpayers who are required to keep accounts must, together with the tax return, submit an income statement for the accounting year and a statement of the balance sheet at the expiration and commencement of the accounting period in so far as this is not specified in a previously filed tax return.

18. The Government of Greenland may stipulate rules that traders that are not liable to keep accounts under the Act on Bookkeeping, must comply with the minimum requirements stipulated by the Government of Greenland and must submit to the tax administration an income statement prepared based on the above financial statements before the expiration of the deadline for filing the tax return.

Subsection 2. The Government of Greenland may stipulate rules on preparation of the income statements that, according to subsection 1 or section 17(3), must be submitted to the tax administration.

Subsection 3. If an income statement has not been submitted in a timely manner, or has not been prepared in compliance with the rules stipulated under subsections 1 and 2, the rules in section 19(1) apply similarly.

Subsection 4. A taxpayer with an obligation to present financial statements, under the provision in

subsection 1, must retain the financial statements with related documents for five years after expiration of said financial year.

18a. The Government of Greenland may stipulate rules on invoicing requirements on the delivery of goods or services, including laying down provisions that the tax administration can deny a tax deduction in case of a material breach of the invoice requirements.

19. If the person liable to submit a tax return has not filed a proper tax return in a timely manner, a tax addition of DKK 200 is paid for each day exceeding the deadline for filing the tax return, up to a limit of a total of DKK 2,000 for natural persons, and a total of DKK 5,000 for self-employed persons and legal persons.

Subsection 2. The tax administration may grant whole or partial release for the tax addition specified in subsection 1 when there is a special reason.

Subsection 3. If a company or an association, etc., has appended financial statements to the tax return, which at the time of the submission were not approved by the annual general meeting, no later than 14 days after the holding of the annual general meeting, the tax administration must be informed about the decision of the annual general meeting as regards said financial statements. If the notification is not submitted in a timely manner, and if the decision made by the annual general meeting entails that the income on which the tax is calculated, is increased, the corresponding increase of the corporate income tax must be charged with an addition to be calculated according to the rules in subsection 1.

20. As a test, the Government of Greenland may decide that specific groups of taxpayers in one or more municipalities are not under an obligation to submit tax returns.

Subsection 2. Taxpayers who fall within the test specified in subsection 1, will receive notification of the taxable income before July 1 in the assessment year.

Subsection 3. A taxpayer who has received notification about the taxable income, must, before August 15 of the assessment year, inform the tax administration in writing if the notification does not contain all information of importance to the tax assessment of the taxpayer, or if the notification contains incorrect information.

Assessment

21. The assessment should be finalized no later than on September 1 in the calendar year following the accounting year to which the assessment relates, but see subsection 2 and sections 47 and 48.

Subsection 2. The assessment for companies and associations, etc., should be finalized no later

than on November 1 in the calendar year following the accounting year to which the assessment relates, but see sections 47 and 48.

Subsection 3. The Government of Greenland may issue general guiding instructions for the purpose of the assessment.

Final settlement and tax statement

22. The tax administration calculates the final tax based on the tax assessment.

23. In the final tax, preliminary tax amounts are set off that have been:

- 1) withheld as A-tax,
- 2) paid as B-tax no later than on April 1 in the year in which the assessment is made,
- 3) paid under section 85 of the Greenlandic Act on Income Tax, or
- 4) paid under section 94 of the Greenlandic Act on Income Tax.

Subsection 2. Furthermore, in the final tax, reductions under sections 69–72 of the Greenlandic Act on Income Tax are set off.

Subsection 3. When determining the amount that must be set off under subsections 1 and 2, the taxes that may have been repaid under section 15 are set off.

Subsection 4. The Government of Greenland may stipulate rules according to which the tax payer must inform the tax administration of the amounts withheld or paid as preliminary tax.

24. If the final tax exceeds the preliminary taxes that are offset under section 23, the taxpayer must pay the excess amount as residual tax. If the residual tax is smaller than DKK 100, the amount is not charged.

Subsection 2. If residual tax is to be paid, an addition of 8% of the residual tax is also paid.

Subsection 3. The residual tax is collected by the tax administration. The residual tax plus an addition under subsection 2 fall due for payment in three installments on the first day in each of the months September, October and November in the assessment year, the last payment due date being the 20th day in the maturity months. If the last maturity due date falls on a Sunday or a public holiday or a Saturday, the deadline is extended to the following business day.

Subsection 4. If a decision is made at a later stage that entails an increase of the final tax, the

insufficiently paid amount with additions under subsection 2 falls due for payment on the first day of the month that is closest to three months having elapsed from the decision, and the last payment due date being the 20th day of the maturity month. If the last maturity due date falls on a Sunday or a public holiday or a Saturday, the deadline is extended to the following business day. Residual tax or further residual tax under the first sentence plus additions under subsection 2 carries interest at 0.5% per commenced month from September 1 of the assessment year and until the date on which notice of the decision is given.

Subsection 5. If a changed final settlement entails that the previously calculated residual tax is reduced or lapses, the amount by which the residual tax has been reduced is paid, with an addition under subsection 2, before the end of the month closest after the date on which notice of the decision has been given. The taxpayer is entitled to interest at 0.5% per commenced month from September 1 of the assessment year.

Subsection 6. The amounts stated in subsections 3–5 are rounded down to entire amounts in Danish kroner.

25. If the preliminary taxes that are set off under section 23 exceed the final tax, the excess amount is repaid to the taxpayer as excess tax. However, the repayment is not made if the excess tax is less than DKK 100.

Subsection 2. On repayment of excess tax, the taxpayer is granted reimbursement of 2% of the amount. To the extent that the excess tax is counterbalanced by amounts paid voluntarily, no reimbursement is given.

Subsection 3. Excess tax is repaid by the tax administration.

Subsection 4. Excess tax with reimbursement is repaid before September 1 in the assessment year. If repayment is made on September 1 or later, the taxpayer is entitled to interest under the rule in section 44(4).

Subsection 5. If a decision is made later that results in a reduction of the final tax, the tax amount paid in excess is repaid with reimbursement under subsection 2 within one month after the decision. The taxpayer is entitled to interest on the repaid amount at 0.5% per commenced month from September 1 of the assessment year and until the date on which notice of the decision is given. To the extent that the repayment concerns amounts charged under section 24(4), the interest is not calculated until the maturity date.

Subsection 6. If a changed final settlement entails that reduction is made or excess tax lapses that has already been paid to the taxpayer (see subsection 1) the amount must be repaid plus

reimbursement under subsection 2. The total amount under the first sentence carries interest at 0.5% per commenced month from September 1 of the assessment year and until the date on which notice of the decision is given. The amount falls due for payment on the first day of the month closest after three months having elapsed from the decision, and the last payment due date being the 20th day of the maturity month. If the last maturity due date falls on a Sunday or a public holiday or a Saturday, the deadline is extended to the following business day.

Subsection 7. Before repayment of excess tax, offsetting is made in the repayment amount of any arrears concerning:

- 1) income tax,
- 2) taxes owing to the Government of Greenland,
- 3) additions, interest and charges, etc., concerning income tax,
- 4) other claims owing to the Government of Greenland.

Subsection 8. The amounts stated in subsections 4-6 are rounded down to entire amounts in Danish kroner.

26. In a final assessment of a deceased's tax on income in the accounting year in which the death occurred, no addition is calculated under section 24(2), and no reimbursement is given under section 25(2).

Subsection 2. The tax administration must pay any excess tax no later than five months after the tax administration has received the tax return. If the repayment is not made in a timely manner, the estate is entitled to interest on the amount according to the rule in section 44(4).

Subsection 3. The estate must pay any residual tax in the calendar month after three months have elapsed from receipt of the notification of the final assessment, the last payment due date being the 20th day of the maturity month. If the last maturity due date falls on a Sunday or a public holiday or a Saturday, the deadline is extended to the following business day.

Subsection 4. The amounts stated in subsections 2 and 3 are rounded down to entire amounts in Danish kroner.

27. If the tax for companies and associations, etc., that are fully or partly liable to pay tax exceeds DKK 99, the tax is charged plus an addition of 6% by the tax administration.

Subsection 2. The tax, plus an addition under subsection 1, fall due for payment on November 1 in

the assessment year, the last payment due date being on November 20. If the last maturity due date falls on a Sunday or a public holiday or a Saturday, the deadline is extended to the following business day.

Subsection 3. If a decision is made at a later stage that entails an increase of the tax, the insufficiently paid tax, with additions under subsection 1, falls due for payment on the first day of the month that is closest to three months having elapsed from the decision, and the last payment due date being the 20th day of the maturity month. If the last maturity due date falls on a Sunday or a public holiday or a Saturday, the deadline is extended to the following business day. An increased tax under the first sentence plus additions under subsection 1 carries interest at 0.5% per commenced month from November 1 of the assessment year and until the date on which notice of the decision is given.

Subsection 4. If a decision is made later that results in a reduction of the tax, the tax amount paid in excess is repaid with an addition of 6% within one month after the decision. The taxpayer is entitled to interest on the repaid amount at 0.5% per commenced month from November 1 of the assessment year and until the date on which notice of the decision is given. To the extent that the repayment concerns amounts charged under subsection 3, the interest is, however, not calculated until the maturity date.

Subsection 5. The amounts stated in subsections 2-4 are rounded down to entire amounts in Danish kroner.

Subsection 6. According to guidelines stipulated by the the Government of Greenland, the tax administration may, in certain cases, permit that the additions specified in subsections 1, 3 and 4 are not used when collecting the tax for companies and associations, etc.

28. The Government of Greenland may stipulate rules on the submission of tax returns, assessment, payment, collection and return, etc., on income tax in cases where there are changes in the tax liability situation during the year.

29. When there is an obvious and actually reasoned risk that the party to whom the decision pertains will attempt to avoid payment of residual tax, increased final tax, income tax or increased income tax, the tax administration may determine shorter maturity and payment deadlines than stipulated in section 24(3) and (5), section 25(6) and section 27(2) and (3). The deadline for maturity cannot be less than 7 days, and the payment term cannot be shorter than 14 days.

Part 6

Reporting of information

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30. For the purpose of the assessment and tax calculation, any party that in its business has paid income of the nature specified in section 75(1) and (2) of the Greenlandic Act on Income Tax, must each year before the end of January state the size of the total payment of such amounts and the A-tax withheld. Further, information must be provided about:

1) the total amount earned by each individual recipient,

2) the A-tax withheld in the income,

~~3) the total amount covered by section 41(2) of the Greenlandic Act on Income Tax for each employee that has been paid to pension or life insurance schemes by the employer.~~

3) wholly or partially free benefits such as means and lodging, accommodation, stay, business trips, company car and telephone, etc., and according to rules stipulated by the Government of Greenland, the value thereof,

4) the recipient's name, civil registration number, residence and tax municipality, and

5) any other information necessary for the identification of the recipient.

Subsection 2. If the business ceases, a report for the elapsed part of the accounting year is given no later than ten days after the latest salary payment.

Subsection 3. Any party that has paid fees to writers, composers, performing artists, lecturers or similar, amounts for rent or lease of a business, royalty or charges for use of patent rights, pattern, trademark, etc., whether or not the charge is paid as an ongoing payment or as a lump sum, has the same duty of disclosure as stipulated in subsection 1.

Subsection 4. If salary, etc., is paid through an intermediary, the duty lies with this party if the employer is unable to provide the information. The employer, and perhaps the intermediary, must, on the hiring of assistance, demand their names, accurate address and civil registration number.

Subsection 5. The information is given to the tax administration.

30a. Any party that in its business has paid income of the nature specified in section 75(1) and (2) of the Greenlandic Act on Income Tax, must each year before the end of January state the total amount for each individual employee for whom payments for pension or life insurance schemes have been made. Further, the A-tax withheld in the payment must be stated unless the payment was made to a pension or life insurance scheme that under section 41(2) of the Greenlandic Act on Income Tax must not be included in the employee's taxable income.

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Subsection 2. The provisions of section 30(1) paras 5 and 6 and (2–5) apply similarly.

31. If a recipient of the income types mentioned in section 30 ceases to be a taxpayer in Greenland, the person with the duty to disclose must, on request, provide information, as specified in section 30, about the size of the amounts that have been earned by said person in the time from the start of the calendar year and until the time of the cessation of the duty to pay tax, and about the amount of the A-tax withheld.

Subsection 2. On request, similar information must be given to said person or its representative, or perhaps his decedent estate.

32. The income recipient must have a copy of the information concerning the income recipient given under section 30 and section 31(1).

33. The Government of Greenland may stipulate rules on the provision of information under sections 30–32, including relaxing the disclosure requirements for groups of persons with a duty of disclosure. The Government of Greenland may further stipulate rules according to which the information under section 30 must be given separately as regards income that is not A-income to the recipient. For services that are paid after expiration of the earnings period, the Government of Greenland stipulates rules on the year in which the information must be given.

33a. The Government of Greenland may stipulate rules that the municipalities and Government of Greenland must each year, without request, give the tax administration information concerning purchase of products stemming from fishing, hunting, sheep-breeding, arts and crafts, when the purchasing amount is B-income to the buyer, and about expenses paid for the hire of a boat, sleigh or other means of transportation when the lease has not been concluded with a company or an association, etc.

Subsection 2. The Government of Greenland may stipulate rules that the party paying remuneration for translators, interpreters, etc., in which no A-tax is withheld, must provide information to the tax administration each year to that effect.

Subsection 3. The Government of Greenland may stipulate rules that the party providing subsidies for free journeys to the domicile for private or public employees must each year, without request, provide the tax administration with information about the subsidy granted, whether or not there is an employment relationship between the provider of the subsidy and the beneficiary.

Subsection 4. The Government of Greenland may stipulate rules that reports under subsections 1–3 must contain information identifying the buyer, the lessor, the translator, etc., and the recipient of

the subsidy, etc., which in the estimate of The Government of Greenland is necessary to perform assessment and tax calculation. The Government of Greenland may also stipulate rules that the buyer, the lessor, the translator, etc., and the recipient of the subsidy, etc., are obliged to prove the correctness of the identification information provided to the party with the reporting duty.

33b. The Government of Greenland may stipulate rules that the municipalities and the Government of Greenland must each year, without request, provide information to the tax administration on maintenance payments collected on behalf of the person entitled to maintenance payments.

33c. The Government of Greenland may stipulate rules that professional associations must each year, without request, provide information to the tax administration about payments received from members during the preceding calendar year.

Subsection 2. The Government of Greenland may stipulate rules that other associations and institutions in the labor market other than those mentioned in subsection 1, must each year, without request, provide information to the tax administration about the received payments from members, contributors, etc., during the preceding calendar year.

Subsection 3. The Government of Greenland may stipulate rules on the duty of the professional associations specified in subsection 1 to inform the member of reports made.

33d. The Government of Greenland may stipulate rules that the Government of Greenland must each year, without request, provide information to the tax administration about the paid education grants in the form of scholarships during the preceding calendar year.

Subsection 2. The Government of Greenland may stipulate rules on the Government of Greenland's duty to inform students about reports made.

34. The tax administration keeps a register of the parties having a duty of deduction, according to rules stipulated by the Government of Greenland.

Subsection 2. In relation to the rules mentioned in subsection 1, it can be decided that the persons having a duty of deduction must give the tax administration information about:

- 1) commencement and cessation of a duty to withhold tax,
- 2) change of the address of the party having a duty of deduction, and
- 3) addition and departure of recipients of A-income.

34a. The tax administration keeps a register of information reported under section 30a.

Subsection 2. On request, the tax administration can register information about a natural person's payments to pension and life insurance schemes that meet the conditions in section 39a (2) when it is proved that in the determination of the taxable income in Denmark, on the Faroe Islands or in Greenland the person has not obtained full or partial deductibility in the payments.

Subsection 3. The Government of Greenland may stipulate specific rules on the register, including on electronic reporting, on disclosure of registered information, etc.

35. The Government of Greenland may stipulate rules that banks, savings banks, cooperative savings banks, financing companies, public funds, mortgage credit institutions, central securities depositories, stockbrokers and others that receive shares, bonds, mortgages, investment units, forward contracts or other securities in custody for administration or that procure or trade in such securities, must each year, without request, provide the tax administration with information about holding, interest, dividend, market value, outstanding debt, purchase, sale, etc.

Subsection 2. The Government of Greenland may stipulate rules that reports under subsection 1 must contain the information for identifying the owner, seller, lender, etc., which in the estimate of the Government of Greenland is necessary to perform assessment and tax calculation. The Government of Greenland may also stipulate rules that the owner, seller, borrower, lender, etc., are obliged to prove the correctness of the identification information provided to the party with the reporting duty.

35a. The Government of Greenland may stipulate rules that financial institutions must each year, without request, report to the tax administration about financial accounts with a statement of the following information:

- 1) Name, address, civil registration number, CVR or GER number and foreign identification numbers and other identification information concerning account holders and information about the countries or areas they are related to. As regards account holders that are legal persons with one or more controlling persons, this may also include similar information about any such controlling person.
- 2) Account number or what corresponds thereto for practical purposes if an account number does not exist.
- 3) Name and identification numbers of the reported financial institution, including identification numbers issued by foreign authorities.

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4) The balance or value of the financial account, including, as regards an insurance agreement with a cash value or an annuity contract, the cash value or surrender value upon expiration of the relevant calendar year or immediately before the closing if the account was closed during the calendar year.

5) As regards custodial accounts:

a) The total gross amount of interest, the total gross amount of dividends and the total gross amount of other income generated as regards the assets found in the account, when the amounts have been paid to or added to the account or have been paid to or added as regards the account during the calendar year.

b) The total gross return from sale or redemption of values having been paid to or added to the account during the calendar year when the reporting financial institution has acted as representative of the account holder in connection with the sale or the redemption.

6) As regards any deposit account, the total gross amount of interest paid to or added to the account during the calendar year.

7) As regards any account not covered by paras (5) or (6), the total gross amount paid to or credited to the account holder as regards the account during the calendar year, for which the reporting financial institution is under a duty to pay or credit, including the total amount of any redemption amounts paid to the account holder during the calendar year.

Subsection 2. The Government of Greenland may stipulate rules that financial institutions must also report the names of specific financial institutions to which they have made payments, and the total amount of such payments to each of them.

Subsection 3. The Government of Greenland may stipulate rules on procedures for proper diligence in relation to the identification and reporting of financial accounts of financial institutions with a reporting duty (see subsection 1) and payments to specified financial institutions (see subsection 2). The Government of Greenland may also stipulate rules on the provision of self-certification in connection with these procedures.

Subsection 4. The Government of Greenland may limit rules issued under subsections 1–3 to account holders and legal persons with controlling persons that have relationships with countries or areas with which, under a double taxation treaty, another international agreement or convention or an administratively concluded agreement on assistance in tax cases, there must be automatic exchange of information mentioned in subsections 1 and 2 on financial accounts or where a relationship cannot be determined. For example, the Government of Greenland may stipulate more

relaxed rules than those mentioned in subsections 1 and 2, and the rules can be designed differently depending on which countries or areas the account holders or the controlling persons have relationships with, and if no relationship can be determined. The Government of Greenland may also stipulate rules on gradual phasing of the duty to report.

Subsection 5. Financial institutions can withhold foreign tax at source in case of payments to other financial institutions to comply with obligations contained in an agreement entered into between the Government of Greenland or the country or area concerned. The Government of Greenland may stipulate rules that financial institutions that make payments or act as intermediaries of a foreign payment liable to tax at source to other financial institutions, must disclose the information to the immediate preceding link in the payment chain that is necessary in order that withholding and reporting regarding such payment can take place.

Subsection 6. The party, having opened a financial account in a financial institution, must, according to specific rules stipulated by the Government of Greenland, inform the financial institution about the civil registration numbers, CVR or GER numbers and foreign identification numbers of account holders and any controlling persons, if such numbers exist and provide other information necessary for the identification of account holders and any controlling persons. The Government of Greenland may stipulate rules on a duty for financial institutions to obtain and for account holders to provide the financial institutions with the information mentioned in the first sentence for accounts opened no later than December 31, 2013.

Subsection 7. A person about whom information must be reported, according to rules issued under subsections 1 and 2, is informed about security breaches as regards information about this person when it is likely that the breach may damage the protection of personal information about said person or the person's privacy.

Subsection 8. Financial institutions with a reporting duty must inform each individual person about whom reporting must take place, according to rules issued under subsections 1 and 2, that the information about the person will be collected and disclosed in compliance with rules issued under subsections 1–6, and must provide these persons with all information to which the person is entitled under sections 28 and 29 of the Act on the Processing of Personal Data, in sufficient time for the person to exercise its data protection rights, and in any circumstance before the financial institution reports information about said person to the tax administration.

36. The party that as part of its business receives contributions for payment of interest or gives or arranges for loans against interest, must each year, for the purpose of the tax assessment, without request, give the tax administration information about the size of granted or credited interest and added for due interest for the individual account holders for the preceding year, the date of the accrual of interest and the size of the deposited amount or debt at the expiration of the preceding year. The duty of disclosure also covers accounts, etc., that are closed during the year.

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Subsection 2. The Government of Greenland may stipulate specific rules on the submission of information according to subsection 1.

37. The party that opens an account as mentioned in section 36(1), must state the account holder's civil registration number or the company's registration number. The tax administration can inform the parties with a duty to report under section 37 about the civil registration number or registration number of the account holder.

Subsection 2. The Government of Greenland may stipulate rules on the submission of information according to subsection 1.

~~**38.** Public funds, public limited companies, private limited companies, banks, savings banks and others that in Greenland cash interest and dividend coupons, must according to rules stipulated by the Home Government to the tax administration submit the information material required as a condition for the redemption for:~~

- ~~1) proper identification of the party requesting redemption,~~
- ~~2) the coupon owner's civil registration number, name and address,~~
- ~~3) the amount of the coupon, and~~
- ~~4) the name of the company as regards shares.~~

~~*Subsection 2.* The Home Government may stipulate information about the form of provision of the information.~~

39. Pension funds, life and pension insurance companies, banks and others that pay out pensions or insurance benefits during the lifetime, must inform the tax administration of:

- 1) paid contributions and premiums,
- 2) payments that stem from pension schemes of the nature mentioned in sections 39, 39a, 40 and 47f of the Greenlandic Act on Income Tax.
- 3) payments of resignation compensation, surrender value and bonus according to such schemes, and
- 4) transactions of the nature mentioned in section 46(2) of the Greenlandic Act on Income Tax of

which the pension fund, the life and insurance company and the bank, etc., have knowledge.

Subsection 2. If a pension commitment or an insurance policy contains combination schemes where the entire contribution or premium is not covered by section 39 of the Greenlandic Act on Income Tax, the pension commitment or the insurance policy must be endorsed with how the contribution or the premium is distributed on the individual pension and insurance types, and the pension fund or the insurance company must state the amount distribution annually.

Subsection 3. The Government of Greenland may stipulate rules on the submission of information, according to subsections 1 and 2.

Part 7

Distribution and payment of income tax

40. National tax and special national tax accrue to the Treasury.

Subsection 2. Municipal tax accrues to the municipality where the assessment takes place.

Subsection 3. Intermunicipal tax that accrues to the municipalities, is included in its entirety in the equalization regime according to section 41.

Subsection 4. Dividend tax and royalty tax accrue to the Treasury, the municipality where the assessment takes place and the municipalities in compliance with the provisions in subsections 1–3.

Subsection 5. Income tax, including dividend tax, from companies and businesses that are licensees under the Act on Mineral Resources, etc., in Greenland, the Greenlandic Act on use of ice and water for the purpose of export, will accrue to the Treasury. Additions and interest under sections 27 and 43 in connection with such income and dividend tax accrue to, or are paid to the Treasury to the same extent.

Subsection 6. Corporate income tax, including dividend tax, from treasury-owned businesses converted into public limited or private limited companies and from companies with the tax administration as their tax municipality, accrues to the Treasury. Additions and interest under sections 27 and 43 in connection with such corporate income and dividend tax accrue to, or are paid to the Treasury to the same extent.

Subsection 7. Corporate tax accrues to the Treasury, the tax municipality and the municipalities, but see subsections 5 and 6, in the proportion between the tax rate fixed for the accounting year according to section 61 of the Greenlandic Act on Income Tax, the weighted tax rate according to the size of the population on January 1 in the accounting year under section 62 of the Greenlandic

Act on Income Tax, and the tax rate fixed for the accounting period under section 63 of the Greenlandic Act on Income Tax.

Subsection 8. Tax under section 46 of the Greenlandic Act on Income Tax accrues to the Treasury.

Subsection 9. Losses as a result of non-payment of the taxes mentioned in subsections 1–8 and interest on and additions thereto are borne by the Treasury.

41. Following negotiations with the municipalities, the Government of Greenland will stipulate rules according to which, for elimination of differences in the tax proceeds per citizen of the municipalities, distribution of the tax proceeds of the municipalities is made.

42. Each year, before July 1, the tax administration prepares an estimate of the expected tax proceeds for the coming accounting period.

Subsection 2. The Government of Greenland stipulates rules on payment of the taxes between the municipalities and between the Treasury and the municipalities.

Section IV

Interest, deadlines, cancellation, etc.

Part 8

Interest, supplements and deadline for repayment

43. If taxes are not paid in a timely manner, or if an extension of time of the payment has been granted, monthly interest of 1% must be paid per commenced month from the maturity date, but not less than DKK 500. The same applies to parties with a duty to withhold covered by section 30 or by section 81 of the Greenlandic Act on Income Tax. The interest accrues to the Treasury. The interest cannot be deducted in the determination of the taxable income.

Subsection 2. Additions under section 24(2) and section 27(1) and reimbursements, see section 25(2) accrue to or are paid by the Treasury.

44. Unless otherwise stipulated in this or other tax laws, taxes paid in excess are repaid no later than on the last business day of the month following the month in which the tax administration receives a request for repayment. Amounts lower than DKK 100 are not paid.

Subsection 2. If the tax administration, owing to circumstances about the party to whom the

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repayment pertains, cannot check the basis of the request for repayment, the repayment deadline is suspended until said circumstances no longer prevent inspection.

Subsection 3. If the party to whom the repayment pertains has failed to file a tax return or a declaration for tax purposes in due time, the tax administration can withhold the repayment until a tax return or a declaration for tax purposes is available. If the repayment is withheld, the deadline for repayment is suspended.

Subsection 4. If taxes are repaid later than the repayment deadline or later than stipulated in section 25(4) and section 26(2) or other tax legislation, monthly interest of 1% is paid per commenced month from the expiration of the deadline for repayment. The interest is paid by the Treasury. The interest is included in the determination of taxable income.

45. The tax administration may stop accrual of interest on tax arrears if the debtor is unable to and within the nearest years has no prospects of being able to meet its debt obligations. The tax administration may resume accrual of interest on tax arrears if the debtor's financial situation is improved or if it is ascertained that the tax administration was not in possession of all relevant information when the decision to stop the accrual of interest was made.

Subsection 2. Only debtors who are natural persons are covered by subsection 1.

Subsection 3. The Government of Greenland may stipulate rules on the application of subsection 1

Part 9

Claims for repayment

46. Claims for repayment of overpaid tax cannot be transferred before the deadline for repayment has occurred. Agreements on such transfers are invalid.

46a. Repayment of overpaid taxes, interest, reimbursements, etc., takes place in Danish kroner into an account in a bank designated by the taxpayer. The taxpayer may designate an account as mentioned in connection with the filing of a tax return, request for repayment or at a later stage. Payments to a designated account are made in full effect by the tax administration.

Subsection 2. Amounts paid to an account with a bank without domicile in Denmark, on the Faroe Islands or in Greenland, may be made less the extra associated transfer costs. If the costs of the transfer exceed the specified amount, the tax administration may refrain from transferring the amount to the designated account. Payments to accounts in banks not domiciled in Denmark, on the Faroe Islands or in Greenland are deemed to have been made in a timely manner whether or not they have reached the recipient at a later time than similar domestic payments if they are processed on the same date as similar payments to Greenlandic accounts and the similar Greenlandic

payments reach the recipient in a timely manner.

Subsection 3. If the taxpayer has previously designated an account (see subsection 1), the tax administration may indicate, when it submits tax forms and other written notifications to the taxpayer, to which account any taxes paid in excess will be paid, if the taxpayer does not designate another account. If the taxpayer does not designate another account, payments are made to the account stated in the tax form, etc., in full effect by the tax administration.

Subsection 4. If the tax administration cannot pay taxes, etc., paid in excess to a designated account, as mentioned in subsections 1 or 2, the taxpayer is not entitled to interest after the date on which the tax administration can make the payment.

Subsection 5. If, before five years after the date on which the tax administration can make the payment, the tax administration cannot pay to a designated account as mentioned in subsections 1–3, the taxpayer's claim for repayment of taxes, interest, reimbursements, etc., paid in excess, will lapse. Claims that lapse according to the first sentence accrue to the Treasury.

Part 10

Deadlines, etc., concerning income tax

Ordinary assessment

47. The tax administration cannot submit notice as mentioned in section 12(1) on the performance or change of an assessment of income tax later than October 31 in the fifth year after expiration of the accounting period. The assessment must be made no later than on January 31 in the sixth year after expiration of the accounting period.

Subsection 2. A taxpayer that wants to its assessment of income tax to be changed, must, no later than on October 31 in the fifth year after expiration of the accounting period, present information of an actual or legal nature to substantiate the change.

Subsection 3. An assessment based on a changed determination of an amortization basis for an accounting period outside the deadlines in this section, can be made or changed under subsection 1, unless the assessment is based on an estimate.

Subsection 4. An assessment cannot be made or changed under subsection 1 to the extent that the assessment is based on a changed determination of a loss allowed for carryforward stated in an accounting year outside the deadlines under this provision.

Subsection 5. If the accounting period of the taxpayer is not coincident with the calendar year, the deadlines are counted from expiration of the year that the accounting period replaces.

Subsection 6. If an assessment under subsections 1 or 2 concerns the determination of a balance sheet item, the determination at the beginning of the accounting period can only be made or changed if the assessment for the preceding accounting period is changed correspondingly as regards the determination at the end of the preceding accounting period.

Extraordinary assessment

48. Notwithstanding the deadline in section 47(1), the tax administration may make or change the assessment of income tax if, due to unforeseeable lack of knowledge about the taxpayer's transactions, the tax administration was unable to make or change an assessment. No later than six months after the time when the tax administration becomes aware, or through usual diligence could have become aware of the taxpayer's transactions, the tax administration must send notice as mentioned in section 12(1) on the making or change of assessment of income tax. The assessment must be made no later than six months after the submission of the notice mentioned in section 12(1).

Subsection 2. Notwithstanding the deadline in section 47(2), a taxpayer can produce information of an actual or legal nature that may give grounds for a change of the taxpayer's assessment of income tax if, due to unforeseeable lack of knowledge, the taxpayer was unable to produce the information at an earlier stage (see section 2 in the Act no. 274 of December 22, 1908 on statute-barring of certain claims). The taxpayer must produce the information no later than six months after the time when the taxpayer becomes aware, or through usual diligence could have become aware of the actual or legal matters that may give grounds for a change of the taxpayer's assessment.

Reservations for tax effects

49. If a transaction according to civil law is conditioned on the transaction being granted specific effects for the assessment of income tax (reservations for tax effects), the reservations for tax effects are only granted effect for an assessment of income tax if the reservations for tax effects are clear, written and stated to the tax administration no later than when the tax administration is informed about the other contents of the transaction.

Subsection 2. The tax administration may refuse to attribute effect to reservations for tax effects regarding an assessment if the civil law effects of the reservations for tax effects are not clear.

Alteration

50. To the extent that an assessment of income tax is based on a civil law transaction, the tax administration can permit that a subsequent change of the transaction can be granted effect for the

assessment of income tax (alteration), if the following conditions have been met:

- 1) The transaction must not predominantly have been based on the consideration to save or postpone taxes,
- 2) The transaction must undoubtedly have had unintended tax effects that are material,
- 3) The transaction must have been presented clearly to the authorities,
- 4) The private law effects of the change of the transaction that are sought to be granted tax effect must be clear, and
- 5) any party who, in terms of tax law, will be affected by a permission for alteration, must accept the request for alteration.

Part 11

Deadlines, etc., concerning taxes

Tax liability and reimbursement of taxes

Ordinary determination

51. The tax administration cannot send notice on assessment or change of tax liability later than four years and three months after the tax fell due for payment. Similarly, notice on change of reimbursement of tax cannot be sent later than four years and three months after the earliest time when the request for reimbursement could be made. Determination of the tax liability and the reimbursement, respectively, must be made no later than three months after expiration of the deadline under the first or second sentence.

Subsection 2. A taxable person who wants the tax liability changed, must no later than four years and three months after the tax fell due for payment produce information of an actual or legal nature to give grounds for the change. Similarly, a business or a person wanting reimbursement of tax, must no later than four years and three months after the earliest time when the request for reimbursement could have been made, produce information of an actual or legal nature to give grounds for reimbursement of the tax.

Extraordinary determination

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52. Notwithstanding the deadline in section 51(1), the tax administration may determine or change a tax liability if, due to unforeseeable lack of knowledge about the taxable person's transactions, the tax administration was unable to make or change the tax liability. No later than six months after the time when the tax administration becomes aware, or through usual diligence could have become aware of the taxable person's transactions, the tax administration must send notice as mentioned in section 12(1) on the making or change of the tax liability. The determination or change of the tax liability must be made no later than six months after the submission of the notice mentioned in section 12(1).

Subsection 2. Notwithstanding the deadline in section 51(2), a taxable person can produce information of an actual or legal nature that may give grounds for a change of the taxable person's tax liability if, due to unforeseeable lack of knowledge, the taxable person was unable to produce the information at an earlier state (see section 2 in the Act no. 274 of December 22, 1908 on statute-barring of certain claims). The taxable person must produce the information no later than six months after the time when the taxable person becomes aware, or through usual diligence could have become aware of the actual or legal matters that may give grounds for a change of the taxable person's assessment.

Part 12

Cancellation

53. Tax liability, interest, charges and administrative fines can be canceled if the debtor proves that the debtor is not able to and within the next years has no prospects of being able to meet its debt obligations, and it must be assumed that the cancellation will lead to a permanent improvement of the debtor's financial situation. Similarly, amounts can be canceled that persons are under an obligation to pay as compensation for companies' non-payment of amounts owed to the public.

Subsection 2. Cancellation can generally not take place if:

- 1) the financial situation of the debtor is not clarified,
- 2) the debtor has acted irresponsibly in financial affairs, including if a material debt was:
 - a) incurred at a time when the debtor was unable to meet its financial obligations,
 - b) occurred as a result of the debtor having undertaken a financial risk that was disproportionate to the debtor's financial situation,
 - c) incurred for the purpose of consumption, or

- d) debt to the public accumulated systematically,
- 3) a substantial debt was incurred through criminal counts or issues giving rise to liability,
- 4) the debtor has failed to pay installments on its debt, even if the debtor has had a reasonable possibility thereof,
- 5) the debtor has planned for the purpose of cancellation, or
- 6) the debtor incurs new debt to the public after a case for cancellation has been started.

Subsection 3. On decisions under subsection 2, importance must be attached to the age of the debt, and if the debtor solely or predominantly has debt in the form of arrears to the public.

Subsection 4. Irrespective of subsection 2, cancellation can be denied if there are other circumstances that speak materially against full or partial cancellation.

Subsection 5. Only debtors who are natural persons can be granted cancellation under subsection 1, but see subsection 6.

Subsection 6. Otherwise, when matters in particular speak in favor thereof, cancellation can be granted to persons, companies, associations, self-governing institutions, funds or similar.

54. Cancellation can be about cessation or reduction of the debtor's debt. In connection with reduction, a decision can be made about extension of payment or payment in installments of the part of the debt not canceled. No payment of interest takes place during the period of extension of payment or installment period.

55. Cancellation can be revoked if the debtor:

- 1) in connection with the case for cancellation has committed fraud, or
- 2) grossly sets aside his obligation in connection with repayment of the part of the debt not canceled.

Part 13

Digital communication

56. In the tax area, the Government of Greenland may stipulate rules on the use of digital communication in case of contact to and from the public administration, including deviation from

formal requirements that prevent the use of digital communication.

Subsection 2. In the tax area, the Government of Greenland may stipulate rules on the issue of documents without signature or with a machine signature or similar, to the effect that such a document in law will rank *pari passu* with a document bearing a personal signature.

Section V

Inspection

Part 14

Access to information, etc.

57. In connection with the assessment of taxes, the tax administration can call in documentation and evidence and summon the parties for negotiation.

58. Any trader that keeps accounts, has, whether or not the trader is under an obligation according to the law to keep accounts, a duty at the request of the tax administration to submit to the tax administration its accounting records with annexes for both the preceding and for the current financial years and other documents that may be of importance to the tax assessment, including for the decision of tax liability in this country, and for the assessment of tax liability. The duty of submission also covers accounting records, etc., concerning the taxpayer's or taxable party's business in Denmark, on the Faroe Islands or abroad.

Subsection 2. The same duty as mentioned in section 1 lies with any legal person, and anyone who is liable for tax, whether they are traders or not.

Subsection 3. If the accounting records, etc., are kept with a third party, this party must, even if said party has a right of retention, upon request surrender the material to the tax administration, which in such case ensures that the material is returned to said third party after its use.

Subsection 4. If deemed necessary, the tax administration has always, against proper identification without a court order, access to the traders mentioned in subsections 1 and 2 on location and in workplaces outside the trader's premises, including means of transportation used commercially, to review their accounting records with annexes and other documents that can be of importance to the tax assessment or tax determination, and make a determination of the cash balance, etc. According to the same rules, the tax administration has access to, with the traders to make a determination and assessment of inventories, livestock, equipment, machines and other operating equipment. The owner and its employees must give the tax administration required guidance and assistance in the inspection. Inspection, as mentioned in the first sentence, may, however, not be made in premises

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that serve as a private residence or holiday house.

Subsection 5. To the extent that the said financial information, etc., has been registered electronically, the authorities' access to this information also includes electronic access.

Subsection 6. If any person refuses to comply with a request under subsections 1 or 2 (see subsection 5) the tax assessment may be made on a discretionary basis.

Subsection 7. The police may assist the tax administration with performing the inspection under subsection 4, according to rules stipulated following negotiations between the Minister for Justice and the Government of Greenland.

59. A party whom as part of its business must make reports to the tax administration, must keep the basis for the information to be reported under the rules on keeping of accounting records, etc., in the Act on Bookkeeping. If the person with a reporting duty is otherwise liable to keep accounts, and if the information to be reported is included in the person with a duty to keep accounts, the financial statements must be designed to the effect that the submitted information can be reconciled with the accounting.

Subsection 2. The party with a reporting duty must, at the request of the tax administration, submit the material forming the basis of the information to be reported.

Subsection 3. If deemed necessary, the tax administration always has access, against proper identification without a court order, to review the material at the location of the parties with a reporting duty. The owner and its employees must give the tax administration required guidance and assistance in the inspection.

Subsection 4. To the extent that the information mentioned in subsection 1 has been registered electronically, the tax administration's access to this information also includes electronic access. In the review, the tax administration can obtain information that appears from the material.

Subsection 5. The police may assist the tax administration with performing the inspection under subsection 3, according to rules stipulated following negotiations between the Minister for Justice and the Government of Greenland.

60. The tax administration may determine that persons owning at least 25% of the share capital or control of more than 50% of the total voting power in a company, must state material financial agreements concluded or amended between the company that the said person controls, and the said agreement or a spouse with whom the said person cohabited at the time of the conclusion of the agreements. As regards persons not fully taxable, such information must be given if the taxpayer

controls a company domiciled in this country, under section 2 of the Greenlandic Act on Income Tax. The same applies to persons with full tax liability who, according to a double taxation treaty, must be deemed to be resident in Denmark, abroad or on the Faroe Islands (double domicile).

Subsection 2. The tax authority may set a deadline for the provision of the information. At the request of the party, the tax administration can determine to extend the deadline. If the information is not available at the time fixed by the tax administration, the assessment can be made based on discretion.

61. According to the Government of Greenland's decision, the tax administration may, to the extent that is deemed to be of material importance to the determination of taxes or collection of the claims of the Government of Greenland or the municipalities, obtain information about the financial or commercial circumstances of natural persons or legal persons in an electronic form from other public authorities for the purpose of integration of registers. The authority responsible for the registered information pays the incidental expenses to give the tax administration access to the information.

62. For the purpose of countering violations of the legislation on taxes and other payments to the public, the tax administration may establish a register of natural and legal persons having imposed on or attempted to impose on the public substantial losses of taxes.

Subsection 2. Registration cannot be made or retained for more than five years after the circumstance that gives reason for a registration was ascertained.

63. Any party who has a business of its own, including brokers and auctioneers, must, on request, provide information to the tax administration about the sales that the party has had dealings with or arranged for other named traders, or about work that said party has performed for or had performed with other named traders.

Subsection 2. For production, purchasing and sales associations and similar commercial organizations, the duty of disclosure (see subsection 1) also applies to the organization's outstanding balance of said nature with its members. Information can be requested on the following:

- 1) nature of the sales or the work,
- 2) sold quantities of goods,
- 3) amount of the remuneration,
- 4) time of the sale or performance of the work, and

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5) when and how the remuneration has been paid.

Subsection 3. If the circumstances speak in favor thereof, the Government of Greenland may, in each case, decide that similar information must be obtained as regards outstanding balances with unnamed traders.

64. Public authorities and companies, jointly owned shipping companies, associations, establishments, testamentary gifts and other institutions must, on request, provide all the information to the tax administration that the tax administration deems to be of material importance to the tax assessment and the assessment of charges. Information about unnamed natural and legal persons must, however, only be given under the decision of the Government of Greenland.

65. Banks, savings banks, cooperative banks, bankers, stockbrokers, lawyers and others that receive funds for management or commercially lend money must, at the tax administration's request, provide information about named natural and legal persons':

- 1) contributions, loans, deposits or safe-deposits,
- 2) size of loans and deposits or managed funds and their return,
- 3) movements on depository accounts or loan accounts, including information about checks drawn and deposited,
- 4) discounted bills of exchange, and
- 5) provision of security for loans and credit.

Subsection 2. As regards unnamed natural and legal persons, at the decision of the Government of Greenland, information can be requested about deposits or managed funds and their return with a statement of the owner's and perhaps the person entitled to transact, civil registration number, name and residence.

Subsection 3. For the purpose of tax sampling with named and unnamed natural and legal persons, the tax administration is entitled, at the decision of the Government of Greenland, with banks, savings banks, cooperative banks, bankers, stockbrokers and lawyers in cooperation therewith, to make a review on location, of accounting records, annexes and documents. In the review, the tax administration can obtain information as mentioned in subsection 1.

66. As regards accounts with banks and savings banks and others receiving money as deposits of which information can be demanded under the authority of section 65(1) and (2), the tax administration can decide that, for six months from a fixed time, no transactions may be made in accounts of which the recipient of the deposit has no certain knowledge of the owner's name and address, until the ownership has been registered through presentation of identification as fixed by the tax administration for the party who, for the first time after the account has been frozen, will have the disposal of the account.

Subsection 2. The tax administration may decide that such accounts that the tax administration has been unable to ascribe to the real owners, are frozen for at least one more year. The accounts that after expiration of the fixed period have not yet been registered or identified, must subsequently be reported to the tax administration. These accounts are called in to the benefit of the Treasury, after prior public notification with at six months' notice if no justified objection appears.

Subsection 3. However, in special circumstances, the tax administration can disregard such calling in, or permit reimbursement of amounts already called in.

67. Where in this act the tax administration is granted the right to demand information for the purpose of the tax assessment, the same right accrues to the National Tax Board in its processing of complaints.

Estimated tax assessment

68. If the size of the tax liability resting on a trader who keeps accounts cannot be determined based on the trader's accounts, the tax administration can assess the tax liability of the trader based on discretion. The tax administration can also assess the tax liability based on discretion if a natural or legal person fails to submit a tax return or report, or if the tax return or report cannot be documented or is likely to be duly considered.

Disclosure of information

69. The Government of Greenland may stipulate rules according to which the municipal authorities of the country get electronic access to information registered by the tax administration when the information is necessary for the performance of the duties of the municipal authorities, according to the rules applicable, from time to time. Access can only be given in the instances and on the terms appearing in sections 29–31 of the Greenlandic Act on Case Processing in Public Administration.

Subsection 2. The tax administration can refuse disclosure of information or revoke an access already established to obtain information, if it is ascertained that the information is being misused for purposes other than the performance of the duties of the municipal authorities under the rules applicable from time to time.

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Section VI

Complaints and judicial review

Part 15

Complaints to the National Tax Board

70. A complaint to the National Tax Board can be filed by any party that as a material, direct and individual legal interest in the decision appealed.

71. A complaint to the National Tax Board must be filed in writing and must be justified. The complaint must reach the National Tax Board no later than three months after receipt of the decision appealed. The complaint will be rejected if filed after the expiration of the deadline. However, the National Tax Board may disregard a failure to meet the deadline if special circumstances speak in favor thereof.

Subsection 2. Before the National Tax Board decides on a complaint, it must obtain a statement about the complaint from the tax administration. The statement must be given within 14 days from receipt of the request for a statement. If the tax administration so requests, and if the circumstances of the appealed decisions speak in favor thereof, the National Tax Board may, however, grant an extended deadline.

Subsection 3. The provisions of section 11(1–3) apply similarly in the National Tax Board's processing of a complaint.

Subsection 4. On consultation about the statement of facts it must be stated that the parties to the case otherwise have a right to make statements in writing or orally to the National Tax Board. The National Tax Board may set a deadline for delivering the opinion.

Subsection 5. Irrespective of the wording of the complaint, the National Tax Board may make derived changes of the taxable income, etc.

72. If, based on the complaint, the tax administration finds it appropriate, the tax administration may reopen the decision, if the complainant agrees.

73. At the complainant's request, the National Tax Board or the tax administration can reopen a case that is determined or rejected by the National Tax Board when information from the National Tax Board is produced that was not produced during the case, and it is estimated that the new information could have resulted in a substantially changed outcome of the National Tax Board's

decision had the information been available earlier.

Subsection 2. The National Tax Board can accommodate a request for reopening even if the conditions in subsection 1 have not been met, if the National Tax Board estimates that very special circumstances speak in favor thereof.

Subsection 3. Requests for reopening under subsections 1 and 2 must be made in writing to the National Tax Board and be justified. Requests must be received before expiration of the deadlines mentioned in section 47(1) and (2) and section 51(1) and (2).

Subsection 4. The National Tax Board, when very special circumstances speak in favor thereof, may accept a request of reopening from the tax administration although the deadlines in subsection 3 have been exceeded.

Part 16

Judicial review

74. Unless otherwise stipulated by other legislation, a decision made by the tax administration concerning circumstances as mentioned in subsection 2, cannot be brought before the courts of law until the decision has been reviewed or rejected by the National Tax Board, but see subsection 3. The legal proceedings are instituted against the Government of Greenland.

Subsection 2. The National Tax Board's decisions under subsection 1 can be brought before the Court of Greenland as the court of first instance within six months after the decision was made. When special reasons so dictate, the High Court of Greenland can permit proceedings, whether or not the deadline has been exceeded.

Subsection 3. If more than 12 months have passed after the case is raised with the National Tax Board, the case can be brought before the Court of Greenland as the court of first instance even if the National Tax Board has not made a decision.

Subsection 4. The court may permit that a new question is involved in the legal proceedings if there is a clear connection to the issue that forms the basis of the legal proceedings, and it must be deemed to be excusable that the issues were not raised at an earlier stage, or there is reason to assume that refusal of a permission will result in a disproportionate loss of rights for the party.

75. The Government of Greenland can bring the decisions of the National Tax Board before the courts of law no later than six months after the National Tax Board has made a decision.

Subsection 2. The provision in subsection 1 does not apply to the decisions of the National Tax Board under section 30(4), second sentence, of the Greenlandic Act on Income Tax.

Part 17

Extension of payment in connection with a complaint

76. A complaint about the assessment does not release the complainant from paying the taxes on maturity.

Subsection 2. However, upon application, the National Tax Board can grant full or partial extension of payment for the share of the tax that concerns the issue appealed when special circumstances apply. The decisions of the National Tax Board may not be brought before another administrative authority.

Subsection 3. After an application has been filed for full or partial extension for payment of the tax, the tax administration may decide that collection of the share of the tax that an extension of payment has been applied for, must be suspended until the National Tax Board has made a decision about the application.

Subsection 4. An extension of payment cannot be granted for a period more than four years. The National Tax Board may condition any extension of payment on there being provided adequate security for the amount in respect of which extension of payment is given.

Subsection 5. Irrespective of any granted extension of payment, for the purpose of full or partial cover of the claims for which an extension of payment has been granted, offsetting can be made and the claim that the complainant may have against the public can be assumed.

Part 17a

Complaints to another authority — administrative recourse

76a. Decisions that fall under the administrative field of the tax administration (see subsection 1) cannot be appealed against to any other administrative authority when the case can be appealed to the National Tax Board (see section 2). This applies whether or not a decision has been made pursuant to delegation. *Subsection 2.* The decisions of the tax administration in tribunals, in cases on confiscation or measures, and in decisions about access to documents cannot be appealed to any other administrative authority.

Section VII

Measures

Part 18

Measures

77. A person who intentionally or grossly negligently misrepresents for the purpose of the inspection of the tax assessment may be sentenced to punitive measures under the criminal code of Greenland.

78. In the same way as stated in section 77, a person who has intentionally or grossly negligently misrepresented for the purpose of decisions under section 13(6) or section 14, or in connection with one of the applications mentioned in these provisions, conceals information of importance to the decision of the case.

79. A person, who intentionally in order to avoid tax assessment fails to submit a tax return, and the matter is not covered by section 80, can be sentenced to punitive measures under the criminal code of Greenland.

80. A person whose income or tax has been assessed based on discretion at too small an amount, and who after the assessment has been provided to said person, has failed to inform the tax administration within four weeks from the notification, can be fined.

Subsection 2. If the circumstance specified in subsection 1 was made intentionally to deprive the public of tax, the person can be sentenced to more severe measures under the criminal code of Greenland.

Subsection 3. If the violation of subsection 1 has been made by a public limited company, a private limited company, a cooperative society, a self-governing institution, a fund, etc., the legal person can be subject to a fine.

81. A person who does not comply with a decision made by the Government of Greenland under section 18(1) to keep accounts, or commits gross negligence as regards the keeping of such accounts or the storage of these accounts with annexes, stipulated in section 18(4), can be sentenced to punitive measures according to the criminal code of Greenland.

82. If the tax administration estimates a violation will not result in more severe measures than a fine, the Government of Greenland or the party that the Government of Greenland authorizes, may indicate to said person that the case may be resolved without legal proceedings if said person pleads

guilty to the violation and declares himself ready, within a specified deadline, which can be extended on request, to pay a fine specified in the indication.

Subsection 2. As regards the indication in subsection 1, the rules on the Administration of Justice Act in Greenland apply similarly to the contents of an indictment.

Subsection 3. If the fine is paid in a timely manner, or if after the adoption it is collected, any other prosecution will no longer be pursued.

83. In regulations issued under this Act, rules can be stipulated on the imposition of a fine for violation of the provisions of the regulations.

Subsection 2. In regulations issued under this Act, rules can be stipulated on imposing a fine for violations made by a public limited company, a private limited company, a cooperative society, an association, a self-governing institution, a fund, etc. If the violation was made by the Government of Greenland, a municipality or a municipal community, a fine can be imposed on the Government of Greenland, the municipality or the municipal community.

84. The police assist the tax authorities according to rules stipulated, following negotiations between the Minister for Justice and the Government of Greenland.

85. Fines imposed under sections 77–81, and section 83, accrue to the Treasury.

Section VIII

Shared, commencement and transitional provisions

Part 19

Shared provisions

86. From January 1, 2007, the tax administration has access to use the electronic tax systems of the municipalities.

Subsection 2. The municipalities must give the tax administration access, including electronic, to the information about the municipalities' bookkeeping and collection that in the discretion of the tax administration are necessary to administer tax legislation.

87. The Government of Greenland may stipulate rules for the performance of a removal of duties from municipalities to the Government of Greenland as a result of this Greenlandic Act. The

Government of Greenland may determine to what extent case files and archive material must be transferred to the Government of Greenland.

88. The Government of Greenland can conclude agreements with the municipal authorities that arrears concerning income taxes accumulated before the Act enters into force can be transferred to the Government of Greenland against remuneration. On conclusion of the agreements it must be ensured that the value of the claims has been assessed realistically, taking into account the share of the Treasury when writing off the uncovered share of the claims and what can be expected to be collected from debtors.

Part 20

Commencement and transitional provisions

89. The Act on Greenland's Parliament will take effect on Monday, January 1, 2007.

Subsection 2. With effect from the commencement of the Act, all cases concerning income tax are transferred from the municipalities to the tax administration.

Subsection 3. With effect from the commencement of the Act, all cases appealed to the Government of Greenland in which no final decision has been made, are transferred to the National Tax Board if, under subsection 2, the National Tax Board is competent to make a decision in the cases.

Subsection 4. Section 115(9) of the Greenlandic Act no. 5 of May 19, 1979 on Income Tax, still applies to applications about cancellation received by the National Tax Board before January 1, 2007.

Subsection 5. Section 46 has effect to transfers that have reached the municipal authority or the Tax Agency after December 31, 2002. As regards transfers that have reached the municipal authorities or the Tax Agency before January 1, 2003, the tax administration may, after December 31, 2007, without regard to the transfer, make offsetting against the transferor, or reject the transferor's claim for repayment of overpaid taxes if the offsetting is made before the deadline for repayment has passed.

The Greenland Home Rule, November 2, 2006

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Hans Enoksen

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Josef Motzfeldt

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