



Denmark Expense Reimbursement Procedure

This guide outlines the types of expenses that may be reimbursed in Denmark, the conditions under which they can be reimbursed, and the required documentation. All expenses must be business-related, properly documented, and compliant with Danish tax and VAT regulations.

Eligible expenses

The following types of expenses may be reimbursed when directly related to business activities:

- ◆ **Travel expenses** - flights, accommodation, per diems
- ◆ **Work-related purchases** - office supplies, software
- ◆ **Home office costs** - internet, electricity
- ◆ **Client & business entertainment** - meals with clients
- ◆ **Other specific expenses** (if applicable)

Reimbursement conditions



1. Travel expenses

Travel expenses may be reimbursed in **two different ways**:

1. Reimbursement based on invoices

- The company pays all travel-related expenses directly or reimburses the employee based on invoices.
- The employee cannot receive per diems or other travel allowances in this case.

2. Per diem (travel allowance)

- The employee pays all travel-related costs personally.
- The employee does not receive reimbursement for actual expenses.
- Instead, the employee receives a **tax-free travel allowance** according to standard Danish rates.
- The employee may deduct travel costs from their personal tax calculation.

Conditions for tax-free travel allowance

- The travel must be business-related.
- The journey must last at least **24 hours**.
- Allowances are paid tax-free according to standard Danish rates.
- Also referred to as **diets / per diem**.

Per diem rates – 2025

- Accommodation: **DKK 256.00 per day**
- Food and small necessities: **DKK 597.00 per day**

Mileage allowance (personal car used for business travel)

- Up to 20,000 km: **DKK 3.81 per km**
- Above 20,000 km: **DKK 2.23 per km**

Employees must submit a **travel log** (e.g. Excel sheet) including kilometres driven and a description of the business trip. This must be submitted for employer approval.



2. Free car

- If the employee is provided with a free company car, the employee is taxed on the benefit.
- Taxation is applied in accordance with the applicable Danish tax rules.



3. Home office

- Most work-related equipment may be reimbursed **tax-free** (e.g. printer, ink cartridges, paper).
- Reimbursement for **internet and telephone** is taxable for the employee and must be reported on the payslip.
 - Taxable amount (2025): **DKK 3,200 per year**
- There is **no reimbursement** for electricity or other utilities.



4. Personal cost and business entertainment

- Personal costs and business entertainment expenses are subject to **complex tax and VAT rules**.
- The tax treatment depends on:
 - Whether the expense relates to employees, business relations, or mixed attendance
 - The nature of the event (business-related vs. social)
 - Where the expense takes place (company premises or external venues)

Employer's obligations

The employer is responsible for ensuring that all conditions for **tax-free travel allowances** are met. This includes verifying:

- ◆ The business purpose of the trip
- ◆ Sub-goals and activities
- ◆ Number of business travel days
- ◆ Start and end times of the trip
- ◆ Calculation of allowances and applied rates

If the conditions are **not met**, the allowance becomes **taxable A-income** for the employee even if the employer did not perform the required checks. In such cases, the employee may instead deduct the costs on their personal tax return.

! Documentation requirements

- All reimbursed expenses must be documented.
- Invoices should generally be issued to **the company**.
- Personal expenses (e.g. internet subscriptions) may be issued to the employee – this is acceptable.

Representation

The right to deduct representation expenses is conditional on the expenses being documented with receipts.

The Danish Tax Agency (Skattestyrelsen) sets certain requirements for such receipts for them to be considered sufficient. These requirements are:

- Date of issue
- Name of the issuer
- Recipient (where customary)
- Description of goods or services
- Payment confirmation or cash register stamp (where customary)

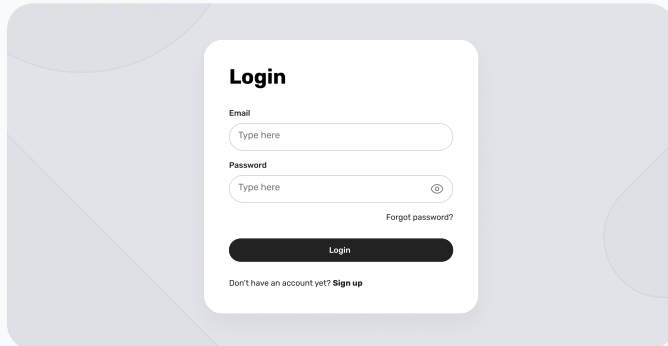
Restaurant receipts must additionally include:

- Names of participants
- Purpose of the meeting or event

When restaurant receipts serve as documentation for representation expenses, the Danish Tax Agency also requires that the names of the participants and the purpose of the event be noted on the receipt.

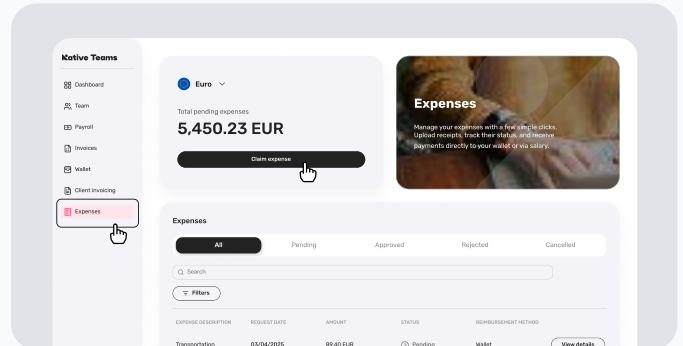
Expense Submission Process

Submitting via **Native Teams** Platform



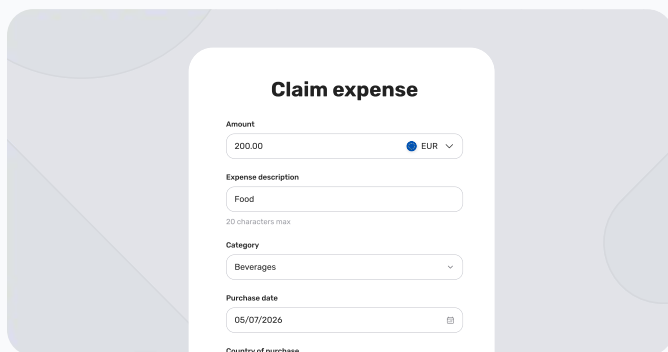
STEP 1

Log in to your Native Teams account.



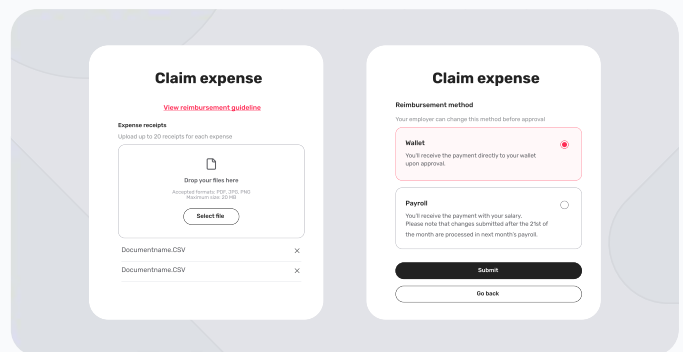
STEP 2

Click on the **Expenses** section on the left side menu and then on the **Claim expense** button.



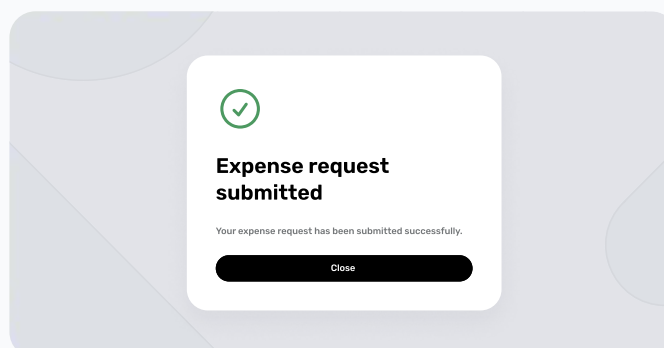
STEP 3

Fill in the required fields for the amount, expense description, category, purchase date, and country of purchase.



STEP 4

Attach a proof and select your reimbursement method: wallet or payroll.



STEP 5

Submit the claim and wait for your employer's approval of the reimbursement.

! Submission deadlines

- All expense claims must be submitted by the **10th of the month** to be processed in the same payroll cycle.
- Claims submitted after the 10th will be included in the following month's payroll.
- If the 10th falls on a weekend or public holiday, the deadline will be brought forward to the previous working day.



Native Teams legal entity - Denmark

◆ **Entity name:** Native Teams ApS

◆ **Registration number:** 43868217

◆ **Registered address:** GI Ringstedvej 61, 4300 Holbæk, Denmark

Native Teams

For any questions regarding expense reimbursements, please
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