

February 22, 2007

**Danish Ministry of Taxation**  
Att.: **Minister Kristian Jensen**  
Nicolai Eigtveds Gade 28  
1402 København K

**Subject: Proposed revisions to the Danish Tax Code**

Dear Minister Jensen,

The American Chamber of Commerce in Denmark has reviewed the recently proposed revisions to the Danish tax code and is pleased to provide the following feedback.

The proposed reduction in the corporate tax rate demonstrates a commitment to making Denmark more competitive and more attractive to foreign investors. Furthermore, the proposed patent tax revision, which was one of our discussion points during our meeting on November 10, 2006, will support innovation and foreign investment through tax incentives. These are welcomed initiatives that will send a positive signal to the international business community and are in line with recommendations in our Foreign Investors' Agenda.

However, the way in which the proposal was initiated, and is expected to be implemented, is reminiscent of the abruptness of previous tax proposals. Stability and predictability are key parameters when companies choose to invest in Denmark, and in this regard, the April 1 implementation date is not reasonable or sufficient for current investors. Therefore we recommend that all proposed revisions come into affect from January 1, 2008. This will set a precedent that Denmark is equitable and fair in allowing companies due time to adjust.

In addition, the proposed revision in interest deductions, aimed at the activities of private equity funds, inadvertently affects all companies in choosing an appropriate capital structure. Furthermore, companies that have recently made an acquisition or undergone a capital restructuring will be unfairly penalized if the proposed revision is implemented as written. This not only raises the likelihood that foreign investors will postpone investments or make them elsewhere, but also impedes the ability and incentive for companies in Denmark to grow.

To strengthen investor confidence, we recommend seeking input from foreign investors and other relevant stakeholders prior to forming future proposals. This would not only help companies to prepare for eventual tax code revisions, but would also create a more balanced proposal that accurately reflects the interests of the public and private sector.

As the leading organization representing foreign investors in Denmark, we have concerns regarding any legislation that puts Denmark at a competitive disadvantage. Although there are clear benefits with the proposed revision in corporate tax and patent rules, other revisions place Denmark out of line with generally accepted international business practices, threatening the free flow of capital and growth.

We welcome the opportunity to provide you with more details about our concerns and answer any questions regarding our views.

Sincerely,



Stephen Brugger  
Executive Director



Paul Coleman  
Chairman