

PDAC 2017 – Greenland Day

Setting up a business entity in Greenland
by Peter Schriver, Nuna Law Firm

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Setting up a business entity

- * Introduction to Nuna Law Firm
 - * 10 employees
 - * Co-operation with Danish law firm Horten (app. 225 employees)
 - * Primarily engaged in counselling of business-oriented clients
 - * Specialized in the mineral resources area

PROFILE | PETER SCHRIVER, Nuna Law Firm

- * Peter Schriver is managing partner of Nuna Law Firm. He has been domiciled in Nuuk since 2000.



Setting up a business entity

- * Easy to get started
 - * Not required to incorporate a legal entity in Greenland during the exploration phase
- * Licence holder must be registered with the Tax Agency in the Greenland Business Register (at least until 1 January 2018)
- * Exploitation licences are only granted to Greenlandic public limited liability companies (A/S)

Setting up a business entity

- * How to get started
 - * Limited liability company (A/S or ApS)
 - * A/S (public limited):
 - * Required for exploitation licence
 - * Minimum share capital DKK 500,000
 - * ApS (private limited):
 - * Can be used in exploration phase and later upgraded to A/S
 - * Minimum share capital DKK 125,000 (DKK 1.00 from 1 January 2018)
 - * Partnership (I/S)
 - * Unlimited liability
 - * Tax transparent
 - * Branch office (foreign entity)

Setting up a business entity

- * Corporate Tax

- * In total 36% on repatriated profit (dividend)
- * Royalty regime: in general 2.5% on turnover – deductible against paid corporate/dividend tax. Check special conditions for REE, Gem stones and Uranium.
- * Tax losses can be carried forward infinitely.

- * Personal Tax

- * 35% - 44% dependent on certain criteria

Setting up a business entity

- * Foreign workers in Greenland
 - * Residence and work permit -
 - * Main rule: All foreign workers must obtain residence and work permit (Greenland is not a member of the EU)
 - * Exemption 1: Nordic citizens can stay and work in Greenland without residence and work permit
 - * Exemption 2: Foreign workers carrying out work related to an exploitation or exploration licence can stay and work in Greenland for up to 3 months without permit

Setting up a business entity

- * Foreign workers in Greenland
 - * Greenlandic Act concerning labour force increase
 - * Large Scale Projects
 - * Cost of construction exceeding DKK 5 billion
 - * The employer can (on certain conditions) use foreign workers during the construction phase

Setting up a business entity

- * Labour market
 - * No closed shop principle
 - * Greenland Business Association and SIK are the main players
 - * For areas not covered by collective agreements the parties are free to agree to the terms of employment

Setting up a business entity

- * www.naalakkersuisut.gl (Greenland government)
- * www.govmin.gl (The Ministry of Mineral Resources)
- * www.lovgivning.gl (Greenlandic legislation – only available in Danish)
- * www.aka.gl/en (Tax Authority)
- * www.danishbusinessauthority.dk
- * www.newtodenmark.dk (Immigration Authority)
- * www.suli.gl (Job portal)
- * www.ga.gl (Greenland Business Association)
- * www.sik.gl (Workers Association in Greenland)

Questions



Thank you

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