

2014-07-24



Republic of the Philippines
DEPARTMENT OF FINANCE
BUREAU OF CUSTOMS
Manila

MEMORANDUM

TO : All District Collectors Concerned
Chief, Tax Exempt Division
And All Others Concerned

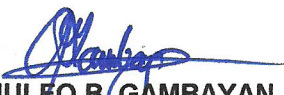
SUBJECT : Re-Opening of Danish Government Embassy in the Philippines

DATE : July 23, 2014

Attached herewith is a letter dated 15 July 2014 of Evelyn D. Austria-Garcia, Assistant Secretary, Department of Foreign Affairs, informing the Bureau that the Danish Government has re-opened its Embassy in the Philippines with temporary address at 21F, Philamlife Tower, 8767 Paseo de Roxas, Makati City.

On the basis of reciprocity, the Royal Danish Embassy and its accredited diplomatic personnel shall enjoy duty free importation of goods, including motor vehicles, for official or personal use.

For your information and guidance.


ARNULFO B. GAMBAYAN
Acting Director
Imports and Assessment Service

Encls: As stated



12676

OFFICE OF PROTOCOL

15 July 2014

Dear Secretary Purisima,

The Department of Foreign Affairs (DFA) respectfully informs the Department of Finance-Bureau of Customs (DOF-BOC) that the Danish Government has re-opened its Embassy in the Philippines with temporary address at 21F, Philamlife Tower, 8767 Paseo de Roxas, Makati City.

The Department further informs that it has received official confirmation from the Philippine Embassy in Oslo, which has jurisdiction over Denmark, that the Danish Government grants duty free importation of goods, including motor vehicles for official or personal use, to accredited resident Diplomatic Missions and personnel in Denmark.

In light of these development and on the basis of reciprocity, the Royal Danish Embassy and its accredited diplomatic personnel in the Philippines shall enjoy duty free importation of goods, including motor vehicles, for official or personal use.

Attached, for further reference, is the copy of the Danish Ministry of Foreign Affairs' Guide for Diplomats which contains relevant provisions on the aforementioned duty free importation privileges.

The DFA wishes to reiterate its sincere appreciation for your continued support and cooperation on matters of mutual concern.

Thank you.

Sincerely yours,

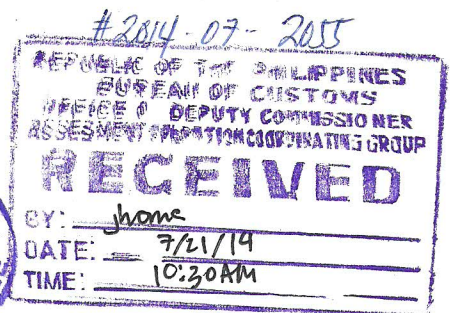
For the Secretary of Foreign Affairs:

[Handwritten Signature]
EVELYN D. AUSTRIA-GARCIA
Assistant Secretary

HON. CESAR V. PURISIMA
Secretary, Department of Finance

Attention: Hon. John Phillip P. Sevilla
Commissioner, Bureau of Customs

Attachment: as stated



Guide for Diplomats in Denmark

Table of Contents

Foreword.....	4
1. Foreign Government Missions, International Organisations and their staffs in Denmark .	5
1.1 Status of foreign government missions, international organisations and their staffs	5
1.2 Diplomatic agents	6
1.3 Members of the administrative and technical staff of the mission	6
1.4 Locally recruited staff	6
1.5 Members of the service staff of the mission	6
1.6 Private servants	7
1.7 Diplomatic immunity.....	7
1.8 Inviolability	7
1.9 Persons enjoying diplomatic immunity	7
1.10 Inviolability and immunity under the Vienna Convention on Consular Relations	8
1.11 Duty to respect laws and regulations of the receiving State	8
2. International Organisations	9
3. Identity Cards and Residence Permit Cards.....	10
4. Arrival in Denmark	13
4.1 Notifications of Arrival.....	13
4.2 Agrément.....	14
4.3 Arrival in Denmark of a New Ambassador.....	14
4.3.1 Presentation of Copies of Credentials	14
4.3.2 Courtesy Calls	14
4.4 Arrival in Denmark of a Chargé d’Affaires e.p.....	14
4.5 Defense Attachés	15
4.6 Practical Arrival Procedures for Holders of Diplomatic or Service Passports	15
4.6.1 Procedure for visa holders	15
4.6.2 Procedure for citizens from countries not requiring a visa to enter Denmark, including citizens from EU/EEA countries and Switzerland.....	15
4.6.3 The registration procedure with the Protocol Department.....	15
4.7 Practical Arrival Procedure for Holders of National Passports	16
5. Departure.....	17

11. Taxes, Duties and Import/Export Licences, Movable etc.

11.1 Duty free imports

11.1.1 Resident missions

Diplomatic missions resident in Denmark and their diplomatic staff may import goods for official or personal use free of customs duties. The form 13.004 called "Customs Declaration for Diplomats" (may be found on <http://www.skat.dk/SKAT.aspx?oId=56090&vId=0>) must be sent in advance to the following address:

Skattecenter København
Sluseholmen 8B
2450 København SV

Tel.: 72 22 18 18

E-mail: skat@skat.dk

Form 13.004 must be signed by the applicant and endorsed by the head of mission and stamped with the mission's official stamp. A similar form, 13.005 called "Customs Declaration for International Organisations" should be used by the international organisations in Denmark.

Forms 13.004 and 13.005 may be found on <http://www.skat.dk/SKAT.aspx?oId=56090&vId=0>

11.1.2 Purchase through bonded warehouses

Provisioning companies such as Peter Justesen Company A/S may supply goods exempt from customs and excise duties, provided the buyer is a diplomatic mission or a diplomatic agent. When ordering, the completed form 13.004 (or 13.005) should be sent directly to the supplier for immediate delivery of the goods. After the delivery, the supplier passes on the declaration to the customs authorities.

11.1.3 Non-resident heads of mission

Non-resident heads of mission, who wish to import duty-free goods for official purposes or for personal use during their temporary visits to Denmark, must apply for customs exemption by means of the declaration form 13.006 called "Customs Declaration for Heads of Mission and Persons of Equivalent Status Accredited to but Resident out of Denmark" (the form may be found on <http://www.skat.dk/SKAT.aspx?oId=56230&vId=0>). The completed form signed by the head of mission must be sent to Skattecenter København for approval before the delivery of the goods. The period of the visit must be specified exactly on form 13.006.

Further questions about the mentioned forms can be made to Skattecenter København (contact info above).

11.2 Reimbursement of VAT (MOMS)

According to the Vienna Convention, Article 34, a diplomatic agent shall be exempt from all duties and taxes but not indirect taxes normally incorporated in the price of goods or services e.g. VAT (MOMS).

The MOMS, which at present in Denmark is 25 per cent, the equivalent of 20 per cent of the retail price, is under the current legislation reimbursed to foreign diplomatic missions and their diplomatic staff (including technical and administrative personnel) and to the international organisations and their diplomatic staff. The purchases must be **reasonable in quantity** and meant to cover actual needs for the missions, the diplomatic staff and their dependant family members residing in Denmark **only**.

MOMS is reimbursed on all purchases of goods and services which have been bought in Denmark (but not in Greenland and the Faroe Islands), and are not mentioned in the list of non-exemption. Reimbursement is not possible on purchases older than 36 months.

MOMS is not reimbursed on the following items:

- Antiques
- Auction items
- Second hand articles
- Gift certificates, "gavekort" and items marked "Gavemærke"
- Bridge tolls
- Admission fees for entertainment (cinemas, theatres, exhibitions etc.)
- Membership fees for clubs and associations
- Medicine
- Ammunition and fire arms

Please be aware that no Danish MOMS is included in the price of the following items:

- Newspapers
- Stamps
- Passenger transport
- Dentist's and doctor's bill etc. (except from health certificates)
- Insurance policies
- Admission fees for museums
- School fees
- Tips

In order to have the MOMS reimbursed, each purchase made by the mission or organisation must at present amount to a minimum of DKK 750. Individual, original invoices from the same date and the same vendor may be accumulated in order to reach the minimum amount.

In order to have the MOMS reimbursed, each purchase made by individual staff members must at present amount to a minimum of DKK 1,500. Individual, original invoices from the same date and the same vendor may be accumulated in order to reach the minimum amount.

11.3 Application for MOMS reimbursement to the Protocol Department

In order to have the MOMS reimbursed, the following procedures will have to be applied.

The total price must be paid in full, and it must be clear from the bill which goods or services have been purchased.

Proof of payment must follow each paid invoice. If payment is made by credit card, the transaction part must be submitted as proof of payment.

If the payment is made by a store account card (e.g. Magasin and Illum), the invoices must be sent together with the monthly store account statement.

The MOMS amount must be clearly specified on the bill **by the vendor** in order to have the MOMS reimbursed.

The CD MOMS 1 form must be completed in print, signed by the head of mission and provided with the official diplomatic mission's/international organisation's stamp thus certifying that the conditions for reimbursement are fulfilled.

Each original invoice, including proof of payment, must be listed on form CD MOMS 2 which should be sent in duplicate for individual staff members, international organisations and the diplomatic missions and submitted collectively as annex to the CD MOMS 1 form.

The two CD MOMS forms are accessible on the Protocol Department's homepage <http://um.dk/en/about-us/the-protocol-department/standard-forms-for-diplomats/>

The diplomatic missions and international organisations can apply for MOMS reimbursement 4 times a year, submitting the applications during the first month of the quarter - January, April, July and October - covering the preceding 3 months. All reimbursements will be transferred to a bank or postal account each quarter of the year. If reimbursement cannot take place due to insufficient presentation of the accounts, the diplomatic mission or international organisation can reclaim the reimbursement together with the next quarterly request, provided that the lacking information is forwarded.

Processing of reimbursement applications is done continuously. It is the aim that applications are processed within three months.

11.4 VAT exempt purchases in other EU countries

A diplomatic mission, international organisation or diplomatic staff resident in Denmark may buy goods and/or services in another EU country exempt from VAT and excise duty using the exemption form "VAT AND EXCISE DUTY EXEMPTION CERTIFICATE (Directive 2006/112/EEC - Article 143 and Directive 92/12/EEC - Article 23 (1))". The form must be delivered to the seller at the time of purchase duly completed and certified by the Protocol Department in Copenhagen.

The form is accessible on the Protocol Department's homepage:

<http://um.dk/en/about-us/the-protocol-department/standard-forms-for-diplomats/>

When the form has been filled in and signed by the buyer, it must be provided with the mission's stamp and the signature of the head of mission and sent to the Protocol Department for certification, i.e. that

- the buyer is a diplomatic mission, international organisation or diplomatic staff resident in Denmark, and
- the goods/services are exempt of MOMS in Denmark.

11.5 VAT reimbursement to non-resident diplomats

MOMS is not reimbursed to non-resident diplomats accredited to Denmark. If they are diplomats in another EU country, they may, however, from their country of residence make use of the EU VAT exemption scheme described above for purchases made in Denmark.

Concerning application for duty-free import of goods to Denmark for official purposes or for personal use during temporary visits to Denmark, please see 11.1.3.

11.6 Excise duties, exemption/reimbursement

11.6.1 Motor vehicles and fuel

In the case of purchases of motor vehicles and motor fuel, see chapter 14 (motor vehicles).

11.6.2 Reimbursement by Customs and Tax Administration (SKAT)

Duties on electricity, gas, oil and water will be reimbursed to both the diplomatic missions and their privileged staff, while reimbursement of the duty on district heating is given for the mission premises only (including the residence of the head of mission), but not for the residence of the individual staff members. The reimbursement of the duty on district heating covers the indirect duties on oil, coal and CO2 exhaust.

The reimbursement will be granted on application to Customs and Tax Administration / Punktafgifter København, form 23.006 (may be found on <http://www.skat.dk/getFile.aspx?Id=111062>) The application must comprise the consumption of the mission itself and, if applicable, the privileged staff, and must cover a period of at least three months. The consumption on the application must be documented by copies of the invoices.

No reimbursement will be paid on invoices older than 12 months.

The Customs and Tax Administration has made a manual which describes how to apply for refund of energy taxes. Please contact The Customs and Tax Administration/Punktafgifter København to receive the manual.

The application for reimbursement of energy taxes should be sent to:

Skattecenter København
Att.: Punktafgifter København
Sluseholmen 8B
2450 København SV

Telephone: 72 22 18 18
E-mail: skat@skat.dk

For further information, please consult the homepage of the Danish Ministry of Taxation:
www.skat.dk

11.7 Honorary Consuls

Honorary consuls may receive reimbursement of VAT paid on purchases to the extent the purchased goods and services are fully applied in the consular service, cf. paragraph 45 (2) of the VAT Act.

Form 31.032 should be used (the form may be found on <http://www.skat.dk/getFile.aspx?Id=56730>). The form should be sent to

Skattecenter København
Sluseholmen 8B
2450 København SV

Telephone: 72 22 18 18
E-mail: Skat@skat.dk

11.8 Taxation on Personal Income

A diplomatic agent is exempt from all taxes, personal or real, national, regional or municipal, except taxes on private immovable property situated in Denmark, unless the property is held on behalf of the Sending State for the purposes of the mission, and except for taxes on private income having its source in Denmark.

Members of the family of diplomatic agents forming part of the household, as well as administrative and technical staff of the mission together with their families are exempt from taxes to the same extent as diplomatic agents. Danish nationals or people permanently resident in Denmark at the time of employment are fully liable to taxation.

Members of the service staff of the mission and private servants of members of the mission are, if they are not Danish nationals or already permanently resident in Denmark at the time of employment, exempt from taxes on the emoluments they receive from their employment. Members of their families enjoy no tax exemption.

11.9 Taxation of locally employed staff

Taxation on personal income in Denmark falls into two categories named "A income" and "B income". As regards A income, the employer withholds part of the salary as an account payment of the tax (pay-as-you-earn taxation), while B income is other personal income. The B taxpayer must declare the income and pay the tax him/herself. As missions are not obliged to withhold taxes, the salary of locally employed personnel is B income, and the employees are themselves responsible for the declaration of income and payment of the tax.

Missions are exempt from withholding labour market contribution (arbejdsmarkedetsbidrag) from the salaries of their employees as it is considered a taxation equivalent, whereas contributions to the Labour Market Supplementary Pensions Scheme (ATP) must be paid, cf. section 8.

12. Movable

12.1 Import and export of movables/personal belongings

When a person moves to Denmark, personal belongings may be imported free of customs duty from 6 months before until 12 months after the arrival in Denmark.

There are no restrictions on the export of movables except as indicated below.

12.2 Cultural heritage export restrictions

In order to protect the cultural heritage of Denmark, the following articles (except coins and medals) may only be exported by special permission:

- Cultural objects of pre-1660 origin
- Cultural objects older than 50 years and valued at DKK 162,000 or more
- Photographs, regardless of age, if they have a value of DKK 30,000 or more

An application form should be used and sent to the Danish Commission on the Export of Cultural Assets:

Kulturværdiudvalget
Sekretariatet v/ Lis Brock
Nationalmuseet
Frederiksholms Kanal 12
1220 Copenhagen K

Tlf. +45 41206005

If an export licence is denied, Kulturværdiudvalget will offer to buy the object at a price to be fixed by evaluation.

More information may be found on <http://kulturvaerdier.kb.dk/english/>

13. Restrictions on cash money when travelling out of Denmark

Please observe that diplomatic agents are subject to the same restrictions as Danish citizens concerning the amount of cash to be carried when travelling out of Denmark. According to Danish legislation, cash amounts of more than Euro 10,000 or DKK 75,000 must be declared to the Danish Tax Authorities (SKAT) before being carried to any other country. More information may be found on

<http://www.skat.dk/SKAT.aspx?oId=2083363&vId=0&lang=US>

14. Motor Vehicles

14.1 General rules

There is no fixed limit to the number of vehicles missions or privileged persons may possess for official and private use, but the number may not exceed what might be considered reasonable considering size of the Mission and household. For international organisations, the

rules on acquisition and possession of motor vehicles are to be found in the specific host agreement.

A vehicle registered on diplomatic number plates may only be driven by members of the privileged person's family, forming part of the household, and by domestic staff on duty. A diplomatic vehicle may further be used in a family member's transportation to and from work but not for professional or commercial use (e.g. as a delivery vehicle).

The motor vehicles must at all times be in compliance with the Danish standards applicable for vehicles and covered by a valid compulsory third party liability insurance.

A leased vehicle cannot be registered on CD plates.

14.2 Customs duties and MOMS (VAT)

14.2.1 New motor vehicles

Diplomats and members of the technical and administrative staff of the mission are exempt from paying MOMS (VAT) when purchasing a new vehicle. Embassies and international organizations are to provide proof of employment/entitlement at the time of purchase and registration.

If a car with diplomatic registration is transferred to a non-privileged person within two years from the date of registration, customs duties and MOMS will be imposed on the car, unless the car is exported. After two years the car can be sold. However, if sold to a non-privileged person, usual duties and fees must be paid by the buyer and the diplomatic license plates must be returned, cf. below (14.5).

14.2.2 Used motor vehicles

Used motor vehicles may be imported free of customs duties and MOMS as part of the owner's furniture and household effects provided they are for his/her exclusive use. However, this exemption is withdrawn if, within one year after registration of the vehicle in Denmark, it is transferred to a non-privileged person.

Technical-Administrative Personnel (TAP) must have owned and used the vehicle for at least one year in order to import the vehicle without paying duties and MOMS.

Correspondence and queries concerning customs and other duties on motor vehicles may be addressed to the customs office in Copenhagen:

Skattecenter Høje-Taastrup
Helgeshøj Allé 9
2630 Taastrup

Tel.: 72 22 18 18
Fax: 72 38 67 34
E-mail: skat@skat.dk
Web: www.skat.dk

14.3 Registration

Application for registration and license plates must be sent to:

Motorcenter Høje-Taastrup
Helgeshøj Allé 9
2630 Taastrup

Tel.: 72 22 18 18
E-mail: skat@skat.dk

When a privileged person employed by an embassy or an international organisation in Denmark registers a vehicle in his/her name, the address of the organisation is to be stated in the registration (not the private address of the privileged person).

14.4 Registration fees

Exemption from registration fees is granted for new vehicles belonging to missions and to privileged persons. The application for exemption from registration fees must contain a **declaration** to the effect that the vehicle is for the exclusive use of the mission or the applicant in question.

Any vehicle exempt from registration fees shall be liable to a registration fee when the conditions for the exemption are no longer fulfilled. The taxable value of used vehicles is to be fixed by SKAT.

14.5 Withdrawal of a motor vehicle

Upon end of duty in Denmark license plates are to be returned to:

Skattecenter Høje-Taastrup
Helgeshøj Allé 55
2630 Taastrup

Tel.: 72 22 18 18
E-mail: skat@skat.dk

or to the Protocol Department of the Ministry of Foreign Affairs.

If a privileged person remains in Denmark or sell the vehicle to a non-privileged owner in Denmark the vehicle must be re-registered with a Danish registration office and the diplomatic license plates returned to the registration office.

14.6 Obligatory car inspection

All cars, including cars on diplomatic license plates, must regularly undergo obligatory car inspections. The first obligatory car inspection takes place when the vehicle is four years old and afterwards every second year. An inspection fee is charged (DKK 449 – DKK 549). Further information may be obtained from the homepage of i.a. Applus Bilsyn or Quickbilsyn:

www.applusbilsyn.dk

www.quickbilsyn.dk

14.7 Third party liability

The owner of a motor vehicle to be registered on Danish number plates - including diplomatic number plates - is required to produce a valid compulsory third party liability insurance to the

local Customs and Tax Administration (skattecenter) before the vehicle can be registered. This insurance must be kept valid throughout the period of registration.

14.8 Exemption from petrol taxes

Petrol and diesel fuel for motor vehicles may be bought tax free at filling stations by use of special credit cards issued by the oil companies. The companies will send monthly specifications to the missions together with a tax-free invoice.

15. Driving

15.1 Driving licence

A valid driving licence is necessary in order to lawfully operate a vehicle.

15.1.1 The Danish rules applying to persons that do not have privileged status

If you reside in Denmark and have a driving licence issued in a country outside the EU or EEA, you must within 90 days exchange your driving licence for a Danish driving licence.

If you have a driving licence either from an EU country or Iceland, Norway and Liechtenstein, you can use it in Denmark. You can choose to have it exchanged for a Danish EU driving license without going to the driving test, if you reside in Denmark.

The license can also be exchanged for a Danish license without a driving test, if it is issued in Australia Capitol Territory, Brazil, Japan, Chinese Taipei (Taiwan), Republic of Korea (South Korea), Russia, Switzerland and Ukraine, but you must bring a medical certificate issued of your own doctor.

Other foreign driving licences than those mentioned above can only be exchanged after a controlling driving test.

15.1.2 The Danish rules applying to persons that have privileged status

Privileged persons may have their national driving licence exchanged for a Danish driving license without being asked for a doctor's certificate or without being asked to pass a controlling driving test.

15.1.3 The practical procedure for the exchange of a driving license

You must contact a service center in your local municipality to exchange your foreign driving licence for a Danish driving license. You must bring:

- a medical certificate issued by your own doctor (NB only if you have a driving license not issued in an EU or EEA country or if you are not a privileged person)
- a photograph (35 x 45 mm)
- your national driver's license
- residence permit card or ID card

The local authorities may also require a translation of your licence. The translation must be issued by a translator or a translator approved by the National Police.

A replacement for a Danish driving licence costs DKK 280 (2013).

More information may be found on <https://www.borger.dk/Sider/Fra-udenlandsk-til-dansk-koerekort.aspx>

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Non-Danish nationals can obtain a Danish driving licence following the same requirements as govern the issuance of driving licenses to Danish nationals.

Embassy staff being employed to serve as drivers must be able to present a valid national driving licence with their application for a residence permit with the Protocol Department and must, if the driving licence is not valid in Denmark, cf. above, present a valid Danish driving licence to the Protocol Department within 90 days.

15.2 Important reminders when operating a vehicle

Operating a vehicle with a blood alcohol content 0.5 o/oo or more is in Denmark a serious offence in itself and even more so if involved in an accident.

Exceeding posted speed limits is also a serious offence. Danish Police is using a variety of measures (including permanent and temporary photo control posts) to reduce the number of violations of speed limits. A system is in place according to which penalties are fixed according to the location and the degree of the violation.

A speeding violation not exceeding the posted limit by 30% is settled through the payment of a fine. Exceeding the posted limit by more than 30% will result in a fine as well as a penalty point. Exceeding the posted limit by more than 60% will result in a fine and loss of driving privileges. Passing a red traffic light will also result in a fine and a penalty point.

Accumulating three points within three years will result in the loss of driving privileges.

The system (fines and the registration of points etc.) is explained in detail on

<http://www.sikkertrafik.dk/Raad-og-viden/I-bil/Boeder-og-straef/Klippekortet/The-penalty-point-system.aspx>

To regain a driving licence a theoretical as well as practical driving test is to be passed.

16. Parking

16.1 Parking in Central Copenhagen and the so-called bridge districts

The city centre and inner residential areas have been divided into Pay & Display zones where payment is required for parking.

There are three tariff zones – red, green and blue – which are all charged differently. The rate falls the farther the car is parked from the city centre. Payment is required during the hours from Monday 8 a.m. to Saturday 5 p.m. including the evenings of working days. In the Pay & Display zones, you can pay at the ticket machines using cash or credit/charge cards. It should be noted that only the valid parking ticket should be left on the windscreen of the car, i.e. old tickets should be removed.

Having a Pay & Display ticket (or parking permit) does not exempt you from complying with any local parking restrictions in places where there are special signs giving time limits or other parking restrictions.

Remember always to use the parking disc for time-restricted parking. In a few places there is a need to use the parking disc as well as Pay & Display ticket. On parking, set the pointer to the time of arrival. If parking before a time restriction starts and continues into the time restriction, set the pointer to when the time restriction actually starts. Parking discs are available free of charge from Copenhagen Parking Centre.

All staff at embassies and international organizations – privileged persons or not – are obligated to pay any surcharge levied for illegal parking (normally DKK 510), whether issued by the municipality of Copenhagen (Center for Parkering) or private companies, such as Europark and Cityparkering, who have been hired to patrol and collect fees on private parking lots, e.g. at supermarkets.

The parking rules in Copenhagen are described in detail in a Mini Parking Guide issued by Copenhagen Parking Centre. It is available in Danish, English and German and may be ordered from <http://www.kk.dk/da/Om-kommunen/Indsatsomraader-og-politikker/Publikationer.aspx?mode=detalje&id=789>

The municipality of Copenhagen has a web-page on parking, cf. <http://www.kk.dk/da/borger/trafik/parkering>

A resident's parking permit (beboerlicens) will be issued only to persons with a residential address in the area. Alternatively, a season card permitting the holder to park in certain areas may be acquired.

Privileged persons may buy a permit to park in certain areas of central Copenhagen. Personal contact should be made to

Borgerservice
Nyropsgade 1
1602 København V

The Copenhagen Parking Centre may be contacted on

Tel.: 70 80 80 90

E-mail: parkering@tmf.kk.dk