

## COMPETENT AUTHORITY ARRANGEMENT

The competent authorities of the United States and Denmark hereby enter into the following arrangement (the “Arrangement”) regarding the types of pension entities or arrangements established in either Contracting State that will be treated as a “pension fund” for purposes of paragraph 3(c) of Article 10 (Dividends), as well as the application of Article 22 (Limitation on Benefits) of the Convention between the Government of the United States of America and the Government of the Kingdom of Denmark for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income signed at Washington on August 19, 1999 (the “Treaty”), as amended by the protocol signed at Copenhagen on May 2, 2006 to those entities or arrangements. This Arrangement is entered into under paragraph 3 of Article 25 (Mutual Agreement Procedure).

It is understood for purposes of this Arrangement that the term “Article” refers to an Article of the Treaty.

### Qualification for benefits under Article 10(3)

Article 10(3)(c) provides that dividends shall not be taxed in the Contracting State of which the company paying the dividends is a resident if the beneficial owner is a pension fund, which is described in subparagraph e) of paragraph 2 of Article 22 (Limitation of Benefits), that is a resident of the other Contracting State, provided that such dividends are not derived from the carrying on of a business by the pension fund or through an associated enterprise.

Article 22(2)(e) provides that a resident of a Contracting State shall be entitled to all the benefits of this Convention only if such resident is a legal person, whether or not exempt from tax, organized under the laws of a Contracting State to provide a pension or other similar benefits to employees, including self-employed individuals, pursuant to a plan, provided that more than 50 percent of the person's beneficiaries, members or participants are individuals resident in either Contracting State.

The competent authorities agree the term “pension fund” as defined in paragraph 3(c) of Article 10 (Dividends) by reference to legal persons described in paragraph 2(e) of Article 22 (Limitation on Benefits) includes the following, for the purposes of both paragraphs:

1. Danish pension funds:

Provided that, with the exception of pension entities or arrangements described in paragraph (b) below, more than 50 percent of the person's beneficiaries, members or participants are individuals resident in either Denmark or the United States:

- a) Pension institutions liable to taxation under Section 1 (2), of the Danish Pension Investment Return Tax Act.
- b) Account Holding Investment Funds under Section 2 in the Account Holding Investments Funds tax act provided that it is operated exclusively or almost exclusively to earn income for the benefit of persons described in paragraph 1. (a) above that are themselves entitled to benefits under the Treaty as a resident of Denmark.

2. U.S pension funds:

Provided that, with the exception of pension entities or arrangements described in paragraph (j) below, more than 50 percent of the person's beneficiaries, members or participants are individuals resident in either the United States or Denmark:

- a) A trust providing pension or retirement benefits under an Internal Revenue Code ("Code") section 401(a) qualified pension plan (which includes a Code section 401(k) plan) and a profit sharing or stock bonus plan;
- b) A Code section 403(a) qualified annuity plan;
- c) A Code section 403(b) plan,
- d) A trust that is an individual retirement account under Code section 408;
- e) A Roth individual retirement account under Code section 408A;
- f) A simple retirement account under Code section 408(p);
- g) A trust providing pension or retirement benefits under a simplified employee pension plan under Code section 408(k);
- h) A trust described in Code section 457(g) providing pension or retirement benefits under a Code section 457(b) plan;
- i) The Thrift Savings Fund (Code section 7701(j)); and
- j) A group trust described in Revenue Ruling 81-100, as amended by Revenue Ruling 2014-24 and Revenue Ruling 2011-1, but only if it is operated exclusively or almost exclusively to earn income for the benefit of persons described in paragraphs 2.(a) through 2.(i) that are themselves entitled to benefits under the Treaty as a resident of the United States.

Any U.S. or Danish pension entity or arrangement of a type not mentioned above, including any type of pension entity or arrangement established pursuant to legislation enacted after the date of signature of this Arrangement, or any participant in a type of plan not mentioned above, may present its case to the U.S. and Danish Competent Authorities pursuant to paragraph 3 of Article 25 (Mutual Agreement Procedure) for a determination of whether the pension entity or arrangement is considered a pension

fund eligible for benefits under paragraph 3(c) of Article 10, provided it has also satisfied all additional applicable requirements set forth in the Treaty.

Effective Date

Upon signature by the U.S. and Danish competent authorities, this Arrangement is effective for dividends paid on or after February 1, 2008.

Signed by the undersigned competent authorities:

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Holly O. Paz  
United States Competent Authority

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Helene Holmen  
Head of Office,  
Danish Competent Authority in non-TP cases

Date: March 18, 2025

Date: March 25, 2025