

Council of European Union Authorizes Denmark to Continue to Apply VAT Flat-Rate Scheme on Private Use of Business Cars

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On 25 September 2023, the Council of the European Union extended the authorization for Denmark to continue applying the VAT flat-rate scheme for the private use of business cars until 31 December 2026.

The Decision approves the proposal presented by the European Commission allowing Denmark to continue to derogate from article 75 of the [VAT Directive \(2006/112\)](#) (see [European Commission Proposes to Authorize Denmark to Continue Applying VAT Flat-Rate Scheme for Private Use of Light Goods Vehicles \(31 July 2023\)](#)). By this, taxable persons are entitled to pay a flat-rate charge of DKK 40 per day for using their business-registered vehicle for private purposes for a maximum of 20 calendar days, while preserving their full right of deduction.

The authorization was published by [Council Implementing Decision 2023/2094](#), published on 29 September 2023 in the Official Journal of the European Union.