

GLOBAL FORUM ON
**TRANSPARENCY AND EXCHANGE OF
INFORMATION FOR TAX PURPOSES**

Peer Review Report on the Exchange of Information
on Request

GREENLAND

2023 (Second Round)

Global Forum on Transparency and Exchange of Information for Tax Purposes: Greenland 2023 (Second Round)

PEER REVIEW REPORT ON THE EXCHANGE
OF INFORMATION ON REQUEST

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Note by the Republic of Türkiye

The information in this document with reference to “Cyprus” relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the “Cyprus issue”.

Note by all the European Union Member States of the OECD and the European Union
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Reader's guide

The Global Forum on Transparency and Exchange of Information for Tax Purposes (the Global Forum) is the multilateral framework within which work in the area of tax transparency and exchange of information is carried out by over 160 jurisdictions that participate in the Global Forum on an equal footing. The Global Forum is charged with the in-depth monitoring and peer review of the implementation of the international standards of transparency and exchange of information for tax purposes (both on request and automatic).

Sources of the Exchange of Information on Request standards and Methodology for the peer reviews

The international standard of exchange of information on request (EOIR) is primarily reflected in the 2002 OECD Model Agreement on Exchange of Information on Tax Matters and its commentary, Article 26 of the OECD Model Tax Convention on Income and on Capital and its commentary and Article 26 of the United Nations Model Double Taxation Convention between Developed and Developing Countries and its commentary. The EOIR standard provides for exchange on request of information foreseeably relevant for carrying out the provisions of the applicable instrument or to the administration or enforcement of the domestic tax laws of a requesting jurisdiction. Fishing expeditions are not authorised but all foreseeably relevant information must be provided, including ownership, accounting and banking information.

All Global Forum members, as well as non-members that are relevant to the Global Forum's work, are assessed through a peer review process for their implementation of the EOIR standard as set out in the 2016 Terms of Reference (ToR), which break down the standard into 10 essential elements under three categories: (A) availability of ownership, accounting and banking information; (B) access to information by the competent authority; and (C) exchanging information.

The assessment results in recommendations for improvements where appropriate and an overall rating of the jurisdiction's compliance with the EOIR standard based on:

1. The implementation of the EOIR standard in the legal and regulatory framework, with each of the element of the standard determined to be either (i) in place, (ii) in place but certain aspects need improvement, or (iii) not in place.
2. The implementation of that framework in practice with each element being rated (i) compliant, (ii) largely compliant, (iii) partially compliant, or (iv) non-compliant.

The response of the assessed jurisdiction to the report is available in an annex. Reviewed jurisdictions are expected to address any recommendations made, and progress is monitored by the Global Forum.

A first round of reviews was conducted over 2010-16. The Global Forum started a second round of reviews in 2016 based on enhanced Terms of Reference, which notably include new principles agreed in the 2012 update to Article 26 of the OECD Model Tax Convention and its commentary, the availability of and access to beneficial ownership information, and completeness and quality of outgoing EOI requests. Clarifications were also made on a few other aspects of the pre-existing Terms of Reference (on foreign companies, record keeping periods, etc.).

Whereas the first round of reviews was generally conducted in two phases for assessing the legal and regulatory framework (Phase 1) and EOIR in practice (Phase 2), the second round of reviews combine both assessment phases into a single review. For the sake of brevity, on those topics where there has not been any material change in the assessed jurisdictions or in the requirements of the Terms of Reference since the first round, the second round review does not repeat the analysis already conducted. Instead, it summarises the conclusions and includes cross-references to the analysis in the previous report(s). Information on the Methodology used for this review is set out in Annex 3 to this report.

Consideration of the Financial Action Task Force Evaluations and Ratings

The Financial Action Task Force (FATF) evaluates jurisdictions for compliance with anti-money laundering and combating terrorist financing (AML/CFT) standards. Its reviews are based on a jurisdiction's compliance with 40 different technical recommendations and the effectiveness regarding 11 immediate outcomes, which cover a broad array of money-laundering issues.

The definition of beneficial owner included in the 2012 FATF standards has been incorporated into elements A.1, A.3 and B.1 of the 2016 ToR. The 2016 ToR also recognises that FATF materials can be relevant for carrying out EOIR assessments to the extent they deal with the definition of beneficial ownership, as the FATF definition is used in the 2016 ToR (see 2016 ToR, Annex 1, part I.D). It is also noted that the purpose for which the FATF materials have been produced (combating money-laundering and terrorist financing) is different from the purpose of the EOIR standard (ensuring effective exchange of information for tax purposes), and care should be taken to ensure that assessments under the ToR do not evaluate issues that are outside the scope of the Global Forum's mandate.

While on a case-by-case basis an EOIR assessment may take into account some of the findings made by the FATF, the Global Forum recognises that the evaluations of the FATF cover issues that are not relevant for the purposes of ensuring effective exchange of information on beneficial ownership for tax purposes. In addition, EOIR assessments may find that deficiencies identified by the FATF do not have an impact on the availability of beneficial ownership information for tax purposes; for example, because mechanisms other than those that are relevant for AML/CFT purposes exist within that jurisdiction to ensure that beneficial ownership information is available for tax purposes.

These differences in the scope of reviews and in the approach used may result in differing conclusions and ratings.

More information

All reports are published once adopted by the Global Forum. For more information on the work of the Global Forum on Transparency and Exchange of Information for Tax Purposes, and for copies of the published reports, please refer to www.oecd.org/tax/transparency and <http://dx.doi.org/10.1787/2219469x>.

Abbreviations and acronyms

2016 TOR	Terms of Reference related to EOIR, as approved by the Global Forum on 29-30 October 2015
AAA	Act on Annual Accounts
ACCU	Act on Certain Commercial Undertakings 2008, as amended in 2021
AEOI Standard	Standard for Automatic Exchange of Financial Account Information
AMBA	Co-operative Society with Limited Liability
AML	Anti-Money Laundering
BJA	Bookkeeping Act
BO register	Beneficial ownership register
CDD	Customer Due Diligence
CVR	<i>Det Centrale Virksomhedsregister</i> /Central Business Register
DBA	Danish Business Authority
DBLS	Danish Bar and Law Society
DFSA	Danish Financial Supervisory Authority
DKK	Danish Krone
e-Boks	Greenlandic government digital mailbox
EEA	European Economic Area
EOI	Exchange of Information
EOIR	Exchange of Information on Request
EU	European Union
EUR	Euro

FATF	Financial Action Task Force
FMBA	Association with Limited Liability
Global Forum	Global Forum on Transparency and Exchange of Information for Tax Purposes
GTA	Greenlandic Tax Agency
ITA	Income Tax Act
IVS	Entrepreneurial Company
2010 MLA	The 2010 Money Laundering Act
ML/TF	Money Laundering/Terrorist Financing
Multilateral Convention	Convention on Mutual Administrative Assistance in Tax Matters, as amended in 2010
Nordic Convention	Nordic Mutual Assistance Convention on Mutual Administrative Assistance in Tax Matters
PPLCA	Public and Private Limited Liability Companies Act 2018, as amended in 2021
P/S	Limited Partnership Company
SMBA	Limited Liability Company
TAA	Tax Administration Act
TIEA	Tax Information Exchange Agreement

Executive summary

1. This report analyses the implementation of the standard of transparency and exchange of information on request in Greenland on the second round of reviews conducted by the Global Forum. It assesses both the legal and regulatory framework in force as at 6 April 2023 and the practical implementation of this framework against the 2016 Terms of Reference, including in respect of EOIR requests received and sent during the review period from 1 January 2019 to 31 December 2021. This report concludes that Greenland is rated overall **Compliant** with the standard. Greenland joined the Global Forum in 2017. Therefore, the current report is the first assessment of the legal and regulatory framework for transparency and exchange of information on request in Greenland and its implementation in practice.

Determinations and ratings in the Second Round Report

Element	Determinations on the legal framework	Ratings on implementation
A.1 Availability of ownership and identity information	In place	Largely Compliant
A.2 Availability of accounting information	In place	Compliant
A.3 Availability of banking information	In place	Compliant
B.1 Access to information	In place	Compliant
B.2 Rights and Safeguards	In place	Compliant
C.1 EOIR Mechanisms	In place	Compliant
C.2 Network of EOIR Mechanisms	In place	Compliant
C.3 Confidentiality	In place	Compliant
C.4 Rights and safeguards	In place	Compliant
C.5 Quality and timeliness of responses	Not applicable	Compliant
OVERALL RATING	COMPLIANT	

Note: The three-scale determinations are in place, in place but needs improvement, and not in place. The four-scale ratings are Compliant, Largely Compliant, Partially Compliant and Non-Compliant.

Transparency framework

2. Since joining the Global Forum in 2017, Greenland has made significant efforts to put in place its legal and regulatory framework to comply with the EOIR standard. Greenland has put in place updated company legislation to ensure the availability of legal ownership information with complementary company and central business register approaches. For almost all relevant entities and arrangements, information on legal owners will be available with both the entity or arrangement itself, with updated information on most legal owners reported to the central business register.

3. The updated company laws set out the same retention and reporting practices for beneficial ownership information in respect of almost all relevant entities and arrangements, with beneficial ownership registration entering into force in early 2022. Greenland has also updated the requirements on AML-obliged persons in the AML Act, which provides for an additional source of beneficial ownership information.

4. Greenland's Bookkeeping Act, company law and tax law requirements collectively ensure the maintenance of accounting records by relevant entities and arrangements in line with the standard.

5. Greenland has ensured the availability of relevant banking information with Greenlandic banks, including financial, transactional, customer identity and beneficial ownership information, through the Bookkeeping Act and the updated AML Act.

Key recommendations

6. Greenland has a ready-to-implement and comprehensive oversight and enforcement framework to ensure that the information available with relevant persons and in the central business register is adequate, accurate and up to date. The business and financial supervision authorities in Denmark have sufficient resources in place to oversee the implementation of Greenland's beneficial ownership identification and reporting requirements, as well as on the availability of banking information. However, these obligations are relatively new, and supervision activities in respect of the central beneficial ownership register have not fully commenced. Furthermore, the updated AML Act requiring availability of beneficial ownership with AML-obliged persons is relatively new and some implementation challenges have been identified in the past. Therefore, Greenland is recommended to supervise the practical implementation of this recently introduced legal framework on beneficial owners to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.

Exchange of information

7. Greenland has put in place an expansive EOI network by way of the multilateral Convention on Mutual Administrative Assistance in Tax Matters. This instrument enables the exchange of information with almost 150 partner jurisdictions and ensures that the international legal framework for the exchange of information on request is in line with the standard.

8. Greenland's tax law provides the Greenlandic tax authority with the means to obtain the relevant information for the purposes of an exchange of information request, including through information notices and search and seizure provisions, which are supported by a financial penalty and criminal sanctions framework. The exercise of these powers will not be unduly restricted by the rights and safeguards in place in Greenland.

9. Since joining the Global Forum, Greenland has put in place comprehensive internal guidance and procedures to facilitate the exchange of information in line with the standard. There are adequate legal and procedural frameworks in place to ensure that all information received in relation to an inbound or outbound request is handled in line with the standard's requirements on confidentiality and in a manner that assures the appropriate use of the information.

10. Greenland demonstrated a clear willingness to be a co-operative exchange partner. Greenland has only handled two requests, one of which is outside of the review period, which means that although it has an administrative framework in place to allow requested information to be provided to EOI partners in an effective manner, it has not been possible to test this framework fully in an EOIR context. While Greenland's framework and allocated resource are sufficient to deal with any future increases in requests, such an increase that would allow for this framework to be fully tested in an EOIR context is unlikely to emerge in the foreseeable future. This reflects that Greenland already exchanges a wide range of information with its closest partner jurisdictions on an automatic basis under the Nordic Mutual Assistance Convention on Mutual Administrative Assistance in Tax Matters, and makes publicly available a wide range of legal and beneficial ownership and accounting information on Greenlandic entities and arrangements. The established exchange practices in other EOI fields give assurance that Greenland's framework will be adequate to ensure the effective exchange of information on request.

Overall rating

11. Greenland has received a rating of Compliant for nine elements (A.2, A.3, B.1, B.2, C.1, C.2, C.3, C.4 and C.5) and a rating of Largely Compliant for one element (A.1). Greenland is therefore rated overall Compliant with the EOIR standard.

12. This report was approved at the Peer Review Group of the Global Forum on 14 June 2023 and was adopted by the Global Forum on 14 July 2023. A follow up report on the steps undertaken by Greenland to address the recommendations made in this report should be provided to the Peer Review Group no later than 30 June 2024 and thereafter in accordance with the procedure set out under the 2016 Methodology.

Summary of determinations, ratings and recommendations

Determinations and ratings	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that ownership and identity information, including information on legal and beneficial owners, for all relevant entities and arrangements is available to their competent authorities (<i>ToR A.1</i>)		
The legal and regulatory framework is in place	Legal ownership information in respect of foreign companies with a sufficient nexus in Greenland is mainly limited to the information submitted to the tax administration upon registration and will therefore not be up to date following any changes in ownership.	Greenland is recommended to ensure that up-to-date legal ownership is available for all foreign companies that have a sufficient nexus with Greenland.
EOIR Rating: Largely Compliant	Greenland has recently changed its legal framework in order to ensure that information on beneficial ownership of relevant legal entities and arrangements is available, with the introduction of a national register of beneficial owners in 2022, supplemented by updated anti-money laundering requirements. These amendments are recent, and oversight activities in respect of the register have not started. Their implementation could not be assessed in practice.	Greenland is recommended to supervise the practical implementation of its recently introduced legal framework on beneficial owners and to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.

Determinations and ratings	Factors underlying recommendations	Recommendations
Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements (<i>ToR A.2</i>)		
The legal and regulatory framework is in place		
EOIR Rating: Compliant		
Banking information and beneficial ownership information should be available for all account-holders (<i>ToR A.3</i>)		
The legal and regulatory framework is in place		
EOIR Rating: Compliant	Although there appears to be a relatively good understanding of the AML Act and its CDD requirements, the requirements were only recently updated and their implementation in practice has not yet been monitored in Greenland.	Greenland is recommended to supervise the effective implementation of the new AML Act in practice to ensure that information on beneficial ownership of bank accounts is available in line with the standard in all cases.
Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information) (<i>ToR B.1</i>)		
The legal and regulatory framework is in place		
EOIR Rating: Compliant		
The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information (<i>ToR B.2</i>)		
The legal and regulatory framework is in place		

Determinations and ratings	Factors underlying recommendations	Recommendations
EOIR Rating: Compliant		
Exchange of information mechanisms should provide for effective exchange of information (<i>ToR C.1</i>)		
The legal and regulatory framework is in place		
EOIR Rating: Compliant		
The jurisdictions' network of information exchange mechanisms should cover all relevant partners (<i>ToR C.2</i>)		
The legal and regulatory framework is in place		
EOIR Rating: Compliant		
The jurisdictions' mechanisms for exchange of information should have adequate provisions to ensure the confidentiality of information received (<i>ToR C.3</i>)		
The legal and regulatory framework is in place		
EOIR Rating: Compliant		
The exchange of information mechanisms should respect the rights and safeguards of taxpayers and third parties (<i>ToR C.4</i>)		
The legal and regulatory framework is in place		
EOIR Rating: Compliant		

Determinations and ratings	Factors underlying recommendations	Recommendations
The jurisdiction should request and provide information under its network of agreements in an effective manner (<i>ToR C.5</i>)		
Legal and regulatory framework:	This element involves issues of practice. Accordingly, no determination on the legal and regulatory framework has been made.	
EOIR Rating: Compliant	Greenland has put in place the necessary processes and resources to ensure effective exchange of information. However, there has not been a substantive number of cases in practice to test their effectiveness.	Greenland is recommended to monitor the implementation of its EOI framework in practice so that it provides and requests information under its EOI agreements in an effective manner.

Overview of Greenland

13. This overview provides some basic information about Greenland that serves as context for understanding the analysis in the main body of the report.

14. Greenland is geographically located on the North American continent. It is the largest island in the world with a total area of 2 166 086 km², 81% of which is covered by ice. Greenland has a population of around 57 000. The capital of Greenland is Nuuk, which is the largest city, with a population of around 18 000.

15. Fishing, construction, and wholesale and retail trade are the dominant industries in Greenland. Greenland has bilateral and multilateral fisheries agreements in place with other North Atlantic and Arctic Circle partners as well as with the European Union (EU). The fisheries and fisheries-related industries generate around one third of business revenue in Greenland and had a turnover of around DKK¹ 6 billion (approx. EUR 805 million) in 2020. There is a small, domestically focussed financial industry with businesses in financial and insurance activities generating around DKK 530 million (approx. EUR 71 million) in turnover in 2020.²

Legal system

16. Greenland is a self-governing jurisdiction within the parliamentary constitutional monarchy of the Kingdom of Denmark. The Greenlandic legal system is based upon the Danish legal system. It shares similarities with the legal traditions of other Nordic countries, including some common law traits and strong ties to civil law legal systems. The Nordic tradition can nevertheless be seen as a distinct legal family.

17. The Act on Greenland Self-Government came into force in 2009 and serves as the basis for Greenland's status, following on from the Greenland

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1. The local currency is the Danish Krone (DKK). 1 DKK equals approximately 0.13 EUR (as per 28 March 2023).
 2. Greenland in Figures 2022, Statistics in Greenland.

Home Rule Arrangement of 1979. Pursuant to this Act, Greenland has the right to assume responsibilities across a wide range of fields, including several fields relevant to this review. Greenland's authorities may determine when to assume these fields of responsibility and so far it has assumed responsibility in the field of direct and indirect taxes but not yet in the following areas, which remain with the competence of the central authorities of the Realm (Danish Government and Parliament (Folketing)):

- law of property and obligations
- company law
- criminal law
- legal practice
- administration of justice (police and the court system)
- financial regulation and supervision
- accounting and auditing.

18. For these areas, the Danish Folketing has responsibility for passing the relevant legislation for entry into force for Greenland. Such legislation is often based upon similar Danish legislation but is tailored for Greenlandic purposes. Supervision of the requirements in legislation is assigned to Greenlandic and/or Danish authorities. As concerns this review, the Danish authorities have responsibilities in respect of the legal framework and supervision in areas pertinent to the availability of information (Part A). As Greenland has assumed full responsibility of direct taxes, Greenlandic legislation on the administration of taxes is relevant to ensuring access to information (Part B) and to the exchange of information (Part C).

19. Responsibility for the following areas is reserved to Denmark under the Act on Self-Government: the Constitution, nationality, the Supreme Court, foreign, defence and security, and monetary policy. The currency used in Greenland is the Danish Krone. As the Danish Constitution is valid for all parts of the Kingdom of Denmark, the Danish Constitution is also valid in Greenland and takes precedence over other statutes and administrative regulations.

20. The Greenlandic Parliament (the Inatsisartut) may pass both primary and secondary legislation. Primary legislation in Greenland therefore consists of Acts of Inatsisartut, as well as Danish Acts of Parliament for areas reserved to Denmark or for areas where Danish legislation has not yet been repealed or replaced by Greenlandic legislation. The Greenlandic Government issues secondary legislation by way of an Executive Order. Governmental departments can also issue circulars, which are binding on the public administration, and guidance in respect of the legislation, which is not binding.

21. Unlike Denmark, Greenland is not part of the European Union and EU law does not apply in Greenland. Nevertheless, as many acts, including those concerning anti-money laundering are based upon Danish law that has been passed with a view to implementing EU directives, Greenlandic legal requirements can mirror those of EU Member States.

22. The court system in Greenland consists of its district courts, as well as the Court and the High Court of Greenland. Where permission is granted by the Danish Appeals Permission Board, rulings issued by the High Court of Greenland can be appealed to the Supreme Court in Copenhagen, Denmark. Tax cases or other cases relevant to EOIR purposes would be first handled by the Court of Greenland, or in rare cases of precedent be handled by the High Court, with the possibility of appeal to the Supreme Court in Copenhagen.

23. Although foreign policy is reserved to Denmark, the Greenlandic Government may negotiate and conclude agreements under international law on areas that exclusively concern Greenland and entirely relate to fields of their assumed responsibility: this includes double taxation agreements and similar agreements for exchange of information purposes. Treaties are given domestic effect through Acts of the Inatsisartut. While there is no Greenlandic provision or statute that would give precedence to international treaties over any conflicting domestic legislation, such precedence exists in Denmark and Greenland confirms that its courts would also give significant weighting to international treaties in the consideration of any relevant cases.

Tax system

24. Greenland has full responsibility in respect of both direct and indirect taxes. Direct taxes include personal income tax, corporation tax and social security contributions. Personal income taxes include a territory wide tax rate, a communal municipality rate and a municipality rate amounting to between 42-44% of personal income. Non-resident taxpayers are subject to a special tax rate to reflect that they are not subject to municipal tax rates. This amounts to a total income tax rate of 36% for non-resident taxpayers.

25. Broadly, Greenland considers individuals who have an abode in Greenland to be tax resident there, and liable to taxes on worldwide income. Other individuals that stay in the jurisdiction for more than 14 days become subject to limited tax liability, where liability is restricted to Greenlandic income sources. For citizens of Greenland's Scandinavian neighbours, with which a double tax convention³ is in place, individuals only become liable

3. Greenland has only four double tax conventions in place (with Denmark, Faroe Islands, Norway and Iceland) and they do not contain EOI provisions. They are thus not reviewed under Part C of this report.

to tax after staying in Greenland for 183 days if further requirements on employer relationships are met.

26. There is no capital gains tax on individuals except in relation to pension assets, which are subject to a 15.3% tax rate. There is no value added tax in Greenland but indirect taxes are applicable across a wide range of goods.

27. Companies residing in Greenland are taxable on their worldwide income and corporation taxation is set at a flat rate of 25%, plus an additional 6% on the calculated liability for all corporate taxpayers that do not hold a licence to extract minerals. The profits of Permanent Establishments are subject to taxation where they meet the requirements set out under the OECD Model Convention and its respective commentaries. The Greenlandic tax code includes a direct reference to the Convention, and a double tax convention does not need to be in place for a Permanent Establishment to be created.

28. Greenland only has four double tax conventions in place and there is no unilateral relief on foreign taxation provided under domestic law. Furthermore, there is no group taxation relief in Greenland. The risk of double taxation therefore significantly reduces the likelihood of large and complex Greenlandic company structures as well as the use of Greenlandic holding companies.

29. The tax system is administered by the Greenlandic Tax Agency (GTA), which is a unitary tax authority headquartered in Nuuk and with offices in Greenland's main cities as well as in Denmark. The tax authority is responsible for the collection of all taxes, customs tariffs and duties.

30. The Minister of Finance and Gender Equality has delegated the role of Competent Authority to the GTA. This has been further delegated by the Director General to a small team within the GTA that has responsibility in EOI matters.

Financial services sector

31. Greenland has a nominally and relatively small financial services sector which consists of one Greenlandic bank and the branch of a Faroese bank. Figures of total managed assets (figures only available for the Greenlandic bank) amounted to DKK 7 226 988 000 in 2021 (EUR 970 230 366), which is roughly equivalent to one third of Greenland's gross domestic product.

32. There are a small number of pension and insurance companies based in Greenland, providing products and services to the domestic market.

33. Greenland commenced exchanges of information under the Standard for Automatic Exchange of Financial Account Information (AEOI standard) in 2018. In 2021, it exchanged information on 9 013 financial accounts, with most of these accounts exchanged within the Realm of Denmark. Greenland is therefore not considered to be an offshore financial centre.

34. Greenland has not yet assumed the delegated responsibility for financial regulation under the Act on Greenland Self-Government, so legislation remains reserved to the Danish Folketing and the responsibility for the licensing and supervision of Greenland's financial sector is under the Danish Financial Supervisory Authority (DFSA).

Anti-Money Laundering framework

35. The Royal Decree no. 956 of 17 May 2021, on the entry into force for Greenland of the Act on Measures to Prevent Money Laundering and Financing of Terrorism (the AML Act) serves as the basis for Greenland's AML framework and sets out an exhaustive list of persons that are obliged to conduct customer due diligence and report suspicious transactions.

36. In Greenland, AML-obliged persons include:

- the aforementioned two banks as well as other institutions providing financial services (e.g. mortgage institutions, investment funds and savings companies, should they exist in Greenland at a later date)
- approximately 10 certified auditors
- 15 lawyers and other persons professionally providing services in relation to the opening of financial accounts, the creation, operation or management of undertakings, and persons that carry out financial or real estate transactions on behalf and for the account of a client (hereafter providers of services and undertakings).

37. Although accountants, real estate agents, tax advisors and gambling operators are also subject to the requirements of the AML Act, they will be infrequently engaged by relevant entities and arrangements. Moreover, the Greenlandic tax authority will not always be aware of their engagement and so they will not serve as a source of information for EOIR purposes. Therefore, these AML-obliged persons are not considered further in this report.

38. Financial services firms are subject to supervision by the DFSA. The GTA is responsible for supervising currency exchanges and providers of services and undertakings. Lawyers are subject to supervision by the Danish Bar and Law Society, and auditors and accountants are supervised

by the Danish Business Authority (DBA) and the Danish Civil Agency respectively.

39. Greenland has not been subject to a standalone FATF Mutual Evaluation Report. It is covered by the Mutual Evaluation Report of the Kingdom of Denmark, which was last reviewed by FATF in November 2016. The Mutual Evaluation Report of Denmark was published in August 2017.⁴ With respect to aspects of the FATF's review that may bear relevance to this report, Denmark received a rating of Low for Immediate Outcome 3 (supervision) and Moderate for Immediate Outcome 5 (legal persons and arrangements). Denmark was initially rated Partially Compliant for Recommendations 10 (customer due diligence (CDD) by financial institutions), 22 (CDD by other AML-obliged persons), 24 and 25 (transparency and beneficial ownership of legal persons and arrangements, respectively). These ratings have since been updated to Largely Compliant in the Third and Fourth Enhanced Follow-up Reports of November 2019 and February 2021 respectively.⁵

40. Conclusions with respect to supervision in the FATF review have relevance to Greenland due to the remit of the Danish-based supervisory authorities, which extends to many Greenlandic AML-obliged persons. In 2017, the DFSA was considered to have inadequate human and technical resource to conduct its on-site and off-site supervision, and similar weaknesses were found in other supervisory authorities. The FATF report noted that this was especially the case for the authorities in Greenland (i.e. the Tax Agency in respect of certain AML-obliged persons), which had not conducted any on-site or off-site inspections. The report also noted that the supervisory authorities (DFSA/DBA) had limited powers to enforce their own orders and compliance, and that orders could only be enforced through police referral. While the 2021 follow-up report concluded that Denmark has made progress in addressing most technical compliance deficiencies previously identified, it does not address the possible progress Denmark has made to improve its effectiveness in the supervision and on legal persons and arrangements.

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4. FATF (2017), Anti-money laundering and counter-terrorist financing measures – Denmark, Fourth Round Mutual Evaluation Report, FATF, Paris, www.fatf-gafi.org/publications/mutualevaluations/documents/mer-denmark-2017.html.
 5. Anti-money laundering and counter-terrorist financing measures – Denmark, 2nd Enhanced Follow-up Report and Technical Compliance Re-Rating, FATF, Paris, <https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Report-Denmark-2019.pdf> and Anti-money laundering and counter-terrorist financing measures – Denmark, 3rd Enhanced Follow-up Report & Technical Compliance Re-Rating, FATF, Paris, www.https://www.fatf-gafi.org/media/fatf/documents/reports/fur/Follow-Up-Report-Denmark-2021.pdf.

Recent developments

41. Greenland has put in place rules requiring Greenland resident trustees of foreign trusts to identify the beneficial owners of the trust and report the information to the central register, in the same manner as required of other legal entities and arrangements in Greenland. The rules are not yet in force and a date of entry into force will be determined alongside the passage of the Royal Decree of Law 1563 of 27 December 2019 in the Greenlandic Spring Session 2023 of Parliament.

Part A: Availability of information

42. Sections A.1, A.2 and A.3 evaluate the availability of ownership and identity information for relevant entities and arrangements, the availability of accounting information and the availability of banking information.

A.1. Legal and beneficial ownership and identity information

Jurisdictions should ensure that legal and beneficial ownership and identity information for all relevant entities and arrangements is available to their competent authorities.

43. Effective exchange of information requires the availability of reliable information. In particular, it requires information on the identity of owners and other stakeholders of relevant entities and arrangements, including legal and beneficial ownership information and other identity information. If such information is not kept or the information is not maintained for a reasonable period, a jurisdiction's competent authority may not be able to obtain and provide it when requested. Greenland was not subject to a Round 1 review and therefore all aspects of this element are being reviewed for the first time.

44. Greenland ensures the availability of legal and beneficial ownership information through a multi-pronged approach. Its primary source of information is the central business register, which under Greenlandic company law must be populated with beneficial ownership information for almost all relevant entities, and with legal ownership information for most entities. As the legal entity or arrangement is responsible for the population of the register, company law requires that this information is also available with those entities. This register has a near 100% reporting rate in respect of legal ownership information and, despite the register being relatively new, a 91% rate of reporting in respect of beneficial ownership information on companies.

45. There are some variations in the legal ownership and identity information available for relevant entities and arrangements and the availability of legal ownership information is ensured in almost all cases, in line with

the standard. However, a deficiency means that up to date legal ownership information for relevant foreign companies will not be available. Greenland is recommended to ensure that up-to-date legal ownership is available for all foreign companies that have a sufficient nexus with Greenland.

46. The company law requirements on beneficial ownership are relatively new, having entered into force on 5 January 2022. The register has now been mostly populated and awareness activities are being undertaken to improve the reporting rates across all entities.

47. The AML Act provides for another source of beneficial ownership information by requiring AML-obliged persons to identify and retain information on the beneficial owners of their customers when they conduct customer due diligence. The Act's requirements also strengthen the sources of information under company law with a discrepancy reporting requirement acting as a check on the accuracy of the information in the central business register. The AML Act serves as the primary source of information on beneficial owners of foreign trusts and foreign companies with a sufficient nexus to Greenland.

48. The central business register is maintained in Denmark and therefore the Danish Business Authority (DBA) is primarily responsible for its oversight and for the enforcement of the relevant requirements. The DBA activities in respect of the availability of legal ownership information are already well established for Greenlandic persons. Despite the beneficial ownership information requirements being relatively new in Greenland, the DBA has already conducted supervisory activities for Denmark in this area, meaning Greenland has a ready-to-implement supervisory framework to ensure that the information reported in the register is adequate, accurate and up to date. It has plans to implement enforcement activities by the end of 2023 to ensure that the register is complete and accurate. The supervisory framework for AML-obliged persons in Greenland is suitably comprehensive and resourced.

49. As compliance activity beyond awareness raising has not yet commenced in respect of the beneficial ownership register and recognising that the requirements in the AML Act are relatively new and that some challenges in implementation have been identified in the past, Greenland is recommended to supervise the practical implementation of its recently introduced legal framework on beneficial owners and to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.

50. Greenland did not receive a request for legal or beneficial ownership information or identity information during the peer review period.

51. The conclusions are as follows:

Legal and Regulatory Framework: in place

Deficiencies identified/Underlying factor	Recommendations
Legal ownership information in respect of foreign companies with a sufficient nexus in Greenland is mainly limited to the information submitted to the tax administration upon registration and will therefore not be up to date following any changes in ownership.	Greenland is recommended to ensure that up-to-date legal ownership is available for all foreign companies that have a sufficient nexus with Greenland.

Practical Implementation of the Standard: Largely Compliant

Deficiencies identified/Underlying factor	Recommendations
Greenland has recently changed its legal framework in order to ensure that information on beneficial ownership of relevant legal entities and arrangements is available, with the introduction of a national register of beneficial owners in 2022, supplemented by updated anti-money laundering requirements. These amendments are recent, and oversight activities in respect of the register have not started. Their implementation could not be assessed in practice.	Greenland is recommended to supervise the practical implementation of its recently introduced legal framework on beneficial owners and to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.

A.1.1. Availability of legal and beneficial ownership information for companies

Types of companies

52. Greenlandic company law sets out the types of companies that can be formed and the requirements to ensure the availability of legal ownership information. Greenland's company law consists of the Ordinance on the entry into force for Greenland of the Public and Private Limited Companies Act 2018 as amended in 2021 (PPLCA) and the Ordinance on the entry into force for Greenland of the Act on Certain Commercial Undertakings 2008 as amended in 2021 (ACCU). The types of companies that can be formed in Greenland include:

- **Private limited liability Company (ApS):** A company with limited liability in which the capital is paid by the shareholders and divided into shares. Private limited liability companies cannot offer their shares to the public. Shareholders are liable only to the extent of the paid share to the company. Shareholders have economic

and administrative rights. Thus, they receive dividends in proportion to their shares unless otherwise agreed. Shareholders can exercise their administrative rights on the General Assembly. The minimum capital of a private limited liability company is DKK 40 000 (EUR 5 370). As of 20 February 2023, there were 777 private limited liability companies in Greenland.

- **Public limited liability company (A/S):** A limited liability company in which the capital is paid by the shareholders and is divided into shares. The shares may be offered to the public. Shareholders are liable only to the extent of their paid share to the company. Shareholders have economic and administrative rights in proportion to the number of shares. They receive dividends in proportion to their number of shares, unless otherwise agreed and they can exercise their administrative rights on the General Assembly. The minimum capital of a public limited liability company is DKK 400 000 (EUR 53 700). As of 20 February 2023, there were 173 public limited liability companies in Greenland.
- **Limited partnership company (P/S):** The limited partnership company is a limited partnership in which the limited partners of the company have contributed capital, which is divided into shares. The general partners have unlimited liability and can be both physical and legal persons. The articles of association must stipulate the influence of the general partners, e.g. that they have a right of veto in respect of changes to the articles of association as well as more significant changes in the company. The rules on private limited liability companies under the PPLCA apply to limited partnership companies with necessary adjustments made. The minimum capital of a limited partnership company is DKK 400 000 (EUR 53 700). As of 20 February 2023, there was one limited partnership company in Greenland.
- **Entrepreneurial company (IVS):** An entrepreneurial company is a private limited liability company, which does not have sufficient capital to be a private limited liability company. The minimum capital of an IVS is DKK 1 (EUR 0.13). The rules on private limited liability companies apply unless otherwise regulated. The IVS must annually transfer at least 25% of profits to a bound reserve and cannot pay dividends until the reserve and capital reaches at least DKK 40 000 (EUR 5 370). When it reaches DKK 40 000 (EUR 5 370), the IVS can decide to convert to a private limited liability company. Entrepreneurial companies have been unable to be established since 5 January 2022 and the PPLCA requires all existing ones to be dissolved or converted to private limited liability companies by 5 January 2024. As of 20 February 2023, there were 33 entrepreneurial companies in Greenland.

- **Co-operative society with limited liability (AMBA):** An AMBA is a commercial society (or co-operative), which works to promote the common interests of its members through their participation in the company as customers, suppliers or similar, and whose profits are distributed among members in proportion to their share in the turnover. Neither voting rights nor the right to a dividend in these entities must be distributed in proportion to shareholdings. Although they are typically characterised by one person-one vote, the voting rights and distributions can instead be made based on shareholder (e.g. customer) participation in the entity or allocated on the basis of one member one vote. As of 20 February 2023, there was one AMBA in Greenland.
- **Association with limited liability (FMBA):** An FMBA is an association with limited liability. These entities are established under the Act on Certain Commercial Undertakings, which affords them greater freedom to organise themselves with their “participants” than companies formed under the PPLCA. Unlike private limited liability companies, the economic and administrative rights of the participants are reliant on the conditions set out in the respective articles of association and not on a proportion of ownership. The participants often pay a membership fee to cover the costs of the association’s activities. They are characterised by the principle of one person-one vote. As of 20 February 2023, there were no FMBAs established in Greenland.
- **Limited liability company (SMBA):** An SMBA is a limited liability company. These entities were to be established in Greenland until 4 January 2022 Under the Act on Certain Commercial Undertakings, which afforded them greater freedom to organise themselves than companies formed under the PPLCA. As of 20 February 2023, there was one limited liability company in Greenland but as of 2024 will be regulated and treated as an FMBA. Limited liability companies are listed here for completeness only and will not be covered further in this report.
- **Mutual insurance companies and multi-employer occupational pension funds and savings undertakings (financial undertakings):** These financial undertakings are limited liability companies and are established under the Financial Business Act rather than under the PPLCA and ACCU. They are regulated as financial undertakings by the Danish Financial Supervisory Authority. Nevertheless, provisions within the Financial Business Act require these entities to apply the information registration requirements as set out for PPLCA companies (Section 23 for mutual insurance companies and multi-employer pension funds; Sections 336 and 336a for savings undertakings). Accordingly, references in this report in respect of the

availability of ownership information for PPLCA companies apply to financial undertakings unless otherwise specified. As of 20 February 2023, there was one financial undertaking established under the Financial Business Act in Greenland.

Legal Ownership and Identity Information Requirements

53. The legal ownership and identity requirements for all private limited companies, public limited companies, limited partnership companies and entrepreneurial companies are found in the PPLCA and complemented by other legislation. The ACCU sets out the respective requirements on AMBAs and FMBAs.

54. The following table shows a summary of the legal requirements to maintain legal ownership information in respect of companies:

Companies covered by legislation regulating legal ownership information⁶

Type	Company Law	Accounting Law ⁷	Tax Law	AML Law
Private Limited Liability Company	All (PPLCA)	All	Some	Some
Public Limited Liability Company	All (PPLCA)	All	Some	Some
Limited Partnership Company (P/S)	All (PPLCA)	All	Some	Some
Entrepreneurial Company (IVS)	All (PPLCA)	All	None	Some
Co-operative Society with Limited Liability (AMBA)	None (ACCU)	None	None	Some
Association with limited liability (FMBA)	None (ACCU)	None	None	Some
Foreign companies (tax resident)	None	None	All	Some

Companies Law requirements

55. Greenland’s company law requirements concerning the availability of legal ownership information vary significantly between PPLCA companies and ACCU companies. The PPLCA provides for both an entity-based and a central register-based approach to ensure availability of legal ownership information. The ACCU provides for an entity-based approach throughout the lifetime of the company.

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6. The table shows each type of entity and whether the various rules applicable require availability of information for “all” such entities, “some” or “none”. “All” means that the legislation, whether or not it meets the standard, contains requirements on the availability of ownership information for every entity of this type. “Some” means that an entity will be covered by these requirements if certain conditions are met.
7. See paragraph 65 under Companies Law requirements.

56. Companies formed under the PPLCA are required to draw up a shareholder register as soon as possible after formation, which contains information on all current shareholders.⁸ This register must be maintained throughout the lifetime of the company (Section 50, PPLCA). The register can be maintained by the company itself, in the Danish Business Authority's (DBA) electronic registration system, or by an appointed person. Where a person is appointed for maintaining the shareholder register, that person's name, address and, if applicable, company registration number must be stated in the articles of association, which are publicly available on the DBA's central business register website (*Det Centrale Virksomhedsregister* or hereafter "the CVR"). Appointed persons must keep the shareholder register within Greenland or the European Union (EU)/European Economic Area (EEA) and the register must remain accessible to public authorities upon request.

57. Except for public limited liability companies whose shares are issued through a central securities depository, shareholder registers must include the following information on each shareholder:

- name
- address
- CVR registration number for corporate entities
- size of shareholding
- details on dates of acquisitions or disposals and the voting rights attached to the shares.

58. If the shareholder is a foreign national, documentation ensuring the "unambiguous identification of the shareholder" must be provided. In practice, this identification will be a copy of the passport or a European (Schengen area) identity card for that shareholder, as the company is required to provide this when registering the information with the DBA (see paragraph 88).

59. The PPLCA includes shareholder notification requirements and limitations on the exercise of shareholder rights to ensure that the shareholder registers maintained by companies are promptly updated following any changes in legal ownership. Shareholders must notify the company of any changes in share ownership and voting rights within five weeks, with the aforementioned identity information provided to the person responsible for the shareholder register. This register must then be updated before the company can issue the shareholder with a certificate of entry into the register (Section 60). Transfers of shares made outside of a central security depository, or for which no ownership certificate has been issued, are also

8. Greenland noted that "as soon as possible" means as soon as it is known or at most within a few days.

not valid against the creditors of the transferor unless the company, or the person responsible for maintaining the register of shareholder, has received notification of the transfer from the transferor or transferee (Section 65). Moreover, shareholders that are not registered in the shareholder register, or where the shareholder has not notified and documented his acquisition, are unable to exercise their rights, including their voting rights in the course of general meetings (Section 49). These restrictions are supported by the requirement on anyone who obtains share capital or voting rights of 5% or more to notify the status of their shareholdings or rights to the company within two weeks, including where this threshold is met following any changes to any existing rights (Section 55). Company law should therefore ensure that Greenlandic companies are informed of shareholder ownership in a timely manner and can update the shareholder register or apply the relevant restrictions to the rights of shareholders, as necessary.

60. There are record retention requirements in Greenland that ensure the availability of ownership information for five years. Shareholder registers, alongside other company documentation, must be retained by the company for a period of five years from the end of the financial year to which they relate (Section 17), including from the year in which the company ceases to exist (see paragraph 70). The registers must be kept in a manner that ensures that they are accessible in Greenland to public authorities without difficulty. If this information is kept only in paper format, it must be kept in Greenland (Section 18). Greenland has explained that as the shareholder registers must be retained in respect of a financial year, the retention requirements will ensure that there will be a record of changes in shareholder information for at least five years.

61. The PPLCA and the related Executive Order on registration and publication of owner information (Section 37) create a second source of legal ownership information by requiring all PPLCA companies to report certain shareholdings to the DBA. Companies must report the following information on all shareholders with more than 5% share capital or more than 5% voting rights:

- date of acquisition or disposal of shares and voting rights
- number of shares, their size, nominal value and share class
- percentage of shareholding, represented in tranches (i.e. more than 5%, 10%, 20%, 25%, 1/3, 50%, 2/3, 90% or 100%).
- For natural persons:
 - name, address, civil registration number, nationality, gender of natural persons
 - if no civil registration number, date of birth, passport number or identity card number, and a copy of these documents.

- For legal persons:
 - name, registered office and CVR number of legal persons
 - (if no CVR number) tax identification number and an official certificate of legal establishment issued in the last three months.

62. The information is made publicly available with the exception of sensitive personal information such as nationality, gender, date of birth, CPR number and copies and numbers of personal identification documents. This information can nevertheless be accessed by the relevant authorities including the GTA.

63. Where no person owns more than 5% of the company, the company must actively confirm this in the register.

64. The requirement to report legal ownership information begins at the formation of a company. All companies formed after the introduction of the registration requirements on 1 July 2018 must be registered in the DBA IT system within five weeks from signature of the memorandum of association (Section 40, PPLCA). The central governing body (i.e. the board of directors or similar) of the company is responsible for the registration and must submit legal and beneficial ownership information into the system before registration can be completed. If registration of new companies has not been completed by this date, there is no longer a possibility to do so on the system, effectively resulting in the company no longer existing. This is because companies that are not registered with the DBA are unable to acquire rights, incur obligations or be a party to legal proceedings, other than proceedings to recover subscribed capital (Section 41, PPLCA). Companies that existed prior to 1 July 2018 were already required to be registered in the DBA IT system and the provisions of the PPLCA required them to submit the information on legal owners by the same date. While their company formation was not contingent on the submission of this information, they can be penalised or dissolved for non-compliance (see paragraph 69).

65. Legal ownership information in the CVR must be up to date and companies are obliged to notify the register as soon as possible after receiving notification of a change in share ownership or voting rights (Section 58). The information in the CVR is held indefinitely and all historical changes in share ownership are logged and made publicly visible. The PPLCA requires companies to notify changes in shareholding and voting rights that result in changes to the specified ownership tranches (e.g. more than 5%, 10% ...). Complementing this reporting obligation is the requirement on companies to submit annual accounts to the CVR, unless they are exempt due to group consolidation rules (see Element A.2). In these accounts, all shareholding information must be reported, which will give more precise information on

shareholdings than that submitted based on thresholds (Section 104, Act on Annual Accounts).

66. Companies formed under the ACCU, namely AMBAs and FMBAs, are not subject to the same, clearly specified shareholder register requirements nor to any shareholder notification requirements as companies formed under the PPLCA. There is no specific requirement on ACCU companies to maintain a register of members. In practice, ACCU companies must maintain a current list of members in order to effectively operate, comply with other company management obligations under the ACCU, and safeguard their members' rights and entitlements. However, the absence of a retention requirement in respect of a register of members means that there is no means of guaranteeing the availability of legal ownership information for five years following dissolution of these companies.

67. Section 15F of the ACCU provides the Greenlandic Minister for Business with the power to lay down rules to require ACCU companies to report legal ownership information to the business register in the same manner as that set out under the PPLCA. Although this central register approach would help ensure the availability of most legal ownership information of ACCU companies, this option has not been exercised.

68. The risks associated with the absence of clear requirements to maintain legal ownership information are negligible in practice. AMBAs and FMBAs are required to promote the common interests of their members through their participation in the undertaking as customers, suppliers or in some other similar way (Section 4, ACCU). AMBAs and FMBAs must still notify the DBA of their board of directors and any other members of management, and under the beneficial ownership identification and reporting requirements they must maintain records of the beneficial owners and records of all attempts to identify beneficial owners for five years after the attempt has been made (see paragraph 115). Most significantly, there is only one AMBA in Greenland, which is a supermarket whose customers are its members; therefore this information is not relevant for EOIR purposes. There is only one limited liability company (a SMBA that the ACCU requires to be treated as an FMBA from 2024). The one SMBA is organised similarly to a PPLCA company and provides legal ownership information to the GTA in the annual accounts it submits.

69. Since 5 January 2022, companies can be subject to compulsory dissolution if no legal owners have been registered with the DBA as required (Section 225(1), PPLCA). Upon dissolution, the courts must distribute the assets as they would under bankruptcy proceedings. The DBA can also issue fines where there has been a breach of the requirements under the PPLCA, either as a one-off penalty or on a recurring basis until the company rectifies the situation (Sections 366 and 367). Furthermore, as such

breaches would constitute a reporting failure under the Criminal Code, further fines can be applied under this code (Chapter 5).⁹

70. Greenlandic companies can be dissolved by way of request to the DBA and declaration that all debts have been paid, as well as through voluntary liquidation, compulsory dissolution or bankruptcy. In all cases, Section 19 of the PPLCA places obligations on the last registered company management to ensure that the company documentation continues to be retained in line with the requirements set out elsewhere in the act, including the requirement to retain information for five years (section 17) and must be kept in Greenland if they are in paper form, or they must be accessible in Greenland without difficulty, if stored in electronic form. Even where managers resign from their roles, Section 19 requires them to ensure that the company documents are retained, including by passing them on to new company management. If a company has been dissolved through a probate court, the court may order that the company documents be kept by persons other than the last registered management (Section 225). The availability of legal ownership information (on the latest shareholdings) should therefore continue to be available for five years after PPLCA companies cease to exist.

71. Greenlandic companies are able to redomicile to Denmark without dissolution. This recognises that Greenlandic company law broadly mirrors that of Denmark. There are no re-domiciliation provisions in company law, but the DBA considers that it would be possible to do so to EU/EEA jurisdictions. If a re-domiciliation took place, the company would still need to ensure the availability of the records in Greenland or accessible to Greenland, and in any case the relevant legal information will remain available in the register, which acts as the primary source of information. The GTA were not aware of any companies that had re-domiciled outside of the Realm of Denmark.

72. There are similar obligations on ACCU companies with respect to the transfer of records (Section 15E, ACCU) when they cease to exist. Furthermore, the requirement on such companies to retain records for beneficial ownership identification purposes, may mean that in practice membership records are also retained for five years after dissolution (see paragraph 115). The EOI relevance of the ACCU companies in existence is negligible and Greenland has the ability to apply further legal ownership

9. Sanctions applied under Greenland's Criminal Code are not subject to any quantified maximum in respect of either financial sanctions or prison sentences. Courts are instead required to implement measures after taking into consideration the seriousness of the offence, including the interest of society, and the personal circumstances of the offender. In these cases, the court applies the "perpetrator principle", considering the social and individual consideration of the person at the time of sentencing. Indications of potential criminal penalties for particularly serious or intentional failures by AML-obliged persons, or for any other crimes, cannot be given.

information requirements on such companies in future under Section 15F (see paragraph 67). Nevertheless, Greenland should ensure that co-operatives and associations with limited liability always retain identity information in practice, in accordance with the standard (see Annex 1).

Tax law requirements

73. Greenlandic tax law includes tax withholding and reporting requirements on companies that distribute dividends, which will complement the legal ownership information available under company law. Any Greenlandic public or private limited liability company, limited partnership company or financial undertaking that pays out dividends or buys back employee shares for resale to other employees must withhold a dividend tax (Sections 86-87, Income Tax Act). The amount withheld must be paid to the GTA by the first day of the following month of deduction and a withholding tax declaration (or return) must be submitted no later than nine days thereafter (Section 88). Companies filing a withholding tax return must include details on the dividend payments and on the identity of the recipients, including their name, CVR/civil registration number and address. The GTA may issue unquantified daily fines¹⁰ if this information is not submitted. The tax authority retains all tax information for at least five years.

74. AMBAs and FMBAs are only subject to the tax reporting requirements where it concerns an extraction of capital. Although unlikely, in light of their typical usage (e.g. supermarket), this dividend reporting would include distributions of capital upon dissolution. The GTA could therefore provide a source of information on former members after the undertakings cease to exist, further reducing the risk posed by the absence of a requirement on AMBAs and FMBAs to retain membership information for up to five years.

75. There are no other requirements to provide identity information on the owners of companies in tax returns. Therefore, here no dividends have been paid out, the GTA will only have legal ownership information on foreign companies.

Foreign companies

76. Greenland's tax registration requirements provide for the availability of some legal ownership information on foreign companies with a sufficient

10. Where Greenlandic legislation allows public authorities to apply fines that have not been quantified in law, the public authority has discretion to set the amount. The Danish Business Authority and the Danish Financial Supervisory Authority would typically apply the same amounts as they have established in practice with respect to Danish entities. The tax authority would raise an elevated assessment as a penalty or would seek application of a fine by the Greenlandic court. The court's practice of determining fines is in line with its practice of determining other penalties under the Criminal Code (see footnote 9).

nexus to Greenland. Nevertheless, Greenland's legal and regulatory framework does not always ensure that the information held by the GTA will remain up to date.

77. Foreign companies are able to carry on business through a branch in Greenland. Before being able to conduct business, a branch manager must register with the GTA, following which the GTA finalises registration with the DBA (Section 349, PPLCA, Section 3(2), ACCU) and begin trading. As of 30 March 2023, there were 119 Greenlandic branches of foreign companies. Around 75 of these branches are in the mining sector; however, Greenland noted that because companies must register a local branch before they can conduct exploration of minerals or other natural resources, a foreign company must even register prior to sending a geologist or similar person to do very preliminary exploration of natural resources. Registered branches of foreign companies are therefore not always carrying on a business. The number also includes some foreign embassies and consulates.

78. All foreign companies must inform the GTA of their legal ownership information, but this is limited to the initial registration. Thereafter, there are limited occasions when GTA would receive updated legal ownership information, such as following a change of address. There is no requirement however on foreign companies to update the GTA following changes in legal ownership. Moreover, as company law does not require branches of foreign companies to maintain a shareholder register (the entity approach), the deficiency in the tax registration requirements is not compensated by company law requirements.

79. Some legal ownership information will be available on foreign companies that wish to conduct mining related activities in Greenland. Upon application for a licence to conduct these activities, they must submit a diagram of the underlying ownership structure to the Mineral Resource Authority, and they are required to update this information, following any changes. The Mineral Resource Authority maintains this information indefinitely.

80. AML-obliged persons may also be a source of legal ownership information in Greenland, where they maintain legal ownership information on the foreign company and update it in application of the requirements of the AML Act. However, as AML-obliged persons are not required to retain information on all shareholders (see Anti-money laundering requirements), up-to-date legal ownership information may not always be available.

81. As there is no complete and up to date source of legal ownership information available for all foreign companies, **Greenland is recommended to ensure that up-to-date legal ownership is available for all foreign companies that have a sufficient nexus with Greenland.**

Anti-money laundering requirements

82. In Greenland, companies are not required to engage an AML-obliged person unless they are required to submit their financial statements for review by a certified (AML-obliged) auditor under accounting law (see paragraph 237). In practice, around 50% of Greenlandic companies engage a certified auditor. For other cases, where an AML-obliged person in Greenland establishes a business relationship with a Greenlandic company or carries out a transaction above a specified value (see paragraph 129) on that company's behalf, the AML-obliged person must undertake customer due diligence to know its customer, including by clarifying the ownership and control structure (Section 11, AML Act).

83. Detail on the requirements on AML-obliged persons in Greenland and the implementation in practice are set out under Anti-money laundering requirements (see paragraphs 129-145). AML-obliged persons must ensure that their CDD information is up to date, and they must retain information on the customer's ownership and control structure for five years (see paragraph 136). Nevertheless, AML-obliged persons are not required to retain information on all shareholders and as such this may be unavailable in cases where the shareholders are not also the beneficial owners. The legal ownership information held by AML-obliged persons will therefore only act as a complementary source of legal ownership information to that held by companies or available in the CVR.

Legal ownership information – Enforcement measures and oversight

84. As of 20 February 2023, 98.68% of all relevant companies with legal ownership reporting obligations had lodged this information with the DBA. There are 13 companies that were formed prior to the introduction of the reporting requirements on 1 July 2018 and that have not yet filed legal ownership information.

85. The DBA is responsible for the enforcement of the company law requirements and for the oversight of both the legal and beneficial ownership information submitted for publication in the register (CVR). The DBA has equivalent responsibilities for Denmark and, due to the comparatively small number of Greenlandic entities, the DBA extended its existing oversight programme to Greenland, rather than create a bespoke system. The DBA has four to five full-time equivalent members of staff employed to ensure compliance in respect of the legal and beneficial ownership reporting requirements of the register and this resource, along with other resources including IT tools, is shared across both jurisdictions. As all companies required to submit legal ownership information to the CVR are also subject to the beneficial ownership reporting requirements (see paragraph 109), compliance activities by the DBA are dual purpose and look at both elements.

86. The DBA's compliance activities are specific to the populating of accurate and up-to-date information in the register and there are no separate activities undertaken to ensure that companies are maintaining ownership information under the companies' acts. Nevertheless, as compliance checks can include a review of the shareholder information held by companies, the retention requirements are reviewed by default.

87. The DBA carries out both automatic and risk-based checks to ensure that the information submitted to its IT solution is correct. The DBA IT solution has in-built tools that automatically verify the validity of the identity information submitted on persons reported. As the business identification or personal identification numbers must be submitted on all legal and natural persons reported as shareholders, identity information can be cross-checked against other information held in the system on that person. The system then automatically issues a notification to all persons registered in the system as legal owners or as company officers upon completion of the registration. This notification is sent directly to that person's Greenlandic government digital mailbox (e-Boks), which acts as a one-stop communication tool between the public authorities and all Greenlandic natural and legal persons. A person wrongly identified as an owner will be able to file a report: this reduces the likelihood of fraudulent information being submitted. All persons that submit information to the register must also sign an electronic declaration that the information is correct.

88. Since 2020, the DBA has introduced machine learning checks to apply comparable verification on the identity of foreign legal owners, for which there is no existing information held within the register. When a company registers a foreign person as a legal owner, it must submit a copy of the passport or a European (Schengen area) identity card for that owner, which the system automatically reviews and cross matches with the information manually inputted into the system. The machine learning tool can also check whether the documentation is expired or has been falsified.

89. Final automatic checks by the DBA IT solution complement the risk assessment activities undertaken by DBA officials in selecting cases for further review. The IT solution includes a "fraud-model" tool that searches for indicia that either a company, a person registering information on its behalf, or its registered legal owners may be more likely to commit fraud, by providing incorrect information to the register. A risk score is then generated after taking into consideration these indicia. DBA officials also consider other criteria of interest when selecting cases for review, including the presence of foreign legal or beneficial owners; legal ownership in jurisdictions considered higher risk for tax or AML purposes; persons with a history of filing false information to the register; and entities that have declared that they have been unable to identify the beneficial owners (see paragraph 112).

90. When a manual (human) check is undertaken on a company, the DBA may request submission of the relevant company documentation, such as the shareholder register. It may also request the physical attendance of a registered person at its office in order to verify his/her identity. Typically, the DBA commences manual checks by issuing a letter to the entity and requesting all relevant information on its legal ownership within a four-week deadline. If the company does not provide the information, a formal notice is issued to the individual members of the entity's governing body with a further two weeks given to comply. Since 2019, the DBA has performed 12 manual checks (1.2% of the 987 registered companies) on Greenlandic entities. These were all checks prompted by requests from either the company itself or following an objection from a registered person (on their identification as legal owner) or an informant. For 8 of these checks, the DBA removed information on legal owners where the information provided was incorrect. The DBA has not yet needed to resort to the application of penalties or other means of enforcement.

91. The DBA has a number of enforcement measures at its disposal in the case of non-compliance, both in respect of failure to provide information requested and for the provision of incorrect information. The DBA can apply a fine to companies for failure to provide correct information to the register (Section 366, PPLCA). This fine is applied to each of the members of the company's management who were subject to reporting responsibilities. Although the fine is not quantified in Greenlandic law, the DBA plans to apply the same practice as in Denmark with fines amounting to DKK 5 000 (EUR 671) to each member of management, per week for up to a period of 15 weeks. As its primary aim is to ensure that the CVR is correct, the DBA uses these penalties as a tool of last resort.

92. The DBA considers its most effective tool to be the refusal to register new companies or the threat of compulsory dissolution for existing companies. The Executive Order on the notification, registration, fees and publication of information in Greenland allows the DBA to block a new company's access to the register when it suspects incorrect information has been reported or if there has been misuse of the system. For companies already registered, the companies' acts allow the DBA to compulsorily dissolve the entity (Sections 23(b), 23(h), PPLCA, Sections 17b, 17h ACCU). Additionally, the DBA confirmed it would also report cases of suspected fraud to the Greenlandic police, but so far no such cases have arisen.

93. Greenland's compliance framework to ensure the legal ownership information is correct is well resourced, however the quantum of checks at only 1% over three years could be considered limited, and all checks were prompted by the company or informants. There is also a very small number of companies that have not yet populated the register. Nevertheless, the requirement for new companies to provide legal ownership information as part of the

registration process and the requirement for all shareholders to be registered in the DBA IT register in order to exercise their rights are strong measures to ensure the accuracy and completeness of the available information.

Inactive companies

94. Neither the DBA nor the tax agency operates with the term “inactive companies” or with similar terms to reflect companies whose activities are in a dormant state. There is also no distinction in the actual treatment of companies that are not undertaking economic activity. For the DBA, the requirements on legal and beneficial ownership information reporting, as well as for financial statement reporting, continue to apply to all companies. The tax authority also requires companies that are not undertaking economic activity to still submit corporate income tax returns, albeit these do not include any ownership information in the absence of withholding taxes.

95. The DBA categorically begins procedures to compulsorily dissolve companies for non-compliance with the financial statement filing obligations. Between 2019 and 2022, the DBA requested Greenlandic courts to compulsorily dissolve entities in 163 cases (i.e. 16% of around 987 companies):

Number of cases where the DBA requested compulsory dissolution

Type of legal entity	2019	2020	2021	2022
Public limited liability company (A/S)	8	0	5	4
Private limited liability company (ApS)	40	27	14	40
Entrepreneurial companies (IVS)	3	5	8	9
Others	Nil	Nil	Nil	Nil
Total	51	32	27	53

96. Financial statement filing obligations are therefore tightly monitored in Greenland. There are relatively few Greenlandic entities in total, both nominally (around 987) and proportionate to Greenland’s size. Therefore, the non-availability of up-to-date information relating to inactive companies that retain their legal personality, while potentially conducting business unnoticed, does not constitute a notable risk in Greenland.

97. Companies can be re-registered prior to being liquidated only if they rectify the infringement that resulted in the DBA’s request for dissolution within three months. Moreover, the re-registration is only possible if the company has not otherwise been dissolved twice in the last five years (Section 231, PPLCA, same provision for ACCU companies). Greenland confirmed that although company law permits up to three months for re-registration, in practice this may be shorter if the court processes the dissolution earlier.

Availability of legal ownership information in EOIR practice

98. Greenland did not receive any requests for legal ownership information, either during or before the period under review.¹¹

Availability of beneficial ownership information

99. The standard was strengthened in 2016 to require that beneficial ownership information be available on companies. In Greenland, this aspect of the standard is mainly met through company law which requires companies to identify and report information on their beneficial owners to the CVR register maintained by the DBA. This register acts as the main source of beneficial ownership information for the tax agency for exchange of information purposes and is complemented by the AML Act and its requirements on AML-obliged persons to identify and maintain information on the beneficial owners of their customers and to report discrepancies in the CVR to the DBA. Each of these legal regimes is analysed below.

Companies covered by legislation regulating beneficial ownership information

Type	Company Law	Tax Law	AML Law
Private Limited Liability Company	All	None	Some
Public Limited Liability Company	All	None	Some
Limited Partnership Company	All	None	Some
Entrepreneurial Company	All	None	Some
Co-operative Society with Limited Liability (AMBA)	All	None	Some
Association with limited liability (FMBA)	All	None	Some
Foreign companies (tax resident) ¹²	None	None	All

The definition of beneficial ownership

100. The definition of beneficial ownership in the Company law and in the AML law are similar.

11. Greenland received a request that was determined to be a fishing expedition, as it did not provide any ground for believing that the information requested was held in Greenland or was in the possession or control of a person within Greenland. In an act of good faith, the EOI unit searched their databases for any relevant information, which included legal and beneficial ownership information, and accounting information.
12. Where a foreign company has a sufficient nexus, then the availability of beneficial ownership information is required to the extent the company has a relationship with an AML-obligated service provider that is relevant for the purposes of EOIR (Terms of Reference A.1.1 Footnote 9).

101. The definition of beneficial owner that must be applied by Greenlandic companies and other legal entities subject to the BO register reporting requirements is set out in the companies acts.

102. Under Section 5, PPLCA and Section 15H ACCU, a beneficial owner is:

a natural person(s) of a legal entity who ultimately owns or controls, directly or indirectly, a sufficient proportion of the shares or voting rights or who exercises control by other means, other than the owners of companies whose shares are traded on a regulated market or an equivalent market subject to disclosure requirement in accordance with EU law or equivalent international standards.

103. When a beneficial owner cannot be identified under that definition, Section 58A, PPLCA and Section 15G, ACCU require the following:

The registered members of the management of the capital company, cf. § 10, paragraph 1, shall be considered and registered as beneficial owners in the IT system of the Danish Business Authority, if the company, after having exhausted all possibilities for identification, subsequently has no beneficial owners or no beneficial owners can be identified.

104. The BO definition for companies and other legal entities, that must be applied by AML-obliged persons under Section 2 of the AML Act, is structured slightly differently but is nevertheless fully aligned to that under the PPLCA:

Beneficial owner: The natural person or persons who ultimately own or control the customer, or the natural person or persons on whose behalf a transaction or activity is conducted, including the following:

a) For companies and other legal entities:

- i) The natural person(s) of a legal entity who ultimately owns or controls, directly or indirectly, a sufficient proportion of the shares or voting rights or who exercises control by other means, other than the owners of companies whose shares are traded on a regulated market or an equivalent market subject to disclosure requirements in accordance with EU law or equivalent international standards.
- ii) The executive management if, after all possibilities have been exhausted, no person has been identified under point (i) or if there is doubt as to whether the person or persons identified are the beneficial owner or owners.

105. The BO definition clearly sets out that there are both direct and indirect means to controlling a company and the reference to the “natural person who ultimately owns or controls the entity” ensures that the company’s ownership and control structure must be looked through to identify the beneficial owner. Although the law does not specify what a “sufficient proportion” of shares or voting rights would be, guidance by the DBA on the identification and reporting requirements clearly stipulates, including by way of examples, that greater than 25% would be an indication of a sufficient proportion. This amount is however only an indication, and the guidance sets out that natural persons with lower proportions of ownership and control must still be identified as beneficial owners if they exercise control by other means. The DBA, the Danish Bar and Law Society (DBLS) and the Danish Financial Supervisory Authority affirmed during the onsite visit that any amount exceeding 25% will always result in a natural person being identified as the beneficial owner. They each considered that the non-identification of a person with a greater than 25% shareholding or voting control would be considered non-compliant and could therefore be subject to sanctions.

106. Greenland confirmed that a simultaneous approach to identifying beneficial ownership must be adopted by all persons applying the beneficial ownership definition.¹³ This approach is explained in guidance provided by the DBA with examples clearly identifying both persons with a sufficient proportion of shares or voting rights and any other persons exercising control by other means as beneficial owners. Examples set out in guidance of exercising control by other means include the ability to appoint a majority of members of the company management, ability to approve the annual report regarding dividend payments and veto rights. The guidance notes however that this is not an exhaustive list and if a person has another right which means that this person exercises control of the company, this person should be identified as a beneficial owner. The definition of beneficial owner includes indirect control and control through other means but there is no guidance that provides examples of joint control to support the DBA’s position that where natural persons jointly own or control a sufficient part of the

13. Jurisdictions may apply a cascade approach or a simultaneous approach to the identification of beneficial owners. In a cascade approach, step 1 (persons with control through direct or indirect share ownership or voting rights) is applied to identify beneficial owners, and only if none are identified or there is a doubt on the accuracy of the information, is step 2 (persons with control through other means) applied. In the simultaneous approach, Steps 1 and 2 of the cascade are conducted at the same time, which may in practice identify more beneficial owners than the cascade approach. Both approaches are in line with the standard and in both cases, step 3 (identification of senior managing officials) may only be applied where no natural person meets the definition of beneficial owners under steps 1 and 2.

shares or voting rights, all persons concerned must be identified as beneficial owners. Greenland should clarify in guidance the application of the definition of beneficial ownership in respect of joint control (see Annex 1).

107. If the beneficial owners cannot be identified after exhausting all possibilities, the senior managing official(s) by way of “executive management” must be identified (Section 2(a)(ii)). The Explanatory Note to the AML Act and the DBA guidance explain that the starting point is that all undertakings have beneficial owners and the scenario of exhausting all possibilities of identification is instead an exception to the rule. The Explanatory Note explains that there are only two instances where the absence of beneficial owners should be sufficiently proven before members of executive management are reported. An undertaking can only be considered to have no beneficial owners if it is owned by so many people that no natural person has a sufficient proportion of ownership and there is no natural person exercising control by other means. It further explains that a company which is unable to identify beneficial owners because it suspects that they do not wish to make themselves known due to potential criminal activity should report this to the police.

108. The company law definition sets out who should be considered as the executive management. It refers to the “registered [in the CVR] members of the management”. This reflects the requirements under Section 10(1) PPLCA (or Section 11(1) ACCU) on all companies to register members of the board and supervisory board in the CVR. Greenland explained that a member of the company board is considered a personal profession and as such the members of the board must be natural persons. There will therefore always be a natural person identified in the register. The Greenlandic definition of beneficial ownership for legal entities is therefore in line with the standard.

Companies law requirements – Entities and the beneficial ownership register

109. Greenland introduced a requirement on all Greenlandic companies (PPLCA and ACCU companies) to report BO information to the DBA. This effectively created a BO register within the already established CVR, which now serves as the primary source of BO information for the Greenlandic competent authority. As companies must populate the register and maintain BO information for this purpose, the companies serve as a supplementary source of beneficial ownership information, as well as a source for any underlying documentation that may be required. Branches of foreign companies are not subject to the BO reporting requirements, but AML-obliged persons can provide a source of beneficial ownership information (see Anti-money laundering requirements).

110. Since 5 January 2022, all Greenlandic companies have been required to identify their beneficial owners and register information on these persons in the CVR (Section 58A PPLCA, Section 15G ACCU). This is supported by an obligation on persons with direct or indirect ownership or control to provide information to the company, at its request, to allow it to fulfil its identification and reporting requirements.

111. Once beneficial owners have been identified, the company must register the following information on each beneficial owner in the DBA IT solution as soon as possible:¹⁴

- name
- residence address
- civil registration number; for persons that are not Greenlandic or Danish residents and that do not have such a number, the company must obtain and report the person's gender, address, country of residence, passport or Schengen identification card number (and a copy thereof), date of birth and nationality at birth
- equity interests and voting rights in per cent (calculated in relation to direct and indirect ownership via other undertakings)
- detail on how control exercise is exercised, if different from ownership
- start date (and if applicable end date) of beneficial ownership.

112. Where the beneficial owners cannot be identified and the executive management has instead been reported, this must also be noted in the system.

113. All new entities must provide this information upon registration in the DBA IT solution (Section 58B) or their registration will be incomplete. Similar to the provision of legal ownership information, if registration is not completed due to the absence of BO information, companies formed under the PPLCA are unable to acquire rights, incur obligations or be a party to legal proceedings, other than proceedings to recover subscribed capital (Section 41, PPLCA).

114. The Greenlandic law also requires that the information in the BO register remain up to date. As soon as a company becomes aware that a person has become a beneficial owner, it must provide the required identity information to the register as soon as possible (Section 58A(3) PPLCA, Section 15G(3), ACCU). There is no requirement on beneficial owners to actively inform the company once they become beneficial owners. However, the company must annually check whether there have been any changes in the beneficial owners (Section 58A(4)) and a requirement on direct and

14. Greenland noted that “as soon as possible” must be interpreted as within a few days.

indirect owners or persons with control of the company to supply information upon request supports the company in this task. The annual check is only a backup action to prompt identification of changes in beneficial ownership that the company might not otherwise be aware of. It does not limit the reporting of other changes throughout the year that the company becomes aware of to an annual activity. Companies must still report such changes as soon as possible.

115. All legal entities must maintain records of the information obtained on the beneficial owners for five years after cessation of beneficial ownership as well as records of all attempts to identify beneficial owners for five years after the attempt has been made (Section 58A(5)). They must provide this information to any supervisory or public competent authority which requires it for the purpose of fulfilling its duties (Section 58A(6)) as well as to any AML-obliged persons that need this information in the context of their CDD obligations (Section 58C PPLCA, Section 15J ACCU). Where legal entities cease to exist, the general requirements to ensure that company documentation remains available (see paragraph 70) also apply to records concerning beneficial ownership.

Implementation, oversight and enforcement

116. Companies were required to populate the register by 31 July 2022 and therefore Greenland has not yet fully commenced compliance activities on its companies. Two letters have been issued to the e-Boks of all legal entities and Greenland has advertised these requirements on social media. As a result, as of 20 February 2023, 91% of all companies had reported information. There is no reporting exception for companies that are economically inactive. The DBA and the Greenlandic authorities are currently focussing on awareness raising activities to promote compliance among the 9% companies that have not yet reported.

117. The DBA has extensive guidance for companies on how beneficial owners should be identified and what information must be reported to the register. Of the companies that had reported information by 30 March 2023, the proportion of companies having reported a manager is as follows: 43% of public limited liability companies, 6% of private limited liability companies and 4% of Entrepreneurial companies. Only two of all companies were unable to identify beneficial owners (see paragraph 122), meaning that for the remainder, a manager was reported as it was determined that no natural person has a sufficient proportion of ownership and there is no natural person exercising control by other means to be identified as a beneficial owner. These proportions are logical considering that the ownership structure of the first category is more diversified than for the others.

118. Greenland plans to start enforcement of the reporting obligations in 2023, including the commencement of dissolution procedures for companies that do not populate the register as required.

119. Greenland's legislation includes sanctions on companies to enforce compliance with the BO register's requirements and identifies the DBA as the primary authority responsible for ensuring the availability of information of companies. The DBA also forwards issues and any relevant discrepancy reports to the Danish Financial Supervisory Authority, which is responsible for supervising regulated financial institutions and their obligations to report ownership information to the register. These BO register supervision activities are reinforced by requirements on Greenlandic AML-obliged entities to check that the information in the register is accurate and up to date.

120. The sanctions set out under the companies' acts should deter non-compliance with most of the obligations on companies, including the requirement to collect, report and retain the BO information. These sanctions are set out under Section 366 of the PPLCA and are the same as those available for failures to report legal ownership information (see paragraph 91). An equivalent sanction is in place for companies formed under the ACCU (Section 23(1)). There is however no direct sanction for failures on PPLCA companies to annually check whether there have been changes in beneficial ownership and there is no sanction on beneficial owners of any type of company for failures to comply with the requirement to provide information to the company. The DBA would check whether companies have undertaken this annual exercise in the course of its manual checks and the DBA believes that it could sanction failures to conduct annual checks by applying a penalty for failing to keep records of the information obtained on attempts to identify the beneficial owners and for failing to provide the DBA with the necessary information when requested. As compliance activities have not yet commenced, this has not been tested in practice.

121. Denmark has had equivalent BO register reporting requirements since 2017, for which the DBA is also responsible. This means that Greenland already has a fully established compliance framework in place to conduct verification and enforcement activities once the DBA progresses from awareness raising activities. The four to five full-time equivalent members of staff responsible for ensuring the accuracy of legal ownership information also carry out checks on the population of BO information. The DBA plans to apply the same approaches to risk assessment, verification and enforcement as those applied for Danish entities.

122. The automatic and manual checks used for legal ownership purposes have been extended to ensuring the accuracy of beneficial ownership information. Where a company reports that it was unable to identify its beneficial owners, this will be an additional risk factor in the DBA's case

selection as will the content of any discrepancy reports submitted by AML-obliged persons. In the course of manual checks, the company must submit all relevant information and documentation on ownership to the DBA as well as all documentation that proves that the entity has attempted to identify the beneficial owners. Similar to its application of sanctions for legal ownership reporting failures, the DBA's primary focus is to ensure that the information in the register is corrected, but sanctions may be used in more serious cases of neglect.

123. The discrepancy reporting mechanism and the follow-up action to be taken by the DBA are important to ensuring the accuracy of the beneficial ownership information in the register. Upon introduction of its BO register, Greenland amended its AML law to require all AML-obliged persons to obtain an extract of beneficial ownership from the CVR on their customers that are legal entities or arrangements (Section 14, AML Act). While this obligation is applicable only for new customers, the AML-obliged persons noted that they always conduct this check during their CDD. If after identifying its customer's beneficial owners in the course of its CDD, the AML-obliged person identifies discrepancies in the information in the register, it is obliged to notify the DBA of this discrepancy (Section 15A). The action taken by the DBA after receiving a report will depend on the seriousness of the discrepancy. The DBA explained that they would choose not to do a manual check on a company in the case of a minor discrepancy, an example of which would be if a company had registered a beneficial owner as only having a 27.7% share ownership instead of 27.8%. In such cases, the entity would be requested to amend the information in the register or to provide documentation to demonstrate its correctness, before closing the case. More concerning discrepancies are subject to a thorough review and if non-compliance has been identified or considered likely, the DBA will amend the register to note that the registered information may not be accurate.

124. Discussions with the AML-obliged persons demonstrated broad familiarity with the discrepancy reporting requirement and a clear understanding that the information in the BO register must be reviewed in every case. As of 20 February 2023, no discrepancy reports had been submitted. This may reflect that in practice most Greenlandic companies have very simple structures where the beneficial owners are the legal owners, as noted by the AML-obliged persons during the onsite visit. The auditor present also noted that in many cases, where discrepancies are identified, these would typically be discussed with the customer and will often result in the customer updating the information, and the AML-obliged person would therefore not report the identified discrepancy. However, as checks on the accuracy of the information in the BO register have not yet commenced, these assumptions cannot be ascertained.

125. There is no specified frequency in statute on AML-obliged persons to ensure that the information they hold on their customers is up to date and the AML Act requires the information to be reviewed on a risk basis. Nevertheless, during the onsite visit, supervisory authorities made clear that although a risk-based approach is set out in legislation, they would consider excessive periods (i.e. more than five years) of not updating CDD to be non-compliant with the requirement to hold up-to-date information on their customers. Moreover, this view was shared by the AML-obliged persons during the onsite visit, with the auditor carrying out annual checks on BO information, and the lawyer and bank checking that the information is up to date at least every five years. The DFSA clarified that for banks this is supplemented by an expectation that CDD be updated every year for high-risk customers and every three years for medium risk customers. While this additional precision is not expected by other authorities, they were in agreement that a frequency of five years would be the very latest by which CDD could be updated, and they expected that it should still be updated earlier as needed, based upon risk. This periodic check should therefore act as a means of identifying any changes in beneficial ownership that are not otherwise brought to the attention of the company through its own checks. Furthermore, AML-obliged persons that are unable to identify beneficial owners from their customers' ownership and control structure, such as where a person in the structure refuses to provide the necessary information, must not complete the transaction or should terminate the customer relationship once all means of identifying beneficial owners has been exhausted. This leverage to withdraw services from the customer should provide a mechanism to compel persons within the ownership and control structure to provide the necessary information. It would also help to compensate for any difficulties that companies themselves may encounter in the course of identifying their beneficial owners as well as help compensate for the absence of a penalty on other persons in the control structure to provide the necessary information.

126. The ready-to-deploy compliance resource and activities by the DBA, and the discrepancy reporting mechanism applicable to AML-obliged persons, support the view that Greenland's compliance framework will be sufficiently comprehensive to ensure that adequate, accurate and up-to-date information is available on beneficial owners. However, the requirements in respect of the BO register are relatively new, and oversight activities have not started. Such oversight activities will be key to ensuring that the information in the register is accurate, that companies are updating this information following any changes in beneficial ownership, and in determining the efficacy of the requirement on AML-obliged persons to report discrepancies. **Greenland is recommended to supervise the practical implementation of its recently introduced legal framework on beneficial owners and**

to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.

Anti-money laundering law requirements

127. The requirements on AML-obliged persons under the AML Act provide an alternative source of BO information in Greenland to the CVR. Although there is no general requirement for all Greenlandic persons to engage an AML-obliged person, they will do so if they are required to engage an auditor under the Act on Annual Accounts (see paragraph 237) or if the company requires banking services in Greenland.¹⁵ In practice, around 50% of Greenlandic companies engage a certified auditor. An effective implementation of the AML Act will also reinforce the accuracy of the information in the BO register due to the discrepancy reporting requirements.

128. Section 3 of the AML Act identifies the following persons as AML-obliged persons and subject to its requirements (not an exhaustive list):

- financial institutions
- auditors and audit firms approved in accordance with the Auditor Act
- lawyers that provide assistance and advice on, or carrying out transactions in connection with:
 - the purchase of real estate or business
 - the management of clients' money or assets
 - the opening or management of bank accounts
 - the creation, operation or management of companies, foundations, etc.
- any other person providing services similar to lawyers (as above) and auditors.

129. All AML-obliged persons must implement customer due diligence procedures to know their customer whenever they i) establish a business relationship, a customer's relevant circumstances change or at otherwise appropriate times; ii) they carry out a single transaction with an existing customer that exceeds EUR 15 000 or carry out a transfer of funds that

15. Where a branch of a foreign company is required to submit audited financial statements or where it requires local banking services, it will need to engage a Greenlandic certified auditor or bank respectively. In such cases, the AML requirements ensure the availability of beneficial ownership information on foreign companies with the engaged AML-obliged person.

exceeds EUR 1 000 where there is no relationship established; iii) there is a suspicion of money laundering or terrorist financing; or iv) there are doubts on the accuracy or adequacy of the information previously obtained (not an exhaustive list, Section 10). When the CDD requirements are triggered, the AML-obliged person must obtain identity of the beneficial owners of the customer and implement reasonable measures to verify that identity (Section 11(3)). This includes taking reasonable steps to clarify the ownership and control structure of the legal person. In cases where the AML-obliged person is unable to obtain sufficient information for CDD purposes, it is required to take measures to prevent any ML/TF risks. This includes terminating the relationship if all means to identify the beneficial owners have been exhausted (Section 15 and the Explanatory Note).

130. The definition of beneficial owner that must be applied in the course of fulfilling Section 11 is aligned with that used by companies for BO registration. This definition is in line with the standard (see paragraphs 100-108). Once the beneficial owner is identified, the AML-obliged person must obtain the following identity information:

- name
- social security number or similar
- date of birth, if no social security number.

131. The Danish Bar and Law Society (DBLS) and the Danish Financial Supervisory Authority (DFSA), which supervise Greenlandic lawyers and banks respectively, have produced detailed guidance on the Act's requirements on these persons. This includes guidance on the "reasonable" steps and measures that must be taken to clarify the control and ownership structure and to verify the identity details. Both sets of guidance stipulate that the reasonableness of the steps taken by the AML-obliged person must be based on its own risk assessment. In cases where the perceived money laundering and terrorist financing risks are low, verification of the identity of a beneficial owner would not be required. The identity information provided by the customer can be cross checked with the information in the CVR. Nevertheless, the beneficial owner must always be identified. Additionally, the ownership and control structure must always be clarified, and it is only the level of further investigation, such as the review of company shareholding information or articles of association, where a risk-based judgement applies.

132. This risk-based approach included under the main CDD provision (Section 11) is separate from the Simplified Customer Due Diligence requirements available under the Act (Section 21). Simplified CDD is permitted where there is deemed to be a limited risk of money laundering or terrorist financing. Although the Act does not further outline what simplified

measures would be to carrying out CDD, the DFSA guidance explains that it provides no exemption from the requirements under Section 11, including the requirement to identify and retain information on beneficial owners. Instead, Simplified CDD allows the ongoing know your customer (KYC) procedures and monitoring of the customer to be met with “a minimum of measures”. This includes updating the customer’s identity details less often than for other customers, such as for medium or high-risk customers.

133. AML-obliged entities are required to update their CDD information on the basis of risk, such as when there is doubt on the accuracy or adequacy of the information held (Section 10(5)). This complements a separate requirement that documents, data and information on customers be kept up to date (Section 11(1, 5)). There is no specified frequency by which CDD information must be updated but supervisory authorities were clear that they would expect any more than five years to be unacceptable. This is also the understanding of the AML-obliged persons that attended the onsite visit, which all confirmed that they would always update the information within five years. Even in instances where customers are considered low risk and where Simplified CDD may be permissible, the DFSA explained that they would expect the beneficial ownership information on those customers to be updated every five years. While supervisory authorities consider that not updating information within a five-year period for low-risk customers would be non-compliant, this has not yet been tested in court and no acceptable frequencies are detailed in guidance. Greenland should clarify how often CDD information for customers should be updated by AML-obliged persons (see Annex 1).

134. Greenland’s AML Act allows AML-obliged persons to rely on third parties to conduct due diligence. There are no separate provisions specific to introduced business and the third-party provisions apply in this case. This mirrors the provisions in the Danish AML legislation, but third parties are likely to be of limited relevance in the Greenlandic context. AML-obliged persons present in the onsite visit noted that the practice of introduced business and reliance of third-party information was unheard of in Greenland. If a Greenlandic AML-obliged persons did choose to rely on third parties for the purposes of obtaining and inspecting information under CDD procedures (Section 22), including information on beneficial owners, it may only do so if that third party is a Greenlandic AML-obliged person, or a similar person subject to supervision and requirements equivalent to those under the Directive 2015/849/EU of the European Parliament and of the Council of 20 May 2015 on the prevention of the use of the financial system for the purpose of money laundering or terrorist financing (EU AML Directive). Furthermore, the Greenlandic person would have to establish that the third party is compliant with requirements that are equivalent to the AML Directive.

135. The Act requires that any Greenlandic AML-obliged persons, relying on third parties, be able to obtain copies of the identity and control details of the customer from the third party upon request and without delay (Section 22(3)). This is not the same as a requirement to obtain the BO information from these third parties immediately (i.e. as soon as the third party is relied upon), which would be in line with the standard. However, as the practice of relying on third parties would be rare, if it exists in Greenland, the impact from an absence of a clear requirement in law that BO information be immediately obtained from any third party that is relied upon for CDD on the availability of beneficial ownership information is likely to be negligible. Moreover, AML-obliged persons must still obtain and retain some ownership information in order to comply with the requirement under Section 19 to understand the risks posed by customer, as part of the ML/TF risk assessment procedures. The DFSA guidance clarifies that the AML-obliged person must perform its own risk assessment of the customer and may need to obtain or verify customer identities to complement those received from the third party. There is therefore an expectation that identity information is always obtained. This expectation is nevertheless not set out elsewhere, such as in the DBLS guidance. So as to put beyond doubt the requirements when third parties are relied on, in case industry practices change in future, Greenland should clarify the conditions of the reliance on third parties to ensure that the beneficial ownership information be always immediately obtained by the AML-obliged person from the establishment of the relationship with the customer (see Annex 1).

136. AML-obliged entities are required to retain information that they obtain in the course of fulfilling the CDD requirements for at least five years following the end of the business relationship or the completion of the individual transaction (Section 30). This information should include the BO identity and control documents, and copies of identification documents provided to the AML-obliged person. The AML legal framework therefore provides a secondary source of beneficial ownership information to that available in the BO register.

Enforcement and oversight

137. Greenland's AML Act delegates responsibility for the oversight and supervision of Greenlandic financial institutions, lawyers and auditors to the DFSA, the DBLS and the DBA respectively (Section 31). The DBLS is a private organisation that is established under Danish law with delegated supervisory authority of lawyers across the Realm of Denmark. The DBA and the DFSA are public supervisory authorities. Details on the DFSA enforcement powers and supervisory activities are outlined under Element A.3.

138. The AML Act provides the DBA and the DBLS with the ability to conduct inspections and to request or seize information from certified accountants/lawyers without the need for a court order for the purpose of ensuring their compliance with the Act's provisions, including with respect to CDD. They are also empowered to require certified auditors/lawyers to take measures to rectify any non-compliance (Sections 59, 60 and 64).

139. There are approximately ten certified auditors in Greenland. The DBA's AML team has around 20 employees responsible for all Danish and Greenlandic supervised entities. When the DBA launches a review into an auditor to ensure compliance of their AML obligations, the DBA inspects the CDD procedures, including those on risk assessment and customer identification. The DBA reviews the documentation obtained by the AML-obliged person to ensure that it correctly identified the beneficial owners. Since 2018, the DBA has carried out six AML inspections on Greenlandic auditors.

140. In practice, although the AML Act sets out an unquantified fine (see footnote 10) for any failure to identify beneficial owners and retain information as required, where this has been considered as intentional or grossly negligent, these sanctions are not imposed by the DBA directly. Instead, the case is referred to the Greenlandic police, which can appeal to the Greenlandic court for the application of the fine. Furthermore, the Act sets out that measures may be imposed in accordance with the Criminal Code for particularly serious or intentional violations of these requirements (see footnote 9).

141. A total of 11 sanctions were applied in the course of the six inspections undertaken since 2018, two of which were after the introduction of the updated AML Act. The DBA noted that overall, from the inspections undertaken, they had found an insufficient understanding of the AML requirements. The sanctions mostly concerned inadequate general risk assessments, policies, procedures and controls. The DBA has also sought to increase understanding of the new AML requirements through communication and outreach activities. They have published multiple quick guides on their website in relation to the updated act and in 2022 they hosted a two-day seminar for AML-obliged persons in Nuuk alongside the other responsible AML supervisory authorities.

142. The DBLS is a private organisation, recognised by statute, with the powers to investigate and sanction its members (7 000 lawyers within 1 800 law firms, including 15 lawyers resident in Greenland). The DBLS has significantly upscaled its AML supervision since the FATF review in 2016, with 4 full time equivalents responsible for AML compliance in 2022 within a wider team of 13 persons responsible for lawyer supervision. Activities are undertaken on both a rotational and risk basis. All lawyers supervised

by the DBLS are subject to periodic checks, with high-risk firms reviewed every three years, medium-risk firms reviewed every six years and low-risk law firms reviewed at least every 10 years. The 15 lawyers resident in Greenland have been typically considered medium or high risk. Due to the COVID pandemic, the DBLS has had to undertake activities online. There were three online supervisory inspections of lawyers in Greenland in 2021 and a further three inspections in 2022. The DBLS intends to conduct a combination of online and onsite visits in Greenland, going forward.

143. A DBLS supervisory inspection for AML purposes will typically review all relevant requirements under the AML Act. This includes a review of the lawyer's risk assessment, documented policies and procedures, and practices with regards to filing suspicious transaction reports. Where non-compliance is identified, the DBLS has a range of sanctions available. The DBLS inspector or the Disciplinary Board can issue an official warning. The Disciplinary Board is also able to apply fines,¹⁶ remove temporarily or permanently a lawyer's licence to practice, and it can refer the most serious cases of non-compliance to the police. The DBLS confirmed that failures to identify beneficial owners and maintain records in accordance with the Act would be considered matters for review by the Disciplinary Board. Between 2017 and 2021, the board applied fines in 28 cases from across the Realm of Denmark for violations in relation to risk assessment and to the application of the Act's requirements in individual cases. None of these violations concerned Greenlandic lawyers.

144. All AML-obliged persons met with during the onsite had a good understanding of the requirements and of the beneficial owner definition, despite the AML Act's provisions having entered into effect in May 2021. The AML-obliged persons remarked that in practice the vast majority of legal entities that they encountered were Greenlandic entities with simple structures where the legal owners were also the beneficial owners. Furthermore, they explained that there was very little presence of foreign entities and that this was likely due to the risk of double taxation, due to an absence of group relief in Greenland, and the result of a very small double taxation treaty network.

145. Proportionate to the size of the Greenlandic population of AML-obliged persons, the supervisory framework is adequate. Nevertheless, there have been some identified challenges in the implementation of the AML requirements and the obligations and definitions under the AML Act are still relatively new. As AML-obliged persons help to ensure the accuracy

16. While the size of fines for non-compliance with the AML Act is not set out in law, the Disciplinary Board of the DBLS has established the practice of applying a fine of DKK 10 000 (EUR 1 343) in the first instance of non-compliance, with the amount doubling in any second instance. For any further instances of non-compliance, the amounts are tailored to the person.

of the information in the BO register and provide an additional source of beneficial ownership information, **Greenland is recommended to supervise the practical implementation of its recently introduced legal framework on beneficial owners and to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.**

Nominees

146. In Greenland, a nominee can act on behalf of a shareholder of a public limited liability company and may appear within the shareholder register. A nominee may only exercise the rights of the shareholder after explicit authorisation and instruction from the shareholder. Greenland's company and AML laws have measures in place to identify the presence of a nominee and to ensure that the legal and beneficial ownership information is available on the shareholder.

147. Requirements on professional nominees to register with the tax authority indicate that the presence of nominee arrangements in Greenland is likely to be limited in practice. Under the 2010 AML Act, nominees acting in a professional capacity for a shareholder of a Greenlandic non-listed company must register with the GTA in order to be able to carry out that activity. The GTA considers that the obligation also extends to non-resident professional trustees. There are however no professional nominees registered with the GTA, and Greenland considers the use of nominee arrangements to be limited to custodial banks holding shares in listed companies. The use of nominees in non-listed companies in Greenland is therefore unlikely or limited to non-professional nominees if they exist at all.

148. Greenlandic law does not require the presence of a nominee relationship to be disclosed to the company, however, other shareholder disclosure requirements should partly compensate for this. Greenland considers that the requirements on shareholders to report shareholdings of 5% or greater to the company equally apply to nominator shareholders. Law or guidance does not clarify this requirement in respect of nominee relationships but guidance does note that in the course of identifying its beneficial owners, a company must exhaust all possibilities to identify the persons who are beneficial owners, including recording detail of any nominee scheme that it identifies. Accordingly, the company should hold this information and report identity information on nominators holding at least 5% shareholdings to the DBA (see paragraphs 59-65), irrespective of whether the nominee arrangement in place is with a professional or non-professional nominee. A fine can be applied where the nominator shareholder does not comply with these requirements (Section 367, PPLCA). As the requirement on a nominator to notify the company of the shareholding would invariably result

in the company becoming aware that the previously registered shareholder is acting as a nominee, these obligations can be considered to in effect work as a nominee status disclosure requirement where the 5% threshold is met.

149. In addition to the registration requirements under the 2010 AML Act, persons that professionally carry out the activity of acting as a shareholder for a third party are treated as business service providers and considered to be AML-obliged persons under the 2021 AML Act (Section 3(5)(e)). As AML-obliged persons, professional nominees must meet the relevant customer due diligence and record keeping obligations (see paragraphs 127-136). Identity and beneficial ownership information on the nominator shareholdings should therefore always be available with professional nominees irrespective of the size of shareholding. The requirement to register with the GTA does not mean that the company would be informed of the nominee arrangement, including where the 5% notification is not met.

150. The 5% threshold poses a challenge to the accuracy of the legal and beneficial ownership information held by the companies themselves and reported to the register. As the company would not be aware of nominee arrangements of less than 5%, it would be unable to consider these arrangements when the company conducts its annual review of its ownership and control structure to identify beneficial owners. Therefore, the 5% threshold may mean that the information reported to the register is not always accurate. This can be considered a minor deficiency in the Greenlandic context as there are no professional nominees in Greenland. The existence of non-professional nominees cannot however be excluded. Similarly, while the GTA expects non-resident professional nominees to register, it is not clear how this can be supervised and enforced in practice. Greenland should monitor the practice of nominee shareholdings to ensure that it does not impact the international exchange of information (see Annex 1).

Availability of beneficial ownership information in EOIR practice

151. Greenland did not receive any requests for beneficial ownership information, either during or before the period under review.

A.1.2. Bearer shares

152. Greenland permitted the issuance of bearer shares for public limited liability companies and limited partnership companies until a change in the PPLCA prohibited this practice from 1 July 2018. The PPLCA is based upon Danish legislation and the prohibition on the issuance of bearer shares in 2018 is based on a similar legislative change in Denmark in 2015. Nevertheless, while the legislation mirrors that of Denmark, bearer shares are considered very unlikely to exist in the Greenlandic context. Greenland is also considering to abolish them outright.

153. When the PPLCA prohibited the issuance of new bearer shares, any that had already been issued could continue to exist. Additionally, if a public limited liability company had issued a warrant or convertible debenture under the condition that they could be exchanged to bearer shares, then this exchange could still take place. Any companies that have issued bearer shares must maintain the serial number issued on the shares certificate in the shareholder register (Section 54, PPLCA).

154. Greenland has sought to ensure the availability of ownership information posed by any bearer shares through a self-reporting requirement, with obligations on both the holder of the bearer share and the respective company.

155. Self-reporting was introduced through the PPLCA with a requirement that all bearer shares be registered with the DBA (Section 57A) from 1 July 2018. This requirement complements the general registration requirement on companies to submit information on their shareholders with more than 5% shareholding or voting rights. Holders of bearer shares are also required to notify the company of their shareholdings to allow the company to update the register accordingly. Where the bearer shares represent less than 5% share capital or voting rights, it is the shareholder that must register the information with the DBA and no later than five weeks from the date of their acquisition. An unquantified fine can be applied under Section 367 on both the holder of the bearer share and the company for failures to comply. There is an exclusion to the reporting requirement for bearer shares in public limited liability companies that have been acquired and transferred on a regulated market.

156. A further means to ensure compliance with the registration obligations is a requirement that holders of bearer shares be unable to exercise their rights, including voting rights and rights to receive dividends, until the holder has been registered with the DBA (Section 49). The central governing body of the company is responsible for ensuring that the registration condition is met before holders of bearer shares exercise their rights, and fines can be applied on the company for violations of this rule. The information to be reported to the register includes the same identity information that must be reported for other legal owners with more than 5% ownership (see paragraph 61).

157. The DBA is responsible for supervising and enforcing compliance by the company with respect to its obligations under the PPLCA, including the requirement to only permit the exercise of rights when the bearer shareholder is registered. The DBA's compliance framework appears sufficiently resourced and comprehensive (see paragraphs 85-90), in light of the number of Greenlandic entities that could have potentially issued bearer shares (at 20 February 2023, 151 public limited liability companies and limited partnership companies were in existence before 1 July 2018)

158. To date, no bearer shares have been reported in respect of a Greenlandic company. Moreover, the representatives of the tax authority have not encountered such companies since the PPLCA took effect in 2018. The presence of bearer shares in Greenlandic companies is therefore considered unlikely and the associated risks are correspondingly low. If any bearer shares do exist but there have been no active attempts to understand the potential presence of bearer shares in the potential companies with bearer shares which would help determine the compliance rate of the bearer shares reporting requirements.

159. The requirement for such bearer shareholders to be registered with the DBA in order to exercise their rights would be an adequate means of mitigating any risk associated with their existence, as this would require the availability of legal ownership information. As there have been no active reviews to understand any residual presence of bearer shares in Greenland, Greenland should monitor the situation to ensure that registration of bearer shares, if any exist, is effectively implemented (see Annex 1).

A.1.3. Partnerships

160. Jurisdictions should ensure that information is available to their competent authorities that identifies the partners in, and the beneficial owners of, any partnership that (i) has income, deductions or credits for tax purposes in the jurisdiction, (ii) carries on business in the jurisdiction or (iii) is a limited partnership formed under the laws of that jurisdiction.

Types of partnerships

161. The Act on Certain Commercial Undertakings, as amended in 2021, allows for the following partnerships:

- **(General) Partnership (I/S):** A partnership (I/S) (hereafter general partnership) has two or more general partners jointly and severally liable for the partnership's obligations, without limit. As of 20 February 2023, there were 196 partnerships registered in Greenland.
- **Limited Partnership (K/S):** A limited partnership has two or more partners, with at least one general partner and one limited partner. General partners are personally jointly and severally liable for partnership's obligations, without limit. General partners must have management and financial powers because of their personal liability. This is the only requirement on the division of responsibilities in limited partnerships and therefore the rights exercised by general and limited partners are broadly under the discretion of the articles of association. The general partner therefore carries *de facto* the management of the partnership, unless otherwise provided in the

articles of association. A limited partner's liability in the partnership is limited only to the amount invested. As of 20 February 2023, there was one limited partnership registered in Greenland.

162. General partnerships and limited partnerships in Greenland are legal entities and have legal capacity by formation. Unlike companies, this legal capacity is not determined based on their registration with the DBA. There is no legal requirement to have a partnership agreement, but these are often drawn up as proof of the establishment of the partnerships. Any partner in a general or limited partnership can be a natural or legal person and all partnerships are transparent for tax purposes in Greenland.

Identity information

163. The tax authority serves as the main source of identity information for partnerships. Under the Income Tax Act, all partners must file a declaration in respect of their tax liability, including from their income received or the ongoing business, of any Greenlandic partnership (Section 14(1)). The same applies to partners of any foreign partnership that have income, deductions or credits for tax purposes in Greenland or where that partnership carries on business in Greenland. As partnerships are transparent for tax purposes, each partner (natural or legal person) is responsible for submitting its own tax return and declaring their interest in the partnership. They will have to provide the GTA with the respective partnership accounts outlining the share of the income they are entitled to.

164. The presence of a partnership will be identifiable in the BO register. Therefore, if a partnership did not have to declare for tax purposes in a given year, the identity information could be sought from the partnership. Although there is no requirement for there to be a written partnership agreement, the requirements on partnerships to retain information on attempts to identify beneficial owners for five years will mean that a partnership will have to retain identity information on its partners in practice (see paragraph 171).

165. In addition to the tax reporting requirements, some partnerships must submit identity information to the register. These DBA reporting requirements are limited to partnerships with particular ownership structures. The ACCU (Section 2(3)) requires partnerships to register in the DBA IT solution and provide identity information when all of the partners are:

1. public limited liability companies, private limited liability companies, limited partnership companies or companies having an equivalent legal form
2. partnerships or limited partnerships, in which all the partners or general partners are covered by point 1.

166. The identity information to be provided by the partnerships subject to Section 2(3) is set out under the Executive Order on the registration and publication of information on owners and includes the name, CVR number, address and function of each general partner within the partnership. Furthermore, these partners must submit their articles of association (or partnership agreement) to the register (Section 10, ACCU) and update it following any changes. As the partnership agreement will identify general and limited partners, information on limited partners for these partnerships should also be with the DBA in these cases. The company documentation for these partnerships must be kept available in a manner similar to that for Greenlandic companies (see paragraphs 70-72).

167. General partnerships not subject to Section 2(3) are not subject to company law provisions on the availability of information on the partnership. Therefore, for partnerships that cease to exist, the only information will be that retained for tax purposes (see paragraph 228), which will include details on the partnership to demonstrate how income was attributed. This may leave a very small deficiency in the identity information of partnerships that cease to exist and which ceased trading for five years before hand, but which can be considered negligible in the context of EOI.

Beneficial ownership

168. The availability of beneficial ownership information on Greenlandic partnerships is ensured under company law and the requirement to register beneficial owners in the central register, as well as under AML law and the CDD requirements on AML-obliged persons.

169. The beneficial ownership definition applicable to partnerships is the same as that applicable to companies and is set out in the respective company and AML laws (see paragraphs 100-104), which is in line with the standard. The approach requires that any legal persons or arrangements that are partners must be looked through to find the ultimate beneficial owner. The DBA's guidance explains that for all partnerships, it will be necessary to conduct a specific assessment to identify the beneficial owners, including by reviewing any (written) partnership agreement. It acknowledges that in addition to assessing the rights of each general or limited partner, the partnership should be assessed to determine what has been agreed among its partners in order to assess whether there are any other persons that have been granted rights that may result in them being a beneficial owner, such as by having the right to appoint the majority of members to the board of management.

170. For limited partnerships specifically, the DBA guidance notes that the general partner is not automatically the beneficial owner. This reflects the discretion on the division of rights afforded to limited partnerships under the ACCU. Limited partnerships must grant the general partner financial and

administrative rights, although generally these are not on the same terms and conditions as the limited partners. The guidance notes that as a general rule, general partners are not granted financial rights in the form of dividends but instead receive specific compensation for the financial risk they have by virtue of their role as a fully liable participant. They are not granted administrative rights in the form of votes on equal terms with limited partners, but they may have a veto right at general meetings in one or several areas as set out in the partnership agreement. However, the guidance makes clear that there may be situations in which a specific assessment of whether the total sum of the rights granted to the general partner results in the person being considered a beneficial owner. Accordingly, whenever a partnership or AML-obliged person reviews a limited partnership to identify the beneficial owners, the review must consider each of the rights afforded to the general or limited partner.

171. Partnerships are subject to the same beneficial ownership information requirements under the ACCU as ACCU companies (see Element A.1.1). These include i) a requirement on beneficial owners to provide the partnership with information when requested, ii) a requirement on the partnership to update the register as soon as possible after it becomes aware that there is a change to the beneficial owners, iii) a requirement on the partnership to annually check that the information on beneficial owners is correct and iv) a requirement on the partnership to maintain information on the beneficial owners and their attempts at identification for five years after a person ceases to be a beneficial owner.

172. Ownership share or voting rights equivalents must be registered in the DBA IT solution for each beneficial owner, as should details on any other forms of control that a person is entitled to. Similar to companies, if a beneficial owner cannot be identified, the person responsible for the partnership's day-to-day management should be registered.

173. The AML Act's requirements on AML-obliged persons to identify and retain information on the beneficial owners of customers that are companies apply equally to any customers that are partnerships (see Element A.1.1). AML-obliged persons will therefore provide a complementary source of beneficial ownership information on Greenlandic partnerships. AML-obliged persons are also required to check that the information that has been reported to the register is in line with the information that they have obtained or they must report any discrepancies to the DBA. This helps to ensure the accuracy of the information in the CVR. Foreign partnerships are not subject to the BO identification and reporting requirements. Although it is not a requirement to engage an AML-obliged service provider in Greenland, where a foreign partnership enters into a relationship with an AML-obliged service provider (e.g. a certified auditor or a Greenlandic bank), the AML-obliged person will act as a source of information.

Oversight and enforcement

174. The enforcement provisions and supervisory frameworks in respect of the BO register and AML-obliged persons are similar to those for companies (see sub-Element A.1.1) and appear sufficiently comprehensive and resourced for Greenland.

175. As of 20 February 2023, only 35% of general partnerships already registered in the CVR for purposes of providing their accounting information or requesting an exception from doing so under the Act on Annual Accounts (see paragraph 217) had provided beneficial ownership information. This is substantially lower than the 91% registration rate of companies that provided BO information. The DBA is implementing a plan to increase the registration rate for all entities and persons required to report information, including partnerships (see paragraph 116). This includes launching a social media advertising campaign to raise awareness of the reporting requirements to all Greenlandic users above the age of 18.

176. Checks by AML-obliged persons and the requirement on them to report discrepancies, including the absence of information, will also help to address this low rate of reporting. Recognising that the company law and AML Act requirements to identify and report the beneficial owners of partnerships were introduced relatively recently, **Greenland is recommended to supervise the practical implementation of its recently introduced legal framework on beneficial owners and to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.**

Availability of partnership information in EOIR practice

177. Greenland did not receive any requests for information on partnerships, either during or before the period under review.

A.1.4. Trusts

178. Jurisdictions should take all reasonable measures to ensure that beneficial ownership information is available to their competent authorities in respect of express trusts (i) governed by the laws of that jurisdiction, (ii) administered in that jurisdiction, or (iii) in respect of which a trustee is resident in that jurisdiction.

179. Greenlandic law does not allow for the creation of trusts and the legal concept of a trust or similar legal arrangements does not exist under Greenlandic law. Furthermore, Greenland has not ratified the 1985 Hague Convention on the Law Applicable to Trusts and on their Recognition. There are however no legal impediments to Greenlandic persons (legal or natural)

acting as a trustee, trust protector or trust administrator or otherwise in a fiduciary capacity in relation to a trust formed under foreign law.

180. No trustee service provider has registered with the GTA, and the public authorities and industry representatives present during the onsite visit had not encountered Greenlandic trustees or trusts in the ownership structure of a client. The bank representatives also noted that their peculiarity in the Greenlandic context would mean the customer would be considered high risk from the outset. It is therefore considered unlikely that any trusts are managed from Greenland.

Requirements to maintain identity information in relation to trusts and implementation in practice

181. Greenlandic persons that would seek to professionally act as a manager or trustee of a trust or similar arrangement are required to register with the GTA (Section 3(5) of the 2010 MLA). They are not otherwise permitted to carry out these activities (Section 27(2)). Furthermore, as persons professionally providing services in relation to the “creation, operation or management of companies, foundations, etc.” they meet the definition of AML-obliged persons under the (2021) AML Act (Section 1(17)). These trust service providers would be required to identify and maintain the identity and beneficial ownership information of their client and verify such information (see paragraphs 129-133).

182. Additionally, where a foreign trust engages an AML-obliged person such as a bank or certified auditor in Greenland, beneficial ownership information on the trust will be available with these persons.

183. The AML Act (Section 2(9)) sets out the following definition of beneficial owners for trusts or similar legal arrangements as:

the natural person or persons in a legal arrangement, including a foundation, trust or similar, who ultimately control, directly or indirectly, or otherwise have powers similar to ownership, hereunder:

- 1) Board of Directors
- 2) Special beneficiaries or, if the individuals benefiting from the distributions are not yet known, the group of persons in whose main interest a legal arrangement has been created or is,
- 3) Founder, Trustee and Patron, if any.

184. The standard requires that all settlors, trustees, protectors and beneficiaries be identifiable as beneficial owners. Greenland’s definition is an

inclusive one which also allows for any other natural persons that ultimately control the trust directly or indirectly to be identifiable under the definition, or where they have powers similar to ownership as per the list of the specific examples underneath. As the simultaneous approach is applicable in Greenland, where more than one person meets these criteria, they will all be identifiable as beneficial owners.

185. The terms used in the definition of beneficial owner for trusts and legal arrangements, interpreted alongside the Explanatory Note, ensure that all relevant persons are identifiable. The Explanatory Note to the legislation uses the terms “founder” and “patron” interchangeably with “settlor” and “protector”. The requirement to identify a natural person or natural persons with indirect control or powers similar to ownership, as per the examples, means that where a settlor, trustee, beneficiary, or protector is an entity or arrangement, they must look through these entities or arrangements to identify the natural person.

186. The Explanatory Note sets out how “special beneficiaries” should be interpreted. Determining whether a beneficiary is a special beneficiary and therefore a beneficial owner must be done on a case-by-case basis. A special beneficiary is one that will have a right to a non-negligible share of the assets, or in the case of distributions does not only receive one or a few distributions of limited economic value in relation to the total assets of the fund. Moreover, the DBA has explained that the terms are based on the Danish interpretation, with the Danish terms to be interpreted in accordance with the AML Directive (Greenland is not subject to the AML Directive, but Denmark is) and the FATF standard. Therefore, the DBA’s view is that, in the context of trusts, all beneficiaries should be identifiable as beneficial owners. Accordingly, the beneficial ownership definition of trusts is in line with the standard.

187. Professional trustees as well as any AML-obliged persons engaged by a foreign trust must retain records of all information gathered in the course of their CDD for at least five years after the business relationship is terminated or the single transaction conducted (Section 30, AML Act). Accordingly, Greenland’s AML framework should ensure the availability of beneficial ownership information on any relevant trusts with professional trustees in Greenland. Non-professional trustees are not subject to the requirements of the AML Act and while identity information of a trust should be available (see paragraphs 213 and 228-230), there would be no means of ensuring the availability of beneficial ownership information, in these cases.

Oversight and enforcement

188. The enforcement provisions and supervisory frameworks in respect of AML-obliged persons are similar to those discussed under companies and referred to in sub-Element A.1.1 and appear sufficiently comprehensive and resourced for Greenland. There are currently no known professional

and non-professional trustees of foreign trusts resident in Greenland and AML-obliged persons do not encounter trusts in the ownership and control structures of their clients. Nevertheless, in case circumstances change in future and in order to ensure that the definition of beneficial owners is interpreted in line with the standard, Greenland should monitor that in practice, beneficial owners of trusts are always identified in line with the standard (see Annex 1).

Availability of trust information in EOIR practice

189. Greenland did not receive any requests for information on trusts, either during or before the period under review.

A.1.5. Foundations

190. Greenland permits the establishment of two types of foundations: commercial foundations and non-commercial foundations.

Commercial foundations

191. Commercial foundations are governed under the Commercial Foundations Act, which defines them as legal persons that hold assets, irrevocably separated from those of the founder, for the purpose of pursuing one or more objectives laid down in the foundation's statutes. The foundation's management is vested in a Board of Directors and an Executive Board. The management of a foundation must be independent from the founder and no natural or legal person outside the foundation has ownership of the assets of the foundation. Commercial foundations operate commercially, such as by selling goods, providing services, or selling and letting immovable property. Foundations must have capital of at least DKK 300 000 (EUR 40 275). As of 20 February 2023, there were nine commercial foundations in Greenland, all of which provide cultural services or operate leisure facilities in Greenland.

192. Identity and beneficial ownership information for commercial foundations is available in Greenland with the foundation, in the business register (CVR) and with AML-obliged persons that foundations are required to engage.

193. As the assets must be irrevocably separated from the founder, there are no legal owners similar to shareholders. However, a foundation's statute must include details of its founder(s), address, purpose, any special rights or benefits conferred on the founders or other parties, the number of board members and how they are selected (Section 27).

194. The DBA receives identity information on the persons with authority to represent the foundation from its establishment and following any changes to its governance, and this information is retained indefinitely by the DBA. The foundation statute must be submitted to the DBA, as must any updated versions (Section 40, Executive Order on notification, registration, fees and publication of information). The Commercial Foundations Act also requires foundations to register information in the DBA IT solution for publication in the CVR. The members of the foundation's Board of Directors and Executive Board are those entitled under the Commercial Foundations Act to represent and make decisions for the foundation and for whom identity information (name, positions and address) must be available (Section 13). Foundations are required to update this information no later than five weeks following any change in the foundation's relationships.

195. The 2021 amendments to the Commercial Foundations Act introduced requirements on foundations to also obtain information on their beneficial owners and report this information to the BO register (Section 21A). These requirements are broadly aligned with those on companies and include i) a requirement on beneficial owners to provide the foundation with information when requested, ii) a requirement on the foundation to update the register as soon as possible after it becomes aware that there is a change to the beneficial owners, iii) a requirement on the foundation to annually check that the information on beneficial owners is correct and iv) a requirement on the foundation to maintain information on the beneficial owners and their attempts at identification for five years after a person ceases to be a beneficial owner. If a foundation ceases to exist, the last registered member of its board is required to ensure the availability of these records. The Act includes the ability for the DBA to apply daily and weekly fines on the members of a foundation's management if they fail to comply with any of the requirements, including the requirement to annually check that BO information is up to date (Section 131).

196. The definition of beneficial owner of a foundation for the purpose of the register is included in the Commercial Foundations Act (Section 21B):

The beneficial owner of a fund shall be the natural person or persons who ultimately control, directly or indirectly, the fund or otherwise have powers similar to ownership, including

- 1) the Board of the Foundation and
- 2) special beneficiaries or, if the individuals benefiting from the Fund's distributions are not yet known to the Fund, the group of persons in whose main interest the Fund is established or operates.

197. The same principles to the application of the BO definition for companies and trusts are applicable to foundations, including the simultaneous approach and the requirement to identify both direct and indirect control, by looking through any entities or arrangements within the control and ownership structure (i.e. entities or arrangements that are members of the Board of Foundation or special beneficiaries).

198. Special beneficiaries, rather than all beneficiaries, are identifiable as beneficial owners. The Explanatory Note to the law explains that a special beneficiary is one that will have a right to a non-negligible share of the assets, or in the case of distributions does not only receive one or a few distributions of limited economic value in relation to the total assets of the fund. The DBA has explained that the terms should be understood alongside those under the AML Directive and the FATF standard. While Greenland is not subject to the AML Directive, the Greenlandic interpretation is based on the Danish interpretation, which is based on the AML Directive. The reference to special beneficiaries was intended to reflect that there may be individuals who receive an amount once in their lives (distribution recipients) but have no control or ownership-like relationship with the foundation in general. The DBA noted that these persons are not in a position to direct how assets of the foundation are to be dealt with and are therefore not considered to be beneficiaries within the meaning of the 4th and 5th AML Directives. If a beneficiary is not determined to be a special beneficiary, the Board of Directors must in any case provide this information in an annual report or in a stand-alone document to the DBA outlining all of the recipients of distributions from the fund (Section 80).

199. The Commercial Foundations Act does not define the founder as a beneficial owner. Information on the founder will be available in the CVR within the foundation's statute and this means that the CVR can be relied upon to obtain information on the beneficial owners of any foundation whose founders are natural persons. If the founder is not a natural person, however, the definition under the Commercial Foundations Act would mean that information would have to be sought instead from AML-obliged persons.

200. Commercial foundations are always required to engage an AML-obliged person as they must always appoint a certified auditor. The certified auditor must be resident in Greenland, in the Realm of Denmark, within the EU/EEA or in a jurisdiction with which the EU has a relevant agreement in place. In practice, however, all auditors of the nine commercial foundations are based in Greenland. The requirements on AML-obliged persons in respect of foundations are aligned with those for companies (see sub-Element A.1.1). The beneficial ownership definition for foundations under the AML Act follows the definition in the Commercial Foundations Act but also includes the additional category of founder. This means that certified auditors will always be required to look through any legal entity or arrangement

that is a founder in order to identify natural persons with direct or indirect control.

Non-commercial foundations

201. Non-commercial foundations are legal persons that hold assets, irrevocably separated from those of the founder, for the purpose of pursuing one or more objectives. They are governed under the provisions of the Act on Foundations and Certain Associations. The foundation is managed by a Board of Directors that is independent from the founder and no natural or legal person outside the foundation has title to the assets of the foundation. The Danish Department of Civil Affairs is the public authority responsible for all non-commercial foundations and their obligations under the law. As of 20 February 2023, there were 107 non-commercial foundations in Greenland. Similar to commercial foundations, non-commercial foundations must pursue an objective set out in the foundation's statutes but there is no statutory limitation that this objective be for charitable or similar purposes. There would be no legal impediment to a non-commercial foundation having the objective to, for example, provide benefits to family members. Nevertheless, non-commercial foundations do not appear to have this function, in practice. A review by the tax authority of the Greenlandic non-commercial foundations did not identify any such foundations from a review of the register, and determined 86 non-commercial foundations to have obviously charitable purposes, be linked with schools, nursery schools or concern other educational provision, include sports clubs, international charitable organisations or be linked to non-governmental organisations. Moreover around 90% of all non-commercial foundations were registered with contact details indicating links with the government and municipalities or that they were funded by public services. In practice, non-commercial foundations will therefore be of limited EOI interest but are included as relevant entities in case their use changes in future.

202. All non-commercial foundations are required to draw up a statute that sets out details on its purpose, any special rights or benefits on the founders or other parties, the number of board members and how they are selected and the number of members of the Board of Directors (Section 4(1)). Non-commercial foundations with assets greater than DKK 1 000 000 (EUR 134 251) must submit the statutes to the tax authority and to the Danish Department of Civil Affairs within three months of establishment. If the founders are not indicated in the foundation's statute, this information must be submitted to these authorities separately.

203. Irrespective of the size of their assets, all non-commercial associations must obtain and provide information on their beneficial owners, including information on the rights of those beneficial owners (Section 3A

and Section 3B). The requirements in respect of the availability of beneficial ownership information with the foundation and in the BO register, and the definition of beneficial owners, are aligned with those of commercial foundations. This includes the same small deficiency as for commercial foundations with respect to the requirement to look through any founder that is not a natural person to identify the beneficial owner. As there is no requirement for non-commercial foundations to engage a certified auditor, this information may not be available where an AML-obliged person is not engaged. However, as the foundation irrevocably separates the assets from the founder, there is no means of control by any founder.

204. As with other information submitted to the BO register, the information on beneficial owners of non-commercial foundations will be available indefinitely.

Oversight and enforcement

205. The enforcement provisions and supervisory frameworks in respect of the BO register and AML-obliged persons are similar to those discussed under companies and referred to in sub-Element A.1.1. As of 20 February 2023, 78% of commercial foundations and only 27% of non-commercial foundations registered in the CVR had provided beneficial ownership information. The DBA is fully responsible for the supervision of commercial foundations as it is for companies, partnerships and trusts. However, the Danish Department of Civil Affairs is responsible for the general supervision of non-commercial foundations and for ensuring compliance with the law. Although the DBA has overall responsibility for the register, it will forward to the Danish Department of Civil Affairs any discrepancies it becomes aware of, and the Danish Department of Civil Affairs will investigate the matter further (Section 3B(2)) and apply fines for non-compliance with the requirements (Section 40). The DBA is therefore also responsible for implementing the plan to increase the registration rate for all entities and persons required to report information, including foundations (see paragraph 116). The supervisory framework appears sufficiently comprehensive and resourced for Greenland. Recognising that the beneficial ownership identification and reporting requirements in the respective foundations' acts and the AML Act were introduced relatively recently, **Greenland is recommended to supervise the practical implementation of its recently introduced legal framework on beneficial owners and to ensure that adequate, accurate and up-to-date information on the beneficial owners of all relevant legal entities and arrangements is available in all cases.**

A.2. Accounting records

Jurisdictions should ensure that reliable accounting records are kept for all relevant entities and arrangements.

206. The Terms of Reference set out the standards for the maintenance of reliable accounting records and the necessary accounting record retention period. They provide that reliable accounting records should be kept for all relevant entities and arrangements for a minimum of five years. To be reliable, accounting records should: (i) correctly explain all transactions; (ii) enable the financial position of the entity or arrangement to be determined with reasonable accuracy at any time; and (iii) allow financial statements to be prepared. Accounting records should further include underlying documentation, such as invoices, contracts, etc.

207. The availability of accounting records and underlying documentation in Greenland is ensured by the Bookkeeping Act and the Act on Annual Accounts. The Bookkeeping Act has a broad application and covers all relevant legal entities and arrangements, requiring them to retain accounting records for five years, in accordance with the standard. The Act on Annual Accounts sets out the reporting requirements in relation to financial accounts.

208. The Danish Business Authority is responsible for the oversight and supervision of the financial account reporting requirements and the Greenland Tax Agency's tax compliance activities also help to ensure the availability of accounting records.

209. Greenland did not receive any requests for accounting information during the period under review.

210. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Greenland in relation to the availability of accounting information.

Practical Implementation of the Standard: Compliant

The availability of accounting information in Greenland is effective.

A.2.1. General requirements and A2.2. Underlying documentation

211. The Standard is met in Greenland through accounting law, consisting of the Bookkeeping Act and the Act on Annual Accounts. The requirement to retain accounting records is further reinforced by Greenlandic tax law.

Bookkeeping Act

212. The Bookkeeping Act (BKA) is modelled on Danish legislation and is broadly in line with the requirements for Denmark and the Faroe Islands. The BKA sets out the principal requirements on all Greenlandic entities or other commercial undertakings to maintain accounting information. It imposes obligations on all enterprises established in Greenland, as well as on enterprises domiciled abroad (e.g. foreign companies) with business activities in Greenland (Section 1, BKA). Its scope extends to all Greenlandic entities formed under the PPLCA, ACCU or Act on Commercial Foundations, irrespective of whether there is any ongoing business.

213. There are no specific provisions with regards to the trustees of foreign trusts. Professional trustees will be subject to the BKA as business enterprises, in respect of their own accounting records. These provisions would not extend to any non-professional trustees of foreign trusts resident in Greenland. The GTA confirmed that any trustee would in practice have to maintain all relevant documentation for their individual tax purposes (see Tax Law) to demonstrate that the relevant income and assets were not attributable to, and taxable on, the trustee. This would address any deficiency in the application of the BKA on professional trustees. Nevertheless, the GTA is not aware of any trustees resident in Greenland.

214. The Bookkeeping Act sets out the general accounting requirements that accounts be organised and prepared in line with good accounting practice (Section 6); with all transactions recorded (Section 7); and all accounting material retained by the accounting officer for five years from the end of the financial year to which the records relate (Section 10).

215. Accounting material is defined under the Act (Sections 3 and 5) as comprising of:

- registrations, including the transaction trail
- any descriptions of the bookkeeping, including agreements on the electronic transfer of data
- any descriptions of storage and retrieval systems for accounting material
- vouchers (i.e. all necessary documentation pertaining to transactions) and documentation
- other information necessary to secure the audit trail (information certifying the accuracy of the entries)
- financial statements prepared in accordance with legislation
- any audit trails.

216. The requirement to retain all necessary documentation of transactions and an audit trail to demonstrate the link between the individual records and the prepared annual accounts is sufficiently broad to cover all underlying documentation relevant for the standard.

217. Greenland's accounting requirements under the BKA are supported by those under the Act on Annual Accounts (AAA), which concern the preparation of financial statements and their submission to the DBA. All relevant entities, including foreign companies, are subject to the AAA, although an exception has been made for subsidiary companies with no economic activity if their accounts are instead consolidated with those of their parent company groups (Section 6). Only one such company filed for an exception to the requirement to report. A similar exception has been made for partnerships and limited partnerships, non-commercial foundations and AMBAs are also exempt from the filing requirements where two of the following have not been exceeded: i) a balance sheet total of DKK 7 million (EUR 939 757), ii) a net turnover of DKK 14 million (EUR 1 879 514) or iii) an average of ten full-time employees during the financial year (Section 4). Partnerships exceeding these thresholds can be subject to exemptions where accounts are consolidated with those of a partner. In all cases a request for exemption must be made to the DBA.

218. The content of the financial statements to be prepared is also dependent on the business turnover, balance sheet and employee size thresholds. As a minimum, the entities must draw up and submit to the DBA an annual report comprising of a management report, a balance sheet, a profit and loss account and related notes (Chapter 5). Larger undertakings are subject to further reporting requirements, including the submission of cash flow statements and the reporting of any changes in equity. All annual accounts must give a true and fair view of the assets and liabilities, financial position and profit or loss position, which has been confirmed by the entity's management (Section 11).

219. Financial statements must be submitted to the DBA following their approval by management without undue delay, and no later than five months and three weeks following the end of the financial year. As the DBA retains these accounts in the CVR system indefinitely, financial statements for relevant entities in Greenland should always be available.

220. Underlying documentation should also be available with companies by way of the five-year retention requirement under the BKA. This accounting material must be stored in a way that they can be retrieved "independently and unambiguously" throughout the five-year period of retention (Section 10). It must also be stored in a way that it can be made available in Greenland or Denmark without difficulty to public authorities (Section 12). If the accounting material is stored electronically, it can be stored anywhere,

provided that the company or the person (i.e. the last members of a company's management for ceased entities) responsible for the accounting record retention:

- keeps the accounting material in accordance with the provisions of the Act
- can always produce and grant access to the material in Greenland or in Denmark
- stores any descriptions of systems used etc. and any necessary passwords etc. in Greenland or in Denmark
- ensures that the accounting material is also printed as hard copies or made available in a recognised file format.

221. If an undertaking instead stores its accounting information in hard copy, the accounting information must be kept in Greenland, Denmark, Finland, Iceland, Norway or Sweden. This recognised the close co-operation agreements with these jurisdictions, including in the context of economic and international crime, policing and tax co-operation, which also extend to the application of enforcement measures. This provided assurance that the information could be easily accessed in these jurisdictions.

222. All accounting information stored abroad must be easily accessible from Greenland or Denmark (Section 12(2) and (4)). The management can, for example, choose to contract a service provider to store the information on their behalf. Greenland noted that companies within a group structure will often choose to have some or all accounting services, including storage undertaken by a shared service centre. Where electronic information can be stored abroad, the servers may be anywhere but a terminal to access the information must be in Greenland. Greenland explained that this means a person must still be in Greenland to facilitate this access. The management of the entity or the legal arrangement remains responsible for ensuring that the accounting information is stored in accordance with the requirements in the BKA.

223. The BKA allows unquantified fines to be imposed for failures to retain accounting information (Section 16, BKA). Furthermore, if it is determined that accounting documents held overseas pose a risk of abuse, such as where there has been previous non-compliance, the person may be deprived of this right for up to five years. The AAA also includes fines for failure to submit financial statements to the DBA of up to DKK 3 000 (EUR 403) per month on each of the members of an entity's board of management.

224. A more frequently used means of enforcement is the ability for the DBA to request the compulsory dissolution of companies for non-compliance. The DBA can submit such a request to the Greenlandic courts seven weeks

after having issued an initial warning letter. Where partnerships or branches of foreign companies are concerned, the DBA can remove them from the CVR (Section 150), effectively preventing them from trading further in Greenland.

225. Greenland's accounting law therefore ensures the availability of accounting records of these entities in line with the standard.

226. Non-commercial foundations are not commercial enterprises and are not covered by the accounting act, nor must they prepare and submit accounts under tax law. Under the Act on Foundations and Certain Associations, all foundations whose assets exceed DKK 1 000 000 (EUR 134 251) are required to submit annual accounts, drawn up in accordance with good accounting practice (Section 20) and appoint an auditor to audit these (Section 21). The accounts are submitted and held at the Department of Civil Affairs indefinitely and accessible to the GTA upon request. There is no clear requirement in law however on non-commercial foundations with assets that do not exceed DKK 1 000 000 to prepare financial accounts and no clear requirement that would ensure the availability of underlying accounting documentation for all accounts. Nevertheless, non-commercial foundations must be founded with assets of at least DKK 1 000 000 when it is established and can only be formed with less assets in exceptional cases at the agreement of the Foundation Authority. Most foundations will have therefore been required from the outset to submit annual accounts and may continue to do so. Furthermore, if at a later stage, the assets of the foundation fall under the threshold, the foundation would likely still have to retain relevant information to determine whether it crosses the threshold and begin submitting accounts again. The Department of Civil affairs can also obtain information from the fund or, if applicable, the auditor as part of its supervisory role (Section 34), further helping to ensure compliance with the obligations of the act.

227. The impact of the lack of a clear requirement to retain underlying accounting documentation and on all non-commercial foundations, irrespective of size, to prepare and submit accounts, will likely have a very limited impact on EOI in practice in light of the practical use of these foundations (see paragraph 201). Nevertheless, as it is possible that such foundations could be used for purposes in future that would render them relevant for EOI purposes, Greenland should ensure the availability of accounting information, including underlying documentation, for a period of at least five years, for all non-commercial foundations (see Annex 1).

Tax law

228. Greenland's Tax Administration Act (TAA) further reinforces the requirements of accounting law. All persons subject to the reporting obligations under the AAA must provide the tax authority with a copy of these statements alongside their income (personal or corporate) tax return

(Section 17(3)). These are held by the GTA for at least five years before archiving, where they are held indefinitely. If a commercial undertaking is not subject to the AAA and its financial statement reporting requirements, they are nevertheless required to submit annual tax accounts (comprising of a profit and loss account, balance sheet and a statement of changes in the undertakings capital and reserves) if they are taxpayers (Section 18(1) TAA, Sections 3 and 7, Executive Order on the requirements of annual tax accounts and invoicing requirements). This will ensure that accounting information is readily available with the Greenlandic government for most relevant persons not required to submit statements to the DBA or the Department of Civil Affairs, including entities subject to group consolidation exclusions and partnerships under the thresholds for exemption from reporting to the DBA (see paragraph 217).

229. Furthermore, financial statements must be retained alongside all underlying documentation for five years from the end of the financial year (Section 18(2)). If a taxpayer does not retain this documentation, the tax authority can take punitive measures where accounting records have not been kept as required (Section 81, Criminal Code of Greenland).

230. Where persons do not comply with their tax filing obligations, the tax authority can charge daily fines of up to DKK 2 000 (EUR 269) for a natural person or DKK 5 000 (EUR 671) for a legal person (Section 19). Where there is intent or gross negligence, an unquantified fine and punishment under the Criminal Code can also be applied in instances of non-compliance with the tax filing requirements (Sections 102-103).

Entities that ceased to exist and retention period

231. The availability of accounting records for entities that cease to exist is assured by the requirements to file financial statements or annual accounts, and the requirements on the former management of ceased entities to maintain underlying information.

232. The DBA retains all financial statements filed indefinitely and the GTA retains all accounts filed for tax purposes for at least five years before archiving where they are held indefinitely. Entities that are subject to the AAA's financial statement reporting requirements must file statements both during liquidation as well as a final statement following dissolution of the undertaking (Section 139, AAA). In case of dissolution, a final set of accounts for tax purposes must be filed. This ensures the availability of the financial accounts for at least five years after entities cease to exist.

233. The availability of the underlying accounting documentation is ensured in Greenland by the BKA, which sets out the same manner and location requirements on the last members of a company's management for

ceased entities as it does for ongoing concerns (see paragraphs 220-222). These requirements equally apply to any Greenlandic company that redomiciles to Denmark. Where a Greenlandic court compulsorily dissolves a company, the court can choose which persons assume the retention responsibilities under the BKA (Section 13). The persons in the management board, or persons with court-assigned responsibility, are personally subject to these requirements and the fine available under Section 16 can be applied on those persons.

234. The requirement to retain an accessible means of accessing soft copies of accounting records from Greenland (including the storage of passwords in Greenland or Denmark) should ensure that the DBA or the GTA do not encounter difficulties in accessing the records. In the course of the GTA's compliance activity over the last ten years and the DBA's activities since 2018, they have not encountered any difficulty in accessing records from information holders. While hard copies may be retained outside the Realm of Denmark, this is limited to partner jurisdictions (Finland, Iceland, Norway and Sweden) with which Greenland has a particularly close working relationship. Moreover, the right to maintain the information in these jurisdictions can be restricted where there is a deemed risk of abuse. This limits substantially the challenges posed in accessing underlying documentation after an entity or arrangement ceases to exist. Greenland should monitor the practical application of the rules ensuring the availability of accounting records after an entity or arrangement ceases to exist (see Annex 1).

Oversight and enforcement of requirements to maintain accounting records

235. The availability of accounting records is supervised by both the DBA and the Greenlandic Tax Authority.

Danish Business Authority

236. The DBA's activities are primarily intended to ensure that Greenlandic entities subject to the AAA submit financial statements to the register on time and that these statements have been accurately prepared. The DBA has a team of 30 full-time equivalent staff responsible for supervisory activities in respect of both Greenland and Denmark (of which 8 are responsible for stock exchange listed public limited liability companies, none of which are Greenlandic companies). The DBA is rigorous in its activities to ensure the filing of financial statements by requesting compulsory dissolutions as standard in cases of non-filing (see paragraph 95). The team also conducts compliance activities using a risk-based approach, which includes automatic checks to identify potentially fictitious reports, and following up on financial accounts submitted with an auditor's "modified" opinion.

237. During a compliance check, the DBA will work with any certified auditor engaged by the entity in the first instance. A certified auditor is not required by companies where for two consecutive financial years it does not exceed two of the following thresholds at the balance sheet date: i) a balance of DKK 4 000 000 (EUR 537 004), ii) a net turnover of DKK 8 000 000 (EUR 1 074 008), and iii) an average of 12 full-time employees (Section 135, AAA). The accounts of commercial foundations must always be audited by a certified auditor. In practice, around 50% of financial statements submitted by Greenlandic entities to the CVR have been audited by a certified auditor. Where there is no auditor, the DBA will begin the compliance check by requesting that all underlying accounting documentation be submitted for its review so as to ensure the correctness of the financial statements. Although the purpose of the DBA's activities is not *prima facie* to ensure the availability of the underlying documentation, it can nevertheless report such violations to the courts. The DBA has not needed to do this for Greenlandic entities, but it regularly does so in Denmark, with 46 such referrals in 2021. Where there are suspected criminal breaches of the accounting requirements, the DBA reports this to the police.

238. Since 2018, the DBA has undertaken compliance checks on 27 Greenlandic entities, including 12 entities where an auditor had issued a modified opinion and 3 suspected of failures in relation to the BKA. Of these 27 cases, 15 resulted in the companies accepting an injunction from the DBA to correct their failures, 7 were concluded on other grounds and 5 were still under review during the time of the onsite visit. The DBA considered that none of these cases were sufficiently serious so as to be reported to the court or the police.

Greenlandic tax agency

239. The Greenlandic tax agency's activities serve as a further check on ensuring the availability of accounting information, including underlying documentation. The GTA has approximately 130 employees responsible for both tax and customs collection. The tax agency undertook around 1 300 reviews across its approximately 49 000 taxpayers in 2021, 644 of these reviews resulted in increased tax revenue (approximately 1 700 and 1 250 reviews were undertaken in 2019 and 2020 respectively). The GTA explained that many of the cases reviewed concerned employer compliance activities or were reviews concerning specific deductions made by taxpayer.

240. In all tax cases where an auditor or accountant has been engaged, the tax auditor will reach out to them. If appropriate, the tax authority can officially request information for its enquiries, such as underlying accounting documentation. In practice, the GTA explained that in case of failures to provide information, the GTA will raise an assessment and apply a punitive

tax increase (permitted under Section 68 (TAA)). The GTA considers this substantial tax increase to be effective at prompting corrective action by the taxpayer. The GTA also noted that it was exceptionally rare for accounting material not to be provided to the tax authority, when requested. Tax officials present in the onsite visit were only aware of one instance, around 20 years ago, when accounting information had to be seized from the information holder.

241. The GTA ensures that there are not outstanding taxes or debts before dissolution is finalised. The GTA also has the ability to conduct tax compliance activities after companies cease to exist because the GTA can make tax assessments as late as 31 October in the fifth year following the end of the accounting period (Section 47, TAA). Although in practice this ability has not been exercised, the Greenlandic tax administration is active at undertaking reviews and the prospect of a potential review should nevertheless help ensure the availability of information. Moreover, it is notable that Greenland encounters virtually no issues in obtaining records from its taxpayers, demonstrating wide compliance with the retention obligations.

242. The compliance checks undertaken by both the DBA and the GTA are adequate at ensuring the availability of accounting information in practice, including underlying accounting documentation.

Availability of accounting information in EOIR practice

243. Greenland did not receive any requests for accounting information, either during or before the period under review.¹⁷

A.3. Banking Information

Banking information and beneficial ownership information should be available for all account holders.

244. In Greenland, the availability of banking information is ensured by way of the Bookkeeping Act and the AML Act. Information on all customer transactions and account information will be retained for at least five years, as will information on account holder identity and beneficial ownership information.

17. Greenland received a request that was determined to be a fishing expedition, as it did not provide any ground for believing that the information requested was held in Greenland or was in the possession or control of a person within Greenland. In an act of good faith, the EOI unit searched their databases for any relevant information, which included legal and beneficial ownership information, and accounting information.

245. The Danish Financial Supervisory Authority is responsible for supervising and enforcing the banking information requirements, and the compliance framework in place is comprehensive and sufficiently resourced for Greenland. The CDD requirements and beneficial ownership definitions were updated in 2021 and although the supervisory authority has taken steps to raise awareness of the updated legislation, an inspection has not yet been carried out on the Greenlandic bank to ensure that the requirements have been correctly implemented. The new obligations and definitions appear well understood by the Greenlandic bank, however, Greenland is recommended to supervise the effective implementation of the new AML Act in practice to ensure that information on beneficial ownership of bank accounts is available in line with the standard in all cases.

246. Greenland did not receive any requests for banking information during the period under review.

247. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Greenland in relation to the availability of banking information.

Practical Implementation of the Standard: Compliant

Deficiencies identified/ Underlying factor	Recommendations
Although there appears to be a relatively good understanding of the AML Act and its CDD requirements, the requirements were only recently updated and their implementation in practice has not yet been monitored in Greenland.	Greenland is recommended to supervise the effective implementation of the new AML Act in practice to ensure that information on beneficial ownership of bank accounts is available in line with the standard in all cases.

A.3.1. Record-keeping requirements

248. Greenlandic banks are regulated alongside other banks in the Realm of Denmark by the DFSA. Greenland's Act of Self-Government allows the Inatsisartut to pass laws in respect of financial regulation. Financial regulation implemented to date has been substantially aligned with that introduced in Denmark and the Faroe Islands.

249. All banks are required to be licensed under the Greenlandic Financial Business Act, and banks regulated elsewhere in the Realm of

Denmark may operate in Greenland through branches. In Greenland, there is one Greenlandic bank and a branch of a Faroese bank.

Availability of banking information

250. Banks in Greenland are required to maintain all records pertaining to their accounts, including financial and transactional information. These obligations on maintaining account information are derived from Greenland's Bookkeeping Act (BKA) and the AML Act.

251. As entities formed under Greenland's companies acts, banks are subject to the BKA's requirements to maintain accounts in line with good accounting practice (Section 6); with all transactions recorded (Section 7); and all accounting material retained by the accounting officer for five years from the end of the financial year to which the records relate (Section 10). These requirements will therefore result in records of all customer transactions being retained for at least five years.

252. The BKA requirements are complemented by those under the AML Act, which requires records relevant to transactions performed within the customer relationship to be retained. These records should include records of correspondence with the customer, account movements, signed documents of a contracting nature, etc. (Section 30, AML Act). These records must also be retained for at least five years after termination of the customer relationship.

Customer identity and beneficial ownership information

253. The standard requires that beneficial ownership information be available in respect of all accounts. In Greenland, the requirements in respect of customer identity and beneficial ownership information are set out in the AML Act (2021) under which banks, as financial institutions, are identified as AML-obliged persons (Section 1, AML Act) and subject to its provisions.

254. The AML Act requires banks to undertake customer due diligence procedures to know their customer whenever the bank establishes a relationship or transfers funds of more than EUR 1 000 (where there is no established relationship). Furthermore, in line with a risk-based approach, the bank should update its customer due diligence information when it:

- carries out a transaction with a customer that exceeds EUR 15 000
- has a suspicion of money laundering or terrorist financing
- has doubts on the adequacy and accuracy of the information previously obtained.

255. As a result, banks will in practice always be required to carry out CDD procedures on their account holders at onboarding, in addition to the other instances triggered under the requirements.

256. As part of CDD procedures, banks must obtain the following identity information on their customers (Article 11(1), AML Act):

- If the customer is a natural person: the name and social security number or similar if the person does not have a social security number. If the person does not have a social security number or similar, the identification information must include the date of birth.
- If the customer is a legal person: the name and the business registration number or similar if the legal person does not have a business registration number.

257. The bank must then verify the customer's identity information on the basis of documents, data or information obtained from a reliable and independent source. Guidance provided by the DFSA sets out that driver's licences or passports can be used to validate the information obtained on natural persons. The business register (CVR) can be used to verify details on any legal person's status, or the bank can obtain a copy of the certificate of incorporation, articles of association, foundation deed or similar. During the onsite visit, the bank explained that its internal control department, which is responsible for reviewing the information provided by customers, obtains all relevant legal incorporation documentation and compares this to the CVR in all cases with domestic customers. The bank explained that they have very few foreign customers and they only provide banking services to foreign companies conducting business in Greenland. Furthermore, the bank actively terminates relationships with foreign customers once business operations in Greenland cease. In addition to the sources outlined in DFSA guidance, the bank uses international company ownership search tools as part of its onboarding verifications.

258. As part of their CDD, Greenlandic banks must also identify the beneficial owners of their customers and implement reasonable measures to verify that identity (Section 11(3)). This includes taking reasonable steps to clarify the ownership and control structure of the legal person. In doing so, banks must apply the beneficial ownership definitions outlined in the AML Act (see paragraph 104 for legal entities and paragraph 183 for trusts or similar legal arrangements). Customer identity and beneficial ownership information must be retained for five years following the end of the business relationship or completion of the individual transaction (Section 30(2)). There are no specific record retention requirements in AML legislation, should the bank cease to exist. Nevertheless, the DFSA considers it to be highly unlikely that a bank would liquidate without customers and the respective

record keeping obligations not being transferred to a new bank. Moreover, the DFSA also noted that in practice they would not permit a bank to voluntarily liquidate until it had fully complied with its obligations with respect to off boarding customers. In the case of a bankruptcy, the accounts and the corresponding records would be transferred to “Finansiel Stabilitet”, a company owned by the Danish state would take over.

259. The DFSA provided detailed guidance on the AML Act’s requirements on banks. While there is limited detail on the application of the beneficial ownership definition in the AML guidance, it instead refers banks to the DBA’s guidance on beneficial owners, which includes detailed examples. As outlined under Element A.1, Greenland’s definitions of beneficial ownership are in line with the standard.

260. The DFSA provides guidance on the “reasonable” steps and measures that must be taken to clarify the control and ownership structure and to verify the identity details. It stipulates that beneficial owners must always be identified, however, the reasonableness of the steps taken by the AML-obliged person should be based on its own risk assessment and therefore, in low-risk cases, verification of the identity of a beneficial owner would not be required. Additionally, the ownership and control structure of a customer that is a legal person must always be clarified. Instead, a risk-based judgement only applies in respect of the level of further investigation by the bank, such as the review of a company’s shareholding information or its articles of association. A low-risk case would be determined on the perceived money laundering and terrorist financing risks and the Greenlandic bank during the onsite visit noted that it verifies the identity of its customers in every case.

261. The Greenlandic bank present in the onsite visit broadly demonstrated a good understanding of the beneficial ownership definitions. The representatives explained that they identify any natural person with more than 25% direct or indirect ownership or voting rights of a company as a beneficial owner. The bank also reviews customer documentation as standard to verify the information that the customer provides on its beneficial owners and to determine whether any other person might exercise control by other means. The information is then cross-checked with the beneficial ownership information available in the CVR. The bank has internal CDD guidance outlining the procedures to be applied. The representatives of the bank explained that in practice they never come across customer ownership and control structures with more than three layers. This reflects that the potential for double taxation dissuades the creation of complex group structures in Greenland. Moreover, the bank representatives noted that they rarely encounter difficulties in identifying beneficial owners and in such cases, such as where the bank encounters less common structures, it can seek legal guidance from the lawyers of the Danish association of local banks.

262. The requirements under the AML Act in respect of applying simplified CDD, reliance on third parties and updating beneficial ownership information that are detailed under sub-Element A.1.1 (see paragraphs 132-135) are equally applicable to Greenlandic banks. The DFSA guidance explains that simplified CDD provides no exemption from the requirements under Section 11, including the requirement to identify and retain information on beneficial owners. Instead, simplified CDD allows the ongoing know you customer (KYC) procedures and monitoring of the customer to be met with “a minimum of measures”. This includes updating the customer’s identity details less often than for other customers, such as for medium or high-risk customers.

263. There is no specified frequency in law or in the DFSA guidance by which CDD information must be updated, if updates are not otherwise triggered on the grounds of risk. However, the DFSA explained that it expects this to be done annually for high-risk customers, every three years for medium risk customers and no later than every five years for low-risk customers. The DFSA considered that not doing so would be a sanctionable violation of the AML Acts requirements. The Greenlandic bank present in the onsite visit confirmed that it followed this approach to updating CDD with all customers renewed at least every five years. It was also confirmed that the other bank present in Greenland applies the same approach. While it is understood that the AML law’s requirements on banks to ensure that documents and data on customers are up to date mean that CDD be renewed at least every five years, this frequency has not been documented in guidance nor tested in court. Greenland should clarify the rules updating the information obtained during the CDD procedures (see Annex 1).

264. The AML Act does not specify that CDD information on customers undertaken by third parties must be provided to the bank upfront and the DFSA notes that for each customer the bank will require this information in order to undertake its own risk assessment. Moreover, banks will also need this information to fulfil their CVR review and discrepancy reporting requirements. It was established that both banks in Greenland do not rely on third parties and there is no practice of introduced business in Greenland.

Oversight and enforcement

265. The DFSA is the authority responsible for supervising around 1 500 financial institutions across the Realm of Denmark, including the two banks operating in Greenland, and enforcing the requirements in respect of banking information. The DFSA has sought to substantially upscale its compliance resource since the Denmark FATF and EOIR reviews took place in 2017. The team responsible for ensuring compliance with the CDD obligations under the AML Act now has 22 full time equivalent officers (up

from 4), including 14 auditors responsible for approximately 35-40 inspections annually, the drafting of legislation and guidance, and liaising with international partners.

266. The DFSA combines a risk-based approach with a cyclical approach to ensuring compliance of financial institutions. Banks considered of systemic importance are subject to annual inspections, with other banks inspected every eight years. Although the Greenlandic bank is considered of systemic importance, this is due to its significance as a key provider of banking services in Greenland. It is therefore subject to less frequent inspections, i.e. typically every four years. The Faroese bank with a branch in Greenland is reviewed in the context of the DFSA's activities on its Faroese headquarters.

267. During an inspection, the DFSA reviews the bank's ML/TF risk assessments, internal CDD policies and procedures (standard operating procedures) and its history of suspicious activity reports to the financial intelligence unit. Additionally, in order to verify that CDD has been effectively carried out, the DFSA selects a broad sample of account holders and conducts deep dives to ensure all information has been correctly obtained and recorded. Where procedures have been deemed inadequate, the DFSA issues an order for the bank to take corrective action, typically within three months.

268. The Greenlandic bank was last subject to an audit in 2018 alongside a small money transfer agency. The results of the audits undertaken since 2018, which are publicly available, led to the DFSA ordering changes with respect to ensuring that adequate information is obtained and updated on the purpose and scope of customer relationships and to establishing a timetable to update the beneficial owners of all corporate customers. The Faroese bank with a branch in Greenland was last inspected in 2022. It was ordered to improve the availability of information about customer risk profiling and risk profiling, but nothing concerning the availability of banking information for EOIR purposes was raised.

269. The DFSA organised an outreach workshop jointly with the DBA in Greenland in 2021 to raise awareness of the AML Act's obligations but the DFSA has not yet undertaken an inspection since the updated AML Act was introduced in 2021. The Greenlandic bank confirmed that it updates its beneficial ownership information no later than every five years and during the onsite visit it had a good understanding of the CDD requirements and the beneficial ownership definition in respect of the customers with very simple company structures that they typically deal with. The representatives of the bank were however unfamiliar with the concept of joint control, which may be related to the absence of guidance on this issue (see paragraph 106). Greenland should clarify in guidance the application of the definition of beneficial ownership in respect of joint control (see Annex 1).

270. Greenland's supervision framework looks sufficiently developed and adequately resourced. However, the requirements in the AML Act remain relatively new and an inspection has not yet been carried out on the Greenlandic bank since the Act was updated in 2021. **Greenland is recommended to supervise the effective implementation of the new AML Act in practice to ensure that information on beneficial ownership of bank accounts is available in line with the standard in all cases.**

Availability of banking information in EOIR practice

271. Greenland did not receive any requests for banking information during the period under review. A request was received and information provided in 2018.

Part B: Access to information

272. Sections B.1 and B.2 evaluate whether competent authorities have the power to obtain and provide information that is the subject of a request under an EOI arrangement from any person within their territorial jurisdiction who is in possession or control of such information, and whether rights and safeguards are compatible with effective EOI.

B.1. Competent authority's ability to obtain and provide information

Competent authorities should have the power to obtain and provide information that is the subject of a request under an exchange of information arrangement from any person within their territorial jurisdiction who is in possession or control of such information (irrespective of any legal obligation on such person to maintain the secrecy of the information).

273. The Greenlandic tax agency has broad powers under the Tax Administration Act to obtain information for tax purposes. These powers are equally applicable in the case of exchanges on request and complement the information sources readily available to the tax agency. The Act also provides for criminal sanctions to be applied to persons that refuse to provide information as well as some powers to search premises and seize information.

274. Although confidentiality provisions exist under Greenlandic banking law, these provisions are lifted when information is requested by the tax authority. The scope of professional secrecy for lawyers (i.e. attorney-client privilege) also appears to be in line with the standard.

275. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the legislation of Greenland in relation to access powers of the competent authority.

Practical Implementation of the Standard: Compliant

No issues in the implementation of access powers have been identified that would affect EOIR in practice.

B.1.1. Ownership, identity and banking information and B.1.2. Accounting records

Accessing information generally

276. The Ministry of Finance has delegated the role of competent authority to the Greenlandic Tax Agency (GTA) which carries out the functional duties in relation to all forms of exchange of information for tax purposes.

277. The GTA has broad access powers to information under its tax law for its own domestic tax purposes, as well as for EOI. Greenland's principal tax information collection powers are included under Part 14 of the Tax Administration Act (TAA). There is no specific access power in tax legislation for the exchange of information. Instead, Greenland amended the Income Tax Act to facilitate the collection and exchange of information with other jurisdictions (Section 114(2)):

Naalakkersuisut [the Greenlandic Government] may, subject to reciprocity, by agreement with Denmark, Faroe Islands or foreign states 18 adopt provisions

1) that the Greenland authorities must procure and provide information required by the authorities in Denmark, the Faroe Islands or foreign state for the purpose of levying taxes, duties and charges, [...]

278. The GTA explained that the introduction of this legal basis for the collection and exchange of information into its tax laws allows the GTA to apply its information access powers. Section 114(2) does not refer to any particular access powers, however the GTA explained that it would seek to obtain information for international partners as it would for its own domestic purposes, i.e. under Part 14 TAA.

279. The powers under Part 14 are wide ranging and include, but are not limited to, requesting:

- documentation and evidence in connection with tax purposes, and a right to summon parties for oral proceedings (Section 57)
- information from other public authorities in respect of the financial and commercial circumstances of natural or legal persons (Section 61)
- information from public authorities and publicly owned companies, associations and other institutions, that is deemed of material importance to the tax assessment and the assessment of charges (Section 64)

18. Greenland clarified that “states” is interpreted as referring to jurisdictions.

- the accounting records of any trader, legal person, or anyone who is liable for tax (Sections 58 and 59)
- information from any party that has a business of its own on sales or any dealings with another party (Section 63)
- information from banks and other financial institutions on contributions, loans, deposits, safe-deposits, movements in depository accounts and loans accounts, etc. (Section 65).

280. Greenland explained that the power under Section 57 was intended to be sufficiently broad to obtain all information that would be needed for tax purposes and extends to third party information holders. This power therefore acts as a backstop where another power does not provide a clear route for obtaining information. For example, if accounting records were sought from a taxpayer, the GTA would use its powers under Sections 58 and 59. However, if the taxpayer's accounting records were held by a third party, the GTA would instead use Section 57.

281. The powers available under Part 14 are not limited by any de minimis thresholds, any relevance to criminal tax matters and there is no requirement for there to be an open tax investigation. The Greenlandic authorities explained that with Section 114 ITA in place, the references under Part 14 to tax liability and tax assessments can be interpreted as also concerning an exchange partner's taxes.

282. In practice, when an exchange partner requests information, the GTA would seek to obtain this from the databases that it has immediate access to, including the GTA's taxpayer database, and the CVR, which holds accounting and identity information. If the GTA must obtain the information requested from a taxpayer or a third-party information holder, it would do so in a formal letter and make reference to the applicable power under Part 14 of the TAA, without mentioning the EOIR origin of the request.

283. The TAA does not set out a time limit for the provision of information when access powers are used, leaving it to the GTA's discretion. The GTA typically requests information within a two-week deadline.

Accessing legal and beneficial ownership information and accounting records

284. Greenland's primary source of legal and beneficial ownership information and for obtaining accounting records is its privileged access to the CVR. This register is publicly accessible,¹⁹ however, certain information is

19. Although Greenland is not in the EU, the CVR database is maintained in Denmark, an EU Member State. Following judgement C-37/20 of the European Court of Justice

only visible to persons or authorities with privileged access, including sensitive personal identity information, such as the address, date of birth and gender of reported persons.

285. Where legal ownership information is not available in the CVR (e.g. when there is no legal ownership reporting requirement), the GTA would seek to obtain this information from the concerned entity directly by applying its power under Section 57.

286. Similarly, although beneficial ownership information should be available in the CVR, the GTA's access powers could be used to obtain any further beneficial ownership information sought, such as on ownership and control structures. The Section 57 power would be applicable in respect of both the entity itself and on any non-banking AML-obliged persons it has engaged. This power overrides any confidentiality obligations in place between the AML-obliged person and the customer and the confidentiality provisions set out in the AML Act (albeit that they concern confidentiality in respect of suspicious activity reports or similar for AML purposes).

287. There is a specific power under tax law to obtain information from banks although its applicability for obtaining beneficial ownership information for an EOI request is not clear. In this case, the GTA should still be able to obtain information indirectly under the AML Act (see Accessing banking information).

288. Financial statements of Greenlandic entities will be readily available in the GTA's taxpayer database and in the CVR. Where other underlying accounting records are requested, the GTA would apply its access powers to obtain these from the information holder.

Accessing banking information

289. The GTA has specific powers to obtain a range of information from banks. The scope and application of the powers vary in relation to whether the information accessed is on known persons.

Section 65.

- (1) Banks, savings banks, cooperative banks, bankers, stockbrokers, lawyers and others that receive funds for management or commercially lend money must, at the tax administration's

on the invalidity of general public access to a beneficial ownership register, no action has yet been taken in Denmark to restrict access. As a public authority, the GTA has privileged access to the system and this access will be unaffected following the judgement.

request, provide information about named natural and legal persons’:

- 1) contributions, loans, deposits or safe-deposits,
 - 2) size of loans and deposits or managed funds and their return,
 - 3) movements on depository accounts or loan accounts, including information about checks drawn and deposited,
 - 4) discounted bills of exchange, and
 - 5) provision of security for loans and credit.
- (2) As regards unnamed natural and legal persons, at the decision of the Government of Greenland, information can be requested about deposits or managed funds and their return with a statement of the owners, and of any person entitled to transact, civil registration number, name and residence.
- (3) For the purpose of tax sampling with named and unnamed natural and legal persons, the tax administration is entitled, at the decision of the Government of Greenland, with banks, savings banks, cooperative banks, bankers, stockbrokers and lawyers in cooperation therewith, to make a review on location, of accounting records, annexes and documents. In the review, the tax administration can obtain information as mentioned in subsection 1.

290. The access power under Section 65(1) provides the GTA with access to information on deposits and transactions in the account. This includes the ability to obtain copies of account statements or detail on specific banking transactions. This power can however only be used in relation to “named persons”. If the requesting jurisdiction provided the name of an account holder, the GTA should have little difficulty in identifying which bank to obtain information from (there are only two banks). The GTA also receives information on bank accounts annually for domestic tax purposes and Common Reporting Standard purposes, which it can use to identify further information on the account.

291. Section 65(2) allows the GTA to access information on deposits or managed funds and “a statement of the owners, and of any person entitled to transact, civil registration number, name and residence” to be obtained from banks on “unnamed persons”, subject to a decision of the Government. This provision could be relevant if Greenland received only an account number in respect of an account, or in the case of group requests that contain only a description of a group of taxpayers that are not individually identified. Greenland has in the past been able to use this power

to respond to an exchange request. In 2018, a partner requested detail on the account holder of a credit card, with only the credit card number provided. The information was successfully obtained from the bank and sent to the requesting partner. Greenland noted that they would interpret the “owner” of an account as including beneficial owners. Nevertheless, because Section 65(2) is limited to unnamed persons, it would not apply to requests for beneficial owners of an identified (named) entity account holder (for which Section 65(3) would be relied upon as Section 65(1) focuses on transactional information).

292. Finally, for both named and unnamed persons, subject to a decision of the Government, the GTA can for tax purposes make a review on bank premises of accounting records, annexes and documents under Section 65(3). Greenland considers that beneficial ownership information would be covered under Section 65(3), as “annexes and documents” is interpreted as including ownership information held by the bank under the AML requirements. However, information can only be obtained under Section 65(3) for tax sampling purposes, and it is not clear if obtaining information for a partner jurisdiction would necessarily be tax sampling. Although Section 57 provides for a backstop access power, the GTA considered that a court might expect the GTA to use the most clearly intended route within the TAA, namely Section 65, to obtain information from a bank. The limits of the TAA in obtaining beneficial ownership information from a bank for an EOI request in practice have therefore not been tested.

293. If the GTA encountered difficulty, the AML Act provides an alternative means of obtaining information from the bank, as it allows the DFSA to obtain and provide information for other public authorities, including the tax agency. The AML Act does not include confidentiality provisions on AML-obliged persons that would prevent the DFSA from obtaining this information. Neither the indirect route through the DFSA nor the potential power under Section 65(3) have been applied yet for exchange of information in practice. Greenland should monitor the implementation of the provisions relating to access to bank information to ensure an effective exchange of information (see Annex 1).

294. In practice, where a decision on accessing information on unnamed persons is required, the Minister of Finance and Gender Equality exercises that responsibility. Initially, this process required the GTA to send a memorandum to the Minister with a recommendation for approval, which would be expected to take up to two weeks. When a request for information was received in 2018, the GTA decided to put in place a new procedure that would allow the GTA to proceed with that particular request and with any future request without a ministerial decision. Instead, the new process only requires that the Minister be notified when information was sought on unnamed persons. Due to the time needed to develop the policy and to

obtain ministerial agreement of this procedure, which was delayed due to an election, there was a delay of seven months before the new procedure was applied. However, once the new procedure was in place, the information was obtained from the information holder in under 10 days and sent to the partner. As the procedure means that future requests for information on unnamed persons no longer require a ministerial decision, similar delays in exchanging information are unlikely to occur and Greenland should be able to obtain and exchange information quickly.

B.1.3. Use of information gathering measures absent domestic tax interest

295. The concept of “domestic tax interest” describes a situation where information can only be obtained and provided to an exchange partner when the requested party also has an interest in the information for its own tax purposes. Greenland confirmed that Section 114 of the ITA clearly allows them to interpret references to tax purposes or tax liability under Part 14 of the TAA as also referring to a foreign jurisdiction’s taxes. This was demonstrated in the 2018 exchange, when Greenland provided the requesting jurisdiction with information on a person that was not a Greenlandic tax resident.

B.1.4. Effective enforcement provisions to compel the production of information

296. An information holder who refuses to provide information to the GTA can be subject to criminal sanctions (see footnote 9). Under Section 77 (TAA), any person who intentionally or with gross negligence misrepresents information (including by omitting information) for tax inspection purposes may be sentenced to punitive measures under the Criminal Code. The commentary to this provision makes clear that the penalty applies to failures by taxpayers and any third parties to provide information to the tax agency, when required.

297. The GTA noted that it rarely encountered information holders that did not comply with information requests. It also confirmed that it would continue to pursue all means available to obtain the information, including by appealing to the court for the application of Section 77 if information holders refused to comply. The industry representatives present during the onsite visit, with the exception of the lawyer (see paragraph 305), were in broad agreement that information would be provided to the GTA whenever a legal basis is set out.

298. Before seeking to apply Section 77 criminal sanctions, the tax agency also has some powers to search premises and seize documentation

and evidence. The GTA can access traders' premises without a court order, provided it is not a residence or a holiday home, for the purposes of obtaining accounting records and other documents, including but not limited to correspondence, contracts and shareholder information, that are of importance to the tax assessment or tax determination (Section 58(4)). The GTA also has the power under Section 65 to access records held by banks for tax sampling purposes (see paragraph 292). These search and seizure powers are limited to traders and banks and therefore complement the criminal sanctions available for these information holders.

B.1.5. Secrecy provisions

Bank secrecy

299. The legal basis for the Greenlandic tax agency to access information is not limited by any banking secrecy rule. In Greenland, Section 117 of the Financial Business Act binds all relevant persons within a financial institution, including a bank, to the obligation of professional secrecy and prevents them from improperly disclosing confidential information. Breaches of this secrecy are subject to prosecution under Greenland's Criminal Code. Several exceptions are included in the Financial Business Act, such as the provision of information on customer relationships for the purpose of performing administrative tasks. Irrespective of these exceptions, Greenland explained that the powers available to public authorities override the requirements on confidentiality and this understanding is clearly shared by Greenlandic banks and the DFSA.

300. In 2018, the collection and sending of banking information to a partner jurisdiction in response to an EOI request demonstrated the application of this understanding in practice. It is further supported by the GTA's issuance of numerous requests for banking information each year for domestic tax purposes. The Greenlandic bank present for the onsite visit expressed a good working relationship with the GTA and explained that they would always provide information, when requested in line with the appropriate legal provisions. They also noted that in practice they work closely with contacts in the GTA to provide the information requested.

Professional secrecy

301. Greenland has professional secrecy obligations in place on lawyers supervised by the Danish Bar and Law Society (DBLS). Although there appears to be divergence in opinion between the GTA and lawyers, these secrecy obligations are limited and do not appear to unduly limit the obtaining of information for EOI.

302. Professional secrecy obligations are set out in statute under the Code of Judicial Procedure for Greenland (also known as the Act on the Administration of Justice), which broadly mirrors the Danish equivalent Act but includes some differences for Greenlandic circumstances. Section 143 sets out:

[Lawyers and defence counsel] may not be required to give evidence concerning matters which have come to their knowledge in that capacity, unless the person in whose interest they are bound by the obligation of professional secrecy consents thereto.

303. The Section is however included within the chapter on witnesses for court cases and therefore its practical application would appear to be limited on this basis. Of further relevance is the DBLS Code of Conduct, which states:

[i]t is therefore of paramount importance that a lawyer can receive information about matters which his clients would not confide in others, and that such information can be disclosed to a lawyer in the strictest confidence. A lawyer shall respect the confidentiality of all information that becomes known to him in the course of his professional activity.

304. The Greenlandic authorities are of the view that these legal professional privileges apply only to information and documentation in the possession of a lawyer to the extent that it relates to the provision of legal advice and to court proceedings. The privileges would not apply to information concerning financial or other business matters, which a lawyer might be involved in or assist the client with.

305. This view is not aligned with that of the DBLS nor with the view of all Greenlandic lawyers. During the onsite visit, the DBLS explained that it recognised there might be a legal basis to share information with the tax authority, although it considered that, in general, all information held by a lawyer on behalf of the client was subject to equal confidentiality. The Greenlandic lawyer present in the onsite visit believed that there is no legal basis in which the tax agency could ever request information, and this is irrespective of the type of information.

306. Greenland has not yet needed to obtain information from lawyers, for domestic nor international purposes, and therefore there is no judicial precedent confirming the extent of the professional secrecy of lawyers. Lawyers are in any case unlikely to be a key source of information. Engaging a lawyer is not a pre-requisite to creating a Greenlandic company or any other relevant entity. However, if a lawyer is used for this purpose or for managing their financial or real estate assets, the lawyer will be obligated under the

AML Act to conduct CDD on the client. As lawyers are also subject to the requirement to verify the accuracy of the BO register and file discrepancy reports, the information that they hold on the identity of beneficial owners should in any case be reflected in the CVR.

307. Recognising that lawyers are not a key information source and that the legal provisions do not appear to act as an impediment to the application of the GTA access powers, the absence of GTA practice and judicial precedent are unlikely to be of significant risk. Nevertheless, Greenland should monitor the practice of attorney-client privilege to ensure that it is consistent with the standard (see Annex 1).

B.2. Notification requirements, rights and safeguards

The rights and safeguards (e.g. notification, appeal rights) that apply to persons in the requested jurisdiction should be compatible with effective exchange of information.

308. There are no provisions in Greenlandic law that oblige the GTA to notify a taxpayer subject to an EOI request of the existence of the request. There are also no requirements to notify the taxpayer prior to contacting third parties to obtain information.

309. Greenland also has limited means for information holders to appeal and these will not prevent or delay effective exchange of information.

Legal and Regulatory Framework: in place

The rights and safeguards that apply to persons in Greenland are compatible with effective exchange of information.

Practical Implementation of the Standard: Compliant

The application of the rights and safeguards in Greenland is compatible with effective exchange of information.

B.2.1. Rights and safeguards should not unduly prevent or delay effective exchange of information

Notification

310. Rights and safeguards should not unduly prevent or delay effective exchange of information. There are no provisions in Greenlandic law that require the GTA to issue either pre- or post-exchange notices to a person

that is a subject of an EOI request. Furthermore, there are no requirements to notify such a person prior to contacting third parties to obtain information.

311. Although Greenland's Act on Processing Personal Data requires data subjects (i.e. the taxpayer in the case of an EOI request) to be notified of i) the collection of that person's information (Sections 28-29) and ii) of its processing (Section 31), the Act also sets out exceptions to these requirements that are applicable in the case of EOI. This includes a general exception where the collection and processing of information is in the substantial economic or financial interests of Greenland, including for taxation matters, and a further exception where it concerns the inspection or supervision tasks in relation to those interests (Section 30). Greenland considers these exemptions to be applicable, with the exchange of information to be in Greenland's substantial economic and financial interest.

312. In the two EOI cases handled so far, Greenland did not notify the taxpayer under the Act on Processing Personal Data due to its exemptions. Moreover, the GTA does not employ this practice when it requests information from information holders in the course of its domestic tax compliance work.

313. In addition to the absence of a notification requirement, where an information partner requests that information be sought without indirectly notifying the taxpayer of the requesting jurisdiction's interest in the information, the GTA will seek to use information in its databases. If necessary, it can also seek the information from a third-party source. In cases where an access power is used, the GTA would only reference the relevant information power under Part 14 TAA. The letter to the information holder would make no reference to international exchange, which limits the risk that the taxpayer be informed of the existence of the EOI request. The GTA applied this practice in the information notice sent relating to the request received in 2018. Furthermore, before reaching out to any taxpayer or third-party information holder, if not already clear from the request form, Greenland's Competent Authority will contact the partner to ensure there are no tipping off concerns.

Appeal rights

314. There are no specific appeal right provisions under Greenlandic law concerning the exchange of information. There is however a general right allowing any party to make a complaint to the National Tax Board on any decision in which they have a material, direct and individual legal interest, and this would apply to EOI requests.

315. In such cases, the taxpayer must issue a complaint within three months of the decision being made. The National Tax Board can reopen

the decision or reject the decision. Throughout this process, the filing and handling of a complaint would not result in a suspension of the handling of an EOI request. If the National Tax Board rejects the case, the interested person may seek a judicial review before the Court of Greenland. If the complaint is upheld, then the exchange would not proceed. The GTA would review any such decision where it considers that it lawfully sought to obtain the information and would seek a judicial review if it considered the National Tax Board's decision to be unsupported or differ from its own interpretation. If the complaint is upheld and the information was already exchanged, and if the GTA believed that the decision was justified, it would reach out to the exchange partner to request a possible withdrawal/retraction. This would however be an unlikely scenario, not least as the GTA does not typically encounter challenges in obtaining information from taxpayers and due to the wide range of information readily available in the central register and taxpayer database, which means the taxpayer or other information holders will often not need to be approached for information. Moreover, the GTA confirmed it would always follow the legal routes available, including through the relevant courts, to put forward its case on the lawfulness of the exchange to ensure that it ultimately takes place.

316. The scope of information readily available to the GTA will often mean that taxpayers will not need to be contacted in order to fulfil a request. The taxpayer would therefore have to be otherwise made aware of the exchange in order to make an appeal, which would be unlikely. Although there has only been one EOI request to date where access powers were applied, the GTA reported that no appeal rights were exercised in this case.

Part C: Exchange of information

317. Sections C.1 to C.5 evaluate the effectiveness of Greenland's network of EOI mechanisms – whether these EOI mechanisms provide for exchange of the right scope of information, cover all Greenland's relevant partners, whether there were adequate provisions to ensure the confidentiality of information received, whether Greenland's network of EOI mechanisms respects the rights and safeguards of taxpayers and whether Greenland can provide the information requested in an effective manner.

C.1. Exchange of information mechanisms

Exchange of information mechanisms should provide for effective exchange of information.

318. Exchange of information mechanisms should allow for exchange of information on request where it is foreseeably relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction. Greenland's mechanisms for facilitating the exchange of information include the Nordic Mutual Assistance Convention on Mutual Administrative Assistance in Tax Matters (the Nordic Convention), the multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Multilateral Convention), and a network of 47 bilateral tax information exchange agreements (TIEA).²⁰

319. Greenland's network of EOI agreements is extensive and covers 146 exchange partners. The Multilateral Convention was in force with respect to 136 of these jurisdictions at the cut-off date, with further 8 relationships pending ratification of the Convention by Greenland's partners. The 1988 Multilateral Convention was extended to Greenland by Denmark with effect from 1 April 1995, with the Protocol extended to Greenland with effect from 1 June 2011.

20. Greenland has only four double tax conventions in place (with Denmark, Faroe Islands, Norway and Iceland) and they do not contain EOI provisions. They are thus not reviewed under Part C of this report.

320. The two remaining exchange partners, being Denmark and the Faroe Islands,²¹ are covered by the Nordic Convention, which Greenland signed on 8 June 1991. The Nordic Convention provides a legal basis for exchange of information and other administrative assistance in tax matters between Greenland and six other parties to the Convention: Denmark, the Faroe Islands, Iceland, Finland, Norway and Sweden.

321. All of the 47 partner jurisdictions that have in place a TIEA with Greenland are covered by the Multilateral Convention, which is available to substitute any deficiencies in bilateral agreements. The TIEAs will therefore not be further analysed here.

322. Greenland's interpretation of "foreseeably relevant" is found to be in line with the standard. The EOIR standard now includes a reference to group requests. Greenland is in a position to provide responses to group requests where they meet the standard of foreseeable relevance.

323. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the EOI mechanisms of Greenland.

Practical Implementation of the Standard: Compliant

No issues have been identified that would affect EOIR in practice.

Other forms of exchange of information

324. In addition to exchanging information on request, Greenland is a signatory to the Common Reporting Standard Multilateral Competent Authority Agreement and has exchanged data under the AEOI standard since 2018. Information on a wide range of income sources, including employment income and pensions is also shared to its neighbour jurisdictions under the Nordic Convention on an automatic basis. Greenland can also make spontaneous exchanges of information, should it identify information that is foreseeably relevant for its exchange partners.

325. Greenland's closest partner tax authorities are those in Denmark and Faroe Islands. As all parties are within the Realm of Denmark, there

21. Denmark extended the application of the original Multilateral Convention to Greenland in 1995 and Faroe Islands in 2007. Consequently, the EOI relationships between these three jurisdictions cannot be based on the Multilateral Convention.

is exceptionally close engagement and automatic sharing of a wide range of information between jurisdictions. Although no requests were received from either Denmark and the Faroe Islands during the review period, as public authorities, they will often have shared access to systems (such as the Danish CVR) and a wide range of tax information collected domestically.

C.1.1. Standard of foreseeable relevance

326. The standard for exchange of information envisages information exchange to the widest possible extent, but does not allow speculative requests for information that have no apparent nexus to an open inquiry or investigation (i.e. “fishing expeditions”). Exchange of information mechanisms should allow for exchange of information on request where it is foreseeably relevant to the administration and enforcement of the domestic tax laws of the requesting jurisdiction.

327. The Multilateral Convention provides for the exchange of information that is “foreseeably relevant” to the administration and enforcement of the domestic laws of the contracting parties, concerning taxes covered by the Convention. It covers all of Greenland’s EOI relationships with the exception of Denmark and the Faroe Islands, which are covered by the Nordic Convention.

328. Article 4 of the Nordic Convention requires a contracting State “to provide assistance as referred to in Article 1 regarding all tax claims arising in another Contracting State, in accordance with its laws relating to the taxes and levies covered by Article 2”. Although the wording differs from that included under the Multilateral Convention, Article 4 of the Nordic Convention allows for the exchange of foreseeably relevant information.

Clarifications and foreseeable relevance in practice

329. The Greenlandic EOI unit have documented clear processes to handle requests and to ensure the correct application of the foreseeable relevance threshold for exchanges. The EOI manual states that a request for information should contain the identity of the person concerned, the period concerned, the type of information requested, the purpose for which the information is requested, the reason(s) for believing that the requested information is in Greenland, possible name and address of the potential information holder, a statement that the request is in conformity with the law and administrative practice of the requesting jurisdiction, and a statement that the requesting jurisdiction has exhausted all means available within the framework of its domestic tax procedure to obtain the information. Greenland will also process requests where the name of the concerned taxpayer is not provided but other identifying information is, such as in the

case of a request on an unnamed party for banking information in 2018 (see paragraph 291). The guidance also refers EOI officials to the Commentary on Article 26 of the Model Tax Convention on Income and Capital and to paragraph 58 of the Commentary on Article 5 on the OECD Model Agreement on Exchange of Information on Tax Matters (Model TIEA).

330. Greenland received only one request during the period under review, which was a bulk request. The letter to Greenland noted that the Competent Authority was obliged by another public authority to send the request. The request asked for anything relating to the concerned taxpayers but there was no indication that any of the persons included in the request had any connection to Greenland. After reviewing the guidance in its EOI manual, the EOI official determined that the information requested was not foreseeably relevant. Nevertheless, the EOI unit processed the request as a spontaneous act of good faith and reviewed its public authority systems (the CVR and the GTA system). No information on the persons was identified and Greenland confirmed this with the exchange partner.

331. Greenland has not needed to send clarifications for any of the requests it has received to date. Nevertheless, Greenland has clearly documented procedures to send a notification to the requesting jurisdiction to ask for more details to allow their requests to be processed. The EOI unit has a template notification for this purpose.

Group requests

332. Both the Multilateral Convention and the Nordic Convention ensure the possibility to exchange information pursuant to a group request. The Greenlandic manual also has documented clearly in its guidance how to determine the foreseeable relevance of these requests, in a manner which is in line with the standard.

333. The GTA's access powers under the Tax Administration Act require some additional steps to obtain information on unnamed persons, which are relevant in the case of group requests. Until alternative procedures were put in place in 2018, the GTA had to obtain a decision from the Naalakkersuisut (Greenlandic Government) prior to applying its powers to access information on unnamed persons from businesses on their dealings with other traders (Section 63), from public authorities and public companies (Section 64), and from banks and other financial institutions (Section 65) (see paragraphs 291-292). Although the Greenlandic Government is referred to, the GTA would only notify the Minister of Finance and Gender Equality in his/her role as Competent Authority according to the relevant treaties for exchange. As such, no concerns with confidentiality arise and Greenland considers that the Minister is bound to the same public administration secrecy requirements and respective criminal sanctions as other officials under the Act on

Case Administration in the Public Administration, when he/she performs this role.

334. Initially, this process required sending a memorandum to the Minister with a recommendation for approval which would be expected to take up to two weeks. However, a new procedure is now in place, which only requires the Minister to be notified (see paragraph 294).

335. Greenland will therefore be able to process foreseeable relevant group requests it receives.

C.1.2. Provide for exchange of information in respect of all persons; C.1.3. Obligation to exchange all types of information; C.1.4. Absence of domestic tax interest; C.1.5. Absence of dual criminality principles; and C.1.6. Exchange information relating to both civil and criminal tax matters

336. Greenland has a network of EOI instruments in place to facilitate exchanges with 146 jurisdictions. The Multilateral Convention is in place for all partners, with the exception of Denmark and the Faroe Islands, with which Greenland can exchange information under the Nordic Convention.

337. Only the original Multilateral Convention, which does not contain a specific wording on the exclusion of the domestic tax interest or on the requirement of all types of information, applies between Greenland and the United States. Nevertheless, these jurisdictions interpret and implement the provisions of the original Multilateral Convention in line with the standard.

338. The Nordic Convention provides for the exchange of information in line with the standard. The Nordic Convention:

- does not restrict the applicability of the exchange of information provision to certain persons (sub-Element C.1.2)
- does not contain language similar to the Multilateral Convention to ensure the exchange of all types of information but equally does not restrict exchanges based on any particular type (C.1.3)
- does not contain specific language on the concept of “domestic tax interest” but facilitates exchanges when there is no such interest (C.1.4)
- facilitates the exchange of information irrespective of whether there is a criminal tax liability (C.1.5 and C.1.6).

339. There are no legislative provisions in Greenland that would prevent the exchange of information in line with the standard. These sub-Elements are determined to be in place.

C.1.7. Provide information in specific form requested

340. There are no restrictions in Greenland's domestic law or in its EOI instruments that would prevent it from providing information in a specific form, as requested by its partners. Moreover, although it has not received such requests, officials in the EOI unit explained that they would seek to provide the information in the form requested by its exchange partners and the Greenlandic EOI manual does not prescribe any particular formats for the exchange of information.

C.1.8 and C.1.9. Signed agreements should be in force and be given effect through domestic law

341. Exchange of information cannot take place unless a jurisdiction has EOI arrangements in force. Where EOI arrangements have been signed, the international standard requires that jurisdictions must take all steps necessary to bring them into force expeditiously.

342. Greenland has, jointly with its Nordic neighbours, negotiated and entered into TIEAs with a wide range of partners. After officials in the Greenlandic Ministry of Finance and Gender Equality have negotiated a treaty, it is ratified upon signature by the Minister, who has delegated authority to do so under the Income Tax Act. Of Greenland's 47 TIEAs, all have been ratified in Greenland and 40 are in force, with ratification of the remaining 7²² not further pursued or confirmed by its partners. However, as all 7 exchange partners are now covered by the Multilateral Convention, it is not a priority for Greenland to pursue ratification by its partners.

EOI mechanisms

Total EOI relationships, including bilateral and multilateral or regional mechanisms	146
In force	138
In line with the standard	138
Not in line with the standard	0
Signed but not in force	8*
In line with the standard	8
Not in line with the standard	0
Total bilateral EOI relationships not supplemented with multilateral or regional mechanisms	0

*The Multilateral Convention is not in force in Benin (entry into force 1 May 2023), Gabon, Honduras, Madagascar, Papua New Guinea, Philippines, Togo, Viet Nam.

22. Botswana, British Virgin Islands, Costa Rica, Guatemala, Qatar, United Arab Emirates, Vanuatu.

C.2. Exchange of information mechanisms with all relevant partners

The jurisdiction's network of information exchange should cover all relevant partners, meaning those jurisdictions who are interested in entering into an information exchange arrangement.

343. Greenland has a large treaty network in force with 138 jurisdictions, allowing the exchange of information to take place (i.e. an EOI mechanism is in force), covering all regional partners, its neighbouring countries and its main trading partners. Greenland's EOI network, including jurisdictions where agreements have been signed but have not yet entered into force, covers 146 jurisdictions.

344. No Global Forum members indicated, in the preparation of this report, that Greenland refused to negotiate or sign an EOI instrument with it. As the standard ultimately requires that jurisdictions establish an EOI relationship up to the standard with all partners who are interested in entering into such relationship, Greenland should continue to conclude EOI agreements with any new relevant partner who would so require (see Annex 1).

345. The conclusions are as follows:

Legal and Regulatory Framework: in place

The network of information exchange mechanisms of Greenland covers all relevant partners.

Practical Implementation of the Standard: Compliant

The network of information exchange mechanisms of covers all relevant partners.

C.3. Confidentiality

The jurisdiction's information exchange mechanisms should have adequate provisions to ensure the confidentiality of information received.

346. Greenland's EOI instruments contain the confidentiality provisions for safeguarding all information regarding exchange of information. Such information is to be shared only with authorities and persons covered by the EOI instrument. Such confidentiality also extends to other information exchanged between the Competent Authorities. Greenlandic laws and organisational processes ensure that information received under an EOI mechanism is treated as confidential and is disclosed only to the extent permitted by the agreements.

347. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the EOI mechanisms and legislation of Greenland concerning confidentiality.

Practical Implementation of the Standard: Compliant

No material deficiencies have been identified and the confidentiality of information exchanged is effective.

C.3.1. Information received: disclosure, use and safeguards

348. International law provisions to ensure confidential handling of the exchanged information are set out under both the Multilateral Convention and the Nordic Convention. These provisions are in line with the standard and include the limitations on the disclosure of information received and use of the information exchanged that are reflected in Article 26(2) of the OECD Model Tax Convention. Additionally, all of Greenland's bilateral TIEAs have confidentiality provisions based on Article 8 of the OECD Model Tax Information Exchange Agreement.

349. Confidentiality provisions relevant to EOI purposes are set out in Greenlandic domestic law. This includes Section 27 of the Act on Case Administration in Public Administration, which states that any person employed by, or acting on behalf of, a public administrative body is subject to confidentiality obligations when any document is marked as confidential or when confidentiality is otherwise necessary to meet essential grounds of public or private interests. The Section sets out examples of public interest as including i) the exercise of public control, regulatory or planning activities, or of measures envisaged under tax legislation, and ii) the foreign policy or foreign economic interests of the Kingdom (Realm of Denmark, including Greenland), including relations with foreign powers or international institutions. Information received from EOIR partners (either in incoming requests or as answers to Greenlandic requests) are considered as captured by public interest and to be treated in a confidential matter. These requirements are further reinforced and sanctionable (see footnote 9) under the Criminal Code:

Any person who acts or has acted in a public capacity and who unlawfully discloses or exploits confidential information which has come to his knowledge in that capacity shall be liable to prosecution for breach of professional secrecy.

350. There exist general rights of access to information in the Act on Processing Personal Data. This would allow data subjects (i.e. taxpayers) to have access to information that concerns them. Nevertheless, there are exemptions under this Act that would prevent the application of this act in the case of an international exchange (see paragraph 311). A further general exemption to releasing confidential information is provided under Section 15 of the Act on Case Administration in Public Administration which allows the right of access to a file to be restricted in the case of overriding considerations relating to public interests including the foreign policy or foreign economic interests of the Kingdom. The Greenlandic authorities confirmed that this would include respecting its obligations under international treaties. The exemptions will apply to all EOI requests received and supporting documentation provided by partners. Moreover, if the GTA needs to obtain information for the request from the taxpayer or a third-party information holder, the information notice will not make any reference to the EOI request. There is also no mention of the applicable EOI instrument.

351. With respect to outgoing requests, taxpayers under investigation have the right, if they choose to exercise it, to be presented with all information and documents that are used to determine their tax assessment. This would include the outgoing EOI request, as prepared by the Greenlandic EOI official, and the information provided in the reply by the exchange partner. However, the taxpayer would still not be able to access the unedited correspondence between competent authorities. If this correspondence is requested by the taxpayer, the GTA would restrict this to a redacted version that removes elements not relevant for determining the tax assessment.

352. Greenlandic authorities would typically be required to disclose information to other authorities if it is relevant to their activities (Section 32(1), the Act on Case Administration in Public Administration), however this right is restricted in certain cases, including in the case of exchanged information. Section 32(2) excludes administrations, such as the GTA, from disclosing this information if their interest substantially exceeds the interest of the other authority. Greenland confirmed that, as there are restrictions under international treaties on the use of exchanged information, the confidentiality restrictions would always supersede the interest of the other Greenlandic authority and the overarching secrecy requirements under Section 27 would continue to apply.

353. The Terms of Reference, as amended in 2016, clarified that although it remains the rule that information exchanged cannot be used for purposes other than tax purposes, an exception applies where the EOI agreement provides that the information may be used for such other purposes under the laws of both contracting parties and the competent authority supplying the information authorises the use of information for purposes other than tax purposes. In the period under review, Greenland

reported that there were no requests where the requesting partner sought Greenland's consent to utilise the information for non-tax purposes and similarly Greenland did not request its partners to use information received for non-tax purposes. Greenland nevertheless expressed a willingness to grant such requests, should it receive any in future.

354. In Greenland, information would only be shared where this is in line with the requirements of the relevant EOI mechanism. The general provisions on confidentiality (see paragraph 349) will continue to apply in these cases. Although there is no Greenlandic constitutional provision or statute that would give precedence to international treaties over any conflicting domestic legislation, Danish courts have applied this interpretation in the past. Greenland confirms that its courts would also give significant weighting to international treaties in the application of the domestic law.

C.3.2. Confidentiality of other information

355. The confidentiality provisions in Greenlandic law for domestic tax purposes are equally applicable to information received under an EOI instrument, unless the EOI instrument specifies otherwise. The scope of these provisions extends to all institutions and individuals involved in the exchange of information. Furthermore, the wording of these provisions covers the request for information itself, background documents and any other document reflecting such information.

Confidentiality in practice

Human resources and training

356. The GTA requests criminal background checks be conducted on all employees recruited by the cross-government Human Resources team. This ensures that any person, within the EOI unit or generally in the tax administration, who will be handling or have access to exchanged information are subject to appropriate background checks. Furthermore, academic credentials and records are verified before individuals are hired.

357. All new employees, or contractors engaged by the GTA, are required to sign a contract with a non-disclosure clause. New employees must also participate in the GTA's onboarding programme, where they work closely with co-workers and superiors, and learn about their duties and obligations under the GTA's Code of Conduct. This includes learning about their confidentiality obligations and appropriate handling of data and taxpayer information.

358. The GTA has departure policies in place to ensure that all physical and logical access rights are removed when an employee leaves the department or changes user roles. The employee's manager is responsible for verifying that these changes are correctly implemented, and for ensuring that all keys, badges, equipment and other departmental assets are collected upon departure using with a checklist. Non-disclosure obligations as well as the general confidentiality provisions under public law continue to be applicable after termination of employment or engagement.

Physical and logical security measures

359. The GTA has both physical and logical security measures in place to safeguard any treaty information received from its partners. The EOI unit is based across two offices: two EOI officials are based in the GTA's headquarters in Nuuk and two others, including the legal officer responsible for EOI request handling, are based in the GTA's office in Aalborg, Denmark. GTA offices have access control systems where physical access to non-taxpayer facing areas of these offices is possible only with a badge. Logs are retained of all access made to these offices. Visitors are restricted to taxpayer-facing areas or are registered upon entry and escorted by officials in non-public spaces. As the GTA's offices are relatively small (e.g. nine persons in Aalborg), unauthorised persons would in any case be immediately identifiable.

360. GTA offices are fitted with locked cabinets for storage of sensitive information in hard copy. However, in practice, the GTA dematerialises documentation received with electronic copies uploaded to its taxpayer system. There is no dedicated EOI space in either office, however, there are clear desk and locked screen policies applied in all GTA's offices. During the onsite visit, these policies were adhered to.

361. The EOI unit operates only with electronic documentation and no hard copies of exchanged information or requests are maintained. EOI requests received by post arrive at the Nuuk office. If EOI post (or any international post) is received, the secretary immediately delivers this to the Director General's office, which is subject to further access restrictions with a key card. The Director General or the Head of Tax Auditing, both EOI officials, are responsible for the scanning of the exchanged information or request and immediate destruction of the hard copy, by shredding.

362. Greenland has a dedicated competent authority (CA) email account to receive electronic information from its exchange partners. Only the four EOI officials have access to the account. When a request or exchanged information is received, the responsible official will upload the information to the GTA's database where a case file is created, to which only the legal officer has access. The GTA taxpayer database is linked to its Active

Directory, meaning that only the intended official can access the case file after logging on with their user credentials. Only GTA computers are able to access the system and all access is logged and audited to detect unauthorised access attempts.

363. For inbound requests, the EOI unit will provide the requesting competent authority with the information in electronic format, unless otherwise requested. The GTA uses a secure file transfer system to provide the information to partner CAs in an encrypted format. A link to access the information in the system will be emailed to the partner jurisdiction with the password shared separately via another medium. If preferred by its partners, the EOI officials can also provide the requested information via encrypted email or by registered post.

Labelling of EOI information

364. Prior to uploading the request to the GTA's system, the EOI official will add the following watermark to the electronic version:

CONFIDENTIAL – THIS INFORMATION IS FURNISHED
UNDER THE PROVISIONS OF A TAX TREATY AND ITS USE
AND DISCLOSURE ARE GOVERNED BY THE PROVISIONS
OF SUCH TAX TREATY

365. When the information is received from a partner in response to an outbound request, the responsible EOI official will scan and add the treaty stamp watermark to every page, then forward this information to the tax administration official that requested it. When doing so, the EOI official will also speak to the requesting official and make clear the legal basis under which the exchange has taken place. This includes informing the requesting official that the information is strictly confidential and should only be used or disclosed for purposes allowed by the EOI instrument under which the exchange has taken place. Additionally, the tax official will be informed that they are not allowed to make copies of the exchanged information and documents without the authorisation of the EOI official.

Breach monitoring and breach response

366. All GTA employees are sensitised to security risks and all new recruits are made aware of security policies and confidentiality procedures. The Digitization Agency is responsible for the GTA's IT operations and security, and it follows Information Technology Infrastructure Library (ITIL) principles, which include processes for incident and problem management. As technology is provided by third parties, monitoring of systems is undertaken by those third parties and the Digitization Agency. The Digitization Agency is responsible for reviewing access logs.

367. In case of an information breach, the GTA management, together with the Digitization Agency, determine the appropriate steps to take based on each individual case, including whether sanctions should be pursued. A review is also undertaken to prevent similar steps from happening in future.

368. All breaches that concern taxpayer data, including EOI data must be reported to GTA senior management immediately. Breaches of personal data must also be reported to the Data Protection Agency, with details of the event and action taken. There have been no breaches of confidentiality concerning any data exchanged under a treaty, but the procedures have been applied in the past in relation to non-exchanged information. If a breach did concern exchanged data, in addition to the general procedures, Greenland would immediately inform the Global Forum and discuss case handling. Greenland would also contact any affected jurisdictions to inform them of this.

C.4. Rights and safeguards of taxpayers and third parties

The information exchange mechanisms should respect the rights and safeguards of taxpayers and third parties.

369. The standard allows requested parties not to supply information in response to a request in certain identified situations where an issue of trade, business or other secret may arise. Among other reasons, an information request can be declined where the requested information would disclose confidential communications protected by the attorney-client privilege.

370. In addition to the Multilateral Convention, the Nordic Convention's articles for exchange of information on request contain a provision equivalent to the exception provided in Article 26(3) of the OECD Model Tax Convention, which allows jurisdictions to refuse to exchange certain types of information, which would disclose any trade, business, industrial, commercial or professional secret or trade process, or information the disclosure of which would be contrary to public policy (*ordre public*).

371. There are no domestic provisions in Greenland that would prevent the exchange of information beyond the limited exceptions of Article 26(3). Professional secrecy provisions exist in Greenland in respect of attorney-client privilege. This includes provisions in the Act on Administration of Justice and requirements under the Code of Conduct of the Danish Bar and Law Society to maintain confidentiality. The legal provisions under Greenlandic law support the tax administration's view that professional secrecy is limited to the provision of legal advice and to court proceedings (see sub-Element B.1.5). The tax authority should therefore be able to exercise its information access powers and exchange information from lawyers, in line

with the standard. Nevertheless, considering the adverse interpretation of Greenlandic lawyers and the DBLS (see paragraph 305), Greenland should monitor the practice of attorney-client privilege to ensure that it is consistent with the international standard (see Annex 1).

372. Although there is only limited EOI practice, Greenland has not declined to provide information to its partners on the grounds of rights and safeguards of taxpayers.

373. The conclusions are as follows:

Legal and Regulatory Framework: in place

No material deficiencies have been identified in the information exchange mechanisms of Greenland in respect of the rights and safeguards of taxpayers and third parties.

Practical Implementation of the Standard: Compliant

No material deficiencies have been identified in respect of the rights and safeguards of taxpayers and third parties.

C.5. Requesting and providing information in an effective manner

The jurisdiction should request and provide information under its network of agreements in an effective manner.

374. In order for exchange of information to be effective, jurisdictions should request and provide information under their network of EOI mechanisms in an effective manner.

375. In the case of Greenland, only one request was received in the review period, which was a fishing expedition. A further request was fulfilled prior to the review period.

376. Greenland has detailed organisational procedures to allow its competent authorities to provide partners with information on request in an effective manner. Similarly, there are also detailed procedures in place to send requests, but these have not yet been used.

377. Despite Greenland's clear willingness to dedicate resources to respond to any requests from its partners, it is not possible to ascertain fully the effectiveness of its EOI mechanisms and processes in this review, due to the limited practical experience. Accordingly, Greenland is recommended to monitor the implementation of its EOI framework in practice so that it provides and requests information under its EOI agreements in an effective manner.

378. The conclusions are as follows:

Legal and Regulatory Framework

This element involves issues of practice. Accordingly, no determination has been made.

Practical Implementation of the Standard: Compliant

Deficiencies identified/ Underlying factor	Recommendations
Greenland has put in place the necessary processes and resources to ensure effective exchange of information. However, there has not been a substantive number of cases in practice to test their effectiveness.	Greenland is recommended to monitor the implementation of its EOI framework in practice so that it provides and requests information under its EOI agreements in an effective manner.

C.5.1. Timeliness of responses to requests for information

379. In order for exchange of information to be effective, it needs to be provided in a timeframe that allows tax authorities to apply the information to the relevant cases. If a response is provided but only after a significant lapse of time, the information may no longer be of use to the requesting authorities. This is particularly important in the context of international co-operation as cases in this area must be of sufficient importance to warrant making a request.

380. Greenland has a small and simply structured EOI unit, which is reflective of the low number of requests it handles. Nevertheless, Greenland has very close working relationships with its Nordic colleagues, with whom it forms a working group to promote the exchange of information. Although there were no exchange requests received, Denmark and the Faroe Islands are of course exceptionally close partners with Greenland. Due to shared access to systems and shared supervisory authorities (such as the CVR, the DBA and the DFSA), formal mechanisms have not been necessary to facilitate the exchange of information on their taxpayers in the review period.

381. The EOI unit has the resource to process requests received in a timely manner. The EOI manual includes clear timeframes to ensure requests are promptly dealt with. This includes following up on any non-EOI official responsible for retrieving information for a request within 30 days from the date when the request was dispatched from the unit. Additionally, Greenland has a specific tracking tool to ensure that responses are provided to partners in an efficient manner and, if a full response cannot be provided, a partial response or a status update must be sent within 90 days.

382. In practice, when a request is received, the EOI official will handle the request within a few days of receipt and seek to retrieve the information from the information source directly, without having to engage other tax agency officials or other public authorities.

383. If clarification is required to process the request, the EOI manual sets out that the EOI official will issue a request for clarification to the requesting jurisdiction within 60 days from receipt of the request: the EOI unit has a template form for this purpose.

384. During the review period, only one request was received from an exchange partner. The nature of the request meant that the EOI official clearly identified it as a fishing expedition. Nevertheless, in an act of good faith, a search for the concerned persons was made in public authority databases for ownership and accounting information. The Greenlandic Competent Authority provided the requesting jurisdiction with a response within 28 days, noting that although the request was not considered to be foreseeably relevant, no information had been identified. As Greenland's response to this peer was provided in a timely manner, the EOI official did not need to issue any status updates for delays within the review period. In 2018 (prior to the review period), a status update was issued when it became clear that Greenland would be unable to obtain the banking information requested by a partner within 90 days (see paragraph 294).

385. With only two EOI requests received to date, there is limited experience to measure Greenland's timeliness to responding to requests in practice. However, recognising the availability of EOI resource and the clearly documented steps to provide information, procedural delays would appear to be an unlikely occurrence in future.

C.5.2. Organisational processes and resources

Organisation of the competent authority

386. In Greenland, the Minister of Finance and Gender Equality has delegated the role of competent authority to the Greenlandic Tax Agency. The General Director, the head of tax auditing, a legal advisor and an AEOI official have been delegated responsibility within the GTA. In practice, EOI requests are dealt exclusively by the legal advisor, who has several years of engagement in Nordic working groups, the Global Forum and with other jurisdictions on EOI matters and is especially familiar with the subject matter. Where other delegated competent authorities receive an EOI request, they will forward this to the legal advisor for handling. Financing for EOI activities is provided within the GTA's common framework and the available human resource is adequate to handle EOIR.

387. In light of the very limited number of EOI requests, the GTA does not arrange for EOI specific training for its competent authorities. When an official takes up EOI related duties, he/she is made familiar with Greenland's EOI manual and receives on the job training with close guidance from the legal advisor. The EOI manual is based on the Global Forum's manual and is sufficiently detailed in processes to act as a reference tool for each exchange received. This is particularly relevant in Greenland to ensure consistency and ensure that practice is in line with the standard given the relatively few requests received.

388. EOI officials in addition to the legal advisor are familiar with the confidential handling of exchanged information and during the onsite visit demonstrated awareness of the steps to take to process requests, namely by securely forwarding the request to the legal advisor. A recently recruited AEOI officer is being trained for the purposes of handling AEOI exchanges and a transfer pricing auditor has recently been engaged with international exchange policy. However, deeper understanding and familiarity with the contents of the EOI manual, treaty concepts and the steps to send and receive requests is concentrated with the legal advisor. This set up will ensure that Greenland is able to deal with the current or an increased EOI workload, however, contingencies would ensure Greenland is prepared for any unexpected staff changes. Greenland should provide further training for its EOI officials to ensure that there are adequate resource contingencies in place (see Annex 1).

Incoming requests

389. Requests can either be received in electronic or paper format. There is a shared competent authority mailbox to which only the four EOI officials have access. If the request is received by post, it will be handed to the Director General, who will scan the letter. Electronic versions of the scanned requests and any requests received in the competent authority mailbox are uploaded to the GTA's case handling system and stamped to clearly identify them as treaty protected (see Element C.3). Access in the system to the case file and the received request will be restricted so that only the legal officer will be able to access this.

390. The legal officer will log the case in the EOI tracking tool, which has an in-built performance tracking mechanism that acts as a prompt to ensure that timely responses, clarifications and status updates are provided to partners. The tool also acts as a means of measuring performance for internal review purposes. An acknowledgement of receipt is sent to the requesting partner within seven days.

391. The EOI official will first check the validity of the request, including by ensuring that the request was issued by the competent authority of the requesting jurisdiction and determine whether it meets the foreseeable relevance condition (see sub-Element C.1.1). The EOI official will then consider the most appropriate source of information based on the request. For most requests, this will typically begin with a review of the domestic databases, namely the GTA's taxpayer system and the CVR, to identify if there are any readily available sources. Before reaching out to any taxpayer or third party information holder, if not already clear from the request form, Greenland will contact the partner to ensure there are no tipping off concerns. Once confirmation is received, the competent authority, as a tax official in the GTA, can use the access powers under Part 14 TAA (see Element B.1) to obtain the information. The GTA is a unitary authority and there is no requirement for the competent authority to liaise with other teams or local tax office before reaching out to the information holder. The EOI manual sets out that requests to information holders should have a 30-day deadline, but in practice a two-week deadline is typically given. Although this deadline can be extended if necessary, information holders are often quick to respond.

392. Before sending any reply with information retrieved from a database or information holder, the EOI official will review the information to ensure its completeness. The EOI team has a final reply letter template, which it uses. If a situation arises where an EOI official other than the legal advisor handles the case, the legal advisor will review the draft response before sending. Once the response has been sent, the EOI official will archive a signed copy of the response together with the documents gathered in the case file.

393. Although the one request received in the review period was determined to be a fishing expedition, as it did not provide any ground for believing that the information requested was held in Greenland or was in the possession or control of a person within Greenland. In an act of good faith, Greenland still conducted a search of its databases to identify any relevant information, which included legal and beneficial ownership information, and accounting information. This case did not identify any challenges in the use of these systems. The request received in 2018 highlighted the challenges in applying procedures to obtain information on unnamed sources in a timely and effective manner (see paragraph 294). Greenland has since amended these procedures, which should prevent similar delays in future.

394. Peer input was not received from the one partner that requested information during the review period. Feedback from the peer was also not provided to Greenland but as the request did not meet the standard, the GTA did not actively seek feedback. More generally, Greenland's limited practical experience in EOI poses challenges to ascertaining fully

the effectiveness of its EOI mechanisms and processes in this review. **Greenland is recommended to monitor the implementation of its EOI framework in practice so that it provides and requests information under its EOI agreements in an effective manner.**

Outgoing requests

395. Greenland has not yet availed itself of the opportunity under its wide treaty network to send a request for information. However, the GTA expressed a desire to commence such requests soon, particularly to follow up on the information it receives from partners under the AEOI standard and other forms of automatic exchange.

396. When Greenland begins to send requests for information, its EOI manual includes very detailed procedures to ensure that requests are sent only where permitted under the treaties. If a tax auditor in the GTA wishes to obtain information from an exchange partner, they are required to complete the internal request template, setting out as much detail as possible. The information required in the template is reflective of the checks for completeness that the EOI official must follow in the manual. This includes but is not limited to detail to demonstrate that all means available within Greenland have been exhausted, clear detail on the information requested, the period under review and the taxes concerned.

397. The EOI official is responsible for ensuring all information is provided, that the information requested is foreseeably relevant and for drafting and sending the EOI request. Once information from the requested partner has been received, an acknowledgement of receipt will be sent to the partner. The information itself will be treaty stamped before being made available to the requesting tax official.

C.5.3. Unreasonable, disproportionate or unduly restrictive conditions for EOI

398. There are no factors or issues identified that could unreasonably, disproportionately or unduly restrict effective EOI by Greenland.

Annex 1: List of in-text recommendations

The Global Forum may identify issues that have not had and are unlikely in the current circumstances to have more than a negligible impact on EOIR in practice. Nevertheless, the circumstances may change, and the relevance of the issue may increase. In these cases, a recommendation may be made; however, it should not be placed in the same box as more substantive recommendations. Rather, these recommendations can be stated in the text of the report. A list of such recommendations is reproduced below for convenience.

- **Element A.1.1:** Greenland should ensure that co-operatives and associations with limited liability always retain identity information in practice, in accordance with the standard (see paragraph 72).
- **Element A.1 and A.3:** Greenland should clarify in guidance the application of the definition of beneficial ownership in respect of joint control (see paragraphs 106 and 269).
- **Element A.1:** Greenland should clarify how often CDD information for customers should be updated by AML-obliged persons (see paragraph 133).
- **Element A.1:** Greenland should clarify the conditions of the reliance on third parties to ensure that the beneficial ownership information be always immediately obtained by the AML-obliged person from the establishment of the relationship with the customer (see paragraph 135).
- **Element A.1.1:** Greenland should monitor the practice of nominee shareholdings to ensure that it does not impact the international exchange of information (see paragraph 150).
- **Element A.1.2:** Greenland should monitor the situation to ensure that registration of bearer shares, if any exist, is effectively implemented (see paragraph 159).
- **Element A.1.4:** Greenland should monitor that in practice, beneficial owners of trusts are always identified in line with the standard (see paragraph 188).

- **Element A.2:** Greenland should ensure the availability of accounting information, including underlying documentation, for a period of at least five years, for all non-commercial foundations (see paragraph 227).
- **Element A.2:** Greenland should monitor the practical application of the rules ensuring the availability of accounting records after an entity or arrangement ceases to exist (see paragraph 234).
- **Element A.3:** Greenland should clarify the rules on updating the information obtained during the CDD procedures (see paragraph 263).
- **Element B.1:** Greenland should monitor the implementation of the provisions relating to access to bank information to ensure an effective exchange of information (see paragraph 293).
- **Elements B.1 and C.4:** Greenland should monitor the practice of attorney-client privilege to ensure that it is consistent with the international standard (see paragraphs 307 and 371).
- **Element C.2:** Greenland should continue to conclude EOI agreements with any new relevant partner who would so require (see paragraph 344).
- **Element C.5:** Greenland should provide further training for its EOI officials to ensure that there are adequate resource contingencies in place (see paragraph 388).

Annex 2: List of Greenland's EOI mechanisms

Bilateral international agreements for the exchange of information

	EOI partner	Type of agreement	Signature	Entry into force
1	Andorra	TIEA	24 February 2010	6 April 2013
2	Anguilla	TIEA	14 December 2009	2 June 2012
3	Antigua and Barbuda	TIEA	19 May 2010	12 July 2017
4	Aruba	TIEA	10 September 2009	1 May 2012
5	Bahamas	TIEA	10 March 2010	21 June 2012
6	Bahrain	TIEA	14 October 2011	4 July 2012
7	Barbados	TIEA	3 November 2011	2 May 2012
8	Belize	TIEA	15 September 2010	24 March 2012
9	Bermuda	TIEA	16 April 2009	22 April 2012
10	Botswana	TIEA	20 February 2013	ratified by Greenland
11	British Virgin Islands	TIEA	18 May 2009	ratified by Greenland
12	Brunei Darussalam	TIEA	27 June 2012	7 August 2015
13	Cayman Islands	TIEA	29 June 2009	24 March 2012
14	Cook Islands	TIEA	16 December 2009	10 January 2013
15	Costa Rica	TIEA	29 June 2011	ratified by Greenland
16	Curaçao	TIEA	10 September 2009	1 May 2012
17	Dominica	TIEA	19 May 2010	17 May 2012
18	Gibraltar	TIEA	20 October 2009	23 January 2010
19	Grenada	TIEA	19 May 2010	24 March 2012
20	Guatemala	TIEA	15 May 2012	ratified by Greenland
21	Guernsey	TIEA	28 October 2008	1 November 2009
22	Hong Kong (China)	TIEA	22 August 2014	17 February 2016
23	Isle of Man	TIEA	30 October 2007	14 April 2008

	EOI partner	Type of agreement	Signature	Entry into force
24	Jamaica	TIEA	4 December 2012	28 February 2014
25	Jersey	TIEA	28 October 2008	6 June 2009
26	Liberia	TIEA	10 November 2010	17 May 2012
27	Liechtenstein	TIEA	17 December 2010	13 April 2012
28	Macau (China)	TIEA	29 April 2011	19 April 2012
29	Marshall Islands	TIEA	28 September 2010	4 December 2012
30	Mauritius	TIEA	1 December 2011	1 May 2012
31	Monaco	TIEA	23 June 2010	13 April 2012
32	Montserrat	TIEA	22 November 2010	25 April 2012
33	Niue	TIEA	6 September 2013	29 April 2014
34	Panama	TIEA	12 November 2012	10 March 2014
35	Qatar	TIEA	6 September 2013	ratified by Greenland
36	Saint Kitts and Nevis	TIEA	24 March 2010	23 March 2014
37	Saint Lucia	TIEA	19 May 2010	31 October 2011
38	Saint Vincent and the Grenadines	TIEA	24 March 2010	4 May 2012
39	Samoa	TIEA	16 December 2009	1 March 2014
40	San Marino	TIEA	22 September 2009	7 December 2012
41	Seychelles	TIEA	30 March 2011	11 January 2014
42	Sint Maarten	TIEA	10 September 2009	1 May 2012
43	Switzerland	TIEA	7 March 2014	22 July 2015
44	Turks and Caicos Islands	TIEA	16 December 2009	26 March 2012
45	United Arab Emirates	TIEA	26 March 2019	ratified by Greenland
46	Uruguay	TIEA	14 December 2011	25 February 2013
47	Vanuatu	TIEA	13 October 2010	ratified by Greenland

Convention on Mutual Administrative Assistance in Tax Matters (as amended)

The Convention on Mutual Administrative Assistance in Tax Matters was developed jointly by the OECD and the Council of Europe in 1988 and amended in 2010 (the Multilateral Convention).²³ The Multilateral Convention

23. The amendments to the 1988 Convention were embodied into two separate instruments achieving the same purpose: the amended Convention (the Multilateral

is the most comprehensive multilateral instrument available for all forms of tax co-operation to tackle tax evasion and avoidance, a top priority for all jurisdictions.

The original 1988 Convention was amended to respond to the call of the G20 at its April 2009 London Summit to align it to the standard on exchange of information on request and to open it to all countries, in particular to ensure that developing countries could benefit from the new more transparent environment. The Multilateral Convention was opened for signature on 1 June 2011.

The 1988 Multilateral Convention was extended to Greenland by Denmark with effect from 1 April 1995 with the Protocol extended to Greenland with effect from 1 June 2011. Greenland can exchange information with all other Parties to the Multilateral Convention, except Denmark and the Faroe Islands.

The Multilateral Convention is in force in respect of the following jurisdictions: Albania, Andorra, Anguilla (extension by the United Kingdom), Antigua and Barbuda, Argentina, Armenia, Aruba (extension by the Netherlands), Australia, Austria, Azerbaijan, Bahamas, Bahrain, Barbados, Belgium, Belize, Bermuda (extension by the United Kingdom), Bosnia and Herzegovina, Botswana, Brazil, British Virgin Islands (extension by the United Kingdom), Brunei Darussalam, Bulgaria, Burkina Faso, Cabo Verde, Cameroon, Canada, Cayman Islands (extension by the United Kingdom), Chile, China (People's Republic of), Colombia, Cook Islands, Costa Rica, Croatia, Curaçao (extension by the Netherlands), Cyprus,²⁴ Czech Republic, Dominica, Dominican Republic, Ecuador, El Salvador, Estonia, Eswatini, Finland, France, Georgia, Germany, Ghana, Gibraltar (extension by the United Kingdom), Greece, Grenada, Guatemala, Guernsey (extension by the United Kingdom), Hong Kong (China) (extension by China), Hungary, Iceland, India, Indonesia, Ireland, Isle of Man (extension by the United Kingdom), Israel, Italy, Jamaica, Japan, Jersey (extension by the United

24. Convention) which integrates the amendments into a consolidated text, and the Protocol amending the 1988 Convention which sets out the amendments separately. Note by Türkiye: The information in this document with reference to "Cyprus" relates to the southern part of the Island. There is no single authority representing both Turkish and Greek Cypriot people on the Island. Türkiye recognises the Turkish Republic of Northern Cyprus (TRNC). Until a lasting and equitable solution is found within the context of the United Nations, Türkiye shall preserve its position concerning the "Cyprus issue".

Note by all the European Union Member States of the OECD and the European Union: The Republic of Cyprus is recognised by all members of the United Nations with the exception of Türkiye. The information in this document relates to the area under the effective control of the Government of the Republic of Cyprus.

Kingdom), Jordan, Kazakhstan, Kenya, Korea, Kuwait, Latvia, Lebanon, Liberia, Liechtenstein, Lithuania, Luxembourg, Macau (China) (extension by China), North Macedonia, Malaysia, Maldives, Malta, Marshall Islands, Mauritania, Mauritius, Mexico, Moldova, Monaco, Mongolia, Montenegro, Montserrat (extension by the United Kingdom), Morocco, Namibia, Nauru, Netherlands, New Zealand, Nigeria, Niue, Norway, Oman, Pakistan, Panama, Paraguay, Peru, Poland, Portugal, Qatar, Romania, Russia, Rwanda, Saint Kitts and Nevis, Saint Lucia, Saint Vincent and the Grenadines, Samoa, San Marino, Saudi Arabia, Senegal, Serbia, Seychelles, Singapore, Sint Maarten (extension by the Netherlands), Slovak Republic, Slovenia, South Africa, Spain, Sweden, Switzerland, Thailand, Tunisia, Türkiye, Turks and Caicos Islands (extension by the United Kingdom), Uganda, Ukraine, United Arab Emirates, United Kingdom, Uruguay and Vanuatu.

In addition, the Multilateral Convention was signed by the following jurisdictions, where it is not yet in force: Benin (entry into force on 1 May 2023), Gabon, Honduras, Madagascar, Papua New Guinea, Philippines, Togo, United States²⁵ (the original 1988 Convention is in force since 1 April 1995, the amending Protocol was signed on 27 April 2010), Viet Nam.

Nordic Multilateral Convention on Mutual Administrative Assistance in Tax Matters

Greenland is a signatory to the Nordic Multilateral Convention on Mutual Administrative Assistance in Tax Matters (the Nordic Convention). The Nordic Convention covers Denmark, Finland, Faroe Islands, Greenland, Iceland, Norway and Sweden. It was opened for signatures in 1989 and provides for all forms of administrative assistance in tax matters including automatic, spontaneous and upon request exchange of information, assistance in recovery of taxes and notification assistance. Greenland signed the Nordic Convention on 7 December 1989 and the agreement entered into force on 8 June 1991.

25. The original 1988 Multilateral Convention was extended to Greenland by Denmark pursuant to Article 29. Denmark signed and ratified the original Multilateral Convention. The Multilateral Convention is therefore in effect between Greenland and the United States.

Annex 3: Methodology for the review

The reviews are based on the 2016 Terms of Reference and conducted in accordance with the 2016 Methodology for peer reviews and non-member reviews, as approved by the Global Forum in October 2015 and amended in December 2020, and the Schedule of Reviews.

The evaluation is based on information available to the assessment team including the exchange of information arrangements signed, laws and regulations in force or effective as at 6 April 2023, Greenland's EOIR practice in respect of EOI requests made and received during the three year period from 1 January 2019 to 31 December 2021, Greenland's responses to the EOIR questionnaire, inputs from partner jurisdictions, as well as information provided by Greenland's authorities during the on-site visit that took place 31 October to 4 November 2022 in Nuuk, Greenland and in Copenhagen, Denmark.

Greenland joined the Global Forum in September 2017. This report provides the first one conducted by the Global Forum on Greenland.

Summary of the review

Review	Assessment team	Period under review	Legal framework as of	Date of adoption by Global Forum
Round 2	Ms Adriana Postolache, Senior Counsellor Romanian National Agency for Tax Administration; Mr Luc Rochefort and Mr Jeremiah Coder, Deputy Directors of International and Competent Authority, Revenue Jersey; and Mr Mark Scott from the Global Forum	1 January 2019 to 31 December 2021	6 April 2023	14 July 2023

List of laws, regulations and other materials received

Tax laws

- Tax Administration Act (consolidated)
- Landsting Act on Income Tax 12/2006 (consolidated) (the Income Tax Act)
- Executive Order on the requirements of annual tax accounts and invoicing requirements

Company laws

- Ordinance for Greenland on the entry into force for Greenland of the Act on Joint Stock Companies 486/2018 (Public and Private Limited Companies Act), as amended by 2624/2021
- Executive Order on notification, registration, fees and publication of information
- Executive Order on the registration and public of information on owners by the Danish Business Authority
- Ordinance on the entry into force for Greenland of the Act on certain commercial undertakings 622/2008, as amended by ordinance 2625/2021 (ACCU)
- Ordinance on the entry into force for Greenland of the Act on Commercial Foundations 485/2018, as amended by ordinance 2626/2021
- Ordinance on the entry into force for Greenland of the Act on Foundations and Certain Associations 917/1998, as amended by ordinance 2460/2021
- Executive order on registration and publication of information on owners in the Danish Business Authority

Financial sector regulation and AML laws

- Ordinance for Greenland on the entry into force for Greenland of the Financial Activities Act 838/2012 (Financial Business Act), as amended by 2627/2021
- Ordinance on the entry into force for Greenland of the Act on preventive measures against money laundering and terrorist financing 956/2021 (the AML Act), as amended by 2627/2021

Accounting law

Ordinance on the entry into force for Greenland of the Bookkeeping Act 624/2008, as amended by ordinance 783/2017

Ordinance on the entry into force for Greenland of the Annual Accounts Act (consolidated)

Other

Act on Case Administration in the Public Administration

Criminal Code for Greenland (consolidated)

The Code of Judicial Procedure for Greenland (consolidated)
(Administration of Justice Act)

Ordinance on the entry into force of the Act on the processing of Personal Data 1238/2016

Authorities interviewed during on-site visit

Greenland Tax Agency

Ministry of Finance and Gender Equality

Danish Bar and Law Society (in its capacity as supervisory authority of lawyers)

Danish Business Authority

Danish Financial Supervisory Authority

Private sector practitioners

- Greenlandic auditor
- Greenlandic lawyer
- Greenlandic bank

Annex 4: Greenland's response to the review report²⁶

Greenland would like to express its appreciation for the outstanding work done by the assessment team in evaluating Greenland for this review. Greenland would also like to thank all the members of the PRG and other exchange of information partners for their valuable contributions to the review.

The determinations and ratings accurately reflect the state of the legal framework and practice in Greenland. Greenland will take due note of the recommendations made and will now initiate work on these.

Greenland confirms it will remain committed to the international standards for transparency and exchange of information on request as well as to the work undertaken by the Global Forum in this area.

26. This Annex presents the Jurisdiction's response to the review report and shall not be deemed to represent the Global Forum's views.

GLOBAL FORUM ON TRANSPARENCY AND EXCHANGE
OF INFORMATION FOR TAX PURPOSES

**Peer Review Report on the Exchange of Information
on Request GREENLAND 2023 (Second Round)**

The Global Forum on Transparency and Exchange of Information for Tax Purposes is a multilateral framework for tax transparency and information sharing, within which over 160 jurisdictions participate on an equal footing.

The Global Forum monitors and peer reviews the implementation of international standard of exchange of information on request (EOIR) and automatic exchange of information. The EOIR provides for international exchange on request of foreseeably relevant information for the administration or enforcement of the domestic tax laws of a requesting party. All Global Forum members have agreed to have their implementation of the EOIR standard be assessed by peer review. In addition, non-members that are relevant to the Global Forum's work are also subject to review. The legal and regulatory framework of each jurisdiction is assessed as is the implementation of the EOIR framework in practice. The final result is a rating for each of the essential elements and an overall rating.

The first round of reviews was conducted from 2010 to 2016. The Global Forum has agreed that all members and relevant non-members should be subject to a second round of review starting in 2016, to ensure continued compliance with and implementation of the EOIR standard. Whereas the first round of reviews was generally conducted as separate reviews for Phase 1 (review of the legal framework) and Phase 2 (review of EOIR in practice), the EOIR reviews commencing in 2016 combine both Phase 1 and Phase 2 aspects into one review. Final review reports are published and reviewed jurisdictions are expected to follow up on any recommendations made. The ultimate goal is to help jurisdictions to effectively implement the international standards of transparency and exchange of information for tax purposes.

This publication contains the 2023 Second Round Peer Review on the Exchange of Information on Request for Greenland.



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