

SOCIAL ECONOMIC ENTERPRISE (RSV)

An RSV (registered social economic enterprise) is not a corporate form in itself – it is a designation a business or company can use to send a signal of cultural or social sustainability. All forms of business and foundations with the exception of the sole proprietorship can be registered as a social economic enterprise.

A social economic enterprise is a company that works and earns money on market conditions, but which uses the company's profits to solve social challenges or meet social - including cultural - needs. If your company works to promote art and culture, and you do not need to pay out or distribute the profits, then you have the opportunity to register your company as a social economic enterprise.

'Social economic' is not a protected title, but if you register your business as a social economic enterprise with the Danish Business Authority, the title Registered Social Economic Enterprise (RSV) is protected. An RSV is controlled by the Danish Business Authority, which must receive a class B account and annual report from the company. Here, the payment of wages and profits, agreements with related parties and how to comply with the requirements for independence of the public and the social purposes with involvement and accountability must be accounted for.

The five criteria for registering as social economic enterprise are.

Social purpose

The company's primary purpose is socially beneficial with a purpose to increase or promote social or health issues, employment, environmental or cultural purpose, which also promotes active citizenship

Significant business operations

The company has an essential element of business operations when selling services or products that make up a significant part of its turnover.

Independence of the public funding

The company operates without significant public influence on the management and operation of the company.

Involving and responsible management

The company involves employees, customers, business partners and stakeholders and has an ethically sound management.

Social management of profits

The company primarily uses its profits to promote social purposes, reinvest in its own company or in other social economic enterprises. A limited share of the profits can be paid out as dividends to investors. The total annual disbursement may be equivalent to originally deposited capital plus a reasonable annual rate of return, and may not exceed more than 35% of the company's profit after tax.

For more information about social economic enterprises, visit:

[Lov om registrerede socialøkonomiske virksomheder](#)