

Executive order number 205 29/02/2024

Executive order on requirements for the company's digital bookkeeping systems that aren't registered according to the Danish Bookkeeping Act

Pursuant to section 15 (2), and section 33 (3) in Act No. 700 of 24 May 2022 on bookkeeping and after consulting the Customs and Tax administration, the following is stipulated:

Chapter 1

Scope and definitions

Section 1. This executive order applies to companies covered by section 16 (1) of the Danish Bookkeeping Act, which uses a digital bookkeeping system pursuant to section 16 (2) no. 2 of the Danish Bookkeeping Act; however, cf. subsection (2) and (3).

Subsection 2. This executive order only applies to functions relating to the company's bookkeeping and the automation hereof, which a digital bookkeeping system must support according to the Danish Bookkeeping Act and this executive order, and not to other functions that are part of the digital service or software in question, including in the form of modules, expansions, and applications.

Subsection 3. This executive order does not apply to other digital systems that the company uses, even if the system supplies data to the company's digital bookkeeping system, cf. section 2 (1).

Section 2. In this executive order, a digital bookkeeping system is understood as a program, digital service, or software, including in form modules, expansions, and applications, which the company uses for recording transactions and store the recorded transactions and receipts and automatizations of the processes that a digital bookkeeping system must support after this executive order.

Subsection 2. In this executive order, transactions are understood as registrations covered by section 7 (1), in the Danish Bookkeeping Act.

Subsection 3. In this executive order, a receipt is understood as documentation for transactions recorded in the bookkeeping, cf. executive order no. 1383 of 29. November 2023 on the obligation to store receipts in a digital bookkeeping system.

Subsection 4. A related party is defined in accordance with the definition in the international accounting standard IAS 24, as adopted by the Commission in accordance with Regulation no. 1606/2002 of 19 July 2002 of the European Parliament and of the Council on the application of international accounting standards, as well as subsequent changes in the definition adopted by the Commission in accordance with the aforementioned regulation.

Chapter 2

Requirements for the company's digital bookkeeping system

Section 3. The company must ensure that its digital bookkeeping system contains fields for information on the following matters when recording each individual transaction:

1) Transaction date (e.g., payment date, purchase date, etc.).

- 2) Amount.
- 3) Receipt number.
- 4) Transaction text.
- 5) Exchange rate on the day of the transaction or other conversion factor if a registration is made in a currency other than DKK.

Subsection 2. The company must ensure that its digital bookkeeping system adds the following information for each individual recorded transaction:

- 1) Registration date.
- 2) Consecutive transaction number or ID.
- 3) Initials or similar to the person or program etc. who has recorded a transaction.

Subsection 3. The company must ensure that its digital bookkeeping system saves changes to the recording, e.g., in that incorrect entries must be corrected with new entries, and ensure that recorded transactions cannot be changed, backdated, or deleted by the user.

Subsection 4. The company must ensure that its digital bookkeeping system can store documentation for a recorded transaction relating to purchase or sale containing the following information:

- 1) Issue date.
- 2) Type of delivery.
- 3) Amount.
- 4) Sender and recipient, including name, address, and CVR number or SE number.
- 5) Information on the size of the VAT amount.
- 6) Payment information.

Subsection 5. Subsection 4 does not apply to receipts from a sales registration system.

Subsection 6. Subsection 4 also does not apply to documentation for recorded transactions which are only available in physical form, and which are received regarding the purchase or sale of goods and services outside the country's borders.

Section 4. The company must at least weekly take a copy of all the company's recorded transactions and receipts covered by section 2 (2) (full backup) unless nothing has been posted since the latest backup.

Subsection 2. The company must ensure that the backup copy, pursuant to subsection 1, are stored with a non-related party, pursuant to section 2 (4), who are presumed to meet recognized IT security standards, on a server in an EU or EEA country; however, cf. subsection (3).

Subsection 3. Subsection (2) does not apply to companies that are subject to requirements for the storage of backup copies in other legislation.

Section 5. The company must ensure that its digital bookkeeping system

- 1) via NemHandel in the OIUBL-format can send and receive electronic invoices and electronic credit notes and can send an application response upon receipt of an electronic invoice in accordance with the applicable standard that is published on the Danish Business Authority's website www.erst.dk,
- 2) in the Peppol BIS-format can send and receive electronic invoices and electronic credit notes and can send a message level response and an invoice response upon receipt of an electronic invoice in accordance with the applicable standard that is published on the Danish Business Authority's website www.erst.dk,

3) supports sharing of data by generating a SAF-T-file, as defined by the authorities, in accordance with the applicable standard that is published on the Danish Business Authority's website www.erst.dk,

4) supports the possibility of reconciling the company's bookkeeping with the company's bank account; however, cf. subsection (2), and

5) clearly shows if an entered items from the bank are not reconciled with the company's bank account; however, cf. subsection (2).

Subsection 2. Subsection (1) no. 4 and 5 does not apply to credit institutions.

Chapter 3

Penal Provisions

Section 6. Non-compliance with Sections 3-5 is punishable by a fine.

Chapter 4

Entry into force

Section 7. The Executive Order enters into force on 1 January 2025.

The Danish Business Authority on 29 February 2024

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