

Executive Order No 205 of 29 February 2024

Danish Ministry of Industry, Business and Financial Affairs

# Executive Order on Requirements for Enterprises' Digital Bookkeeping Systems Not Registered according to the Danish Bookkeeping Act

Pursuant to sections 15(2) and 33(3) of Act No 700 of 24 May 2022 on Bookkeeping and after consultation with the Danish Tax and Customs Administration, the following is provided:

## **Part 1**

### *Scope and definitions*

**1(1)** This Executive Order applies to enterprises that are covered by section 16(1) of the Danish Bookkeeping Act and use a digital bookkeeping system pursuant to section 16(2)(ii) of the Act, but see subsections (2) and (3).

(2) This Executive Order only applies to functionalities that relate to an enterprise's bookkeeping and its automation thereof and that a digital bookkeeping system must support under the Danish Bookkeeping Act and this Executive Order, and it does not apply to other functions of the digital service or software in question, such as, for example, modules, extensions or applications.

(3) This Executive Order does not apply to any other digital systems used by the enterprise, even where such systems deliver data to the enterprise's digital bookkeeping system; see section 2(1).

2(1) For the purposes of this Executive Order, “digital bookkeeping system” means programs, digital services or software - for example in the form of modules, extensions or applications - that the enterprise uses to record transactions and store recorded transactions and vouchers, as well as the automation of processes that a digital bookkeeping system must support under this Executive Order.

(2) For the purposes of this Executive Order, “recorded transaction” means records covered by section 7(1) of the Danish Bookkeeping Act.

(3) For the purposes of this Executive Order, “voucher” means documentation of a recorded transaction, see Executive Order No 1383 of 29 November 2023 on the Duty to Store Vouchers in a Digital Bookkeeping System.

(4) “Related party” is defined as specified in the international accounting standard IAS 24 as adopted by the Commission in accordance with Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards, as amended, as adopted by the Commission in accordance with the Regulation.

## **Part 2**

### *Requirements for digital bookkeeping systems*

3(1) Enterprises must ensure that their digital bookkeeping system contains fields for entering the following information for each transaction—

(i) the transaction date (such as date of payment, date of purchase etc.);

(ii) the amount;

(iii) the voucher number;

(iv) the transaction text; and

(v) the rate of exchange prevailing at the transaction date or a similar conversion factor where the registration is made in a currency other than the Danish krone.

(2) The enterprise must ensure that the digital bookkeeping system assigns the following information to each recorded transaction—

- (i) the date of registration;
- (ii) the consecutive transaction number or ID; and
- (iii) the initials or similar means of identification of the person, program etc. that recorded the transaction.

(3) The enterprise must ensure that its digital bookkeeping system saves bookkeeping changes, for example by replacing erroneous entries with new correct entries and it must ensure that users cannot change, backdate or delete recorded transactions in the system.

(4) The enterprise must ensure that its digital bookkeeping system can store documentation for purchase and sales transactions that includes the following information—

- (i) the date of issue;
- (ii) the type of supply;
- (iii) the amount;
- (iv) the sender and recipient, including name, address and CVR number and/or SE number;
- (v) the VAT amount; and
- (vi) payment details.

(5) Subsection (4) does not apply to till rolls from a sales recording system.

(6) Subsection (4) does also not apply to documentation of recorded transactions that exists in physical form only and that has been received for the purchase or sale of goods and services abroad.

4(1) Enterprises must ensure that the digital bookkeeping system, as a minimum on a weekly basis, makes a backup copy of all the enterprise's recorded transactions and vouchers covered by

section 2(2) (a complete backup copy), unless no transactions have been recorded since the most recent backup copy.

(2) The backup copy pursuant to subsection (1) must be stored on a server in an EU or EEA country that is hosted by a party which is not a related party, see section 2(4), and which is deemed to comply with recognised cybersecurity standards, but see subsection (3).

(3) Subsection (3) does not apply to enterprises that have a duty to store backup copies under other statutes.

5(1) The enterprise must ensure that its digital bookkeeping system—

(i) can automatically send and receive electronic invoices and credit notes via *Nemhandel* in the OIOUBL format and can send an application response upon receipt of an electronic invoice according to the applicable standard as published on the website of the Danish Business Authority ([www.erst.dk](http://www.erst.dk));

(ii) can automatically send and receive electronic invoices and credit notes in the Peppol BIS format and can send a message-level response upon receipt of an electronic invoice according to the applicable standard as published on the website of the Danish Business Authority ([www.erst.dk](http://www.erst.dk));

(iii) supports the sharing of data by enabling the generation of an SAF-T file as defined by the Danish Business Authority, and according to the applicable standard as published on the website of the Danish Business Authority ([www.erst.dk](http://www.erst.dk));

(iv) supports reconciliation of the enterprise's bookkeeping and bank account, but see subsection (2); and

(v) clearly highlights differences where entries have not been reconciled with the bank account, but see subsection (2).

(2) Subsection 1(iv) and (v) does not apply to credit institutions.

**Part 3**

*Penalties*

**6** Any breach of sections 3 to 5 is punishable by fine.

**Part 4**

*Effective Date*

**7** The Executive Order comes into force on 1 January 2025.

*Danish Business Authority, 29 February 2024*

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