This text is to be regarded as an unofficial translation.
Only the Danish version has legal validity.

Bookkeeping Guide
Electronic storage of accounting records and access to this
by public authorities

- A supplement to the Bookkeeping Guide currently in force

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February 2019

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Preface

This supplement to the Bookkeeping Guide1 of June 1999 currently in force has been prepared in accordance with Act No. 55 of 27 January 2015 amending the Bookkeeping Act (LF 51 14-15) on the storage of accounting records and access to accounting records by public authorities. The Act came into effect on 1 March 2015. The supplement shall hereinafter be referred to as the “Guide”.

The Guide was prepared following a proposal from the Business Forum for simpler rules2, which has expressed the need for guidance on which data formats can be considered as recognised file formats under the requirement of the authorities for disclosure of electronically stored accounting records.

The applicable bookkeeping guidelines of the Danish Business Authority are thus supplemented with an addendum that describes the content of the amendments to the rules on electronic storage of accounting records and access by public authorities to accounting records.

In this regard, the Guide replaces chapters 7 and 9 of the Bookkeeping Guide currently in force with regard to the electronic storage of accounting records and public authorities’ access to accounting records, as the Guide is based on the amendments to Sections 12 and 15 that were implemented in 2015.

The Guide has a particular focus on companies in a group (corporate) that wish to gather bookkeeping in one place, in Denmark or abroad.

The Guide cannot solve all issues or provide answers to all questions regarding electronic storage of accounting records or public authorities’ access to accounting records in accordance with the Danish Bookkeeping Act. Questions that are not addressed here or in the current Bookkeeping Guide can be sent to the Danish Business Authority by using the following mail address: erst@erst.dk.

1 https://erhvervsstyrelsen.dk/sites/default/files/media/bogfoeringsvejledningen.pdf
2 https://enklereregler.dk/forslag/706799/19
1. Introduction

1.1 Purpose of legislative amendment and guidance

1.1.1 Legislative amendment

According to the proposed legislative amendment, the purpose of the legislative amendment in 2015 was to amend the current rules of the Bookkeeping Act (hereinafter referred to as “BKA”) in order to modernise them in the light of digital progress while providing administrative and economic facilitations for companies, as well as supporting digitisation and global competitiveness.

Contemporary businesses are making increasing use of IT systems in administrative processes including bookkeeping, the preparation of financial statements and the storage of accounting records. This is taking place to an increasing extent in the form of cloud computing, in which accounting records are stored in a virtual cloud on servers located domestically and/or abroad.

Definition of cloud computing:
Cloud computing is characterised by an application or system that is not installed on the computer itself but accessed as a service over the Internet. Thus, with cloud computing, data may be located on servers all over the world without the geographical location of the servers necessarily being known.¹

According to the formerly applicable Section 12 of the BKA, companies had to apply for a waiver in order to store their accounting records abroad. This was onerous for companies, including companies in a group (corporate), that wanted to store or gather their accounting records on cloud computing servers that could be located across country borders.

The amendment to Section 12 of the BKA in 2015 means that if companies meet a set of specific, established requirements they can now store their accounting records electronically both domestically and abroad without prior application or notification to public authorities.

Investigation and inspection of company accounting records by authorities is still important, which is why Section 15 on access to accounting records by public authorities was also amended in 2015. The amended provision stipulates that authorities may require accounting records to be submitted in electronic format or submitted digitally if they are stored in electronic format.

Link to proposal on legislative amendment of BKA – Storage of accounting records etc.
https://www.retsinformation.dk/Forms/R0710.aspx?id=27298

¹ From ‘Comments on legislative proposal’: https://www.retsinformation.dk/Forms/R0710.aspx?id=165301
1.1.2 Guidance

As mentioned, the purpose of this guide is to contribute with guidance on compliance with the amended provisions of Sections 12 and 15 of the BKA to achieve the objective of a contemporary BKA for the benefit of companies and authorities.

The Guide contains a detailed description of requirements for the electronic storage of accounting records domestically and abroad, cf. BKA Section 12 (2) 1-4, and public authorities’ access to this, cf. BKA Section 15. In addition, it is explained what is meant by a recognised file format in BKA Section 12 (2), no. 4 and Section 15 (3).

1.2 Scope

As the rules in the BKA on the storage of accounting records in paper format (non-electronic storage) were not changed by the 2015 amendment, these rules are not reviewed in the Guide.

Thus, the Guide only contains a review of the current provisions concerning the electronic storage of accounting records and access to accounting records by public authorities.

The Guide is only a supplement to the currently applicable Bookkeeping Guide and the Guide does not, therefore, contain a description of all details in the relevant provisions of the BKA or in the Bookkeeping Guide. Therefore, the Guide cannot replace a detailed review of the separate provisions of the Act.

The Guide focuses on identifying relevant terms that are used in Sections 12 and 15 of the BKA that may give rise to interpretive doubt for the users of the Act. In addition, the Guide focuses on creating understanding using exemplification.

In some places in the Guide, reference is made to the bookkeeper and in other places to the companies. In all cases, the descriptions cover companies that are included in the scope of the BKA, cf. Section 1 of the Act and are to be understood as the subject liable to keep the company’s books.

The target audience for the Guide is primarily people who are regularly involved in accounting, e.g. employees in accounting roles, internal and external auditors and other finance department staff. But the Guide will also be useful to those with less accounting experience.
2. **Table of amendments to the BKA**

The table below provides a brief overview of the amendments to the BKA that were adopted with Act no. 55 of 27 January 2015.

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<td>In special cases and with prior application for a waiver, companies may be permitted to store accounting records in full or in part in countries other than the Nordic countries, cf. above.</td>
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<td></td>
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| Storage by third parties | (No previous rules) | Access to accounting records by authorities also applies if the companies are storing the accounting records with a third party. |
3. **Electronic storage of accounting records**

In principle, it is up to the individual company to determine whether company accounting records are stored in paper or electronic format.

The BKA only imposes the requirement that accounting records are stored in *either* paper form or electronic format. Therefore, if the bookkeeper meets the requirements for electronic storage, there is no simultaneous requirement for any original paper addenda etc. to be stored.

Electronic storage means that accounting records are stored in electronic format on one or more servers. The servers may be physically located at the company’s own premises, on foreign locations in Denmark or abroad, or at a location unknown to the company as may be the case when using a cloud solution. If accounting records are stored electronically, a number of conditions apply for such storage to be permissible under Section 12 of the BKA, cf. below.

A review of Section 12 of the BKA is done in the following with regard to the electronic storage of accounting records domestically and abroad.

### 3.1 BKA Section 12

With the legislative amendment of 2015, Section 12 of the BKA has the following wording:

<table>
<thead>
<tr>
<th>§ 12. The accounting records must be stored in such a way that they can easily be made available in this country [Denmark] to public authorities and others who have the right to request insight into accounting records under other legislation.</th>
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<td>3) stores any descriptions of systems used, etc. and any necessary access codes, etc. in this country [Denmark] and</td>
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<td>4) ensures that the accounting records are printed in hard copy or made available in a recognised file format.</td>
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**Subsection 3.** Accounting records that are not stored in electronic format must be stored in paper format in this country [Denmark], cf. Subsection 4-6.

**Subsection 4.** The accounting records may be stored in paper format in Finland, Iceland, Norway or Sweden. The provisions in Subsection 2 (1) and (2) apply mutatis mutandis.

**Subsection 5.** The accounting records for the current and the previous month can be stored in paper format abroad. The provisions in Subsection 2 (1) and (2) apply mutatis mutandis.

**Subsection 6.** Internal and external addenda to the bookkeeper’s activities abroad may be stored in paper format in the country concerned for the whole storage period, cf. Section 6. § 10. Under the same provisions, other accounting records for the bookkeeper’s activities abroad may be stored in paper format in the country concerned for the current month and the previous 3 months. The provisions in Subsection 2 (1) and (2) apply mutatis mutandis.

#### 3.1.1 BKA Section 12 (1) – Storage of accounting records

Under Section 12 (1) of the BKA, “accounting records” must be stored in such a way that it can be easily “made available in this country [Denmark]” to “public authorities and others” who have the right to request insight into the accounting records under other legislation.

Below is an explanation of what that means.
3.1.1.1 “accounting records”
The term “accounting records” is defined in Section 3 of the BKA. For a more detailed review of the definition of accounting records, see chapter 4.5 of the BKA Guide of June 1999.

3.1.1.2 “available in this country [Denmark]”
The requirement that accounting records are to be made “available in this country [Denmark]” means that public authorities and others should be able to access the accounting records at any time, irrespective of where and how the company stores its accounting records.

For accounting records that are stored electronically, the availability requirement means that the accounting records must be accessible from Denmark. If the records are stored on a server in Denmark, the requirement is as a starting point seen as met. For electronic storage in Denmark, an authority with a right to insight into the accounting records under a court order may access the server if this proves necessary.

If the accounting records are stored on one or more servers abroad, the Danish authorities may not be able to obtain permission from the foreign authorities to conduct an investigation of a company’s accounting records if the bookkeeper opposes this. For the condition of availability to be considered fulfilled, public authorities with the right to access the accounting records must be given online access to the accounting records from a computer in Denmark. This also applies if the accounting records are stored in a cloud solution, where the location of the server may be unknown.

The specific conditions for the electronic storage of accounting records will be reviewed in the description of Section 12 (2) 1-4 of the BKA in Section 3.1.2 below.

In this context, public authorities and others must have access to a description of how the accounting records can be found and printed in hard copy, irrespective of how the accounting records are stored. The system description must be stored in hard copy, cf. BKA Section 10 (3). For a more detailed description of the requirement for access to this system description and the meaning of hard copy, see Section 10 of the BKA and chapter 7 of the Guide to the BKA of June 1999.

3.1.1.3 “public authorities and others”
Accounting records, including accounting records that are stored electronically, must be stored in such a way so that it can be easily accessed in this country [Denmark] by public authorities and others who have the right to request insight into the accounting material under other legislation.

This primarily concerns supervisory and investigative authorities such as the Danish Customs and Tax Administration (SKAT), the Danish State Prosecutor for Serious Economic and International Crime (SØIK) and the Danish Business Authority, which in association with their supervisory and investigative activities must be able to have easy access to the accounting records of a company. If access to company accounting records cannot be achieved or if such access is made difficult by the company, this may potentially prevent effective supervision and investigative activity.

The requirement for access to company accounting records also applies to organisations other than public authorities, cf. the term “and others” in the provisions. For example, this could be a temporary administrator in connection with a company’s bankruptcy, which under other legislation may require access to the company’s accounting records.
3.1.2 BKA Section 12 (2) – Conditions for electronic storage

Under Section 12 (2) of the BKA, accounting records can be stored in this country [Denmark] or abroad if the bookkeeper meets the conditions established in provisions no. 1-4. All conditions in Subsection 2 must be met. The conditions are reviewed in the following.

3.1.2.1 Compliance with the Act

Under Section 12 (2) 1 of the BKA, there is a condition that the bookkeeper “stores the accounting records in compliance with this Act “.

For the electronic storage of accounting records, the bookkeeper must thus comply with the same basic requirements for storage as those for the storage of accounting records in paper format.

With electronic storage of accounting records, inter alia, the bookkeeper must meet the following general requirements, among other things, in:

- Section 6 of the BKA, which stipulates that bookkeeping must be organised and executed consistent with good accounting practice taking into consideration the nature and scope of the business. In addition, the bookkeeping must be organised and conducted so that the accounting records are not destroyed, disposed of or misrepresented, as well as being protected against error and misuse. Under Section 6, the company’s management is in other words, inter alia, under an obligation to ensure protection, e.g. against the company’s electronically stored accounting records being subject to attack by a hacker or against a service provider that is storing the company accounting records from deleting all data, for example, in connection with a company’s bankruptcy.
- Section 7 of the BKA stipulates requirements for transactions and their documentation
- Section 9 of the BKA stipulates that all transactions must be able to be documented by appendixes
- Section 10 (1) of the BKA stipulates that the accounting records must be stored securely for 5 years from the end of the financial year to which the records relate

The above applies to both storage in Denmark and abroad and to storage in a cloud solution for which the storage address may be unknown.

3.1.2.1.1 Management responsibility

It is the responsibility of the management to ensure that the company complies with the rules of the BKA, including the requirements for the storage of accounting records.

This applies irrespective of whether the company stores the accounting records itself or whether it leaves it to others to store it and whether accounting records are stored domestically or outside of Denmark or in a cloud solution. This also applies to accounting records which are stored through group-related companies or service providers.

In this context, the management is responsible for the accounting records being stored in a secure manner. This requirement can be met, inter alia, under the condition that the management regularly makes a “backup” of the accounting records, as well as that the management ensures that the systems are sufficiently secured against the loss of data e.g. from attacks by hackers. The company management has a further
supervisory responsibility in relation to its own employees and external partners regarding the storage of accounting records both within and outside the company.

Thus, the management is under an obligation to take the actions necessary to ensure that the party that is storing the records, supporting documents, etc. for the company, is doing this on an ongoing basis in a manner that ensures compliance with BKA.

For further information on the general provisions of the BKA, see the BKA and the Guide to the BKA of June 1999.

3.1.2.2 Obtaining and providing access

Under Section 12 (2) 2 of the BKA, it is a condition that the bookkeeper is able to “obtain and provide access to the records in this country [Denmark] at any time”.

That the bookkeeper must be able to obtain the accounting records that are stored electronically “at any time” and “provide access to this in this country [Denmark]” means that the accounting records must be accessible at any time, e.g. by public authorities in Denmark in connection with their supervision and investigative activities.

As previously mentioned in Point 3.1.1.2, this requirement may be met by having a computer located in Denmark from which the public authorities can have online access at any time to the electronically stored accounting records.

At the same time, the authorities must be able to obtain access to descriptions of any systems used, access codes etc. which are necessary for access to the electronic accounting records in hard copy in Denmark.

3.1.2.2.1 Electronic storage scenarios – in connection with the acquisition and provision of access, the following describes a series of scenarios for the electronic storage of accounting records to illustrate whether the requirements of the BKA can be considered fulfilled. Focus in these scenarios is given to the requirement for the bookkeeper to be able to obtain the records at all time and provide access to public authorities and others in Denmark.

**Scenario 1 – The accounting records are stored electronically on a server in Denmark or abroad or via a cloud solution**

With the electronic storage of accounting records via a cloud solution, the requirement for the acquisition and provision of access to the accounting records in this country [Denmark] is fulfilled if the bookkeeper meets the conditions in Section 12 (2) 1-4 of the BKA.

Where the electronic storage takes place is irrelevant to the requirement in Section 12 (1) of the BKA if the accounting records are made available in this country [Denmark] – In other words, when the conditions in Section 12 (2) 1-4 of the BKA are fulfilled.

Therefore, whether the server on which the electronic accounting records are located is located here in this country [Denmark] or abroad is of no significance to whether the
availability requirement can be considered fulfilled. The same applies if the bookkeeper is using a cloud solution in which the accounting records are accessible via the internet but for which the physical location is not necessarily known.

**Scenario 2 – Accounting records stored on a computer in Denmark**

As already mentioned in Sections 3.1.1.2 and 3.1.2.2, the accounting records that are stored electronically will be considered accessible in this country [Denmark] if the public authorities and others have online access at any time to the records from a computer in Denmark, and if they have access to any descriptions and necessary access codes.

It is not a requirement that access be provided from the company address in connection with this. Access may also be provided to the accounting records electronically stored with a third party, e.g. the company’s external auditor, lawyer or bookkeeping company.

**Scenario 3 – Accounting records are stored abroad on a USB stick or similar media that can be sent to Denmark upon request**

If a company has accounting records on a media that is abroad, including portable media, for example in the form of an USB stick, this will correspond to electronic storage of accounting records. However, as online access to accounting records stored on an USB is not available from a computer in Denmark, this does not meet the requirements of the BKA for electronic storage of accounting records abroad.

With regard to this, there is no difference if the media can be sent to Denmark upon request from the public authorities, as the requirement for public authorities to have access to the accounting records at all times is not met in such a situation. The storage will instead be considered as storage of accounting records in paper format.

Simply because accounting records are stored on an electronic medium such as an USB stick, an external hard drive, laptop or similar media and the company provides for the media to be sent to Denmark, does not mean that it meets the requirements for electronic storage under the BKA. It is thus a requirement that the authorities have online access to electronic accounting records from Denmark at any time.

If the accounting records that are stored abroad electronically or in a cloud solution can be accessed online or via an internal system in Denmark by public authorities and others from Denmark, the condition in Section 12 (2) 2 of the BKA will be considered to be met.

**Scenario 4 – Access to accounting records in Denmark dependent on the physical presence of person(s) residing abroad**

In the event that access to accounting records that are stored electronically depends on the physical presence of one or more persons and those persons are residing abroad, the requirement for accessibility of the accounting records in this country [Denmark] is not met.
It is indicated in the comments to the legislative amendment to the BKA of 2015 that the authorities must be able to access the accounting records e.g. from a computer in Denmark. If accounting records are stored electronically on a computer in Denmark and access to the accounting records requires the presence of one or more parties that reside abroad – e.g. because these parties are the only ones authorised to provide access – the requirement for the authorities to be able to have access at all times is not met.

3.1.2.3 Storage of descriptions and access codes etc.
Under Section 12 (2) 3 of the BKA, it is a condition that the bookkeeper “stores any descriptions of systems used, etc. and any necessary access codes, etc. in this country [Denmark]” in hard copy.

Any descriptions of systems used etc. and any access codes etc. referred to herein arise from the requirements of Section 14 of the BKA that the bookkeeper must prepare a description of the registration of transactions and the storage of accounting records according to the described nature and extent of the activities.

At the same time, the description must make it possible for an outsider with reasonable knowledge of accounting and the technology used to follow how the registrations are done and how the accounting records are acquired and printed in hard copy at any time. Thus, it is not enough for the system description to merely describe the options contained in the system.

The provisions apply irrespective of whether a standard system is involved or a custom system has been developed for the company concerned.

3.1.2.4 Printed in hard copy or recognised file format
Under Section 12 (2) 4 of the BKA, it is a condition that the bookkeeper “ensures that the accounting records are printed in hard copy or made available in a recognised file format” if an authority that has a legal basis for requesting the disclosure of the accounting records makes this request.

Printed in hard copy means printed on paper or microfilm in a readable format in a structured, clear, unambiguous and understandable manner.

The Act does not determine what is meant by recognised file format. In the comments to this provision it is stated that:

“Examples of recognised file formats may be xml, csv or similar. The provision must be seen in the content of Section 1 (2) of the proposed amendment of Section 15 (3) in which it is suggested that the authorities may require the electronic disclosure of accounting records or a digital submission if stored in electronic format. Thus, the records must be disclosed or submitted in a file format that can be used by public authorities in their supervisory and investigative work.”

According to information received by the Danish Business Authority from the Danish Financial Supervisory Authority, SKAT and the Association of Temporary Administrators, there are no practical issues with having
electronic accounting records provided in a usable file format. There is often a solution in practice that is appropriate for both the company and the authority. However, it is a common problem for temporary administrators that the accounting records/bookkeeping are not at all accessible to them.

The specific requirements for file formats from individual authorities will be dependent upon, inter alia, the IT standards and processes of the authorities and the requirements with regard to security.

According to information obtained, formats that are based on XML (Extensible Markup Language), CSV (Comma-Separated Values) or specialisations of these such as XBRL (eXtensible Business Reporting Language) or fixed width, can as a starting point be used by the authorities. According to information obtained by the Danish Business Authority, the file formats mentioned are common and easy to use for analysis of company financial data, e.g. in connection with inspections by public authorities.

An Excel document will probably also be able to be recognised if a set structure has been used in its creation, while an Excel document without a set structure hardly can be considered a recognisable file format.

Likewise, PDF is hardly a desirable format for public authorities, as it can be resource-consuming to convert and validate data, when a database is to be created for use in a data analysis tool.

Thus, there are no strictly defined file format requirements that companies must meet. The determining factor in the recognition of a file format by an authority is whether the public authority considers the data in the file format to be readable. That is to say, the data in the file format concerned is structured and not system specific.

In this context, data being structured means that the individual pieces of information (data fields) are available for full data extraction. Thus, the underlying accounting records must be able to be read digitally in their entirety without the need for special software beyond what may reasonably be expected to be available to the authority for reading the data, e.g. in XML and CSV format.

In this context, non-system specific data means that the readability of the underlying data is not dependent on a particular programme or system, e.g. if a company’s backup of its accounting records requires a separate programme to read the data.

SKAT, the Danish Financial Supervisory Authority and the Association of Temporary Administrators have informed the Danish Business Authority that they do not impose specific requirements for file formats when acquiring electronic accounting records.

However, according to the information, SKAT will normally request that accounting records are disclosed in one of the above file formats (XML, CSV and others).

The Danish Financial Supervisory Authority stipulates that in the acquisition of electronic accounting records, it is important that the accounting records are readable.

In principle, the Danish Business Authority does not impose any special requirements on the file format for accounting records in connection with the acquisition of the accounting records.

Section 12 (2) 4 of the BKA must be seen in the context of Section 15 (3) of the BKA in which it is stipulated that an authority may require that accounting records stored in electronic format must be disclosed in a
recognisable file format in electronic form or submitted digitally in a recognised file format under the rules issued in accordance with Section 1 (a) of the BKA.

3.1.3 BKA Section 12 (3-6)
As Section 12 (3-6) only relates to the storage of accounting records in paper format, there is no explanation provided for these provisions in the Guide, as the Guide focuses on the electronic storage of accounting records.

For a review of Section 12 (3-6) of the BKA, see the Guide to the BKA of June 1999.
4. Access to accounting records by public authorities

To the extent there is a legal basis for it, public authorities can request insight into the bookkeeper’s accounting records. The BKA only provides the Danish Business Authority with an independent legal basis for acquiring accounting records, cf. Section 15 (4) of the BKA. Other public authorities must find a legal basis in other legislation in order to request insight into accounting records.

The following contains a review of Section 15 of the BKA concerning access to accounting records by public authorities, including what the legislative amendments from 2015 have meant for Section 15 of the BKA.

The following will include a review of amendments in relation to, inter alia, the disclosure of accounting records in hard copy, translation of accounting records, third-party storage and disclosure of accounting records in recognised file formats and digital submission in recognised file format.

4.1 BKA Section 15

With the legislative amendment of 2015, Section 15 of the BKA has the following wording:

§ 15. To the extent it is entitled under other legislation, a public authority may request insight into the bookkeeper’s accounting records, request the bookkeeper to make available whatever is necessary for the acquisition and reading of the accounting records free of charge and that the accounting material is submitted or disclosed when requested by the authority. Furthermore, the authority may request that transactions in foreign currencies, including Euros, are converted to Danish krone. If the accounting records, with the exception of external documents are in languages other than Danish or English, the authority may require the bookkeeper to translate this to Danish or English free of charge.

Subsection 2. The access to accounting records established in Subsection 1 also applies if the accounting records are stored with a third party.

Subsection 3. An authority may request that accounting records that are stored in electronic format are disclosed in a recognised file format in electronic form or submitted digitally in a recognised file format under the rules issued on the basis of Section 1 (a).

Subsection 4. However, the Danish Business Authority can always obtain relevant accounting records.

Subsection 5. The bookkeeper must comply with a request from an authority as soon as possible in accordance with Subsection 1. With regard to requests for accounting records for activities abroad, the bookkeeper must comply with the request no later than one month after which the authority concerned has made the request.

4.1.1 BKA Section 15 (1)

In the following, Section 15 (1) (1) of the BKA in regard to access by public authorities to the bookkeeper’s accounting records and Section 15 (1) (3), regarding translation into Danish or English, will be reviewed.

Section 15 (1) of the BKA applies to accounting records irrespective of whether this is stored in physical paper format or electronically.

4.1.1.1 Point 1 – Public authorities’ access to accounting records – Conditions

Under Section 15 (1) (1) of the BKA, a public authority may require the bookkeeper to make available to the public authority all the information that is needed for the production and reading of the accounting records free of charge and that electronic data stored in electronic format is submitted or disclosed in electronic format when such a request is received from the public authority.

In this context, it is a condition that the public authority is entitled to request insight into the bookkeeper’s accounting records in accordance with the BKA or other legislation.
The following contains a description of essential parts of Section 15 (1) (1) of the BKA, including the requirement for a legal basis under legislation other than the BKA.

4.1.1.1.1 "in relation to other legislation"
That the public authority must be entitled to request insight into the accounting records of the bookkeeper “under other legislation” in order to be able to require disclosure etc. of the accounting records under Section 15 of the BKA will thus mean that Section 15 of the BKA does not contain an independent legal basis for public authorities to request such insight.

The public authority must instead have a legal basis for requesting insight into the accounting records of the bookkeeper under a statute other than the BKA or with a court order.

One exception to this is that the Danish Business Authority can always obtain relevant accounting records, cf. BKA Section 15 (4).

See more on this in Section 4.1.4.

4.1.1.1.2 Submission or disclosure of accounting records
A description of the right of the authorities to request accounting records to be submitted or disclosed when it requests it, cf. BKA Section 15 (3) is provided in Section 4.1.3 below.

4.1.1.1.3 Deadline for compliance with request
A description of the deadline for compliance with a request from a public authority for insight into a bookkeeper’s accounting records, cf. BKA Section 15 (5) is provided in Section 4.1.5 below.

4.1.2 Point 3 – Translation into Danish or English
Under the previously applicable rules, public authorities could request that accounting records be translated into Danish free of charge, if the accounting records were produced in a language other than Danish.

With the amendment of Section 15 (1) of the BKA in 2015, public authorities may now only request the accounting records be translated to Danish or English free of charge if the accounting records are prepared in a language other than Danish or English.

The amendment must be viewed in relation to the amendment of the Danish Financial Statements Act (Law no. 1367 of 10 December 2013), which provides the possibility for annual reports to be prepared in Danish or English, cf. the Danish Financial Statements Act, Section 138 (3).

4.1.2 BKA Section 15 (2) – Storage of accounting records with third parties
Public authorities’ access to a bookkeeper’s accounting records also applies if the company stores accounting records with third parties.

In this context, third parties may be e.g. a bookkeeping business, a company’s external auditor, lawyer or another trusted adviser or partner. Third parties may also be consolidated companies abroad, a shared service centre (i.e. a joint services centre in an organisation, such as a shared group accounting function) or a cloud solution.
The decisive factor here is that the public authorities have access to the company’s accounting records in accordance with Sections 12 and 15 of the BKA.

4.1.3  BKA Section 15 (3) – Disclosure or submission of accounting records in electronic format
With the amendment of the BKA Section 15 (1), public authorities can no longer request that the accounting records are printed in hard copy free of charge.

For a description of what the term hard copy means, see Section 3.1.2.4.

Instead, public authorities are entitled to request that the bookkeeper makes all the information necessary for the disclosure and reading of the accounting records available free of charge, and that the accounting records are submitted or disclosed when requested by the authorities.

If the accounting records are stored electronically, the authorities also have the right to request that the accounting records be disclosed in a recognised file format in electronic form or that they are submitted digitally in a recognised file format, in accordance with the rules issued under Section 1 (a) of the BKA, cf. Section 15 (3) of the BKA.

For more information on “recognised file formats”, see Section 3.1.2.4.

4.1.4  BKA Section 15 (4) – Danish Business Authority acquisition of relevant accounting records
Under Section 15 (4) of the BKA, the Danish Business Authority may always obtain relevant accounting records.

Thus, in contrast to other public authorities, the Danish Business Authority can request insight into a bookkeeper’s accounting records under the BKA.

4.1.5  BKA Section 15 (5) – Deadline for compliance with request for insight from a public authority
In exercising its right of access to accounting records in general, a public authority will give the bookkeeper a reasonable period of time in which to comply with the request for disclosure/submission of the accounting records.

This is particularly applicable in cases in which the bookkeeper is required to convert the accounting records to Danish kroner or to translate the accounting records, cf. Section 15 (1) (2) and (3) of the BKA, which may extend the processing time for fulfilment of the request.

In this context, there is a difference between whether the accounting records relate to activities in Denmark or abroad. This difference will be explained in the following.
4.1.5.1 **Point 1 – Activities in Denmark**

A request by a public authority for insight into accounting records, cf. BKA Section 15 (1), must be complied with “as soon as possible” by the bookkeeper, cf. BKA Section 15 (5) (1).

That the bookkeeper must provide a public authority insight into accounting records as soon as possible only applies to accounting records that relate to activities in Denmark.

**Example:** If a public authority requests insight into accounting records relating to activities in Denmark, the bookkeeper must provide the public authority insight into the accounting records as soon as possible.

There is no exact period of time defined in the BKA for the standard expression “as soon as possible”. Whether the bookkeeper can be considered to have met the public authority’s request for insight quickly enough thus depends on the nature of the circumstances of the bookkeeper’s specific situation, including the nature and extent of the business.

In this context, the bookkeeper must be considered as having a responsibility to organise the bookkeeping so that insight can be provided into the accounting records to public authorities within a reasonable time, so the purpose of the request by the authority can be realised.

4.1.5.2 **Point 2 – Activities abroad**

A request by a public authority for insight into accounting records related to activities abroad must be provided to the public authority by the bookkeeper no later than one month after the public authority has made the request.

**Example:** If a public authority requests insight into foreign accounting records on 1 January, the bookkeeper must provide the public authority with insight into the accounting records no later than 1 February.

By foreign activities is not necessarily meant that independent activities must be involved, i.e. activities with the right to act and to conclude binding agreements on behalf of the Danish company. For example, this means that branches located abroad, joint ventures, representative offices, sales offices, agencies or offices performing activities outside Denmark such as advertising are considered to be conducting activities abroad.