



Adopted by the Danish Parliament (Folketinget) at the 3rd  
reading on 19 May 2022

## Bill

on

# the Danish Bookkeeping Act

### Chapter 1

#### *Scope and Definitions*

**Section 1.** The Act applies to commercial enterprises of any kind established in this country, regardless of ownership or liability, as well as commercial activities carried out in this country by companies domiciled abroad.

(2) The Act also applies to the following companies, organisations and associations, etc.:

- 1) Companies, organisations and associations, etc. that are liable for duty or fully or partially liable for tax in this country, to the extent that they are not covered by subsection (1).
- 2) Companies, organisations and associations, etc. which, as a condition for the awarding of direct grants from the Danish state or the European Union, are required to provide accounting information, to the extent that they are not covered by subsection (1). The granting authority may fully or partially exempt individual companies, organisations or associations, etc. from the Act. If the company, organisation or association, etc. is also covered by no. 1, however, exemption is only permitted by agreement with the Customs and Tax Administration.
- (3) The Act does not apply to companies that
  - 1) are covered by the Danish Government Accounts, etc. Act or
  - 2) are covered solely by accounting rules laid down by or in accordance with the Danish Local Government Act or the Danish Regional Government Act.

**Section 2.** Section 19, section 20 (2), section 25 (2), section 27 (2)–(4), section 29 and section 33 (1), no. 3 only apply to providers of digital bookkeeping systems.

**Section 3.** For the purposes of this Act, the following definitions apply:

- 1) Companies: Entities covered by section 1 (1) and (2).
- 2) Transaction: An action or a relationship of financial importance to the company.

- 3) Transaction trail: The connection between the individual records and the company's annual accounts, statement of taxes or fees, grant accounting or similar statement of accounts that must be prepared in accordance with legislation, or the company's voluntarily prepared accounts, when these are not exclusively for the company's own use.
- 4) Audit trail: The information that documents the accuracy of the records.
- 5) Receipt: Any necessary documentation for transactions recorded in the bookkeeping. External receipts are understood to mean documentation deriving from sources other than the company. Other receipts are regarded as internal.
- 6) Digital bookkeeping system: A digital service or software program containing functions by which companies can record transactions and store records and receipts or, at a minimum, a complete backup thereof on a server hosted by a provider or another third party.
- 7) Provider of a digital bookkeeping system: A company that markets or intends to market a digital bookkeeping system in this country on uniform terms to an undefined group of companies.
- 8) E-invoice: An invoice or credit note that is issued, sent and received in a structured, electronic format that enables it to be processed automatically and electronically.
- 9) E-document: A document that is sent or received in a structured, electronic format.

**Section 4.** The following are regarded as accounting records:

- 1) Records, including the transaction trail.
- 2) Description of the company's bookkeeping procedures, cf. section 6.
- 3) Receipts.
- 4) Other information that is necessary for the audit trail.
- 5) Documentation for information in the notes and the management report in the annual report and for estimates and assessments performed in connection with the preparation of the company's annual report.

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The Ministry of Industry, Business  
and Financial Affairs,  
The Danish Business Authority, j.  
no. 2021-12887

- 6) Accounts, statements and registers that are required to be prepared in accordance with legislation, and voluntarily prepared accounts that have been presented in accordance with the Danish Financial Statements Act, and which are not exclusively used for the company's own use.
- 7) Any audit reports or other equivalent reporting.

## Chapter 2

### *General requirements for bookkeeping*

**Section 5.** The bookkeeping duty pursuant to this Act includes recording the company's transactions and storage of the company's accounting records.

(2) The bookkeeping must be organised and effected with due consideration for the company's complexity, the number of transactions and the financial scope of the transactions.

**Section 6.** In consideration of section 5(2), companies that have a bookkeeping duty pursuant to section 1 (1), and which are obliged pursuant to section 3 (1) of the Financial Statements Act to present an annual report, or whose net turnover exceeds DKK 300,000 in two consecutive income years, must prepare

- 1) a description of the company's procedures for ensuring that all the company's transactions are continuously recorded,
- 2) a description of the company's procedures for ensuring that the company's accounting records pursuant to section 4, no. 2 and nos. 4–7 are stored securely, and
- 3) a description of which employees are responsible for the procedures pursuant to nos. 1 and 2.

## Chapter 3

### *Recording of transactions and continuous reconciliation with holdings*

**Section 7.** Companies must record all transactions accurately, and as soon as possible once the conditions that form the basis for the records are in place.

(2) Companies that are not in a position to record all individual purchases or sales, due to the company's complexity, the number of transactions or the financial scope of the transactions, may instead record aggregated purchases or sales on the basis of daily cash statements.

**Section 8.** Companies have a duty to ensure transaction trails by ensuring that records pursuant to section 7 (1) can be tracked to the relevant accounts, statements or registers, cf. section 4, no. 6, and ensuring that the numbers herein can be resolved in the records from which they are compiled.

**Section 9.** Companies have a duty to ensure the audit trail by ensuring records pursuant to section 7 (1) can be documented by receipts and include references to said receipts. Each record must include information about its temporal location in the bookkeeping.

(2) Receipts must contain information required in order to identify the audit trail, including clearly indicating the transaction date and amount. If a record is based on external receipts, reference must be made to said receipts.

(3) If corrections are made to receipt material, the original content and content of the change must be clear from the material.

**Section 10.** Records pursuant to section 7 (1) must be kept in Danish kroner, euro or another relevant foreign currency.

(2) Any accounting records in a foreign currency, including euro, must contain information, including about the exchange rate on the day of the transaction or similar conversion factors, which makes it possible to convert to Danish kroner at any time.

**Section 11.** Companies must carry out reconciliations as necessary to ensure that there is an up-to-date basis for statutory reports or declarations relating to VAT, taxes, duty, and annual and interim reports.

(2) Reconciliation must take place no later than the date of expiry of the deadlines for the statutory reports and declarations.

## Chapter 4

### *Storage of accounting records*

**Section 12.** Companies must store accounting records securely, cf. section 4, for 5 years from the end of the financial year to which the records relate; however, cf. subsection (2).

(2) The storage period in subsection (1) does not apply to retailers' cash register tape and similar internal receipts.

**Section 13.** Companies must ensure that the accounting records are not destroyed, disposed of or misrepresented, as well as being protected against error and misuse; however, cf. subsection (2).

(2) Subsection (1) does not apply to records and receipts stored pursuant to section 16 (1), no. 2.

**Section 14.** Should the bookkeeping duty cease to apply, the most recently functioning management must ensure that the accounting records continue to be stored in accordance with this chapter and chapter 5.

(2) Should the bookkeeping duty cease to apply as a result of the company's dissolution through the intervention of the bankruptcy court, the bankruptcy court can decide that parties other than the most recently functioning management must store the accounting records.

(3) In other cases where the management resigns, the members of the resigning management must ensure that the accounting records for the period up to the time of resignation are stored in accordance with this chapter and chapter 5. When new management replaces a resigning management, the members of the resigning management must transfer the accounting records to the new management.

## Chapter 5

### *Requirements for digital bookkeeping systems*

**Section 15.** A digital bookkeeping system that is offered or used for bookkeeping in accordance with this Act must meet the following requirements:

- 1) Support ongoing recording of the company's transactions with an indication of receipts for each record and secure storage of records and receipts for 5 years.

- 2) Meet recognised standards for IT security, including user and access management, and ensure automatic backup of records and receipts.
- 3) Support the automation of administrative processes, including automatic distribution and receipt of e-invoices and the option of accounting in accordance with a public standard chart of accounts in registered bookkeeping systems.

(2) Upon consultation with the Customs and Tax Administration, the Danish Business Authority will lay down detailed rules pertaining to the digital bookkeeping system requirements pursuant to subsection (1), including special rules for specified bookkeeping systems, companies or industries.

*Requirements for companies' use of digital bookkeeping systems*

**Section 16.** In a digital bookkeeping system, companies that have a bookkeeping duty according to section 1 (1), and which are obliged pursuant to section 3 (1) of the Financial Statements Act to present an annual report, or whose net turnover exceeds DKK 300,000 in two consecutive income years, must

- 1) record the company's transactions in accordance with section 7 (1), and
- 2) store records and the receipts that document the records in accordance with section 9.

(2) Companies must ensure that the digital bookkeeping system they use pursuant to subsection (1)

- 1) is registered in accordance with section 20 (1), or
- 2) meets the requirements according to section 15 and rules issued in pursuance thereof, if the bookkeeping system is not registered in accordance with section 20 (1).

(3) The Danish Business Authority lays down detailed rules on which receipts are covered by the storage duty pursuant to subsection (1), no. 2.

**Section 17.** Companies that carry out bookkeeping for other companies must also observe the requirements in accordance with section 16 (1) and (2) when carrying out bookkeeping for these companies.

**Section 18.** Upon consultation with the Minister for Taxation, the Minister for Industry, Business and Financial Affairs may lay down rules requiring companies covered by section 16 (1) and section 17 to record their transactions regarding purchases and sales with e-invoices as documentation of the transactions.

*Requirements for providers of digital bookkeeping systems*

**Section 19.** Providers of digital bookkeeping systems have a duty to ensure that the systems meet the requirements for digital bookkeeping systems in section 15 and regulations issued in pursuance thereof. The providers are also obliged to report the systems to the Danish Business Authority before they are marketed in this country for the purpose of registration according to section 20.

(2) A provider of a digital bookkeeping system has a duty to make the company's records and receipts pursuant to section 16 (1), no. 2, available to authorities and any liquidator, bankruptcy trustee or reorganiser who has taken the place of management in the relevant company.

(3) The Danish Business Authority may lay down detailed rules on how information pursuant to subsection (2) must be made available.

**Section 20.** The Danish Business Authority checks that registered bookkeeping systems meet the requirements according to section 15 and regulations issued in pursuance thereof. If this is the case, the Danish Business Authority records the bookkeeping systems in a publicly available list.

(2) When a bookkeeping system is registered pursuant to subsection (1), the provider has a duty to ensure that the system continuously meets the requirements according to section 15 and regulations issued in pursuance thereof, including in connection with updates and changes to the bookkeeping system.

(3) The bookkeeping system cannot be registered if it does not meet the requirements according to section 15 and rules issued in pursuance thereof. If a bookkeeping system that has been notified to the Danish Business Authority does not meet the requirements according to section 15 and regulations issued in pursuance thereof, the Authority sets a deadline for the notification to be rectified. Registration can only take place once the notification has been rectified.

(4) The Danish Business Authority may lay down detailed rules on notification and registration of digital bookkeeping systems pursuant to subsections (1)–(3).

**Section 21.** Upon consultation with the Minister for Taxation, the Minister for Industry, Business and Financial Affairs may lay down rules on the transmission of records and receipts by digital bookkeeping systems to a public receiving point through the use of the shared public digital infrastructure for the exchange of e-documents and on the storage of such records and receipts, and about the purposes for which, how and for how long such records and receipts may be used by public authorities.

## Chapter 6

### *Supervision*

**Section 22.** A company has a duty to make its accounting records available to a public authority, to the extent that the authority is entitled pursuant to this Act or any other legislation to carry out supervision of the company.

(2) In connection with the fulfilment of the duty in subsection (1), the public authority may require the company to

- 1) provide specified accounting records,
- 2) provide the specified accounting records free of charge in a recognised file format,
- 3) convert records in foreign currency, including euro, into Danish kroner, and
- 4) ensure that the accounting records, with the exception of external receipts, are translated into Danish or English free of charge.

(3) Subsections (1) and (2) shall apply correspondingly if the accounting records are stored by a third party.

(4) The public authority sets a deadline for compliance with a requirement pursuant to subsections (1) and (2).

### *Bookkeeping supervision*

**Section 23.** The Danish Business Authority carries out risk-based supervision of compliance with the rules in this Act and rules laid down pursuant to this Act for

1) companies covered by the Financial Statements Act that have not yet submitted their first annual report, cf. section 138 (1), point 2 of the Financial Statements Act, and

2) companies that have opted out of auditing, cf. section 135 (1), point 3 of the Financial Statements Act.

(2) Any company covered by subsection (1), its current management or auditor, or its former management or auditor, is obliged, at the request of the Danish Business Authority, to provide the Authority with information and make available to the Authority accounting records that are necessary to undertake the supervision pursuant to subsection (1).

(3) The Danish Business Authority may require any company covered by subsection (1) to submit a statement issued by an approved auditor regarding compliance with this Act or rules issued pursuant to this Act. The Danish Business Authority notifies the company of the matters that the auditor's statement must cover.

(4) The Danish Business Authority sets a deadline for the receipt of information and accounting records pursuant to subsection (2) and statements pursuant to subsection (3).

#### *Supervision of companies that use digital bookkeeping systems*

**Section 24.** The Danish Business Authority carries out risk-based supervision to ensure that companies using a digital bookkeeping system that is not registered in accordance with section 20 (1) meet the requirements according to section 15 and rules issued in pursuance thereof. Section 23 (2)–(4) apply correspondingly to supervision pursuant to point 1.

(2) The Danish Business Authority may use external assistance when inspecting companies' bookkeeping systems, etc. pursuant to subsection (1).

#### *Supervision of providers of digital bookkeeping systems*

**Section 25.** The Danish Business Authority carries out risk-based supervision to ensure that providers of digital bookkeeping systems comply with the duty under section 19 (1) to report digital bookkeeping systems for registration, and to ensure that bookkeeping systems registered pursuant to section 20 (1) continue to comply with the requirements under section 15 and rules issued in pursuance thereof.

(2) At the request of the Danish Business Authority, providers of digital bookkeeping systems are obliged to notify the Authority of all information that is necessary to undertake supervision pursuant to subsection (1).

(3) The Danish Business Authority may use external assistance when inspecting a provider's bookkeeping system, etc. pursuant to subsection (1).

### Chapter 7

#### *Response options in connection with supervision*

**Section 26.** In connection with supervision regarding compliance with rules pursuant to this Act or rules laid down in pursuance thereof, the Danish Business Authority may

1) reprimand a violation,

section 26 (1), nos. 2 or 3, in connection with supervision pursuant to section 23 by the expiry of the deadline set by the Authority, cf. section 23 (4) or section 26 (2).

**Section 29.** Should the Danish Business Authority

2) order an error to be corrected, or

3) order a violation to be brought to an end and require the company to confirm this by means of a statement issued by an approved auditor.

(2). The Danish Business Authority will set a deadline for

compliance with an order according to subsection (1), nos. 2 and 3.

**Section 27.** Should a company fail to legalise its bookkeeping system or switch to a legally compliant bookkeeping system despite orders issued pursuant to section 26 (1), nos. 2 or 3, the Danish Business Authority may order the company to use a digital bookkeeping system that is registered in accordance with section 20 (1).

(2) Should the provider of a digital bookkeeping system fail to report a bookkeeping system in accordance with section 19 (1), or to modify the system so that it meets the requirements pursuant to section 15 and rules issued in pursuance thereof, despite orders issued pursuant to section 26 (1), nos. 2 or 3, the Danish Business Authority may prohibit continued marketing of the digital bookkeeping system until the order is complied with.

(3) Should errors or omissions entail significant risks for the security of the companies' bookkeeping, the Danish Business Authority can order the provider to warn companies covered by section 16 (2), no. 1 that use the relevant bookkeeping system about these risks.

(4) Subsection (2) applies correspondingly if a provider fails to comply with the Danish Business Authority's request for information pursuant to section 25 (2). If a provider continues in breach of the Danish Business Authority's request for information despite marketing being prohibited pursuant to subsection (2), section 29 (1) shall apply correspondingly.

#### *Compulsory dissolution and deletion*

**Section 28.** The Danish Business Authority may ask the bankruptcy court to dissolve a company in accordance with the legislation applicable to the company if it fails to

1) submit information or accounting records pursuant to section 23 (2),  
 2) submit a statement pursuant to section 23 (3), or  
 3) comply with an order issued pursuant to section 26 (1), nos. 2 or 3, in connection with supervision pursuant to section 23.

(2) The Danish Business Authority may delete a branch of a foreign company from the Authority's IT system in the situations mentioned in subsection (1), nos. 1–3.

(3) If the situations mentioned in subsection (1), nos. 1–3 concern a partnership or limited partnership, the Authority may delete the records of the partnership or limited partnership from the Authority's register.

(4) The Danish Business Authority may make a decision pursuant to subsections (1)–(3) when a company or a branch of a foreign company fails to comply with a requirement pursuant to section 23 (2) or (3), or an order pursuant to

ascertain, during supervision pursuant to section 25 (1), that a registered digital bookkeeping system does not comply with the requirements pursuant to section 15 and rules issued in pursuance thereof and the provider fails to legalise the bookkeeping system regardless of orders to this effect, the Danish Business Authority may delete the relevant

bookkeeping system from the list, cf. section 20 (1), point 2. Where this is the case, the provider has a duty to inform companies covered by section 16 (2), no. 1 which use the bookkeeping system that it is no longer registered pursuant to section 20 (1).

(2) A provider who wishes to market a digital bookkeeping system that has been deleted pursuant to subsection (1) again must report the bookkeeping system in accordance with section 19.

#### Chapter 8

##### *Communication, etc.*

**Section 30.** The Danish Business Authority may lay down rules to the effect that written communication to and from authorities on matters covered by the present Act, or rules issued in pursuance of the present Act, is to be conducted digitally.

(2) The Danish Business Authority may lay down further rules on digital communication, including on the use of certain IT systems, special digital formats, digital signatures, and so on.

(3) Digital communication will be regarded as received when it is available to the addressee.

**Section 31.** Where this Act or regulations issued pursuant to this Act require a document issued by parties other than an authority to be signed personally, this requirement may be met by the use of a technique that clearly identifies the party who has issued the document. The Danish Business Authority may lay down further rules regarding this.

#### Chapter 9

##### *Right of appeal*

**Section 32.** Decisions made by the Danish Business Authority in accordance with this Act and rules laid down in pursuance thereof may be brought before the Danish Companies Appeals Board no later than 4 weeks after the decision has been communicated to the party concerned; however, cf. subsection (2).

(2) Decisions made pursuant to section 28 and section 29 (1) cannot be brought before another administrative authority.

#### Chapter 10

##### *Penalties*

**Section 33.** Unless a more severe penalty is incurred under any other legislation, a fine is imposed on any party who

- 1) violates section 7 (1), sections 8 and 9, section 12 (1) and sections 13 and 14,
- 2) violates section 16 (1) and (2), and section 17,
- 3) violates section 19 and section 20 (2), or
- 4) fails to comply with orders pursuant to section 26 (1), nos. 2 and 3.

(2) When imposing fines under this Act, the company's turnover, the severity and duration of the violation, and whether it is a matter of repeated violations, will be taken into consideration. In the event of particularly extensive violations of section 7 (1),

sections 8 and 9, section 12 (1), sections 13 and 14, section 16 (1) and (2), and section 17, a larger fine will be imposed.

(3) In regulations issued in pursuance of the Act, it may be stipulated that any violation of the provisions in the regulations shall be punishable by a fine.

(4) Companies, etc. (legal entities) (legal entities) may incur criminal liability in pursuance of the rules in Part 5 of the Danish Criminal Code.

(5) The period of limitation for criminal liability is 5 years.

#### Chapter 11

##### *Entry into force and transitional provisions*

**Section 34.** Sections 1–14, 18, 21–23, 26, 28, 30–35, 37 and 38 enter into force on 1 July 2022.

(2) Upon consultation with the Minister for Taxation, the Minister for Industry, Business and Financial Affairs determines when sections 15–17, 19, 20, 24, 25, 27, 29 and 36 are to enter into force. The Minister can determine that the provisions enter into force at different times, including that section 16 (1) and (2) enters into force at different times for companies covered by different accounting classes under the Financial Statements Act or according to different turnover limits.

(3) The Minister for Industry, Business and Financial Affairs may lay down rules on when the duty to notify pursuant to section 19 (1), point 2 enters into force for existing providers of digital bookkeeping systems.

(4) Until section 16 (1) enters into force pursuant to subsection (2), section 6, no. 2 shall apply to accounting records pursuant to section 4, nos. 1 and 3.

**Section 35.** The Danish Bookkeeping Act, cf. Consolidation Act No. 648 of 15 June 2006, is repealed.

#### Chapter 12

##### *Amendments to other legislation*

**Section 36.** In the Financial Statements Act, cf. Consolidation Act No. 838 of 8 August 2019, as amended by section 1 of Act No. 642 of 19 May 2020, Act No. 741 of 30 May 2020 and section 4 of Act No. 568 of 10 May 2022, the following change is made:

1. After section 138, the following is inserted before the heading before section 139:

**"Section 138 a.** The company must report the name and CVR number of the provider of the digital bookkeeping system that the company uses or has used in the financial year in accordance with section 16 (2), no. 1 of the Bookkeeping Act, at the same time as it submits the annual report.

(2) If the company uses or has used a bookkeeping system pursuant to section 16 (2), no. 2 of the Bookkeeping Act which is not registered in accordance with section 20 (1) of the Bookkeeping Act, the system that was used must be stated. If the company stores a complete backup of records and receipts on a server hosted by a third party, this must be stated along with further details of the identity of the relevant third party.

(3) Information pursuant to subsections (1) and (2) is not published.

(4) The Danish Business Authority lays down detailed rules on the reporting of information pursuant to subsections (1) and (2)."

**Section 37.** In the Danish Act on Approved Auditors and Audit Firms, cf. Consolidation Act No. 25 of 8 January 2021, as amended by section 32 of Act No. 1436 of 29 June 2021 and section 9 of Act No. 2601 of 28 December 2021, the following changes are made:

1. In *section 29 (6)*, "section 42" is changed to: "section 42 (1),".

2. In *section 38*, the following is inserted as *subsection (3)*:

"(3) During an investigation, the Danish Business Authority can obtain relevant accounting records regarding statements issued pursuant to section 1 (2) from the customer of the auditor or audit company. The Customer of the auditor or audit company must give the Danish Business Authority access to the records."

3. In *section 42 (1), no. 1*, "Section 38" is changed to: "Section 38 (1),".

4. In *section 42*, the following is inserted as a new paragraph after (1):

"(2) The Danish Business Authority may, as a coercive measure, impose daily or weekly fines on the party whom the Authority, pursuant to section 38 (3), has asked to hand over accounting records if the party in question fails to comply with the request."

(2) and (3) hereinafter become (3) and (4).

5. In *section 42 (3)*, which becomes (4), "and 2" is amended

to: "and 3". Chapter 13

*Territorial provisions*

**Section 38.** This Act will not extend to the Faroe Islands and Greenland, but may be brought into force by Royal Decree for Greenland subject to any amendments necessitated by the specific conditions prevailing in Greenland. The Act may also enter into force at different times.

The Danish Parliament (Folketinget), 19 May 2022

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