

By PwC Deutschland | 04. Dezember 2019

New Finance Ministry circular on standards for the proper keeping and storage of books, records and documents in electronic form and for data access

On 28 November 2019 the Federal Ministry of Finance (MoF) issued a revised circular on standards for the proper keeping and storage of books, records and documents in electronic form and for data access (here “GoBD”) - (IV A 4 - S 0316/19/10003 :001 (2019/0962810).

This Circular replaces the MoF Circular of 14 November 2014 and applies with effect from 1 January 2020. It is to be applied to taxation periods beginning after 31 December 2019. However, no objection will be made if the taxpayer applies the principles of the 28 November 2019 GoBD to taxation periods ending before 1 January 2020.

NOTE: On 21 August 2019, the MoF withdrew its the original revised version of the GoBD dated 11 July 2019.

Interesting areas of change from the GoBD of 14 November 2014 are:

Electronic storage

The rules for the digitisation of receipts have been adapted. According to the new regulations, documents received in paper form can not only be scanned, but can also be captured with other devices, e.g. smartphones, i.e. they can be photographed (Paragraph 130).

It is also permissible to use mobile devices (e.g. smartphones) to capture images abroad where the receipts/supporting documents were created or received abroad and are captured there without any delay (e.g. receipts for a business trip abroad).

If, in connection with a transfer of the electronic bookkeeping to a foreign country, which has been approved in accordance with Section 146 (2a) of the General Tax Code, a substitute visual capture is made, no objection will be made if the original paper documents are brought to the location of the electronic bookkeeping for this purpose. The visual capture must be carried out promptly after the paper documents have been sent abroad (Paragraph 136).

After a visual capture within the meaning of paragraph 130, paper documents may be destroyed unless they must be stored in their original form under other non-tax or tax regulations (Paragraph 140).

Conversion and storage of documents

Where documents subject to retention requirements are converted into an inhouse format both versions are in principle to be archived, assigned to the same record and managed in the same index. Furthermore, the converted version must be referred to as such (Paragraph 135). However, for simplification purposes, the storage of the converted version will be sufficient in the following cases:

- No visual change or change to the content is made;
- No other information subject to retention requirements is lost during the conversion;
- The correct and loss-free conversion is documented (procedural documentation);
- Digital readability and data access by the tax authorities will not be impaired by the conversion.

Further Changes

The new version of the GoBD also takes into account Section 146 (1) sentence 1 General tax Code regarding the individual record keeping obligations and the exceptions available in cases of unreasonable encumbrance (Paragraph 39).

The GoBD states here that the recording of each individual business transaction will be considered an unreasonable encumbrance where it is technically, economically and practically impossible to record the individual business transactions (reference is made here to the Supreme Tax Court judgement of 12 May 1966, IV 472/60). The existence of these conditions is to be proven by the taxpayer.

Furthermore, the GoBD introduces a simplification rule permitting a short-term combined recording of cash and non-cash daily transactions in the cash book. This will generally not be objected to if the non-cash daily transactions (e.g. EC card transactions) originally recorded in the cash book are marked separately and are then immediately transferred out of the cash book to a separate account, provided that spontaneous cash till checks (Kassensturzfähigkeit) can still be made (Paragraph 55).

In addition, new rules on the storage of identical multiples of accounting vouchers (Paragraph 76) have been included which apply where in addition to the original documents, which have been electronically captured, other electronic reports or data records have been issued. In such cases storage of the format actually used for the booking entry will suffice, provided this has the highest digital readability.

The use of the cloud for data processing, which is becoming increasingly widespread, is now also considered in the GoBD. The taxpayer's data processing systems can be purchased and used as their own hardware or software or operated in the cloud or as a combination of these systems (Paragraph 20).

Supplementary information on the transfer of data mediums

The GoBD provides that, as part of a tax audit, the tax authorities may – in addition to the standard obligatory records and data - demand access in a digitally evaluable form to all structural information necessary for the evaluation of the data. However, not all businesses - especially small and medium-sized enterprises – are familiar with such structural information. In response and as the transfer of the data mediums can cause considerable problems to the enterprise under audit, the MoF has issued an additional document providing information on the transfer of data mediums.

Source

Standards for the proper keeping and storage of books, records and documents in electronic form and for data access - IV A 4 - S 0316/19/10003 :001 (2019/0962810) issued on 28 November 2019 by the Federal Ministry of Finance

Schlagwörter

bookkeeping, digital data