



Time-limit for submitting annual reports now permanently extended to six months



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On 19 May 2022, the Danish Parliament adopted amendments to the Danish Financial Statements Act, meaning that the time-limit for submission of annual reports by enterprises covered by reporting classes B and C has now been permanently extended from five to six months.

These amendments are effective for financial years ending on 31 December 2021 or later. This means that, for enterprises covered by reporting classes B and C as well as branches of foreign enterprises, the time-limit to submit their annual reports has now been permanently extended.

The time-limit for enterprises covered by reporting class D, i.e. listed enterprises and state-owned public limited companies, has not been changed, and as such, their time-limit is still four months.

Change of financial year

The change of the time-limit from five to six months entails that the time-limit for enterprises covered by reporting classes B and C to submit an application for registration of the change of their financial year will now be extended to six months, cf. section 15 of the Financial Statements Act, which provides for the change of a financial year up until expiry of the time-limit for submission of the annual report.

Taking effect

The changes of time-limits for submission are effective for annual reports for a financial year ending on 31 December 2021 or later.

Submission without undue delay

Apart from the time-limits of four and six months respectively, the Financial Statements Act provides that annual reports must be submitted to the Danish Business Authority without undue delay after its approval by the annual general meeting.

The wording “without undue delay” means immediately after approval by the annual general meeting, which according to the practice of the Danish Business Authority is within a couple of days.

Amending the articles of association

If the company's articles of association include provisions that annual general meetings must be held within five months after the end of the financial year, it may be worthwhile to update them.

Submitting the annual report

The responsibility for submitting annual reports to the Danish Business Authority lies with the management of the enterprise (the executive board and the board of directors). This applies irrespective of whether the management requests an advisor, e.g. an auditor or an attorney, to submit the annual report.

Each individual member of the competent management bodies must ensure that the annual report (i) is prepared in accordance with the standards applicable to the enterprise, (ii) may be audited and approved in time if auditing is required, and (iii) that the annual report is submitted to the Danish Business Authority in due time, i.e. within the time-limits set out in the Financial Statements Act.

Signing

By signing the annual report, the chairperson of the annual general meeting confirms that the annual report has been approved by the competent management bodies, and that it has been presented and approved by the annual general meeting etc. in accordance with any requirements set out in Danish legislation and the articles of association in this regard.

Where an auditor has issued a declaration on the annual report, such declaration must be included in the annual report. The declaration must expressly state the name of the issuer, and the declaration must be signed by the

relevant auditor.

The enterprise must retain a copy of the annual report which has been signed (i) by all members of the management bodies responsible for presenting the annual report in accordance with the Financial Statements Act, (ii) by the chairperson of the annual general meeting and (iii) if a declaration has been issued, by an auditor.

There is no requirement, however, that signatures must be affixed to an electronically submitted annual report.

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