

Information for interested parties

**BvLARCHIVIO® MEETS ALL OF THE REGULATIONS
SET BY **COMMERCIAL AND FISCAL LAW****



BvL ARCHIVIO®



Which requirements must be fulfilled?

What exactly does the “IDW PS 880” certificate indicate?

Legal regulations that are met by BvLArchivio®!

The advantages of digital archiving and especially those offered by the archiving solution BvLArchivio® have already been presented to you in detail in our product brochure. However, as a user you do not only want to achieve operational cost benefits, but also want to be certain that you are fulfilling the legal requirements in every respect. This piece of mind is offered to you by the “IDW PS 880” certificate. It certifies that BvLArchivio® has been successfully tested according to the standards set by the Institute of Public Auditors in Germany (Instituts der Wirtschaftsprüfer in Deutschland e.V.).

Which requirements must be fulfilled?

As of January 1, 2002, every company, regardless of their size, has been obligated to digitally archive those tax-relevant documents that are created digitally in an audit-proof way. These documents include, for example, all invoices and receipts that are created in an inventory management system. Company audits carried out by the tax authorities should, therefore, be significantly quicker, more precise, and less expensive. Those companies that do not meet these obligations can expect, in the worst case scenario, costly sanctions.

In the case of paper invoices, these can generally be scanned and then destroyed while maintaining the right to claim input tax credits as long as the archiving process corresponds to the Generally Accepted German Accounting Principles (GoB). The option of archiving documents on image or data storage media is allowed according to commercial and fiscal law in Article 147, Paragraph 2 of the German tax Code (AO) and Article 257, Paragraph 3 of the German Commercial Code (HGB). However, this process must ensure that the electronic equivalent of the original document is identical and, in terms of its legally binding nature, it assumes an identical role, i.e., it is stored with an unchangeable index and neither the images or text can be subsequently amended.

The digital archiving process that is implemented by a company must meet the relevant legal regulations, although there are no concrete regulations stated in commercial and fiscal law or even any stipulations about the technology to be used. Instead, the relevant requirements arise from interpretations of the law, which merely serve as a bridge between the relevant laws and what is technically possible. Alongside the German Federal Ministry of Finance, with its regulations, legislation, and BMF communications, the Institute of Public Auditors in Germany (IDW) is also active in this area. The Institute of Public Auditors in Germany is a voluntary association of specialists who, for example, express their views on accounting issues, provide auditing advice and even establish auditing standards such as the auditing standard and associated certificate “IDW PS 880.” This auditing standard evaluates whether a particular IT solution observes the Generally Accepted German Accounting Principles.

In order to comply with the German Commercial Code (HGB) and the German Tax Code (AO), IT-supported digital archiving must guarantee the following aspects:

- Every document must be archived in an unchanged state.
No document may become lost on the way to the archive or in the archive itself.
- The ability to promptly retrieve every document using suitable retrieval technologies.
- The retrieved document must be precisely the same document that is being sought.
- It must not be possible to destroy any document during its intended lifetime.
- The ability to display and print every document in exactly the same form that it was created.
- All actions taken in the archive that can cause changes to its organization or structure are to be logged in such a way that it is possible to restore the original state of the archive.
- Electronic archives are to be designed so that a migration to new platforms, storage media, software versions, and components is possible without any loss of data.
- The system must offer the possibility of guaranteeing data security and data protection over the lifetime of the archive in accordance with the relevant legal regulations and operational requirements.
- After the digital archiving process has been completed, the original invoices and receipts may only be destroyed once all of these requirements have been met.

What exactly does the “IDW PS 880” certificate indicate?

IDW PS 880 certifies that accounting-relevant products offered for sale by manufacturers have been subjected to an independent audit in which it was possible to ascertain that the proper use of these products complies with the Generally Accepted German Accounting Principles. Using the system and the relevant user documentation, the archiving solutions are audited in detail to test their processing functions and rules, as well as their security aspects such as access protection and data security. A test-case methodology is used as the basis for these audits that utilizes available test cases from the manufacturer, as well as independent test cases created by the testing institute. Overall, these test cases must cover all of the important functions described in the documentation and also incorporate a representative combination of these functions for the task being audited. Another emphasis of the certification process is the testing of those characteristics that guarantee that the archived data cannot be overwritten or deleted.

The final test report in the form of the “IDW PS 880” certificate ultimately documents for the outside world that all relevant regulations are being observed.

BvLArchivio® meets, among other things, the following requirements and corresponds, therefore, in all cases, with the fiscal and commercial regulations:

1. The legal regulations contained in German commercial and fiscal law (§§ 238 ff. HGB and §§ 140–148 AO)
2. The Generally Accepted German Accounting Principles (GoB)
3. The communication from the German Federal Ministry of Finance (BMF) on November 7, 1995 on the “Generally Accepted Accounting Principles for Computer-Assisted Accounting Systems” (GoBS)
4. The communication from the German Federal Ministry of Finance (BMF) on July 16, 2001 about the “Basic Principles for Accessing Data and Auditing Digital Documents” (GDPdU)
5. The statement on accounting by the Technical Committee for Information Technology (FAIT) from the Institute of Public Auditors in Germany (Instituts der Wirtschaftsprüfer in Deutschland e.V. – IDW) on the “Principles of Proper Accounting Using Information Technology” (IDW RS FAIT 1)
6. The IDW statement on accounting from FAIT “Principles of Proper Accounting Using Information Technology” (IDW RS FAIT 3)
7. The IDW testing standard “Audits for the Use of Information Technology” (IDW PS 330)

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