Overview of significant differences between the Danish Financial Statements Act and IFRS

December 2020

Introduction

In this publication, we provide you with an overview of the most significant differences between the Danish Financial Statements Act and IFRS standards effective from 1 January 2020.

The publication primarily focuses on recognition and measurement differences and only highlights a few of the differences in terms of disclosure and presentation.

Please note that only significant differences are included and that application of this overview does not guarantee the identification of all differences. This will require a more detailed analysis of the entity's specific circumstances and transactions.

Adopted IFRS standards and IFRICs that have not yet come into force are not discussed.

Yours sincerely
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Overview of significant differences between the Danish Financial Statements Act and IFRS

	The Danish Financial Statements Act	IFRS as adopted by the EU
Elements and components of the annual report in general		
General points	— To a wide extent, the Danish Financial Statements Act is aligned with the current IFRSs in terms of recognition and measurement. — In certain areas, it is possible to choose specific IFRSs in full, for instance financial instruments, related party disclosures, segment information and fair value measurement. This entails that both recognition/measurement and disclosures for the areas in question must be applied. — Specific provisions for how to apply future IFRSs as basis (for instance relevant to entities reporting to a parent company that presents its financial statements in accordance with IFRS).	
Management's review	— Detailed requirements for the Management's review that increase in line with the size of the entity.	— IFRS does not contain requirements regarding the Management's review, but the Danish Executive Order on the adoption of IFRSs requires that a Management's review shall be prepared in accordance with the Danish Financial Statements Act for IFRS preparers. — IFRS has issued "Practice Statement Management Commentary", which is not mandatory.
Income statement/Statement of profit or loss and other comprehensive income	— Format requirements with few adjustment possibilities.	— No specific format requirements, but only requirement as to presentation of certain line items.
	— Income statement is required. Not possible to present a statement of comprehensive income.	— Requirement as to an overall "Statement of profit or loss and other comprehensive income" or a separate "Income statement" and a "Statement of other comprehensive income".
	— Costs are presented by function or by nature.	— Costs are presented by function or by nature. If classified by function, supplementary information in the notes shall be provided regarding the nature of costs, including depreciation, amortisation and staff costs.
	— Non-controlling interests' proportionate share of the subsidiaries' results must be presented as a separate item in Management's proposed profit/loss appropriation.	— The Group's profit/loss for the year is allocated between the owners of the parent company and non-controlling interests.

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Income statement/statement of profit or loss and other comprehensive income (continued)	— Certain items shall not be recognised in the income statement but shall be recognised directly in equity. For example: – Revaluation pursuant to section 41 – Acquisition and disposal of treasury shares – Value adjustment of cash flow hedges – Foreign currency translation of independent foreign entities; see section 39(2) – Change in accounting policies; see section 13(2) – Correction of material errors; see section 52(2) and – Actuarial gains and losses from defined benefit obligation – Contribution and distribution from/to shareholders – Distribution to parties other than shareholders in accordance with articles of association.	— Certain items are presented as other comprehensive income in continuation of the statement of profit and loss for the year. — Items of other comprehensive income must be classified into items that may subsequently be reclassified to profit/loss and items that can never be reclassified. — Tax on items of other comprehensive income shall be disclosed separately and specified by item in the notes.
	— Items that are special due to their nature or size must be presented as special items in the notes. To the extent that a special item is presented as a separate line item in the income statement, there is no requirement to provide additional information in the notes in this respect.	— When items of income or cost are material, their nature and size shall be disclosed separately. Presentation shall be made either in the notes or in the statement of profit and loss and comprehensive income.
	— Dividends and extraordinary dividends must be disclosed separately in the profit/loss appropriation. Distribution of extraordinary dividends after the balance sheet date must be disclosed in the profit/loss appropriation.	— No requirement for profit/loss appropriation in the income statement. — Dividends shall be presented in the statement of changes in equity.
	— No requirement for presentation of "Earnings per share" and "Diluted earnings per share".	— Entities with listed shares shall present "Earnings per share" and "Diluted earnings per share" in the group's statement of comprehensive income.

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Balance sheet	— Format requirements with few adjustment possibilities — The balance sheet may be presented in account form or in a reporting format similar to that in IFRS.	— No specific format requirements, but only requirement as to presentation of certain line items.
	— Classification as fixed and current assets (format 1) or as non-current and current assets (format 2).	— Only presentation as non-current/current assets.
	— Deferred tax assets are presented as current assets (format 1) or as non-current assets (format 2).	— Deferred tax assets shall be presented as non-current assets.
	— Provisions in a separate main group (format 1) or as non-current/current liabilities (format 2).	— Provisions shall be presented as non-current/current liabilities.
	— Deferred tax liabilities are presented as provisions (format 1) or as non-current liabilities (format 2).	— Deferred tax liabilities shall be presented as non-current liabilities.
	— No requirement for third balance sheet.	— Presentation of opening balance sheet (third balance sheet) for the preceding year is required if significantly affected by changes in accounting policies, changes in classification of balance sheet items or correction of material errors.
Statement of changes in equity	— Apart from reporting class B entities, all entities must present a statement of changes in equity. Each component of equity must be explained from opening to ending balance. Changes in the items "Revaluation reserve" and "Reserve for development costs" must be presented separately.	— Entities reporting in accordance with IFRS must present a statement of changes in equity. The statement must include "Profit/loss for the year", "Other comprehensive income" and "Transactions with owners" for each item.
Cash flow statement	— No requirement for a cash flow statement for reporting class B. — If a parent company prepares consolidated financial statements including a consolidated cash flow statement, the parent company is exempted from preparation of its separate cash flow statement. — A subsidiary may omit to prepare a cash flow statement if a higher-ranking parent company prepares a consolidated cash flow statement that includes the subsidiary's cash flows.	— For a parent company, a cash flow statement is required in both consolidated financial statements and separate financial statements.
	— Few requirements for the presentation of a cash flow statement. Cash flows must be presented by operating activities, investing activities and financing activities.	— Cash flows shall be presented by operating activities, investing activities and financing activities. — Restrictive definition of cash and cash equivalents. — Requirement for elimination and disclosure of non-cash transactions.

	The Danish Financial Statements Act	IFRS as adopted by the EU
Consolidated financial statements		
Consolidated financial statements	— Certain emexptions from preparation of consolidated financial statements due to size, parent companies where all subsidiaries are immaterial, individually or in aggregate, or parent companies who are subsidiaries of a higher-ranking parent company.	— Certain exemptions from preparation of consolidated financial statements, e.g. with reference to a higher-ranking parent company preparing consolidated financial statements in accordance with IFRS or is an Investment Entity in accordance with IFRS 10. Even when all subsidiaries are immaterial, consolidated financial statements must be prepared.
	— The group definition in the Danish Financial Statements Act is based on IAS 27; i.e. on control over financial and operational decisions to obtain a return thereon.	— Control is determined based on whether the entity has power over relevant activities, exposure to variable returns and ability to use its power to affect investor's returns.
	— An associate relationship requires that an entity or its subsidiary holds an equity interest in the other entity and also exercises significant influence.	— For an associate relationship to exist, no equity interests are required but significant influence is.
	— Options to exclude a subsidiary from consolidation on the following conditions: – Significant and continuous obstruction significantly limits the parent company's exercise of its rights over the subsidiary's assets or management – The necessary information cannot be obtained within a reasonable deadline or without disproportionately high costs – The subsidiary has not previously been included in the consolidated financial statements by consolidation, and the parent company solely holds equity interests in the subsidiary temporarily for the purpose of subsequently transferring them or – The entity is a commercial parent foundation that only to a limited extent carries out commercial activities and does not, except for convertible debt instruments and non-distributed dividends, have receivables from or has not provided collateral for any of its subsidiaries.	— Very few options to exclude subsidiaries from consolidation, typically based on the fact that the investor does not have control.
	— If the equity method is applied for associates, goodwill must be amortised.	— If the equity method is applied for associates, goodwill cannot be amortised.
	— Under certain conditions, option to mot include pro rata consolidation of entities.	— The option is not available under IFRS.
Business combinations between unrelated parties	— The Danish Business Authority has not affirmatively stated whether or not the option is available under the Danish Financial Statements Act.	— With effect for financial years beginning on or after 1 January 2020, an optional concentration test is available, rendering possible a simplified assessment of whether or not a single identifiable asset or a group of similar identifiable assets shall be accounted for as a business combination.

	The Danish Financial Statements Act	IFRS as adopted by the EU
	— As under IFRS.	— The method is the same irrespective of whether a subsidiary or an existing business (net assets) is acquired.
	— Small and non-complex business combinations must not comply with IFRS 3 Business combinations. — E.g. it is not required to separately recognise all identifiable intangible assets, if this will not have a material impact on the financial statements.	— IFRS 3 Business Combinations must be complied with irrespective of the size and complexity of the business combination.
	— As under IFRS.	— The in-substance acquired business must be revalued.
Business combinations between unrelated parties (continued)	— Goodwill must be amortised over the expected useful life. If the useful life cannot be estimated reliably, the useful life must be determined at 10 years.	— Goodwill is not amortised but shall be tested for impairment at least once a year.
	— As under IFRS.	— Negative goodwill shall be recognised as income at the acquisition date.
	— As under IFRS.	— Transaction costs are expensed as incurred.
	— Required separate recognition of identifiable intangible assets when this materially affects the financial statements.	— Required separate recognition of identifiable acquired intangible assets
	— As under IFRS.	— Assets acquired and liabilities assumed are measured at fair value — The acquirer's intended use of the asset is not taken into consideration when measuring fair value.
	— As under IFRS.	— Restructuring provisions in the acquired entity can only be recognised if the provision already meets the definition of a liability in the acquired entity at the acquisition date.
	— As under IFRS.	— Contingent liabilities are recognised if their fair value can be measured reliably.
	— As under IFRS, except that subsequently measured at net realisable value under section 36 or at NPV under section 47 of the Act.	— On initial recognition, contingent considerations are measured at fair value. Subsequently, they are measured at fair value with adjustments in profit or loss.
	— As under IFRS.	— Provided that certain conditions have been met, the acquisition balance sheet can be adjusted until 12 months after the acquisition date with effect on goodwill. — Adjustments of the acquisition balance sheet shall be made retrospectively, and comparative figures shall be restated.

	The Danish Financial Statements Act	IFRS as adopted by the EU
Business combinations between unrelated parties (continued)	— As under IFRS, except that the choice between methods is an accounting policy choice that must be applied consistently.	— Two methods for determining goodwill and initially measurement of non-controlling interests which can be elected transaction by transaction: – On acquisition, non-controlling interests are measured at the non-controlling interests' proportionate share of the fair value of the identifiable net assets in the acquired entity. – The non-controlling interests are measured at fair value, and thus, the entire goodwill regarding the acquired entity is recognised notwithstanding the equity interest being below 100%.
	— As under IFRS.	— Put options over non-controlling interests must be recognised as financial liabilities using either the Anticipated Acquisition or the Present Access method.
	— As under IFRS.	— Upon step acquisition, all of the acquired entity's assets and liabilities are measured at fair value at the date of acquisition (date of obtaining control).
	— As under IFRS.	— Upon step acquisition, previously held equity interests shall be re-measured to fair value through profit or loss at the date of obtaining control.
	— As under IFRS.	— On purchase and sale of non-controlling interests without obtaining or losing control, the difference between book value and transaction price is recognised directly in equity.
	— Upon loss of control over a subsidiary, gain or loss on sale is calculated only based on equity interests disposed of. For equity interests retained, the remaining carrying amount is used going forward as cost of retained interests.	— Upon loss of control over a subsidiary, gain or loss is calculated on both sold and retained interests. Any retained equity interests are re-measured at fair value through profit or loss at the date of loss of control. The fair value is subsequently the deemed cost of retained interests.
Business combinations under common control	— The uniting-of-interests method can be applied to intra-group transactions and business combinations under common control.	— No specific provisions for common control, but in practice the acquisition method and the book value method can be applied.
	— The combination can be carried out as if the entities had been combined as from the earliest period included in the financial statements or from the transaction date.	— As under Danish GAAP
	— As under IFRS, however, mergers in accordance with the Danish Companies Act can be decided to have accounting effect retrospectively to an earlier date, e.g. the first day of the financial year.	— The book-value method can be applied retrospectively only back to the date when common control was established.

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Balance sheet items		
Intangible assets	— Intangible assets must be amortised over their useful lives. — If the useful life of goodwill and development costs cannot be estimated reliably, the useful life must be set at 10 years.	— Intangible assets with finite useful lives shall be amortised over their useful lives. There is no upper limit for the useful life. — Intangible assets with indefinite useful lives, including goodwill, are not amortised. Instead, an impairment test is performed at least annually.
	— Option to recognise borrowing costs in cost.	— Requirement for recognition of borrowing costs in the cost of all qualifying assets.
Property, plant and equipment	— Requirement for a component approach if it has a material impact on the financial statements.	— Detailed requirements for a component approach.
	— No explicit requirements for the recognition of dismantling liabilities in cost, but the requirement exists by reference to IAS 16 in the Act.	— Dismantling liabilities shall be recognised as part of the cost of an item of property, plant and equipment.
	— Option to recognise borrowing costs in the cost of an asset.	— Requirement for recognition of borrowing costs in the cost of qualifying assets.
	— It is optional to recognise indirect production overheads in the cost of an asset.	— Generally, IFRS does not allow the recognition of administrative expenses and other general production costs in the cost of an asset. Only costs directly attributable are recognised as cost of an asset.
Investment properties and liabilities related thereto.	— Investment properties are measured at fair value or cost less depreciation. — Fair value adjustment can be recognised over profit/loss (section 38) or directly in equity (section 41). — Financial liabilities arising from investment property, e.g. mortgage loans, cannot be measured at fair value (unless opt-in for "full IFRS for financial instruments", see below).	— Investment properties are measured at fair value with value adjustment over profit/loss or at cost less depreciation. — Financial liabilities relating to investment property, e.g. mortgage loans, are generally measured at amortised cost, unless the fair value option is applied (IAS 39).
Biological assets	— Biological assets like bearer plants can be measured at cost less depreciation or fair value directly through equity (section 41). — Biological assets that are not bearer plants are measured at fair value or cost. Fair value adjustments are recognised in profit/loss (§38).	— "Bearer plants" are accounted for as PP&E (IAS 16). — Biological assets except from "bearer plants" shall be measured at fair value less costs to sell with value adjustments in profit/loss in accordance with IAS 41. If fair value less costs to sell cannot be measured reliably, they shall be measured at cost.

	The Danish Financial Statements Act	IFRS as adopted by the EU
Equity interests in subsidiaries and associates as well as jointly controlled entities (joint ventures) in the parent's separate financial statements.	— Equity interests is a new category under the Danish Financial Statements Act, comprising, among others, all associates. The definition of associates has been adjusted accordingly, and associates have been omitted as a line item in the balance sheet schedule 2 to the Danish Financial Statements Act. Associates can still be presented as a separate line item if they meet the definition of associates.	— IFRS does not make use of the term "equity interests" but still accounts for associates, joint arrangements and subsidiaries in parent company's separate financial statements.
	— The general rule is the cost method. Option to apply the equity method or fair value with value adjustment over equity. — As an accounting policy choice, the equity method can be applied as a consolidation method or as a measurement method.	— Cost, equity method or fair value in accordance with IAS 39.
	— Two options for the recognition of dividends using the cost method. – Dividends from equity interests are always recognised in profit/loss. An impairment test must be performed in case of indication of impairment (dividends exceeding comprehensive income for the period, or the carrying amount of the equity interests exceeding the carrying amount of net assets, including goodwill of the investee in the consolidated financial statements). – Dividends are recognised in profit/loss at an amount equivalent to the entity's accumulated earnings obtained after the acquisition of the equity interest. Dividends arising from earnings earned prior to acquisition are recognised as a reduction in the cost of the equity interests (as a return on investment).	— Dividends from equity interests are always recognised in profit and loss. An impairment test shall be performed in case of indication of impairment (when dividends exceed comprehensive income for the period, or when the carrying amount of the equity interests exceeds the carrying amount of net assets, including goodwill of the investee in the consolidated financial statements).
Equity interests in subsidiaries and associates as well as jointly controlled entities (joint ventures) in the parent's separate financial statements (continued)	— Jointly controlled entities (joint ventures) are recognised in accordance with the equity method. — IFRS 11 can be applied under the Danish Financial Statements Act. The standard uses a special classification called joint operations. Under IFRS, interests in a joint operation shall be recognised according to the financial interest in the project in both the parent's separate financial statements and in the consolidated financial statements. This will often correspond to pro rata consolidation.	— Joint operations are recognised line by line at the share of the underlying income and costs as well as assets and liabilities.
Equity interests in associates in the consolidated financial statements	— Associates are recognised using the equity method. — If the necessary financial information is not available in a given case, equity interests are measured at cost.	— The general rule is the equity method. — Fair value can be applied when certain conditions are met.
Equity interests in joint ventures in the consolidated financial statements	— Joint ventures are recognised in accordance with the equity method or are consolidated on a pro rata basis. There is no distinction between joint operations and joint ventures.	— Joint ventures are recognised using the equity method. — Joint operations are recognised line by line at the share of the underlying income and costs as well as assets and liabilities.

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Financial assets	— Generally, recognition and measurement provisions are in accordance with IAS 39 with the following differences: – The category "financial assets available for sale" does not exist. Instead, the categories "held to maturity" or "trading portfolio" shall be used. – Financial assets are measured at fair value with value adjustments over the income statement (section 37). – Equity interests in entities other than associates and subsidiaries are to be recognised at fair value with value adjustments over the income statement (section 37), however, unlisted equity interests can be measured at cost (section 37 (4)). – Possibility to opt in "full IFRS for financial instruments" including disclosure requirements (IAS 32, IFRS 9, IFRS 7 and IFRS 13).	— Financial assets are classified into three measurement categories: – Amortised cost – Fair value through other comprehensive income (FVOCI) – Fair value through profit or loss (FVTPL). — Detailed definitions and recognition and measurement provisions: – Specific requirements to business model in order to apply amortised cost – The new category FVOCI differs from "financial assets available for sale" under IAS 39. – Unlisted equity interests are measured at fair value. In rare cases when fair value cannot be measured reliably, they can be measured at cost. – Specific criteria for derecognition.
Receivables	— Receivables are measured based on incurred credit losses (objective impairment trigger). — IFRS 9 can be applied as basis for the measurement of receivables (expected credit loss model) without implementing the full standard.	— Receivables are measured based on expected credit losses.
Inventories	— Option to recognise borrowing costs in the cost of self-constructed inventories.	— Borrowing costs shall be recognised in the cost of all qualifying assets.
Other investment assets	— Other investment assets (assets other than financial instruments, equity interests, investment property and biological assets] cannot be measured at fair value with value adjustments over the income statement in accordance with section 38 of the Danish Financial Statements Act. Other investment assets e.g. include inventories of metals, oil, etc. — Other investment assets are measured at cost or at fair value with revaluation through equity (section 41).	— Brokers' inventories of raw materials, etc. for immediate resale can be measured at fair value less sales costs with value adjustment over profit/loss. — Other investment assets are measured at cost.
Impairment of non-current assets	— Few general requirements. In case of indication of impairment, IAS 36 is used as basis of interpretation.	— Very detailed requirements. — Requirement for at least an annual impairment test of cash-generating units comprising goodwill and of intangible assets with indefinite useful lives and development projects in progress.
Equity	— Classification of liabilities or equity is made based on company-law requirements.	— Classification of liabilities and equity is made based on the substance of the instrument.

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Financial liabilities	— Financial liabilities are measured at amortised cost. — Possibility to opt in "full IFRS for financial instruments" including disclosure requirements (IAS 32, IFRS 9, IFRS 7 and IFRS 13). — When using this option, financial liabilities can be measured at fair value though profit/loss when "full IFRS for financial instruments" is selected, using IFRS 9 criteria and presentation.	— Generally, financial liabilities are measured at amortised cost. — Possibility to use fair value option with fair value adjustment though profit/loss (FVTPL) provided certain criteria are met, however, gains or losses attributable to changes in own credit risk are presented in OCI. — Specific requirements for derecognition. — Requirement for the recognition of the value of financial guarantees.
Provisions	— No specific rules regarding dismantling liabilities. The requirement follows the reference to IAS 16 for recognition of dismantling liabilities in the cost of property, plant and equipment.	— Specific rules regarding treatment of dismantling and restoration liabilities.
Uncertain income tax positions	— IFRIC 23 is to be used as the basis of interpretation.	— Detailed requirements as to how entities shall recognise and measure uncertain tax positions in relation to income tax. — IFRIC 23 clarifies that recognition and measurement shall follow IAS 12 and not IAS 37.
Employee benefits	— General provisions as the definition of liabilities and the requirement for accrual.	— Specific requirements for the recognition of current and non-current employee benefits.
	— IAS 19 is used to interpret the Act. Actuarial gains and losses are recognised directly in equity. — Entities that until now have used the corridor approach under IAS 19 (2000) can still apply this approach until the last financial year beginning before 1 January 2021.	— Specific provisions regarding recognition of defined benefit plans. All actuarial gains and losses are recognised directly in other comprehensive income.
Share-based payment	— No specific provisions for equity-settled share-based payment transactions. — Significant transactions should be recognised in accordance with the provisions in IFRS 2. — Cash-settled share-based payment transactions follow the general provisions on recognition of financial liabilities.	— Specific requirements for share-based payments. Under an equity-settled arrangement, the fair value of share-based payment arrangements shall be recognised as a cost with a counter entry in equity; under a cash-settled arrangement, the counter entry shall be recognised as a liability. The value of the liability shall be adjusted on an ongoing basis. The cost shall be recognised over the vesting period.

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Income statement items		
Revenue	— Revenue must be recognised in the income statement as earned. — Entities can choose between IAS 18 and IAS 11 and related IFRICs as the basis of interpretation or IFRS 15. — Reporting class B entities may omit to apply the percentage-of-completion method unless it compromises the true and fair view.	— Detailed requirements in IFRS 15 for recognition of revenue from the sale of goods and services, included separating performance obligations in a contract, sale of licenses and recognition of costs to obtain and fulfil a contract- — Detailed requirements for recognition and measurement of revenue over time.
Other areas		
Assets held for sale/discontinued operations	— Discontinued operations and related liabilities that are to be disposed of, closed down or abandoned (unless they cannot be separated from the other operations) according to an overall plan must be presented as separate line items in the income statement and balance sheet under assets and liabilities, respectively, with specification in the notes. — Restatement of comparative figures is not required, but it is allowed for both the income statement and the balance sheet. — There are no specific requirements for the specification and placement in the income statement and balance sheet, respectively. — Discontinued operations are measured as other items of property, plant and equipment and intangible assets, i.e. depreciation does not cease. — Individual assets are not covered by discontinued operations.	— Assets held for sale and related liabilities shall be measured at the lower of carrying amount and fair value less selling costs. — Depreciation ceases. — Shall be presented separately in the balance sheet as current assets or current liabilities, respectively. Comparative figures cannot be restated. — Discontinued operations shall be presented separately as a net amount after tax in profit/loss comprising both operating profit/loss and gain/loss/value adjustment on disposal. Comparative figures shall be restated. Specific requirements for disclosure in the notes. — Individual assets are covered by the definition "assets held for sale".
Leases	— Entities can choose IAS 17 with relating IFRICs as the basis of interpretation or IFRS 16 — If IAS 17 is applied, leases shall be classified as either operating leases or finance leases. — A reporting class B may choose not to recognise finance leases in the balance sheet if the non-recognition does not impact on the true and fair view of the financial statements. — IFRS 16 can be used as the basis of interpretation under the Danish Financial Statements Act without complying with its disclosure requirements. This also applies to reporting class B entities, which will then be unable to use the exemption not to recognise finance leases on the balance sheet. Using IFRS 16 under the Danish Financial Statements Act also requires that IFRS 15 is used as basis of interpretation.	— All the lessee's leases shall generally be recognised in the balance sheet except from short-term leases and low-value assets.

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Derivative financial instruments and hedge accounting.	— Derivative financial instruments are generally to be measured at fair value over the income statement. — General provisions on hedging. — No specific requirements for embedded financial instruments. — General reference to IAS 39 for further guidance. — Possibility to opt in "full FRS for financial instruments" including disclosure requirements (IAS 32, IFRS 9, IFRS 7 and IFRS 13). — IFRS 9 Financial Instruments can be used as the basis of interpretation for hedge accounting without implementing the other requirements of the standard.	— Derivative financial instruments are generally to be measured at fair value through profit/loss. — Very restrictive provisions for hedge accounting, however less restrictive than under IAS 39. — Very specific requirements for separating embedded financial instruments.
Government grants	— Only gross presentation of grants is allowed.	— Option to choose between gross and net presentation of grants.
Foreign currency	— DKK or EUR can always be chosen as the functional currency for a Danish entity. Other currencies can be used if the currency is relevant to the entity. — Foreign entities are to be classified as integrated or separate entities.	— The functional currency shall be determined based on relevance to the entity. — Under certain circumstances, the parent company's functional currency shall be applied as functional currency for foreign entities (integrated entities).
	— The parent company's functional currency must be used as presentation currency for both the parent's separate financial statements and the consolidated financial statements.	— Discretionary choice of presentation currency.
	— Integrated entities' financial statements are translated using the temporal method. — Foreign entities' financial statements are translated using the closing rate method.	— The financial statements of all entities (including the parent company) with a functional currency different from the presentation currency shall be translated using the closing rate method.

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Note disclosures and accounting policies		
Note disclosures	— Specific disclosure requirements. Special Danish requirements apply within certain areas.	— Detailed disclosure requirements.
	— No requirement for comparative figures in the notes unless specifically stated in the provision.	— Comparative figures in the notes are always required except when specifically exempted.
	— The notes must be presented in the order in which the items to which the notes relate are presented in the income statement and the balance sheet, respectively.	— No requirement for a specific order apart from a systematic presentation.
	— Relevant IFRSs can be used as inspiration.	— Significant disclosure requirements in the following areas: – Segments – Impairment testing and write-down – Management's estimates and judgements – Financial instruments and risks – Fair value measurement – Interests in other entities – Business combinations – Discontinued operations and assets held for sale – Defined benefit plans – Share-based payments
Related party transactions	— The entity may, as an accounting policy choice, choose to: – Disclose all related party transactions as required by IAS 24 (however, possible to refrain from disclosing transactions between the entity and its fully-owned subsidiaries), or – Disclose only related party transactions that have not been carried out on an arm's length basis.	— A number of disclosures shall be made for related party transactions broken down by nature and with disclosure of amounts.
Accounting policies	— Estimation uncertainties or judgements shall not be separately disclosed.	— Significant estimation uncertainties and judgements made when applying the accounting policies in connection with the financial reporting shall be disclosed separately.
Supplementary reports		
Supplementary reports	— Option to incorporate supplementary reports.	— No provisions regarding supplementary reports.

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