

## Compliance fact sheet

Document scanning is widely used by large organisations to store electronically their documents. This helps them increase their efficiency in storing and retrieving documents, with audit trails and other checks in place to ensure compliance with regulatory and statutory bodies. For smaller businesses, specialist document scanning services are relatively new, but the same standards large organisations follow must be complied with.

**Papershrink** helps you comply with these standards by automatically including the procedures and documents required by the British Standard for 'Legal Admissibility and Evidential Weight of Information Stored Electronically'. This is the standard recognised by these regulatory and statutory bodies. Below is more detail on what the bodies which may regulate or investigate your business say about the electronic storage of documents. If you would like information on an organisation you comply with, which is not listed here, please let us know and we'll get the details for you.

### 1 HM Revenue and Customs

Electronically stored documents are acceptable for tax returns, as long as they comply with the general principle that all the records necessary to make a correct and complete tax return are kept in an available format. Therefore, electronically stored documents must be able to yield all the information required under the general principle.

The documents that need to be stored will vary from business to business and should be agreed with your tax adviser. **Your company will not need to keep the original records if all the information they contain is kept in an acceptable alternative form.** Any information which is stored in compliance with BIP 0008:2004 is automatically deemed to be acceptable.

Visit <http://www.hmrc.gov.uk/pdfs/ctsabk4.pdf>. Point 22 at the top of page 8 is the most relevant.

From a VAT point of view, section 19.2.5 of the VAT Guide (Notice 700) on Computer Records states that "You can also keep your records on a computer, for example, on magnetic tape, disc etc, provided they can be readily converted into a satisfactory legible form and made available to us on request." For more details, please visit [http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?\\_nfpb=true&\\_pageLabel=pageOnlineServices\\_ShowContent&propertyType=document&columns=1&id=HMCE\\_CL\\_001539](http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_pageLabel=pageOnlineServices_ShowContent&propertyType=document&columns=1&id=HMCE_CL_001539)

Regardless of the system you will put in place, whether you outsource or scan in house, you should keep your local HM Revenue & Customs office informed of what you are doing.

## 2 Law Society

The Law Society states that electronic document storage and the associated destruction of the original document is acceptable, but recommends that the authority of the owner is given for destruction of the document.

The evidential value of an electronically stored document is maintained as long as a certificate of destruction of the original can be provided and accurate identification of the copy made. This is in line with the provision made under British Standard BIP 000:2004.

The Law Society's Guide is clearly written and gives much other useful guidance on how long documents should be kept, ownership, what to do when the contract is completed and many other topics surrounding document storage generally.

[www.guide.lawsociety.org.uk](http://www.guide.lawsociety.org.uk). Search the guide online with 'document storage' as the search term. Annex 12A, point 6 gives the relevant information.

## 3 Financial Services Authority

The FSA Handbook states under the various Conduct of Business sections that:  
"A firm may arrange for records to be kept in such form as it chooses, provided the record is readily accessible for inspection by the FSA. Where a firm chooses to maintain records in electronic form, it should take reasonable steps to ensure that the electronic record accurately reflects the original information; and the electronic record has not been subject to unauthorised or accidental alteration"

Visit <http://fsahandbook.info/FSA/html/handbook/> and type "record keeping" as search terms. Then select the relevant Code of Business section for your type of business.

## 4 British Standard

The British Standard made reference to is BIP 0008 'Code of practice for legal admissibility and evidential weight of information stored electronically', revised in January 2004. It is available for purchase from their web site at [www.bsi-global.com](http://www.bsi-global.com) or <http://bsonline.techindex.co.uk>

All work carried out by **Papershrink** is in compliance with this Code, which means any documents scanned by **Papershrink** and stored electronically by you, in accordance with our guidelines, will comply with the British Standard as well.

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