SUPREME COURT JUDGEMENT
delivered on Thursday 9 January 2025

Cases BS-49398/2023-HJR and BS-47473/2023-HJR
(2nd Chamber)
Accenture A/S
(attorney Nikolaj Bjørnholm) v
Danish Ministry of Taxation (attorney Steffen Sværke)

In a previous instance, judgment was delivered by the 18th division of the Eastern High Court on 29 August 2023 (B-0956-16 and BS-52532/2019-OLR).
Five judges participated in the judgement: Poul Dahl Jensen, Michael Rekling, Jens Kruse Mikkelsen, Ole Hasselgaard and Julie Arnth Jørgensen.

Allegations

The appellant, Accenture A/S, has repeated its claim for acquittal and that the company's taxable income in the income year 2007 be reduced by DKK 7,027,853.

In the alternative, Accenture A/S has claimed that the assessment of the company's taxable income for the income years 2005-2011 with respect to employee deposits and loans be referred back for reconsideration by the Danish Tax Agency.

Accenture A/S has further claimed that the respondent, the Ministry of Taxation, must repay DKK 1,000,000, which Accenture has paid to comply with the High Court's decision on costs, with interest from 5 September 2023.

The Ministry of Taxation has claimed that the High Court's judgement should be upheld and has claimed acquittal of Accenture's claim for payment.

Supplementary statement of case

Accenture has submitted transfer pricing documentation regarding the 30% mark-up mentioned in clause 6 of 'The Accenture Organisations International Assignment Agreement' (the IAA agreement) for the income years in question. Apart from the data basis, the documentation is essentially identical. Accenture's transfer pricing documentation for 2006 regarding the IAA agreement states, inter alia:

'*III. ECONOMIC ANALYSIS*

A. Cross Border Personnel

Accenture clients require information technology and business solutions that are not limited by geographic boundaries. Therefore, the ability to deliver services to existing and prospective clients on a worldwide basis is critical to the business success of all Accenture entities.

The proposals presented to prospective clients in any country typically stress Accenture's ability to assemble a project team in any country or any client location. A typical cross border engagement involves one or more functional and industry experts and often requires personnel from more than one Accenture entity. To facilitate this exchange of personnel, each Accenture entity has executed the International Assignment Agreement.

Personnel who work on an engagement in another country are commonly referred to as 'Cross Border Resources.' Cross Border Resources are sent to work on an engagement in another country on a temporary, short term basis and return to their sending or 'Home' country after their work is completed. Throughout this report, the term 'Home Country' refers to the country that supplies the Cross Border Personnel. Similarly, the term 'Host Country' refers to the country that borrows Cross Border Personnel. Use of Cross Border Resources enables the Accenture organisation to balance swings in supply and demand in the different Accenture entities and has the following additional benefits:

- The cross-border resource can augment local staff with required skills and/or experience on a client project;
- A core team may work for a multinational client in more than one country; and
- Occasionally, a person may move cross border to enhance his or her skills or receive on-the-job training.

Regardless of the specific needs of the Host Country, consulting personnel are rarely sent out of their Home Country if they are needed on a local project. Indeed, typically, personnel are sent out on cross border assignments only if there is no urgent need for their work in their Home Country.

The starting point for establishing an arm's length price for an intercompany transaction is the analysis of functions performed and risks incurred by each of the affiliated entities involved in a transaction. As will be discussed in more detail below, the Home Country that provides the Cross Border Resource to the Host Country acts as supplier of staff. The Host Country contracts with the client and generally assumes all the risks associated with the engagement. It is therefore appropriate that the Home Country, which is responsible only for providing competent staff, receives sufficient revenue to pay the employee's direct and indirect compensation and to recover a margin for the provision of staff to the Host Country. Any other engagement costs incurred by the borrowed employee are borne by the Host Country.

Functions of the Home and Host Countries
The Host Country typically carries out most of the job functions on a client engagement. The Host Country senior executive (or a senior executive group) identifies a prospective client, meets with and solicits work from the client, identifies the skills and resources required to deliver the work, enters into the contract with the client and delivers the work. The Home Country has no responsibilities specific to a particular engagement. In fact, an employee on a cross border engagement works under the supervision of the senior executive in charge of that engagement (i.e., a Host Country senior executive). The Home Country functions are limited to HR functions such as recruiting, training, setting long-term career paths, compensation and benefits.

In some cases, the Home Country may play a limited role in the selection of the cross border resource. However, the Host Country senior executive has the right to 'veto' that selection if he or she feels that the resource selected by the Home Country does not meet the qualifications needed for the client engagement...
...
Risks Assumed
The distribution of risk between the Host Country and the Home Country is weighted heavily toward the Host Country. The Host Country is the contracting entity with the third-party clients and incurs the general business risk, warranty risk and financial risks on client engagements. The risk assumed by the Home Country is primarily opportunity cost. For example, if there were an increase in the local market demand, the Home Country may not have enough resources if the resources are already committed abroad. This creates an opportunity cost for the Home Country. Of course, this cost is significantly reduced in that the Home Country, in turn, could borrow resources from other Accenture entities. In such cases, the Home Country would incur minimal opportunity costs if alternative resources were available and if the transfer prices for imported personnel were set globally and applied consistently for all Accenture entities. It should be noted, however, that the Home Country does not typically lend the resources that it needs for its own (local) engagements to an affiliated entity. Cross Border Personnel are always drawn from the pool of personnel that are 'available,' in the sense that they are not urgently needed for an engagement in their Home Country.

In addition to opportunity cost, the Home Country also risks losing resources to turnover when staffing them on cross-border engagements. For example, occasionally, due to demanding travel requirements or dissatisfaction with a specific cross-border job, resources will leave the company. Dissatisfaction can be caused by factors such as different management styles between the Home and the Host Country, cultural differences, a lengthy cross border assignment, and a perceived loss of career path. When the Home Country loses a resource, it loses the time and money spent developing that individual.

Following is a list of core risks that are assumed by the Host and Home countries.
...

B. Pricing Methods

The services performed by one Accenture entity for another Accenture entity pursuant to the International Assignment Agreement are intragroup services that must be compensated at arm's length. Without the ability to borrow resources from other Accenture entities, the Host Country entity would have to hire third party contractors to augment their local resources on certain engagements. Moreover, the entities that supply the personnel (Home Countries) are in the business of providing consulting services to third parties using the same personnel that may be loaned to other Accenture entities on cross border assignments.
Therefore, the provision of personnel to the Host Country entity may not be charged at cost but must include a profit element. As noted above, transfer pricing methods that are generally appropriate for intercompany services are the comparable uncontrolled price (CUP) method and the cost plus method.

Comparable Uncontrolled Price (CUP) Method

A CUP analysis would set the prices charged for services provided among Accenture entities based on the prices charged by Accenture entities to unrelated parties. The CUP method, however, requires substantial economic comparability, particularly with respect to functions and risks. To be comparable under the CUP method, the controlled and uncontrolled transactions must be either identical or fundamentally similar. Therefore, if Accenture provided consulting services to unrelated parties that were sufficiently comparable to the functions performed and risks assumed by the Home Country (in a cross border transfer setting), the prices charged in these transactions with unrelated parties would provide a CUP.

Of course, Accenture entities are in the business of providing consulting services to third parties. The service revenues received by the Accenture entities represent the amount that unrelated clients are willing to pay for their services. However, in order to use revenues earned on third-party projects as a basis for pricing between Accenture entities, the comparability of the services provided and the circumstances of the transactions between Accenture entities and third parties must be established. That is, the functions performed by an Accenture affiliate on a typical client engagement must be compared with the functions performed by the Home Country on a typical cross-border engagement.

While the two transactions appear to be comparable from a narrow service (or 'product') perspective, the transactions are not comparable from a functional and risk viewpoint. Thus, while the type of consulting services provided to third-party clients on domestic (Home Country) engagements are generally the same as those provided by the Host Country to its client on an engagement that requires the use of cross- border resources, the intracompany services provided to the Host Country by the Home Country are not the same. Specifically, as shown in the functional and risk analyses section presented above, the Home Country typically does not perform project management or client service functions. More specifically, the Home Country does not provide any consulting services to the Host Country. Rather, it provides consulting personnel who will then work under the direction of the Host Country executives (typically) as part of a larger team on a client engagement. Also, the Home Country does not bear any significant risk with respect to the engagement. Therefore, the revenues earned on a typical client project are too high in relation to the functions performed and risks assumed by the Home Country. Hence, an alternative transfer pricing method, the cost plus method, needs to be considered.

Cost Plus Analysis
Since neither internal nor external comparable uncontrolled prices are available for cross-border services among Accenture entities, benchmark prices are best determined by identifying the costs of services and applying an arm's length markup to those costs. The arm's length markup is determined by examining the markups earned by independent companies performing functions comparable to those performed by the Home Country with respect to a cross-border engagement.

Search for Comparables
In order to identify the return to which an Accenture Affiliate is entitled for providing personnel to Accenture entities in other countries, an analysis of the markups and margins earned by independent companies performing functions similar to those of Accenture entities was performed. Searches were performed in three commercial databases containing financial and operating information on a large number of publicly and privately held companies around the world: S&P Compustat, Thomson BankerOne, and Bureau Van Dijk's Amadeus. The search process focused on companies that provided information technology services including companies classified in Standard Industrial Classification (SIC) group 737 (Computer and Data Processing Services), as well as companies in SIC codes 8742 (Management Consulting Services) and SIC code 8748 (Business Consulting Services, not elsewhere classified).

The initial search identified set of 1,170 potential comparable companies worldwide. A financial review of the companies in this initial set substantially reduced the number of potential comparables. The financial rejection criteria included, but were not limited to:

- a history of consecutive operating losses as evidenced by the company's last three years of financial data;
- less than three years of financial data;
- inventory to sales ratio greater than 10%.

The remaining potential comparable companies were again reduced after a review of the business description of each one of the companies.

Since the analysis focused on the markup earned by IT service providers, companies were excluded if they derived significant revenue from software sales or licensing or were engaged in the re-sale of computer hardware or software as an important component of their business. In addition, as Accenture personnel involved in cross border assignments provide a wide range of technical and professional services, companies that focused narrowly on specific areas of technology consulting (e.g., Web design) were excluded. Moreover, since the Host Country will have access to all intellectual property that it needs for its client engagements, companies were excluded if they had significant intellectual property (IP) as indicated in their SEC or other public filings.

After a thorough review of the functions performed by the remaining companies, a set of 57 comparable companies was selected. These companies provide a good basis for comparison with the functions performed by the Home Country with respect to a cross-border assignment. While each of the comparable companies bears a normal level of business risks, these risks do not appear to be in excess of the business risks incurred by the Accenture entities in their role as a Home Country in a cross border transaction. As discussed in the functional and risk analysis, although the Home Country bears no risk of legal liability with respect to the cross-border engagement, some business risk is borne by the Home Country. For example, the Home Country would bear the costs of redeploying the personnel if a cross border job is terminated earlier than expected and the borrowed resources are sent back by Host Country.

A summary description of each of the comparable companies selected is presented in Exhibit 2. Selected financial data for the comparable companies are provided in Exhibit 3.

Accenture Data
Information regarding cross border transfers among Accenture entities was collected. Because Accenture's cross border transfer pricing policy is intended to be applied on a consistent worldwide basis, it would be impractical to analyse the financial information of each and every Accenture entity individually and apply a specific transfer price for each country. Instead financial data for operating entities in sixteen countries that account for the bulk (over 70%) of Cross Border transactions were obtained and analysed. As it is not possible to isolate the costs and revenues associated solely with cross border services, entity-wide income statements were used.
Summary Income Statements for the sixteen selected Accenture Entities are presented in Exhibit 5. For comparative purposes, the following financial ratios were calculated from these GAAP financial statements:

- Gross profit as a per cent of cost of services; and
- Operating expenses (including depreciation expenses) as a percent of net revenues.

Adjustments to Comparable Data
Before the profitability ratios of the comparable companies could be compared to those of the sixteen Accenture Entities, additional comparability adjustments were required to account for remaining differences between the functions performed by the Accenture Entities and the comparable companies. Each of the comparable companies under review incurs a different level of operating expenses (expressed as a percentage of revenues or sales). Because the level of operating expenses for any particular company generally provides a good indication of the magnitude of that company's marketing and administrative activities, differences in operating expense levels generally reflect differences in functions performed. Moreover, some of the comparable companies include some of the expenses that would normally be considered ‘selling, general, and administrative expenses’ in the cost of services. Without appropriate adjustment, the cost plus margin of such companies is substantially understated and cannot be compared with companies, such as Accenture, that report direct costs (cost of goods/services) and overhead (selling, general, and administrative) expenses on a separate line. Therefore, adjustments were made to compensate for differences in levels of operating expenses between Accenture entities and the comparable companies.

The adjustments were made as follows: The operating expenses-to-revenues ratios of each of the selected Accenture entities were averaged over the last three fiscal years (FY2004 FY2006). This three-year average ratio was then compared to the operating expenses-to-revenue average ratios of each of the comparable companies. For example, the three-year average operating expenses to revenues ratio of Accenture Australia was 16%, while the same ratio for Ciber, Inc. was 23%. The higher level of operating expenses implies that Ciber earns a higher gross margin than Accenture Australia because it performs more functions, or performs the same number of functions but with greater intensity than Accenture. In order to estimate the gross margin that would be earned by Ciber if its level of operating expenses were the same as Accenture Australia, the percentage difference in their operating expenses is subtracted from the reported gross margin of Ciber. That is, seven percentage points is subtracted from Ciber's gross margin to make it functionally more comparable with Accenture Australia. The adjusted gross margin is then used to calculate an adjusted cost plus markup, or markup over direct costs using the following formula:

Cost Plus Markup = (Adjusted Gross Margin/Cost of Services)

‘Cost of Services’ includes payroll costs and all employee benefits, social insurance costs, related taxes, and direct overhead. For example, based on the cost plus method of pricing, if a company's cost of services equal $100, and these costs are marked up by 25%, the company's revenue will be $125, and the gross margin will be $25.

The analysis comparing the comparable company results and the operating results of the sixteen selected Accenture Entities is attached as Exhibit 6. As an example, a summary of the analysis using Accenture Australia operating results to determine the adjusted cost plus markups for the comparable companies is shown in the following table.
...

As can be observed, the adjusted cost plus markups for the comparable companies ranged from -9% to 67% over the three year period equivalent to the Accenture Australia fiscal years 2004 through 2006. This range, however, is too broad to be used as the basis for transfer pricing. One method of narrowing the range is to focus on the interquartile range of the markups obtained from the comparables. The interquartile range is defined as the range of values from the 25th to the 75th percentile (i.e., the middle 50 per cent of the range). The interquartile range of adjusted cost plus markups for the three years is 24% to 39%.

As shown in the following table (Adjusted Cost Plus Markup Interquartile Range), the adjustment and calculation process described above for Accenture Australia was also applied to all sixteen Accenture entities selected for this analysis...
...
The summary table above also includes the computation of the interquartile range for the ranges of data obtained for individual countries. The objective of this exercise is to obtain a range which eliminates extreme results but, at the same time, includes at least one data point from the applicable range of each of the sixteen entities. The applicable range is cost plus 24% to 44%, which spans from the lower end of 25th percentile range to the upper end of the 75th percentile range.

IV. CONCLUSION
Based on the functions performed and risks borne by the Home and Host Countries, the arm's length markup on cost of services charged by the Home Countries for employees lent to the Host Countries should be in the range of 24% to 44%. The 30% markup charged by the Accenture Home Countries for Cross Border Resources was well within this arm's length range. The computation of the range is based on a three-year average ratio of adjusted gross profit to cost of services of comparable companies. Adjustments were made for the differences in the ratio of selling, general and administrative (SG&A) expenses to net sales ratios of comparable companies and Accenture.'

In 2006, Accenture Global Services GmbH (AGS) and Accenture A/S entered into a licence agreement ('The Accenture Group - AGS Intellectual Property License Agreement'). The licence agreement states, inter alia:

'*WHEREAS:*

(A) The Licensee and Licensor are members of the Accenture Group;

(B) The Licensor is the legal and/or beneficial owner of the Licensed IPR (as defined below) and primarily responsible for the development, enhancement and protection of the Intellectual Property;

(C) Licensor has borne the cost of developing or acquiring Intellectual Property and has agreed, pursuant to the IP Services Agreements with the Entities, including the Licensee, to bear the future costs incurred by the Entities, including the Licensee, of development and/or improvement of the Intellectual Property;
...

THEREFORE THE PARTIES AGREE as follows
1. DEFINITIONS
...
1.1.5. 'AGS IPR' means all Intellectual Property owned by the Licensor from time to time including, but not limited to, the Trademarks and Patents and all other Intellectual Property developed or acquired by the Licensor after the Effective Date;
...
1.1.13. 'Effective Date' Means:
a) 1 January 2001 in respect of any rights and obligations relating to the Brand and any Intellectual Property attaching thereto; and
b) 1 June 2001 in respect of all other aspects of this Agreement;
...
1.1.18. 'Intellectual Property' means all right, title and interest in and to patents (including supplementary protection certificates and divisionals), trademarks, service marks, registered designs, utility models, design rights, domain names and other Internet keywords, get-up or trade dress, logos, algorithms, frameworks, methods, models, solutions, processes, procedures, work-arounds, technology, tools, copyright (including copyright in computer software and databases), works of authorship, database rights, semi-conductor topography rights, inventions, trade secrets and other confidential information, know-how, methodologies, internal management information systems, business or trade names, any and all associated documentation (including training materials, books, booklets, pamphlets, subject files and reference matter), personality rights, rights under any unfair competition, privacy or publicity rights laws and all other intellectual and industrial property and rights of a similar or corresponding nature in any part of the world whether

registered or not or capable of registration or not and including all applications for, and continuations, refillings, re-issues and extensions of any of the foregoing rights existing now or in the future;
...
2. GRANT
2.1. In consideration of the payment of the Royalty by the Licensee to the Licensor, the Licensor hereby grants the Licensee an exclusive (for Licensee's Business and Territory), revocable (in accordance with the terms hereof) right and licence (or, as appropriate, sublicense) to Use the Licensed IPR.
...
6. OWNERSHIP AND PROTECTION

6.1. The Licensee acknowledges and agrees that the Licensor is the sole, exclusive, legal and/or beneficial owner of the AGS IPR and the subject matter thereof. All Use of the AGS IPR by the Licensee shall inure to the benefit of the Licensor.

6.2. The Licensee will, at the request and direction of the Licensor, take any action or do anything necessary or desirable to protect the Licensed IPR including, but not limited to:
...
10. ROYALTY

10.1. The Licensee shall pay the Royalty to the Licensor in accordance with the provisions of Schedule B.
...
10.7. The Royalty rate shall be reviewed periodically by the Parties and adjusted as necessary to ensure it is at arm's length as required by applicable transfer pricing laws and regulations.'
'Schedule B: Royalty' to the licence agreement states, among other things:

'...
1. Subject to Paragraphs 2, 3 and 4, the Royalty shall be seven per cent (7%) of Client Billings (as defined below).
2. 'Client Billings' shall mean billings to Clients on sales and services for unrelated parties exclusive of expense reimbursements:

2.1. excluding reversals of such billings to Clients on sales and services for unrelated parties exclusive of expense reimbursements; and

2.2. excluding billings transferred in from other Entities under the International Engagements Agreement or other related agreements; but

2.3. including billings transferred out to other Entities under the International Engagements Agreement or other related agreements.

3. In relation to revenue from Alliance Partners, the Royalty shall be agreed between the Parties on a case by case basis.

4. The Royalty payable hereunder will be reduced if and to the extent the Royalty payment results in Licensee earning Operating Profits, expressed as a percentage of Net Sales Revenue, of less than a minimum percentage as determined from time to time by the Parties. Operating Profits and Net Sales Revenue shall, in each case, be determined in accordance with US GAAP, consistently applied.'

In 2006, Accenture Global Services GmbH and Accenture A/S also entered into a service agreement ('The Accenture Group - Intellectual Property Services Agreement'). The service agreement states, inter alia:

'*WHEREAS:*

(A) The Parties are members of the Accenture Group;

(B) AGS has borne the cost of developing or acquiring the AGS IPR, (as defined below) and is the legal and/or beneficial owner of the AGS IPR;

(C) AGS is responsible, within the Accenture Group, for the development, enhancement and protection of Intellectual Property and in this respect, appoints the Contractor to provide certain services in relation to the same;
(D) The Parties recognise that the Contractor, by virtue of the nature of its Business and its location in the Territory, is in a position to perform such services and assist in the development, enhancement and protection of the AGS IPR;

(E) The Parties wish to more clearly articulate their rights and obligations under this Agreement;

THEREFORE THE PARTIES AGREE as follows:

1. DEFINITIONS

1.1. In this Agreement, unless the context otherwise requires:
...
1.1.12. 'Effective Date' means:

(a) January 2001 in respect of the Services relating to the Brand and any related rights and obligations in this; and
...
2. PROVISION OF SERVICES

2.1. AGS may from time to time request Contractor to provide the Services to AGS.

2.2. The Contractor agrees to provide the Services with due care and skill and to the best of its knowledge and abilities and expeditiously where time is of the essence for the provision of those Services.

3. OBLIGATIONS OF CONTRACTOR
...
3.2. The Contractor shall, in providing the Services and using any AGS IPR in connection with the Services, comply fully with such requirements, instructions, standards, specifications, timescales and project plans as may be notified by AGS from time to time
...
5. SERVICE CHARGE
5.1. In consideration of the supply of the Services, AGS will pay to the Contractor the Service Charge. In assessing and agreeing the Service Charge, the Parties have taken into account all of the terms of this Agreement and all relevant additional circumstances, including but not limited to:

5.1.1. that AGS bears the costs and risks in relation to all Intellectual Property development under this Agreement;
5.1.2. the assignments set out in Clause 7;

5.1.3. the indemnities set out in this Agreement; and

5.1.4. that this Agreement may be terminated without compensation.

5.2. The Service Charge shall be reviewed periodically by the Parties and adjusted as necessary to ensure it is at arm's length as required by applicable transfer pricing laws and regulations.
...
7. OWNERSHIP OF INTELLECTUAL PROPERTY RIGHTS

7.1. The Contractor acknowledges and agrees that AGS is the sole and exclusive and legal and/or beneficial owner of the AGS IPR and the subject matter thereof.

7.2. All Intellectual Property developed by the Contractor, or on its behalf:

7.2.1. in the course of performing the Services;

7.2.2. the costs of which development are borne generally by AGS pursuant to this Agreement or otherwise; or

7.2.3. which is otherwise developed by the Contractor (or developed on its behalf), and is generally related to the provision of the Services, ...'
Accenture's transfer pricing documentation on the fixed royalty rate of 7
% royalty rate in the licence agreement states, inter alia:

'*II. ACCENTURE INTELLECTUAL PROPERTY*

A. Accenture Global Services

As described in the Company Overview, the Accenture business model combines industry knowledge, business process and technology expertise, and intellectual assets to formulate and implement solutions for clients who seek to integrate the latest technology and process innovations into their business operations. Accenture's Intellectual Property contributes

significantly to the Company's ability to charge premium rates for its services. The use of IP enables Accenture teams to bring value to clients faster and with results superior to those achieved by Accenture competitors or by the clients acting on their own.

AGS has the responsibility for Accenture's global IP Management programme, including the ownership, development, improvement, enhancement and protection of the Accenture Intellectual Property. The relationship between AGS and the Accenture operating entities is governed by the AGS Intellectual Property Licence Agreement. Under this agreement, AGS grants to the Accenture operating entities a non-exclusive, revocable right and licence to use and sublicense within their territory all Licensed Intellectual Property Rights developed or acquired by AGS. Licensed Intellectual Property Rights ('Licensed IPR') under the AGS IP Licence Agreement is defined in the agreement as AGS IPR (all IPR owned by AGS including all IPR developed or acquired by AGS after the Effective Date) and Third Party/Entity IPR (all IPR licensed to AGS by the operating entities and/or parties outside the Accenture Organisation). As described in more detail below, licensed IPR (referred to in this document as the Accenture Intellectual Property) includes:

- The Accenture name, brand and related IP,
- Trademarks, patents, copyrights, and
- Improvements and intellectual property in and relating to:
o Market Offerings including content development and marketing support,
o Tools and methods, and,
o Other Intellectual property including inventions, solution construction aids, prototypes and other Accenture organisation intellectual property not necessarily related to a specific Market Offering.

B. Accenture Financial Statements

The historical financial information used throughout this report has been taken from Accenture's filings with the US Securities and Exchange Commission ('SEC') for fiscal years ended August 31, 2005, 2006 and 2007.

C. Functional Analysis
Accenture provides business consulting and outsourcing services to clients, delivering its services through five Global Operating Groups, which are managed globally and have representation in the legal entities in each of the countries where Accenture operates. Business process and technology expertise is the primary responsibility of the Growth Platforms, which are also managed globally but have a local presence in each country. The Growth Platforms provide access to expertise in certain 'horizontal' business disciplines and information technology solutions and are the centres of innovation through which the Company delivers a range of services and solutions that address business opportunities and challenges common across industries. The Growth Platforms have deep technical expertise in their respective areas, and employ subject matter experts who complement the industry-specific consulting, technology and outsourcing expertise of the Operating Group professionals. Client engagement teams typically consist of industry experts, service line specialists, and locally based consultants who team together to create tailored solutions for clients quickly and cost effectively.

Client work in Accenture's consulting practice is project driven with a defined outcome. The duration of engagements is typically anywhere from four months to three years. Consulting projects include the design and implementation of information technology applications and/or systems, design and implementation of new business strategies and processes, improvement of a client company's customer relationship management, development of new product strategies, improvement of organisational skills and processes, and similar projects geared to the enhancement of business performance.

Accenture's outsourcing business involves operating all or a portion of a client company's back office processes, such as its technology infrastructure or payables processing function, on a long-term contract basis. Accenture provides a range of services for managing technology infrastructure, applications and business processes. Accenture's outsourcing offerings also include a variety of shared-service solutions, including call centres, customer information management, billing systems, information technology services, supply chain management and human resources administration.

The consulting and outsourcing businesses in which Accenture engages involve two core types of activities: (1) assignment, supervision, training and recruitment of personnel; and (2) marketing, selling and delivering consulting and outsourcing services. These activities are common to all companies that are in the business of consulting and/or outsourcing and thus may be considered as 'routine' activities for transfer pricing purposes. In addition, some leading companies such as Accenture spend significant resources developing intellectual property and marketing intangibles that enhance their competitive position in the marketplace.

Accenture differentiates itself from other consulting companies by the delivery of value oriented consulting and technology services, using AGS' unique intangibles - capabilities, service offerings and approaches that give the

Company a competitive advantage. These intangibles, or Intellectual Property, are a key part of Accenture's operating strategy and business model. As noted previously, the AGS Intellectual Property includes the name and brand, the legally registered intangibles including trademarks and patents, and intellectual property relating to:

- *Market Offerings* including content development and marketing support. Examples of assets in this category include existing templates, business and technical architectures addressing business process design and systems integration design, and proprietary software assets developed to support the integration and optimum use of systems and applications offered to the market by Accenture's affiliated companies and alliance partners. In certain cases, Accenture has developed its own software and technical infrastructure.

- *Tools and methods*. Examples of assets in this category include unique methods, processes, tools and templates to address client problems in different business disciplines - for instance: supply chain optimization, strategy and business organisation best practices that improve corporate governance after a merger, systems integration methodologies to link older information technology systems with newer technologies, human performance gains achieved through electronic learning practices, training, or work process redesign, and better management of capital resources through an improved treasury function.

- *Other Intellectual Property* including inventions, solution construction aids, prototypes and other Intellectual Property not necessarily related to a specific Market Offering.

With respect to the transfer pricing of intangibles within Accenture, the division of functional responsibilities between Accenture operating entities and AGS may be described as follows: Accenture operating entities are responsible for supervision, maintenance, recruitment and training of qualified personnel; sales and marketing of consulting and outsourcing work to prospective clients; and delivery of services to existing clients. AGS is responsible for the IP Management programme which includes the ownership, development, improvement, enhancement and protection of the Intellectual Property in support of Accenture client teams to sell and execute on engagements. In that capacity, AGS bears all costs and risks in connection with the management of the brand and non-brand IP assets...
...

III. SELECTION OF THE BEST METHOD

The OECD Transfer Pricing Guidelines (the ‘Guidelines’) and the transfer pricing rules of most countries in which Accenture operates, specify two methods for evaluating the arm's length nature of a controlled transfer of intangible property. These methods are the comparable uncontrolled price (‘CUP’) method and the profit split method.

Given the available information, the residual profit split method (‘RPSM’), a category of profit split method, is identified as the most reliable method. In addition, the conclusions of the residual profit split method were also corroborated by reference to the data obtained from a large set of external third-party licensing transactions.

It should be noted that in cases when one controlled entity owns the economic rights to all the intangibles, as is the case within Accenture, that party will receive the residual profit under the RPSM. The other controlled entities will receive a return for its routine activities as determined by the market benchmarks. In such situations, the application of RPSM is similar to the transactional net margin method of the Guidelines.

A. Application of the Residual Profit Split Method to Accenture Financial Framework
Exhibit I.1 presents historical income statements for Accenture for fiscal years 2005 to 2007. The historical information is taken from consolidated financial statements in Accenture's Form 10K as filed with the US Securities and Exchange Commission (‘SEC’). Exhibit I.2 presents the three-year average operating income statement for the period 2005 to 2007. The average operating margin achieved by Accenture over this period is 12% and represents the profitability attributable both to routine activities and to the Accenture Intellectual Property.

Selection of Time Period for Model
The OECD Guidelines call for the use of a multi-year average when applying the residual profit split method in order to account for the effect of business cycles, or unusual events that may influence profits of the tested party or the comparables. Typically, a three-year average is appropriate. We used an average of Accenture's financial data for the three most recent years (the fiscal years ended Aug 31, 2005 to Aug 31, 2007), in order to establish the routine return. Since the majority of the comparable companies did not have the same fiscal year ends as Accenture, data was matched as closely as possible to Accenture's three-year period. As a practical matter, the most recent three-year period available for most of the comparables included the 2004 to 2007 financial periods.

Description of Comparable Search and Selection Criteria for Routine Activities To determine the profits allocable to routine activities of Accenture operating entities, a set of 35 comparable companies was identified through search of

several commercial databases of publicly held companies. The detailed search strategy and the summary business descriptions of the companies that were selected as comparable are contained in Exhibits II.1, II.2 and II.3. As described in Exhibit II.1, the objective of the search was to identify companies that provided information technology and/or management consulting services, preferably on a multinational basis and had business lines similar to those of Accenture. The range of returns earned by these companies is the applicable range for compensating Accenture operating entities for their routine consulting and outsourcing activities.

The companies identified above show an interquartile range of markups on cost from 5% to 11%, as shown in Exhibit I.3. The markup obtained from the comparables search is converted into a return on sales ('ROS') as detailed in Exhibit I.4, by computing the appropriate cost base for Accenture over the period 2005 to 2007 and multiplying it by the cost-plus markup. The historical cost base for Accenture was operating cost and expenses. For the purpose of calculating the routine markup, the Intangible Generating Expenses are excluded from the cost base. The resulting quotient is then divided by the average revenue base to yield an interquartile routine return on sales range of 4 to 10% (See Exhibit I.4).

Selection of Profit Level Indicator for Comparables
The application of a comparable profits analysis for determining routine profits requires the selection of a profit level indicator ('PLI'). This serves as an objective measure of profitability from operations to be used in comparing the results achieved by a tested party on intercompany transactions to results achieved by comparable uncontrolled companies. The PLI measures the relationship between (i) profits and (ii) either costs incurred, revenues earned, or assets employed.

The PLIs may include: (i) return on operating assets ('ROA'), (i.e., operating profit divided by operating assets) or (ii) such financial ratios as the operating margin (operating profit divided by net sales or return on sales, ROS), or a percentage markup (operating profit divided by total cost), or a Berry ratio (gross profit divided by operating expenses).

The selection of the appropriate PLI depends primarily upon the extent to which the profit level indicator is likely to produce a reliable measure of income that the tested party would have earned had it dealt with uncontrolled taxpayers at arm's length. The choice of PLI thus depends on a comparative analysis of the functions and risks of the tested party, and the availability and accuracy of the financial data for the tested party and comparable companies.

The analysis performed for this report uses the net markup on total operating cost. This PLI is generally used in evaluating the profitability of service providers, as it measures their profitability relative to their total costs (both direct and indirect costs) and mirrors the typical price setting mechanism of consulting service providers.

Determination of Base-Line Returns for Routine Functions
The starting point of the residual profit split analysis is the consolidated financial statements for Accenture related to sales of services incorporating the Accenture Intellectual Property for the fiscal years 2005 to 2007, described above. Accenture's three year average operating income statement is then segmented into two hypothetical entities: Entity A, performing non-routine activities and Entity B, performing routine activities. Entity B bears all the costs associated with Accenture's routine activities, i.e., consulting and outsourcing, sales and marketing, and general and administrative. Entity A bears the costs of developing and maintaining the Accenture Intellectual Property.

For purposes of segmenting the operating results, it is necessary to allocate the Intangible Generating Expenses since these expenses will be borne by the entity that holds the economic rights to the IP. This proportion of IGE's as a percentage of revenue is shown in Exhibit I.8.

Entity B must earn a return on the costs incurred by it as benchmarked to the returns exhibited by the set of comparable companies engaging in similar activities. Under the RPSM, any residual profit after the determination of routine return is then allocated to Entity A in the form of an intercompany royalty. As shown in Exhibit I.3, an interquartile range of operating returns on cost was determined for the set of comparable companies described above. This interquartile range was then applied to the total cost of Accenture, excluding IGE's (i.e., excluding the cost of IP development and brand marketing and advertising), to obtain the arm's length profit range for routine activities. The interquartile operating profit margin range for routine activities was then derived as a ratio of arm's length routine profit to total revenue base. As shown in Exhibit I.4, the applicable profit margin range is 4% to 10%.

Determination of Arm's Length Royalty Range
Once the routine profit is determined, the royalty from Entity B to Entity A for the use of the intangibles is computed as the amount of residual profit remaining plus Entity A's operating costs and expenses. Exhibits I.5 I.7 show the calculation of the arm's length interquartile royalty range payable to the entity that performs non-routine activities. As seen, the interquartile range is between 5% and 11%. At 7%, the worldwide intercompany royalty rate for Accenture IP is within the interquartile the range.

Summary of Residual Profit Split Method Results

Based on updated financial information for Accenture and the comparable companies, the 7% worldwide royalty rate is within the arm's length range.

Accenture's transfer pricing documentation regarding the service agreement states, among other things:

'*Markup on Costs of Providing Intragroup IP Services*
AGS contracts with the Accenture operating entities to procure IP and Brand development services ('IP Services'). This arrangement is governed by the Accenture Group Intellectual Property Services Agreement (the 'IP Services Agreement'). A separate comparables-based analysis is used to determine an arm's length markup on total costs to be used in pricing the IP Services provided by the Accenture operating entities to AGS pursuant to the IP Services Agreement. The analysis indicates an arm's length markup range of 4% to 16%. The intercompany markup used to compensate Accenture operating entities for IP Services they perform for AGS is 8%.'

The Supreme Court's reasoning and result

1. Background and issues in the case
The Accenture Group is an international consulting and IT company whose parent company is Accenture plc (Ireland), which is listed on the New York Stock Exchange. The Accenture Group serves its clients through local operating companies that have their own employees.

In 2001, the Group's operating companies, including Accenture A/S in Denmark, entered into 'The Accenture Organisations International Assignment Agreement' (IAA Agreement) with Accenture SCA (Luxembourg) for the assignment of employees between the Group's operating companies. Under the IAA agreement, the hiring company pays the hiring company's direct and indirect labour costs plus a mark-up. According to the Accenture Group's transfer pricing analysis, the mark-up (gross profit) is set at 30 per cent. In the income years 2005-2011, Accenture A/S has incurred net costs for hiring employees under the IAA agreement.

In 2006, Accenture A/S also entered into a licence agreement with the Swiss group company Accenture Global Services GmbH (AGS). According to the licence agreement, AGS owns a number of intangible assets, and Accenture A/S pays a royalty of 7% of its revenue from external customers for the use thereof.

The case concerns the assessment of Accenture A/S's taxable income for the income years 2005-2011 in respect of the company's costs for hiring employees under the IAA agreement and for the income year 2007 also royalty payments under the licence agreement.

By decision of 31 August 2011, SKAT (now Skattestyrelsen) reduced the discretionary profit margin to 4.1% on costs for hiring employees for the income years 2005 and 2006 and thereby increased Accenture A/S' taxable income by DKK 14,919,780 (2005) and DKK 16,996,616 (2006). By decision of 12 March 2014, SKAT reduced the discretionary profit margin to 7.27% for the income years 2007-2011 and thereby increased the company's taxable income by DKK 7,957,753 (2007), DKK 14,027,403 (2008), DKK 14,122,679 (2009), DKK 18,000,146 (2010) and DKK 15,127,184 (2011). Furthermore, SKAT reduced the deduction for royalty paid by Accenture A/S in 2007 and thereby increased the company's taxable income by DKK 25,951,421.

By decision of 16 December 2015 (income years 2005-2006) and decision of 24 May 2019 (income years 2007-2011), the National Tax Tribunal found that there was no basis for changing the 30% mark-up and subsequently reduced SKAT's increases of Accenture A/S' taxable income to DKK 0 for the income years in question. In its decision of 24 May 2019, the National Tax Tribunal also found that there was no basis for changing the royalty rate of 7%, but that Danish accounting standards should be applied when calculating royalties. The increase in the taxable income relating to royalties for the 2007 income year was then set at DKK 7,027,853.

The Danish Ministry of Taxation brought an action against Accenture A/S claiming that the company's taxable income be increased by DKK 14,919,780 for the income year 2005, by DKK 16,996,616 for the income year 2006, by DKK 26,881,321 for the income year 2007, by DKK 14,027,403 for the income year 2008, by DKK 14,122,679 for the income year 2009, by DKK 18,000,146 for the income year 2010 and by DKK 15,127,184 for the income year 2011.

The High Court ruled in favour of the Ministry of Taxation's claim.

With the claim before the Supreme Court, Accenture A/S wishes to be placed in the same position as after the decisions of the National Tax Tribunal with the change that the company's taxable income for the income year 2007 regarding royalties is reduced by DKK 7,027,853.

The Supreme Court must decide whether the profit margin of 30 per cent of Accenture A/S' costs for hiring employees in the income years 2005-2011 and the royalty paid to AGS in 2007 of 7 per cent of the turnover with external customers is in accordance with section 2(1) of the Danish Tax Assessment Act (the arm's length principle).

In this connection, the question is whether Accenture A/S' transfer pricing documentation is deficient to such a significant extent that SKAT has been entitled to assess the profit margin and royalty on a discretionary basis, cf. the current section 3 B(8) of the Tax Control Act, cf. section 5(3). There is also a question as to whether the Ministry of Taxation has demonstrated that the profit margin and royalty payment is not in accordance with section 2(1) of the Assessment Act.

2. The IAA agreement

2.1 The transfer pricing documentation
According to the current provisions of section 3 B(8) of the Tax Control Act, cf. section 5(3), if the taxpayer has not prepared the statutory documentation for the pricing of transactions between related parties (transfer pricing documentation), the tax assessment is discretionary. In a judgment of 31 January 2019 (UfR 2019.1446), the Supreme Court ruled that transfer pricing documentation that is so significantly deficient that it does not provide the tax authorities with a sufficient basis for assessing whether the arm's length principle has been complied with must be equated with missing documentation.

In its judgment of 25 June 2020 (UfR 2020.3156), the Supreme Court also ruled that the fact that the tax authorities disagree with or raise justified doubts about the comparability analysis does not in itself mean that the documentation is significantly deficient.

It is the tax authorities that must demonstrate that a transfer pricing documentation is so deficient that it must be equated with lack of documentation.

In the specific case, the Ministry of Taxation has argued that Accenture's transfer pricing documentation is deficient and has referred in particular to the fact that an arm's length profit margin should have been determined as a net profit and not as a gross profit, and that this net profit should have been determined based on the net profits of temporary employment agencies.

The Supreme Court finds that the Ministry of Taxation has not demonstrated that Accenture's global transfer pricing documentation for the income years 2005-2011 regarding the 30% mark-up was deficient to such a significant extent that it could be equated with missing documentation. It should be noted that the transfer pricing documentation is based on the OECD's guidelines for transfer pricing and that it contains, among other things, a reasoned choice of method (the Cost Plus method), a functional and risk analysis and a comparability analysis made on an informed data basis. The fact that the Ministry of Taxation disagrees with the pricing method or the comparability analysis does not in itself make the documentation deficient.

The Supreme Court therefore finds that Accenture A/S' income regarding the costs of hiring employees under the IAA agreement for the income years 2005-2011 could not be assessed on a discretionary basis pursuant to section 3 B(8), cf. section 5(3), of the current Tax Control Act.

The question is then whether the Ministry of Taxation has demonstrated that the 30% mark-up is not in accordance with what could have been achieved if the transactions had been concluded between independent parties (the arm's length principle), cf. section 2(1) of the Tax Assessment Act.

2.2 Assessment of arm's length price
It follows from clause 6 of the IAA agreement that the hiring company must pay the hiring company's direct and indirect labour costs (production costs) for the hired employees with a mark-up so that the total payment constitutes an arm's length price for the provision of a specialised employee.

It is agreed that the hiring and leasing of employees between Accenture group operating companies cannot be equated with the provision of a consultancy service and that the price cannot be determined by comparison with the price of a consultancy service to an independent party under the Comparable Uncontrolled Price (CUP) method.

In order to demonstrate that the price for hiring and leasing employees is at arm's length, Accenture has used the Cost Plus method in the transfer pricing documentation. This method is based on the direct and indirect production costs incurred in the controlled transactions. A mark-up (gross profit) is added to these costs. The mark-up is determined on the basis of the mark-up and the costs incurred by independent parties in comparable transactions, cf. the OECD Transfer

Pricing Guidelines (TPG), 2017, section 2.45, and now the Tax Administration's Legal Guide 2024-2, section C.D.11.4.1.3.

In the transfer pricing documentation, Accenture has assumed that an independent party would require a mark-up to cover capacity costs (overheads, administrative costs and marketing costs) and a profit (gross margin) when determining the mark-up to the production costs under clause 6 of the IAA Agreement.

Accenture has compared gross margins in IT and consulting firms, emphasising in particular that the alternative to hiring employees would be to let another IT or consulting firm perform part of the project for the operating company's external customer that the operating company itself does not have sufficient or qualified employees to perform.

Accenture has selected approximately 50 IT and consulting companies, and the gross results of these companies over a three-year period have been adjusted so that the ratio between their production and capacity costs corresponds to Accenture's. The adjustments were compared to 16 of Accenture's operating companies, which accounted for 70-80% of the hiring of employees under the IAA agreement. The resulting gross margins calculated as a percentage are divided into quartiles. A 30% mark-up is within the interquartile range in all the income years in question.
As mentioned, it is up to the Ministry of Taxation to prove that the 30 per cent mark-up is not in accordance with what could have been achieved if the transactions had been concluded between independent parties.

The Supreme Court finds that the Ministry of Taxation has not demonstrated that it is contrary to the arm's length principle to determine the mark-up according to the Cost Plus method as a gross margin that must cover the stated capacity costs and a profit. In this connection, it has not been demonstrated that an independent party could not obtain such a payment.

The Supreme Court further finds that the Ministry of Taxation has not demonstrated that the profit margin cannot be determined by a comparison with gross margins in other IT and consulting companies. In this respect, it has not been established that the service associated with hiring out a specialised employee from an Accenture operating company should be compared to a temporary employment agency's hiring out of a temporary employee.

Accordingly - and since what the Ministry of Taxation has otherwise stated cannot lead to a different assessment - the Supreme Court finds that the Ministry of Taxation has not demonstrated that a 30% mark-up is not within the scope of what could have been achieved if the transactions had been concluded between independent parties, cf. section 2(1) of the Tax Assessment Act.

3. Royalty
3.1 AGS' ownership
As stated, according to the licence agreement with Accenture A/S, AGS owns a number of intangible assets. These intangible assets include the Accenture group's name and brand as well as a number of other intangible assets, including patents and copyrights as well as unregistered rights in the form of e.g. process tools.

The Danish Ministry of Taxation has disputed this ownership and has referred to the fact that the ‘ownership’ is based on a transfer of intangible assets to AGS in 2001, which was ‘a fictitious construction without reality’.

According to the evidence, it must be assumed that since 2001 AGS has been responsible for and made decisions on the development of the Accenture group's intangible assets, has taken care of the protection of these intangible assets and has paid the related costs. AGS has also managed and incurred the costs of the Group's overall marketing activities. In the period 2007-2011, AGS has had approximately 11 permanent employees and has also incurred significant expenses for hiring employees from other group companies.

The Supreme Court finds no basis for establishing that AGS is not the owner of the intangible assets to which the licence agreement between AGS and Accenture A/S from 2006 relates.

3.2 The transfer pricing documentation
The Ministry of Taxation has argued that Accenture's transfer pricing documentation is deficient and has referred in particular to the fact that insufficient consideration has been given to the fact that Accenture A/S contributes to the value associated with the intangible assets.

The Supreme Court finds that the Ministry of Taxation has not demonstrated that Accenture's global transfer pricing documentation for the income year 2007 regarding the royalty rate of 7 per cent was deficient to such a significant extent that it could be equated with missing documentation. It should be noted that the transfer pricing documentation is based on the OECD's transfer pricing guidelines, and that it includes a justified choice of method (Residual Profit Split), a functional and risk analysis and a comparability analysis made on an informed data basis. The fact that the Ministry of

Taxation believes that the fact that Accenture A/S contributes to the value associated with the intangible assets has not been sufficiently taken into account does not in itself render the documentation deficient.

The Supreme Court therefore finds that Accenture A/S' income for the income year 2007 regarding royalty payments could not be assessed on a discretionary basis pursuant to section 3 B(8), cf. section 5(3), of the current Tax Control Act.

The question is then whether the Ministry of Taxation has demonstrated that Accenture A/S' royalty payment to AGS in 2007 is not in accordance with what could have been achieved if the transactions had been concluded between independent parties (the arm's length principle), cf. section 2(1) of the Tax Assessment Act.

3.3 Assessment of arm's length price
As mentioned, it follows from the licence agreement between Accenture A/S and AGS that Accenture A/S must pay a royalty of 7% of its revenue from external customers for the use of the intangible assets owned by AGS. According to the agreement, the royalty is reduced if the operating profit falls below a minimum rate. The calculation is made according to US accounting standards.

In order to demonstrate that the 7% royalty rate is at arm's length, Accenture has used the residual profit split method in the transfer pricing documentation. When this method is applied, the objective is to allocate the profit (or loss) from a controlled transaction between the related parties as the parties under comparable circumstances would have shared the profit from the transaction if the transaction had not been controlled, cf. OECD Transfer Pricing Guidelines (TPG), 2017, section 2.121, and now the Danish Tax Administration's Legal Guide 2024-2, section C.D.11.4.1.5.

Accenture has assumed that the Accenture group's total earnings come from the group's operating companies (consultancy operations) and from the utilisation of the group's intangible assets owned by AGS.

The share of the Accenture Group's earnings that can be considered to be attributable to the consultancy operations is calculated by comparing the Accenture Group's earnings for a three-year period with the average earnings of comparable consultancy firms for the corresponding period. The portion of earnings not related to consultancy operations is considered to be related to the utilisation of AGS' intangible assets. The higher the share of earnings related to consultancy operations, the lower the royalty rate.

According to the calculations, a royalty rate of 7 per cent corresponds to earnings from consultancy operations of 7.68 per cent, which is above the median for the earnings of comparable consultancy firms.

The Supreme Court finds that it has not been established that Accenture, when applying the profit allocation method and the comparability analysis carried out for the earnings on the consultancy operations, has not taken sufficient account of the fact that Accenture A/S contributes to the value associated with the intangible assets. In this connection, the Ministry of Taxation has not demonstrated that more than 7.68% of the earnings should be attributed to the consultancy operations in order for the royalty rate to be on arm's length terms.

The Supreme Court then finds that the Ministry of Taxation has not demonstrated that a royalty rate of 7% is not within the framework of what could have been achieved if the transactions had been concluded between independent parties, cf. section 2(1) of the Taxation Act. Nor has it been demonstrated that there is any basis under tax law to set aside the parties' civil law agreement that royalties are calculated on the basis of turnover with external customers calculated in accordance with US accounting standards.

4. Conclusion
Against this background, the Supreme Court upholds Accenture A/S‘ main claim, so that Accenture A/S is acquitted of the Ministry of Taxation's claim to increase the company's taxable income for the income years 2005-2011, and Accenture A/S’ taxable income for the income year 2007 is reduced by DKK 7,027,853.

The Ministry of Taxation must repay the amount of legal costs before the High Court of DKK 1,000,000 with interest from 5 September 2023.

5. Legal costs
The legal costs are fixed at DKK 1,800,000 for the High Court and the Supreme Court and DKK 17,000 for the Supreme Court, totalling DKK 1,817,000.

Ruling by the Court:

Accenture A/S is acquitted.

Accenture A/S' taxable income for the income year 2007 is reduced by DKK 7,027,853.

The Ministry of Taxation must pay Accenture A/S DKK 1,000,000 with interest from 5 September 2023.

In legal costs before the High Court and the Supreme Court, the Ministry of Taxation must pay DKK 1,817,000 to Accenture A/S.

The amounts ordered must be paid within 14 days of the Supreme Court's judgement.

The amount of legal costs shall bear interest in accordance with section 8a of the Danish Interest Act.