**REPORTING OF PAYMENT DATA BY PAYMENT SERVICE PROVIDERS AND CESOP**

**(with frequently asked questions and answers)**

**Detailed description**

 **JANUARY 2024**

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1. Reporting of payment data by payment service providers and transfer into the central electronic system of payment information (CESOP)

EU Council has adopted a legislative package, which with the objective of combating VAT frauds requires from payment service providers to transmit the information to the home Member State on cross-border payments originating from Member States and on the beneficiary (“the payee”) of these cross-border payments. Under this package, payment service providers offering payment services in the EU will have to monitor the payees of cross-border payments and transmit information on those who receive more than 25 cross-border payments per quarter to the competent authorities of Member States. Moreover, payment service providers will have to report to host Member States also about services, which they directly perform in those Member States as regards the permission issued to them by the host Member State. The information will then be centralised into the European Database that is into the central electronic system of payment information (CESOP), where different pieces of information will be stored, merged and cross-checked with other European databases. Data collected in such manner are limited to those, which are necessary for the identification of sellers originating from other Member States, who supply goods or services via e-commerce on the territory of Member States of consumption and they are necessary for combating VAT frauds at e-commerce.

The legislation package for collection of payment data includes two legal texts:

* [Council Directive (EU) 2020/284 of 18 February 2020](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020L0284&qid=1696504988358) amending Directive 2006/112/EC as regards introducing certain requirements for payment service providers (CESOP Directive) and
* [Council Regulation (EU) 2020/283 of 18 February 2020 amending Regulation (EU) No 904/2010 as regards measures to strengthen administrative cooperation in order to combat VAT fraud (Regulation).](https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32020R0283&from)

The European Commission has prepared guidelines for communicating payment data by payment service providers and the transfer into the central electronic system of payment information (CESOP), which are available at the following [link](https://taxation-customs.ec.europa.eu/system/files/2022-10/CESOP-%20Guidelines%20for%20reporting.pdf). They include the detailed description of:

* the field of application of the reporting obligation,
* the main payment methods, which are currently in use in the European Union for payment of goods and services online,
* monitoring and arising of reporting obligation,
* set of data, which payment service providers shall communicate as regards the method of payment and
* rules, which are in force for submission or resubmission of data by payment service providers.

Provisions of CESOP Directive have been transposed into the Act amending the Value Added Tax Act (Official Gazette of the Republic of Slovenia, no. [122](https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2023-01-3589?sop=2023-01-3589)) of 5. 12. 2023, and at the same time it has been explained in the Rules amending the Rules on Value Added Tax (Official Gazette of the Republic of Slovenia, no. [133](https://www.uradni-list.si/glasilo-uradni-list-rs/vsebina/2023-01-4106/pravilnik-o-spremembah-in-dopolnitvi-pravilnika-o-izvajanju-zakona-o-davku-na-dodano-vrednost?h=pravilnik%20o%20izvajanju%20zakona%20o%20davku%20na%20dodano%20vrednost)), of that the provider of payment services sends the data to the tax authority about cross-border payments and recipients of cross-border payments in electronic form via electronic means using the manner published on tax authority's website.

New rules came into force on 1 January 2024.

Foreign providers of payment services, who are liable for submission of data to the Financial Administration of the Republic of Slovenia, do that in the manner described in [instructions](https://www.fu.gov.si/fileadmin/Internet/Davki_in_druge_dajatve/Podrocja/Davek_na_dodano_vrednost/Opis/Navodilo_za_dostavo_informacij_CESOP.docx). For reporting to FURS taxable persons shall obtain digital server [certificate](https://www.fu.gov.si/fileadmin/Internet/Nadzor/Podrocja/DAC7/Seznam_strezniskih_potrdil_oziroma_potrdil_za_avtentikacijo_spletisc_podprtih_izdajateljev.docx). The digital certificate serves as identification of users in the electronic operations.For obtaining digital certificates, their issuers require also the tax number.The application for obtaining the tax number shall be completed based on instructions on [FURS website](https://www.fu.gov.si/en/taxes_and_other_duties/work_with_us/entry_into_the_tax_register_and_tax_number/#c426) and the purpose of liability for sending the data in accordance with the Act amending the Value Added Tax Act (ZDDV-1N) shall be presented and explained in the application.

For detailed information and documents go to [FURS website, Section CESOP – Central Electronic System of Payment Information](https://www.fu.gov.si/davki_in_druge_dajatve/podrocja/davek_na_dodano_vrednost_ddv?type=%253D17bb1b332b7d1cb8b0379b900f0a209c%253D059470ef36989dc83e63c8ffb22d881axUgovorc4667%252F#c4623). The above-mentioned link includes also [Frequently asked questions and answers](https://taxation-customs.ec.europa.eu/system/files/2023-11/Q%26A%20-23.11.23_0.pdf)[[1]](#footnote-1) connection with CESOP implementation and reporting of data of providers of payment services.

1. Version 2, published on 23. 11. 2023. [↑](#footnote-ref-1)