

Parliament Adopts Bill to Implement Directive on VAT Data Reporting Requirement for Payment Service Providers

14 November 2023

Report from our correspondent Marek Herm, ATTELA Law Firm, Tallinn

The Estonian Parliament has adopted a bill amending the Value Added Tax Act and the Taxation Act, which transposes [Amending Directive to the VAT Directive \(2020/284\)](#) into domestic law (see [New rules on VAT data reporting obligation for payment service providers – published \(2 March 2020\)](#)).

According to the amendment to the law, the payment service provider is obliged to retain and electronically transmit to the tax authority, by the end of the month following each quarter, information on cross-border payments if more than 25 cross-border payments have been made to the same beneficiary. If there are 25 or fewer cross-border payments related to the same beneficiary, there is no obligation to report such information. However, if the number of cross-border payments for the same beneficiary in a quarter exceeds 25, information must be transmitted for all payments made to that beneficiary during that quarter, not just for payments exceeding the 25-payment limit.

The amendments to the law will come into effect on 1 January 2024. In order to become effective, the laws still have to be signed by the President and gazetted.

The full text of the bill can be found [here](#) (in Estonian only).

Further developments will be reported as they occur.