

Minister of Finance Presents Bill to Implement Directive on VAT Data Reporting Requirement for Payment Service Providers

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On 24 May 2023, the Minister of Finance submitted a draft bill to the government for discussion. The submitted draft bill transposes the [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, a 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.

If approved by the government, the draft bill will be submitted to the *Riigikogu* (Estonian parliament) for further legislative proceedings.

The amendments to the law will come into effect on 1 January 2024.

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