

Government Approves Draft Bill on VAT Data Reporting Obligation for Payment Service Providers

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On 14 June 2023, the government approved a draft bill on implementing a VAT data reporting obligation for payment service providers (PSPs). The new obligation will apply from 1 January 2024 and require PSPs to provide certain data on payments they facilitated regarding cross-border e-commerce transactions. A single European database, the Central Electronic System of Payment information (CESOP), will collect the provided information. For details, see [European Commission Adopts Implementing Regulation to Combat VAT Fraud in E-Commerce \(2 May 2022\)](#).

The proposed implementation aims to address VAT fraud in e-commerce by transmitting payment data by PSPs to the Member States. To detect VAT fraud, especially in e-commerce, PSPs must keep records of certain cross-border payment transactions and transmit them to the administrations of the respective Member States. Member States would forward the collected information to CESOP, where it is stored in a centralized manner, aggregated and cross-checked with other European databases. The stored payment information is accessible via CESOP to Eurofisc liaison officers to combat VAT fraud.

The draft bill still awaits approval from the parliament and the Federal Council.