

# Lithuania Transposes Directive on VAT Data Reporting Obligation for Payment Service Providers

17 July 2023

Report from our correspondent Eglė Burbaitė

Lithuania has transposed [Amending Directive to the VAT Directive \(2020/284\)](#) by adopting amendments to the Law on Tax Administration and approving the Rules for the collection, storage and provision of data on cross-border payment transactions.

According to the amendments to the Law on Tax Administration, payment service providers are obliged to keep sufficiently detailed records of payees and of cross-border payments in relation to the payment services they provide for each calendar quarter. A payment is considered to be a cross-border payment when the payer is located in a Member State and the payee is located in another Member State, in a third territory or in a third country. The payment service provider and the payee are defined in the Law on Payments.

The Rules for the collection, storage and provision of data on cross-border payment transactions detail the requirements below. The rules provide:

- a list of the data on cross-border payment transactions to be recorded;
- the form, terms and procedure of data storage and submission;
- signs of assigning a payment transaction as a reportable cross-border payment transaction;
- rules for determining the location of the payer and payee; and
- the procedure and deadlines for collecting and reporting data to the tax authorities and uploading the data to the Central Electronic System of Payment Information.

The rules state that these requirements shall apply where, in the course of a calendar quarter, a payment service provider provides payment services corresponding to more than 25 cross-border payments to the same payee.

For breaches of the requirements indicated above, the taxpayer would be regarded as a non-reliable taxpayer (for details, see [Lithuania Proposes to Amend Criteria for Reliable Taxpayers \(13 March 2023\)](#)).

The legislator also introduced administrative fines for breaches. An administrative fine ranging from EUR 1,800 to EUR 3,800 can be imposed for general managers of legal entities or other responsible persons. An administrative fine ranging from EUR 3,800 to EUR 6,000 can be imposed for a repeated administrative offense.

The amendments described above will come into force as of 1 January 2024.

The amendments to the Law on Tax Administration can be found [here](#) and [here](#) (in Lithuanian only).

The rules can be found [here](#) (in Lithuanian only).

The amendments to the Law on Tax Administration amending the criteria for reliable taxpayers can be found [here](#) (in Lithuanian only).

The amendments to the Code of Administrative Offences can be found [here](#) (in Lithuanian only).

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