

# CESOP reporting

**EU Payments Transparency: Your CESOP compliance journey simplified**

The EY logo consists of the letters 'EY' in a bold, white, sans-serif font. A yellow diagonal bar is positioned above the 'Y'.

**Building a better  
working world**

# CESOP reporting

New rules that require payment service providers (PSP) in the EU to report certain cross-border payments on a quarterly basis:

- ▶ Information will be shared automatically within the EU to target VAT compliance on cross-border payments. There is potentially a significant compliance impact on payees as a result of information which is reported to tax authorities.
- ▶ Also captures payments made from inside the EU to outside the EU. Where payments are made outside the EU, obligations may fall to those who don't have full information on payees.
- ▶ Rules have substantial similarities to those adopted for FATCA and the Common Reporting Standard (CRS) requiring the identification, classification and reporting of customers.
- ▶ Other rules for digital platforms, cryptocurrency and e-money are being introduced. Many institutions may find they are in more than one regime
- ▶ Reporting requirements start from 1 January 2024 and reports must be filed within 30 days of the end of the calendar quarter, i.e., first reports are due in each member state by 30 April 2024.

## What is in scope?




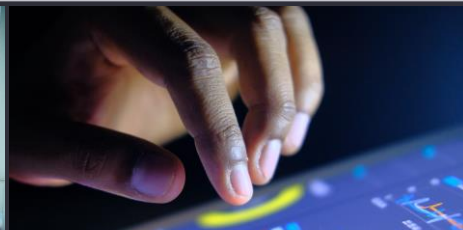

A PSP will have to report payments on a quarterly basis where they meet all of the following criteria:

- 1 They provide payment services in an EU Member state:**  
This includes legal entities, PEs and passported services.
- 2 A payment is made which is an in scope payment type:**  
Broadly all payments covered by the second Payment Services Directive (PSD2) are in scope – such as credit transfers, direct debits, credit cards, e-money and remittances, but not payments linked to securities service – e.g., dividends, stock lending, repos, etc.
- 3 The payer is in the EU:**  
Typically determined by the country identifier in the payer's IBAN, additional work may be required to exclude cross-border accounts.
- 4 The payment is cross-border:**  
From one EU Member State to another EU Member State or to a third country.
- 5 More than 25 cross-border payments are made to a payee in a calendar quarter:**  
The payments can be from any payer to the payee, and where the payee has multiple accounts, the PSP must aggregate these for the purpose of this calculation.



# How EY can help

## CESOP End-to-end service offering

				
Load	Analyze and transform	Generate	Data insights	Submit
<ul style="list-style-type: none"> <li>▶ Data transmission via direct upload or Sftp</li> <li>▶ Map data sources into EY standard CESOP data model</li> </ul>	<ul style="list-style-type: none"> <li>▶ Identify all data validation issues</li> <li>▶ Classify transaction as reportable/non-reportable</li> <li>▶ Provide clear data quality results to identify any records needing correction</li> </ul>	<ul style="list-style-type: none"> <li>▶ Reportable data is loaded into EY's global reporting solution</li> <li>▶ Data is formatted according to the EU and country-specific requirements and converted to a compliant XML file</li> </ul>	<ul style="list-style-type: none"> <li>▶ As part of the service, EY teams provide data analytics dashboards which provide data pattern insights</li> <li>▶ Quarter by quarter and year by year data comparisons</li> </ul>	<ul style="list-style-type: none"> <li>▶ Approved filings submitted to Tax Authority</li> <li>▶ Capture and resolve tax authority responses</li> <li>▶ Support any follow-up queries from Tax Authorities and resubmissions as required</li> </ul>

- ▶ EY teams will prepare a schedule of tasks needed to support CESOP compliance. Your EY engagement team will track the status of actions and provide a schedule of reminders regarding any upcoming and due tasks to help ensure the timely provision of source data to EY
- ▶ Your team members will have access to EY's Global Tax Platform which will provide clear status indicators and automated reminders on any data that is due. Management dashboards will provide clear tracking of overall progress of tasks in each quarter
- ▶ As part of the service you will be supported by your EY engagement team, receiving clear guidance for all the data points required to achieve CESOP compliance.
- ▶ EY teams will help manage the end-to-end reporting process on your behalf from helping with data sourcing, through to submission and post-submission support

# CESOP supported by EY Global Tax Platform

## EY Global Tax Platform (GTP)

Our CESOP reporting solution is powered by EY's Global Tax Platform. GTP, a cloud-enabled platform, leverages secure Microsoft Azure cloud infrastructure. This offers your tax team one real-time portal and provides transparent visibility through dashboards that monitor workflow and process.

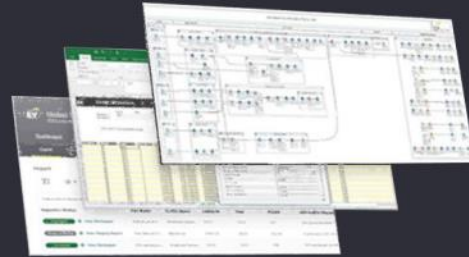
### Control costs

- ▶ Increased flexibility to add additional services
- ▶ Leverage EY front-office technology investments & unique Microsoft Alliance



### Mitigate risk

- ▶ Real-time access, controls and transparency
- ▶ Shared environment with a seamless experience for single source of data and help to reduce risk of surprises



### Added value

- ▶ Real-time analytics
- ▶ Redirects efforts to higher value-added projects
- ▶ Data access to keep pace with new tax developments and data sources



### Benefits:

- ▶ Built by EY teams, leveraging our technology and managed services domain knowledge, focusing on the tax requirements of today and with a vision of the capabilities that will be needed in the future
- ▶ GTP is "future-proof" as it is a true data management platform that integrates state-of-the-art engines in a componentized manner, allowing it to quickly update and replace old technologies with new ones in a plug-and-play fashion
- ▶ Powerful data management technology that is designed to support data collection and reuse for end-to-end delivery of tax services, storing all relevant data in a single technology platform

## Contact us:

If you are interested in learning more about the EY's CESOP solution, please reach out to one of the contacts below:



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Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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