

Indirect Tax | VAT

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CESOP – New XSD version timeline

Since 1 January 2024, EU Payment Service Providers (PSPs) facilitating cross-border payments from the EU are obligated to collect and report transactional data to EU Member States. While the EU harmonizes the reporting format at a high level, individual member states have diverging implementations, leading to a fragmented landscape and administrative complications. The upcoming update to the XML reporting format illustrates this.

Background

CESOP (Central Electronic System of Payment Information) is an EU-wide system designed to collect payment data on cross-border transactions initiated from within the EU. As a result of CESOP regulations, since 1 January 2024, all EU Payment Service Providers are required to record and report transactional data of cross-border payments they process.

XML Schema Definition

PSPs must report the data to the tax authorities in a structured format. The XML Schema Definition (XSD) defines the structure and rules for the XML documents used to exchange payment data between PSPs and Member States.

XSD Version Updates: EU

To improve the reporting process, the XSD is periodically updated, with changes published in new versions. This is a continuous improvement process that is common in various reporting regimes.

Currently, three XSD versions are supported (v. 4.00, 4.01, 4.02) by the EU CESOP system. Recently, the EU [announced](#) that the new XSD schema update (v. 4.03) will be implemented into production later this year. The new format will be

accepted starting with reports over the reporting period Q4 2024 (to be filed as of 1 January 2025). At an EU level, payment data reports using older versions of the XSD will still be accepted as well.

XSD Version Updates: Member States

Member States independently plan their implementation schedules. While they cannot apply the new XSD version before it is supported by the CESOP Central System, they will determine as of when the new XSD version will be supported, and to what extent older versions are still accepted by Member States. Consequently, PSPs will need to verify the implementation timelines in the Member States where they have reporting obligations.

The varying pace in which Member States will move to the new versions of the XSD creates a complex compliance landscape for PSPs.

Netherlands implementation timeline

The [Netherlands](#) has recently announced that it will accept the new XSD as of the Q1 2025 reporting period (files due from 1 April 2025). Whereas [Malta](#), already stated that they will accept the new XSD as of Q4 2024.

How Deloitte can help

We provide expert CESOP consulting services and can provide your business with full end-to-end support of the CESOP compliance process. [Our CESOP platform](#) offers an integrated end-to-end solution covering data gathering, data processing, report creation and submission to the local Member States tax authorities. Our solution is equipped with automatic updates to align with EU and local versioning schedules and allows you to generate various versions of reports tailored to different countries' requirements.

- **One End-to-End Platform**
- **Built-in Version Control**
- **Full data lineage across Member States**

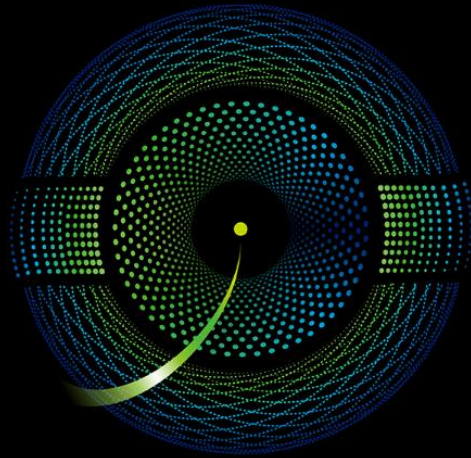
Ensure your CESOP compliance by leveraging Deloitte's robust platform. Contact us today to streamline your CESOP reporting and ensure your reporting processes are up-to-date.

Get in touch with our experts below or find more on our VAT services via [deloitte.nl](https://www.deloitte.nl).

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