

## Indirect Tax | VAT

### Alert 11 December 2024

## CESOP – New XSD version timeline

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

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

### XSD Version Updates: EU

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

With the release of XSD User Guide version 6.00 on 8 November 2024, XSD versions 4.00 and 4.01 are no longer supported by the EU CESOP system. Consequently, only versions 4.02 and 4.03 are currently supported, with the latter being accepted for reports from the fourth quarter, which need to be filed starting 1 January 2025.

## 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 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 at which Member States will move to the new versions of the XSD creates a complex compliance landscape for PSPs.

## Implementation timeline of XSD version v.4.03 in Europe

For an overview of the implementation date of version 4.03 of the XML schema for each Member State, feel free to reach out to our CESOP experts.

## 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

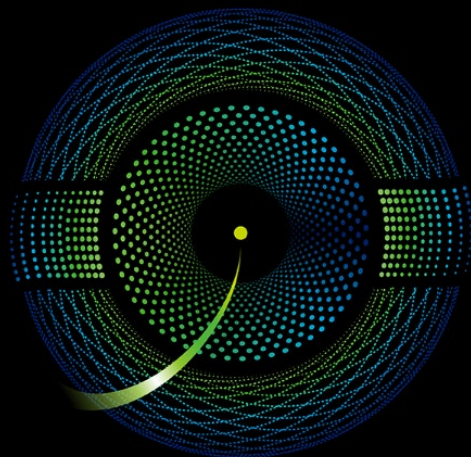
Ensure your CESOP compliance by leveraging Deloitte's robust platform. Contact us today to streamline your CESOP reporting and ensure your reporting processes are up-to-date.

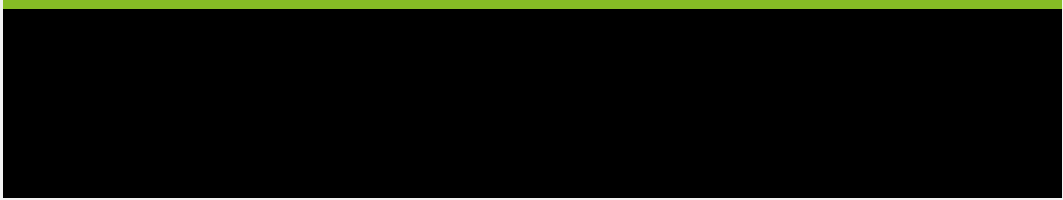
Get in touch with our experts below or find more on our VAT services via [deloitte.nl](https://www.deloitte.nl).

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