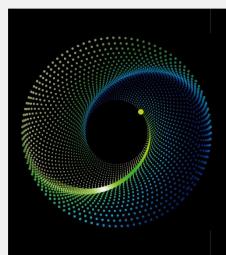
# Deloitte.

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# Latest CESOP news April 2024

On April 4, the European Commission's Directorate General for Taxation and Customs Union (the "DG") has released an Additional Clarification on the CESOP Reporting Guidelines. This document, which can be found on the DG's website, aims to offer payment service providers ("PSPs") improved guidance on the reporting of multiple transactions for the same payee.

In this update, we will address some highlights that this new guidance is putting forward.

## Additional Clarification on the CESOP Reporting Guidelines

These clarifying guidelines stress the importance for PSPs to consolidate all transactions for a single account under the same reported payee. In this document, the DG communicates that the reporting should be done on a per-entity basis as opposed to per-transaction. In practice, it means that all related transactions must be consolidated under the payee entity name and account identifier. To illustrate this guidance, the DG included two practical cases on when and how to split or consolidate transactions.

The additional clarification document highlights that reporting on a per-transaction basis rather than by payee would constitute an incorrect reporting method, which could lead to an error code preventing CESOP from processing the report effectively. The rationale behind this decision is to avoid duplicates of the same payee within reports.

Lastly, the document shows that a new version of the XSD Schema in which it will be allowed to report a payee with several account identifiers is expected soon.

#### Legal status

It is important to keep in mind that this is an explanatory document with no formal legal value. In the case of any ambiguity, the legal definitions and principles take precedence.

## Last remarks and next steps PSPs

The CESOP reporting obligations are now in effect for PSPs, and the generation of the first reports can no longer be delayed. We strongly recommend reviewing the Additional Clarification on the CESOP Reporting Guideline to assess their impact on your current CESOP approach. PSPs should also ensure that their systems and processes are adequately prepared to meet their CESOP reporting obligations in a timely manner, while also staying updated on developments at the Member State level.

#### How we can help

Deloitte can support in designing, implementing and maintaining the entire CESOP reporting life cycle. Interested to find out how our tooling can automate data validation or reconciliation? Get in touch with your regular Deloitte advisor or <u>visit our webpage</u>

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