

Reporting Requirement for Payment Service Providers on Cross-Border Payments

EU Central Electronic System of Payment Information (‘CESOP’)

This document should be read in conjunction with Part 9A ‘Reporting Obligations of Certain Payment Providers’ and Section 115(1C) of the VAT Consolidation Act 2010 and Council Regulation (EU) No. 904/2010.

Document reviewed December 2025

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1 Introduction

This manual provides guidance on the record-keeping and reporting obligations of certain payment service providers (PSPs) established in the EU. These obligations were introduced to allow Member States better detect eCommerce VAT fraud.

From 1 January 2024, certain PSPs established in the EU are obliged to keep records in relation to cross-border payment services they provide in each calendar quarter and to report the information to the relevant tax authority. Each tax authority is obliged to transmit the reported information to a centralised European Union database, the Central Electronic System of Payment Information (“CESOP”), which was developed by the European Commission. The information reported is aggregated in CESOP and provided to anti-fraud experts in each Member State.

The information can then be used by Member States to detect and investigate VAT fraud, for example, to identify sellers from abroad that supply goods or services in their territory.

2 PSPs within Scope of the Obligations

Section 85A of the VAT Consolidation Act 2010 (VATCA 2010) defines the PSPs that come within scope of the measures and refers to the definitions laid down in the Payment Services Directive (Directive (EU) 2015/2366, or “PSD2”). This includes credit institutions, electronic money institutions, post office, giro institutions and payment institutions. PSPs which do not provide payment services in the European Union do not have to fulfil any reporting obligation.

Further details on the procedures and criteria for the registration of entities which have EU cross-border payments reporting obligations in Ireland are available in Tax and Duty Manual (TDM) [European Cross-Border Payments Reporting \(CESOP\) Registration Guidelines and Guidance for Filing](#) on Revenue’s website.

3 Record-Keeping Obligation of PSPs

3.1 Requirement to Keep Records

A PSP which comes within the scope of the record-keeping obligation is required to keep detailed records of payees and payments in relation to the payment services it provides for each calendar quarter where the following two conditions are met:

- the PSP provides the payment services in respect of cross-border payments. A cross-border payment is where the payer is located in a Member State and the payee (or the beneficiary) is located in another Member State, in a third territory or in a third country; and

- during the course of a calendar quarter, the PSP provides payment services corresponding to more than 25 cross-border payments to the same payee. The number of payments is calculated by reference to the payment services provided by the PSP per Member State and per account identifier.

The location of payers and payees is determined by an identifier which can be an IBAN of the payer's/payee's account, the BIC or any other identifier which unambiguously identifies, and gives their location. Where a PSP has information that a payee has several identifiers, the calculation of cross-border payments shall be made for each payee.

Where the PSP of the payee is not located in an EU Member State, the PSP of the payer will be subject to the record-keeping and reporting obligations for that cross-border payment.

Where both the PSP for the payee and the PSP for the payer are located in a Member State, then only the PSP of the payee will be subject to the requirements. However, the PSP of the payer shall include such payment services for the purpose of the calculation of the number of cross border payments in a quarter.

3.2 Information in PSP Records

The information and details to be contained in the records that the PSP is obliged to keep and to report to Revenue must include the following:

- BIC, or any other unique business identifier of the PSP transmitting the data;
- Name or business name of the payee;
- VAT number or National tax number of the payee, if available;
- IBAN, or any other identifier of the payee;
- Address of the payee;
- transaction details of the cross-border payment; and
- details of any payment refunds associated with a cross-border payment.

Further details on the information and details to be contained in the records are included in [Appendix 1](#).

4 Reporting Obligation of PSPs

PSPs who are obliged to keep records are also obliged to make a return of the information contained in those records to the relevant tax authorities.

A PSP is obliged to make a return to Irish Revenue where Ireland is –

- the home Member State of the PSP, or
- a host Member State of the PSP, in a case where the PSP provides payment services in Member States other than its home Member State.

This is to be done by the PSP reporting to Revenue on a quarterly basis. The return of information contained in the records of a PSP is required by the end of the month following the end of the quarter. For example, a PSP should submit a return to Revenue for the fourth quarter of 2024 by 31 January 2025.

5 Record Retention Obligations of PSPs

Where a PSP is obliged to keep records, the records must be retained in an electronic format for a period of three calendar years from the end of the calendar year of the date of the payment.

6 Penalties

A fixed penalty of €4,000 can be imposed by Revenue if the PSP fails to fulfil its obligations to keep specific records in relation to payment services it provided, or if the PSP fails to report the information contained in their records in respect of such payment services. A further fixed penalty of €4,000 can also be imposed for each subsequent reporting period during which the PSP has continued to fail to comply with those obligations.

A fixed penalty of €4,000 can also be imposed if the PSP fails to retain the records for a period of 3 years (from the end of the calendar year of the date of payment).

7 Information Transmission and Retention by Revenue

Revenue is obliged to transmit the reported information to CESOP on a quarterly basis. The information is to be transmitted no later than the tenth day of the second month following the calendar quarter to which the information relates.

The information reported by the PSP shall be retained by the Revenue Commissioners until the expiry of a period of 5 years from 31 December of the year during which the information was provided to them.

Appendix 1

The information and details to be contained in the records that the PSP is obliged to keep and to report Revenue are set out at (1) and (2) below:

- (1) The information to be contained in the records is –
 - (a) the BIC or any other business identifier code that unambiguously identifies the payment service provider,
 - (b) the name or business name of the payee, as it appears in the records of the payment services provider,
 - (c) any VAT identification number or other national tax number of the payee, if available,
 - (d) the IBAN or, if the IBAN is not available, any other identifier which unambiguously identifies, and gives the location of, the payee,
 - (e) the BIC or any other business identifier code that unambiguously identifies, and gives the location of, the payment service provider acting on behalf of the payee where the payee receives funds without having any payment account,
 - (f) the address of the payee as it appears in the records of the payment service provider, if available,
 - (g) details of any cross-border payment in accordance with (2), and
 - (h) details of any payment refunds identified in relation to the cross-border payment in accordance with (2).

- (2) The details to be contained in the information in relation to paragraphs (g) and (h) of (1) are –
 - (a) the date and time of the payment or payment refund,
 - (b) the amount and the currency of the payment or payment refund,
 - (c) the Member State of origin of the payment received by or on behalf of the payee, as determined in accordance with section 85B,
 - (d) the Member State of destination of any payment refund, as determined in accordance with section 85B,
 - (e) the information used to determine the Member State of origin of the payment referred to in paragraph (c) or the Member State of destination of any payment refund referred to in paragraph (d),
 - (f) any reference which unambiguously identifies the payment, and

- (g) where applicable, information that the payment was initiated at the physical premises of the merchant.