

Introduction

This checklist is designed to assist Payment Service Providers (PSPs) to ensure that their reporting procedures and processes for CESOP (Central Electronic System of Payment information), as mandated by the European Commission, is complete and accurate.

Purpose:

The Checklist focuses on key data quality issues and helps to identify any potential gaps or discrepancies. The checklist aims to build best practice for PSP filings regardless of whether a data element is mandatory, optional mandatory or optional.

By using this checklist, PSPs can:

- Perform a self-review of their CESOP submissions to date.
- Conduct a pre-submission check to verify the data quality accuracy in advance of their quarterly submission.

Required Actions by PSP:

- Conduct a review of your historic reporting and ensure that you correct any data gaps or anomalies as required.
- Use the checklist as a reference tool for ongoing reporting reviews in advance of quarterly submission.
- Circulate to all internal and external stakeholders that support you in meeting your reporting obligations for CESOP.
- Ensure that all relevant stakeholders, IT service providers and Agents consider its implications and action accordingly.
- No feedback to member states is required, however it is expected that PSPs action any required changes or amendments directly through the data they report on a quarterly basis.

Disclaimer

- The checklist is not exhaustive and consequently must be read in line with EU and National Legislative provisions, the relevant XSD schema definition, the “CESOP – Guidelines for Reporting” and CESOP FAQs. These documents can be found at: https://taxation-customs.ec.europa.eu/taxation/vat/fight-against-vat-fraud/tackling-vat-fraud-e-commerce-cesop_en
- “Guidelines for the reporting of payment data from payment service providers and transmission to the Central Electronic System of Payment information (CESOP)” subsequently referred to as the “Guidelines for Reporting”.

CESOP Data Quality Checklist

This checklist is for final verification by the Payment Service Provider (PSP). It ensures that the CESOP report is complete in content, semantically correct, and plausible, and that it fulfils the requirement for reporting individual transactions and correct consolidation. The focus is on plausibility and formatting checks. If you answer a question with **NO**, this indicates that the respective requirements have not been fully met and should be reviewed and, if possible, corrected before submission.

1. Legal Basis

No.	Check Question	Legal source	YES	NO	NOT APPLICABLE
1.1	Have you identified all Member States (Home and Host Member States as applicable) in which you are obliged to report for CESOP? Have you reported the relevant data to each Member State (MS) for which you are obliged to report?	As defined in point (1) of Article 4 of Directive (EU) 2015/2366, As defined in point (2) Article 4 of Directive (EU) 2015/2366, EU Council Directive 2020/284, (Articles 243a-243d Council Directive 2006/112/EC)			
1.2	How do you ensure you are reporting the appropriate data to the correct MS, particularly if you are obliged to report in several MS? Have you introduced controls to ensure that you are reporting complete and accurate data in each Member State for which you are providing services?	Comment:-			
1.3	Have you ensured that the reported data is stored for at least three years, as required by law?	Article 243b (4) of Directive (EU) 2020/284			
1.4	Were all reportable payments correctly included in the report? (e.g. Credit transfer, direct debit, money remittance, card payments, transactions to and from e-money-providers or marketplaces. Payments within scope must be reported regardless of whether the transaction to which they refer relates to the potential economic activity of the payee and in turn whether such activity is subject to VAT or not (exempt etc).)	Article 4 Directive (EU) 2015/2366			

2. Did you report all transactions within scope correctly?

No.	Check Question	Legal source	YES	NO	NOT APPLICABLE
2.1	Were all cross-border transactions accurately identified? Were the correct identifiers and information available to confirm the cross-border nature of the transactions used effectively?	EU Council Directive 2020/284 (Articles 243a-243d Council Directive 2006/112/EC)			
2.2	Were all payments that exceed the threshold of “more than 25 cross-border payments” per quarter per payee correctly identified? Note: PSPs must ensure that all payment/transaction types to payees are monitored collectively to ensure that no misidentification or miscalculation of payments within scope of reporting occurs.	EU Council Directive 2020/284 (Articles 243a-243d Council Directive 2006/112/EC)			
2.3	Was each payment correctly reported on transactional level?				
2.4	As only payments made to/received by payees are in scope of reporting, have you categorized for each of your customer his customer account payments to ensure that payments received by the account holder as the “payee” are clearly distinguished from payments made by the account holder as the “Payer” . Note: This categorising will support you to identify, monitor and confirm which payments you are obliged to report as the payees PSP and eliminate risk of over reporting. This categorisation further supports you in your reporting role as the Payers PSP where you are processing payments to third countries or territories on behalf of your customer	Implementing Regulation (EU) 2022/1504)			
2.5	Were all non-reportable payments (e.g., cash deposits and withdrawals, payment initiation services, and account information services) correctly excluded from the report?	Reference Article 243a EU Council Directive 2020/284, Article 3 (exclusions) Directive (EU) 2015/2366 Article 4 Directive (EU) 2015/2366			
2.6	Software enhancements and Process updates: If you have changed or updated your data and transaction collection, monitoring or compilation process did you ensure there are no data/transaction gaps or over reporting?				

Have you ensured that you continue to have consistent reporting behaviour and data element completeness across multiple reporting periods? Note: If you have updated your monitoring and reporting software, has the submission collated for reporting been cross checked against submissions for previous quarters to ensure consistency?				
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3. Have you entered the information about the payment service providers involved correctly?

No.	Check Question	Legal source/Technical Guidance	YES	NO	NOT APPLICABLE
3.1	Have you made sure that you have provided a "PSP ID" and a "PSP name" that enable identification by the processing Member State?	Annex Implementing Regulation (EU) 1504/2022, XSD User Guide			
3.2	Have you ensured that you have used a "PSP ID" and "PSP name" that are consistent with your previous reports and previous quarters, unless the actual circumstances have changed?	Annex Implementing Regulation (EU) 1504/2022, XSD User Guide			
3.3	Have you ensured that you have used the data elements "Reporting PSP" and "Sending PSP" correctly when submitting a message for another connected payment service provider (subsidiary)?	Annex Implementing Regulation (EU) 1504/2022, XSD User Guide			

4. Did you identify cross-border-transactions correctly (related to Article 243c of the Council Directive 2006/112/EC)?

No.	Check Question	Examples (Correct Filling) or Consequences for NO	YES	NO	NOT APPLICABLE
4.1	Did you determine the location according to the rules stated in Article 243c of the Council Directive 2006/112/EC ?	DE (Germany), FR (France)			
4.2	When determining the location, did you use the identifier that most accurately reflects the location of the payee , if you have different identifiers available?	If an e-money provider has an IBAN with a country code that differs from the address provided by their customer during login, which was confirmed by official documents (ID card, passport, driving license, etc.), they must choose the location provided by the customer, as this better reflects the customer's location.			
4.3	Was the Payer Location correctly identified as cross-border (i.e., not the same state as the Payee)?	Reporting is inadmissible if the Payer and Payee are in the same state provided all information to determine the true location of either party was correctly applied.			

4.4	If IBAN/BIC was used to identify the location of the payer, was the Payer Location country code correctly derived from the Payer PSP's IBAN/BIC?	Incorrect assignment of the cross-border nature.			
4.5	Was the Payee Location correctly identified as outside the EU/EEA (e.g., to China, USA, etc.)?	Incorrect assignment of the cross-border nature.			
4.6	Are you certain that your process for determining if a transaction is cross-border is accurate and complete?	Incorrect assignment of the cross-border nature.			
4.7	Was the country code of the payer correctly recorded to prove the cross-border nature?	Incorrect assignment of the cross-border nature.			

5. Is your payee information complete and plausible?

This section takes into account that data availability depends on the PSP's country and its role (Payee or Payer PSP).

5.A: Payee PSP – Reports EU/EEA Payments

No.	Focus	Check Question	Consequences for NO	YES	NO	NOT APPLICABLE
5.A.1	Consistency	If you have changed the data collection process, have you ensured that you remain consistent when using names or other personal data of payees over several periods, provided that the actual data has not changed?	The report contains a gap for one's own, KYC-checked customer – this is a serious quality defect.			
5.A.2	Payee data	Were all payees' master data (Name, Address, TIN/VAT ID) sourced from all the PSP's systems available ? Note: All data sources include 3rd party records held on behalf of PSPs and other nonpayment processing account holder information databases.	see above			
5.A.3	Payee name	Is the name the most up-to- date name as held in your records, plausible, and free of placeholders or gap fillers (e.g., "Unknown", "N/A", "Mustermann")?	see above			
5.A.4	Payee name	Do all names actually belong to a single payee or a unique group of payees?	see above			
5.A.5	Payee name	Have different or incorrect spellings of names been cleaned up so that correct aggregation has taken place?	see above			
5.A.6	Payees address	Is the address complete, the most up-to- date address as held in your records and does it represent the actual business seat/residence?	see above			
5.A.7	VAT ID	Was the VAT ID correctly provided, if it is available in the PSP's records. Note: Where possible syntactic check of the EU VAT numbers from EU Member States should be performed.	breach of Article 243d (c) Council Directive 2006/112/EC, Annex Implementing Regulation (EU) 1504/2022, Payment Data XSD User Guide CESOP			

5.A.8	TIN or other identifier	N.B. This is an optional field but is mandatory if the PSP holds such an identifier in their records. The following must be reported if available in the PSPs records: - the national Tax Identifier - the national/ international VAT number - any other national number which issued for tax purpose allowing the unique identification of its holder (e.g., social security numbers, corporate registration number, etc.) Note: Multiple Tax Identifiers may be reported in this field.	breach of Article 243d (c) Council Directive 2006/112/EC, Payment Data XSD User Guide CESOP			
5.A.9	Account Identifier	Is the account identifier complete?	Article 243d(1)(d) Council Directive 2006/112/EC			
5.A.10	Account Identifier	Is the account identifier correctly specified, and does it represent the type of payment service (e.g., IBAN for a bank, E-money ID for an e-money institution)?	Annex Implementing Regulation (EU) 1504/2022, Guidelines for the reporting			
5.A.11	Intended recipient	As a marketplace or intermediary, for payments you received on behalf of the ultimate payee, did you state the actual payee (intended recipient) when reporting the data?	breach of Article 243d (c) Council Directive 2006/112/EC, Payment Data XSD User Guide CESOP, section 2.2 of Guidelines for the reporting			

5.B: Payer PSP – Reports Payments to Payees Outside EU/EEA

No.		Check Question	Consequences for NO	YES	NO	NOT APPLICABLE
5.B.1	Consistency	If you have changed the data collection process, have you ensured that you remain consistent when using names or other personal data of payees over several periods, provided that the actual data has not changed?	The data contains inconsistencies and may lead to issues in identifying payees this is a serious quality defect.			
5.B.2	Payee data	Was all available information for the Payee extracted and used from the transfer data (e.g., purpose, name, ID, if available), since the Payee is not one's own customer?	Incomplete data, even though information was available in the transfer data.			
5.B.3	Plausibility	Are the reported Payee data (Name, Location) plausible and consistent with the transaction (e.g., no private name for a transaction to a large international trading platform)?	Increased risk of queries and objections from the authority.			
5.B.4	Payee name	Is the name the most up-to-date name as held in your records, plausible, and free of placeholders (e.g., "Unknown", "N/A", "Mustermann")?	Increased risk of queries and objections from the authority.			

5.B.5	Payee name	Do all names actually belong to a single payee or a unique group of payees? It is evident from CESOP that some PSPs are potentially providing strings of payee names associated with clearing accounts. PSPs are obliged to report individual transactions associated with each individual payee when these are of cross-border nature transaction and above the monitoring threshold. Each Payee should also be reported with their appropriate account identifier.	Data is not reported according to the reporting rules. This risks that there is also over reporting by PSPs			
5.B.6	Payee name	Have different or incorrect spellings of names been cleaned up so that correct aggregation has taken place?	Data is not reported according to the reporting rules. This risks that there is also over reporting by PSPs			
5.B.7	Payees address	Is the address complete, the most up-to- date address as held in your records and does it represent the actual business seat/residence?	Data is not reported according to the reporting rules. This risks that there is also over reporting by PSPs			
5.B.8	Account Identifier	Is the account identifier complete? Has an appropriate identifier (e.g., IBAN) been used rather than an internal ID where appropriate.	breach of Article 243d Council Directive 2006/112/EC Annex Implementing Regulation (EU) 1504/2022			
5.B.9	Account Identifier	Is the account identifier correctly specified, and does it represent the type of payment service (e.g., IBAN for a bank, E-money ID for an e-money institution)?	breach of Article 243d Council Directive 2006/112/EC Annex Implementing Regulation (EU) 1504/2022, Guidelines for the reporting of payment data from payment service providers and transmission to the Central Electronic System of Payment information (CESOP)			
5.B.10	Account Identifier	In the circumstance of Payer PSP's reporting, have you correctly provided an IBAN or appropriate account identifier for the payee if available rather than Merchant Terminal (Account) ID?	breach of Article 243d Council Directive 2006/112/EC Annex Implementing Regulation (EU) 1504/2022, Guidelines for the reporting of payment data from payment service providers and transmission to the Central Electronic System of Payment information (CESOP)			

5.B.11	Intended recipient	As a marketplace or intermediary, for payments you received on behalf of the ultimate payee, did you state the actual payee (intended recipient) when reporting the data?	breach of Article 243d (c) Council Directive 2006/112/EC, Payment Data XSD User Guide CESOP, section 2.2 of Guidelines for the reporting			
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6. Is your transaction information complete and plausible?

No.	Focus	Check Question	Examples	YES	NO	NOT APPLICABLE
6.1	Amount	Is the amount of the individual transaction correct? Have you ensured that the decimal place is correctly positioned?	123.45			
6.2	Currency	Was the original currency of the transaction (e.g., USD) correctly specified according to ISO 4217?	USD (if the payment occurred in US dollars)			
6.3	Amount & Currency	Were the amounts reported in the currency actually received or paid without first converting them into another currency (e.g. euro)?	123.45 USD			
6.4	Payment method	Was the type of transaction (e.g., transfer, card payment, e-money transaction) accurately filled in?	Card payment, Bank transfer, Direct debit, E-money, Money Remittance, Marketplace, Intermediary, Other			
6.5	Refunds	Have you included refunds?	If the payer is not satisfied with the goods ordered and wishes to return them, it is not uncommon that marketplaces and businesses provide the payer with the option to receive a voucher or a refund			
6.6	Refunds	Have you connected the information of the refund to the original payment, if available?	Use of the same "Transaction Identifier"			

7. Have you correctly taken into account the merger with or acquisition of another payment service provider?

No.	Check Question	YES	NO	NOT APPLICABLE
7.1	Have you ensured that, following a merger or acquisition, payments made by the acquired payment service provider were reported by the acquiring or acquired payment service provider?			
7.2	Have you ensured that any corrections regarding reported CESOP data can be successfully carried out for an acquired payment service provider?			
7.3	Have you ensured that the reported data of the acquired payment service provider is stored for at least three years, as required by law?			

8. Have you correctly reported your transactions involving e-money providers?

No.	Check Question	Reference Source	YES	NO	NOT APPLICABLE
8.1	Did you report all payments made to, or received from, an e-money provider (taking into account the other regulations)?	Guidelines for the reporting			
8.2	If you are an e-money provider, did you report all payments between a payer's e-account and a payee's e-account?	Guidelines for the reporting			
8.3	If you are an e-money provider, did you report all correctly identified cross-border payments within scope you received from the funding source of an e-account holder? E.g., replenishments of e-wallet funds and extractions from e-wallets to fiat accounts.	Guidelines for the reporting			
8.4	As the PSP of an e-money account holder, did you report all payments you received from an e-money account to a bank account or another payment account? Payments where a payee decides to transfer a monetary amount from their e-money account to their bank account or another payment account are separate payment transactions, in which the e-wallet provider is the payer and the e-money account holder is the payee. This separate transaction must be reported by the payee's PSP (i.e., their bank).	Guidelines for the reporting			