

CESOP simplification

Key results of the surveys with Member States and payment service providers

On 18 August 2025, the Commission published two questionnaires on the “EU Survey portal” asking tax administrations of all EU Member States (MS) and payment service providers (PSPs) for their views on a possible simplification of reporting obligations related to the Central Electronic System of Payment Information (CESOP). Such simplification would allow PSPs to consolidate their reporting in the MS where their headquarters are located (i.e. single reporting to the home MS). All MS participated in the survey as well as 137 PSPs - 55% banks and 45% payment and e-money institutions. Among the 137 PSPs, about 60% report payment data in more than one MS.

The purpose of the two questionnaires was:

- 1) to collect estimates of the ongoing costs currently borne by MS and PSPs under the existing reporting scheme, for which PSPs need to report payment data in every MS where they provide payment services, both in the home MS where their headquarters are located and in all host Member States where they have branches;
- 2) to gain insight of potential changes in costs (savings or increases) for tax administrations and PSPs resulting from the proposed simplification that would introduce a single reporting system via the home Member State based on two alternative scenarios:
 - **Scenario 1:** single reporting to the home MS would be mandatory for PSPs.
 - **Scenario 2:** single reporting to the home MS would be optional, meaning PSPs could choose to either report solely to their home MS or continue with the current system of reporting to both home and host MS.

Among the circa 1.700 PSPs currently reporting payment data, around 350 PSPs report to two or more Member States.

The Commission analysed the answers provided in both questionnaires. The conclusions are as follows:

- The position of PSPs depends to a large extent on their business model. The majority of PSPs, mainly payment and e-money institutions, see the home MS only reporting scheme as an improvement, whereas credit institutions prefer to keep the status quo (reporting to both home and host MS).
- In case of such simplification, the majority of PSPs are of the opinion that scenario 2 would not bring any additional benefits for them.
- For PSPs, registration costs represent 25% and reporting costs represent 46% of the total annual operating costs linked to CESOP.
- Some MS signalled their opposition to such simplification measure, whereas most MS recognised that the current situation may create additional costs for PSPs but remained neutral concerning a possible change of the reporting system.
- MS also expressed concerns of losing essential information at national level for the use by their national systems and claimed that the quality and accessibility of information must be maintained with any simplification measure.
- MS that are in favour of a simplification show a strong preference for scenario 1 (mandatory reporting in the home MS) as they consider scenario 2 (optional) presents additional administrative challenges.

In the event that such simplification measure is introduced, DG TAXUD estimates - based on extrapolations from the survey inputs for the 350 PSPs currently reporting in more than one MS - a

total reduction of 40 million EUR in the PSPs' annual operating costs; the total one-off adjustment costs for those PSPs are estimated to equal 30 million EUR.

The impact of such simplification measure on the annual operating costs for all MS is estimated to lead to a total increase of 1.5 million EUR. The MS' one-off costs for IT adjustments are estimated to equal 390.000 EUR.