



FSS SECTION
BLOCK 3
Floriana - CMR 02

Telephones: 22962394, 22926391
22962390, 22962397
PABX: 21220486
Fax Numbers: 21 239408 – 21 249514

Date: 24th November 2003.

TO EMPLOYERS, TAX PRACTITIONERS AND PAYROLL PROCESSORS

Final Settlement System (FSS) and Social Security Contributions (SSC) services on IR Services On-Line.

The Inland Revenue Department is pleased to inform you that on-line Internet services for employers will be available as from January 2004. These services will form part of IR Services On-line whose first phase was launched in September 2002. The first phase provided on-line Internet services to tax practitioners for Corporate Taxpayers. The feedback received on IR Services On-line was very encouraging and the Inland Revenue is committed to improve these services and launch more on-line services to enhance the level of taxpayer services, including on-line services for employers.

On-line services for employers will be initially implemented for those employers who submit the end of year documents under the FSS rules (FS7's and FS3's) electronically as files on diskette. Employers will be able to submit these files over the Internet from home or office at any time during the day, without the need to call at the Inland Revenue to present the diskettes. This service includes the on-line validation and acknowledgement of the FSS and SSC files and Employers will also be able to view both FSS and SSC payments on-line.

Employers who intend to use this on-line service will be provided with a digital certificate for authentication purposes and can apply for this service on IRWEB06 by **15 January 2004**. Employers may also authorise tax practitioners to submit FSS end of year documents on their behalf using form IR WEB 02. These forms can be downloaded from the Inland Revenue Web Site at www.ird.gov.mt. The web site contains also further information on validations through which FSS files will be processed. The basic file format of the FSS and SSC files may also be checked on the Web Site without the need of authentication.

Employers (or their representatives) are also encouraged to follow the Electronic Lodgement Specifications as published by the Inland Revenue. These specifications are available at our Web Site at www.ird.gov.mt. By complying to these specifications there will be less errors in the submissions and Inland Revenue staff will not need to contact you after you submit the end of year documents. **The validations printed overleaf will be strictly enforced as from the next submission cycle in 2004.**

Electronic files submitted over the Internet or presented on diskette will be validated automatically and will be rejected if they do not comply with the published specifications. Paper versions of the FS7's and FS3's submitted manually will also be vetted and any incomplete documents will be returned for correction. Employers will be considered to be defaulters until such time that these documents are correctly received by IRD. Further information on these validations can also be found at www.ird.gov.mt.

Employers may submit their FS3's and FS7's through the Internet by the **15th March 2004**. All other submissions on diskettes and paper versions FS3's and FS7's, should reach the FSS section by not later than the prescribed date, namely, **15th February 2004**.

A Chetcuti
Commissioner of Inland Revenue

List of fields which will be enforced this year 2004 during the validation process for end of year documents for year 2003:

Field	Box No.	Explanation
Year field in FS3	A1	The year field in the FS3 must be equal to that in the accompanying FS7
Income Tax Registration Number	A2	Income Tax Registration Numbers should be correct in both FS3 Tax and Social Security electronic files and paper documents. ID Card Numbers should be less than 10 characters long and the last character only may consist of 'A', 'M', 'G', 'H', 'L', 'P', 'B', and 'Z'. Income Tax Registration Numbers must all be 9 characters long and issued by (or confirmed with) the Inland Revenue.
Dates in Period (from, to)	B1 and B2	These dates must be valid dates in 'dd/mm/yyyy' format and the year of each date must equal the year field in A1. The dates in B1 and B2 must correctly reflect the period of employment during the year for each employee.
Gross Emoluments	C1, C2, C3, C4	FS3s with zero emolument values will not be accepted. All values must be positive whole numbers (i.e. no decimals) and the following totals must reconcile: <ul style="list-style-type: none"> Gross emoluments (FSS main or FSS other) + Gross Emoluments (FSS part time) + Fringe Benefits must be equal to the Total Gross Emoluments and Fringe Benefits i.e. boxes C1+C2+C3=C4 (applies to manual filers only) Fringe Benefits Category 1 + Category 2 + Category 3 must be equal Fringe Benefits Total less Not Taxable Car Cash Allowance i.e. Box C3 = (C5-C6+C7) – C8 (applies for manual filers only). For all the FS3s submitted, the total emoluments of each FS3 must be equal to the total given in the FS7. This will be applied to each emolument type i.e. the total C1 of each FS 3 must be equal to the value of C1 on the FS 7. The total of C2 of each FS3 must be equal to the value of C2 on the FS7 and the total of C3 of each FS3 must be equal to the value of C3 on the FS7.
Tax Deductions	D1, D2, D3, D4.	All tax deductions values must be positive whole numbers. The total tax deduction must be equal to the tax deduction (FSS main or FSS others) + tax deductions (FSS part time method) + tax arrears deductions i.e. D4 = D1 + D2 + D3) applies for manual filers only). Furthermore, the total of each value of each tax deducted in every FS3 must be equal to the corresponding value on the FS 7 i.e. the total D1 for each FS 3 must be equal to the value D1 on the FS 7, the total D2 of each FS3 must be equal to the value of D2 on the FS 7 and the total of D3 in each FS 3 must be equal to the value of D 3 in the FS 7.
Social Security Contributions	E 1	The records for Social Security Contributions (SSC) must be correctly submitted. Incomplete records where any of the Basic Wage, number of contributions, category, SSC paid by the payee (employee) or SSC paid by the payer (employer) or the total contributions (for manual filers) is missing will not be accepted. Moreover the following validations will also be fully enforced: <ul style="list-style-type: none"> Category must be one of 'A', 'B', 'C', 'D', 'E' and 'F'. Category must correspond to the weekly basic wage of the employee The amounts paid by the payee and the payer cannot be less than the rate multiplied by the number of contributions. <p>The information in weeks without pay must also be submitted correctly. The dates in the From/To periods of the Weeks without pay must be valid dates (in 'dd/mm/yyyy' format) between the From/To period indicated in the B1 and B2. The total number of contributions paid and unpaid must not be greater than the number of contributions payable between the From/To dates B1 and B2.</p> <p>Furthermore for each employee the total SSC (in the FS3 file) withheld indicated in field E1 must reconcile with the total of all SSC paid by payee and payer (in the SSC file).</p> <p>The total SSC in all FS 3s must be equal to the value in E1 in the FS 7.</p>