

MF No 7/2002 - 27 May 2002

Payments to Government by Electronic Means

MF Circular No.7/2002

MINISTRY OF FINANCE
South Street,
Valletta.

27th May, 2002

To: Permanent Secretaries
Directors General
Directors

PAYMENTS TO GOVERNMENT BY ELECTRONIC MEANS

As you are aware, one of the priorities of the current Public Service Change Programme is an improvement in the quality of the services that Ministries and Departments provide to the public. This commitment has manifested itself, inter alia, in the significant number of Quality Service Charters that have been launched over the past few years and, more recently, through the introduction of a programme of e-Government initiatives. The recent launching by the Prime Minister of the official portal to the electronic services of the Government of Malta should also be viewed in this context.

In an effort to promote and to facilitate the development of initiatives involving schemes for payments to Government by electronic means, the Ministry of Finance has now introduced the following arrangements which Ministries and Departments should carefully take note of:

(i) Banking Arrangements

Following an invitation issued to all the local commercial banks, the Ministry of Finance has concluded an agreement with Bank of Valletta plc for the handling of the required banking arrangements associated with payments to Government by electronic means, i.e. for both on-line payments and for payments effected through Electronic Point of Sale (EPOS) systems. This agreement includes, inter alia, the following features:

- all bank accounts to be opened by Government Ministries and Departments for the

purpose are to be located at the BOV Floriana Branch. **The Bank will not accept applications for the opening of such accounts unless the specific prior approval of the Ministry of Finance has been obtained**

- all such accounts will be interest bearing and funds deposited in these accounts will be transferred to the Public Account of the Central Bank of Malta on a regular basis and on specified days. BOV has agreed to provide itemised statements (e.g. per EPOS machine) in respect of these accounts

- the agreed commission structure in respect of the operation of these bank accounts ranges from 0.25% (irrespective of turnover) for Cashlink to APS Premier Cards to 0.5% (based on a turnover of up to Lm1 million) for BOV MasterCard and Visa Cards to 1.5% (irrespective of turnover) for non-BOV Cards. The Ministry of Finance is in a position to provide more detailed advice on these rates to interested Ministries and Departments.

(ii) Treasury Accounting Guidelines

Ministries and Departments who undertake to introduce arrangements for the receipt of payments by electronic means need to give particular attention to the ancillary accounting arrangements. The Treasury has, therefore, prepared a set of procedural and accounting guidelines for the purpose, [a copy of which is being circulated as Appendix A to this Circular](#). These Guidelines cater for the following situations:

- Payments by Debit/Credit Card
- Payments on-line through the Internet
- Payments through Client Authorisation (Remittance Advice).

In the context of this Circular, it is also pertinent to point out that, following discussions involving the Ministry of Justice and Local Government, the Central Information Management Unit of the Office of the Prime Minister, MITTS Ltd. and this Ministry, in March of this year the Government had entered into an agreement with the firm Terranet Ltd. for the provision of on-line payment gateway services. This payment gateway will enable on-line payments to Government in a secure environment and in a confidential manner.

Finally, please note that the adoption by Ministries and Departments of arrangements for the receipt of payments by electronic means requires the prior approval of the Ministry of Finance. When such approval is granted, Ministries and Departments will be referred to the Treasury for advice on the appropriate accounting arrangements.

J. Scicluna
Permanent Secretary

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