



Tax Alert

Online Registration of Employers

Article 2 of Agreement No. 1123, Regulation for Registration of Employers in the Social Security Regime establishes that *“all employers, individuals or legal entities, that have three or more workers, are obligated to register themselves in the Social Security Regime.”*

In this respect, the Guatemalan Social Security Institute –IGSS- recently announced the implementation of online registration of employers, which seeks to have all employers that are obligated to pay social security contributions formalize their situation before the Social Security office.

The tool permits the uploading of the information required by the Social Security office, in PDF format, and for all of the verifications to be performed online. If any corrections to such information need to be made, a notification will be sent to the electronic mail address registered by the employer during the registration process.

In general terms, following are some of the requirements that must be attached to the registration request:

- Photocopy of both sides of the Personal Identification Document -DPI- of the employer or business owner.
- In cases of foreigners, a photocopy of the passport, authenticated by a notary.
- Photocopy of the Certificate of Registration and Modifications to the taxpayer's information in the Unified Tax Registry -RTU- with a current and recent ratification of such registration.
- Photocopy of the Business Commercial License.
- Certification of the number of employees and employment start dates, issued by an expert accountant.
- Payroll certified by an expert accountant.

Finally, it is important to mention that in the event of non-compliance with the payment of social security contributions, there is the risk that: 1) the Tax Administration could question the deductibility of the salaries recorded in accounting, per that established in article 22, numeral 3 of Decree No. 10-2012 and its amendments, Tax Update Law; and 2) IGSS could claim the contributions that are owed, plus late payment surcharges.



Our experts:

Deloitte offers a range of integrated tax and legal services. Our teams combine technical knowledge, experience and innovation, which allow us to help our clients meet their objectives at the local and global levels.



Ana Lucía Santacruz

Tax, Global Trade and BPS Partner
alsantacruz@deloitte.com



Fernando Orozco

Tax Manager
jforozco@deloitte.com

Deloitte.

Deloitte refers to Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee, its network of member firms and their related entities, each of which is a legally separate and independent entity. Please see www.deloitte.com to learn more about our global network of member firms.

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory and tax & legal services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 330,000 professionals are committed to making an impact that matters.

As used in this document, Deloitte Guatemala, S.A., which have the exclusive legal right to engage in, and limit its business to, providing auditing, consulting, tax consultancy, legal, risk and financial advisory respectively, and other professional services, under the name "Deloitte".

This presentation contains general information only and Deloitte is not, by means of this document, rendering advice or accounting, commercial, financial, investment, legal, tax or other services.

This presentation is not a substitute for such professional advice or services, nor should it be used as a basis for any decision or action that may affect your business. Before making any decision or taking any action that may affect your business, you should consult a qualified professional advisor. No representation, warranty or promise (either explicit or implicit) is provided regarding the accuracy or completeness of the information in this communication and Deloitte will not be responsible for any loss suffered by anyone who relies on this presentation.