

Doing Business in EGYPT





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DOING BUSINESS IN EGYPT



Egypt has witnessed an economic boost in the last couple of years due to the economic and structural reforms program that the country implemented in 2016. As a result, the investment climate has grown to be very attractive for local and foreign investors through many favorable incentives.

Egypt has always been famous as the ideal market for investments; its vast population and the untapped dynamic market facilitate introducing and testing new ideas.

FACTS AND FIGURES ABOUT EGYPT

- The current population surpasses 101 million, with almost 16.6% young population aging between (21 - 29).
- Egypt's Suez Canal hosts 10% of the world trade passing through it annually.
- Inflation rates have decreased dramatically, and the GDP is expected to grow by 3% for 2021.
- Interest rates have dropped from 13% to 8.25%.
- Egypt's geographical location has always been a great asset. Since it perfectly lies in the heart of Africa and acts as a gateway to multiple European countries.
- In 2019, Egypt's startups raised collectively \$95 million in 142 investment deals, setting a new record.
- New Cities especially the new administrative capital is providing investors with attractive investment in Egypt opportunities primarily real estate opportunities.

SET UP A BUSINESS



There are many legal forms of businesses in the Arab Republic of Egypt, but the most common of them are the joint stock companies, limited liability company, sole proprietor company, branches and representation offices.

LEGAL ENTITIES

JOINT STOCK COMPANY

The capital of such companies is divided into shares with equal value. The shareholder is not accountable for the company's debts except within the limit of the shares they have subscribed in. It is worth noting that the number of founders should not be less than 3; moreover, the issued capital shall conditionally, be fully subscribed and each subscriber shall pay at least (10%) of the nominal value of the cash shares upon incorporation, to be increased to (25%) within a period not exceeding 3 months from the date of incorporation, providing the balance of that value (75% of the shares value) shall be settled within a period not exceeding five years from the date of the company's incorporation. The company shall be managed by at least three BOD members.

LIMITED LIABILITY COMPANY

They comprise two or more partners (not less than 2 and not exceeding 50 partners), each partner shall only be liable for the shares he owns (they are not liable for the Company's debts), noting that the capital is paid in full at incorporation. The company shall be managed by a manager or managers.

SOLE PROPRIETOR COMPANY

Every natural or juridical person may –within the limits of the objectives for which it was established- a corporation- individually incorporate a company in the form of a sole proprietor company, which shall be of limited liability.

The law stipulates that the minimum limit of the capital of a sole proprietor company is fifty thousand pounds. The company is deemed under liquidation by force of law if part of the capital of one or more persons is disposed of and the status is not reconciled within 90 days, provided the authority must be notified; this company is a limited liability company except for in certain cases.

BRANCH OF THE FOREIGN COMPANY

The branch acquires the legal form of the parent company, and it is managed by the appointed manager in implementation of decisions of the parent company. It is worth noting that opening a branch for a foreign company requires the existence of a transaction or a contract, the execution of which entails the existence of a branch for the foreign company.

REPRESENTATION OFFICES

Foreign companies may open a representation office, the task of which shall be restricted to studying the Egyptian market, forming the relation network as a prelude to commence investment in Egypt. The representation office is prohibited from conducting any commercial business, and in financing its expenses, it relies on the funding it receives from the head office.



INVESTMENT GUARANTEES AND INCENTIVES :



Some activities may be established under Investment Law, where the State guarantees for the investor treatment, which is similar to that granted to the national investor, together with some exceptions given to the foreign investor. The State grants residence to the foreign investor in Egypt throughout the period of the project, respecting and enforcing the concluded contracts, in accordance with the provisions of the Law.

It is worth noting that investment projects, subject to this Law, enjoy the general incentives, with the exception of the projects established under the free zones system. They are exempted from stamp tax, registration and real estate notarization charges on incorporation contracts, credit facilities contracts and mortgage contracts related to their businesses, for five years from the date of their registration with the Commercial Registry.

As for investment projects that are established under the umbrella of Investment Law, they are granted a special investment incentive, deducting from the net profits that are subject to tax, as per the following:

- A 50% discount off the investment costs of Sector (A). This sector includes the geographic locations which most urgently need development, in accordance with the Investment Map.
- A 30% discount off the investment costs of Sector (B). This sector covers the rest of the areas in the Arab Republic of Egypt, in accordance with the distribution of the investment activities.

ACTIVITIES AND FIELDS SUBJECT TO THE PROVISIONS OF THE INVESTMENT LAW:



FIRST. INDUSTRY SECTOR WHICH INCLUDES THE FOLLOWING:

1. Industrial activities, which involve the transformation of substances and raw materials.
2. Designing or manufacturing of industrial machinery, equipment, and production lines.
3. Activities of the cinema industry, such as constructing, or leasing of motion picture studios and laboratories.
4. Integrated industrial development of industrial zones, or completion of development process, marketing, or management of industrial zones.

SECOND. AGRICULTURAL AND ANIMAL, POULTRY AND FISH PRODUCTION SECTOR, INCLUDING THE FOLLOWING:

1. Reclamation and cultivation of wastelands or desert lands.
2. Animal, Poultry and Fish Production.
3. Genetic engineering in plant and animal fields.



THIRD. TRADE SECTOR, WHICH INCLUDES PROJECTS INVESTING IN THE AREA OF INTERNAL TRADE DEVELOPMENT.

FOURTH. THE SECTOR OF EDUCATION OF ALL TYPES AND LEVELS.

FIFTH. THE HEALTH SECTOR, WHICH INCLUDES THE FOLLOWING:

1. The establishment of specialized, integrated or general hospitals.
2. Diagnostic or therapeutic medical centers.

SIXTH. TRANSPORT SECTOR, WHICH INCLUDES THE FOLLOWING:

1. Mass transport within, and from/to the cities and urban communities according to the following controls.
2. The river, maritime and coastal transport to the ships operating under the Egyptian flag and overseas.
3. Air transportation and directly-related services.
4. Land transport of goods.
5. Refrigerated land transport of goods and refrigerators for storing the crops, the industrial products and foodstuff.



SEVENTH. TOURISM SECTOR, WHICH INCLUDES THE FOLLOWING:

- 1.** Hotels, safari yachts, motels, serviced apartments, resorts, tourist camps and tourist transportation, including the following:
 - a.** Floating and non-floating hotels, safari yachts.
 - b.** Tourist camps, provided that their rating must not be less than 3 stars.
 - c.** All specialized means of tourist transportation.
 - d.** Integrated tourism development projects.
- 2.** Tourist management and marketing of hotels, motels, serviced apartments and resorts.
- 3.** Establishing, operating and managing Nile berths with all relevant services necessary for their tourist operation and security.
- 4.** Building and operating yacht marinas, golf courts and diving centers.
- 5.** Medical tourism for patients through organizing the procedures of reserving places in hospitals, medical and therapeutic centers.
- 6.** Eco-tourism through the establishment and management of environmental hostels, locations of watching the birds and coral reefs.
- 7.** Service companies at the archeological sites and museums.





EIGHTH. HOUSING, CONSTRUCTION AND BUILDING SECTOR, WHICH INCLUDES THE FOLLOWING:

Housing projects that all the units thereof are leased for non-administrative housing purposes, social housing projects and real estate investment in cities, new urban communities, the infrastructure of potable water, sanitation, electricity, roads, communications, etc.; planning, establishment and development of the urban areas.

NINTH. SPORTS SECTOR: IT INCLUDES ALL THE SERVICES PROVIDED THROUGH THE SPORTS FIELD.

TENTH. ELECTRICITY AND ENERGY SECTOR:

It includes designing, construction, production or management and operation and maintenance of electricity and energy generating plants.

ELEVENTH. PETROLEUM AND NATURAL RESOURCES SECTOR, WHICH INCLUDES THE FOLLOWING:

1. Auxiliary oil services of drilling and exploration operations.
2. Construction or management of the natural gas receiving.
3. Activities related to the natural or artificial saline.

TWELFTH. WATER SECTOR.

THIRTEENTH. COMMUNICATIONS AND INFORMATION TECHNOLOGY SECTOR, INCLUDING:

1. Information technology and communication industry including the industrial activities, designing and developing the electronics, data centers.
2. Design and production of computer equipment.
3. Design, implementation and management of information and communication infrastructure projects.
4. Communications and internet services.
5. The projects investing in the development of intellectual property rights.
6. Establishment of audio, video and data transfer networks.
7. Establishment or management and operation and maintenance of telecommunication stations.
8. Scientific research and development projects for development.
9. Construction and management of training centers for preparing researchers.
10. Construction and management of consultation and study centers specialized in information and communication areas.
11. Activities related to the conversion of the conventional content of sound, image and data to digital content.



CORPORATE TAX

I- CORPORATE TAX SCOPE

An annual tax shall be levied on the net aggregate profits of juridical persons whatever their objectives are.

Tax shall apply to:

- Juridical persons residing in Egypt, with respect to all profits whether realised in Egypt or abroad, with exception of the Agency of National Service Projects of the Ministry of Defense.
- Non-resident juridical persons, with respect to the profits through a permanent establishment in Egypt.

II- RESIDENCY

Juridical person is deemed a resident of Egypt in any of the following cases:

1. If established according to Egyptian law.
2. If its main or effective managing headquarters is in Egypt.
3. If it is a corporation in which the State or any State-owned juridical person holds more than 50% of its capital.



III- APPLICABLE TAX RATE

The tax base is rounded to nearest lower ten pounds and it shall be subject to tax at the rate of 22.5% of the net annual taxable profits.

With exception to the rate mentioned in the preceding paragraph, the profits of Suez Canal Authority, the Egyptian General Petroleum Corporation and the Central Bank are subject to tax at the rate of 40%, and the profits of oil and gas exploration and production companies are subject to tax at the rate of 40.55%.

The following are not deductible costs:

1. Debit interests paid by juridical persons on loans and advances that they have obtained, and that are more than four times the average of equity rights according to the financial statements prepared according to the Egyptian Accounting Standards. This provision does not apply to banks and insurance companies, as well as those companies engaged in financing activity that are to be determined according to a ministerial decree.





2. Amounts that are set aside for the purpose of forming or funding different types of reserves and provisions, with the exception of the following:

(a) 80% of the provisions for loans that banks are committed to form according to the rules of the preparation and presentation of financial statements and the assessment principles issued by the Central Bank.

(b) Technical provisions which insurance companies are obliged to form in applying the provisions of the Supervising and Monitoring Insurance Law in Egypt promulgated by Law No. 10 of 1981.

3. Distributed shares of profits and dividends and attendance fees paid to shareholders for attending the General Assembly Meetings.

4. Membership remuneration and allowances received by Chairmen and members of the boards of directors.

5. Employees' profit shares, which are distributed according to the Law.

6. Fines, financial penalties and indemnities ruled against a taxpayer due to his or one of his affiliates' commission of an intentional felony or misdemeanor.

7. The income tax due according to this Law.

8. Interest paid on loans, which exceed double the credit and discount rate declared by the Central Bank at the beginning of the calendar year in which the tax period ends.

9. Interests on loans and debts of different types paid to non-taxable or tax exempt natural persons.

10. Cost of financing and investment related to juridically exempted revenues.

IV-TAX WITHHELD AT SOURCE

I- NON-RESIDENT BODIES



Tax at the rate of 20% is due on amounts, paid by owners of individual firms, juridical persons residing in Egypt and non-resident bodies, which have permanent establishments in Egypt, to non-residents in Egypt without deducting any costs from them.

The said amounts include the following:

1. Yields and returns.
2. Royalties.
3. Service charges: The share of the permanent establishment operating in Egypt of the administrative expenses and the control and supervision expenses borne by its head office overseas shall not be considered service charges. Upon determining the profits of the permanent establishment, the approved administrative expenses and the control and supervision expenses borne by the head office overseas shall not exceed 10% of the taxable net profit of the establishment. The expenses borne within this percentage shall not include any royalties, returns, commissions or direct wages, provided that an approved and authenticated statement shall be submitted by the auditor of the head office.
4. Charges for the activity of a sportsman or artist, whether paid direct to him or through any entity.

II- RESIDENT BODIES

Bodies and establishments set out below shall withhold a percentage of every amount more than 300 pounds, which they pay by way of commission, brokerage, or for procurement, supply, contracting operations, or services rendered to any private sector person. percentage shall not exceed 5% of the amount, as an advance against the tax due of such persons, excluding premiums paid to insurance companies.

Government ministries and agencies; local authority units; general authorities; national economic or service authorities; public sector companies and units; public business sector companies; corporations, establishments and companies subject to investment laws; partnerships with capital exceeding fifty thousand pounds, regardless of their juridical status; companies established by virtue of special laws; companies and projects established under the free zones system; branches of foreign companies; pharmaceutical warehouses and import offices; cooperative societies; press institutions; educational institutions; syndicates; leagues; clubs; youth centers; unions; hospitals; hotels; non-governmental organizations and associations of different purposes; vocational offices; foreign representation offices; cinema production firms; theatres and entertainment houses; private insurance funds established by virtue of Law number 54 of 1975 or any other law.

V-DIVIDEND DISTRIBUTION

Dividend recognized in Egypt distributed by corporations or partnerships, are subject to tax including companies established under the economic zones of special nature for the natural person, juridical person, including profits of non-residing juridical persons, which are realised through a permanent establishment in Egypt, with an exception to common tax rate. The rate of such tax shall be 5% of the dividend distributions if the securities are listed with EGX without deduction any costs. 10% if the securities are not listed.



VI- CAPITAL GAIN

Capital gain, which are recognized by natural and juridical persons in Egypt, shall be subject to tax. With an exception to common tax rate, the tax rate shall be 10% on the capital gain resulting from dealing on listed securities, without deducting any costs.

However, the law suspends the application of the tax on capital gain, realised by residing natural and juridical persons from securities listed with EGX, until the end of December 2021 and an exemption granted for the nonresidents.



PAYROLL TAX



I- PAYROLL TAX SCOPE

1. The tax applies to all earnings by a taxpayer resulting from work for third parties, with or without a contract, on a regular or irregular basis, regardless of such dues names, forms or reasons, whether they are for works performed in Egypt or abroad, and the consideration thereof was paid from a source in Egypt, including wages, bonuses, incentives, commissions, grants, additional payments, allowances, dividends or shares in profits and *cash and in-kind benefits of all types.
2. Salaries and remunerations of non-shareholding chairpersons and board members of public sector and public business sector companies.
3. Salaries and remunerations of chairpersons, board members and managers of corporations in return for their administrative work.

*Cash and in-kind benefits include amounts received by an employee in cash or in-kind that are not a reimbursement for costs associated with the job, which represent a personal benefit. The value of the benefit in-kind is the market value of the item given; it is worth noting that the Executive Regulations specifically determines value of some such benefits as follows:

- **COMPANY CARS AT THE PERSONAL DISPOSAL OF THE EMPLOYEE:** The benefit value is equal to 20% of the cost of fuel, insurance, and periodic maintenance with respect to such cars, whether owned by the company or leased.
- **CELLULAR PHONES:** The benefit value is equal to 20% of the related phone expenses throughout the year.



- **LOANS AND ADVANCES OFFERED BY EMPLOYERS:**
The value of the benefit is determined at 7% of the loans and advances in the case of a loan in any form that exceeds the gross income received by an employee during the six months immediately prior to the receipt of the loan. Or The difference between value of the interest under the given loan and the 7%, stipulated by law, if the interest rate charged is less than 7%.
- **LIFE INSURANCE POLICIES FOR THE EMPLOYEE, HIS FAMILY OR HIS PROPERTIES:**
The benefit value is equal to the amount of the premiums paid by the employer each year.
- **THE COMPANY'S STOCKS GRANTED AT A VALUE LESS THAN THE STOCK MARKET VALUE:** The benefit value is determined on the difference between the stock market value and the value required to be paid by the employee, taking into account that the restricted benefit shall not be included in the income of the employee until those restrictions have expired or are otherwise removed.

II- ANNUITY OF TAXATION

Tax on salaries and the like is annual revenues included in the taxable base shall be determined for each part of a year in which any taxable revenue was earned in proportion to a year, based on the monthly revenue after transferring it to annual revenue.

If a change occurs in the taxable base, the calculation of the base shall be adjusted from the date of change based on the new or old base, whichever is less, after transferring such to annual revenue. The employer may calculate the tax base on the basis of the new revenue, provided the employer shall maintain the due tax on the difference between the new and old revenue to the account of the employer with the purpose of making the adjustment at the end of the financial year.

Block salaries, wages and the like paid in a single payment in a specific year must be apportioned among the years of entitlement, after excluding payments in lieu of vacations. Income included in the tax base must be recalculated for each year, and the tax due shall be adjusted accordingly.



III- TAX RATE

%	NET INCOME NOT EXCEEDING 600,000	NET INCOME EXCEEDING 600,000 BUT LESS THAN 700,000	NET INCOME EXCEEDING 700,000 BUT LESS THAN 800,000	NET INCOME EXCEEDING 800,000 BUT LESS THAN 900,000	NET INCOME EXCEEDING 900,000 BUT LESS THAN ONE MILLION	NET INCOME EXCEEDING ONE MILLION
0%	from 1 L.E up to 15,000 L.E					
2.5%	from 15,001 L.E up to 30,000 L.E	from 1 L.E up to 30,000 L.E				
10%	from 30,001 L.E up to 45,000 L.E	from 30,001 L.E up to 45,000 L.E	from 1 L.E up to 45,000 L.E			
15%	from 45,001 L.E up to 60,000 L.E	from 45,001 L.E up to 60,000 L.E	from 45,001 L.E up to 60,000 L.E	from 1 L.E up to 60,000 L.E		
20%	from 60,000 L.E up to 200,000 L.E	from 60,000 L.E up to 200,000 L.E	from 60,000 L.E up to 200,000 L.E	from 60,000 L.E up to 200,000 L.E	from 1 L.E up to 200,000 L.E	
22.5%	from 200,000 L.E up to 400,000 L.E	from 200,000 L.E up to 400,000 L.E	from 200,000 L.E up to 400,000 L.E	from 200,000 L.E up to 400,000 L.E	from 200,000 L.E up to 400,000 L.E	from 1 L.E up to 400,000 L.E
25%	More than 400,000 L.E	More than 400,000 L.E	More than 400,000 L.E	More than 400,000 L.E	More than 400,000 L.E	More than 400,000 L.E



• AS AN EXCEPTION TO THE FOREGOING TAX RATES:

1. Tax is imposed on amounts earned by residents from other than their *original place of employment at a rate of (10%) without any reduction to cover costs, and without further deductions under Form/2 Salaries.
2. The body where an employee earns more than 50% of his income shall be deemed his original place of employment. Such body shall withheld the tax at the rates mentioned on the previous schedule after granting the employee all exceptions under Form/3 Salaries.

IV- EXEMPTIONS

1. Pensions: exempted from tax under Law No. 79 of 1975.
2. End-of-service allowances that are determined by the company's bylaws. In case there are no regular bylaws, they are determined by provisions of the Labour Law.
3. Amounts exempted by special laws.
4. An amount of EGP 9000 as the annual personal exemption for the taxpayer (in case of working for less than one calendar year, the exemption shall be proportioned).

*The original place of the employee is the body where he is employed and obtains his original salary.



5. Employer's share in social insurance contributions according to the provisions of the Egyptian social insurance laws or any alternative systems thereto in accordance with the provisions of Law no. 64 of 1980.
6. The following collective in-kind benefits:
 - I. Meals offered to employees in work site.
 - II. Collective transportation of employees or a category of them, whether owned or leased.
 - III. Health care for all employees.
 - IV. Tools and clothing necessary for performing the work.
 - V. Accommodation provided by an employer to employees, whether owned or leased, whenever necessary for the performance of work.
7. Employees' dividends distributed according to the law.
8. Life and health insurance premiums for the taxpayer or in favor of his wife or minor children; or any insurance premiums for pension entitlement (provided that insurance is made with a company registered with the Egyptian Insurance Supervisory Authority (EISA)).
9. Employees' contributions to private insurance funds, established under the provisions of Law No. 54 of 1975.

To benefit from the last two exemptions, contributions of the private insurance funds, life or health insurance premiums, or pension to the taxpayer must not exceed EGP 10,000, or 15% of the taxpayer's net revenue (after deducting the remaining exemptions) or the amount actually paid, whichever is less.

V- EMPLOYER AND EMPLOYEE'S OBLIGATIONS

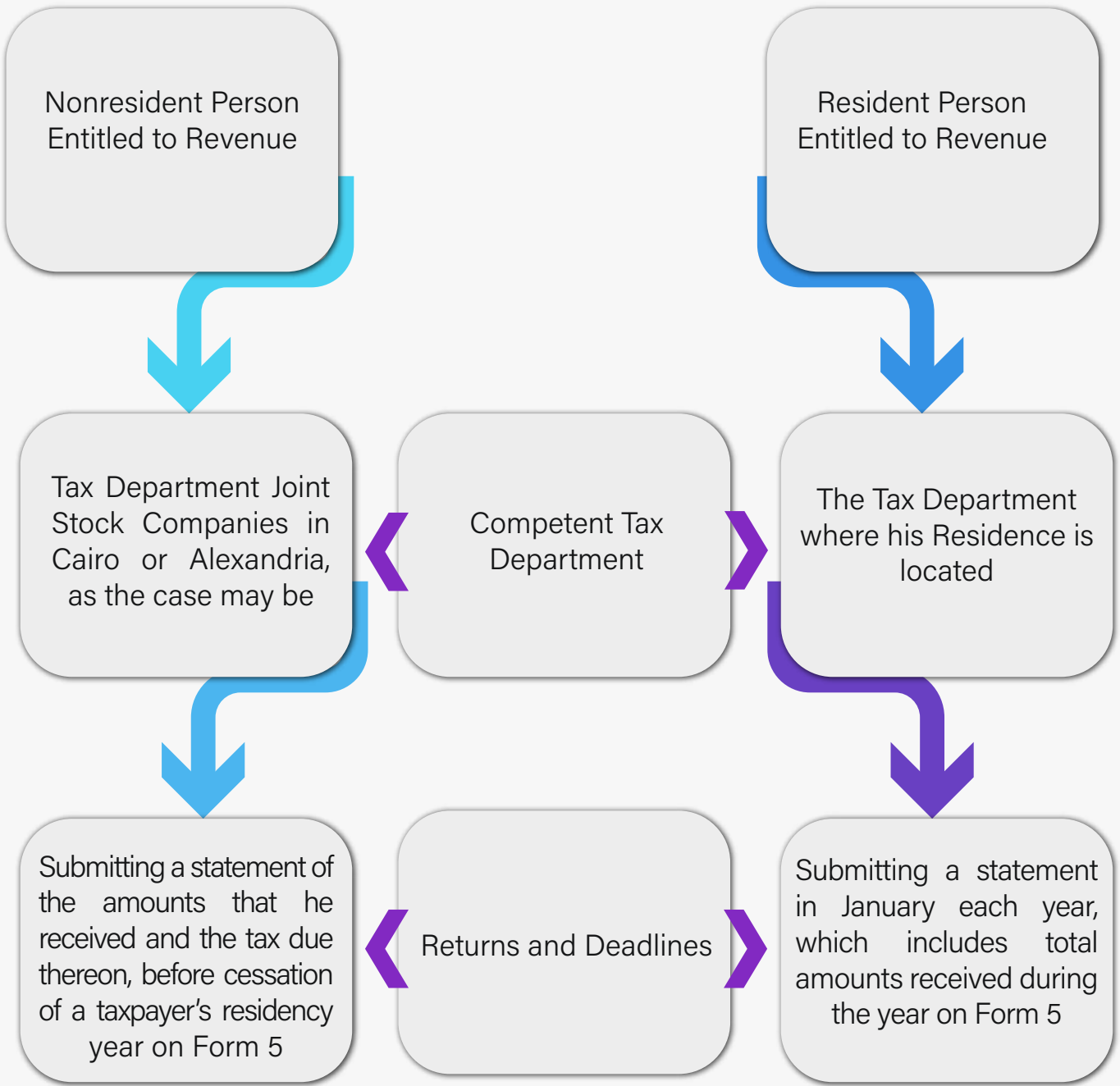
1. EMPLOYER 'S OBLIGATIONS:

- › Bodies paying taxable amounts shall withhold and remit tax to the competent tax office within the first fifteen days of the month following the month in which the amounts are paid.
- › Employers shall also submit a quarterly return (Form/4 Salaries) in January, April, July, October every year.
- › Preparing a tax return at the final settlement at the end of the year and submit it during January of each year.

2. EMPLOYEE'S OBLIGATIONS:

If an employer or a person required to pay taxable revenue is a non-resident of Egypt, or does not have a headquarters or an establishment therein, the obligation to remit the tax falls on the person entitled to such taxable revenue. Hereunder are two cases:





VALUE-ADDED TAX



I- TAXABLE PERSONS

1. Producer, merchant or service provider, whose sales reach the registration threshold (i.e. 500 thousand in a year or part thereof).
2. Importer, exporter or distribution agent of a taxable commodity or service, whatever the volume of his dealings is.
3. Producer, provider or importer of a commodity or service, stipulated in the schedule, whatever the volume of his dealings is.
4. Every person who is non-resident and non-registered with the Authority and sells commodities or renders services, subject to the tax, to a non-registered person within the country and who does not practice an activity at a permanent establishment in Egypt, shall appoint a representative or an agent thereof in Egypt to be responsible for carrying out all the taxpayer's obligations prescribed by this law including the registration with the authority and paying the tax, additional tax and other taxes due by virtue of the provisions of the present law.

II-TAX RATE

The general rate of the tax imposed on commodities and services shall be (13%) for the fiscal year 2016/2017, and (14%) as of the fiscal year 2017/2018. In exception from the foregoing, the tax rate imposed on the machines and equipment used in producing a commodity or rendering a service shall be (5%), with the exception of buses and passenger cars, in addition to schedule tax for commodities and services subject to schedule tax.

The tax shall be imposed at the rate of (0%) on the commodities and services exported.



III - TAXABLE VALUE

The value that must be reported in the return shall be taken as a basis for the tax assessment, which is the actually paid value or that must be paid. It shall include:

1. All amounts collected from the purchaser or the service recipient under any name as long as they are on the occasion of selling the commodities or rendering the services.
2. All contingent expenses as commission costs, packaging, stowage, transportation and insurance imposed by the seller on the purchaser or the importer.
3. The value required to be declared in respect of the commodities or services used for private purposes shall be determined on the basis of total cost. The value required to be declared in respect of the commodities or services used for personal purposes shall be determined according to the market force and the transaction circumstances.

IV- SCHEDULE TAX



The value of the tax which shall be declared and taken as a basis for the schedule tax assessment, regarding the commodities or the services prescribed in the attached schedule shall be as follows :

1. As for the local commodities and services: It shall be the value that is actually paid or should be paid via any method of price payment according to the normal course of matters.
2. As for the imported commodities and services: It shall be estimated at the value taken as a basis for the customs duty assessment plus the customs duties and other imposed taxes and duties. The foregoing shall take place unless otherwise specified in the attached schedule.

V- TAX DEDUCTION, EXEMPTION AND REFUNDING

- The registered taxpayer, upon calculating the tax, shall be entitled to deduct from the tax due on the value of his sales of the commodities and services, the tax previously paid or calculated in respect of his returned sales, and the tax previously charged to his inputs, and also the tax previously imposed on the commodities and services sold by him.
- The deduction shall be applicable to sales of commodities and services to foreign countries, international and regional organizations and petroleum and mining agreements, concluded with the Egyptian government, or to things bought or imported for personal use of diplomats.

- The sales of commodities and services financed by grants in whose regard a law has been issued to exempt same from tax.



The deduction shall be within the limit of the due tax. The portion not deducted shall be carried forward to the subsequent tax periods until the deduction is complete.

All commodities, equipment, devices and services, involved in this law, which are necessary for armament purposes for defense and national security, as well as raw materials, production prerequisites and components thereof, shall be exempted.

DEDUCTION SHALL NOT APPLY TO: Schedule tax, where no special text is provided for in the Law, input tax included among the cost, previously charged on commodity inputs and exempted services.

VI- REVERSE CHARGE

- In case a person, who is non-resident and non-registered with the authority, sells within the country to a registered taxpayer a service which is not required for practising his activity, or supplies a service to a governmental entity or a public or economic authority or any other entity, the service beneficiary shall calculate the tax due on that service and pay it to the authority within thirty days as of the service supply date, in case the non-resident and non-registered did not appoint a representative or an agent thereof in Egypt.
- In case the registered taxpayer imports a service required for practising his activity subject to tax, he shall be treated as an importer and supplier of that service at the same time.

- In case of non-payment of the tax in the specified time limit, the additional tax shall fall due, and be collected with the tax by applying the same procedures.

VII- TAX RETURN

Every taxable person shall submit to the competent Tax Department a monthly return stating the VAT and the due schedule tax, or either of them, as the case may be, on the Form prepared for such purpose, within the month following the end of the taxable term.

The taxable person shall also be bound to submit such return, even if he neither realised sales nor rendered services subject to the tax within the tax term.



STAMP TAX



I- STAMP TAX

Proportional tax is due on the advertisement wage and cost. Every communication, notification or announcement made via any medium shall be deemed an advertisement.

Tax Ratio: Proportional tax (20%) of the advertisement wage and cost.

Taxable Person to Pay and Remit the Tax

- Owner of the advertisement who is a natural person shall pay the tax to the competent Tax Department on Form No. (10/ غ /Stamp); the entity that performs an advertisement shall notify the natural persons to collect the tax and remit same to the competent Tax Department, within two months from date of the notification.
- Every entity carrying out the advertisement must notify the tax authority of the advertisements that are displayed, broadcast or published. It must describe the advertisement, its value and the tax due on it.

II- STAMP TAX ON LOANS, BANKING TRANSACTIONS, DOCUMENTATIONS, AND THE EQUIVALENT THEREOF:



An annual proportional tax is due on whatever credit facilities, granted by banks, as well as loans and borrowings that are submitted by banks during each quarter in addition to the opening balance for the same quarter.

Tax Rate: one thousandth each quarter.

The Taxable Person: The bank and the client bear the tax equally.

The Taxable Person:

The bank shall be under the obligation to pay and remit the due tax every quarter, within a maximum period of seven business days from the end of each quarter, to the competent Tax Department on Form No. (8/خ/Stamp).

III- STAMP TAX ON TRANSACTIONS OF SALE OF FINANCIAL SECURITIES IN ALL THEIR KINDS:

A tax is imposed on total transactions of sale of financial securities in all their kinds, whether such securities are Egyptian or foreign, listed or unlisted on the stock markets, without deducting any costs.

TAX RATE: A TAX IS LEVIED AS FOLLOWS:

- 1.25 thousandth to be borne by the non-residing seller, 1.25 thousandth to be borne by the non-residing purchaser.
- 0.5 thousandth to be borne by the residing seller, 0.5 thousandth to be borne by the residing purchaser.

Disclaimer.

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