

Translation of the Income Tax Law No. 91 of 2005

ترجمة قانون الضريبة على الدخل
رقم ٩١ لسنة ٢٠٠٥

29 May 2025

Income Tax Law No. 91 of 2005

In the name of the people President of the republic

The People's Assembly adopted the following
law and we have issued it:

Article (1):

In respect of the income tax, the attached law shall be applied.

Article (2):

Income tax law promulgated by law no. 157 of 1981 shall be void, provided that, appeal committees formed according to the said income tax law shall continue until 31 December 2005 to consider the tax disputes relating to the years until the end of 2004 and thereafter the disputes remaining without settlement shall be referred to the committees formed according to the accompanying law.

Exemptions with fixed time in the said law shall remain effective with respect to persons whose exemption periods started before the effective date of this law until the expiration of such exemption periods.

Also, item (1) of article (1) of law no.147 of 1984 for levying state resources development duty shall be void.

Article (3):

Articles 16, 17, 18, 19, 21, 22, 23, bis and 24, 25 and 26 of law of investment incentives and guarantees promulgated by law no. 8 of 1997 shall be cancelled.

Exemptions provided for in the said articles shall remain effective for companies & establishments whose exemption periods became effective before the enforcement of this law until the expiration of such exemption periods.



In order to enjoy exemptions stipulated in this law, companies and entities established in compliance with the said law and have not started exercising its activity or production until the enforcement date of this law, must start practicing its activity or production within a period not exceeding three years from the effective date of this law.

Article (4):

Each person shall be exempted from payment of all taxes due on his income as well as from all amounts of general sales tax for the taxation periods preceding the enforcement date of this law in addition to all amounts related to such taxes such as delay fine, additional tax and other, provided that the two following conditions are fulfilled:

First: The person should not have been previously registered or has presented tax return or has been subjected to any form of taxation audit by General Tax Authority or Sales Tax Authority.

Second: The tax payer presents his tax return for his income for the recent taxation period including full related data and to report to sales tax authority when reaches registration limit before lapse of one year as from the enforcement date of this law.

Exemption shall be ineffective if the tax payer doesn't present regularly, his tax returns for his income for the following three taxation periods.

Article (5):

Litigation in all legal actions enrolled or being discussed at all degrees of courts before first of October, 2004 between taxation department and tax payers whose point of dispute is tax assessment, shall be terminated if taxable income (subject of dispute) doesn't exceed L.E.10000.

Unpaid taxes related to such actions shall not be claimed.

In all cases, the termination of the dispute shall not give the tax payer right to recover amounts paid by him on account of tax due on the disputed taxable income.



All the foregoing shall be applicable unless, the tax payer insisted on proceeding with litigation by submission of an application to the court considering the dispute during six months from the enforcement date of this law.

Article (6):

In cases other than those set forth in article 5 of this law, the tax payers in disputes with taxation department whether enrolled or being discussed at courts of various degrees before 1st October, 2004 may request resolving such disputes within one year as from the date putting such law into force, against payment of:

- 10% of the tax due on the disputed taxable income if its value doesn't exceed L.E.100.000
- 25% of the tax due on the disputed taxable income for the amounts exceeding L.E.100.000 until L.E. 500.000 of taxable income after payment of the percentage stipulated in item (1) regarding the amounts not exceeding L.E 100 000 of this taxable income.
- 40% of the tax and other amounts due on the disputed taxable income for amounts exceeding L.E.500.000 of this taxable income after payment of the two percentages stipulated in item (1, 2) for amount exceeding L.E 500 000.

The tax payer shall be given discharge in respect of the disputed tax in case of his payment of the tax rates and other disputed amounts fixed as per the aforesaid items. And a resolution shall be issued for the termination of the dispute if the tax payer presented documents supporting payment.

In all cases, the termination of the dispute shall not give right to the tax payer to recover amount paid by him on account of disputed tax.



Second Book
Tax On the Income of Natural Persons Part One

Article (7):

As an exception to item (1) of article (52) of the accompanying law, the debit interests shall be deductible for loans and advances obtained by corporate bodies regarding the amounts above the quadruple average of equity without exceeding eight times of the same for the period starting from the taxation year 2005 until the end of the taxation year 2009 according to the following schedule:

- 8:1 for the taxation year 2005
 - 7:1 for the taxation year 2006
 - 6:1 for the taxation year 2007
 - 5:1 for the taxation year 2008
 - 4:1 for the taxation year 2009
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Article (8):

The minister of finance shall issue the executive regulation of this law and the accompanying law within a period of six months as from the date of publication in the official gazette and until such regulation is issued, the regulations and decisions applicable currently, shall remain effective without being contrary to the provisions of such two laws.



Article (9):

This law shall be published in the official gazette and effective as from the day following its publication date, with due regard to the following:

- The provisions of the accompanying law shall be applicable to salaries and its equivalent as from the first of the month following the date of its publication in the official gazette.
- The provisions of the accompanying law shall be applicable to revenues of the commercial and industrial activity as well as revenues of non-commercial professions and revenues of the real estate wealth of natural persons starting from the taxation period 2005.

Such provisions shall also be applicable for the profits of corporate bodies as from taxation period 2005 or the taxation period for the corporate body starting after the effective date of this law.

This law shall be stamped by the state official seal and shall be made enforceable as other laws.

Income Tax Law Book 1 - General Provisions

Article (1):

For the purposes of implementing the provisions of this law, the following terms and expressions shall have the meanings set forth opposite each of them:

- Tax: Income tax
- Minister: Minister of Finance
- Head of the Authority: Head of the Egyptian Tax Authority
- The Authority: The Egyptian Tax Authority



- Taxpayer: A natural or legal person subject to tax in accordance with the provisions of this law
- Capital Companies: Joint stock companies, partnerships limited by shares, and limited liability companies
- Partnerships: General partnerships and limited partnerships
- De facto Company: A company formed or continued between natural persons without fulfilling the procedures for formation or registration. A sole proprietorship transferred through inheritance shall not be considered a de facto company, provided that a single tax return is submitted reflecting each heir's share therein
- Project: An economic entity engaged in its core activity in Egypt or a permanent establishment in Egypt affiliated with a foreign economic entity
- Related Person: Any person who has a relationship with a taxpayer that influences the determination of the tax base, whether directly or indirectly, through management, control, or ownership. In general, two persons shall be considered related if the relationship between them allows either or both to act according to the directions, requests, suggestions, or will of the other person or a third party.

The following persons shall be treated as related persons:

- Spouses, ancestors, and descendants.
- Partnerships and their general and limited partners.
- Capital companies and any person directly or indirectly owning at least 50% of the voting rights, management rights, profit distribution rights, or capital rights in the company.
- Any two or more companies in which another person owns at least 50% of the voting rights, management rights, profit distribution rights, or capital rights.

In applying items 2, 3, or 4 above, holdings attributed to a person through a related person shall not be attributed to another related person.



Two persons shall not be considered related solely on the basis that one is an employee or agent of the other, or that both are employees or agents of a third party, unless such relationship influences the determination of the tax base, directly or indirectly.

- **Arm's Length Price:** The price at which transactions are conducted between two or more unrelated parties, determined according to market forces and transaction conditions.
- **Royalties:** Any payments of any kind received as consideration for the use of, or the right to use, copyrights in literary, artistic, or scientific works, including cinematographic films; or for the use of, or the right to use, any patent, trademark, design, model, plan, formula, or secret process; or for the use of, or the right to use, industrial, commercial, or scientific equipment or information relating to industrial, commercial, or scientific experience.
- **Dividend Distributions:** Any income derived from shares or ownership interests, including enjoyment shares, mining shares, founders' shares, or any other rights that grant participation in profits, whether such distributions are in cash, bonus shares, bonds, founders' shares, or any other form.
- **Civil Companies:** Non-commercial companies established in accordance with the provisions of the Civil Code or any other law.

Article (2):

In application of this law, the natural person shall be considered as residing in Egypt in any of the following cases:

- If he has a permanent residence in Egypt.
- If he resides in Egypt for a period exceeding 183 days either consecutive or interrupted during twelve months.
- The Egyptian national who performs the duties of his job abroad and receives his income from the Egyptian treasury.



The corporate body shall be deemed as residing in Egypt in any of the following cases:

- If it has been established subject to Egyptian law.
- If its head office or actual office is based in Egypt.
- If it is a company wherein the state or any public corporate body owns more than 50% of its capital.

The executive regulation indicates the rules of determining permanent domicile and the actual head office.

Article (3):

Income derived from a source in Egypt includes the following:

- Income from services performed in Egypt, including salaries and equivalent remuneration.
- Income borne by an employer resident in Egypt, even if the work is performed abroad.
- Income earned by an athlete or artist from activities carried out in Egypt.
- Income from activities performed by a non-resident through a permanent establishment in Egypt.
- Income from the disposal of movable property belonging to a permanent establishment in Egypt.
- Income from the exploitation and disposal of real estate and similar assets located in Egypt, including real estate by appropriation.
- Dividends on shares of a capital company resident in Egypt.
- Profit shares distributed by a partnership resident in Egypt.



- Interest paid by the government, local administrative units, public legal entities, or any person resident in Egypt, and interest paid by a permanent establishment in Egypt, even if its owner is not resident therein.
 - Rental amounts, license fees, and royalties borne by a person resident in Egypt or by a permanent establishment in Egypt, even if its owner is not resident therein.
 - Income from any other activity conducted in Egypt.
 - Capital gains realized from the disposal of securities listed on the Egyptian Stock Exchange, as well as capital gains realized from the disposal of securities of resident Egyptian companies not listed on the Egyptian Stock Exchange, whether or not they are listed abroad.
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Article (4):

For the purposes of applying the provisions of this law, a "permanent establishment" refers to any fixed place of business through which the business of a non-resident person is wholly or partially carried out. This includes, in particular:

- Place of management
- Branch
- Office
- Factory
- Workshop
- Mine, oil field, gas well, quarry, or any other place of extraction of natural resources, including timber or other forest products
- Farm or plantation



- Buildings, facilities, or warehouses used as sales outlets
- A construction or building site, installation or assembly project, or related supervisory activities, provided the site, project, or activities continue in Egypt for a period or periods exceeding in total 90 days within any 12-month period.

Also considered as constituting a permanent establishment are the following:

- Any activities carried out in Egypt related to the exploration, extraction, or exploitation of natural resources, including the use or installation of substantial equipment, provided such activities exceed in total 90 days within any 12-month period.
- The provision of services, including consultancy services, by an enterprise through employees or other personnel engaged for such purpose, where the services are performed in Egypt for the same project or a related project for a period or periods exceeding in total 90 days within any 12-month period.
- An insurance enterprise resident in another country, except with respect to reinsurance, where it collects premiums in Egypt or insures risks located in Egypt through a person other than an independent agent.
- A person acting in Egypt on behalf of an enterprise of another country shall be deemed to constitute a permanent establishment in Egypt if they act as an agent other than an independent agent acting in the ordinary course of their business. However, if the agent acts exclusively or almost exclusively on behalf of one or more enterprises to which it is closely related, that person shall not be considered an independent agent for the purposes of this paragraph in relation to any such enterprise.
- A person acting on behalf of an affiliated enterprise shall be deemed to constitute a permanent establishment if such person has the authority to conclude contracts in the name of the enterprise and habitually exercises that authority, unless the person's activities are limited to the purchase of goods or merchandise for the enterprise. This also applies where the person habitually concludes contracts, or habitually plays the principal role leading to the conclusion of contracts that are routinely concluded without material modification by the enterprise, and such contracts:



- Are in the name of the enterprise;
- Transfer ownership of or grant the right to use property owned or used by the enterprise; or
- Relate to services provided by the enterprise.
- Projects or activities exceeding 90 days shall also be considered a permanent establishment if:
 - A non-resident company carries out activities in Egypt at a site that constitutes a construction site, building project, installation, or any other project listed in the first paragraph of this article, or performs related supervisory or consultancy activities at that location;
 - Connected activities are carried out at the same site—construction, installation, or any other location listed in the first paragraph—during different periods by one or more enterprises closely related to the primary enterprise.

In such cases, the different time periods shall be aggregated to determine the total period during which the primary enterprise is carrying out its activities at the construction site, building project, installation, or other location referred to in the first paragraph of this article.

Article (4) Bis:

By way of exception to the provisions of Article (4) of this law, the following shall not be considered a permanent establishment:

- The use of facilities solely for the purpose of storing or displaying goods or merchandise belonging to the enterprise.
- The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of storage or display.
- The maintenance of a stock of goods or merchandise belonging to the enterprise solely for the purpose of processing by another enterprise.



- The use of a fixed place of business solely for the purpose of purchasing goods or merchandise or collecting information for the enterprise.
- The use of a fixed place of business solely for the purpose of carrying out any other activity of a preparatory or auxiliary character for the enterprise.
- The use of a fixed place of business solely for the combination of any activities mentioned in items (a), (b), (c), (d), or (e) above, provided that the overall activity of the fixed place of business resulting from the combination is of a preparatory or auxiliary character.
- A company resident in another country that is under the control of a company resident in Egypt or carries on business in that other country.

The activities listed in this article shall also not constitute a permanent establishment when performed by a person acting on behalf of an affiliated enterprise, provided that such person does not play any role in concluding contracts.

However, the provisions of this article shall not apply to any fixed place of business that is used or maintained by an enterprise, or by a closely related enterprise, that carries out business activities in the same location or in another location in Egypt, if:

- That location or the other location constitutes a permanent establishment for the enterprise or its closely related enterprise under the provisions of this article;
- The overall activity resulting from the combination of activities carried out by both enterprises at the same location, or by the same enterprise or closely related enterprises at both locations, is not of a preparatory or auxiliary character, provided that the activities performed constitute complementary functions that are part of a cohesive business operation.

A person shall be considered closely related to an enterprise based on all relevant facts and circumstances, including where one controls the other or both are under the control of the same persons or enterprises. In any case, a person shall be deemed closely related to an enterprise if one directly or indirectly owns more than 50% of the total shares, voting rights, or equity interests in the other.



Article (5):

Taxation period is the fiscal year starts as from the first of January and ends on 31 December of each year or any period of twelve months taken as basis of calculating the tax.

Tax may be calculated for a period less than or exceeds twelve months and the executive regulation determines the accounting procedures.

Tax shall be payable on the day following taxation period and shall also be payable on the death of tax payer, discontinuance of his residence or wholly suspension of activity.

Book Two - Income Tax on Natural Persons Part One - Scope of Tax Application & Rates

Article (6):

Annual tax shall be imposed on the total of the net income earned by natural resident and non- resident persons with respect to their income realized in Egypt.

The total net income is composed from the following sources:

- salaries and its equivalent
 - Commercial or industrial activity
 - Professional or non-commercial activity
 - Real estate wealth
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Article (7):

Repealed pursuant to Article 2 of Law No. 101 of 2012 concerning the amendment of the provisions of the Income Tax Law.

Article (8):

The income tax rates shall be applied as follows:

Net Annual Income Bracket (EGP)

Tax Rate	Net income not exceeding EGP 600,000	Net income exceeding EGP 600,000 and not exceeding EGP 700,000	Net income exceeding EGP 700,000 and not exceeding EGP 800,000	Net income exceeding EGP 800,000 and not exceeding EGP 900,000	Net income exceeding EGP 900,000 and not exceeding EGP 1,200,000	Net income exceeding EGP 1,200,000
0,00%	From EGP 1 to EGP 40,000	–	–	–	–	–
10%	More than EGP 40,000 up to EGP 55,000	From EGP 1 to EGP 55,000	–	–	–	–
15%	More than EGP 55,000 up to EGP 70,000	More than EGP 55,000 up to EGP 70,000	From EGP 1 to EGP 70,000	–	–	–
20%	More than EGP 70,000 up to EGP 200,000	More than EGP 70,000 up to EGP 200,000	More than EGP 70,000 up to EGP 200,000	From EGP 1 to EGP 200,000	–	–
22,5%	More than EGP 200,000 up to EGP 400,000	More than EGP 200,000 up to EGP 400,000	More than EGP 200,000 up to EGP 400,000	More than EGP 200,000 up to EGP 400,000	From EGP 1 to EGP 400,000	–
25%	Any amount exceeding EGP 400,000	Any amount exceeding EGP 400,000	Any amount exceeding EGP 400,000	Any amount exceeding EGP 400,000	Any amount exceeding EGP 400,000	From EGP 1 to EGP 1,200,000
27,5%	–	–	–	–	–	From EGP 1 to EGP 1,200,000



Part Two - Salaries and Its Equivalent

Article (9):

Tax shall be applicable to salaries and its equivalent as follow:

- All amounts due to taxpayer as a result of working for other by or without a contract either regularly or irregularly whatsoever the names, forms or reasons for such dues, and whether such amounts have become due for works rendered in Egypt or abroad and its consideration has been paid by any party in Egypt including wages, remunerations, incentives, commissions, grants, overtime, allowances, quotas or shares in profits as well as cash and non-cash benefits of whatsoever kind.
- Amounts due to taxpayer from source outside Egypt for works performed in Egypt.
- Salaries and remunerations of the chairmen and board members in public and public business sector companies who are not shareholders in such companies.
- Salaries and remunerations of chairmen and board members in stock companies in consideration of their managerial activities.

The executive regulation of this law determines the basis of estimating the non-cash benefits.

Article (10):

Revenues included in the taxable income for each part of the year wherein any taxable revenues have been obtained, shall be determined on this part of the year proportional to a year and on the basis of monthly revenues after being converted into annual revenues.



Should a change occur in the taxable revenues, the calculation of this revenues shall be amended as from the date of change on the basis of the new revenue or the old revenue whichever is lower after being converted into annual revenue.

A settlement shall be made annually according to procedures and rules set out in the executive regulation.

Accumulated salaries & wages and its equivalent which are paid in one payment in a year shall be distributed over years of maturity except for the financial consideration in lieu of leaves and the revenue included in the taxable income for each year, shall be recalculated and the accrued tax shall be settled on this basis.

Article (11):

Repealed pursuant to Article 8 of Law No. 30 of 2023 concerning the amendment of the provisions of the Income Tax Law.

Article (12):

The following shall not be subject to tax:

- Pensions
- End of service remunerations.



Article (13):

Without prejudice to other tax exemptions granted under special laws, the following shall be exempt from income tax:

- An annual personal exemption of EGP 20,000 for the taxpayer.
- Social insurance contributions and other deductions made in accordance with the provisions of social insurance laws or any alternative systems.
- Employee contributions to private insurance funds established in accordance with the provisions of the Private Insurance Funds Law issued under Law No. 54 of 1975.
- Premiums paid for life insurance and health insurance for the benefit of the taxpayer, their spouse, or minor children, as well as any insurance premiums for pension entitlements.
- The following collective in-kind benefits:
 - Meals provided to employees
 - Group transportation for employees or the equivalent cost thereof
 - Healthcare services
 - Tools and uniforms necessary for performing the job.
 - Housing provided by the employer to employees in connection with the performance of their work.
- Employees' share of profits distributed in accordance with the law.
- Income received by members of the diplomatic and consular corps, international organizations, and other foreign diplomatic representatives, within the scope of their official duties, provided that reciprocal treatment is applied and only to the extent of such reciprocity.



Conditions for Exemptions under Items (3) and (4):

To apply the exemptions listed in items (3) and (4), the total exempted amount must not exceed 15% of the net income or EGP 10,000, whichever is lower. The contributions and premiums referred to in these two items may not be claimed again as exemptions under any other type of income specified in Article (6) of this law.

Article (14):

Repealed pursuant to Article 14 of Law No. 206 of 2020 Concerning the Issuance of the Unified Tax Procedures Law.

Article (15):

The party responsible for withholding tax and remitting it according to art. (14) Of this law, shall be obligated to:

- Present quarterly tax return to the competent tax inspectorate in January, April, July and October of each year on the form prepared for this purpose.
- Giving the employee a sheet upon his request to write therein his triple name, the amount and kind of income and the amount of tax withheld.

The executive regulation indicates the rules and procedures of executing the provision of this article.

Article (16):

If the employer or the party committed to pay the taxable revenues is not residing in Egypt or doesn't have a premises or establishment, the obligation to deliver the tax shall lie with the recipient entitled to taxable revenue according to rules and procedures stipulated in the executive regulation of this law.



Part (3): Commercial and Industrial Activity

Article (17):

Profits of commercial and industrial activity are determined on the basis of revenues resulting from all commercial; & industrial operations including profits resulting from sale of the company assets stipulated in items 1, 2, 4 of art (25) of the present law and profits recognized through compensations obtained by the taxpayer as a result of destruction or expropriation of any of such assets as well as profits realized within the taxation period after excluding deductible costs.

Net profits are determined on the basis of income statement prepared in accordance with Egyptian accounting standards and the taxable income is determined through the application of provisions of this law to the net profit referred to.

Article (18):

A resolution shall be issued by the minister indicating the basis of tax accounting and (collection) procedures of tax due on profits of small-scale firms without contradicting the provision of law of developing small scale firms promulgated by law no. (141) of 2004 and in agreement with the tolerable tax accounting of such firms.

Chapter One - Taxable Revenues

Article (19):

Tax shall apply to profits of the commercial and industrial activity including:

- Profits of commercial or industrial establishments, mines, quarries and oil.
- Profits of craftsmen and small – scale activities.



- Profits provided by any commercial or industrial activity even if it is limited to single transaction and the executive regulation of this law indicates the rules of considering the activity as single transaction for the application of this item.
- Profits realized as a result of operation or operations carried out by brokers or agents with commission, in general, each profit realized by any person practicing brokerage for purchasing, selling or leasing real estate or any kind of goods, services or movable property.
- Profits resulting from leasing commercial or industrial place whether lease included all or some of tangible or intangible components as well as profits resulting from hiring mechanical and electrical machinery except agricultural tractors, irrigation machines & its accessories, machinery & equipment used in agriculture.
- Profits provided by all kinds of transportation activity.
- Profits realized by practicing construction or purchasing real estate for their own account for regular sale whether profits resulted from selling the real estate property as a whole or divided into apartments, rooms, administrative or commercial units or other.
- Profits from division of land for the purpose of disposal or building.
- Profits from land reclamation or cultivation and projects of exploiting poultry breeding yards or their mechanical hatching, animal breeding yards, livestock yards and their fattening which exceed 20 heads as well as fisheries projects.

The tax shall also apply to profits resulting from investment in, or disposal of, securities abroad.

Article (20):

Tax shall not apply to profits resulting from revaluation of the individual firm assets when submitted as non- cash share capital participation provided shares equivalent to non-cash shares are nominal and shall not be disposable unless after the expiration of five years.



Article (21):

The net taxable profit of the firm shall be determined on the basis of all related long-term contracts in light of progress of work of each contract during the taxation period. The progress of work of each contract shall be determined on the basis of actual cost of works carried out until the end of taxation period in proportion to total costs of the contract.

The profit estimated for the contract is determined as the difference between its value and estimated costs.

The profit estimated for the contract during each taxation period is determined at a percentage of the profit calculated as per the said paragraph, equivalent to works performed during the taxation period provided the profits of the contract shall be adjusted at the end of the taxation period wherein the contract has been fully executed on the basis of its actual revenues less actual costs after deducting profits previously estimated.

If the taxation period account during which the contract has been completed, closed at loss, such losses shall be deducted from the profits of the period or prior taxation periods during which the contract is determined to be completed without exceeding the profits of the contract during this period.

The tax shall be recalculated on this basis and the taxpayer shall refund overpayments. If the resulting losses exceed the limits referred to in the preceding paragraph, the remaining losses shall be carried forward to the following years according to art. (29) Of this law.

In application of the provisions of this art., the long-term contract shall mean manufacturing or processing or construction contract or the contract of providing related services and which are performed by the firm for the account of other against fixed amount and its performance takes more than one taxation period.



Chapter Two - Taxable Revenues

Article (22):

The net taxable commercial and industrial profits shall be determined based on the gross profit after deducting all costs and expenses necessary for generating such profits. Deductible costs and expenses must meet the following conditions:

- They must be related to the commercial or industrial activity of the establishment and necessary for carrying out such activity.
- They must be genuine and supported by invoices or electronic receipts—
electronic invoices starting from July 2023 and electronic receipts starting from January 2025. The Minister may extend either of these deadlines for a period not exceeding one year, as specified in the Executive Regulations of this Law.

This requirement does not apply to costs and expenses that are customarily not supported by documentation. The Minister may also exempt certain costs and expenses from the requirement of being evidenced by electronic invoices or electronic receipts.

Article (23):

The following shall be regarded as deductible costs and expenses:

- Returns of loans used in the activity of whatever amount after deduction of non-taxable credit returns or legally exempted.
- Assets depreciation as stipulated in article (25) of the present law.
- Dues and taxes incurred by the establishment except tax paid by the taxpayer as stipulated by this law.
- Social insurance premiums incurred by the employer in favor of employees and for his own favor that are paid to public social insurance and pension organization.



- Amounts withheld by the establishments every year from its money or profits for the account of special retirement or saving funds or other whether such funds have been established according to provision of law on special insurance funds no. 54 of 1975 or to law no.64 of 1980 related to alternative social insurance special funds or according to its system or special conditions or regulation.

The said amounts may not exceed 20% of the total wages & salaries of the employees provided the establishments should act according to a system having a regulation or special conditions stipulated therein that payments made by such establishments are equal to end of service remuneration or pension and the money of such funds should be separate from the money of the establishment and be invested for its own account.

- Premiums of insurance policy concluded by the taxpayer for meeting disability, death or for the attainment of an amount or revenue, provided, the amount of premiums shall not exceed L.E.3000 per annum.
 - Donations paid to the government, municipalities and other corporate bodies of any amount whatsoever.
 - Donation and subsidies paid to charitable societies and Egyptian social institutions notarized according to laws organizing it as well as money offered to educational institutions and hospitals subject to the government supervision and Egyptian scientific research institutions provided such amounts don't exceed 10% of the net annual profit of the taxpayer.
 - Financial penalties and compensations due from the taxpayer according to his contractual liability.
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Article (24):

The following shall not be considered deductible costs and expenses:

- Provisions and reserves of all kinds.
- Fines, financial penalties, and compensations imposed on the taxpayer due to the commission of a felony or intentional misdemeanor by the taxpayer or any of their affiliates.
- Income tax payable under this law.
- Interest paid on loans exceeding twice the discount and credit rate announced by the Central Bank at the beginning of the calendar year in which the tax period ends.
- Returns on loans and debts of all kinds paid to natural persons who are not subject to tax or are exempt from it.
- Financing and investment costs related to income exempted from tax by law. The Executive Regulations shall specify the method for calculating these costs.

Article (25):

Depreciation of the establishment assets shall be calculated as follow:

- (5%) of the purchasing cost, construction, development or renovation or rebuilding of any of the buildings, establishments, fittings, ships and aircrafts for each taxation period.
- (10%) of cost of purchasing, development, improvement or renovation or rebuilding of any of intangible assets purchased including good will for every taxation period.



- The following two categories of assets shall be depreciated as per the depreciation rates indicated opposite thereto:
 - Computer, IT programs and data storage systems 50% of the depreciation basis for each taxation year.
 - All other assets of the activity 25% of the depreciation basis for each taxation year.

No depreciation is calculated for land, artistic works, antiquities, jewelry and other assets that are not by nature subject to depreciation.

Article (26):

Depreciation basis for the application of art (25) of the present law means the value of assets as per books as stated in the opening balance sheet covering taxation period, such basis increases by an amount equals to cost of assets used and cost of improvement or renovation or rebuilding during taxation period and such basis decreases by the equivalent to annual depreciation and the realizable value of assets disposed as well as the compensation amount obtained as a result of its loss or destruction of assets during the taxation period.

If depreciation basis has been negative, the disposal value of the asset or its compensation for loss shall be added to the commercial and industrial profits of the taxpayer but in case the depreciation basis doesn't exceed L.E. 10000, the full depreciation basis shall be considered as deductible costs.

Article (27):

Upon the taxpayer's request, 30% of the cost of machinery and equipment used in investment in the production sector—whether new or used—may be deducted in the first tax period during which those assets are utilized.

The depreciation basis stipulated in Article (25) of this law shall be calculated for that tax period after deducting the aforementioned 30%.



If the mentioned request is not submitted, the depreciation rates provided in Articles (25) and (26) of this law shall apply.

A condition for applying the provisions of the preceding two paragraphs is that the taxpayer maintains regular books and accounts.

Article (28):

The taxpayer is allowed to deduct bad debts that have been written off from the establishment's books and accounts upon submitting a report from a certified accountant registered in the Accountants and Auditors Register, confirming the fulfillment of the following conditions:

- The establishment must maintain regular accounts.
- The debt must be related to the establishment's activity.
- The amount corresponding to the debt must have been previously recorded in the establishment's accounts.
- The establishment must have taken serious measures to recover the debt but was unable to collect it after 18 months from the due date.

Serious measures to recover the debt include the following:

- Obtaining a payment order in cases where it is permissible.
- Issuance of a judgment by a court of first instance obliging the debtor to pay the debt amount.
- Claiming the debt in enforcement proceedings for the debtor's bankruptcy or protective composition agreement.

If the debt or any part thereof is subsequently collected, the amount collected must be included in the establishment's revenues in the year of collection.



The following shall be deemed as serious procedures for the collection of the debt:

- Attainment of payment order in cases where this procedure is allowed.
- Issuance of a judgment by court of first instance by virtue of which the debtor becomes obligated to pay his debt.
- Claiming the debt during the procedures taken for the enforcement of bankruptcy judgment of the debtor or his conclusion of a conciliation agreement to avoid bankruptcy.

If the debt has been collected in full or in part, the collected amounts should be included in the revenues of the firm in the year of collection.

Article (29):

If the closing accounts of any year show a loss, then such loss shall be deducted from the profits of the year following thereto, if part of the loss still remains thereafter, it shall be carried forward yearly to the following years until the fifth year only and no losses shall be taken to the account of any other year thereafter.

Article (29 Bis):

Notwithstanding the provisions of Article (29) of this law, capital losses realized from the disposal of securities shall be deductible up to the amount of capital gains realized from the disposal of securities during the same tax year.

In the event that the capital losses realized according to the provisions of the preceding paragraph exceed the capital gains realized during the tax year, the excess losses may be carried forward and deducted from capital gains realized from the disposal of securities in subsequent years, up to the third year.



Article (30):

If the related persons have laid down conditions in their commercial or financial transactions that are different from those conditions agreed upon between non-related persons which may lead to reduce taxable income or transferring its burden from taxable person to another tax-exempt person or to a person not subject to tax, then the tax authority shall determine the taxable profit on the basis of the neutral price.

The chairman of the tax authority shall have the right to sign agreements with related persons for the application of one method or another for determining the neutral price in its transactions.

The executive regulation of this law shall determine the method of determining the neutral price.

Chapter Three – Exemptions

Article (31):

The following shall be tax exempt:

- Profits of land reclamation or cultivation for a period of ten years as of the commencement date of practicing the activity.
- Profits from poultry production, honey bees breeding, livestock breeding and fattening yards, fisheries projects and profits of fishing boats for a period of five years from practicing activity.
- Outcome of transactions & dealings between the natural persons for their investments of securities listed in Egyptian stock of exchange and the losses resulting from such dealing may not be carried forward to the following years.
- Money obtained by the natural persons from:
 - Interests of debentures and finance bonds of whatever kind that are listed in the Egyptian stock of exchange and issued by the government or stock companies.



- Dividends of joint stock companies and partnership limited by shares.
- Profits distributed for quotas in limited liability companies and partnerships as well as quotas of partners not participating in partnership limited by shares.
- Profits distribution of investment bonds issued by investment funds.
- interests received by natural persons for deposits, saving accounts in banks accredited in A.R.E., investment, saving and deposit certificates issued by such banks as well as interests of deposits & saving accounts in post office funds and interests on securities and deposit certificates issued by Central Bank of Egypt.
- Profits recognized from new projects established by financing from social development fund within a percentage of such financing for five years from the date of practicing the activity or the starting date of production as the case may be and such exemption shall be applicable only to the person in whose name the loan has been executed.

Part Four - Revenues of Non- Commercial Professions

Chapter One - Taxable Revenues

Article (32):

- Tax shall apply to net profits of free professions and other non-commercial professions practiced independently by the taxpayer in which work forms the basic element if resulted from practicing the profession or activity in Egypt.
- Income received by owners of intellectual property from sale or exploitation of their rights.
- Any revenues from any profession or activity not prescribed in article (6) of this law.



Chapter Two - Determination of Revenues Included in the Taxable Income

Article (33):

The revenues included in the tax base are determined annually based on net revenues during the preceding year. This includes income from non-commercial professions, proceeds from disposing of any professional assets, income from transferring expertise, the full or partial assignment of professional practice licenses, and any amounts collected as a result of closing the office.

The net revenue is determined based on income arising from various operations according to the provisions of this law, after deducting all costs and expenses necessary to practice the profession, including asset depreciation. All of this shall be in accordance with simplified accounting principles issued by a ministerial decision.

The following are considered deductible costs:

- Registration fees, annual subscriptions, and professional practice fees.
- Taxes paid by the taxpayer in connection with practicing the profession, except for taxes payable under the provisions of this law.
- Amounts paid by the taxpayer to their professional syndicate according to its pension system.
- Life and health insurance premiums paid by the taxpayer for themselves, their spouse, and minor children.

For the application of paragraphs (3) and (4) above, the total exempted amounts for the taxpayer shall not exceed 15% of the net taxable revenue or 10,000 Egyptian pounds annually, whichever is less.

The same deductions shall not be claimed again from any other income stipulated in Article 6 of this law.



Article (34):

Donations not exceeding the net annual revenues paid to government , municipality units , public corporate bodies or which are devolved to it , shall be deducted from net revenues stipulated in article (32) of this law , in addition to donations and subsidies paid to charitable societies and Egyptian non-government organizations according to the provisions of law governing them as well as donations to educational institutions and hospitals subject to the government supervision and donations to Egyptian scientific institutions, provided , deductions don't exceed 10% of the net annual revenues. Such donations may not be deducted repeatedly from any other revenues of those stipulated in article (6) of the present law.

Article (35):

All costs and expenses required for revenues recognition shall be deducted from gross revenues of the taxpayer as per regular accounts supported by documents including costs and expenses that are not customarily supported by documents based on the executive regulation and deduction rate shall be 10% in absence of regular books.

In application of the provision of this chapter article 29 of this law shall be applicable if statutory books are maintained.

Chapter Three - Exemption from Tax

Article (36):

The following shall be tax exempt:

- Revenues from writing and translation of books and literary, cultural scientific and religious articles except for revenues resulting from sale of the production of the written or translated articles in visual or audio form.
- Revenues of teaching staff in universities and institutions and other from their written or compiled works printed specifically to be distributed among students according to the systems and prices laid down by universities & institutions.



- Revenues of members of plastic artists association from their production of artistic works of photography, sculpture and carving.
- Revenues of free professions people who are registered as active members, in professional syndicates in the field of their specializations, for a period of three years from the date of exercising the free profession.

They shall only be committed to settle the tax effective the first of the month next to the expiration of the term of the foregoing period of exemption, to which is added the training period as required by the law on the exercise of the profession, and the public service, military service, or reserve call up period, if it comes subsequent to the date of exercising the profession.

The period prescribed for tax exemption shall be reduced to one year for a person exercising the profession for the first time, if a period of more than fifteen years has passed since his graduation.

For the tax exemption to apply, he shall exercise the profession alone without participation by other party, unless that other party is tax exempt.

Part Five - Revenues of Real Estate Wealth

Chapter One - Taxable Revenues

Article (37):

The taxable revenues shall include:

- Revenues of agricultural land.
- Revenues of buildings
- Revenues of furnished units.



Chapter Two - Determining the Revenues Entering In the Taxable Income

Article (38):

Repealed pursuant to Article 2 of Law No. 169 of 2008 regarding the issuance of the Law on Taxation of Built Real Estate.

Article (39):

The taxable income derived from leasing-built properties or parts thereof, in accordance with the provisions of the Civil Code, is determined based on the actual rent received, with a deduction of 50% to cover all costs and expenses.

Article (40):

Repealed pursuant to Article 2 of Law No. 169 of 2008 regarding the issuance of the Law on Taxation of Built Real Estate.

Article (41):

Tax shall be applicable to revenues resulting from leasing any furnished unit or part thereof whether it has been prepared for housing or practicing commercial or industrial activity or non- commercial profession or any other purpose.

The taxable revenue shall be fixed on the basis of the actual rental less 50% for all costs and expenses



Article (42):

A tax is imposed at a rate of 2.5% without any reduction on the total value of the transaction involving built properties or land designated for construction, excluding villages. This applies whether the transaction is on the property as is or after erecting buildings on it, whether the transaction covers the entire property, a part of it, a residential unit, or otherwise. It also applies regardless of whether the buildings are constructed on land owned by the taxpayer or by others, and whether the contracts for these transactions are registered or unregistered.

Excluded from this tax are transactions where the property is contributed as an in-kind share in the capital of joint-stock companies, provided that the corresponding shares are not disposed of for a period of five years.

The transferor is obligated to pay the tax within thirty days from the date of the transaction. A delay penalty, as stipulated in Article 110 of this law, applies starting from the day following the expiration of this period.

For the purposes of this article, a taxable transaction includes disposition by will, donation, or gift to non-ascendants, non-descendants, or spouses, establishing usufruct rights on the property, or leasing it for a period exceeding fifty years.

Forced sales, whether administrative or judicial, as well as expropriation for public benefit or improvement, are not considered taxable transactions. Additionally, donations or gifts to the government, local administrative units, public legal entities, or projects of public benefit are not subject to this tax. Any tax paid under this article shall be deducted from the total taxes due by the taxpayer under the application of Clause (7) of Article (19) of this law.

Chapter Three - Exemption from Tax

Article (43):

Repealed pursuant to Article 2 of Law No. 169 of 2008 regarding the issuance of the Law on Taxation of Built Real Estate.



Chapter Four - Miscellaneous Provisions

Article (44):

Repealed pursuant to Article 2 of Law No. 169 of 2008 regarding the issuance of the Law on Taxation of Built Real Estate.

Article (45):

The taxpayer shall deduct the amount paid for real estate taxes from the taxable base due under the provisions of Chapter Five of the Second Book of this law, provided that the deduction does not exceed the amount of such tax.

Article (46):

The provisions of Article (39) of this law shall not apply to build properties that are part of the assets of an establishment or company.

Book Two - Income Tax on Natural Persons

Part Seven - Profits from the Sale of Shares and Securities

Chapter One - Taxable Income

Article (46 Bis 3):

Tax applies to capital gains realized from the disposal of securities or company shares, whether these gains are realized in Egypt or abroad. However, share swap transactions conducted between a company listed on the Egyptian Stock Exchange and an unlisted company are not considered taxable disposals, provided that the companies have deposited their shares with one of the Central Depository and Registry companies. In such cases, the actual acquisition cost of the shares before the swap shall be used as the basis for calculating capital gains.



The tax stipulated in the first paragraph of this article does not apply to capital gains realized by non-resident natural or legal persons from the disposal of securities listed on the Egyptian Stock Exchange.

This tax also does not apply to capital gains realized by non-residents from the disposal of Treasury bills.

If the disposer of unlisted securities and company shares is non-resident, they are required to calculate and remit the capital gains tax within sixty days from the date of the transaction, according to the procedures specified in the executive regulations of this law.

Book Two - Income Tax on Natural Persons
Part Seven - Profits from the Sale of Shares and Securities
Chapter Two - Determination of Taxable Income

Article (46 Bis 4):

The taxable capital gains are determined based on the net value of these gains in the securities portfolio realized at the end of the tax year, calculated as the difference between the sale price, exchange value, or any form of disposal of securities or shares, and their acquisition cost, after deducting brokerage commissions.

The executive regulations of this law, in coordination with the Financial Regulatory Authority, specify the rules for calculating the acquisition cost regarding disposal of shares and bonds traded on the Egyptian Stock Exchange, considering the following for listed shares:

- A fixed percentage of the revenue is deducted as deemed costs for the expenses borne by the taxpayer to realize the revenue, not exceeding 0.5% (five per thousand) of the transaction value for both sale and purchase.
- In the case of an initial public offering (IPO), 25% of the realized capital gains value is added to the acquisition cost for shares issued at the time of listing on the Egyptian Stock Exchange.



- For subsequent offerings made under an approved prospectus or disclosure report by the Financial Regulatory Authority after the IPO, 25% of the realized capital gains value is added to the acquisition cost regardless of the number of such offerings.

A percentage of the capital gains on shares listed on the Egyptian Stock Exchange realized by natural persons is deductible equivalent to the discount and credit rate announced by the Central Bank on January 1st, based on the holding period of the disposed shares. This deduction shall not exceed the financial investment cost sold multiplied by the discount and credit rate announced on January 1st of the year of sale, and the approved cost shall not exceed the profitability of each individual share.

Book Two - Income Tax on Natural Persons
Part Seven - Profits from the Sale of Shares and Securities
Chapter Three - Tax Rate and Method of Collection

Article (46 BIS 5):

By way of exception to the provisions of Article (8) of this Law, capital gains referred to in Article (46 bis 3) hereof, derived by resident natural or legal persons from transactions involving securities listed on the Egyptian Stock Exchange, shall be subject to tax at a rate of 10%, without any deduction for costs.

In the event that a decision is issued deeming the listing on the Egyptian Stock Exchange null and void, capital gains realized from the exchange of shares in accordance with the first paragraph of Article (46 bis 3), or from the disposal of shares subscribed for in connection with a capital increase of the company, shall be subject to tax as of the date of such decision, at the applicable rate stipulated under either Article (8) or Article (49) of this Law, as the case may be, without prejudice to the provisions of Article (92 bis) hereof.

Entities responsible for the settlement of such transactions shall calculate, withhold, and remit the tax due under this Article to the Tax Authority, in accordance with the prescribed form and the procedures and deadlines set forth in the Executive Regulations of this Law.



In the event such entity is unable to withhold or collect the due tax, it shall be required to notify the Tax Authority in order for it to take the necessary enforcement action, without prejudice to the Authority's right to pursue the taxpayer in the event of non-compliance, in accordance with the provisions of this Law.

Book Two – Income Tax on Natural Persons
Part Seven – Profits from the Sale of Shares and Securities
Chapter Four – Avoidance of Double Taxation

Article (46 Bis 6):

Taxes paid abroad on income derived from the sources specified in Articles (17), (19), (32), (46 bis), and (46 bis 3) of this Law and received by a resident natural person from outside Egypt shall be deductible from the tax due on such income under the provisions of Chapters Three and Four of Book Two of this Law, and within the limit of the tax calculated.

Distributions received by a resident natural person from resident legal entities shall be excluded from the taxable income base of that person, after deducting the related costs, in accordance with the provisions of the Executive Regulations.

For the purposes of applying the first paragraph of this Article, the "calculated tax" shall mean the portion of tax due on the taxable base under the provisions of Chapters Three and Four corresponding to the income referred to, as determined by the Executive Regulations.

Losses incurred abroad may not be deducted from the tax base in Egypt for the same tax period or any subsequent period. Furthermore, it is not permitted to offset profits realized abroad in one country against losses incurred in another country.



Article (46 Bis 7):

The capital gains tax due on profits realized by a natural person or legal entity from the sale of all or part of their shares during initial public offerings (IPOs) on the Egyptian Stock Exchange, in connection with an increase in the share capital of the company in which they hold shares, shall be deferred.

Such capital gains shall become taxable upon the subsequent disposal by the shareholder of the subscribed shares issued as part of the capital increase. The actual acquisition cost of the shares prior to the offering shall serve as the basis for calculating the capital gain, subject to the provisions of paragraph four of Article (46 bis 4) of this Law.

Book Two – Income Tax on Natural Persons

Part Six – Dividend Distributions

Chapter One – Taxable Revenues

Article (46 Bis):

Tax shall apply to dividend distributions on shares and equity interests received by a natural person resident in Egypt from corporations or partnerships, including companies established under the special economic zone regimes, with the exception of distributions made in the form of bonus shares, regardless of whether such distributions are realised inside or outside Egypt and regardless of the form in which the distribution is made.

For the purposes of this Article, civil companies shall be treated as partnerships.

The tax shall also apply to profits, returns, and investment distributions received by unit holders in the following investment vehicles established in accordance with the Capital Market Law No. 95 of 1992:

- Debt instrument investment fund
- Venture capital funds and companies
- Equity investment fund



- Real estate investment funds
- Holding funds

Book Two – Income Tax on Natural Persons
Part Six – Dividend Distributions
Chapter Two – Determination of Taxable Distributions

Article (46 Bis 1):

The taxable base for dividend distributions stipulated in Article (46 bis) shall be determined with respect to the amounts received by the resident natural person in accordance with what is determined by the competent distributing authority. This taxable base shall include, in the case of a resident natural person engaged in an activity subject to tax pursuant to the provisions of Part Three of Book Two of the Law, the full amount of dividend distributions received by such person, whether from sources within Egypt or abroad.

Book Two – Income Tax on Natural Persons
Chapter Six – Dividend Distributions
Section Three – Tax Rate and Collection

Article (46 Bis 2):

Notwithstanding the provisions of Article (8) of this Law, the tax rate on dividend distributions stipulated in Article (46) Bis of this Law, realized from sources within Egypt during the year in which they are received by a resident natural person, shall be ten percent (10%) without deduction of any expenses. This rate shall be reduced to five percent (5%) if the securities are listed on the Egyptian Exchange.



The tax rate on profits, yields, and investment distributions received by certificate holders in investment funds in debt instruments, venture capital funds and companies, equity investment funds, real estate investment funds, and holding funds established pursuant to the Capital Market Law referred to herein shall be fifteen percent (15%) for juridical persons and five percent (5%) for natural persons.

The entities responsible for executing these transactions shall withhold the tax and remit it to the Central Department for Withholding and Collection within the Authority no later than five working days from the beginning of the month following the month in which the tax was collected, using the prescribed form.

Book Three - Tax on Profits of Corporate Bodies Part (1) Scope of the Tax Application

Article (47):

Annual Tax shall apply to net gross profits of corporate bodies irrespective of purpose thereof:

Tax shall apply to:

- Corporate bodies residing in Egypt concerning all profits realized whether in Egypt or abroad with the exception of national service organization of Ministry of defense.
- Corporate bodies not resident in Egypt with regards to profits realized through permanent establishment in Egypt.

Article (48):

In application of article (47) of the present law, the following shall be corporate body:

- Stock companies and partnerships no matter the law they are subject to as well as companies, established between two natural persons without formalities or notarization (corporation de facto).



- Cooperative societies and their unions taking into consideration exemptions prescribed thereto by law.
 - Public organizations and other public corporate bodies with regards to the taxable activity practiced without prejudice to exemptions prescribed by laws governing their establishment.
 - Foreign banks, companies and establishments even though its head office is abroad and branches in Egypt.
 - Units established by the municipal department with respect to taxable activity.
-

Article (49):

The taxable income shall be rounded to the lower nearest L.E.10 (ten pounds) and shall be subject to tax rated 20% of the net annual profits.

As exception from the rate stipulated in the foregoing paragraph, profits of Suez Canal Authority and General Egyptian petroleum co., and Central Bank of Egypt, shall be subject to income tax at a rate of 40% and the profits of oil prospecting and producing companies shall be subject to tax rated 40.55%.

Article (49 Bis):

Notwithstanding the provisions of Article (49) of this Law, capital gains resulting from dealings in securities listed on the Egyptian Exchange, realized from sources within Egypt, shall be subject to tax at a rate of ten percent (10%) on the net capital gains, without deduction of any costs.



Article (50):

The following are Exempt from Tax:

- Ministries and government agencies.
- [Repealed].
- Non-governmental associations and institutions established pursuant to the provisions of the law regulating civil work, limited to the purpose for which they were established.
- Entities that are non-profit and engage in activities of a social, scientific, sports, or cultural nature, limited to activities that are not commercial, industrial, or professional.
- Profits of private insurance funds subject to the provisions of the Private Insurance Funds Law promulgated by Law No. 54 of 1975.
- International organizations, technical cooperation agencies, and their representatives, provided that an international agreement stipulates their exemption.
- Returns on non-governmental bonds listed in the schedules of the Egyptian stock exchanges.
- [Repealed].
- Returns obtained by legal persons on securities and deposit certificates issued by the Central Bank of Egypt or revenues derived from dealings therein, as an exception to the provisions of Article (56) of this Law.
- Dividend distributions received by the parent or holding company from its resident or non-resident subsidiaries, after adding 10% of the value of the distributions to the taxable base of the parent or holding company as non-deductible expenses, provided that:



- The parent or holding company's shareholding is not less than 25% of the subsidiary's capital or voting rights.
- The holding period for the parent or holding company is not less than two years, or it commits to retain this percentage for two years from the date of acquiring the shares or voting rights.
- Profits of land reclamation or cultivation companies for ten years from the commencement of activity or production, as applicable, according to rules set by the executive regulations of this Law.
- Profits of poultry production companies, beekeeping, livestock breeding and fattening farms, and fisheries and fish farms companies, for ten years from the commencement of activity.
- Capital gains resulting from settlements on debts of public business sector companies or companies in which the state owns not less than 51% of their capital, as part of debt settlements with banks and other creditors, in exchange for transferring ownership of all or some of their lands; exemption applies in proportion to the state's ownership in the capital of such companies.
- Profits of debt instrument investment funds and holding investment funds in the same instruments or investment funds established under the Capital Market Law mentioned above, within the scope of their licensed purpose, as well as investment returns obtained by certificate holders in these funds, provided that the fund's investments in bank deposits do not exceed 10% of the average total annual investments, without prejudice to the provisions of Article (58) of this Law.
- Profits of equity investment funds listed on the Egyptian Exchange, holding investment funds in the same equities or equity investment funds established under the Capital Market Law mentioned above, dividends and capital gains obtained by these funds, as well as returns on their bank deposits and returns obtained by holding investment funds from invested funds, provided that the equity portfolio is limited to shares of companies listed on the Egyptian Exchange, without prejudice to Article (58) of this Law and within the scope of their licensed purpose.



- Profits of venture capital funds and companies established under the aforementioned Capital Market Law, within the scope of their licensed purpose, including distributions, capital gains, and returns on their bank deposits, provided that:
 - The percentage of investments in resident and non-listed start-up companies on the Egyptian Exchange is not less than 80% of total investments at the end of the investment allocation period specified in the information memorandum or prospectus, as applicable.
 - The leverage ratio from debt does not exceed 20% of total investments.

This exemption does not apply to any revenues or profits of these funds and companies from other sources, without prejudice to the provisions of Article (58) of this Law.

- Profits of charitable investment funds established under the aforementioned Capital Market Law, within the scope of their licensed purpose, including distributions, capital gains, and returns on their bank deposits, provided that investment returns are used for the charitable activities for which the funds were established, without prejudice to Article (58) of this Law.
- Profits of real estate investment funds established under the aforementioned Capital Market Law, within the scope of their licensed purpose, including real estate wealth revenues, distributions, capital gains, and returns on their bank deposits, provided that:
 - The fund invests at least 80% of the average total annual investments in shares of companies or real estate funds, or in-built properties.
 - At least 80% of the fund's revenues derive from leasing income of real estate assets, dividends from shares of real estate companies, capital gains from the sale of fixed assets or shares of real estate companies, and investment returns, distributions, and profits obtained from other real estate funds.
 - The fund does not engage in real estate development or contracting activities.



All without prejudice to the provisions of Article (58) of this Law.

In applying the provisions of paragraphs (14, 15, 16, 17, and 18) of this Article, amounts obtained by a resident natural or legal person holding certificates shall be excluded from the taxable base of that person after deducting related expenses, according to what is determined by the executive regulations of this Law.

It is not permissible for the deduction of any tax exemption stipulated in this Law or any other law to result in carrying forward losses to subsequent years.

Profits of land reclamation or cultivation for ten years from the commencement date of activity or from starting date of production as the case may be according to the executive regulation of this law.

Profits of poultry production companies honey bees, livestock breeding and fattening as well as fisheries for a period of ten years from the date of practicing the activity.

Part Two - Determining Taxable Income

Article (51):

Net taxable income shall be determined as per provisions applied to profits of the commercial and industrial activity provided for in part 3 of book (2) of the present law and in cases where no specific provision has been included in this chapter.



Article (52):

Non-Deductible Expenses:

The following shall not be considered deductible expenses:

- Interest expenses paid by legal persons, as stipulated in Article (47) of this Law, on loans and advances obtained in excess of twice the average shareholders' equity according to the financial statements prepared in accordance with Egyptian accounting standards. The provisions of this paragraph shall not apply to banks, insurance companies, or companies engaged in financing activities as determined by a ministerial decision.
- Amounts set aside for the formation or replenishment of provisions of all kinds, except for the following:
 - Eighty percent (80%) of loan loss provisions that banks are required to establish in accordance with the rules for preparing and presenting financial statements and valuation bases issued by the Central Bank of Egypt.
 - Technical provisions that insurance companies are required to establish pursuant to the provisions of the Insurance Supervision and Control Law in Egypt promulgated by Law No. 10 of 1981.
- Profit shares, dividends distributed, and attendance fees paid to shareholders for attending general assemblies.
- Remunerations and allowances paid to chairpersons and members of boards of directors.
- The share of profits allocated to employees as determined by law.
- Other expenses stipulated in Article 24 of this Law.



Article (53):

Capital Gains Taxation on Legal Form Changes

Capital gains arising from the revaluation of assets shall be subject to tax in the event of a change in the legal form of a legal entity.

The legal entity shall be entitled to defer the tax liability provided that it proves the assets and liabilities at their book values at the time of the legal form change for tax calculation purposes, and that depreciation on assets and the carrying forward of provisions and reserves are computed in accordance with the rules established prior to such change.

The following shall be considered, among others, as changes in the legal form of a legal entity:

- The merger of two or more resident companies.
- The division of a resident company into two or more resident companies.
- The transformation of a partnership into a corporate company or the transformation of one corporate company into another.
- The transformation of a legal entity into a corporate company.

The deferral of tax liability shall be conditional upon no disposal of the shares or interests resulting from the legal form change occurring within three years from the date of such change. The deferred tax shall become payable if another change in the legal form of the legal entity occurs or if the legal entity is dissolved for any reason.

Article (54):

The foreign tax paid by a resident company for its profits achieved abroad shall be deducted from the tax due thereon according to this law provided the supporting documents must be made available.



The losses incurred abroad shall not be deducted from the taxable income in Egypt for the same taxation period or any other following period.

The deduction mentioned in the first paragraph must not exceed the tax payable in Egypt which could have been payable on the profits gained from works carried out abroad.

Article (55):

The provision of art. (29) Shall not apply to losses incurred by the company in the taxation period and prior periods if a change occurred in its ownership at a percentage exceeding 50% of shares or quotas or in voting rights, provided such change should be accompanied by a change in the activity.

In order for the preceding paragraph to be applicable to the joint stock companies and partnership limited by shares, the shares must not be offered for negotiation in the Egyptian stock of exchange

Book Four - Withholding Tax

Article (56):

Payments made by owners of sole proprietorships, resident legal entities in Egypt, and non-resident entities with a permanent establishment in Egypt to non-residents shall be subject to tax at the rate of 20%, without deducting any expenses.

These payments include the following:

- Returns (income)
- Royalties



- Service fees; provided that the portion of administrative expenses, supervision, and oversight costs borne by the permanent establishment operating in Egypt but charged by its head office abroad shall not be considered as service fees. When determining the profits of the permanent establishment, the amount included within administrative, supervision, and oversight expenses charged by the head office abroad shall not exceed 10% of the taxable net profit of the establishment. Such expenses must not include any royalties, returns, commissions, or direct wages. A certified and authenticated auditor's certificate from the head office must be submitted
- Fees for athletic or artistic activities, whether paid directly or through any intermediary entity

Returns on loans and credit facilities obtained by the government, local administration units, and other public legal entities from sources outside Egypt shall be exempt from the tax prescribed in this article.

The establishments, persons, and entities referred to in the first paragraph of this article, including companies, establishments, and branches established under the provisions of the Law on Special Economic Zones, as well as projects established under the Free Zones system, shall be obligated to withhold the due tax amount and remit it to the Tax Authority on the first working day following the day the tax was withheld.

Article (56 Bis):

Dividends distributed by joint-stock companies or partnerships, including companies established under the Special Economic Zones system, shall be subject to tax at a rate of 10%, without deduction of any expenses, when distributed to non-resident natural persons, resident or non-resident legal entities, including profits of non-resident legal entities earned through a permanent establishment in Egypt. Dividends distributed in the form of free shares shall be exempt from this tax.

The tax rate on dividends shall be 5% if the securities are listed on the Egyptian Exchange, without deduction of any expenses.

For the purposes of this Article, civil companies shall be treated as partnerships.



Profits of non-resident legal entities earned through a permanent establishment in Egypt shall be deemed distributed by operation of law within sixty (60) days from the end of the financial year of the permanent establishment.

Dividends received by resident legal entities from other resident legal entities, together with the corresponding cost, shall be excluded from the taxable income of legal entities as provided in the Third Book of this Law, in accordance with the Executive Regulations of this Law.

The tax paid on dividends received by a resident company from another resident company may be credited against the tax due on dividends paid by the recipient company, subject to the following conditions:

- The credit shall be limited to the amount of dividends attributed to the total revenues earned by the distributing company.
- The shareholding in the distributing company shall exceed 25% of the capital or voting rights of the resident company receiving the dividends.
- The holding period of the shares or interests by the recipient company shall not be less than two years from the date of acquisition of the shares, whether deposited or registered with a central depository and registration company.
- The credited tax shall not exceed the tax withheld on the dividends paid; the Executive Regulations of this Law shall specify the method of calculation.

The Executive Regulations shall set forth the rules and controls for the credit. The entities responsible for implementing this provision shall withhold the tax and remit it to the Central Department for Withholding and Collection at the Tax Authority no later than five working days from the beginning of the month following the month in which the tax was collected, using the prescribed form.

Article (57):

Tax shall apply to the amounts paid by individual firms and corporate bodies to any natural persons as commission or brokerage if not related directly to his profession.



The payer of commission or brokerage shall have to retain the tax accrued and remit it to the tax inspectorate within the first fifteen days of the month following the month wherein the commission or the brokerage has been paid according to the rate stipulated in article (56) of the present law without deducting any costs.

Article (58):

Without prejudice to any tax exemptions stipulated in other laws, the yields on bonds issued by the Ministry of Finance in favor of the Central Bank or other banks shall be subject to tax at a rate of 32%, without deduction of any expenses. The payer of such yields or the recipient thereof is obliged to withhold the due tax at the time of payment and remit it to the competent Tax Authority no later than the first business day following the payment.

The yields on Treasury bills, and the yields paid to entities holding credit balances in the Unified Treasury Account, shall be subject to tax at a rate of 20%, without deduction of any expenses. The payer of these yields is obliged to collect the due tax and remit it to the competent Tax Authority on the business day following the day of withholding.

Similarly, the yields on Treasury bonds shall be subject to the same tax rate of 20%, and the payer is required to withhold the tax amount and remit it to the competent Tax Authority no later than the first business day following the day on which the tax was withheld.

The yields referred to in the foregoing paragraphs shall be treated as a separate tax base distinct from other taxable revenues. The costs related to these yields shall not be considered as deductible expenses for the purpose of calculating the tax due on other revenues, in accordance with the provisions set forth in the Executive Regulations of this law.



**Book Five - Deduction, Collection and Payments Made on
Account of Tax**

Part One - Commercial & Industrial Activity

Article (59):

The entities and establishments listed hereinafter shall withhold a percentage from every amount exceeding three hundred Egyptian pounds paid as commission, brokerage, or in consideration for purchase, supply, contracting, or service to any person in the private sector, as well as on all dividends distributed by joint-stock companies regardless of their amount. The Minister shall issue a decision specifying this percentage, which shall not exceed five percent (5%) of such amount, as an advance payment on the tax due by those persons.

The following are exempted from this withholding:

- Government ministries and their agencies, local administrative units, public authorities, national economic or service authorities, public sector companies and units, public business sector companies, joint-stock companies, establishments and companies subject to investment laws, partnerships whose capital exceeds fifty thousand Egyptian pounds regardless of their legal form, companies established under special laws, companies and projects established within free zones, branches of foreign companies, pharmaceutical warehouses and import offices, cooperative societies, press institutions, educational institutes, professional unions, associations, clubs, youth centers, federations, hospitals, hotels, non-profit associations and institutions regardless of their purposes, professional offices, foreign representation offices, cinematic production establishments, theaters, entertainment venues, and private insurance funds established under Law No. 54 of 1975 or any other law.
- Other entities and establishments as determined by a decision issued by the Minister.



These entities and establishments shall remit the amounts withheld to the Tax Authority in accordance with the procedures set forth in the Executive Regulations of this law. Any entity or establishment that fails to withhold or remit such amounts shall be liable to pay these amounts to the Tax Authority along with any applicable late payment penalties.

In all cases, the entities and establishments referred to in paragraphs (1) and (2) of the first clause of this article are obligated to notify the Tax Authority of a statement of transactions and amounts paid to any person in the private sector, if the value of transactions during each quarterly period exceeds three hundred Egyptian pounds. Such notification shall be submitted no later than the end of April, July, October, and January each year, covering the transactions of the preceding months, in accordance with the procedures determined by the Executive Regulations of this law.

Article (59 Bis):

The entities specified in item (1) of the first paragraph of Article (59) of this Law, which undertake the sale or distribution of any industrial goods, products, or locally produced or imported agricultural commodities to private sector persons for trading or manufacturing purposes, shall notify the Tax Authority with a detailed statement of the transactions and amounts received from such persons.

Article (59 Bis 2):

The Minister shall issue a decision specifying the goods, industrial products, agricultural commodities, types of activities, and categories of leases to which the provisions of Articles (59 bis) and (59 bis 1) of this Law apply. The entities and establishments referred to in items (1) and (2) of the first paragraph of Article (59) of this Law are obligated to notify the Tax Authority with a statement detailing the value of the goods,

industrial products, agricultural commodities, transactions, amounts, and leases received from each taxpayer. Such notification shall be submitted no later than the end of April, July, October, and January of each year, covering the preceding three months, in accordance with the procedures determined by the Executive Regulations.



Article (50 Bis 1):

The entities referred to in items (1) and (2) of the first paragraph of Article (59) of this Law shall notify the Tax Authority with a statement detailing the transactions, amounts, and rents collected from tenants of premises owned by them, which are designated for trade, manufacturing, or the provision or preparation of any services, food, or beverages.

Article (60):

Private sector persons referred to in article (59) of the present law shall not be subject to provisions requiring deduction on account of tax if the tax department become ascertain of the company having regular registry on which basis the company pays the quarterly down payments according to provisions of the second chapter of this part.

Chapter Two - Down Payments

Article (61):

Down payments in the application of article 63 shall mean, the payment by the tax payer of an amount on account of tax accrued from him for the taxation period at 60% of any of the following:

- The amount of the recent tax return.
 - Tax estimated for the taxation year he wishes to apply payments system to, if the taxpayer has never submitted tax return or the tax return submitted for the taxation period preceding his submission of the application includes losses.
-



Article (62):

Taxpayer shall have to choose either the system of deduction an account of tax as per article (59) of the present law or to comply with the down payments system stipulated in this chapter.

Choice shall be made through an application submitted by the taxpayer to the competent tax inspectorate 60 days at least before the starting of the taxation period to which he likes to apply down payments system.

The tax authority shall have to reply the request of the taxpayer within 60 days from the date of submitting his request. If the taxpayer has not received a notice within such period, it shall mean rejection of the request.

The executive regulation of this law specifies the form of the application and the accompanying documents and the procedures to be followed to notify the taxpayer of the tax authority decision.

Article (63):

The taxpayer, pursuant to the advance payment system, shall pay the percentage stipulated in Article 61 of this Law in three equal installments, each installment to be paid successively no later than June 30, September 30, and December 31 of each year.

After making the second installment payment, the taxpayer may notify the Tax Authority to reduce or waive the third installment if it becomes evident that the full-year profits will be lower than the estimated profits for the preceding year.

The number of installments may be reduced when the remaining period after submitting the request referred to in Article 61 is less than twelve months, provided that each installment is paid to the competent Tax Office in accordance with the conditions, procedures, and forms specified by the Executive Regulations of this Law.

The amounts paid under this system shall be settled upon submission of the annual tax return stipulated in Article 31(c) of the Unified Tax Procedures Law. The taxpayer shall be obligated to pay the remaining tax due based on the return after deducting the previously paid advance installments, with the addition of an annual interest calculated according to the credit and discount rate announced by the Central Bank, excluding fractional months and pounds.



Article (64):

The taxpayer may amend the system of down payments he has chosen and to comply with the system of deduction on account of tax as per article (59) of the present law, provided the following requirements are satisfied:

- Down Payments system has been applied within one full year at least and has paid all dues prescribed under this system.
- Submission of an application by the taxpayer to the competent tax inspectorate within 90 days at least prior to the beginning of the taxation year he wishes to change payments system there from.

The tax authority shall approve the as long as the two foregoing requirements have been fulfilled provided, the taxpayer be notified of the resolution of the tax authority within 60 days from the date of submitting the application, otherwise the application shall be deemed accepted if the taxpayer didn't receive a reply.

The executive regulation specifies the procedures for submitting the application and notifying the taxpayer.

Article (65):

The taxpayer shall be exempted from the application of down payments system in any of the following two cases:

- Incurring tax loss by the tax payer for two consecutive years.
- Changing the legal form of the company or the establishment.

The Tax Authority may not apply this system to the tax payer if significant differences have been found between the estimated profits of the taxpayer and his actual profits that have been subjected to tax in each year of application, in such case, the Tax Authority shall have to notify the taxpayer of this by return receipt letter.



Chapter Three - Collection on Account of Tax

Article (66):

Authorities concerned with granting licenses for whole sale trading in vegetables, fruits, beans and other foodstuff or such authorities grant licenses for craftsmen, shall have to collect an amount on account of tax from the taxpayer in whose name the renewed license is issued

It is prohibited for such authorities to renew the license without collecting such amount.

A ministerial decree shall be issued for determining such amount at 10% of the renewal charge at most.

Article (67):

Customs Authority shall have to collect from private sector persons percentage of the amount of their imports allowed for trading and manufacturing purposes in the country on account of tax due from them.

In case of transferring such goods or the endorsement of their documents to other, a percentage shall be collected from the transferor and the transferee as well as parties to the endorsement.

A ministerial decree shall have to be issued for the determination of such percentage at a maximum of 2% of the value of imports; such percentage shall be collected in conjunction with customs duty prescribed on such goods following the same collection procedures.

Article (68):

Slaughter – houses upon slaughtering for the account of private sector taxable persons shall have to collect an amount on account of tax besides the slaughtering fees for each slaughtered head and such amount shall be determined by a resolution issued by minister of finance without exceeding 10% of slaughtering fees.



Article (69):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Part Three - Non-Commercial Professions Chapter (1) Deduction

Article (70):

The departments stipulated in article (59) of the present law shall be under the obligation to deduct, on account of tax, a percentage of 5% of each amount exceeding L.E.100 paid to people practicing non-commercial professions and shall be fixed by ministerial decree.

Chapter Two - Collection on Account of Tax

Article (71):

Clerk offices at courts of all degrees when pleadings or appeals are submitted thereto for recording and also the notarization offices for annotation on the writings to the effect of their being valid for notarization, shall collect an amount on account of tax due from the attorney signing the pleadings or the writings.

Each hospital shall collect an amount on account of tax from any doctor or specialist performing any work for his own account.

Customs Authority shall also collect an amount on account of tax due from any person practicing customs clearance; such amount shall be deducted from any customs statement submitted to customs authority.

The amounts stipulated in the foregoing paragraphs shall be fixed by virtue of a ministerial decree.



Part Three – General Provision

Article (72):

Departments stipulated in article 66, 67, 68, 69, 70 and 71 of the present law shall have to remit the amounts collected on account of tax-to-Tax Authority as per procedures and on the dates set out in the executive regulation.

Should such departments fail to deduct or to remit the deductible amounts to tax authority, such amounts shall be paid to the tax authority by the said department in addition to delay fine.

Article (72 Bis):

Non-primary employers shall withhold a percentage of (10%) on account from the amounts paid to resident individuals and remit it to the competent tax authority within the first fifteen days of each month. They are obligated to notify the primary employer and the Tax Authority of the amounts received by the individual and the tax withheld.

The primary employer shall be responsible for calculating and settling the tax in accordance with Article (8) of this Law. The Executive Regulations of this Law shall determine the rules and procedures for withholding and settlement.

Article (73):

The provisions relating to withholding and collection on account of tax shall not apply to the taxpayer during the period of exemption or non-liability to tax, except for the obligations stipulated in Articles (59), (59 bis), (59 bis 1), and (59 bis 2) of this Law.



**Book Six - Liabilities of Tax Payers & Other
Part One - Notification & Bookkeeping**

Article (74):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (75):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (76):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (77):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (78):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (79):

If the taxpayer ceases operations either wholly or partially, the actual profits up to the date of cessation shall be included in the tax base.

Partial cessation means the termination by the taxpayer of certain types of activities or the closure of one or more branches where the activity is conducted.

The taxpayer must notify the competent tax authority within thirty (30) days from the date of cessation; otherwise, the profits shall be calculated for a full tax year unless the taxpayer proves that no revenues were generated after that date.

Article (80):

In the event of the transfer of all or part of an establishment, the transferor shall notify the competent tax authority of such transfer within thirty (30) days from the date of occurrence; otherwise, the profits shall be assessed for a full tax year.

The transferor and the transferee shall be jointly and severally liable for all taxes due on the profits of the transferred establishment up to the date of transfer, as well as for any taxes due on the capital gains arising from such transfer.

The transferee may request from the competent tax authority a statement of the taxes payable in respect of the transferred establishment. The tax authority shall provide the requested statement by registered mail with acknowledgment of receipt within ninety (90) days from the date of the request; otherwise, the transferee shall be discharged from the requested tax liability, and their responsibility shall be limited to the amounts stated in the said statement.

The transfer shall have no effect with respect to the collection of taxes unless the legally prescribed procedures concerning the sale and mortgage of commercial premises are duly followed.



The tax due on the profits of the transferred establishment up to the date of transfer shall be determined, and the transferee shall have the right to appeal the tax for which they are liable.

Article (81):

The taxpayer who desires to discontinue activity or to transfer ownership of the firm or to leave the country finally , shall have to request the determination of his tax status from tax authority until the date of discontinuance or transfer or leaving the country provided, his submission of the tax returns properly as per the provisions of the present law and to pay a charge not exceeding L.E. 20 as specified in the executive regulation and the tax authority shall respond to his request within 90 days from receiving his request.

Part Two - Tax Returns

Article (82):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (83):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (84):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (85):

If the taxpayer requests, 15 days at least before the closing date of submitting the return, to extend the period of submitting the tax return and has paid the tax amount as per his estimated tax in the return, in such case the closing date shall be extended to 60 days more without any implication on the payment date of tax or the delay fine prescribed on any unpaid amount.

ARTICLE (86):

Departments and companies obligated to apply deduction, shall have to pay the deducted amounts on the last of April, July, October and January of each year and to provide records requested by the tax authority and the following data shall be included in the records for each taxation period:

- Payments and the person receiving it.
- Tax deducted from such amounts.

The copies of the said records shall be sent to the tax authority for keeping as per the rules of the executive regulation.

Article (87):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (87 Bis):

The taxpayer shall be obligated to pay an additional amount of tax equal to twenty percent (20%) of the difference between the final tax amount and the tax amount declared in the tax return if such difference is less than fifty percent (50%) of the final tax amount; and an amount equal to forty percent (40%) of the difference between the final tax amount and the tax amount declared in the tax return if such difference equals or exceeds fifty percent (50%) of the final tax amount; and an amount equal to forty percent (40%) of the final tax amount in the event of failure to submit the tax return.

This shall apply only if the final tax amount is determined after exhaustion of the ordinary appeal procedures.

These percentages shall be reduced by half in the case of an agreement between the taxpayer and the tax authority before referral or recourse to the Appeal Committee.

Article (88):

Tax authority may not disapprove the regular books & records of the taxpayer according to article (78) of the present law or disregard them unless the tax authority has proved the incorrectness of such books based on supporting documents.

Part Three - Tax Assessment

Article (89):

Tax shall be assessed on fixed profits as per the tax return submitted by the taxpayer. The tax return shall be deemed as a tax assessment and represents an obligation for its payment on the due time and tax shall be paid according to the tax return.



Article (90):

The tax authority may amend the assessment as per the data included in the tax return and the documents according thereto.

The tax authority may also make an estimated tax assessment in light of any available data if the taxpayer has not submitted his tax return or the documents supporting thereto.

If certain documents have been made available to the tax authority proving the inconsistency of the tax return with reality, the tax authority shall notify the taxpayer, make the inspection. Rectify the tax return or amend it and determine the taxable revenues.

The chairman of the tax authority may, after the approval of minister of finance, make assessment of the tax before its accrual date to be collected if specific evidence has been revealed that the taxpayer is planning for tax evasion or for transferring his assets to another person or taking other measures adverse to the process of collecting tax.

The competent tax authority in such case shall have to notify the taxpayer by a return receipt letter of the elements of tax assessment and its amount on the form indicated in the executive regulation of this law

Article (91):

The taxpayer has the right to request a refund of amounts overpaid as tax credits within five years from the date the right to the refund arises.

Article (92):

If tax has been assessed on a person and it has been established that such person acts for the account of another person in bogus form or in concert therewith to obtain any privileges or to evade any liabilities prescribed by virtue of this law, such two persons shall be jointly responsible for payment of tax falling due on the profits.



Article (92 Bis):

When determining the tax assessment, the tax effect of any transaction shall not be considered if the main purpose or one of the main purposes of completing such transaction is tax avoidance, whether by eliminating or deferring the tax liability. This applies regardless of whether the transaction is conducted in the form of a deal, agreement, promise, or otherwise, and whether it occurs in a single stage or multiple stages. The decisive factor in tax assessment shall be the true economic substance of the transaction.

The main purpose or one of the purposes of the transaction is deemed to be tax avoidance especially in the following cases:

- If the expected profit before tax is negligible compared to the value of the anticipated tax benefits from the transaction.
- If the transaction results in significant tax exemptions that do not reflect the risks borne by the taxpayer or its cash flows due to the transaction.
- If the transaction includes elements that have contradictory effects or that cancel each other out.

In all cases, the burden of proof lies with the tax authority to demonstrate that the main purpose or one of the main purposes is tax avoidance. The taxpayer may provide evidence that there are no tax reasons behind their choice or execution of the transaction.

A committee shall be formed by a ministerial decision, chaired by the head of the tax authority or their delegate, to consider cases of tax avoidance. The taxpayer shall not be notified of the existence of any tax avoidance case against them except after the committee's approval.

Article (93):

In all cases, the tax authority shall spontaneously or upon the request of the taxpayer, rectify the physical errors or miscalculation errors.



Part Four - Inspection and Investigations

Article (94):

The Authority shall annually audit taxpayers' returns through a sample determined by rules and criteria issued by a decision of the Minister upon the recommendation of the Head of the Authority.

The provisions of this article shall not apply to taxpayers who do not maintain regular books and accounts in accordance with the provisions of Article (78) of the Income Tax Law.

Article (95):

No re-examination of previously audited items shall be permitted unless substantive new facts emerge that necessitate a re-examination.

Article (96):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (97):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (98):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (99):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (100):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (101):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Part Five - Collection Guarantees

Article (102):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (103):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (104):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (105):

The collection of the tax shall be in one payment or installments not exceeding the number of taxation years for which the tax is due.

Should public or private circumstances arise forbidding the taxpayer from collecting the tax according to the preceding paragraph, the chairman of the tax authority or whom the delegates may authorize payments in the installments over longer period not exceeding the double of taxation year's number?

The right to payment in installment shall be void in case of undue payment of any installment. The chairman of tax authority or his delegate may upon the request of taxpayer approve renewal of installment on discretionary basis.

Article (106):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (107):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Articles (108):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (109):

Any public body or private sector person who has retained amount on account of tax authority or has remitted such amounts in application of this law or law no.308 of 1955 referred to shall have to give the tax payer (upon his request) a certificate exempted from all dues stated therein amounts retained, date of retention and date of remitting such amounts to tax authority.

Such certificates or receipts issued by parties that have affected deduction or collection on account of the tax due from tax payer shall be deemed as documents evidencing payment of such tax within the amounts stated therein even if the retainer has not remitted the amounts retained to tax authority.

Article (110):

Late Payment Interest Shall Be Payable On:

- Any amount exceeding two hundred Egyptian pounds (EGP 200) that remains unpaid from the tax due, even in cases where an installment plan has been granted, calculated from the day following the deadline for filing the tax return.
- Any taxes or amounts not remitted that are legally required to be withheld at source or collected and remitted to the public treasury, calculated from the day following the expiration of the statutory remittance period under the provisions of this Law.

The late payment interest referred to in this Article shall be calculated based on the Central Bank of Egypt's declared discount and credit rate as of January 1st of the preceding year, plus 2%, with fractional months and Egyptian pounds disregarded.

Filing an objection or legal appeal shall not suspend the accrual of this interest.

If the Tax Authority amends the taxpayer's return after the lapse of three years from the end of the period allowed for filing the return, no interest shall be charged for the period following the end of those three years until the taxpayer is notified of the amendment. Interest shall resume accruing from the date of such notification.



In the event of an appeal against the Authority's amendment decision, the interest due shall be recalculated in accordance with:

- The agreement reached between the taxpayer and the Authority, or
- The determination of the appeal committee or court ruling regarding the payable tax.

A 30% waiver of the accrued late payment interest shall be granted on unpaid taxes arising from a settlement agreement with the Authority reached before the issuance of the Tax Appeal Committee's decision, provided the taxpayer pays the due tax amount in full.

Article (111):

Delay fine on the unpaid amounts shall be treated as the tax related thereto. Payment of the amounts due to the tax authority in fulfillment of the taxpayer liabilities shall be affected in the following order of priority:

- Administrative & legal expenses.
- Delay fine
- Withhold taxes
- Accrued taxes

Article (112):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (113):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (114):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (115):

The minister shall issue tax bonds to be subscribed thereto by taxpayers which shall be carrying an interest exempted from tax and specified by the minister.

Such bonds and interests due thereon shall have the force of release upon payment of the due taxes.

Part Six - Appeal Procedures

Article (116):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (117):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (118):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (119):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (120):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (121):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (122):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (123):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (124):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (125):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (126):

The minister exclusively shall issue general rules and instructions to be followed up strictly by the tax authority upon enforcement of the provision of this law and its executive regulation.

Article (127):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (128):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (129):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (130):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Book Seven – Penalties

Article (131):

Without prejudice to any more severe penalty stipulated in the penal code or any other law, crimes indicated in the following articles shall be liable to penalties stipulated therein.

Article (132):

Any accountant who is recorded in the Accountants & Auditors Association shall be penalized by imprisonment and a fine of not less than L.E. 100.000 or either penalty for his approval of tax return or documents supporting it if he committed any of the following:

- Concealment of facts revealed to him in the course of performing his duty and the documents he attested has not disclosed such facts despite the importance of such disclosure in order for such accounts and documents to reflect fairly the real activity of the taxpayer.



- Concealment of facts come to his knowledge in the course of performing his duty and such facts are related to the amendment or any change in the books or accounts or records or documents which aimed at understatement of profits or increase in losses.
-

Article (133):

Any taxpayer attempted tax evasion shall be penalized by imprisonment for a period not less than six months and not exceeding five years and shall pay a fine equivalent to the double of the unpaid tax amount or by one of the two penalties.

The taxpayer shall be accused of tax evasion in case of using any of the following fraudulent methods:

- The submission by the taxpayer of the tax annual return supported by fabricated books, records, accounts or documents contrary to the data stated in the real books, records or documents which he shall conceal from the tax administration.
- the submission by the taxpayer of the annual tax return claiming that no books, records, accounts or documents exist while including in such tax return data contrary to those stated actually in his books, records, accounts or documents concealed from the tax administration. willful destruction of tax related books, records or the documents before the expiration of the period specified for the prescription of the tax debt
- Fabrication or change of purchase or sale invoices or other document with the intention of reducing the profits or increasing the losses.
- Concealing one or more taxable activities.

Recurrence of the said violations results in the application of the said two penalties. In all cases, tax evasion is a crime degrading dignity and honesty.



Article (134):

The accomplice shall be jointly with the taxpayer responsible for payment of the tax amounts evaded as well as the fines prescribed.

Article (135):

Any person who fails to apply the system of tax withholding, deduction, collection, and remittance within the legally prescribed deadlines shall be subject to a fine equal to 25% of the unpaid amounts.

Article (135 Bis):

Any person who fails to notify the Tax Authority of the value of goods, industrial products, agricultural yields, transactions, amounts, and rents as stipulated under Articles (59), (59 bis), (59 bis 1), and (59 bis 2) of this Law shall be liable to a fine not less than ten thousand Egyptian pounds (EGP 10,000) and not exceeding fifty thousand Egyptian pounds (EGP 50,000).

The minimum and maximum limits of the penalty shall be reduced by half if the required data is submitted before the Tax Authority's right to claim the tax debt becomes time-barred by statute of limitations.

Article (136):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.



Article (137):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (138):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Book Eight - Final Provision

Article (139):

A Supreme Council for Taxation shall be established under the chairmanship of the Prime Minister, with its headquarters in Cairo. The Council shall aim to safeguard the rights of taxpayers across all tax types and to assist them in fulfilling their legal obligations under the tax laws and other related legislation.

The Council shall be entrusted with the following responsibilities:

- Reviewing and approving the Taxpayers' Rights Charter.
- Providing opinions on draft tax laws and their respective executive regulations.
- Conducting studies and submitting proposals aimed at enhancing the performance of tax authorities; the Ministry of Finance may also refer tax-related matters to the Council for deliberation.
- Receiving and reviewing complaints and grievances from taxpayers and other concerned parties, engaging with the relevant tax authorities to resolve them, and submitting a report thereon to the Cabinet.
- Providing legal and technical support to taxpayers and other eligible persons unable to afford representation, by engaging accountants and lawyers to advocate on their behalf before tax committees and courts.



- Assisting tax authorities in preparing tax manuals that educate taxpayers and stakeholders about their tax rights and obligations.
- **Proposing mechanisms** to address the issue of tax arrears across all types of taxes and customs duties.
- Coordinating with the Supreme Investment Council and the Ministry of Finance to promote the use of taxation as a tool to stimulate economic activity, regulate the relationship between investors and the state, review legislation, procedures, and tax/customs incentives, and assess investor tax compliance.
- Continuously evaluating tax administration projects to ensure they are based on a fair and effective tax collection foundation, and assessing efforts to minimize tax disputes and appeals.

The composition of the Council, any additional functions assigned to it, and its operating procedures shall be determined by a Presidential Decree.

Article (140):

Repealed by Article 8 of Law No. 30 of 2023 Concerning the Amendment of Certain Provisions of the Income Tax Law.

Article (141):

Repealed by Article 8 of Law No. 30 of 2023 Concerning the Amendment of Certain Provisions of the Income Tax Law.

Article (142):

Repealed by Article 8 of Law No. 30 of 2023 Concerning the Amendment of Certain Provisions of the Income Tax Law.

Article (143):

Repealed by Article 8 of Law No. 30 of 2023 Concerning the Amendment of Certain Provisions of the Income Tax Law.



Article (144):

Repealed by Article 8 of Law No. 30 of 2023 Concerning the Amendment of Certain Provisions of the Income Tax Law.

Article (145):

Repealed by Article 8 of Law No. 30 of 2023 Concerning the Amendment of Certain Provisions of the Income Tax Law.

Article (146):

The council lays down its financial, administrative and technical regulations.

The council shall have executive director appointed for three years by virtue of a resolution issued by the council determined therein his powers and remunerations.

The council shall also have technical secretariat which organizational chart and competence shall be determined by a resolution issued by the council.

Article (147):

All funds and financial assets for which the right of their owners has been extinguished by the lapse of the statutory limitation period pursuant to a final and binding judgment shall devolve to the Public Treasury, provided such funds and assets fall within the following categories:

- Profits and returns generated from negotiable shares and bonds issued by any company, authority, or public or private entity.
- Shares, founders' shares, bonds, and all other transferable securities related to the aforementioned companies, authorities, or entities.



- Deposits of securities, and in general, all entitlements arising from such securities held by banks or other institutions that accept such securities as deposits or for any other reason.
- Any amount paid by way of insurance, for any reason whatsoever, to any joint-stock company, authority, or public or private entity.

All companies, banks, institutions, authorities, and other entities referred to in this Article shall be obligated to submit to the competent authority, no later than the end of March each year, a report detailing all funds and financial assets subject to limitation during the preceding year and whose ownership has transferred to the State pursuant to the provisions of this Article. They shall also remit the aforementioned funds and assets to the Public Treasury within thirty (30) days of submitting such report.

Article (147 Bis):

Any person shall be exempted from the payment of all amounts of income tax due on their income, as well as from all amounts of general sales tax, regardless of the value of their capital, turnover, revenues, or annual net profit, in respect of all tax periods preceding the date on which this Law comes into force, irrespective of the number of such periods.

The exemption shall also apply to all amounts associated with such taxes, including delay penalties, fines, additional taxes, and other related amounts, provided that the following two conditions are met:

First: That the person has not previously been registered, submitted any tax return, or been subject to any form of tax audit or examination by the Egyptian Tax Authority (Income Tax – Sales Tax).



Second: That the taxpayer submits an application to the competent tax office within twelve (12) months from the effective date of this Law requesting registration or the opening of a tax file and seeking the aforementioned tax exemption. Such application must include the following information:

- Name
 - Activity
 - Address
 - Legal entity status
-

Article (148):

Repealed pursuant to Article 4 of Law No. 206 of 2020 regarding the issuance of the Unified Tax Procedures Law.

Article (149):

An individual taxpayer shall be entitled to an incentive not exceeding five percent (5%) of the annual tax due, in the event that they submit electronic invoices and receipts. The Minister shall issue the implementing rules and procedures governing this provision.

