

Translation of the Value Added Tax Law No. 67 of 2016

ترجمة قانون الضريبة على القيمة
المضافة رقم ٦٧ لسنة ٢٠١٦

28 August 2025

Law No. 67 of 2016 Concerning the Issuance of the Value Added Tax Law

In the name of the people President of the republic

Preamble

The House of Representatives has enacted the following law, and we hereby issue it:

Promulgation Articles

Article (1):

The provisions of the attached law regarding Value Added Tax shall apply.

Article (2):

The General Sales Tax Law issued by Law No. 11 of 1991 is hereby repealed, as well as any provision that contradicts the provisions of this law. The Reconciliation and Grievance Committees established under the provisions of the aforementioned General Sales Tax Law shall continue to consider pending tax appeals for a period of three months, after which any unresolved appeals shall be referred to the committees stipulated in the attached law.

Article (3):

The phrase "Sales Tax Authority" shall be replaced wherever it appears in applicable laws, decisions, and regulations by the phrase "Egyptian Tax Authority."

Article (4):

Any person registered under the provisions of the General Sales Tax Law shall maintain their registration number if their sales reach or exceed the registration threshold specified in the attached law. Importers of taxable goods shall also remain registered, as well as any producer or importer of a good listed in the schedule annexed to the General Sales Tax Law if the same good is included in the schedule attached to this law, regardless of the volume of transactions.



They shall comply with all provisions of the attached law, submit due tax returns on time, and keep books, records, and documents for five years following the effective date of this law, as per the conditions set by its executive regulations.

Failure to comply with any of the above obligations shall be considered tax evasion under the attached law.

The Authority may amend declarations and take legal steps to collect due sales tax based on available data or documents. The registered person has the right to appeal as per the attached law.

Article (5):

The registration of anyone who does not meet the registration threshold stipulated in the attached law shall be automatically canceled unless they request to maintain registration within sixty days from the date of enforcement.

Those whose registration is canceled must submit a tax return for the last tax period before cancellation and any pending periods within thirty days from the enforcement date, showing the ending stock of finished goods, raw materials, and services. They must settle any due amounts within six months and keep books and records for five years after cancellation, allowing tax officers to inspect them.

The Authority may amend declarations and collect due taxes based on available data. Those whose registration is canceled have the right to appeal as per the attached law.

Article (6):

Any person registered under this law may deduct any deductible General Sales Tax credit balance prior to its enforcement, as well as unutilized or unrefunded taxes paid on machinery, equipment, parts, and returns of sales.

They may also offset due Schedule Tax on passenger cars in possession on the enforcement date against previously paid sales tax for the same cars, in accordance with conditions set by the executive regulations.

Refunds of General Sales Tax previously paid on exported goods or services, or their inputs, as well as erroneously paid tax, shall be made as per the attached law.



Article (7):

Without prejudice to this law and the attached law, any person who remains registered or becomes registered under this law must regularize their status within three months from the enforcement date.

Registered persons shall be exempt from additional tax during this period on any lawful tax differences if they arise from regularizing status. The executive regulations shall specify the rules for regularization.

Article (8):

The provisions of this law and the attached law shall not affect exemptions granted under agreements between the Egyptian government and foreign states, international or regional organizations, or petroleum and mining agreements.

Article (9):

The Minister of Finance shall issue the executive regulations for this law and the attached law within thirty days from publication. Until such issuance, the current regulations shall remain in force insofar as they do not conflict with the provisions of these laws.

Article (10):

This law shall be published in the Official Gazette and shall come into force on the day following its publication.

This law shall bear the seal of the State and be enforced as one of its laws.



Value Added Tax Law

Part One – Definitions

Article (1):

For the purposes of this law, the following terms shall have the meanings assigned to each:

Minister: Minister of Finance.

Head of the Authority: Head of the Egyptian Tax Authority.

The Authority: The Egyptian Tax Authority.

Taxable Person: Any natural or legal person, public or private, obliged to collect and remit tax to the Authority, whether as a producer, trader, or provider of taxable goods or services whose sales reach the registration threshold stipulated in this law. This includes every importer, exporter, or distributor of taxable goods or services regardless of transaction size, and any producer, provider, or importer of goods or services listed in the attached schedule regardless of transaction size.

Registered Person: A taxable person registered with the Authority under this law.

Related Person: Any person related to another in a way that affects tax determination, including:

- Spouses, ascendants, and descendants.
- A corporation and any person holding directly or indirectly at least 50% of its shares, value, or voting rights.
- Partnerships and their general or limited partners.
- Two or more corporations where the same person owns at least 50% of the shares or voting rights in each.
- Employer and employees connected by employment.

Service Provider: Any natural or legal person providing taxable services.

Importer: Any natural or legal person importing taxable goods or services for any purpose.

Resident: Any natural or legal person considered resident in Egypt under the Income Tax Law.



Permanent Establishment: A place through which activities are conducted, including management offices, branches, factories, workshops, mines, oil or gas fields, quarries, or other natural resource sites, as well as construction or assembly projects.

Tax: Value Added Tax.

Additional Tax: A tax at the rate of 1.5% of unpaid VAT or Schedule Tax per month or part thereof from the due date until payment.

Input Tax: Tax borne on goods or services, including machinery and equipment, directly or indirectly related to taxable supply.

Schedule Tax: A tax imposed at special rates or fixed amounts on specified goods and services in the attached schedule, in addition to VAT unless otherwise stated.

Goods: Any tangible property, whatever its nature or origin, including electricity, whether local or imported, identified as per customs tariff notes.

Service: Anything other than goods, whether local or imported.

Exempt Goods and Services: Those listed in the exemption schedule annexed to this law.

Sale: Transfer of ownership of goods or provision of services from seller to buyer, including cases where any of the following occur first:

- Invoice issuance.
- Delivery of goods or service performance.
- Full or partial payment, whether upfront, deferred, or otherwise.

Tax Invoice: Invoice prepared per a model issued by the Minister or his delegate.

Month: Gregorian month.

Tax Period: One calendar month ending on the last day of the month.

Fiscal Year: Twelve months starting with the taxpayer's financial year.

Personal Consumption: Use of goods or services for non-business purposes.

Private Use: Use of goods or services for business purposes; transfer between production stages is not considered private use.

Non-Resident Registered Person: A person not resident in Egypt but required to register for VAT when making taxable supplies or providing imported services to unregistered clients in Egypt.



Simplified Supplier Registration System: A system allowing non-resident suppliers to register under simplified procedures defined by the executive regulations.

Reverse Charge Mechanism: A system requiring the recipient of goods or services to pay VAT directly to the Authority instead of the non-resident supplier, in cases stipulated by this law.

Part Two – Value Added Tax

Chapter One – Imposition and Liability of Tax

Article (2):

The tax shall be imposed on goods and services, including those specified in the schedule annexed to this law, whether local or imported, at all stages of their circulation, except as otherwise provided by a special provision.

An amount of forty piasters from the proceeds of the tax imposed on item (First: 1/B/3) of Schedule No. (1) annexed to this law shall be allocated to the General Authority for Health Insurance. The Minister of Finance, in agreement with the Minister of Health, shall determine the rules for paying this amount to the General Authority for Health Insurance.

Article (3):

The general tax rate on goods and services shall be (13%) for the fiscal year 2016/2017 and (14%) starting from the fiscal year 2017/2018, with (1%) of the tax allocated to social justice programs.

By way of exception, the tax rate on machinery and equipment used in the production of goods or the provision of services shall be (5%), excluding buses and passenger cars.

The tax rate shall be (zero) on goods and services exported in accordance with the conditions and procedures set by the executive regulations.



Article (4):

Taxable persons shall be obligated to collect the tax, declare it, and remit it to the Authority within the time limits specified in this law.

Article (5):

The tax becomes due upon the occurrence of the sale of a good or the provision of a service by taxable persons at any stage of its circulation under the provisions of this law, regardless of the means of sale, provision, or circulation, including electronic means.

The tax shall become due on imported goods, regardless of the purpose of importation, including personal consumption or private use, upon their customs release when the customs tax liability arises. It shall also apply at all stages of circulation within the country after customs clearance. The rules regarding special customs regimes shall apply to imported goods where no specific provision is provided in this law.

The tax becomes due on imported services when the service is rendered to the recipient in Egypt, regardless of the method of delivery.

The tax shall not be due on goods in transit, provided the transport takes place under the supervision of the Customs Authority in accordance with customs law.

The use of goods or the benefit from services for personal consumption or private use, or their disposal in any legal manner, shall be considered a taxable supply.

Tax on imported goods shall not be collected at customs release if it is proven that the tax has already been collected by a non-resident registered supplier.

Article (6):

Goods or services exported by projects located in free zones, free cities, free markets, and special economic zones to outside the country shall be subject to a zero-tax rate.

Likewise, goods or services imported into these projects for the licensed activities inside such zones shall be subject to a zero-tax rate, except for passenger cars.



Article (7):

Without prejudice to the second paragraph of Article (6) of this law, tax shall be imposed on goods or services subject to tax under this law that enter free zones, free cities, free markets, or special economic zones for local consumption within these areas.

Importation for the purpose of trade inside free zones encompassing an entire city shall be considered local consumption.

The tax shall also be imposed on goods or services imported from free zones, free cities, free markets, and special economic zones into the domestic market.

Goods and services manufactured in projects located in free zones, free cities, and special economic zones shall be treated as imported goods when withdrawn for local consumption or use.

The executive regulations shall define the limits and rules governing the provisions of this article and Article (6) of this law.

Article (8):

In the event of cessation of activity related to taxable goods or services, or liquidation of the business, the tax becomes due on goods in the possession of the registered person at the time of disposal, unless the successor is registered or registers under the provisions of this law.

Article (9):

Without prejudice to the penalties provided in this law, smuggled goods and sales made in violation of legally prescribed rules shall be subject to the tax rates in effect at the date of the offense or violation. If this cannot be determined, they shall be subject to the tax rates in effect at the time of seizure or detection of the violation.



Part Two – Value Added Tax

Chapter Two – Value

Article (10):

The value to be declared and used as the basis for calculating the tax for the sale of goods or provision of taxable services, whether local or imported, shall be the actual amount paid or payable by any means in the ordinary course of business.

The declared value under paragraph (1) shall include the following amounts:

- Any amounts collected from the buyer or service recipient under any name related to the sale of goods or the provision of services.
- All incidental expenses, such as commission, packaging, loading, transportation, and insurance costs imposed by the seller on the buyer or importer.

In the case of a sale between related parties, the value shall not be less than the price applied between unrelated parties according to market forces and business conditions.

In case of barter, the taxable value shall be the price based on market forces and business conditions.

The value for goods or services for private use shall be based on total cost, and for personal consumption shall be based on market value.

For installment sales, the taxable value shall include installment interest exceeding the credit and discount rate announced by the Central Bank on the date of sale, and the executive regulations shall determine the rules and procedures for installment sales.

For imported goods, the value at customs clearance shall be the value used for determining customs duty, including associated services, plus customs duties and other taxes and fees. The value declared for sale in the local market shall not be less than the customs clearance value unless there are commercial reasons justifying the reduction. The executive regulations shall define what constitutes commercial reasons.

The tax base for goods and services imported from free zones and free cities shall be the full value, including both foreign and local components, customs duties, and other applicable taxes and fees.



The tax base for platinum, gold, silver, and precious stone jewelry shall be the value of workmanship (labor charges). For imported jewelry, the customs clearance tax base shall include workmanship value as determined by the Customs Authority, plus customs duties and other taxes and fees. The executive regulations shall define what constitutes precious stones and the rules for determining workmanship value.

The tax base for goods and services listed in the attached schedule shall be as follows:

- For local goods and services: The actual amount paid or payable, plus Schedule Tax.
- For imported goods and services:
 - Imported goods: The value used for determining customs duties, plus customs duties, other taxes, fees, and Schedule Tax.
 - Imported services: The actual amount paid or payable, plus Schedule Tax.

The tax base for goods that a registered person purchases as new and resells after local use for no less than two years shall be 30% of the resale value, without applying the input tax deduction rules under Article (22) of this law.

The Minister, in agreement with the competent minister, may issue lists of values for certain goods or services or set accounting bases for tax calculation.

Article (11):

The value of the tax shall be added to the price of goods or services, including goods and services with mandatory pricing and fixed profit margins.

The prices of contracts concluded between taxpayers or between parties, one of which is a taxpayer, and which are in force at the time of imposing the tax or the schedule tax, or when their rates are amended, shall be adjusted by the same amount as the tax burden or its adjustment. The Executive Regulations shall specify the rules for applying the second paragraph of this Article.



Part Two – Value Added Tax

Chapter Three – Invoices, Returns, Notifications, Books, and Records

Article (12):

Repealed by Law No, 206 of 2020.

Article (13):

Repealed by Law No, 206 of 2020.

Article (14):

The Authority shall have the right to estimate the tax for any tax period for which the registrant has not submitted a tax return, stating the basis on which the estimate was made.

Article (15):

If the Authority amends the return after the lapse of the first three years from the end of the period specified for its submission, it may not calculate additional tax for the period following the end of the three-year period mentioned until the date of notifying the registrant of the amendment.



Part Two – Value Added Tax

Chapter Four – Registration

Article (16):

Every natural or legal person who sells a taxable good or renders a taxable service, and whose total value of sales of taxable and exempt goods and services during the twelve months preceding the effective date of this Law reaches or exceeds five hundred thousand Egyptian pounds, shall submit an application to the Tax Authority to register his name and data using the form prepared for this purpose within thirty days from the date of reaching the registration threshold.

Any person who reaches such threshold after the effective date of this Law in any financial year or part thereof shall likewise submit an application for registration in the same manner.

The registration requirement does not apply to a natural person who does not engage in the sale of goods or the provision of services even if his sales reach the said threshold. Every importer of taxable goods or services for trading purposes, as well as exporters and distribution agents, shall register with the Authority regardless of the size of their transactions. The Minister may, by decree, amend the registration threshold.

Article (17):

Any non-resident person who is not registered with the Tax Authority and who sells goods or provides taxable services to a non-registered person within the country, without carrying on business through a permanent establishment in Egypt, shall apply for registration under the simplified supplier registration system as specified by the Executive Regulations.

Legal persons who neither sell goods nor provide taxable services but are subject to the obligation to account for tax on imported services in accordance with paragraph two of Article (32) of this Law must apply for registration with the Authority for the purposes of the reverse charge mechanism.

The provisions of this Article shall apply to services within six months from the effective date of the simplified supplier registration system referred to in the first paragraph of this Article, and shall apply to goods within a period not exceeding two years from the date this system comes into effect.



Article (18):

A natural or legal person whose sales do not reach the registration threshold may voluntarily apply to the Tax Authority for registration in accordance with the conditions, rules, and procedures specified by the Executive Regulations. Upon registration, such person shall be deemed a taxable person subject to the provisions of this Law.

Article (19):

Repealed by Law No, 206 of 2020.

Article (20):

Repealed by Law No, 206 of 2020.

Article (21):

The Head of the Tax Authority may cancel the registration in the cases and in accordance with the conditions and procedures specified by the Executive Regulations.

Part Two – Value Added Tax Chapter Five – Deduction, Exemption, and Refund of Tax

Article (22):

When calculating the tax, the registrant may deduct from the tax due on the value of his sales of goods and services any tax previously paid or accounted for on returned sales and any tax previously charged on his inputs, including tax previously charged on goods and services sold by the registrant at any stage of distribution, subject to the limits, conditions, and procedures specified by the Executive Regulations.



The provision of the preceding paragraph shall apply to:

- Sales of goods and services supplied to the entities referred to in Article Eight of the Issuance Provisions and Article (23) of this Law.
- Sales of goods and services funded by grants that have been exempted from tax by law.

The deduction shall be limited to the amount of tax due, and any unapplied deduction shall be carried forward to subsequent tax periods until fully utilized.

The deduction referred to in the first paragraph of this Article shall not apply to:

- Schedule tax, whether on goods or services taxable in their own right or as inputs in taxable goods or services, except as otherwise provided in this Law.
- Input tax capitalized as part of cost.
- Exempt goods and services.
- Cases of simplified supplier registration referred to in the first paragraph of Article (17) of this Law.

Article (23):

Exemption from tax shall be granted, subject to the principle of reciprocity and within its limits and based on data provided by the Ministry of Foreign Affairs, to the following:

- Goods purchased or imported for personal use by members of foreign diplomatic and consular corps who are non-honorary and whose names are included in the lists issued by the Ministry of Foreign Affairs, as well as for their spouses and minor children.
- Goods purchased or imported for official use by embassies, legations, and non-honorary consulates, except for foodstuffs, alcoholic beverages, and tobacco products. The number of vehicles eligible for exemption under items (1) and (2) shall be one vehicle for personal use, five vehicles for the official use of an embassy or legation, and two vehicles for the official use of a consulate. The Minister may, in agreement with the Minister of Foreign Affairs, increase such numbers.



- Goods imported for personal use, subject to inspection, including personal effects, furniture, and household items, as well as one used car for each foreign employee of diplomatic or consular missions who does not benefit from the exemption provided in item (1) of this paragraph, provided that such goods arrive within six months from the beneficiary's arrival. The Minister may, in agreement with the Minister of Foreign Affairs, extend this period.

The exemptions referred to in this Article shall be granted upon approval of the exemption request by the head of the relevant diplomatic or consular mission and its authentication by the Ministry of Foreign Affairs.

Article (24):

It shall be prohibited to dispose of any goods exempted pursuant to Article (23) of this Law for purposes other than those for which the exemption was granted within five years following the exemption, without notifying the Tax Authority and paying the tax due based on the condition and value of such goods and the applicable tax rate at the time of payment, unless the reciprocity arrangement provides otherwise.

The Executive Regulations shall set forth the rules and procedures governing this matter.

Article (25):

The Minister, in agreement with the Minister of Foreign Affairs, may exempt goods imported for the personal use of certain distinguished foreign individuals as a matter of international courtesy.



Article (26):

The following shall be exempt from tax within the limits, conditions, and procedures specified by the Executive Regulations:

- Samples consumed for analysis purposes in government laboratories.
 - Personal belongings devoid of any commercial character, such as decorations, medals, and sports or scientific awards.
 - Supplies arriving from abroad at no cost as replacements for damaged or missing items from previously imported consignments that were fully taxed at the time, provided that the Customs Authority verifies such circumstances.
 - Personal luggage of travelers arriving from abroad.
 - Goods on which tax has been paid and that were exported abroad and subsequently re-imported in their original state, provided that the Customs Authority verifies such circumstances.
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Article (27):

The Minister, in agreement with the competent minister, may exempt certain goods and services from tax in the following cases:

- Donations, contributions, and gifts to the State's administrative apparatus, local administration units, or public authorities.
 - Goods imported for scientific, educational, or cultural purposes by scientific and educational institutions and research institutes.
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Article (28):

All goods, equipment, devices, and services specified under this Law that are necessary for armament purposes for defense and national security, as well as raw materials, production requirements, and components used in their manufacture, shall be exempt from tax.



Article (28 Bis):

Payment of the tax due on machinery and equipment imported from abroad or purchased locally for use in industrial production shall be suspended for one year from the date of customs clearance or local purchase, as applicable.

The Tax Authority may, for justified reasons it accepts, extend this period for one or more additional periods not exceeding a total of one year. If the machinery and equipment are proven to have been used in industrial production during this period, the tax referred to shall be exempted. In such case, the disposal of such machinery and equipment for purposes other than those for which the exemption was granted shall be prohibited during the five years following the exemption without notifying the Tax Authority and paying the tax due based on their condition, value, and applicable tax rate at the time of payment.

If the period referred to in the first paragraph lapses without the machinery and equipment being used in industrial production, the tax and additional tax shall become due from the date of customs clearance or purchase from the local market, as applicable, until the date of payment.

The Executive Regulations shall set forth the rules and procedures governing this matter.

Article (29):

Without prejudice to Article Eight of the Issuance Provisions, tax exemptions stipulated in other laws or decrees shall not apply to this tax unless expressly stated therein.

Article (30):

The tax shall be refunded, under the conditions, procedures, and within the limits specified by the Executive Regulations, within forty-five days from the date of submitting the request supported by documents, in the following cases:

- Tax previously paid or charged on goods and services that are exported, whether exported in their original state or incorporated into other goods or services, within the limit of the credit balance for goods and services subject to tax deduction, provided that the value of exports is remitted to a bank subject to the supervision of the Central Bank in accordance with its rules, or by any other payment or settlement methods specified by the Executive Regulations, and provided that the export value is not less than the value of inputs.



- Tax collected in error.
- A credit balance outstanding for more than six consecutive tax periods.
- Tax previously paid on buses and passenger cars if their use constitutes the licensed activity of the establishment.
- Tax borne by a non-resident person registered under the simplified supplier registration system for the purpose of performing their activity within the country. In all cases, the supporting documents must include a certificate signed by an accountant registered in the Register of Accountants and Auditors, confirming eligibility for tax deduction or refund, unless tax payment is verified through the Tax Authority's electronic system.

Article (30 Bis):

Foreign visitors leaving the country after a stay not exceeding three months shall be entitled to a refund of the tax previously paid to the registered seller on their purchases of taxable goods, provided that the value of purchases per invoice is not less than EGP 1,500 and that the goods leave the country with the purchaser or by any other means. The Executive Regulations shall determine the rules for implementing this Article.

Part Two – Value Added Tax Chapter Three – Tax Collection

Article (31):

Ministries, governmental entities, local administration units, public authorities, and other public legal persons shall remit the due Schedule Tax directly to the Tax Authority within ten (10) days from the date of its accrual. These entities shall also remit twenty percent (20%) of the Value Added Tax due on them directly to the Authority within the same period as an advance payment on account of the tax. In such case, the Authority shall not claim the taxable person for the amount already remitted. All of the above shall be in accordance with the Executive Regulations.



Tax on imported goods shall be paid at the stage of customs clearance pursuant to the procedures applicable to the payment of customs duties, and no final clearance of such goods shall be granted before full payment of the tax due, unless it is proven that the non-resident registrant has collected the tax on the imported goods being released from customs.

Without prejudice to Article (28 bis) of this Law, the Head of the Authority or his delegate may grant provisional clearance for a period of three (3) months for consignments imported for production or business purposes, subject to the guarantees deemed appropriate by the Customs Authority, until the concerned party provides the Authority with the documents necessary to determine eligibility for exemption within the said period or pays the due tax as well as the additional tax calculated from the date of release of such consignments.

Article (32):

If a non-resident person not registered with the Tax Authority sells a service within the country to a registrant for purposes not related to the conduct of his business activity, or to a governmental body, public authority, economic authority, or any other entity, the service recipient shall calculate the tax due thereon and remit it to the Authority within thirty (30) days from the date of sale, unless the non-resident person is registered under the simplified supplier registration system.

Legal persons subject to the reverse charge mechanism provided for in paragraph two of Article (17) of this Law, and who import services, shall calculate the tax due on such services and remit it to the Authority within thirty (30) days from the date the service is supplied, unless the non-resident, unregistered service provider is registered under the simplified supplier registration system.

Article (33):

The issuance of an invoice by the service provider shall constitute the taxable event for services of a continuous nature under this Law. The Executive Regulations shall define such services.

Article (34):

Repealed by Law No, 206 of 2020.



Article (35):

Repealed by Law No, 206 of 2020.

Part Three – Schedule Tax

Article (36):

Schedule Tax shall be imposed on the sale, provision, or import of the goods and services listed in the attached Schedule, at the rates or values specified therein, in addition to the tax provided for in Article (2) of this Law.

Schedule Tax shall be levied at a rate of zero percent (0%) on goods and services that are exported, subject to the conditions and procedures specified by the Executive Regulations.

Schedule Tax shall not be levied again unless there is a change in the condition of the goods; packing, repacking, refining, purification, or grinding shall not be considered a change in condition, without prejudice to the imposition of tax on goods and services listed in the attached Schedule, unless otherwise provided therein.

Article (37):

A registrant shall be entitled to offset tax previously paid on machinery parts, equipment, and spare parts used in the production of goods and services subject solely to Schedule Tax against Schedule Tax due, within the limits of the tax payable, until fully utilized.

The registrant shall also be entitled to offset Schedule Tax previously paid on returned sales against Schedule Tax due, in accordance with the conditions and procedures specified by the Executive Regulations.

Article (38):

Schedule Tax on the goods and services listed in the attached Schedule shall be due once, upon the occurrence of the first sale or provision of the service or upon importation, without prejudice to the imposition of the tax provided for in Part Two of this Law.



The provision of the first paragraph shall also apply where goods or services listed in the attached Schedule are disposed of as free samples or promotional offers. In such cases, the value shall be determined according to market forces and business conditions, and the Executive Regulations shall define the nature of promotional offers.

Article (39):

The value to be declared and taken as the basis for determining Schedule Tax on the goods or services listed in the attached Schedule shall be as follows:

- For locally produced goods and services: The actual amount paid or payable by any means of payment under normal business conditions.
- For imported goods and services: The value taken as the basis for customs duty assessment, plus customs duties and other applicable taxes and fees.

All the above shall apply unless otherwise provided in the attached Schedule.

Article (40):

In the event that a commodity or service becomes subject to the schedule tax or the applicable rate is increased, importers, wholesalers, semi-wholesalers, retailers, and distributors must submit a statement to the Authority of the stock they have of such goods or services on the day prior to the effective date of the new or increased schedule tax. This statement must be submitted within fifteen days from that date. The new or increased schedule tax becomes due on the date the statement is submitted, and the payable schedule tax on these goods and services must be paid within the period determined by the Head of the Authority, provided that it does not exceed six months from the date it becomes due.

Article (41):

Every producer, provider, or importer of a good or service listed in the schedule attached to this law must register with the Authority regardless of the volume of their sales or production, in accordance with the rules and procedures specified in the executive regulations.



Article (42):

It is prohibited to establish or operate any factory or facility for producing any good or providing any service listed in the schedule attached to this law without obtaining a license from the competent administrative authority, in accordance with the conditions and procedures set by the competent minister in agreement with the Minister of Finance.

Every producer of a good or service listed in this schedule must notify the Authority if operations cease at the factory, facility, or premises where the activity is conducted, whether the cessation is total or partial, and must also notify the Authority immediately upon the resumption of activity. All such notifications must be made in accordance with the rules issued by the Head of the Authority.

Article (43):

The provisions of this law apply to goods and services listed in the attached schedule, in all matters not specifically addressed in this section and the attached schedule.

Part Four – General Provisions, Oversight, and Appeal Procedures

Chapter One – General Provisions

Article (44):

Without prejudice to any specific provisions in this law, it is prohibited to dispose of any goods exempted from tax or schedule tax or to use them for any purpose other than the one for which they were exempted during the five years following the exemption, except after notifying the Authority and paying the taxes due based on their value and the applicable tax rate on the date of disposal.

The prohibition mentioned in the first paragraph of this article also applies to machinery and equipment for which tax has previously been refunded under the provisions of item (4) of Article (30) of this law.

In all cases, the amount of tax due must not exceed the amount previously exempted or refunded.



Article (45):

The Authority may, when necessary, take samples of certain goods for analysis and may seek the assistance of experts.

The concerned party may request a re-analysis at their own expense, and a decision by the Minister shall determine the methods and procedures for sampling.

Article (46):

The executive regulations shall determine the amounts collected by the Authority as payment for printed forms, banderole stamps, distinctive marks, affixing of seals, analysis costs, or services performed by Authority employees, as well as fees for work carried out for concerned parties outside official working hours.

These amounts are not subject to exemption or tax refund or schedule tax refund mentioned in this law.

Article (47):

Without prejudice to the provisions of the Customs Law, the Authority has the right to dispose of seized goods, smuggling tools, and means of transport that have been ordered confiscated, in accordance with the rules specified in the executive regulations.

The Authority may, by judicial order, dispose of perishable, diminishing, or easily lost seized goods before a judgment is issued, and it also has the right to destroy prohibited goods, goods harmful to public health, or goods whose sale could threaten the safety and security of citizens, after consulting the competent technical authorities.

Article (48):

Repealed by Law No, 206 of 2020.

Article (49):

The provisions on violations and tax evasion stipulated in the Customs Law apply to imported goods subject to tax that have not been released by customs.



Article (50):

The taxpayer shall pay the Authority an amount equal to (1%) of the value of the tax and schedule tax due, not less than one thousand pounds and not more than ten thousand pounds, in addition to the tax, schedule tax, and additional tax due, if they violate the provisions, procedures, or systems stipulated in this law without the violation constituting an act of tax evasion as defined herein.

The following cases are considered violations of this law:

- The occurrence of shortages or surpluses in goods deposited in free zones and free markets in violation of the provisions of the Customs Law.
- Failure to notify the Authority of changes to the data contained in the registration application within the specified period.
- Violating the provisions, procedures, or systems stipulated in this law.

The penalty amount shall be doubled if any of the aforementioned acts are committed within three years.

Article (51):

Repealed by Law No, 206 of 2020.

Part Four – General Provisions, Oversight, and Appeal Procedures

Chapter Two – Oversight

Article (52):

The executive regulations shall determine the control systems for the registrants' books and documents, automated accounting systems, and electronic point-of-sale devices used by registrants in conducting taxable goods sales or services subject to tax or schedule tax, to ensure compliance with their obligations under this law.

The Minister or his delegate may determine the procedural rules and requirements necessary to apply the provisions of this law in line with the nature of some registrants' activities.



Article (53):

Repealed by Law No, 206 of 2020.

Article (54):

Any transaction whose main purpose or one of its main purposes is to avoid liability for tax or schedule tax or to defer or reduce the tax burden shall be disregarded. For the purposes of this article, tax avoidance includes:

- Transactions between related parties involving the sale of goods or services subject to tax or schedule tax with the intention of preventing one or all parties from reaching the legally prescribed registration threshold.
- Establishing companies, splitting them, or dividing transactions for tax purposes.

If a transaction is deemed tax avoidance, the Authority shall have the right to require the taxpayer to register or pay tax based on the actual value according to market conditions and transaction realities.

This does not prejudice the taxpayer's right to prove that the transaction was carried out for non-tax avoidance purposes.

One or more committees, chaired by the Head of the Authority or his delegate and comprising at least two directors, shall be formed to review cases of tax avoidance, and their decisions shall be binding on the competent tax office.

Part Four – General Provisions, Oversight, and Appeal Procedures

Chapter Three – Appeal Procedures

Article (55):

Repealed by Law No, 206 of 2020.



Article (56):

Repealed by Law No, 206 of 2020.

Article (57):

Repealed by Law No, 206 of 2020.

Article (58):

Repealed by Law No, 206 of 2020.

Article (59):

Repealed by Law No, 206 of 2020.

Article (60):

Repealed by Law No, 206 of 2020.

Article (61):

Repealed by Law No, 206 of 2020.

Article (62):

The arbitration provisions and procedures stipulated in the Customs Law shall apply to imported goods and services subject to the supervision of the Customs Authority.



Part Four – General Provisions, Oversight, and Appeal Procedures

Chapter Four – Authority Employees and Their Duties

Article (63):

With written authorization from the Head of the Authority or his delegate, they may inspect laboratories, factories, warehouses, shops, and establishments engaged in activities involving goods or services subject to tax. In cases of enforcement, other authorities' officers may assist if necessary.

Article (64):

Authority employees with judicial seizure authority may review and seize documents, records, invoices, and any relevant papers related to the enforcement of this law where evidence of violations exists.

With written authorization from the Head of the Authority or his delegate, they may take specific samples of goods for testing or analysis.

Article (65):

Except in cases of flagrante delicto, no investigation measures may be taken regarding crimes committed by Authority employees with judicial seizure authority during or because of their duties without a written request from the Minister or his delegate.

In all cases, no criminal case may be brought against them without this request.



Part Five – Crimes and Penalties

Article (66):

Repealed by Law No, 206 of 2020.

Article (67):

Without prejudice to more severe penalties provided by any other law, tax and schedule tax evasion shall be punishable by imprisonment for not less than three years and not more than five years and/or a fine of not less than EGP 5,000 and not more than EGP 50,000.

The court may order confiscation of transport means, tools, and materials used in smuggling, except ships and aircraft unless prepared or rented for this purpose by their owners.

The perpetrators shall be jointly liable for the tax, schedule tax, and additional tax due. Penalties double if the offense is repeated within three years.

Evasion cases referred to the courts shall be expedited.

Tax evasion is considered an offense involving dishonesty and breach of trust.

Article (67 Bis):

Without prejudice to other penalties under this or any other law, if a non-resident registrant fails to comply with any obligation under this law, the Minister may request the Public Prosecution to order the restriction or prevention of access to the Egyptian market until the registrant complies with this obligation and its consequences. Competent authorities must execute this order immediately upon issuance.



Article (68):

The following shall be considered tax and schedule tax evasion, punishable by the penalties stipulated in Article (67) of this Law:

- Failure to register with the Authority within the specified deadlines.
- Selling goods, providing services, or importing either without declaring them and paying the due tax and schedule tax.
- Wrongful deduction of tax or schedule tax, in whole or in part, in violation of the provisions and limits of deduction.
- Wrongful refund of tax or schedule tax, in whole or in part, with knowledge of such wrongdoing.
- Submitting forged or fabricated documents or records to evade paying all or part of the tax and schedule tax.
- Failure by a registrant to issue invoices for sales of taxable goods or services.
- Repealed.
- Issuing invoices bearing tax and schedule tax by a non-registrant.
- Repealed.
- Fabricating invoices for others without actual sales transactions, with joint liability between the issuer and the beneficiary of the false invoice.
- Repealed.
- Possession of taxable goods for trading purposes with knowledge that they are smuggled.
- Failure to submit a final tax return and settle the full amount of tax due under this Law within six months from the date of deregistration.
- Non-compliance with the provisions of Article (40) or Article (42) of this Law.
- Affixing fake marks or seals to avoid paying all or part of the schedule tax.



- A producer, distributor, or trader selling scheduled goods for which the tax base and schedule tax are calculated on the consumer selling price at a price higher than that used to calculate the tax—whether the price declared by producers/importers or the price list set by the Minister—without paying the tax due on the price difference.
- Possession of scheduled goods for trading purposes without the distinctive mark (banderole) required by a Ministerial decision.
- Disposal of tax-exempt goods or using them for purposes other than those for which exemption was granted during the restriction period without notifying the Authority and paying the due tax.
- Failure to comply with Article (4) or Article (5) of the issuance provisions.

Article (69):

Without prejudice to the provisions of Article (67) of this Law, goods listed in the schedule attached to this Law involved in evasion shall be confiscated. If they are not seized, an amount equal to their value shall be adjudged. It is also permissible to order confiscation of means of transport, tools, and materials used in evasion, except ships and aircraft, unless they were specifically prepared or actually rented for this purpose.

Article (70):

Repealed by Law No, 206 of 2020.

Article (71):

Any accountant registered in the accountants and auditor's registry who violates the obligation set forth in the last paragraph of Article (30) of this Law shall be punished by suspension from practicing the profession for one year and a fine of no less than EGP 10,000 and no more than EGP 50,000. In case of recurrence, the original penalty shall be doubled.



Article (72):

Repealed by Law No, 206 of 2020.

Part Six – Final Provisions

Article (73):

Repealed by Law No, 206 of 2020.

Article (74):

The Minister, after the approval of the Cabinet, may establish an incentive system to encourage dealing with tax invoices, provided that such a system includes the necessary fields, conditions, and rules for its implementation, without exceeding (1%) of the annually collected tax.

The executive regulations shall determine the organizing rules.



Goods and Services Listed in the Schedule Annexed to the Value Added Tax Law

| No. | Item | Tax Rate |
|--|-------|---|
| First – Goods and services subject only to Schedule Tax: | | |
| 1. Tobacco: | | |
| (a) Unmanufactured tobacco, raw or otherwise, and waste thereof | | |
| 1. Tambak..... | Value | (100%) with a minimum of EGP 40 per kilogram (net weight) |
| 2. Other (1.2) | Value | (25%) with a minimum of EGP 16 per kilogram (net weight) |
| (b) Manufactured tobacco extracts and tobacco leaves: | | |
| 1. Cigars, pipe tobacco, and mixtures | Value | (200%) with a minimum of EGP 50 per kilogram manufactured |
| 2. Toscano cigars (used in the production of dark fire-cured cigars) | Value | (200%) with a minimum of EGP 35 per kilogram manufactured |

Notes:

The importer is obliged to notify the Authority of the entities to which the tobacco was sold and how the imported tobacco quantities were disposed of within 15 days following the month of sale.

The Schedule Tax collected on this item shall be offset if it is incorporated into a domestically manufactured product, from the Schedule Tax due on that domestic product in which this item is used.



| No. | Item | Collection Unit | Tax Rate |
|--------------------|-----------------------------|--|--|
| Continued (1/b) | 3. Cigarettes ... (1, 2) | Per 20 cigarettes (and other packs at the same rate) | <p>(50%) of the final consumer selling price plus:</p> <ul style="list-style-type: none"> • 275 piasters per pack where the final consumer selling price is less than EGP 13. • 425 piasters per pack where the final consumer selling price is EGP 13 up to less than EGP 23. • 525 piasters per pack where the final consumer selling price is EGP 23 or more. |

Notes:

The retail prices of products, as announced on the effective date of this Law, shall constitute the minimum taxable base for the calculation of the Schedule Tax due on such goods.

The Schedule Tax shall be levied on the total retail price (inclusive of all taxes and fees) and collected from the producer or importer at the time of customs clearance.

The importer shall be obliged to notify the Authority, within fifteen (15) days following the month in which the sale took place, of the entities to which the tobacco has been sold and of the manner in which the imported quantities of tobacco have been disposed of.

The Schedule Tax collected on such goods, in the event that they are incorporated into a domestically manufactured product, shall be credited against the Schedule Tax due on the said domestic product into which those goods are incorporated.



| No. | Item (English Translation) | Collection Unit | Tax Rate |
|---|--|-----------------|---|
| Section 1/B | | | |
| 4 | Molasses, chewing tobacco (snuff), and mixed or unmixed hair tobacco | Value | 150% |
| 5 | Tobacco extracts and essences | Value | 50% |
| 6 | Others (1,2) | Value | 50% (minimum EGP 16 per net kilogram of raw tobacco used in production) |
| Section 2 – Petroleum Products | | | |
| (a) Gasoline: | | | |
| 1 | Gasoline 80 Octane (Imported) | Liter | 3.0 Piastres |
| 2 | Gasoline 80 Octane (Local) | Liter | 18.0 Piastres |
| 3 | Gasoline 90 Octane (Imported) | Liter | 48.0 Piastres |
| 4 | Gasoline 90 Octane (Local) | Liter | 63.0 Piastres |
| 5 | Gasoline 92 Octane (Imported) | Liter | 48.0 Piastres |
| 6 | Gasoline 92 Octane (Local) | Liter | 65.0 Piastres |
| 7 | Gasoline 95 Octane (Imported) | Liter | 20.0 Piastres + 1 EGP |
| 8 | Gasoline 95 Octane (Local) | Liter | 20.0 Piastres + 1 EGP |
| (b) Kerosene | Liter | 36.0 Piastres | |
| (c) Solar (Diesel fuel) | Liter | 36.0 Piastres | |
| (d) Diesel oil | Liter | 0.8 Piastres | |
| (e) Fuel oil (Mazut) | Ton | 50.0 Piastres | |
| Section 3 – Other Goods & Services | | | |
| 3 | Edible vegetable oils (solid, liquid, purified, or refined) | Value | 0.5% |
| 4 | Animal or vegetable fats/oils, partially or fully hydrogenated, frozen, purified by any other method, even if refined but not further prepared | Value | 0.5% |
| 5 | Snacks and flour-based products; pastries/dough-based sweets (except all kinds of bread) | Value | 5% |



| No. | Item (English Translation) | Collection Unit | Tax Rate |
|-----|--|-----------------|----------|
| 6 | Processed potatoes (chips and substitutes) | Value | 5% |
| 7 | Fertilizers and agricultural pesticides | Value | 5% |
| 8 | Gypsum | Value | 5% |
| 9 | Contracting and construction works (2) (supply & installation) | Value | 5% |
| 10 | Soap and industrial detergents for household use (newly added item) | Value | 5% |
| 11 | Air-conditioned inter-governorate transport (bus – railway) | Value | 5% |
| 12 | Professional and consultancy services (3) | Value | 10% |
| 13 | Media and program production, cinema/TV/documentary/drama/radio/theatre works (newly added item) | Value | 5% |

Notes:

The Schedule Tax collected on such goods shall be credited in the event of their incorporation into the products listed under Serial No. (4) of this Schedule.

The term *value* shall mean the value of the statement of works approved by the consultant. The Schedule Tax previously paid by the subcontractor shall be credited against the Schedule Tax paid by the general contractor in respect of the same works. The Executive Regulations shall determine the nature of such service, as well as the rules, conditions, and procedures governing it.

The term *value* shall mean the actual amount paid in consideration of the service. This item shall not include services provided by artisans.



| No. | Item (English Translation) | Collection Unit | Tax Rate |
|---|--|-----------------|---|
| Section 2 – Goods & Services subject to Schedule Tax + VAT | | | |
| 1 | Carbonated water/soda or flavored & sweetened or unsweetened carbonated water, bottled or packed in other containers. For outlets using the mixing system (post-mix), tax is collected in advance from producers of the syrups based on the output volumes of carbonated water determined by technical standards. The Minister of Finance, in agreement with the competent minister, issues price lists for such products as a basis for tax assessment (1,2). | Value | 8% |
| – | Beer (non-alcoholic) (1,2) | Value | 8% |
| (a) | Pure ethyl alcohol (non-denatured), regardless of alcoholic strength (3) | Liter (pure) | EGP 15 |
| (b) | Denatured alcohol of any degree, for fuel | Liter (liquid) | EGP 1 |
| (c) | Fresh grape wine, grape juice fortified with alcohol (including must), vermouth, and other fermented beverages | Value | 150% (minimum EGP 15 per liquid liter) |
| (d) | Spirits and alcoholic beverages, sweetened/flavored alcoholic drinks, other alcoholic preparations, natural distillates | Value | 150% (minimum EGP 15 per liquid liter) |
| Notes: | (1) “Value” = retail consumer price. (2) Both VAT and Schedule Tax apply on total retail value from producer/importer at customs release. (3) Importers/producers must report buyers or disposition of sold quantities within 15 days of month’s end. | | |



| No. | Item (English Translation) | Collection Unit | Tax Rate |
|--|--|-----------------|--|
| Continuation – Other Goods & Services | | | |
| 4 | Beer (alcoholic) | Value | 250% (minimum EGP 500 per hectoliter) |
| 5 | Perfumes, deodorants, cosmetics, and products for skin/hair care | Value | 8% |
| 6 | Televisions (>32 inches), refrigerators (>16 feet), deep freezers | Value | 8% |
| 7 | Air conditioning units and standalone components | Value | 8% |
| Continuation – Vehicles & Services | | | |
| 8 | Private vehicles for transporting persons in golf courses, similar vehicles | Value | 10% |
| 9 | Passenger cars up to 1600 cc or rotary engines, excluding three-wheelers driven by motorcycle engines | Value | 1% |
| 10 | Passenger cars 1601 cc and above, rotary engines, dual-use cargo/passenger vehicles, jeeps, touring/camping vehicles, trailers fitted for living/travel | Value | 15% |
| 11 (a) | Passenger cars over 2000 cc or rotary engines (local) | Value | 15% |
| 11 (b) | Passenger cars over 2000 cc or rotary engines (imported) | Value | 30% |
| 12 | Mobile telecommunications services (1) | Value | 8% |

Note:

The term “Value” refers to the invoice value or the value of the service.



List of Goods and Services Exempt from Value Added Tax

Infant formula, milk, dairy products, and products derived from milk through the substitution of one or more of its natural components.

Preparations for infant food.

Eggs, except for pasteurized eggs.

Tea, sugar, and coffee.

Milling products, except imported refined flour or imported fermented flour.

Bread of all types.

Pasta, except for pasta made from semolina.

Live animals and birds, or freshly slaughtered, chilled, or frozen.

Prepared, preserved, or processed meat products.

Fish and aquatic organisms, fresh, chilled, or frozen.

Prepared, preserved, or processed fish products, including smoked herring, excluding caviar and its substitutes and other types of smoked fish.

Agricultural products sold in their natural state, including seeds, seedlings, and saplings.

Tahini, sesame paste, molasses, and bee honey.

Locally processed fruits and vegetables, excluding juices and concentrates.

Legumes, grains, table salt, processed spices, and related shipping services for imported items.

Foods manufactured or sold directly to end consumers through non-touristic restaurants or shops meeting conditions specified by a Minister of Finance decision.

Sanitation, water purification, desalination, or distribution services, excluding bottled water.

Natural gas and butane gas (LPG).



Natural materials, including mining and quarrying products in their natural state, excluding crude oil.

Raw gold and raw silver.

Production, transmission, sale, or distribution of electricity.

Residues and waste from food processing and paper waste.

Prepared animal feed and supplements for birds, fish, and livestock, excluding feed for cats, dogs, and ornamental fish.

Bagasse, paper pulp, newspaper, printing, and writing paper.

Notebooks, accounting books, educational books, newspapers, and magazines.

Postal and financial stamps.

Sale and rental of vacant land, agricultural land, buildings, and residential or non-residential units.

Circulating banknotes and coins, commemorative coins, and raw coin blanks.

Ocean-going vessels, corresponding to the items listed below in the Harmonized Customs Tariff:

- Item 1: 89011010
- Item 2: 89012010
- Item 3: 89013010
- Item 4: 89019010
- Item 5: 89020030

Civil aircraft, their engines, parts, components, spare parts, and necessary equipment for use, as well as services provided to such aircraft within the customs area, whether imported or local, including leasing or renting such aircraft, in accordance with the provisions of the Civil Aircraft Trade Agreement issued under Presidential Decree No. 414 of 1983. VAT on aircraft leasing or rental services not collected prior to this law's effective date shall be exempt.



Wheelchairs and their parts, prosthetic limbs and components, hearing aids and components, devices worn, carried, or implanted to compensate for disability, dialysis machines and supplies including artificial kidney filters, incubators, vaccines, blood and derivatives, blood collection bags, and family planning tools.

Banking operations exclusively conducted by banks under the law.

Buying and selling currency through banks and exchange companies.

Banking postal savings services.

Non-banking financial services supervised by the Financial Regulatory Authority.

Insurance and reinsurance services.

Education, training, and scientific research services.

Health services, excluding cosmetic or weight-loss procedures not for medical purposes.

Land passenger transport, including taxi services, excluding tourist transport, inter-governorate air-conditioned transport, and private car rental.

Non-touristic water transport of persons and air transport of persons.

Services for constructing and maintaining places of worship, including free services provided by places of worship.

Free broadcasting services via radio, television, or any other medium.

Land-based internet services (exempt for one year from the law's effective date).

Library services provided by public libraries or those affiliated with educational, research, or cultural institutions.

Museum services determined by Ministerial decision based on the recommendation of the competent minister.

Visual arts, literary and artistic composition and publishing in all its forms.

Agricultural cultivation, planting, care, harvesting, and provision of labor.



Membership fees for unions and entities subject to the Sports Entities Law, including sports clubs and youth centers supervised by the Ministry of Youth and Sports, as well as memberships for civil and social associations supervised by the Ministry of Social Solidarity.

Funeral preparation, transport, and burial services.

Waste obtained from garbage recycling.

Talking devices for the visually impaired, Braille devices, software, and educational tools for the visually impaired.

(a) Medications.

(b) Substances used in drug production, as determined by a decision from the Egyptian Drug Authority.

Educational services provided by schools, institutes, colleges, and universities offering curricula of a specialized (international) nature.

Advertisements for charitable donations for medical treatment and care in non-profit private hospitals and government institutes.

Services provided by the Suez Canal Authority for transiting ships, including transit fees; VAT on such services not collected before the law's effective date shall be exempt.

