# Translation of

Law No. 6 of 2025, Concerning Certain Tax Incentives and Facilitations for Projects Whose Annual Turnover Does Not Exceed EGP 20 Million

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ترجمة القانون رقم ٦ لسنة ٢٠٢٥ بشأن
بعض الحوافز والتيسيرات الضريبية
للمشروعات التي لا يتجاوز حجم أعمالها
السنوي ٢٠ مليون جنيه مصري

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9 November 2026

ANDERSEN

## Law No. 6 of 2025, Concerning Certain Tax Incentives and Facilitations for Projects Whose Annual Turnover Does Not Exceed EGP 20 Million.

In the name of the people: President of the republic

The House of Representatives has enacted the following law, which we hereby promulgate:

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### Preamble

In the Name of the People

The President of the Republic

The House of Representatives has enacted the following Law, which we hereby promulgate:

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### Article (1):

For the purposes of applying the provisions of this Law, the following words and expressions shall have the meanings assigned to each of them below:

- Projects Subject to the Provisions of this Law: Projects whose annual turnover does not exceed twenty million Egyptian pounds and which apply to benefit from the provisions of this Law, including professional activities, whether registered for tax purposes on the date this Law enters into force or not.
- The Authority: The Egyptian Tax Authority.
- Tax Law: The Income Tax Law or the Value Added Tax Law.

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### Article (2):

Without prejudice to the rules and procedures stipulated in the Tax Law, the turnover of a project subject to the provisions of this Law shall be determined in accordance with any of the following criteria:



Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
eg.Andersen.com
email info@eg.Andersen.com

- Data from the most recent final tax assessment of a project registered with the Authority on the date this Law enters into force.
- Data from the most recent tax return submitted by a project registered with the Authority that has not been assessed for tax purposes as of the date this Law enters into force.
- Data from the tax return submitted by a project that registers for tax purposes after the date this Law enters into force.
- Data available through the electronic invoicing or electronic receipt system.

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## Article (3):

To benefit from the tax incentives and facilitations stipulated in this Law, the following conditions must be satisfied:

- Compliance with the obligation to submit the tax returns stipulated in Article (12) of this Law within the statutory deadlines.
- Enrollment in the Authority's electronic systems, including the electronic invoicing or electronic receipt system, in accordance with the phases of mandatory implementation determined by a decision issued by the Head of the Authority, and issuance of the prescribed invoices or receipts.

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## Article (4):

The provisions of this Law shall not apply to the following cases:

- Professional consultancy activities deriving at least ninety percent (90%) of their annual turnover from providing professional consultancy services to one or two persons.
- Projects that undertake any act or conduct with the intention of improperly falling within the scope of this Law, including the division or fragmentation of an existing activity without economic justification. The burden of proving such conduct shall rest with the Authority. The Minister of Finance may, by a decision, exempt certain activities from the application of Item (1) of this Article.

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Maher Milad Iskander & Co.
46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
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email info@eg.Andersen.com

## Article (5):

Projects subject to the provisions of this Law may not withdraw their applications to benefit from its provisions before the lapse of five years commencing on the day following the submission of the application for such benefits.

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## Article (6):

In matters for which no specific provision is stipulated in this Law, the provisions of the Tax Law or the Unified Tax Procedures Law promulgated by Law No. 206 of 2020 shall apply, as the case may be.

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# Chapter Two – Tax Incentives

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## Article (7):

Projects subject to the provisions of this Law shall be exempt from the State Financial Resources Development Fee, Stamp Tax, and notarization and registration fees applicable to contracts for the establishment of companies and enterprises, credit facility agreements, mortgage agreements related to their activities, and other guarantees provided by such projects to obtain financing.

Contracts for the registration of land required for the establishment of such projects shall also be exempt from the aforementioned taxes and fees.

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## Article (8):

Capital gains arising from the disposal of fixed assets, machinery, or production equipment of projects subject to the provisions of this Law shall be exempt from the tax payable on such gains.

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## Article (9):

Profit distributions arising from the activities of projects subject to the provisions of this Law shall not be subject to the tax imposed on such distributions under the law governing income tax.

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## Article (10):

The income tax payable by projects subject to the provisions of this Law shall be determined as follows:

- (0.4%) of turnover for projects whose annual turnover is less than EGP 500,000.
- 2. (0.5%) of turnover for projects whose annual turnover is EGP 500,000 or more but less than EGP 2 million.
- (0.75%) of turnover for projects whose annual turnover is EGP 2 million or more but less than EGP 3 million.
- (1%) of turnover for projects whose annual turnover is EGP 3 million or more but less than EGP 10 million.
- (1.5%) of turnover for projects whose annual turnover is EGP 10 million or more but does not exceed EGP 20 million.

Where a project's annual turnover exceeds EGP 20 million in any year during the five-year period commencing from the date of its application to benefit from the provisions of this Law, by a percentage not exceeding twenty percent (20%), and such excess occurs only once, the project shall continue to benefit from the provisions of this Law at the tax rate prescribed in Item (5) of this Article.

However, if the project's annual turnover exceeds the aforementioned percentage or such excess occurs more than once during the said period, the project shall cease to benefit from the provisions of this Law as of the following year.

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## Chapter Three – Tax Facilitations

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## Article (11):

Projects subject to the provisions of this Law shall not be subject to the withholding tax system or the advance payment system on account of tax stipulated in the Income Tax Law promulgated by Law No. 91 of 2005.

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46 el Thawra Street Heliopolis, Cairo, Egypt | 557-580-579 | t +2(02)22911276 f +2(02)22911349
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email info@eg.Andersen.com

## Article (12):

Projects subject to the provisions of this Law shall have a separate annual tax return form for their commercial, industrial, or professional activities. The form shall be prescribed by a decision issued by the Minister of Finance upon the recommendation of the Head of the

Authority and shall be submitted within the same deadlines stipulated in the aforementioned Unified Tax Procedures Law.

As for the Value Added Tax (VAT) return, it shall be submitted every three months using the form designated for this purpose, during the month following the end of the relevant period, accompanied by payment of the tax due.

With respect to tax on salaries and other similar remuneration, the obligations of projects subject to the provisions of this Law shall be limited to submitting the annual tax reconciliation return stipulated in the aforementioned Unified Tax Procedures Law, accompanied by payment of the tax due.

Tax returns submitted by projects subject to the provisions of this Law shall be subject to tax examination after the lapse of five years from the date of their application to benefit from the provisions of this Law, in respect of both Income Tax and Value Added Tax.

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## Article (13):

Projects subject to the provisions of this Law shall be exempt from the obligation to maintain the records, books, and documents stipulated in the aforementioned Unified Tax Procedures Law.

Such projects shall, however, comply with the simplified systems for records, books, documents, and procedures prescribed by a decision issued by the Minister of Finance upon the recommendation of the Head of the Authority.

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## Article (14):

The Minister of Finance shall issue the decisions necessary for the implementation of the provisions of this Law within one month from the date on which it enters into force.

## Article (15):

Articles (85), (86), (87), (93), (94), (95), (96), (97), (98), and (99) of the Micro, Small and Medium Enterprises Development Law promulgated by Law No. 152 of 2020 are hereby repealed.

## Article (16):

This Law shall be published in the Official Gazette and shall enter into force on the first day of the month following the date of its publication.

This Law shall be affixed with the Seal of the State and shall be enforced as one of its laws.



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