

Ministry of Finance  
Egyptian Tax Authority  
Human Resources Sector  
Central Department of  
Skill Management & Development  
General Department of Translation



# Executive Regulations of Value Added Tax Law No. (67) OF 2016

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***Arab Republic of Egypt***

***Ministry of Finance  
Decree No. 66 of 2017  
Promulgating the***

***Executive Regulations of  
Value Added Tax Law No. 67 of 2016***

**Ministry of Finance**  
**Decree No. 66 of 2017**  
**Promulgating the Executive Regulations of**  
**Value Added Tax Law No. 67 of 2016**

**The Minister of Finance**

After reviewing:-

- Law No. 11 of 1940 on the Sale and Mortgage of Commercial Enterprises,
- Civil Law No. 131 of 1948,
- Accounting Practicing Law No. 133 of 1951,
- Administrative Seizure Law No. 308 of 1955,
- Commercial Sales Law No. 100 of 1957,
- Law No. 204 of 1957 on the Exemption of Armament Contracts from Taxes, Dues and Financial Provisions,
- Customs Law No. 66 of 1963,
- Law No. 92 of 1964 on Tobacco Smuggling,
- Code of Civil and Commercial Procedures No. 13 of 1968,
- Law No. 49 of 1977 on Lease and Sale of Buildings and Relationship between Landlords and Tenants,
- Stamp Duty Law No. 111 of 1980,
- Law No. 159 of 1981 on the Joint Stock Companies, Partnerships Limited by Shares & Limited Liability Companies,
- Law No. 186 of 1986 on Customs Exemptions,
- Law No. 8 of 1997 on Investment Guarantees and Incentives,
- Law No. 89 of 1998 on Tenders and Auctions,
- Trade Law No. 17 of 1999,
- Law No. 88 of 2003 on the Central Bank, Banking Sector and Monetary System,
- Law No. 15 of 2004 on E-signature and Establishment of the Information Technology Industry Development Authority (ITIDA),
- Income Tax Law no. 91 of 2005,
- Law No. 10 of 2009 on the regulation of Non-Banking Financial Markets and Instruments,
- Value Added Law No. 67 of 2016,
- Decree No. 1367 of 1998 of the Minister of Finance promulgating the Executive Regulations of the Tender and Auction Law,
- Decree No. 749 of 2001 of the Minister of Finance promulgating the Executive Regulations of the General Sales Tax (GST) Law no. 11 of 1991,
- Decree No. 861 of 2005 of the Minister of Finance promulgating the Executive Regulations of Customs Exemptions Law,
- And upon the recommendations of the State Council,

DECIDED

**CLAUSE I**

Value Added Tax (VAT) Law No. 67 of 2016 shall be governed by the provisions of the attached Executive Regulations.

## **CLAUSE II**

Executive Regulations of the General Sales Tax (GST) Law issued by Minister of Finance's Decree no. 749 of 2001 shall be repealed. The provisions of Chapter 7 (bis) of GST Executive Regulations shall be applicable during the period specified in Article (2) of the VAT Law No. 67 of 2016. After the elapse of such period, unresolved appeals shall be referred to committees stated in VAT Law.

## **CLAUSE III**

In application of the provisions of Article (4) of VAT Law No. 67 of 2016, registrants shall keep their registration numbers received under the provisions of GST Law if:

1. Their total sales of taxable or exempted goods and services reached and/or exceeded registration threshold stated in VAT Law;
2. Registrant is a producer and/or an importer of goods listed in Table (1) attached to GST Law and such goods are enumerated in the Table attached to VAT Law regardless of size of transactions;
3. Registrant is an importer of goods taxable to VAT regardless of size of transactions. Registrant shall pay their dues of GST which had not been paid at the application date of VAT Law, and shall keep books and records in accordance with the following terms and conditions:
  - a) The GST which has not been payable yet shall be paid to the Egyptian Tax Authority (ETA) using the relevant forms according to the provisions of GST Law with same deadlines and procedures stated in VAT Law.
  - b) Registrant shall continue to issue tax invoices, collecting and paying tax to ETA along with their tax returns.
  - c) Registrant shall keep books, records and documents for five years as of the application date of VAT Law.
  - d) Registrant shall fill and submit data update form (No. 6 VAT) clarifying their latest status to the tax district office wherein they are registered.
  - e) Registrant shall keep same registration number received under GST Law but shall replace registration certificate.

## **CLAUSE IV**

In application of Article (5) of VAT Law No. 67 of 2016, persons willing to remain registered shall submit relevant request to the tax district office wherein they are registered within sixty (60) days as of application of the provisions of VAT Law. Registrants who deregistered shall:

1. Submit relevant GST registration certificate;
2. Abstain from presenting themselves by any means as registrants as of the application date of the provisions of VAT Law;
3. File the final tax return using form (No. 122 VAT) within thirty (30) days as of the application date of the provisions of VAT Law;
4. Submit an inventory list using form (No. 123 VAT) within thirty (30) days as of the application date of the provisions of VAT Law;
5. Pay their dues within six (6) months as of the application date of the provisions of VAT Law; and
6. Keep books, records and documents relevant to the three (3) years prior to the application of VAT Law and for five (5) years as of the application date of the provisions of VAT Law.

**CLAUSE V**

In application of the provisions of Article (6) of VAT Law, the following terms and conditions shall be taken into consideration:

1. Keep regular accounting books and records;
2. Maintain original copies of tax invoices, certificates of customs procedures, or payment receipts of GST at the Customs House;
3. Declare inputs in tax returns filed by registrants covering periods in which purchases occurred. As for tax paid on machines, equipment as well as parts and spare parts thereof, books and records shall reflect tax paid upon purchase in addition to the remaining balance after excluding tax deducted in the monthly tax returns.
4. General sales tax (GST) is not included in the cost.

As for sales' returns, only tax previously paid on the returned goods shall be deducted.

Table Tax shall be adjusted according to instructions issued by ETA in the following cases:

- a) A commodity or a service is subject to Table Tax.
- b) Increasing the tax rate imposed on the Table commodities and services.

In all cases, item (3) of Article (30) of VAT Law shall not be applied to the credit balance stated in this article.

**CLAUSE VI**

In application of the provisions of Article (7) of VAT Law, "adapting position" shall mean taking necessary actions to address any difference resulting from applying the provisions of VAT Law in terms of adapting the legal, accounting or organizational positions including amending manual and/or electronic entry systems particularly if:

1. Rate of VAT or Table Tax has been changed;
2. Registrant is subject to VAT or Table Tax for the first time;
3. Tax credit is carried out for indirect inputs;
4. Registrant is subject to Table Tax as well as VAT.

Registrants shall, upon audit, present all documents as evidence of adapting their position to VAT Law proving that the differences of VAT and Table Tax which were legally payable have been due to adapting the position thereof.

In case it is proved that the registrant has the right to be exempted from additional tax as per the provision of Article (7) of VAT Law, the relevant tax district office shall issue a decree stating such exemption on the form issued by ETA Commissioner.

**CLAUSE VII**

Without prejudice to the provisions of VAT Law No. 67 of 2016, the following items shall be taken into consideration:

1. Substantive provisions of GST Law shall be applied to the incidence of sale of goods or provision of services that started and ended prior to the application date of VAT Law No. 67 of 2016.
2. Substantive provisions of VAT Law shall be applied to the incidence of sale of goods or provision of services that started prior to the application date of VAT Law and ended after such date.
3. Procedural provisions stipulated by VAT Law shall be applied to the actions that should be taken after application date of VAT Law.

**CLAUSE VIII**

This Decree shall be published in the official Gazette and shall come into force as of the following day of publication.

*Issued on 07/03/2017*

**Minister of Finance  
Amr Elgarhy**

## EXECUTIVE REGULATIONS OF VALUE ADDED TAX (VAT) LAW

### SECTION I DEFINITIONS

#### (ARTICLE 1)

Upon application of the provisions herein, the following terms and phrases shall have the meanings assigned hereunder:

<b>Law</b>	:	Value Added Tax (VAT) Law
<b>Regulations</b>	:	Executive Regulations of VAT Law
<b>Table</b>	:	Table attached to VAT Law
<b>Person</b>	:	Natural or judicial person
<b>Tax District Office Concerned</b>	:	District office that the taxable person conducts within its jurisdiction or that issued the registration certificate. In case the taxable person has multiple enterprises and branches, relevant district office shall be the one which the headquarters of the taxable person is located within its jurisdiction as per their trade register. ETA Commissioner may, by virtue of a decree, appoint the district office concerned with certain activities and/or certain taxable persons.
<b>Indirect inputs</b>	:	Indirect production and functional costs, distribution costs, and Selling, General and Administrative (SG&A) expenses.
<b>Imported Service</b>	:	Services provided to a recipient in Egypt from a person abroad whether a non-resident with no permanent establishment in Egypt or a resident but provide such service from abroad.
<b>Exported Service</b>	:	Service provided to a recipient abroad from a person in Egypt whether a resident with a permanent establishment in Egypt or a non-resident but provide such service from Egypt.
<b>Electronic distribution platform<sup>(1)</sup></b>	:	A digital interface like a website, online portal, online store or market that allows communication between goods supplier or service provider on one side and goods beneficiary or service recipient through which goods are sold and services are rendered.

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<sup>(1)</sup> The Definition of "Electronic Distribution Platform" was added by Ministerial Decree No. 24 of 2023 - Egyptian Gazette.

**SECTION II**  
**VALUE ADDED TAX (VAT) LAW**  
**CHAPTER I**  
**TAX APPLICATION AND CHARGEABILITY**

**(ARTICLE 2)**

In application of the provisions of VAT Law, the following shall not be deemed taxable sale:

1. Transfer of commodity ownership after death whether via inheritance or bequest.
2. The production made by a person by themselves for themselves in a manner that the purpose of the production is neither to reproduce another commodity or service for sale to others nor to sell and/or deal in such production from one stage to another.

**(ARTICLE 3)**

In application of the provision of VAT Law, the following shall not be deemed taxable services:

1. Works performed by workers to employer for a pay according to labor or employment contract.
2. Works carried out by joint partners in a partnership according to the relevant articles of association.
3. Works carried out by representation offices, communication offices, or technical and scientific studies offices established according to the abovementioned Law of the Joint Stock Companies, Partnerships Limited by Shares & Limited liability Companies for relevant affiliated companies abroad within the amounts received by such offices to cover the costs of their operations.
4. Public services conducted by governmental bodies.
5. Lending processes carried out by the holding/ mother companies and relevant affiliated companies or intra-group lending.
6. Trading in stocks and other securities.

**(ARTICLE 4)**

In application of the provisions of the first paragraph of Article (3) of VAT Law, the following shall be taken into consideration:

1. Standard VAT rate on goods and services shall be (13%) until 30.06.2017 and shall be (14%) as of 01.07.2017.
2. With the exception of item (1) of this article, tax rate shall be (5%) on machines and equipment imported or purchased from local market in case such machines or equipment are only used for a commodity or service production as per a decree issued by the Minister of Finance except for buses and vehicles which shall be subject to the standard rate of VAT, Table Tax or both as the case may be without prejudice to the registrant's entitlement to tax refund according to provision of item (4) of Article (30) of VAT Law.



3. Machines and equipment shall include all production lines with all related contents even if supplied in parts. In case such machines and equipment are only used for commodity or service production, they shall be subject to the standard rate of VAT, Table Tax or both as the case maybe. Necessary adjustments or refund shall be made in case such machines and equipment are used for production of goods or provision of services.
4. Parts and spare parts of machines and equipment shall be subject to the standard VAT rate.

**(ARTICLE 5)**

In application of paragraph (2) of Article (3) of VAT Law, goods and services exported shall be zero rated in accordance with the following terms and conditions:

*First: Exported Goods*

Exporter shall upon exportation of a commodity follow stipulated Customs procedures, and shall, for five years, keep all transaction-related documents as well as documents proving that exportation is completed including export certificate issued by Customs House concerned or any similar official certificate issued by the Customs Authority.

*Second: Exported Services*

The transaction between service provider in Egypt and service recipient abroad is proved by virtue of service provision contract or via any other means in harmony with the service nature where the following documents are provided:

1. A carbon or electronic copy of tax invoice including detailed data on the service particularly service type and value as well as name and domicile address of both service provider and service recipient.
2. A copy of the document proving the payment of service amount via bank transfer from abroad to one of the banks supervised by the Central Bank of Egypt (CBE) as per the regulations stipulated by the CBE. In case the bank transfer is not possible, any other payment method or adjustments stated in Article (35) of these regulations shall be deemed acceptable.

**(ARTICLE 6)**

In application of the provisions of Article (4) of VAT Law, taxable persons obliged to collect, declare and pay the tax to ETA are the following:

1. Producers;
2. Importers;
3. Service providers;
4. Distribution agents;
5. Exporters;
6. Traders except for dealers in goods and services subject only to Table Tax;
7. Representative or agent of a non-resident;<sup>(2)</sup>
8. Non-resident registered according to streamlined supplier registration system.<sup>(3)</sup>

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<sup>(2)</sup> Item 7 of article 6 was replaced by Ministerial Decree No. 24 of 2023 - Egyptian Gazette -Edition 9 cont. (B) on Jan.11, 2023.

<sup>(3)</sup> Item 8 of article 6 was added by Ministerial Decree No. 24 of 2023 - Egyptian Gazette -Edition 9 cont. (B) on Jan.11, 2023.

**(ARTICLE 7)**

In application of the provisions of Article (5) of VAT Law, tax shall be due in the following cases:

**1. Sale of goods in local market:**

Upon sale incidence of a commodity by a taxable person in all stages of the transaction.

**2. Local services:**

Upon provision of local service by a taxable person in all stages of the transaction.

**3. Imported goods:**<sup>(4)</sup>

Upon Customs release of taxable commodity regardless of purpose of import whether import for trading, personal consumption or private use in accordance with related stipulated procedures.

Also, tax shall be payable upon all trading stages within Egypt after release.

Tax on imported goods shall not be collectable upon customs release if proved collected by non-resident registrant and if tax assessment base of value collected by non-resident registrant is less than value set forth in item (7) of article (10) of VAT Law, customs outlet shall collect difference in tax or other taxes and fees due upon customs release.

**4. Imported services:**<sup>(5)</sup>

Upon benefiting from service in Egypt whether provided by a non-resident in Egypt or their representative or via electronic or any other means or rendered by a resident in Egypt but render such service from outside Egypt.

If rendering services does not require physical presence of renderer in a certain place, then Egypt shall be deemed such place from which service is provided in any of the following cases:

A. If service recipient is not registered and has residence in Egypt.

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<sup>(4)</sup> Item (3) of article (7) was replaced by Ministerial Decree No. 24 of 2023 and used to read as follows:

**3. Imported goods:**

Upon Customs release of taxable commodity regardless of purpose of import whether import for trading, personal consumption or private use in accordance with related stipulated procedures.

Also, tax shall be due in all stages of transaction inside the country after Customs clearance.

<sup>(5)</sup> Item (4) of article (7) was replaced by Ministerial Decree No. 24 of 2023 and used to read as follows:

**4. Imported services:**

Upon benefiting from service in Egypt whether provided by a non-resident in Egypt or their representative or via electronic or any other means.

5. The taxable person utilizes the commodity or service as personal consumption or private use.

Holding/ parent companies distributing costs of taxable services among related affiliate companies receiving such services whether the services are provided by the holding companies or by third parties for consideration shall be deemed a private use in application of the second paragraph of Article (5) of VAT Law.

In application of the provisions of this item, residence shall be defined based on data and information received by the electronic distribution platform within the framework of business as usual thereof including:

- Residence data (like address or place of residence of service recipient as stated in the invoice).
  - Payment data (like credit card data including credit card number and bank account data).
  - Electronic access data (like state mobile or land telephone code, SIM, IP among other data).
  - If such data conflict with each other, then defining residence by at least two matching or complementing data to validate residence shall be enough.
- B. If service recipient is taxable registrant in Egypt.
- C. If service recipient is a governmental or non-governmental entity, legal person or legal entity recognized in Egypt be it registrant or non- registrant.

**(Article 7 bis)<sup>(6)</sup>**

If service referred to in item (4) of article (7) herein was rendered through the electronic distribution portal, then such portal shall not be responsible for tax collection and remittance to ETA if the following is applicable:

- A. Presence of a written agreement between service provider and such portal provided that such person is responsible for tax payment instead of portal.
- B. Invoice or receipt issued to non-registrant person indicates that person who makes transactions as to service on such portal is the same person who provides such service stating type thereof.
- C. General terms and conditions that regulates business on portal stipulates for delivery of service to recipient and does have the authority to collect tax from those who render service through it provided that such terms and conditions do not explicitly or implicitly indicate that portal plays a role in fulfillment of service delivery to recipient.

**(Article 7 bis 1)<sup>(7)</sup>**

Without prejudice to provisions of item (4) of article 7 herein, electronic distribution portal shall not be responsible for tax due in excess for tax declared and paid by service provider if portal has already collected and remitted tax based on data validly submitted by service provider or any third party and then data prove to be erroneous without previous knowledge by portal as to such error and would not have known about such error.

**(ARTICLE 8)**

**VAT shall not be due on:**

1. Goods in transit: provided that transfer of such goods shall be controlled by the Customs Authority where procedures, conditions, guarantees and applicable controlling systems of Customs duty are observed.
2. Transfer of goods from one production phase to another among production lines within or outside the plant without prejudice to tax due on services provided for same goods.
3. The transfer of goods from place of production or commercial warehouses to distribution outlets possessed by same registrant, without prejudice to the tax due on service provided for same commodity or service.

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<sup>(6)</sup> Article (7 bis) was added by Ministerial Decree No. 24 of 2023.

<sup>(7)</sup> Article (7 bis 1) was added by Ministerial Decree No. 24 of 2023.

4. Provision of services in phases by same unit or establishment obligated to provide such services.

ETA Commissioner shall issue a decree on the rules of procedure that should be followed in application of items (2), (3), and (4) of this article.

**(ARTICLE 9)<sup>(8)</sup>**

In application of the provisions of articles (6) and (7) of VAT Law, the following shall be taken into consideration:

***First:*** Foreign imports made by projects of free zones, cities and markets and economic zones of special nature including goods and services required to conduct licensed within such places shall be zero-rated in accordance with applicable rules of customs in this respect except for passenger vehicles.

***Second:*** Local imports by projects of free zones, cities and markets and economic zones of special nature including goods and services required to conduct licensed within such places shall be zero rated except for passenger vehicles, provided that the registrant seller submit the following documents:

1. A copy of invoice of goods exported to the free zones listing, including but not limited to, (items, quantity and value) or a copy of service contract approved by the General Authority of Free Zones and Investments (GAFI) or General Authority for the Economic Zone.
2. A letter issued by GAFI or General Authority for Economic Zone stamped by the seal of the republic confirming that goods and services stated in item (1) are necessary to conduct the licensed of the project within such zones.
3. A copy of export certificate (Form No. 13 Customs) including detailed data about the nature of goods exported confirming completion of export during the tax period. Such copy shall be approved by Customs Authority stamped with the seal of the republic.

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<sup>(8)</sup> Article (9) was replaced by Ministerial Decree No. 24 of 2023 and used to read as follows:

In application of the provisions of articles (6) and (7) of VAT Law, the following shall be taken into consideration:

First: Foreign imports made by projects of free zones, cities and markets including goods and services required to conduct licensed within such places shall be zero-rated in accordance with applicable rules of customs in this respect except for passenger vehicles.

Second: Local imports by projects of free zones, cities and markets including goods and services required to conduct licensed within such places shall be zero rated except for passenger vehicles, provided that the registrant seller submit the following documents:

1. A copy of invoice of goods exported to the free zones listing, including but not limited to, (items, quantity and value) or a copy of service contract approved by the General Authority of Free Zones and Investments (GAFI).
2. A letter issued by GAFI stamped by the seal of the republic confirming that goods and services stated in item (1) are necessary to conduct the licensed of the project within the free zone.
3. A copy of export certificate (Form No. 13 Customs) including detailed data about the nature of goods exported confirming completion of export during the tax period. Such copy shall be approved by Customs Authority stamped with the seal of the republic.

Third: VAT shall be due on taxable goods or services imported for local consumption inside free zones, cities and markets upon customs clearance.

Imports for trading purposes inside free zones which include a whole city shall be considered local consumption. In case such goods were transferred from the free zone, cities and markets to the domestic market without changing their characteristics, VAT shall only be assessed on the value of the due customs duties.

***Third***: VAT shall be due on taxable goods or services imported for local consumption inside free zones, cities and markets and economic zones of special nature upon customs clearance.

Imports for trading purposes inside free zones which include a whole city shall be considered local consumption. In case such goods were transferred from the free zone, cities and markets and economic zones of special nature to the domestic market without changing their characteristics, VAT shall only be assessed on the value of the due customs duties.

**(ARTICLE 10)**

In application of the provision of Article (8) of VAT Law, ceasing operations shall mean full termination of related to selling taxable goods or services, liquidation or concession of the to a third party (successor).

In such a case, registrant shall send a written notification to the Head of relevant tax office within a period not exceeding thirty (30) days as of date of ceasing operations, liquidation or concession to a third party as the case may be. VAT and Table Tax shall be due on goods or services possessed by the registrant upon disposal.

The aforementioned provisions shall not apply in case the successor is already a registrant or applied to be registered within said period.

**CHAPTER II  
VALUE**

**(ARTICLE 11)**

In application of the provisions of article (10) of VAT Law, the following shall be taken into consideration:

1. Value to be declared taken as the basis for tax assessment on sales of taxable goods or services, even imported, shall be the value actually paid or to payable by any means of payment in consideration for taxable goods or services listed in the tax invoice issued by the seller to an independent buyer according to natural course of events.

Value payable in case of selling goods or provision of services for free or at a lesser price shall be assessed according to market forces and transaction conditions.

Common commercial discounts shall be accepted in case the sale is between a registered seller and an independent buyer where the tax base shall be the already paid value. In case the discount is neither conditional nor listed in the tax invoice, the discount shall not be accepted.

2. In application of the provisions of item (4) of article (10) of VAT Law on bartering, the value of a commodity or a service taken as the basis for VAT assessment shall be the price of such commodity or service according to market forces and transaction conditions.
3. In application of the provisions of item (6) of article (10) of VAT Law on sales by installment, the value taken as the basis for tax assessment shall include the interests of installment sales that exceed credit and debit rates declared by the Central Bank of Egypt (CBE) at the selling date in accordance with the following rules and procedures:
  - a) Installment sale contract shall be made of two original copies; one of which shall be kept by the taxable seller. Such contract shall include the basic details of contracting particularly registrant's name, address and registration number; buyer's name and address as well as characteristics and sale price of commodity sold declaring cash and credit sale as well as installment period, amount, due date, and conditions.
  - b) Installment selling price must exceed the value of the commodity according to market forces and transaction conditions.
  - c) Installment interest value must be separated from commodity value stated in the tax invoice.
  - d) One of the main contracting conditions must be agreement on paying due amount by installment according to nature of sold items and contracting conditions.
  - e) Trader must keep regular books and records.
4. In application of the provisions of item (7) of the Executive Regulations, the value of service shall be determined based on the total cost.
5. In application of the provisions of item (7) of Article 10 of VAT Law, the tax base of foreign imported goods which are fully exempted from Customs duties shall be the value taken as the basis for the assessment of Customs duties in addition to other taxes and dues, except for the exempted Customs duties.

In case of partial exemption from or reducing Customs duties, the tax base shall be the value taken as the basis for the assessment of Customs duties in addition to the reduced Customs duties as well as other taxes and dues without prejudice to the reciprocity principle set forth in international agreements.

In all cases, the Customs Authority shall collect due tax levied on taxable services including freight paid on imported goods whether such goods are taxable or exempted with same applicable rate legally levied on service.

In application of the provisions of same item, the following are the commercial reasons for reducing due tax:

- a) Devaluation of the market value of goods and services due to availability of alternatives with advanced mechanisms and techniques, or price reduction of such goods or services at the international level.
- b) Obsolete goods and services.
- c) Damaged and defected goods.

All the above mentioned items are applicable provided that supportive documents declaring the buyer's name, registration number (if registered), Tax Identification Number (TIN) and national ID number.

In all cases, such goods must not be previously used by the registrant.

6. In application of the provisions of item (8) of article (10) of VAT Law and upon the entry of goods manufactured in free zones into domestic markets, tax due on such goods shall be assessed according to the bases applied to collecting Customs duties, taking in consideration that tax base shall be the total value of such goods in addition to due Customs duties as well as other levied taxes and dues.
7. In application of the provisions of item (9) of Article (10) of VAT Law, diamond and other stones shall be deemed gemstones as stated in the notes and provisions of items stipulated in sections and chapters of Customs Tariff Table.

Calculating manufacturing value of platinum, gold and silver jewelry as well as gemstones in the application of the provisions of that item shall be the difference between the announced price per gram and the value stated in the relevant invoice.

ETA Commissioner may, in collaboration with the two sections of gold and silver jewelry traders and manufacturers, set procedural rules in line with the nature of such for collecting due tax on platinum, gold and silver jewelry as well as gemstones.

8. In application of the provisions of item (11) of Article (10) of VAT Law, the following conditions shall be taken into consideration:
  - a) Taxable person is the one who buys the commodity, provided that such commodity is new and has not been previously used.
  - b) Domestic usage of such commodity by the taxable person is for a period less than two (2) years.
  - c) Commodity is sold by the taxable person.

Deduction rules stipulated in Article (22) of VAT Law shall not be applied as of the selling date in case total tax due on such commodity is not fully deducted upon the purchase of the new commodity.

In case terms and conditions stipulated in paragraph (1) of this item, tax base shall be total value of selling.

The provision of same item shall not be applied in the following cases:

- a) Selling used commodity in domestic markets.
- b) Imported goods whether used overseas or in free zones.
- c) Wastes and scraps.

9. In case transactions carried out between two registrants resulted in the adjustment, whether an increase or a decrease, of the value upon which the tax due has already been paid after filing the tax return, the following steps shall be followed:

**First:** In case the value has been adjusted by an increase, both seller and buyer shall report such adjustments in their tax returns during the month following such incidence as follows:

- a) Seller shall add the increase to the tax due to ETA by virtue of a credit note attached to the filed tax return.
- b) Buyer shall deduct the increase in the due tax on their sales considering such as tax on taxable inputs and sales previously charged.

**Second:** In case the value was adjusted by a decrease, both buyer and seller shall declare such decrease in their tax returns filed during the month following such incidence as follows:

- a) Seller shall deduct the decreased amount of the tax due from their sales declared in the relevant tax return.
- b) Buyers shall add the decreased amount of due tax by virtue of a credit note attached to their tax return, provided that the buyer has written evidence supporting the price decrease

Both credit and debit notes shall declare the seller's address and registration number as well as buyer's name, address, the serial number and date of the original tax invoice in addition to all necessary data related to price decrease or increase, decrease/increase amount, a breakdown of decreased/ increased tax, provided that credit/ debit note is dated and has a serial number.

In all cases, ETA has the right to assess the value of the taxable commodity or service based on all substantial criteria to assess such value according to market forces and transaction conditions as well as available evidence.

### **(ARTICLE 12)**

In application of the provisions of paragraph (2) of Article (11) of VAT Law, prices of contracts concluded prior to the coming into force of VAT Law and completely executed after the application date of VAT Law, including contracts in force, shall be amended. Such amendment shall be limited to the part of contract already completed after the coming into force of the Law.



Amending contract prices shall be with the same or amended tax burden on the application date of VAT Law without prejudice to the contracting conditions.

In case the contract awarding government bodies abstained from amending the aforementioned prices of contracts, the Ministry of Finance (MOF) shall deduct VAT and Table Tax from the accruals and/ or budgets of such government bodies.

The provisions of the first paragraph of this Article shall not apply to tourism contracts concluded prior to the application of VAT Law and executed only till the end of the contracted season, provided that taxable person shall submit an evidence proving the contracting prior to the application of the provisions of VAT Law within sixty (60) days as of application date of this Executive Regulations.

**CHAPTER III**  
**INVOICES, TAX RETURNS, NOTIFICATION, BOOKS, & RECORDS**

**(ARTICLE 13)**

**Repealed**<sup>(9)</sup>

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<sup>(9)</sup> Article (13) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 13)**

In application of the provisions of Article (12) of VAT Law, the registrant shall issue a paper or electronic tax invoice upon selling a taxable commodity or rendering a taxable service in accordance with the following rules of procedure:

1. Invoice must be made of an original and a copy where the original is delivered to the buyer and the copy shall be kept by the registrant.
2. Invoices must have numbers serialized according to issuance dates and free of any strikes or scratches.
3. Tax invoice must include the following data:
  - Serial number and issuance date of invoice.
  - Registrant's name, address and registration No.
  - Buyer's name, address, tax registration no, or national ID No. in case he does not have a tax registration No.
  - Description of the sold goods or services including item price, tax rate, due tax amount and the total amount of tax invoice.
4. Data of tax invoice shall be regularly and promptly recorded in the relevant log.

In case of cancelling the tax invoice, the registrant shall keep the original as well as all copies of the cancelled invoice.

The Minister of Finance may issue a decree amending such data, issue forms of tax invoices in conformity with the nature of some registrants, or set other rules for such invoices.

Productive cooperatives and productive families' cooperatives which buy production materials and sell such to their registered members including craftsmen, workshop owners, small plants, and producing families, shall issue a list attached to the selling invoice declaring that the production materials are purchased via a tax invoice issued by registered producers, importers or traders and that the cooperatives previously paid the due tax on such materials. The rate and amount of due tax are determined by virtue of a tax invoice.

Such list issued for the abovementioned members of the cooperatives shall be deemed as a supporting document to make the necessary deductions set forth in Article (22) of VAT Law.

**(ARTICLE 14)**

**Repealed**<sup>(10)</sup>

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<sup>(10)</sup> Article (14) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 14)**

In application of the provisions of Article (13) of VAT Law, the registrant shall keep books and records stipulated in the Trade Law No. (17) of 1999, as well as regular manual or electronic accounting books and records in which the registrant's transactions are regularly recorded:

1. Purchase Book: includes data of purchase invoices or Customs Procedure certificates.
2. Sales Book: includes data of tax invoices issued for registrant's sales of goods and services.
3. Sales' Returns book: includes data of sales and purchases' returns out of the data of debit and credit notes.
4. Exports book: includes data of export consignments including customs certificate number of export, export date, export harbor and destination.
5. Warehouse Book: includes the regular movement of raw material and finished product inventory.
6. General Journal: in which all commercial transactions are recorded including registrant's self-supplies; internally manufactured goods or rendered services for the activity purposes; payables; receivables as well as credit transactions conducted during the tax period.
7. Inventory Cycle Counting Book.
8. Tax Summary book: listing total taxable transactions (indicating the number of each book from which such total transactions are extracted). Such book shall include the following data:
  - a) A list of the total value of sales and purchases exclusive of tax.
  - b) Total tax charged on sales as well as goods or services for personal consumption or special usage in addition to other legal disposals for each tax period separately.
  - c) Total tax on deductible purchases (inputs).
  - d) Amount of adjustments based on credit and debit notes.
  - e) Tax that should be payable by the registrant for each tax period after deduction.

For producers and importers of goods and service subject to both VAT and Table Tax, another summary for Table Tax should be incorporate into the Tax Summary Book that includes the following:

- 1) Total amount of sales exclusive of VAT and Table Tax.
- 2) Total amount of Table Tax due on their sales as well as on goods or services for personal consumption or special usage in addition to other legal disposals for each tax period separately.
- 3) Table Tax that should be payable by registrant for each tax period.

Each registrant producing a commodity or rendering a service subject only to Table Tax shall keep the following books and records:

- 1) A book stating intermediary goods used in the production of goods and services subject to VAT and Table Tax.
- 2) A book used to record the description of goods and services produced as well as transactions.
- 3) A Table Tax Summary Book: which includes total transactions related to Table Tax; declaring the number of each book wherefrom the totals are extracted.

ETA Commissioner may for particular activities specify simplified books, records and invoices compatible with the nature of such activities.

The registrant who adopt streamlined regimes shall keep the following books and records:

- 1) Purchase book.
- 2) Daily receivables (sales book) stating total transactions related to Table Tax, and declaring the number of each book wherefrom totals are extracted.
- 3) Tax summary book.

In all cases, when the registrant uses IT systems in his business, electronic data and files of the IT system shall be acceptable as an alternative for such books that comply with rules by virtue of a decree issued by the minister or the person so authorized.

**(ARTICLE 15)**

**Repealed**<sup>(11)</sup>

**(ARTICLE 16)**

**Repealed**<sup>(12)</sup>

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<sup>(11)</sup> Article (15) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 15)**

Pages of all books and records stipulated in Article (14) hereof shall not include any spaces or writings in margins and footnotes.

Paper rolls of “cash register machines” or “electronic sales machines” related to the tax amount in case the registrant uses such machines shall be deemed acceptable. ETA Commissioner shall specify the rules and procedures ensuring regularity of keeping, controlling and reviewing such paper roll.

Taxpayer shall keep such books, records, copies of invoices as well as documented data related to the paper rolls of cash register machines and electronic sales machines for the five (5) years following the end of the fiscal year wherein the entry is made.

<sup>(12)</sup> Article (16) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 16)**

In application of the provisions of Article (14) of VAT Law, each registrant shall file to the relevant tax district offices a monthly tax return using (form No. 10 VAT) declaring the due VAT, Table Tax or both, as the case may be.

The tax return stated in the first paragraph herein shall be submitted within two (2) months following the elapse of each tax period associated with the payment of the due VAT, Table Tax or both, as the case may be, where the tax return of April shall be filed and due VAT, Table Tax or both, as the case may be, shall be paid on a date no later than the 15th of June.

Registrants shall file the monthly tax return even if they have not sold goods or provided services subject to VAT, Table Tax or both, as the case may be, during the tax period.

In case the deadline for filing the monthly tax return corresponds to a national holiday, the next working day shall be deemed a complementary for such tax period.

For some exporters or importers who export and/or import once or twice a year, ETA Commissioner or the person so authorized may agree on filing a tax return for only the month wherein export or import occurred in case such export or import was accompanied by a tax incidence during that period, without a need to file a monthly tax return.

**(ARTICLE 17)**<sup>(13)</sup>

In application of the provisions of Article (15) of VAT Law, the relevant district office may make necessary adjustments for the filed tax returns in case they are not compatible with any data or documents. The district tax office has the right to take necessary legal actions to collect the due VAT and Table Tax by virtue of the provisions of VAT Law taking into consideration the following cases:

1. The relevant tax office makes adjustments to the tax return and notifies the registrant of such adjustments during the first three years starting from the elapse of the legal period to file the tax return, additional tax shall be calculated from the date of elapsing such legal period for filing the tax return until the date of payment such tax.
2. The relevant tax office makes adjustments to the tax return after the elapse of the aforementioned three (3) years and the registrant pays the tax on due date specified in the notification, an additional tax shall be calculated only for the above-mentioned three-year period. In case the registrant fails to pay such due tax or paid after date specified in the notification, the additional tax shall be calculated for the three (3) years period in addition to period starting from notification date until the date of payment.

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<sup>(13)</sup> The last paragraph of Article 17 was repealed by Ministerial Decree No.286 of 2021 and used to read as follows:

The relevant tax office shall notify the registrant of any the adjustment as well as principles whereon such adjustments are based using (form No. 15 VAT) via certified mail or through any electronic means as per the Law of Electronic Signature or through any other written means by virtue of which ascertained knowledge is established.

## **CHAPTER IV REGISTRATION**

### **(ARTICLE 18)**

In application of the provisions of Article (16) of VAT Law, those hereunder mentioned shall do the following:

- a) Each producer or trader or provider of a taxable service whose total turnover, of taxable or exempted goods and services during the twelve months preceding the application date of the Law, reaches or exceeds five hundred thousand (500.000) Egyptian pounds shall fill and submit (Form No. 1VAT) to the competent tax office to register their name and personal data.

Every taxable person fulfills registration requirements at any fiscal year or a part of a year following the enforcement date of VAT Law shall apply to ETA to register their names no later than thirty (30) days after their turnover reaches the threshold.

- b) Each importer for the purpose of trading, exporter or distribution agent of taxable goods and services, regardless of their turnover, shall fill and submit (Form No. 1VAT) to the competent tax office in order to register their names and personal data.

In all cases, the competent tax office shall notify the taxable person that they are registered within fourteen (14) days following the application date for registration. Such person shall be subject to the provisions of VAT Law as of the registration date.

### **(ARTICLE 19)**

The following rules and procedures shall apply to registration of taxable persons:

1. The taxable person or their legal representative shall submit a registration application to the competent tax office.
2. The relevant tax office shall review the registration application in order to verify the completeness of the required data. In case the tax office found out that the data is incomplete, such tax office shall initially record such application and shall notify the taxable person via (Form No. 2 VAT) to complete data within the period set by the tax office in that notification.
3. The relevant tax office shall record the completed registration applications or the ones that will be completed in the log specifically prepared for such purpose.
4. ETA shall assign a registration number for the taxable persons and shall issue a registration certificate (Form No. 3 VAT) whereof the registrant shall be notified via (Form No. 4 VAT) in order to place such certificate in a visible location inside their enterprise.
5. The taxable persons who did not apply for registration shall be deemed registrants in accordance with paragraph (4) of Article (16) of VAT Law in case their sales reached the registration threshold.

Provisions of registration shall apply to such persons as of that date and relevant tax offices shall notify the taxable persons via the registration form.

**(ARTICLE 20)**

The registration provisions stipulated in Articles (18) and (19) of the Executive Regulations shall not apply to the following categories:

1. Producers, importers, service providers or traders whose activities are limited to exempted goods and services.
2. Traders whose activity is limited to goods and services that are subject only to Table Tax.
3. Nontaxable natural persons who do not sell goods or provide services and whose sales reached the registration threshold specified in Article (16) of the Law.

**(ARTICLE 21)<sup>(14)</sup>**

In application of provisions of article (17) of VAT law, the following rules and procedures shall apply registration of non-resident and non registrant in streamlined supplier registration system using ETA electronic portal:

1. Applying for registration using ETA electronic portal by non-resident and non-registrant or representative thereof using Form No. (1/12).
2. Registration application shall be reviewed to secure that such application includes all data required and in case of non- completion of such data, application shall be temporarily registered and notifying such non-resident and non-registrant via e-mail to provide incomplete data within time period defined in notification.
3. ETA shall register data complete and non complete applications in register specified for this purpose.
4. A registration number shall be assigned to non-resident and non-registrant and a registration certificate shall be issued (form No. 3 VAT) and such person shall be notified using Form No. (1/13 VAT).
5. For such non-residents and non registrants who did not apply for registration in the streamlined supplier registration system, such person shall be deemed registered in such system as of date of sales value thereof reach registration threshold and shall be registered in the referred to register and shall be notified of this by ETA using Form No. (1/13 VAT).

**(ARTICLE 22)**

In application of the provisions of Article (18) of the Law, the natural or juridical persons whose total sales of taxable or exempted goods and services do not reach the registration threshold specified by Law may apply to the relevant tax office to register their name and personal data via (form No. 1VAT) in accordance with the following rules and conditions:

1. Total transactions of the taxable person are no less than one hundred fifty thousand (150.000) Egyptian pounds during the twelve-month period preceding submitting the application or the paid-in capital is at least fifty thousand (50.000) Egyptian pounds.

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<sup>(14)</sup> Article (21) was replaced by Ministerial Decree No.286 of 2021 and used to read as follows:

In application of the provisions of Articles (17) and (32) of the Law, the appointment of a representative and/or an agent for a non-resident who is not registered in ETA shall be via a full or registered power of attorney endorsed by the Egyptian Embassy wherein the Principal resides, provided that the agent or the representative resides in Egypt and registered in ETA or has a TIN card.

2. Such person has fixed headquarters to conduct the registered business.
3. The taxable person has a valid tax card.

In such a case, registrants may apply for deregistration only after the elapse of twenty-four (24) months as of the registration date, unless the registrant permanently suspends the operations of business prior to such date and proves that case to ETA.

**(ARTICLE 23)**

**Repealed**<sup>(15)</sup>

**(ARTICLE 24)**

**Repealed**<sup>(16)</sup>

**(ARTICLE 25)**

In application of the provisions of Articles (8) and (21) of the Law, ETA Commissioner or any person so authorized may cancel registration in the following cases:

1. The registrant fails to fulfill one of the registration requirements prescribed in Articles (16) and (41) of VAT Law.
2. The registrant requests to be deregistered in accordance with the provisions of Article (18) of the Law.
3. ETA found evidence that the taxable person was registered based on untrue reasons.
4. The registrant suspends the operations of business in accordance with the provision of Article (8) of the Law; therefore, ETA Commissioner or any the person so authorized shall deregister the ceasing registrant as of the last day of the tax period wherein the registrant suspends the operations of business which is subject to VAT or Table Tax.

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<sup>(15)</sup> Article (23) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(Article 23)**

In application of the provisions of Article (19) of the Law, the following shall be taken into consideration:

1. Registration certificates shall be issued including data stated in the attached (form No. 3 VAT).
2. The registration certificates shall be approved by ETA Commissioner or the person so authorized and shall be stamped with the seal of the Republic.
3. Issued registration certificates shall be sent to the registrants attached to (form No. 4 VAT: Registration Notification) taking into consideration the deadline prescribed in the third paragraph of Article (16) of the Law.
4. In case there are other branches for the same registrant, a registration certificate shall be issued for each branch.
5. The registrants shall place the registration certificate or the branch registration certificate in a location visible to the public inside the headquarters or the branches.
6. In case the registration certificate is lost or damaged, the registrant shall apply for a formal original copy via (form No. 7 VAT) prepared for that purpose in accordance with rules specified by the decree issued by ETA Commissioner.

<sup>(16)</sup> Article (23) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 24)**

In application of the provisions of Article (20) of the Law, every registrant shall notify ETA via in writing of any changes to the data of registration within twenty-one (21) days as of the occurrence date of such changes.

Such data shall include name, address and nature of the main taxable activity and/or other activities.

In case a new registration certificate with the same registration number including new data is required to be issued, the registrants shall submit the old registration certificate



ETA shall notify the registrant of deregistration by a certified mail via (form No. 5VAT).

The registrant shall be deemed deregistered as of the day following the receipt of the deregistration form, and should keep the deregistration form (No. 5VAT) as well as all books, records and copies of tax invoices for five years as of the date of deregistration notification.

In case the registrant whose sales did not reach the registration threshold specified in accordance with the provisions of the Law was deregistered, the tax shall be due on the goods in their possession at the time of cancelling their registration.

In all cases, any person who was deregistered shall:

1. Abstain from introducing themselves by any means as a registrant.
2. Keep books, records and invoices for five years as of deregistration date as well as provide access of such to ETA staff.

The relevant tax office may amend filed tax returns in case such are found non-conforming based on any data or documents, and shall take necessary legal actions to collect the due VAT and Table Tax according to the provisions of the Law.

**CHAPTER V**  
**TAX DEDUCTION, EXEMPTION AND REFUND**

**(ARTICLE 26)**

In application of the provisions of Article (22) of the Law, the registrant may deduct the following from total tax due on their sales of taxable goods or services:

***First:*** Taxes previously paid or charged on the sales' returns according to the following terms and conditions:

1. Taxes previously paid on returned goods shall only be deducted.
2. The returned goods should be received in the same condition as sold; the data of such returned goods are recorded in the regular books and records of the registrant; and the value of such returned goods is refunded to the buyer including taxes or added to his account in the books of the registrant.
3. The registrant shall issue a dated debit /credit note with a serial number clarifying the data of the seller and the buyer including the seller's address and tax registration number, the buyer's name and address as well as the number and date of the original tax invoice.

***Second:*** Taxes previously charged on the following:

1. Direct or indirect inputs of goods and services in case all sales of the registrant within the tax period are subject to tax.
2. Purchases for trading purposes.
3. Taxes previously paid on imported goods and services as per the data of Customs certificate and Customs payment receipt.

In case taxes previously charged on inputs and purchases for trading purposes exceed the tax due on sales during the charging month, deductions shall be made from the due tax on a monthly basis until fully refunded.

The registrant is entitled to the above-mentioned deductions provided that the tax invoice is in his possession.

**(ARTICLE 27)**

In case some of the registrant's sales are taxable goods and services and some are exempted or subject only to Table Tax during a given tax period, tax deduction shall be made as follows:

1. Total taxes charged on inputs of only taxable goods or services shall be deducted whether the selling took place during or after the tax period.
2. Taxes charged on inputs used only in exempted sales or sales that are subject only to Table Tax shall not be deducted whether the selling took place during or after the tax period.
3. Taxes charged on inputs used in sales where some of which are taxable and some are exempted or subject only to Table Tax shall be deducted as per the percentage of taxable sales to the total sales.

The seller shall issue a credit note of taxes charged on the inputs of exempted goods and services or goods and service subject only to Table Tax specified in items (2) and (3) in case such taxes were deducted in previous tax returns.

The above- mentioned rules shall apply to taxes previously charged on goods sold by the registrant in all distribution stages.

As for goods and services subject to both VAT and Table Tax, taxes previously charged on inputs shall be deducted only from the VAT according to the above-mentioned requirements and rules.

**(ARTICLE 28)**

Deduction provisions shall apply to the following:

1. Sales of goods and services provided to organizations stated in Clause (8) of VAT Law (67) of 2016.
2. Goods and services provided to embassies, commissions and non-honorary consulates exempted in accordance with the reciprocity principle except food, spiritual drinks and tobacco.
3. Goods and services provided for personal use of members of foreign diplomatic and consular corps appointed and listed in the tables issued by the Ministry of Foreign Affairs as well as spouses and minors of such personnel in accordance with the reciprocity principle.
4. Goods provided for personal use including personal luggage, furniture, household appliances and one used vehicle for every foreign employee of the diplomatic or consulate missions not mentioned in the previous item in accordance with the reciprocity principle.<sup>(17)</sup>
5. Sales of goods and services funded by grants exempted from tax by law.

Deduction provisions shall not apply to the following:

1. Table tax: whether charged on taxable goods and services or on inputs of taxable goods or services.
2. Taxes previously paid on inputs included in the cost, unless necessary tax and accounting adjustments are made and evidence of such adjustments is submitted to ETA within a period not exceeding three (3) years as of the date of purchase or import.
3. Taxes previously paid on inputs of exempted goods and services.
4. Streamlined supplier registration cases stipulated for in paragraph(1) of article 17 of VAT law.

**(ARTICLE 29)**

The registrant may on registration date deduct taxes previously paid on inputs from the tax due on inventory provided that the registrant:

1. Keeps regular books and accounts.
2. Possesses tax purchase invoices or the Customs certificate and the tax payment receipt, as the case may be.
3. Submits a list of inventory cycle counting in his possession on registration date via (form No. 123 VAT) attached to the registration form.
4. Taxes previously paid on inputs included shall not be included in relevant cost, unless necessary tax and accounting adjustments are made and evidence of such adjustments is submitted to ETA within a period not exceeding one year as of the date of procurement or importation.<sup>(18)</sup>
5. Has inventory related to the provision of taxable goods or services.

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<sup>(17)</sup> Item 4 of 2nd paragraph of article 28 was added by Ministerial Decree No. 286 of 2021.

<sup>(18)</sup> Item 4 article 29 was added by Ministerial Decree No. 286 of 2021.

**(ARTICLE 30)**<sup>(19)</sup>

In all tax deduction cases specified by law, tax deduction shall not be approved unless the registrant submits a certificate at the end of each fiscal year signed by an auditor listed in the Accountants and Auditors table justifying that the registrant is entitled to tax deduction unless payment of tax is validated on ETA electronic system.

**(ARTICLE 31)**<sup>(20)</sup>

ETA grants exemptions stipulated in Article (23) of VAT Law via (form No. 5 – Embassy Exemptions) and (form No. 6 – Diplomatic members Exemptions) to members of diplomatic and consulate corps or Form No. (9 exemptions-automated)-as the case maybe,o members of diplomatic and consulate corps, provided that exemption applications are approved by the head of the diplomatic or consulate mission, as the case may be, and signed by both the Ministry of Foreign Affairs and ETA. The registrant shall keep the original copy of exemption certificate attached to copies of the invoices uncharged with tax.

**(ARTICLE 32)**

In application of the provisions of Article (24) of the Law, beneficiaries of exemption specified in Article (23) of the Law shall submit a declaration stating that they shall not dispose of exempted good for reasons than the exemption purposes during the five years following the exemption date. The beneficiary can dispose of exempted goods for reasons other than the exemption purposes only after notifying ETA and paying the due tax as per the condition and value of such goods as well as the applicable tax rate on the payment date unless otherwise established by reciprocity principle.

In this regard, rules stated hereinafter shall be followed:

1. Beneficiaries of the exemption shall notify ETA of their intention to adjust and/or dispose of exempted goods prior to disposal.
2. Beneficiaries of the exemption shall submit to ETA the approval of the Ministry of Foreign Affairs on the disposal of the exempted goods clarifying that the reciprocity principle does not otherwise establish.

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<sup>(19)</sup> Article No. 30 was replaced by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(Article 30)**

In all tax deduction cases specified by law, tax deduction shall not be approved unless the registrant submits a certificate at the end of each fiscal year signed by an auditor listed in the Accountants and Auditors table justifying that the registrant is entitled to tax deduction.

<sup>(20)</sup> Article No. 31 was replaced by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(Article 31)**

ETA grants exemptions stipulated in Article (23) of VAT Law via (form No. 5 – Embassy Exemptions) and (form No. 6 – Diplomatic members Exemptions) to members of diplomatic and consulate corps provided that exemption applications are approved by the head of the diplomatic or consulate mission, as the case may be, and signed by both the Ministry of Foreign Affairs and ETA. The registrant shall keep the original copy of exemption certificate attached to copies of the invoices uncharged with tax.

3. ETA shall inspect the goods with a view to determining the goods value and condition as well as the applicable tax rate, due VAT and Table Tax on the payment date. ETA may seek assistance from inspection specialized professionals in the Customs Authority.
4. ETA shall issue a clearance note to the disposal applicant after paying VAT, Table Tax and any other due amounts.

**(ARTICLE 33)**

In application of the provisions of Article (26), tax exemption shall be governed by the following terms and conditions:

**First: imported goods and items referred to in Article (26):**

The provisions of the Executive Regulations of Customs Exemptions Law issued by the Minister of Finance by virtue of the decree No. 861 of 2005 shall be applied to exempt the above-mentioned items from tax.

**Second: local goods and items specified in Article (26):**

1. Samples used in analysis purposes at governmental laboratories shall be exempted provided that a certificate issued by the governmental laboratory is submitted clarifying the analysis and sample use.
2. Goods and personal effects that do not have any commercial nature shall be exempted provided that the donating agency or the person concerned submits to ETA a request for exemption attached by an evidence that such things are personal. The person possessing the goods and personal effects shall not dispose of such to a third party within the period specified by law and shall provide evidence that they received such from sports, academic or religious tournaments or from any other recognized contests.
3. Personal luggage of travelers coming from abroad including local or foreign goods whether brought from abroad or purchased from free markets or zones shall be exempted. The exempted amount of such luggage shall be determined by same amount of Customs exemption according to the provisions of the Customs Law.
4. Items whereon the tax was paid, the items were exported with no refund of such tax made, then such items are re-imported as is provided that the Customs Authority verifies that fact.

**(ARTICLE 34)**

In application of the provisions of Article (28) of the Law, the following shall be required:

**First: the needs of the Ministry of Defence:**

1. Exempted goods and services shall be determined via a certificate issued by the Ministry of Defence (MOD) and signed by the Head of the Armed Forces' Financial Department or his deputy stating that such goods and services are necessary for armament purposes.
2. Provisions of this article shall apply to all leaders of the Armed Forces' agencies, departments and bodies as well as funds affiliated to the MOD.

3. Such items shall be funded and purchased from the budget of the MOD or from MOD resources or from the budget of any other governmental entity.<sup>(21)</sup>
4. The Armed Forces financial department shall be the authority dealing with ETA on regulating the provisions of such exemption.
5. In case of purchasing, importing or selling any item or providing any service not specified as exempted goods or services, the Armed Forces financial department shall promptly notify ETA to take necessary procedures for tax collection.
6. An ad hoc committee shall be established from ETA and the Armed Forces financial department by virtue of a decree issued by ETA Commissioner in agreement with the head of the Armed Forces financial department to follow up the operational procedures related to such exemption.
7. Procedures hereinafter stipulated shall be followed in application of the stated exemptions:
  - a) The Ministry of Defence shall issue a certificate signed by the head of the Armed Forces financial department or his deputy to be given to the registrant, as the case may be, stating that the needs required by the Armed Forces are for armament purposes. The certificate shall be attached to ETA's approval of the exemption.
  - b) The registrant shall sell items to the MOD via a tax invoice uncharged with tax stating that such items are exempted for the MOD in accordance with Article (28) of the Law. The registrant shall record such incidence in his books and keep the original copy of the exemption certificate referred to in the previous paragraph.
  - c) MOD units concerned with such exemption shall record that data of tax invoices issued by registrants in their books.
8. Head of the Armed Forces financial department shall notify ETA Commissioner of name and specimen signature form (SSF) of his deputy authorized to issue certificate referred to.

**Second: needs of other bodies:**

1. The provisions of Article (28) of the Law shall apply to the needs of the following bodies necessary for the purposes of armament for defence and national security:
  - a) Companies, units, bodies of the Ministry of Military Production;
  - b) The Ministry of the Interior;
  - c) The Arab Organization for Industrialization (AOI);
  - d) The National Security Agency;
  - e) (1)Administrative Control Agency;<sup>(22)</sup>
2. The Minister or the competent head of authority or his deputy shall issue a certificate declaring that such needs are for the purposes of armament for defence and national security, provided that ETA Commissioner is notified of name and specimen signature form (SSF) of the deputy of the minister/ head of authority.
3. The provisions and procedures stated in items (3), (5) (6) and (7) of the first paragraph of this article shall apply to such authorities each in their respective areas.
4. The aforementioned Authorities shall pay tax on items purchased for purposes other than those specified in this Article as well on items sold to non-exempted agencies.
5. In all cases, all goods, equipment, sets, services, raw materials and production supplies and inputs used in the manufacturing of goods and services sold by such authorities shall be exempted. In case taxes are paid on such items, the registered seller may deduct, adjust or refund such tax, as the case may be.

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<sup>(21)</sup> Item (3) of paragraph (First) of Article No. 34 was replaced by the Ministerial decree No. 92 of 2018.

<sup>(22)</sup> Item (e) of paragraph (Second) of Article No. 34 was added by Ministerial Decree No. 160 of 2020.

**(Article 34 bis)<sup>(23)</sup>**

In application of provisions of Article 28 of VAT Law, suspension of tax due on machinery and equipment imported from abroad or bought from local market for factories and production units for use in manufacturing process shall be according to the following rules and procedures:

1. Manufacturer shall submit to competent Customs outlet a document approved by the competent technical entity indicating that such machinery and equipment are to be used in manufacturing process licensed for such factory or manufacturing unit.
2. Manufacturer shall submit to ETA a document approved the competent technical entity indicating that such machinery and equipment are bought from local market to be used in manufacturing process licensed for such factory and production unit.
3. In case importation of such machinery and equipment for commercial purposes, importer shall submit to relevant customs outlet, such documents indicating supply to manufacturer for use in industrial production licensed for factory or production unit as follows:
  - a) Document approved by the competent technical entity for such manufacturer indicating that such machinery and equipment are used in licensed industrial production for factory or production unit.
  - b) Supply order issued by manufacturer for importer and approved by the competent technical entity indicating that such imported machinery and equipment are used in industrial production licensed for such factory or production unit.
  - c) Manufacturer registration certificate or tax card and such tax suspended shall be in the name of such manufacturer.
4. Suspension of tax payment shall be for one year as of date of release of machinery and equipment from customs outlet or as of date of purchasing same from local market as the case may be.
5. Period stipulated for in Item 4 of this Article may, by virtue of an approval from ETA Commissioner, be extended for one or more terms upon submission of justified reasons for ETA provided that aggregate of such additional terms does exceed a maximum of one year.
6. If It proved for ETA that such machinery and equipment were used in industrial production during the period tax payment was according to items (4) and (5) of this article, such machinery and equipment shall be tax exempt.

In all cases, to suspend payment of tax, required guarantees shall be submitted to ETA or Customs Authority as the case may be, from among such guarantees set forth in Customs Law and Executive Regulations and to be accepted by such authority to which they are submitted provided that they are sufficient for payment of tax amount to be suspended.

ETA Commissioner shall issue a decree for rules and procedures required to extend term of suspension of payment of tax.

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<sup>(23)</sup> Article (34 bis) was added by Ministerial Decree No. 24 of 2023.

**(ARTICLE 35)<sup>(24)</sup>**

In application of the provisions of item (1) of Article (30), the tax shall be refunded in accordance with the following conditions and procedures:

**First: Exported goods:**

1. Goods and inputs thereof are purchased from a registrant by virtue of a tax invoice.
2. Goods are not previously used by the exporter.

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<sup>(24)</sup> Article (35) was replaced by virtue of the Ministerial Decree No. 24 of 2023 and used to read as follows:

**(ARTICLE 35)**

In application of the provisions of item (1) of Article (30), the tax shall be refunded in accordance with the following conditions and procedures:

**First: Exported goods:**

1. Goods and inputs thereof are purchased from a registrant by virtue of a tax invoice.
2. Goods are not previously used by the exporter.
3. Goods are exported through the Customs Authority.
4. The value of exports is deposited with one of the banks supervised by the CBE and as per the regulations stipulated by the CBE. In case the bank transfer is not possible, any other payment method or adjustments stated in this Article of these regulations shall be deemed acceptable.
5. The tax shall be excluded from the cost and shall only be refunded within the limits of the credit balance.
6. ETA shall verify tax collection.

The registrant shall attach to their application the export documents (form No. 13 Customs, or any similar official Customs certificate issued by the Customs authority), the original tax invoice or the Customs procedures certificate and the payment receipt. The registrant shall keep a log recording the data of the exported goods, the number of the export certificate and export date.

Upon agreement with ETA, the Customs Authority may refund the tax on exported goods as well as imported goods that are re-exported whether exported as is or used as inputs in local products manufactured for export in accordance with the Customs procedures specified in respect of exported goods.

**Second: Services provided to exported goods, the following documents shall be submitted:**

1. The documents proving export completion (form No. 13 Customs) or any similar official certificate issued by the Customs authority for exported goods.
2. Original tax invoice issued by the service provider to the commodity owner (exporter) stating that such service was provided for same exported commodity.
3. A copy of the service provision contract signed by both parties of the contract.
4. A document proving that ETA verified the tax payment.

**Third: Exported services: tax on inputs of exported services shall be refunded in case the following terms and conditions are fulfilled:**

1. The transaction between the service provider in Egypt and the service recipient abroad is proven by submitting the service provision contract or by any other means according to the service type.
2. A carbon or electronic copy of the tax invoice or the Customs clearance certificate including detailed data on the service particularly service type and value as well as names and places of residence of both the service provider and service beneficiary.
3. A copy of the document proving that the service value was paid service recipient abroad via a bank transfer to one of the banks supervised by the CBE in accordance with as per the regulations stipulated by the CBE. In case the bank transfer is not possible, any other payment method or adjustments stated in this Article of these regulations shall be deemed acceptable.
4. Original copy of tax invoice of the inputs in the provision of service shall be submitted.
5. A document proving that ETA verified the tax payment.

**In all cases, the following shall be taken into consideration:**

1. Tax shall be refunded only with previously applicable rate and amount at the time of collecting or charging the tax and on the actual exports without exceeding the credit balance.
2. A document proving the deposit of exports' value in one of the banks supervised by the CBE in accordance with the CBE controls or any other payment method or settlement including:
  - a) Settlement resulting from selling by bartering where the registrant shall submit a document approved by the Customs Authority declaring that the value of goods exported by bartering is payment for the value of imported goods.
  - b) Settlements between holding companies/ parent companies and relevant affiliates.
3. The value of exports shall not be less than the value of relevant inputs.
4. The tax claimed to be refunded shall not be included in the cost.



3. Goods are exported through the Customs Authority.
4. The value of exports is deposited with one of the banks supervised by the CBE and as per the regulations stipulated by the CBE. In case the bank transfer is not possible, any other payment method or adjustments stated in this Article of these regulations shall be deemed acceptable.
5. The tax shall be excluded from the cost unless tax and accounting settlements required are conducted and proving such to ETA within a period of time no later than one year as of date of procurement or importation and tax shall only be refunded within the limits of the credit balance for goods to which tax credit is applicable.
6. ETA shall verify tax remittance unless ETA validated tax payment through ETA electronic system.
7. Tax refund request shall be matched against the following:
  - a) A.documents submitted;
  - b) B.original of tax invoice or e-invoice available on ETA e-system.

Upon agreement with ETA, the Customs Authority may refund the tax on exported goods as well as imported goods that are re-exported whether exported as is or used as inputs in local products manufactured for export in accordance with the Customs procedures specified in respect of exported goods.

**Second:** For services provided to exported goods:

1. Submission of a copy of service rendering contract signed by parties thereto.
2. ETA validates tax remittance unless tax payment is validated on ETA e- system.
3. ax refund request shall be matched against the following:
  - a) Documents submitted;
  - b) Original of tax invoice or e-invoice available on ETA e-system.

**Third:** Exported services:

Tax on inputs of exported services shall be refunded upon fulfillment of following terms and conditions:

1. The transaction between the service provider in Egypt and the service recipient abroad is proven by submitting the service provision contract or by any other means according to nature of service.
2. A carbon or electronic copy of the tax invoice or the Customs clearance certificate including detailed data on the service particularly service type and value as well as names and places of residence of both the service provider and service beneficiary.
3. A copy of the document proving that the service value was paid service recipient abroad via a bank transfer to one of the banks supervised by the CBE in accordance with as per the regulations stipulated by the CBE. In case the bank transfer is not possible, any other payment method or adjustments stated in this Article of these regulations shall be deemed acceptable.
4. Original copy of tax invoice of the inputs in the provision of service shall be submitted.
5. ETA validates tax remittance incidence unless tax payment is validated on ETA e- system .

**In all cases, the following shall be taken into consideration:**

1. Tax shall be refunded only with previously applicable rate and amount at the time of collecting or charging the tax and on the actual exports without exceeding the credit balance.
2. A document proving the deposit of exports' value in one of the banks supervised by the CBE in accordance with the CBE controls or any other payment method or settlement including:
  - a) Any other electronic payment method from importer or agent thereof to exporter in foreign currencies.

- b) Bank depositing of value of transaction in foreign currencies according to CBE procedures as to countries where they fail to fulfil bank remittances and based on exportation documents defined by VAT Law.
  - c) Settlements resulting from sale by bartering and registrant shall submit such documents that indicate that value of goods exported by bartering in consideration of imported goods provided that such document is approved by Customs Authority.
  - d) Settlements between holding and parent company, and subsidiaries thereof .
3. Value of exports shall not be less than value of relevant inputs.
  4. Tax to be refunded may not be included in cost items.
  5. Tax shall be refunded within a period of time not exceeding 45 days as of date of submission of request supported by documents.

**(ARTICLE 36)**<sup>(25)</sup>

In application of provisions of article (30bis) herein, tax on purchases by foreign visitors shall be refunded upon their departure according to the following controls:

1. Reception of Tax Refund Form (124 VAT) indicating value of goods purchased and relevant tax paid as well as original copy of tax invoice stating amount of tax paid.
2. Value of purchases from a registrant seller shall not be less 1500 EGP as per each and every invoice.
3. Purchased goods shall depart Egypt together with foreign visitor or in any other means within 3 months as of date of arrival of foreign visitor to Egypt.
4. Goods purchased shall be inspected by competent customs officer in the Customs outlet matching such against original copy of tax invoice be it paper based or electronic as well as Tax Refund Form (No. 124 VAT).
5. Competent customs officer shall after such matching process, stamp documents with Customs Seal "refundable".

Documents set forth in this article shall be submitted to treasury to receive tax amount refundable deducted from which administrative expenses at 5%.

In case of failing to receive tax amount for any reason whatsoever, departing foreign visitor may deliver tax refund documents to customs outlet competent officer who shall send them to ETA Tax Refund Department to fulfil business procedure and send a cheque stating value of tax in EGP to address of departing foreign visitor indicated in Tax Refund Form after deduction of set administrative expenses within 3 months as of date of departure.

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<sup>(25)</sup> Article (36) was replaced by virtue a decree by the Minister of Finance No. 24 of 2023 and used to read as follows:

**(ARTICLE 36)**

Foreign residents departing the country for a period not exceeding three months have the right to refund taxes previously paid to the registered seller for taxable goods purchased, provided that the invoice amount is not less than EGP500 and that foreign residents take purchases with them upon departure.

The tax is refunded from the bank located at the Customs check point or via a check issued by ETA tax refund division and sent to the address of the foreign resident who purchased such goods.

In all cases, administrative expenses shall be deducted by five percent (5%) of the total refunded amount. ETA Commissioner shall set up the rules and procedures required for refunding the tax paid on such goods.

**(ARTICLE 37)<sup>(26)</sup>**

In application of the provisions of items (2), (3), (4) and (5) of Article (30) of the Law, tax shall be refunded in the following cases in accordance with the terms and procedures hereunder assigned:

1. Tax collected by mistake:

The person concerned shall submit a written or electronic request attached thereto relevant supporting documents stating tax amount collected by mistake, reason for tax collection and the tax period wherein such mistake occurred.

2. Credit balance lasting for more than six successive tax period in the following cases:

- a) a. different tax rates as to inputs and outputs.
- b) b. tax accumulation in registrant account as to stock.
- c) c. sale to exempt entities whose tax on inputs of taxable goods and services is deductible.

Registrant shall submit a paper based or electronic request stating credit balance attached to which supporting documents thereof. ETA shall validate such balance before refunding tax.

Credit balances which lasted more than six successive tax periods may not be refundable if such balance resulting from tax refund cases stipulated for in article (30) of the Law.

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<sup>(26)</sup>Article (37) was replaced by virtue of Ministerial Decree No.24 of 2023 and used to read as follows:

**(ARTICLE 37)**

In application of the provisions of items (2), (3) and (4) of Article (30) of the Law, tax shall be refunded in the following cases in accordance with the terms and procedures hereunder assigned:

1. Tax collected by mistake:

The person concerned shall submit a written request attached with relevant supporting documents clarifying the tax amount collected by mistaken, reason for tax collection and the tax period wherein such mistake occurred.

2. Credit balance lasting for more than six successive tax periods:

The registrant shall submit a written request attached with relevant supporting documents clarifying the credit balance amount. ETA shall verify such credit balance prior to refunding the tax.

3. The tax previously paid on machines and equipment used in manufacturing taxable goods or providing taxable services.

- a) Upon filing the first tax return, the registrant shall submit a written request attached with documents proving that the tax has been previously paid to obtain a tax refund.
- b) Such machines and equipment should be used in manufacturing a taxable commodity or provision of a taxable service.
- c) Final clearance shall be issued for the imported goods/services and total tax shall be paid for both local and imported goods/services.
- d) Tax requested to be refunded shall not be included in the cost.

In case of disposal of machines and equipment wherefore the tax is previously refunded, or were used in producing exempted goods or providing exempted service before the elapse of five years following the tax refund, the registrant shall notify the relevant tax office prior to disposal and pay the previously refunded tax according to tax amount and rate applicable at date of disposal.

In all cases, tax shall only be refunded within the limits of the credit balance.

Tax shall be refunded within forty five (45) days as of submission date of the request supported by relevant documents.

3. Tax previously paid on buses and passenger vehicles if used for such business activity licensed for enterprise.
- a) Submission of a paper based or electronic tax refund application attached to which documents indicating that tax was previously paid.
  - b) Use of buses and passenger vehicles is for licensed business activity.
  - c) Final release as to imported of same and full tax has been paid for local and imported buses and passenger vehicles.
  - d) Tax to be refunded may not be included in cost it unless required tax and accounting settlement and submission of relevant proof to ETA within a period of time no later than one year as of date procurement or importation.

Upon disposal of buses and passenger vehicles for which tax was previously refunded or use of same in activities other than licensed activity for such enterprise before elapse 5 years as of date of procurement or importation. Such enterprise, before disposal, shall notify relevant tax office and pay tax previously refunded based on value thereof and tax rate applicable upon date of disposal.

4. Tax born by a non-resident registrant according to the streamlined supplier regime for doing business in Egypt:

Non-resident registrants shall electronically apply using such form set for this purpose stating amount of tax to be refunded attaching to such form supporting documents in a digital format and ETA shall validate such documents. No tax shall be refunded unless previously collected at such value and rate applicable at the time of payment.

Taxable goods and services shall be used for the purposes of doing business in Egypt by non resident registrants.

In all cases, tax refund stipulated for in this article shall not be fulfilled except within the limits of the credit balance. Tax shall be refundable within a period of time no later than 45 days as of date of submission of tax refund application supported by relevant documents.

**(ARTICLE 38)**<sup>(27)</sup>

Without prejudice to provisions of articles 34 and 53 of Unified Procedure Law No. 206 of 2020, and In all cases of tax refund stipulated for in Article (30) of the Law, documents proving taxable person's right to tax refund should include a certificate signed by an accountant enrolled in the Accountants and Auditors Table indicating that the taxpayer has the right to tax refund. Only refund requests attached with such certificate shall be accepted unless tax payment is validated on ETA electronic system.

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<sup>(27)</sup> Article (38) was replaced by virtue of Ministerial Decree No. 24 of 2023 and it used to read as follows:

**(ARTICLE 38)**

Without prejudice to provisions of articles 34 and 53 of Unified Procedure Law No. 206 of 2020, and in all cases of tax refund stipulated for in Article (30) of the Law, documents proving taxable person's right to tax refund should include a certificate signed by an accountant enrolled in the Accountants and Auditors Table indicating that the taxpayer has the right to tax refund. Only refund requests attached with such certificate shall be accepted.

In all cases, as of July 1, 2022, deduction or refund of tax through paper invoices shall not be considered, with the exception of:

1. Paper invoices previously issued by companies or establishments issued before obliging them to implement the Electronic Invoice System.
2. Paper invoices issued by companies or establishments that have not issued a decision from the ETA obliging them to issue electronic invoices.

Taking into account the specifications and technical standards of the electronic system stipulated for in the Executive Regulations of the Unified Procedure Law No. 206 of 2020.

**(Article 38 bis)**

**Repealed**<sup>(28)</sup>

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<sup>(28)</sup> Article (38 bis) was repealed by Ministerial Decree No. 24 of 2023 and it used to read as follows:

**(Article 38 bis)**

In applying the provisions of Article (31) of the General Sales Tax Law and Article (30) of the Value Added Tax Law, referred to herein, the establishment that wishes to expedite the tax refund until the documents are completed or the ETA has finished auditing them, shall have the right to apply to the ETA (relevant tax office) with a letter of bank guarantee in the amount of the tax amount subject to the refund request, in accordance with the terms and conditions, and as per the following cases:

1. The tax refund request submitted by the establishment must be accompanied by the following:
  - a) A letter of guarantee that meets the legal and financial conditions in the amount of (65%) of the amount of tax required to be refunded, and that the letter of guarantee is subject to liquidation and renewal, and shall be irrevocable, with regard to the tax refund, and in a way that guarantees to the ETA that the refunded tax amount will be refunded.
  - b) Documents supporting the payment of the tax (local purchase invoices, importer's customs release forms, and payment vouchers), as well as (Form 13 Customs), provided that the rest of the required documents are completed within a maximum period of three (3) months from the date of submitting the request, and that the ETA finishes auditing the file and the tax refund procedures must be completed no later than six (6) months from the date of completion of all required documents.
  - c) A certificate signed by an accountant enrolled in the Accountants and Auditors Table indicating that the establishment has the right to tax refund.
2. The establishment that is entitled to refund through a bank letter of guarantee is required to maintain regular books, records and financial accounts.
3. The establishment requesting the refund, through the letter of guarantee, must not have previously had a final ruling convicting it in a tax evasion lawsuit.
4. The refund shall be limited to only the first and second cases stipulated for in Article (31) of the General Sales Tax Law promulgated by Law No. 11 of 1991, as well as only the first three cases stipulated for in Article (30) of Law No. 67 of 2016, and all of this without prejudice to the ETA's right to referring to the establishment regarding the amounts that were unlawfully refunded, and taking legal measures in accordance with the provisions of Article (68) of Law No. 67 of 2016.
5. (65%) of the amount requested to be refunded shall be refunded immediately upon submitting the refund request accompanied by the documents referred to in Item No. (1) in this article, and the letter of guarantee for that value.
6. The ETA must complete the required investigations, audit, and prepare the final report to refund the remainder of the tax amount within a maximum period of nine (9) months from the date of submitting the refund request, unless there is failure on the part of the establishment to provide the documents required for the refund, or failed to enable the ETA to conduct an audit, which results in renewing the letter of guarantee for another period or have it liquidated by the ETA.
7. Immediately upon completion of the final tax refund report, the ETA must return the letter of guarantee to the establishment within a maximum period of fifteen (15) days from the approval of the aforementioned final report if it is proven to the ETA that the taxpayer is entitled to a tax refund.
8. Any sums that may be owed to the ETA as a result of the taxpayer's failure to submit documents proving the refund or proving his ineligibility to refund the amounts required to be refunded, or part thereof, shall be settled from the amount of the letter of guarantee.

**(ARTICLE 39)**<sup>(29)</sup>

Administrative entities stipulated for in Article 31 of the VAT law shall remit tax due goods and services purchased thereby according to provisions of referred to article on due dates indicated in the disbursement form adding to amount credit balance as well as issue aggregated monthly electronic settlement permission based on relevant tax registration number and with such value to account of relevant tax office using institutional code of headquarter accounting unit in ETA Central Department for financial affairs printed, signed, stamped by State Seal and sent to relevant regional tax office in addition to providing registrant with a statement directed to relevant tax office indicating registrant name, registration number, invoice number and date, quantity and value thereof as well as tax and table tax remitted.

ETA Central Department for Financial Affairs shall add such amounts remitted to headquarter accounting unit to tax office collection (tax and table tax paid) sending same to each tax office to which tax was paid by each registrant individually based on reports generated from ETA database classified as per each tax office.

Registrant shall settle and remit tax due according to controls and rules stipulated for in VAT law. Competent executive tax offices shall settle such amounts in their relevant registrants accounts according to lists received thereby. Electronic settlement permission date shall match date of payment of 20% of value of tax or full table tax.

Entities or registrants shall pay additional tax set by law as to delay or non-payment of tax or table tax due, as the case may be, on such date set relevantly by law. They shall periodically pay tax to competent tax office together with monthly tax return on such dates set by article 31 of Unified Tax Procedure Law and Commissioner may define place of payment and method of payment.

Tax due on imported goods shall be paid upon release thereof from relevant customs outlet upon payment of customs duties according to customs procedures set for this regard provided that tax and table tax shall be paid using two separate independent receipts unless it is proven that non-resident registrant collected tax relevant to imported goods released from customs outlet.

Imported goods may not be finally released before payment of full tax due unless it is proven that non-resident registrant has collected tax on imported goods released from customs outlet and in case of failure to pay tax on due date, additional tax shall be charged and collected together with tax and according to same procedures.

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<sup>(29)</sup> Article (39) was replaced by virtue of Ministerial Decree No. 24 of 2023 and used to read as follows:

**(Article 39)**

In application of the provisions of Article (31) of the Law, the registrant shall regularly pay the tax to the relevant tax office attached with their monthly tax return by the deadline stipulated in Article (14) of the Law.

ETA commissioner may specify the entity whereto the tax is paid and payment means.

Tax due on imported goods shall be paid in the clearance stage from the relevant Customs check point at the time of payment of Customs duties and in accordance with the applicable Customs procedures stated in this regard. VAT and Table Tax shall be paid via separate receipts.

The final clearance of such imported may only be given after the due tax is fully paid.

**(ARTICLE 40)**

**Repealed**<sup>(30)</sup>

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<sup>(30)</sup> Article (40) was repealed by Ministerial Decree No.24 of 2023 and it used to read as follows:

**(Article 40)**

Without prejudice to the provisions of the aforementioned Customs Law and the executive regulations thereof, ETA Commissioner may give temporary clearance of machines and equipment imported to produce a commodity or provide a service according to the payment terms, limits, rules and guarantees stated in a decision issued by Commissioner. Such goods may not be given final clearance prior to paying the full amount of due VAT, Table Tax or both.

ETA Commissioner or the person so authorized may specify the convenient guarantees for the amount of VAT, Table Tax or both due on the goods given clearance by paying export duty or via any of the special Customs rules.

Payment of VAT, Table Tax or both due on machines and equipment used in providing a service or producing a commodity exempted from VAT, Table Tax or both shall be as follows:

1. Five percent (5%) of the amount of the due VAT, Table Tax or both shall be paid upon the temporary clearance of consignments in relevant Customs check point.
2. The remaining amount of VAT, Table Tax or both shall be paid by four equal annual installments; the first installment shall be paid after the elapse of two years from the date of temporary clearance.

In case of payment delay of any of these installments, all of the remaining installments in addition to the additional tax shall be due. Additional tax shall be calculated from the date of temporary clearance until the payment date.

Payment of VAT, Table Tax or both due on imported buses and passenger vehicles for the purposes of the taxable touristic transport service shall be according to the rules of installing VAT, Table Tax or both as well as the following payment rules:

1. Twenty five percent (25%) of VAT, Table Tax or both shall be paid upon Customs clearance.
2. The remaining amount of VAT, Table Tax or both shall be paid by two equal annual installments after the elapse of one year from the clearance date

In all cases, tax refund procedures related to VAT, Table Tax or both previously paid on machines, equipment as well as buses and passenger vehicles with temporary clearance shall be applied only after verifying that the total amount of tax due on such machines and equipment is fully paid.

To apply one of the previously mentioned two payment systems, the following guarantees are required to be submitted:

1. A bank letter of guarantee or a monetary trust equivalent to the amount of the due VAT, Table Tax or both.
2. A declaration ensuring that the enterprise assets and branches shall fulfill the payment of VAT, Table Tax or both.
3. Any other guarantees accepted by the Customs Authority and adequate to pay the dues of the public treasury.

According to this article, machines, equipment, buses or passengers vehicles whereon VAT, Table Tax or both are due may be disposed of only after notifying the relevant tax office and payment of the remaining amount due of VAT, Table Tax or both.

In case of violating this rule, the total due amount of VAT, Table Tax or both as well as the due additional tax calculated from the date of temporary clearance until the payment date without prejudice to any other applicable legal procedures.

**(ARTICLE 41)**

In application of the provisions of Articles (31), (56) and (59) of the Law, the tax shall be payable in the following cases:

1. Based on the tax return.
2. Based on consensus in the internal committee.
3. Based on the decision of the appeal committee even if such decision is appealed against.
4. In case forms notifying of tax assessment are not appealed against.
5. Based on an enforcement court ruling even if such ruling is appealed against.

In all cases, additional tax shall be due from the deadline of filing the tax return until the payment date without prejudice to the provisions of Article (17) of these Regulations.

**(ARTICLE 42)<sup>(31)</sup>**

In application of provisions of Article (32) of VAT Law, beneficiary from imported taxable services from non-resident and not registered in ETA according to Streamlined Supplier Regime, shall assess tax due on such services and payment thereof to ETA within 30 days as of date of rendering of such services.

**(ARTICLE 43)**

In application of the provisions of Article (33) of the Law, services provided regularly rather than inconstantly to fulfill the needs of service beneficiaries shall be deemed services with continuous nature. The value of such services shall be collected in cash or via an invoice or via any similar means. The following shall be deemed services with continuous nature:

1. Telecommunications and fax services.
2. Contracting services of construction and building.
3. Cleaning and guarding services.
4. Transport service of goods and materials.

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<sup>(31)</sup> Article (42) was replaced by virtue of Ministerial Decree No. 24 of 2023 and it used to read as follows:

**(Article 42)**

In application of the provisions of Article (32) of the Law, the non-resident and non-registrant beneficiary of imported service who does not have a tax representative and/or an agent in Egypt shall calculate and pay the tax to relevant tax office or the tax office within which jurisdiction his domicile is located, as the case may be, via (form No. 111 VAT) within thirty (30) days as of the date of service provision.

The provision of paragraph (2) of Article (32) of the Law shall apply to services provided by parent companies and/or headquarters abroad to related enterprises or branches, provided that branches and enterprises operating in Egypt shall have a share of the costs in return for the benefits derived from such services.



**(ARTICLE 44)**

**Repealed**<sup>(32)</sup>

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<sup>(32)</sup> Article (44) was repealed by Ministerial Decree No.286 OF 2021 and it used to read as follows:

**(Article 44)**

In application of the provisions of Article (35) of the Law, offsetting shall be conducted by force of law provided that amounts offset are final and indisputable.

Offset shall be conducted according to the following order:

1. Offsetting the amounts paid by the registrant more than the legally stipulated amounts against the amounts legally payable by the registrant.
2. Offsetting the amounts paid by the registrant more than the legally stipulated amounts against the amounts legally payable by the registrant under any other tax law applied by ETA.
3. Offsetting the amounts paid by the registrant more than the legally stipulated amounts against any other amounts payable by the registrant under any law applied by the revenue authorities reporting to the Ministry of Finance.

The relevant tax office shall notify the registrant of the result of the offset.

**SECTION III  
TABLE TAX**

**(ARTICLE 45)**

In application of the second paragraph of Article (36) of the law, the rate of Table Tax shall be zero on goods and services that will be exported according to the following terms and conditions:

**First - Exported goods:**

Exporter must follow the Customs procedures stipulated for exporting goods and shall keep relevant supporting documents of the transaction for five (5) years as well as the documents supporting the completion of export including the export certificate or any similar official certificate issued by the relevant Customs check point.

**Second - Exported services:**

The transaction between the service provider in Egypt and service recipient abroad shall be proved via a service provision contract or any other means according to the service nature, provided that the following documents are attached:

1. A carbon or electronic copy of the tax invoice or the Customs clearance including detailed data about the service particularly service type and value as well as the name and domicile of both service provider and service beneficiary.
2. A copy of the document proving service payment by the service recipient abroad via a bank transfer to one of the banks supervised by the CBE as per the regulations stipulated by the CBE. In case the bank transfer is not possible, any other payment method or adjustments stated in Article (35) of these regulations shall be deemed acceptable.

**(ARTICLE 46)**

In application of the provisions of the second paragraph of Article (37) of the Law, the Table Tax on sales' returns of goods listed in the Table attached to VAT Law shall be adjusted in accordance with the following terms and conditions:

1. Table Tax paid on returned goods shall only be adjusted.
2. Returned goods shall be received in the same condition as sold, not damaged or expired.
3. The registrant shall issue a debit/credit note with the date and serial number including the data of both seller and buyer.

Tax previously paid on parts of machines equipment as well as spare parts used in the production of goods and services subject only to Table Tax shall be deducted within the limits of the due amount of Table Tax until fully adjusted.

**(ARTICLE 47)**

Table Tax shall be adjusted in the following cases:

1. Table Tax collected on crude tobacco listed in (1/a/ 2) of the first item in the Table attached to the Law in case such tobacco is used in a local product shall be adjusted from the Table Tax due on that local product.
2. Table Tax collected on tobacco made from tobacco extracts and essences listed in (1/b/6) of the first item in the Table attached to the Law in case such tobacco is used in a local product shall be adjusted from the Table Tax due on that local product.
3. Table Tax collected on edible vegetable oils whether fixed (non-volatile), liquid, vegetable ghee, purified, or refined listed in No. (3) of the first item in the Table attached to the Law in case such oils are hydrogenated as the products listed in No. (4) of the Table attached to the Law.
4. Table Tax previously paid by a subcontractor shall be adjusted from Table Tax paid by the main contractor carrying out same works.

**(ARTICLE 48)**

In application of the provisions of Articles (36) and (38) of the Law, Table Tax on goods and services stipulated in the Table attached to the Law shall be due only once provided that one of the following events occur:

1. Local goods and services: Table tax shall be payable upon the sale of local goods or provision of local services by the producer thereof in the local market.
2. Imported goods: Table tax shall be payable on imported goods on the Customs incidence.
3. Imported services: Table tax shall be payable on imported services upon the receipt of the service in Egypt.

Table Tax shall not be payable again unless the state of goods has changed.

All of the above shall be valid without prejudice to VAT changeability prescribed in Article (2) of the Law in all the stages of transaction unless otherwise stipulated in the Table attached to the Law.

**(ARTICLE 49)**

The provision of Article (48) of these Regulations shall apply to goods and services stipulated in the Table attached to the Law upon the disposal of such in the form of free-of-charge goods and services or promotional offers. The value of such goods and services shall be determined in accordance with market forces and transaction conditions.

In application of the provision of the second paragraph of Article (38) of the Law, promotional offers shall mean the promotions offered based on sales policies adopted by companies and enterprises to encourage customers to prefer the commodity or service offered or to improve customer loyalty to the trademark according to the activity nature.

The following shall not be deemed promotional offers:

1. Clearance sales including seasonal clearances taking place by virtue of a decree issued by the relevant minister.
2. Trade discounts in accordance with Article (11) of these Regulations.

**(ARTICLE 50)**

The value to be declared in the tax return taken as the basis for assessing Table Tax on goods and services listed in the Table attached to the Law shall be as follows:

1. Local goods and services: The amount actually paid or payable in any payment form according to the natural course of events.
2. Imported goods: The amount taken as the basis for assessing the Custom duty in addition to the Customs duties and any other imposed taxes and dues.
3. Imported services: The amount actually paid or payable in any payment form according to the natural course of events.

All of the above shall be valid unless otherwise stipulated in the Table attached to the Law.

**(ARTICLE 51)**

In application of the provisions of Article (41) of the Law, every producer, service provider, exporter of goods or services listed in the Table attached to the Law regardless of the volume of sales or production shall submit an application to the relevant tax office to register their names and personal data via the attached (Form No. 1 VAT).

The tax office shall notify the taxable person within 14 days following the date of submitting the registration application and shall be subject to the provisions of the Law as of the registration date.

The following procedures shall apply to registration:

1. The taxable person or representative thereof shall submit a registration application to the relevant tax office.
2. The tax office shall review the registration application to verify the completeness of the required data. In case the tax office found out that data are incomplete, the registration application shall initially be recorded and the taxable person shall be notified via (Form No. 2 VAT) within the period specified in the notification.
3. The tax office shall records complete registration application in the log prepared for that purpose.
4. ETA shall assign a registration number to the taxable person, issue a registration certificate (form No. 3 VAT) and shall notify the taxable person via the attached (Form No. 4 VAT) to place the certificate in a visible location in their enterprise.
5. In accordance with the provisions of this article, taxable persons who did not apply for registration are deemed registrants by law according to the provision of paragraph (4) of Article (16) of the Law as of the date of business start-up. The provisions of registration shall apply to such taxable persons as of same date. The relevant tax office shall notify such taxable persons of the registration form.

**(ARTICLE 52)**

In application of the provisions of Article (42) of the Law, the following shall be required:

1. Every person who received a building permit to establish or operate a plant and/or a laboratory to produce goods or provide services subject to Table Tax or to both VAT and Table Tax shall notify the relevant tax office via (Form No. 1.1 VAT).
2. In case the enterprise wholly or partially suspends operations of business or interrupted such suspension, the relevant tax office shall be notified via (Form No. 1.2 VAT).

The notification referred to in the preceding items shall be submitted within a period of twenty one (21) days as of the date of the event that should be notified.

**(ARTICLE 53)**

The provisions of these regulations shall apply to the goods and services stipulated in the Table attached to the Law unless otherwise specified in this chapter and the Table attached to the Law.

**SECTION IV  
GENERAL PROVISIONS, CONTROL AND APPEAL PROCEDURES**

**CHAPTER I  
GENERAL PROVISIONS**

**(ARTICLE 54)<sup>(33)</sup>**

In application of the provisions of Article (44) of the Law, beneficiaries of exemption shall submit a declaration wherein they undertake not to use or dispose of exempted goods for purposes other than the exemption purposes within the five years following the exemption date unless after notifying ETA or the relevant tax office as the case may be, and shall pay tax additional tax due according to the commodity condition and value as well as the applicable tax rate on the date of disposal or change of use of the commodity.

The rules hereinafter stated shall be followed:

1. The beneficiaries of exemption shall notify ETA of their intention to change the use or dispose of the exempted goods prior to conducting any change of use or disposal of such goods.
2. ETA shall send a letter to the applicant requesting to dispose of goods, after paying the due tax or any other amounts payable, declaring that they are acquitted.

**(ARTICLE 55)**

In application of the provisions of Article (46) of the Law:

1. The price of special marks (bandroles) indicating payment of Table Tax on all types of local or imported alcoholic drinks listed in the Table attached to the Law shall be 50 piaster per each tax stamp.
2. The price of special marks (bandroles) indicating payment of Table Tax on all local or imported types of cigarettes and tobacco listed in the Table attached to the Law shall be 15 piasters per each tax stamp.<sup>(34)</sup>
3. The payment in consideration of the service provided by ETA staff as well as their pay for work performed during times other than working hours to persons concerned shall be determined as follows:
  - a) For opening ETA treasury after official working hours, two (2) Egyptian pounds shall be paid per each payment receipt issued.
  - b) Transport fees of fifty (50) pounds shall be paid per one employee in case the transport is within the city wherein the relevant tax office is located. In case there are multiple employees, transport fees shall be one hundred (100) pounds. Such amounts shall be doubled in case the transport is outside the city in addition to any due travel allowance according to the defined rates. The person concerned shall deposit such expenses in the ETA's treasury prior to the transport of ETA staff.

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<sup>(33)</sup> First paragraph of Article (54) was replaced by the Ministerial Decree No. 24 of 2023 and used to read as follows:  
In application of the provisions of Article (44) of the Law, beneficiaries of exemption shall submit a declaration wherein they undertake not to use or dispose of exempted goods for purposes other than the exemption purposes within the five years following the exemption date unless after notifying ETA or the relevant tax office as the case may be, and shall pay tax due according to the commodity condition and value as well as the applicable tax rate on the date of disposal or change of use of the commodity.

<sup>(34)</sup> Item (2) of article 55 was amended by Ministerial Decree No. 93 of 2021 - Egyptian Gazette - Edition 47 cont. (A), issued on Feb. 27, 2021.

**(ARTICLE 56)**

In application of the provisions of Article (47) of the Law, ETA has the right to dispose of seizures, smuggling tools and means of transport confiscated according to the following rules:

1. Confiscated goods and means of transport as well as smuggling tools shall, in accordance with the provisions of the law, be stored in ETA warehouses of local goods prepared for that purpose. However, confiscated imported goods shall be stored in warehouses of the Customs Authority until a final court decision is issued or any of the revenue authorities has title to such goods due to conciliation.
2. The aforementioned confiscated goods and means of transport as well as smuggling tools may be disposed of only when ETA or the Customs Authority has title to such, based on the type of the confiscated commodity by virtue of conciliation or a final court decision for confiscation.
3. Disposal of the aforementioned confiscated goods and means of transport as well as smuggling tools by selling shall be by virtue of a decree issued by either ETA Commissioner or the Customs Authority Commissioner, as the case may be, as per relevant jurisdictions and in accordance with the provisions of Law No. 89 of 1998 on Tenders and Auctions and the executive regulations thereof.

The General Authority of Governmental Services (GAGS) shall carry out the sale procedures according to rules stipulated in that respect.

4. By virtue of a court order and prior to the final court decision, ETA Commissioner or Customs Authority Commissioner may issue a decision to dispose of the perishable confiscated goods or smuggling tools via a limited tender in cases failing to wait for bidding. The revenue of such selling shall be deposited with the public treasury until the title to such goods is acquired by either authority.
5. By virtue of a court order and a decree issued by ETA Commissioner or Customs Authority Commissioner as per relevant jurisdictions, goods that are subject to embargo, are harmful to public health or endangering citizen safety when sold shall be destroyed after seeking out expert opinion from the technical bodies concerned.

**(ARTICLE 57)**

**Repealed**<sup>(35)</sup>

**(ARTICLE 58)**

**Repealed**<sup>(36)</sup>

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<sup>(35)</sup> Article (57) was repealed by Ministerial Decree No. 286 of 2021 and it used to read as follows:

**(Article 57)**

In application of the provisions of Article (48) of the Law, the prescription period (statute of limitations) shall be interrupted by notifying the registrant of the tax assessment and payment, or by referral to appeal committees.

Reasons of interrupting the prescription period (statute of limitations) include: judicial claims even if the lawsuit is brought before a court of no jurisdiction, notification, seizure, request submitted by the creditor to take their right in the bankrupt's estate or a decree of distribution or any action taken by the creditor to claim their rights during the course of litigation in case the debtor explicitly or implicitly acknowledges the right of the creditor.

<sup>(36)</sup> Article (58) was repealed by Ministerial Decree No. 286 of 2021 and it used to read as follows:

**(Article 58)**

The rules hereinafter stated shall be followed in the formation of debt remission committees prescribed in the second paragraph of Article (50) of the Law:

1. Each executive regional office shall have at least one debt remission committee.
2. The chairman of each committee shall be one of ETA staff assuming the position of a general manager as a minimum. The committee resolutions shall be by a majority vote.

## CHAPTER II CONTROL

### (ARTICLE 59)

In application of the provisions of Article (52) of the Law, control over VAT and Table Tax shall be based on books and records. When the registrant uses IT systems, ETA shall review and test such IT systems to ensure quality thereof.

In case such bases are not available, ETA Commissioner may determine rules and procedures necessary for tight control. In some cases and for special considerations related to the nature of commodity, ETA Commissioner may set control procedures and a control system for such commodity.

Without prejudice to the provision of the preceding paragraph, the following shall be taken into consideration for the goods and services listed in the Table attached to the Law:

#### **First:**

1. Conversion process of pure alcohol into fuel or for industry purposes may only be undertaken in production plants thereof or in the Customs areas in case alcohol was imported.

In all cases, the conversion process shall be undertaken with the presence of an ETA committee formed by virtue of a decree of the general manger concerned.

In case the conversion process of alcohol was for industry purposes undertaken according to a particular industrial technique, the approval of the Industrial Control Agency (ICA) shall be obtained for each individual case.

2. After undertaking the conversion process for either fuel or industry purposes, a triple sample of the product as well as other substances used in the conversion process shall be taken to be analyzed. The containers wherein the conversion is undertaken shall be sealed and the quantity converted shall be released only after receiving the laboratory analysis results stating that the sample is adequately converted.
3. Owners of plants and laboratories allowed to get converted alcohol for industry purposes shall keep books and records stating quantities received and ways of disposal. Such books and records are subject to ETA supervision.
4. Alcohol converted for industry purposes shall mean the converted alcohol for use in one of the main industries determined by virtue of a decree issued by ETA Commissioner in agreement with the ICA President determining conversion substances and percentage for each individual case.

#### **Second:**

1. Plants and laboratories producing wine from fresh grapes as well as grape juice unfermented by adding alcohol and spirits shall keep records declaring the different processing stages (fermentation, distillation, filtration, breaking down, dilution and bottling). ETA shall be notified at least 24 hours prior to any process in order to delegate staff required for control including sealing the instruments and tools.

The person concerned shall set a date for the bottling process as soon as distillation process and fermentation process (for wines) are completed. The produced quantities shall be under direct supervision of ETA until the bottling process is carried out.



ETA representative shall record the bottled quantities and put the special marks (Banderole) identifying the tax due, take the necessary acknowledgement from registrants to fully pay the due tax and shall write down the aforementioned procedures in a report signed by both ETA representative and the registrant or who the person legally delegated by the registrant.

2. The person concerned shall notify ETA 24 hours after bottling the liquors wherein pure unconverted ethyl alcoholic is a component regardless of alcohol concentration in order to assign ETA staff to review the books kept by the registrant wherein the purchased pure alcohol quantities chemically broke down and bottled are recorded, review purchase invoices and deduct quantities broken down and bottled from the invoices, take the necessary acknowledgment from the person concerned that VAT and Table Tax due on the broken down pure alcohol were paid, and that such broken down alcohol is a product of another alcohol obtained by not a result of another alcohol which has been obtained through distillation by the registrant or through alcohol converted for industry purposes or for fuel.

A special mark made for such purpose under the responsibility of the person concerned shall be stuck on the drinks stated in Numbers (3C and 3D) of the Second item of the Table.

3. As for perfumes and cologne, the person concerned shall keep books indicating quantities purchased of pure alcohol used in the manufacturing such perfumes according to the Table attached to the Law and shall record the invoices serial number and date in the books.

**Third:**

When transferring quantities of alcohol, alcoholic liquids or alcohol converted to fuel exceeding five liters of pure alcohol whether such quantities were local or imported from country to another, a license shall be obtained for transferring alcoholic quantities from ETA. Such license shall be issued only after verifying that the tax charged on the quantity transferred is paid.

**Fourth:**

Each manufacturer or importer of the following goods shall put the special marks "Banderoles" on such goods prior to trading in the markets.

1. Imported goods listed under No. (1) of the first item in the Table attached to the Law:
  - Cigarettes.
  - Sweetened, snuffed and chewed tobacco.
  - Tombak.
  - Cigar, pipe tobacco and compressed tobacco.
2. Imported goods listed under Nos. (C and D) of the second item of the Table attached to the Law:
  - Wine made from fresh grapes.
  - Grape juice unfermented by adding alcohol "including mistelle".
  - Fairmount and other types of beer.
  - Fermented drinks.
  - Spirits and alcoholic drinks (sweetened or flavored).
  - Other alcoholic drinks.
  - Mixed alcoholic drinks
  - Natural distilled beverages.

**Fifth:**

Without prejudice to the provisions of Law No. 92 of 1964 on smuggled tobacco, enterprises licensed to produce local cigarettes; toscano cigar; pipe tobacco; sweetened, snuffed, chewed, mixed and non-mixed tobacco shall keep records proving the amounts of tobacco purchased and used in manufacturing. The person concerned shall keep supporting documents.

Importers may not sell crude tobacco to parties other than the plants licensed and registered at ETA. Importers shall notify the relevant tax office of the list of plants whereto they sell as well as the sold quantities of crude tobacco within four (4) days from the selling date via (form No. 109 VAT) and shall send to the tax office a copy of the page of the materials book wherein such sales are recorded. The tax office shall subsequently notify relevant tax offices, according to respective jurisdiction.

## CHAPTER III APPEAL PROCEDURES

### (ARTICLE 60)

**Repealed**<sup>(37)</sup>

### (ARTICLE 61)

**Repealed**<sup>(38)</sup>

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<sup>(37)</sup> Article (60) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

#### **(ARTICLE 60)**

In application of the provisions of Article (55) of VAT Law, the domicile shall mean the place determined by the registrant to be notified of tax forms such as the lawyer or accountant's office.

The returned notification sent by the tax office or appeal committee to registrant via a certified mail and signed by the postman proving that the enterprise is closed or enterprise owner is unavailable or refused to receive the notification shall be written in a report by the relevant tax auditor or a member of the relevant appeal committee authorized to practice judicial seizure. The report shall be made of three copies; the first copy shall be kept in the registrant's file, the second copy shall be posted on the premises of the registrant enterprise the third copy shall be posted on the announcement board of the tax office or the relevant appeal committee as well as published on ETA website.

Each tax office and/or appeal committee shall keep a log wherein the aforementioned reports shall be regularly recorded. In cases where the notification is returned back with a notice clarifying that the registrant enterprise is not found or the registrant address is unknown, the relevant tax auditor or member of the relevant committee authorized to practice juridical seizure shall make necessary investigations. In case such investigations result in finding the registrant enterprise or address, the notification shall be resent and delivered to the registrant. If, however, the investigations do not result in finding the registrant enterprise or address, the registrant shall be notified to appear before the public prosecution.

The chairman of the appeal committee may ask the relevant tax office to carry out the aforementioned investigations by a tax auditor authorized to practice the judicial seizure. In such a case, investigations shall be promptly carried out, and a copy of the investigation report findings shall be sent to the committee chairman.

In application of the provision of the last paragraph of Article (55) of the Law, the date whereon seizure procedures are taken on the registrant shall mean the date the registrant was notified of such seizure.

<sup>(38)</sup> Article (61) was repealed by Ministerial Decree No.286 of 2021 and used to read as follows:

#### **(ARTICLE 61)**

In application of the provisions of Article (56) of the Law, the registrant shall be notified of tax amendment via (form 15 VAT). In case of tax assessment due to failing to file the tax return, notification shall be via(form No. 14 VAT) via a certified mail or through any electronic means as per the Law of Electronic Signature or through any other written means in virtue of which ascertained knowledge of such amendment or assessment is established.

The registrant may appeal such tax amendment or assessment within thirty (30) days as of the notification date of such tax amendment or assessment.

The appeal submitted by the registrant against tax amendment or assessment shall be made of three copies to be given to the relevant tax office; where a copy sealed by the tax office stamp with the incoming date shall be delivered to the registrant. The tax office shall record in the appeal data as well as a summary of points of disagreement in a book particularly prepared for that purpose, and shall consequently refer the appeal to the relevant internal committee.

In case the certified mail process confirms that the registrant received the notification and no appeal is submitted within the aforementioned period, tax amendment or assessment made by ETA shall be deemed final.

**(ARTICLE 62)**

**Repealed**<sup>(39)</sup>

**(ARTICLE 63)**

**Repealed**<sup>(40)</sup>

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<sup>(39)</sup> Article (62) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(Article 62)**

Internal committees stated in Article (56) of the Law shall be formed by virtue a decree issued by ETA Commissioner and shall be chaired by one of ETA staff who assumes the position of a general manager and the membership of two ETA employees.

In the formation of internal committees and committee procedures to consider appeals, the following rules shall be taken into consideration:

1. Committee members have not previously considered the issue either through auditing or reviewing.
2. A substitute chairman may be appointed for the committee chairman in case of compelling circumstances provided that such substitute shall take decisions regarding the appeal only after reviewing all related documents.
3. The relevant tax office shall refer the appeal to the internal committee no later than two (2) days from the date of receiving such appeal. The internal committee shall notify the tax office of its decision within two (2) days of issuing the decision. The tax office shall notify the registrant with the decision of the internal committee within two (2) days from receiving the decision.
4. The membership of such committees shall be for one year and renewable for one or more periods.
5. The committee shall issue a justified and unconditional decision defining the amount of due tax and precise bases of tax assessment, provided that the committee shall take a decision on the appeal within sixty (60) days from the submission date of the disputable appeal attached with all related documents.
6. The committee may seek the assistance of whomever it deems appropriate from the ETA's technical staff, without having a counted vote in issuing the decision.

<sup>(40)</sup> Article (63) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(Article 63)**

The internal committee shall notify registrant via certified mail with the date of the hearing. In case the registrant or legal representative thereof fails to appear on such date, the registrant shall be notified with a second and last letter.

In case the registrant or legal representative thereof fails to appear on the second date, the internal committee shall refer dispute to the relevant appeal committee and shall notify the registrant of such referral.

**(ARTICLE 64)**

**Repealed**<sup>(41)</sup>

**(ARTICLE 65)**

**Repealed**<sup>(42)</sup>

**(ARTICLE 66)**

**Repealed**<sup>(43)</sup>

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<sup>(41)</sup> Article (64) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 64)**

Internal committee hearings shall be confidential. Discussions of the committee shall be documented in a reported supported by documents submitted by both the registrant and the tax office.

The committee shall discuss all points of disagreement as well as pleadings demonstrated by registrant and shall address each of such points.

In case the disputes are settled with the registrant, committee decision shall be issued as per the settlement and the tax shall become final. In case of failing to settle the disputes, the committee shall define give expert opinion on such disputes. The tax office shall then refer the disputes to the relevant appeal committee within thirty (30) days from the date of reaching a decision and shall notify the registrant of the referral of disputes.

In case the period of thirty (30) days elapses without referring the disputes to the relevant appeal committee, the registrant may refer the issue in writing or via a certified mail within the following fifteen (15) days to the chairman of the relevant appeal committee.

The chairman of the relevant appeal committee shall within fifteen (15) days from the date of receiving the issue or the certified mail schedule a hearing to consider the dispute and shall give orders to take the dispute file.

Any of the procedures stipulated in this article may be taken via any electronic means. The report of the internal committee shall be signed by committee chairman and members as well as the registrant or legal representative thereof.

The registrant has the right to have a copy of such report.

<sup>(42)</sup> Article (65) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 65)**

The internal committees provided in Article (56) of the Law are authorized to consider appeals submitted by registrants challenging tax amendment or assessment within sixty (60) days from the submission date of the appeal.

<sup>(43)</sup> Article (66) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 66)**

Every internal committee shall have the following logs:

1. A log for recording appeals.
2. A log for recording hearing reports.
3. A log for recording the decisions taken by the committee.

**(ARTICLE 67)**

**Repealed**<sup>(44)</sup>

**(ARTICLE 68)**

**Repealed**<sup>(45)</sup>

**(ARTICLE 69)**

**Repealed**<sup>(46)</sup>

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<sup>(44)</sup> Article (67) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 67)**

In application of the provisions of Article (57) of the Law, the following shall be taken into consideration:

1. Appeal committees shall be formed by virtue of a decree issued by the minister. Each committee shall constitute of a chairman, a non-ETA employee, selected by the minister; two members from ETA staff selected by ETA Commissioner and two experts nominated by the Syndicate of Commercial Professionals from amongst the accountants enrolled in the Accountants and Auditors Table for Stock Corporate in the general record listing practitioners of accounting and auditing profession.
2. ETA Commissioner may appoint substitutes for ETA committee members in cities that have only one committee.
3. Members of the main committee are considered substitutes for other committees in cities that have more than one committee. Secondment of the main committee members as substitutes instead of the members who fail to attend their committee sessions shall be the jurisdiction of the main committee chairman or the senior member in absence of the chairman.
4. None of the committee members have previously considered the appeal either through auditing, reviewing or approval.
5. The committee is entitled to hear the registrant or the representative thereof as well as the relevant tax office provided that the tax office shall not have any counted vote in taking the committee decision.
6. The appeal committee shall examine the submitted unsettled disputes without considering any new issues.
7. The decision issued by the appeal committee shall be justified and unconditional defining the amount of due tax and precise bases of tax assessment.
8. The committee shall be evaluated annually based on disputed appeals settled. The remuneration of committee members and technical secretariats shall be defined based on disputed appeals settled.
9. Membership of such committees for ETA staff shall be for one year and shall be renewable for one or more periods.

<sup>(45)</sup> Article (68) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 68)**

Appeal committees stated in Article 57 of the Law shall keep the following logs:

1. A log for tax appeals: recording appeals based on reception date. All relevant data of each should be included in that log.
2. A log for appeal sessions: recording appeals submitted before the appeal committee in every hearing session as well as the relevant decisions taken by the committee for all appeals in each session.
3. A log for committee rapporteurs: recording appeals delivered to each member.
4. Other logs as per the job description of the committee.

Data entry in the aforementioned logs shall be made by the committee secretariat.

<sup>(46)</sup> Article (68) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 69)**

Working in the appeal committees stipulated in these Regulations shall be as follows:

1. The chairman of the committee shall appoint a rapporteur for the case from amongst the two committee members assigned by ETA.
2. Every rapporteur shall review referred appeals as well as related pleadings and shall prepare a draft decision for each appeal.
3. Deliberations with the committee members on the draft decision shall begin after reviewing the appeal documents.
4. The decision of the appeal committee shall be issued after deliberations in accordance with the provision of Article 59 of the Law.

**(ARTICLE 70)**

**Repealed**<sup>(47)</sup>

**(ARTICLE 71)**

**Repealed**<sup>(48)</sup>

**(ARTICLE 72)**<sup>(49)</sup>

In application of the provisions of Article (65) the Law, a committee shall be formed and chaired by ETA Commissioner or his deputy with the membership of Head of Sector for the Affairs of Centers, Regions and Outlets, Head of Central Department for the Affairs of Commissioner's Office, Central Department for Legal Affairs, the Head of Central Department for Internal Auditing and Governance and the General Manger for Investigations. The committee shall examine accusations made against ETA employees who are authorized to practice judicial seizure while doing their business or as a result of it.

The committee may assign whoever appropriate for that task and shall prepare and submit a recommendation report to the Minister of Finance or the person so authorized to take the necessary actions by requesting to investigate the accusations made against ETA employee mentioned in the preceding paragraph.

ETA Commissioner shall issue a decision with the formation of the technical secretariat of that committee.

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<sup>(47)</sup> Article (70) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 70)**

The appeal committees shall achieve completion rates determined by department supervising appeal committees. Every appeal committee shall notify both the appeal applicant and the relevant tax office of the hearing session date to review the appeal via (Form No. 316 VAT: tax appeal procedures) via a certified mail.

The committee may, in case the registrant fails to appear before the committee or does not submit any memos or documents, settle the disputed appeal in the light of available documents.

The chairman and the secretary of the committee shall sign the committee decisions within fifteen (15) days as of the issuance date hereof.

Both ETA and the registrant shall be notified of the committee decision via a certified mail via (Form No. 1/316: VAT tax appeal procedures).

<sup>(48)</sup> Article (71) was repealed by Ministerial Decree No. 286 of 2021 and used to read as follows:

**(ARTICLE 71)**

The appeal committee shall take into consideration fundamentals and general principles of litigation procedures including:

1. Location jurisdiction determined by the formation decision of the committee.
2. Notification the disputed parties as stipulated by the Law.
3. Recusal provisions in cases defined by the Law.
4. Discussions of all pleadings submitted in the appeal case.
5. Justification of committee decisions.
6. Compliance with deadlines specified by the Law.

<sup>(49)</sup> Article (72) was amended by Ministerial Decree No. 57 of 2023 - Egyptian Gazette - Edition 29 cont. (B) issued on 05/02/2023.

**(ARTICLE 73)**

**Repealed**<sup>(50)</sup>

**(ARTICLE 74)**

**Repealed**<sup>(51)</sup>

**(ARTICLE 75)**<sup>(52)</sup>

In application of the provision of Article (74) of the Law, The Minister of Finance may after the approval of the Council of Ministers apply an incentive scheme in the form of discounts, purchasing vouchers, cash or in kind gifts to final consumers who are participants in such scheme provided that valid tax invoices or e-tax receipt are submitted. Final consumer participating in such scheme may receive such incentives after notifying ETA that seller failed to issue valid tax invoice or receipt.

Such incentive schemes referred to in Paragraph (1) of this article may provide prizes for retailers and service providers participating in such scheme.

ETA may include in such scheme retailers and service providers who issue e- tax invoices (e-tax receipts) as to services provided and goods sold to final consumers and including in such scheme others other than retailers and service providers who request participation in such scheme.

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<sup>(50)</sup> Article (73) was repealed by Ministerial Decree NO. 286 of 2021 and used to read as follows:

**(ARTICLE 73)**

In application of the provision of article (70) of the Law, in case any act of tax evasion committed by a judicial person, the person held responsible shall be the acting partner, the acting manager, the managing director (CEO) or the chairman of the board of directors who is actually managing the business according to the applicable statute of the enterprise, provided that the enterprise management shall notify the relevant tax office of the name of person-in-charge upon the change of such within twenty one (21) days.

<sup>(51)</sup> Article (74) was repealed by Ministerial Decree NO. 286 of 2021 and used to read as follows:

**(ARTICLE 74)**

In application of the provisions of Article (72) of the Law, the head of the relevant tax regional office shall be authorized to issue a request to bring legal actions for the crimes specified in Article (66) of the Law.

The head of the executive sector shall be authorized for conciliation in same crimes provided that VAT, Table Tax, additional tax as well as compensation stated by the Law are paid.

ETA Commissioner shall be authorized for conciliation in crimes stipulated in Article (68) wherefore VAT, Table Tax, additional tax and the compensation legally specified do not exceed on million pounds.

<sup>(52)</sup> Article (75) was amended by Ministerial Decree No. 426 of 2022 - Egyptian Gazette - Edition 195 cont. (B) issued on 05/09/2022.

**(ARTICLE 75)**

In application of the provision of Article (74) of the Law, THE Minister of Finance may after the approval of the Council of Ministers apply an incentive scheme in the form of tax refund to final consumers in non-commercial purposes provided that valid tax invoices are submitted.

Domains whereon such incentive schemes and rewards apply as well as administration of such schemes shall be determined by virtue of a decision issued by the minister after the approval of the council of ministers.



Selection of winners from among final consumers,retailers and service providers, shall be through procedures and electronic system set for this purpose and approved by ETA.

Domains whereon such incentive schemes and rewards apply as well as administration of such schemes shall be determined by virtue of a decision issued by the minister after the approval of the council of ministers.

**(ARTICLE 76)**

In application of serial No. (9) of the first item of the Table attached to the Law, contracting services and construction and building works shall mean services involving both supply and installation works including:

1. Building works.
2. Foundation works.
3. Metal construction works.
4. Complementary (specialized) works.
5. Road, bridge, railway, airport and tunnel works.
6. Water and wastewater plants and networks as well as gas and fuel networks.
7. Public works and hydrodynamic and geo-thermal power plants.
8. Marine and river works and well-digging works.
9. Electromechanical and electronic works and telecommunication networks.
10. New and renewable energy power plants and solar energy works.

Provided that the following shall be taken into consideration:

1. Table Tax of five percent (5 %)of the net value of the invoice shall be charged on all works included in the aforementioned contracting service and construction and building works (supply and installation).In case the contract is either supply or installment only, it will be excluded from the contracting concept stated in No. (9) in the first item of the Table attached to the Law wherefore tax rates stipulated in the Law shall be applied.
2. The value shall mean the value of the invoice approved by the consultant. Table Tax, in such a case, shall be payable upon approval of the invoice.
3. The base for calculating the Table Tax on contracting services and building and constructions works shall include all local and imported supplies of goods and service used in the contracting works whether provided by an awarding entity or supplied by main contractor or sub-contractors.
4. All manufactured goods and services provided by the contractor and used in the contracting works shall be subject to tax with the rates stated by the Law as a special usage. The amount taken as a basis for calculating the tax shall be the total cost with the deduction of tax previously paid on inputs.
5. Sub-contractors shall be deemed as if they paid Table Tax in case the main contractor paid such tax on same works provided that:
  - a) The main contractor shall present a certificate to the sub-contractor stating his liability including: the project name and number, cheque number, data of the contract concluded between the awarding party and the main contractor where through the sub-contractor works. Such certificate shall be issued for each sub-contractor. In case the contract value or data is amended, such certificate shall accordingly be amended.

- b) The contract concluded between the main contractor and the awarding entity shall be a supply and installation contract.
  - c) The total value of the works executed by the sub-contractor shall not exceed the value of total works awarded to the main contractor.
  - d) The sub-contractor shall be registered at ETA and his tax returns shall include the value of the executed works whereon the tax is paid by the main contractor.
6. Table Tax already by the sub-contractor shall be deducted from the tax paid by the main contractor for same works.
7. The ministries and affiliated entities and agencies thereof, all of the State's administrative body units, local administrative units, public agencies as well as independent bodies, may pay the Table Tax due on construction building contracting works executed for such agencies by companies of the public sector or the public business sector or other companies as per each invoice issued regularly to the relevant tax office, provided that the cheque shall be attached with a statement declaring name of the main contractor, works executed and value of such works, and amount of Table Tax.
- Such entities shall also pay the additional tax due for delaying the payment of Table Tax after specified deadlines, provided that the cheque shall be attached with a statement declaring the name of the main contractor, works executed and value of such works, and amount of both Table Tax and additional tax.
8. In case the contract is concluded with an exempted entity according to Article (29) of the Law, such contract shall be fully exempted by virtue of one exemption certificate issued in coordination between ETA exemption department the and entity concerned with exemption with the total value of the contract, provided that such exemption shall be limited only to the value of works executed by virtue of the final invoice. The necessary amendment shall be made.

**(ARTICLE 77)**

In application of serial No. (12) of the first item of the Table attached to the Law, professional and consultancy services shall mean services of non-commercial or industrial nature independently provided by a natural and/or judicial person where the main component in such services shall be work.

**(ARTICLE 78)**

The scope of exemptions based on the exempted goods and services list attached to the Law shall be determined according to the following items assigned hereunder:

**First:** Item No. (27) includes postal stamps for postal services provided by Egypt Postal Service except for Express Mail Service (EMS).

Financial stamps shall mean the stamps issued by any entity legally authorized to issue such stamps to support its financial resources.

**Second:** Item No. (28) the residential unit shall mean any unit prepared by its owner to others for the purpose of residence.<sup>(53)</sup>

**Non-residential units shall mean any unit prepared by its owner to others for the purpose of conducting any commercial, industrial or professional activity.**

**This definition does not include hotel facilities and other facilities that are governed by special laws.**

**Third:** Item No. (33) banking processes legally practiced by banks only shall mean processes practiced only by the banks supervised by the Central Bank of Egypt (CBE) according to the provisions of Law No. (88) of 2003.

**Fourth:** Item No. (36) non-banking financial services shall mean the non-banking financial instruments supervised and controlled by the Egyptian Financial Supervisory Authority (EFSA) stated in Article (2) of Law No. (10) of 2009 including: capital markets, futures exchange(markets), insurance activities, real estate financing, financial leasing, factoring and securitization, as well as microfinance added by virtue of Law No. 141 of 2014.

**Fifth:** Article No. (37) Insurance and reinsurance services shall mean insurance services provided by the natural or judicial person licensed by the insurance authority specialized in insurance.

Exempted insurance and reinsurance services shall not include (services provided by insurance policy liquidator and experts of appraisal "appraisers", inspection as well as other experts; legal services related to submitting claims; services resulting from insurance such as repair and maintenance services....etc. directly provided by insurance companies or by third parties.

**Sixth:** Item no. (39) Health services shall mean every health service provided to patients in hospitals, medical centers, clinics or any other recovery centers. Such services shall not include services provided by hospitals with commercial or investment nature as well as plastic and weight loss surgeries for reasons other than medical purposes.

**Seventh:** Item No. (57) Advertisement services shall mean services provided in its final form by the advertiser to the advertisee whether provided via live broadcasting, publishing or announcing or by any means of advertising (such services doesn't include the production of the advertising material).

**Eighth:** Item No. (55):ministry of health shall notify ETA of a list or lists approved by Minister of Health stating active substances included in production of drugs and ETA shall comply with such notification to provide tax exemption.<sup>(54)</sup>

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<sup>(53)</sup> Item "Second" of Article (78) was replaced by the Ministerial Decree No. 24 of 2023 and used to read as follows:

Item (28) the residential unit shall mean any unit prepared by its owner to others for the purposes of residence.

Non-residential units shall mean any unit prepared by its owner to others for the purpose of conducting any commercial, industrial or professional activity.

This definition does not include commercial shops, according to the provisions of Law No. (11) of 1940, as well as hotels and other premises whose provisions are governed by special codes.

<sup>(54)</sup> Item (Eighth) of Article (78) was added by the Ministerial Decree No. 337 of 2019 - Egyptian Gazette - Edition 114 cont. issued on May 19, 2019.

**(ARTICLE 79)**

ETA Commissioner shall issue the guidelines, clarifications and commentaries that shall help in application of VAT Law and the Executive Regulations thereof, whereby ETA shall abide and taxable persons may use as a guide in applying the Law.