



**Hazem Hassan**  
Public Accountants & Consultants

Headlines

# Tax Newsletter

Egypt

Issue No. 5

January 2019

**First:**

Updating Tax Data and Relying on Tax Registration Number.

**Second:**

Electronic Tax Return of Income Tax In Accordance With Income Tax Law No. 91 of Year 2005.

**Third:**

The Electronic Tax Return of Value Added Tax (VAT) According To VAT Law No. 67 of 2016.

**Fourth:**

Collection of Governmental Dues, Taxes and Customs through the Electronic Payment and Collection System.

**Fifth:**

Takaful Contribution In Accordance With the Comprehensive Health Insurance Law No. 2 of 2018.



# First: Updating Tax Data and Relying on Tax Registration Number

## A) Contents

- **The Issuance of Minister of Finance Decree No. 729 of 2018 concerning updating tax data and relying on tax registration number.**
- **Pursuant to this decree:**
  - Taxpayers of income tax law and registered under VAT law are obliged to update their tax data which on the Egyptian Tax Authority website ([www.incometax.gov.eg](http://www.incometax.gov.eg)).
  - The phrase "tax registration number" will replace "tax file number" or "taxpayer's file number" wherever it is mentioned in any law, regulation, or decree.... etc.
  - Reference to the tax file number or the number of the taxpayer's file in any correspondence or tax forms inside or outside the Egyptian Tax Authority, whether issued by the Egyptian Tax Authority or received thereto, shall be cancelled; however reference shall only be made to the registration number of the taxpayer or the registered as of June 1, 2019 pursuant to the contents of the published decree .

## B) Publication Date

- This Decree was published in the Waqaa Egyptian Gazette Issue No. 282-(continued) on December 15, 2018, and shall come into force starting from the day following the date of its publication.

Second:

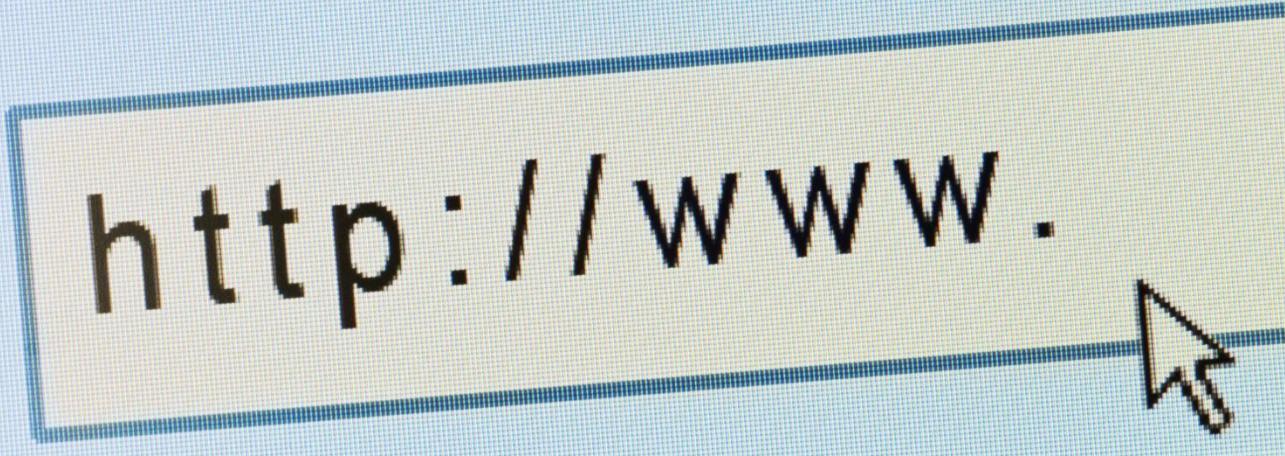
Electronic Tax Return of Income Tax In Accordance  
With Income Tax Law No. 91 of Year 2005.

## A) Contents

- **Decree No. 744 of 2018 issued by the Ministry of Finance to the effect of amending the provisions of the Executive Regulations of Income Tax Law No. 91 of 2005.**
- **Pursuant to this decree:**
  - The taxpayer (the Corporate Body except the Partnership Company) is obliged to send the tax return through the e-government portal (Income Tax Payers' Service) or through any other electronic channel to be specified by the Ministry of Finance, provided-that the taxpayer shall register himself at the Tax Authority and obtain the secret password. The taxpayer shall be fully responsible for any tax return or declaration to be submitted by him through signing an acknowledgment to this effect when requesting to benefit from this service or by submitting an electronic signature approved by the Tax Authority.
  - The taxpayer (Natural Person or Partnership Company) may send the tax return as indicated in the preceding paragraph.
  - In all cases, the taxpayer must provide a supporting document evidencing the payment of the tax due as per the tax return by one of the approved means of payment provided in Article No. (82) of the executive regulations or by the approved means of payment to be determined by the Ministry of Finance.
  - Submitting the tax return by the taxpayer in the manner referred to in this Article shall be considered as an acknowledgment submitted by him to the competent tax inspectorate.

## B) Publication Date

- This Decree was published in the Waqaa Egyptian Gazette Issue No. 289 -(continued) on December 23, 2018, and shall come into force starting from the day following the date of its publication.



http://www.

Third:

The Electronic Tax Return of Value Added Tax

According To Value Added Tax Law No. 67 of 2016

### A) Contents

- Decree No. 695 of 2018 was issued by the Ministry of Finance to the effect of amending the provisions of the Executive Regulations of the Value Added Tax Law.
- Pursuant to this decree:
  - Each registered under the value added tax law shall be obliged to submit to the tax inspectorate, in which he is electronically registered, a monthly electronic VAT declaration of the due tax and the due schedule tax or one of them, as the case may be, via the electronic portal of the Egyptian Tax Authority.

### B) Publication Date

- This Decree was published in the Waqaa Egyptian Gazette Issue No. 274-continued (B), and shall come into force starting from the VAT returns to be submitted in January 2019.

Fourth:

Collection of Government Dues, Taxes and Customs  
through the Electronic Payment and Collection System



## A) Contents

- **Decree No. 760 of 2018 was issued by the Ministry of Finance to the effect of amending Ministry of Finance Decree No.269 of 2018 regarding the collection of government dues, taxes and customs through the electronic payment and collection system.**
- **Pursuant to this decree:**
  - All governmental dues, including due taxes and customs, exceeding one hundred thousand pounds must be paid by any means of electronic payment through the Electronic Payment and Collection System, however the amounts that are less than the aforementioned ones may be paid by checks, while the dues exceeding (five thousand pounds) are prohibited to be paid in cash.
  - As of May 1, 2019, all the governmental dues referred to above, in excess of Five hundred pounds shall be paid by any means of electronic payment through the Electronic Payment and Collection System, however the amounts that are less than the aforementioned one may be paid by any means of payment, whether electronic or otherwise.
  - The checks submitted to the governmental bodies before May 1, 2019 according to their due dates shall be excluded from being subjected to the provisions of clause No, 2 of this article.
  - In case of non-compliance with the payment of the governmental dues referred to pursuant to the provisions of clauses Nos.( 1) and (2 ) of this Article, the debtor shall pay in addition to these dues a percentage of 10% of the payable value with an amount of EGP 10,000 at maximum as administrative expenses to cover the costs incurred by the State as a result of the choice of the responsible to settle these dues using any means other than the means of electronic payment .

## Fourth - cont.:

### Collection of Government Dues, Taxes and Customs through the Electronic Payment and Collection System



#### **A) Contents – cont.**

- In all cases, these dues shall be paid within the prescribed dates; however, delay interests and the other legally prescribed financial charges shall be paid in case of failure to settle these dues on their prescribed dates.
- The Minister of Finance may exclude governmental bodies or dues for which the mechanisms and procedures of electronic collection are not made available from being subjected to the provisions of this Article.

#### **B) Publication Date**

- This Decree was published in the Waqaa Egyptian Gazette Issue No. 294-(continued) on December 29, 2018, and shall come into force starting from the day following the date of its publication.



Fifth:  
Takaful Contribution In Accordance With  
The Comprehensive Health Insurance  
Law No. 2 of 2018.

## **A) Contents**

- **Law No. 2 of 2018 was issued promulgating the Comprehensive Health Insurance Law.**
- **This law includes the following:**
  - Unincorporated business enterprises and companies of whatever nature or legal form under which they operate or the general economic bodies shall be obliged to pay a percentage of 2.5 per mille of their total annual revenues as a form of Takaful Contribution .
  - The value of this Takaful Contribution shall not be deemed as deductible costs when applying the provisions of Income Tax Law No. 91 of 2005.
  - The Ministry of Finance shall collect this percentage as it shall be estimated pursuant to the financial report on the tax return of the enterprise that was submitted to the Egyptian Tax Authority on the prescribed due dates .
  - The form of the tax return on the profits of the corporate bodies for year 2018 was issued, and on page (4/6-3) thereof, there is a part specifying the value of the Takaful Contribution at a percentage of 2.5 per mille.
- **It is worth mentioning that the correspondence issued by the Central Administration for Researches and Tax Studies No. 171 on January 22,2019 included the following:**
  - The provisions of this law shall apply, including the calculation of the percentage of the Takaful Contribution that must be paid based on the total annual revenues of the Unincorporated business enterprises and companies subjected to the provisions of this law, as of July 12, 2018.



Fifth - cont.:

Takaful Contribution In Accordance With  
The Comprehensive Health Insurance  
Law No. 2 of 2018.

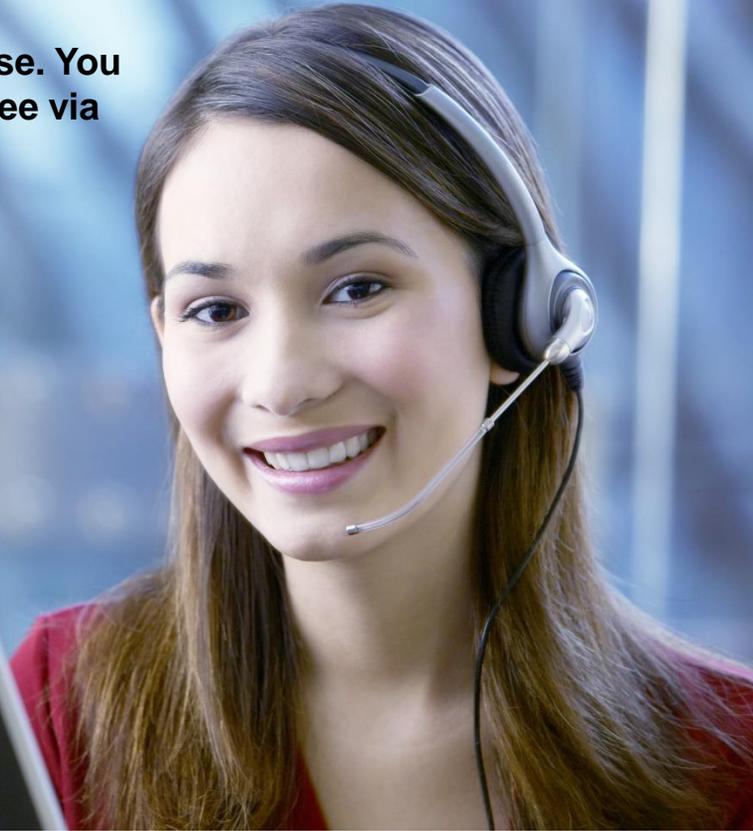
### **A) Contents – cont.**

- The provisions of this law shall apply to the aforementioned enterprises that are subjected to the provisions of this law, whether the governorate is in the stage of implementation of the law or not.
- The Egyptian Tax Authority estimates and collects the percentage of the mentioned Takaful Contribution based on the total annual revenues as per the tax return. In case of failure to settle these amounts by the enterprise, the Tax Authority may collect them by means of the relevant administrative attachment procedures.

### **B) Publication Date**

- This Decree was published in the Waqaa Egyptian Gazette Issue No. 2-(B)-(continued) on January 11, 2018 and shall come into force starting from the day following the lapse of six months from the date of its publication.

We are willing to answer any inquiries regarding the Law through the Standing Tax Committee of our Firm that is particularly formed for this purpose. You can contact the standing committee via phone or e-mail:



**To Answer the Inquiries on the Taxes**

**Mohamed Allam**  
Head of Tax Sector

[malaam@kpmg.com](mailto:malaam@kpmg.com)

**Saleh Rewaished**  
Partner

[srewaished@kpmg.com](mailto:srewaished@kpmg.com)

**Ahmed Salah**  
Tax Senior Manager

[asalah@kpmg.com](mailto:asalah@kpmg.com)

**Main Coordinator**

**Sahar Morsy**  
Executive Secretary

[ssmorsy@kpmg.com](mailto:ssmorsy@kpmg.com)

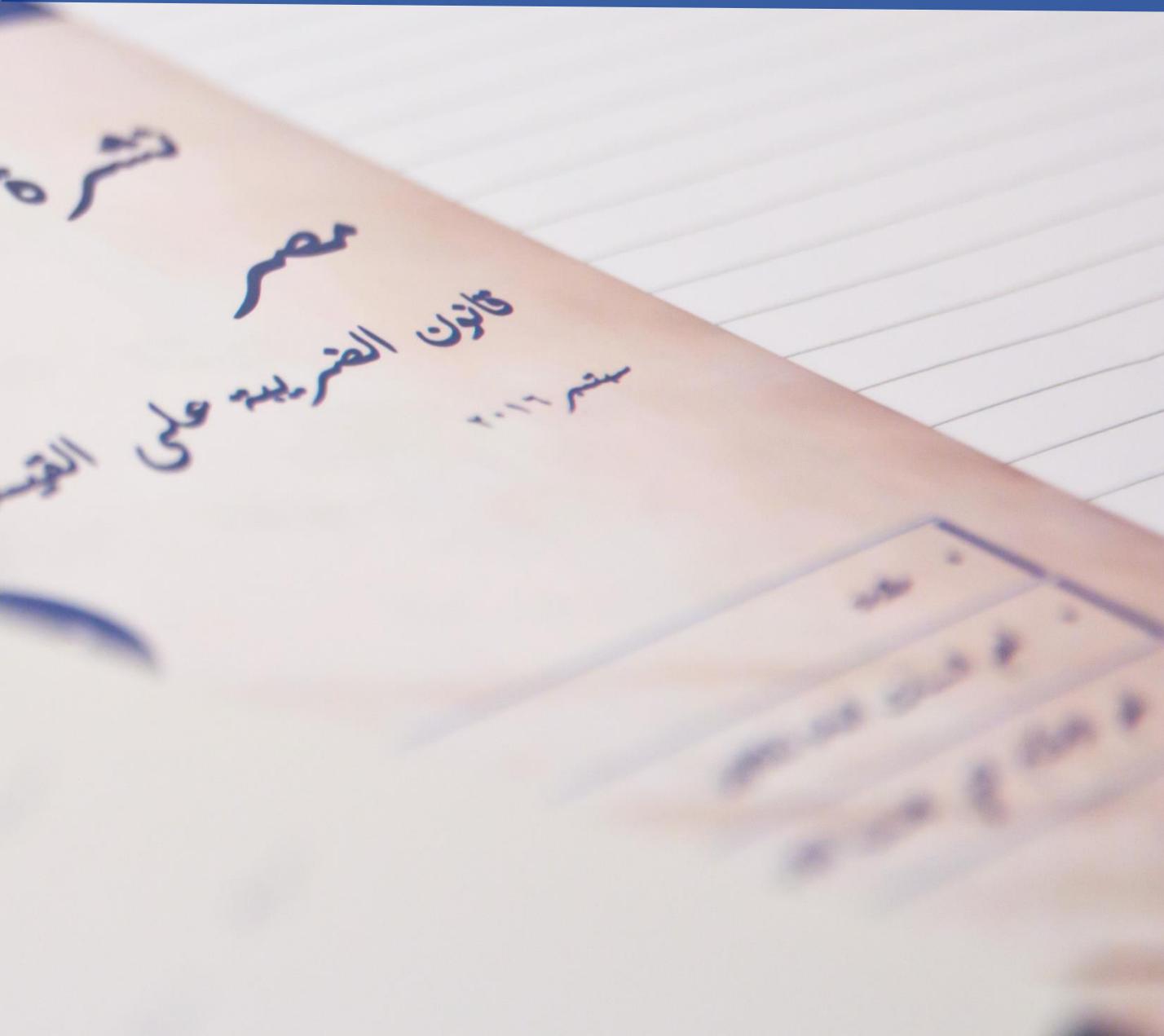
**Telephone:** (202) 35362211  
(202) 35362200

**Extension:** 1662

Hazem Hassan enjoys the necessary expertise that enables our enterprise to provide our customers with the highest possible quality in the fields of tax compliance as well as any other tax services rendered by KPMG Hazem Hassan Tax Sector.

Hazem Hassan enterprise has departments specialized in taxes and the establishment of companies in both Cairo and Alexandria. The tax departments include eight partners and more than one hundred professional experts who enjoy the qualifications and experiences, in addition to the fact that some of them were former members of the Egyptian Tax Authority. The enterprise also has experts specialized in the field of accounting and information technology systems.

**All of the abovementioned assets help providing an integrated services while ensuring that the service provided to our customers is a high quality service, while taking into account both local and global aspects of taxation issues and all aspects of accounting and information systems utilized in this regard.**





**Hazem Hassan**  
Public Accountants & Consultants

### **Cairo Office**

Pyramids Heights  
Km 22 Cairo-Alexandria Desert Road  
12556 – Al-Ahram  
P.O. Box No. 48 Al-Ahram  
Giza – Great Cairo  
Telephone: (202) 353 62 200/11  
Fax: (202) 353 62 301/05

### **Alexandria Office**

12 Nouh Afandi St.  
El Sultan Hussein St.  
El-Faraana  
Alexandria -Egypt  
Telephone: (203) 485 32 51/52  
Fax: (203) 485 32 50