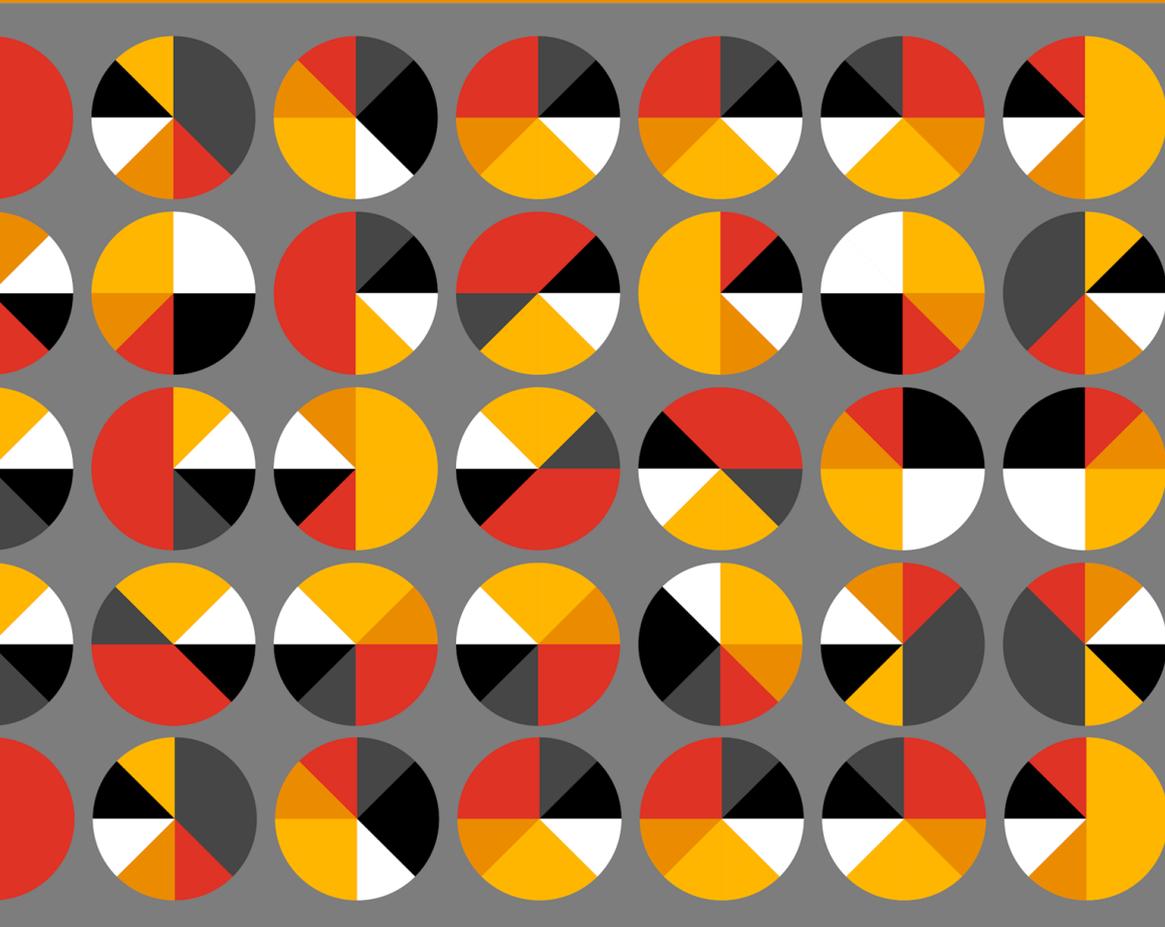


Egypt: Issuance of Ministerial Decree 144 of 2020

March 2020



In brief

On March 5 2020, the Egyptian Ministry of Finance issued decree 144 of 2020 to amend the provisions of the executive regulations of the income tax law 91 of 2005 stating that taxpayers are required to submit the quarterly payroll declarations and the annual payroll tax reconciliations through the online portals made available by the Egyptian government.

Background

The Egyptian Ministry of Finance has issued a series of laws and decrees to digitize the operations of the Egyptian Tax Authority.

Ministerial decree 144 of 2020 is a manifestation of the MOF's vision to automate and digitize the tax system in Egypt and was issued in the official gazette on March 5, 2020 and enforced as of March 6, 2020.

In detail

Form 4 Payroll

The decree replaced the provisions of article 22 of the Income Tax Law's Executive Regulations stating that taxpayers are required to submit the quarterly payroll declaration (Form 4 Payroll) either through the government's online portal (taxpayers services) or through any other electronic portal determined by the Ministry.

Taxpayers need to submit proof that they settled the declared tax by or before the legal due dates of the submission form as stated by the law (January, April, July and October).

The form shall include the following information:

1. Number of employees
2. Total salaries and the like, that are dispersed during the preceding three months.
3. Deducted prepaid tax amounts and tax amounts settled in connection with the declared period, as well as a copy of the settlement receipts.
4. Any changes to headcount (increase or decrease)

Annual Payroll Reconciliations

The decree has added a paragraph to article 14 of the Executive Regulations of the Income Tax Law to state that taxpayers are required to submit the annual tax reconciliation through the government's online portal (taxpayers services) as well.

The takeaway

Form 4 payroll as well as the annual payroll reconciliations shall be submitted through the online portal of the ETA.

www.pwc.com/me

Let's talk

For a deeper discussion of how this issue might affect your business, please contact:

Mohammed Yaghmour

Tax & Zakat Leader- Egypt & Saudi Arabia

+2 (02) 2759 7887

mohammed.yaghmour@pwc.com

Nesreen Maher

Tax Partner

+2 (02) 2759 7766

nesreen.maher@pwc.com

Ahmed Osama

Tax Partner

+2 (02) 2759 7864

ahmed.osama@pwc.com

Safwat Sobhy

Tax Partner

+2 (02) 2759 7885

safwat.sobhy@pwc.com

Karim Emam

Tax Partner

+2 (02) 2759 7881

karim.emam@pwc.com

Abdelkhalek Ahmed

Tax Partner

+2 (02) 2759 7881

abdelkhalek.ahmed@pwc.com

©2020 PwC. All rights reserved. PwC refers to the PwC network and/or one or more of its member firms, each of which is a separate legal entity. Please see www.pwc.com/structure for further details. This publication has been prepared for general guidance on matters of interest only, and does not constitute professional advice. You should not act upon the information contained in this publication without obtaining specific professional advice. No representation or warranty (express or implied) is given as to the accuracy or completeness of the information contained in this publication, and, to the extent permitted by law, PricewaterhouseCoopers, its members, employees and agents do not accept or assume any liability, responsibility or duty of care for any consequences of you or anyone else acting, or refraining to act, in reliance on the information contained in this publication or for any decision based on it.