Egypt's Second Tax Facilitation Package Laws Nos. 148–155 of 2026

Practical implications for businesses, investors and transactions

Based on Official Gazette Issue No. 30 bis (A), dated 28 July 2026, Issue No. 31 bis (A), dated 2 August 2026, and the corrigendum published in Official Gazette Issue No. 32 bis, dated 8 August 2026.

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In brief

Between 28 July and 2 August 2026, Egypt enacted eight laws forming part of the Second Tax Facilitation Package. The legislation introduces substantive changes affecting VAT, capital gains and securities transactions, real estate disposals, dividend taxation, financing arrangements, tax administration and procedures, tax dispute settlement, the income tax treatment and collection of the comprehensive contribution, and the treatment of profits generated by certain State-owned companies.

Businesses, investors and individuals should assess the impact of the Second Tax Facilitation Package on cash flow, compliance requirements, transaction implications and dispute settlement options. Laws Nos. 148 to 154 of 2026 were published in the Official Gazette on 28 July 2026 and became effective on 29 July 2026. Law No. 155 of 2026 was published on 2 August 2026 and became effective on 3 August 2026. This alert also reflects the corrigendum published in Official Gazette Issue No. 32 bis, dated 8 August 2026. Certain provisions remain subject to executive regulations or administrative guidance setting out the procedures and instructions necessary for their implementation. PwC will continue monitoring developments as implementation guidance becomes available.

- Cash-flow and operations: Expansion of the VAT suspension regime, input VAT deduction during suspension, accelerated VAT refunds, revised treatment of transit services, exemptions, Schedule Tax items and certain non-residential premises leases.
- Transactions and investment: Changes to real estate disposal tax, capital gains on unlisted shares/quotas, dividends, participation exemption and public offering incentives.
- Compliance and disputes: Temporary tax cards, electronic or manual bookkeeping, extension of the tax dispute settlement regime, and turnover-based settlement for smaller businesses.
- Capital markets and state charges: Stamp duty on EGX-listed securities, updated State Financial Resources Development Fees on departure from Egypt and cement production, and transfers from the net profits of companies owned by the State or public juridical persons.

In detail

Our view

The Package introduces changes that may affect prior tax periods, current operations and future transactions across a range of tax areas. Businesses should therefore take a proactive approach by assessing the impact on prior periods, current operations and planned transactions, and by identifying any required actions, areas requiring further implementing guidance, and potential effects on cash flow, compliance and governance.

Top immediate actions

- Review VAT refund opportunities and the amended VAT treatment of machinery, equipment and medical devices.
- Reassess planned dividend, financing and restructuring transactions.
- Evaluate pending share transfers and real estate disposals.
- Monitor implementing regulations, administrative decisions and ETA guidance.

At a glance: Eight laws with cross-business impact

The package introduces targeted changes across multiple tax types and compliance areas. The table below highlights the key areas businesses should review. This summary reflects the corrigendum published in Official Gazette Issue No. 32 bis, dated 8 August 2026.

Law	Area	Key change	Business relevance
148/2026	State development fee	Departure fee and cement production fee updated	Airlines, travel operators and passengers, cement producers, pricing and payment obligations
149/2026	VAT	Expanded VAT suspension, input VAT deductions, transit-related services, faster refunds, revised exemptions, Schedule Tax changes, and VAT treatment for certain non-residential leases	Industrial projects, importers, VAT refunds, real estate and financial services
150/2026	Unified Tax Procedures	Temporary tax cards and manual or electronic bookkeeping obligations	Newly established businesses, licensing procedures and record-keeping governance
151/2026	Income Tax	Bad debts, real estate disposal tax, capital gains on unlisted shares and quotas, dividends, financing, public-offering incentives and turnover-based settlement	Transactions, groups, capital markets, infrastructure projects and SMEs
152/2026	Tax dispute resolution	Renewal of the tax dispute resolution regime until 31 December 2026	Open tax disputes and resolution strategy
153/2026	Stamp Duty	Stamp duty on EGX-listed securities transactions revised	Investors, brokers, listed securities and market makers
154/2026	Companies owned by the State or public juridical persons	Transfer of a percentage of net profits to the State Public Treasury	Affected State-owned companies, public entities and profit-distribution planning
155/2026	Comprehensive Health Insurance contribution	Removal of the express income tax non-deductibility rule, with the ETA responsible for auditing, assessing and collecting the contribution by the income tax return filing deadline	Businesses and entities subject to the contribution, tax provisions, annual returns and payment processes

Effective date: Laws Nos. 148 to 154 of 2026 became effective on 29 July 2026. Law No. 155 of 2026 became effective on 3 August 2026.

Implementation note: Implementing procedures and administrative decisions are expected for certain provisions and the issuance of executive regulations, including the VAT suspension and exemption mechanism, temporary tax cards and certain income tax incentives.

Law No. 149/2026 – VAT Law amendments

VAT changes: cash-flow, industrial production and sector treatment

The VAT amendments are expected to be particularly relevant for industrial businesses, importers, real estate operators, financial services and taxpayers with recurring VAT credit balances.

Expansion of the VAT Suspension Regime: The VAT suspension regime has been extended to cover medical devices used in industrial production. In addition, the initial one-year suspension period may now be extended for one or more additional periods, provided that the total suspension period does not exceed four years, subject to approval by the Egyptian Tax Authority.

Input VAT Deduction Allowed During VAT Suspension: Registrants making sales of machinery, equipment and medical devices covered by the VAT suspension mechanism have the right to deduct the related input VAT from the output VAT due.

Services related to transit goods: VAT is no longer due on services performed on transit goods, provided that transportation takes place under the supervision of the Customs Authority and in accordance with the Customs Law.

VAT credit refunds: The period required for refunding an excess VAT credit balance has been reduced from more than six consecutive tax periods to more than four consecutive tax periods. For taxpayers with annual turnover not exceeding EGP 20 million, subject to facilitation law, a period of more than three months is applied.

New VAT treatment for certain non-residential premises leases: Leases of non-residential buildings or units used as independent premises for managing an activity are now subject to the standard 14% VAT rate. The exemption continues to apply to premises used for religious, charitable, social, educational or healthcare activities, and to other activities prescribed by Ministerial decision.

Reclassification of Tax Items:

- Medical devices are subject to a reduced standard VAT rate of 5% instead of 14%.
- Natural gas is no longer VAT exempt and is now subject to schedule tax of EGP 20 per thousand cubic feet.
- Gypsum is now subject to the standard 14% VAT rate instead of the 5% schedule tax.
- Soap and industrial detergents for household use are now subject to the standard 14% VAT rate instead of the 5% schedule tax.

Expansion and Revision of VAT Exemptions: The exemption now expressly covers the banking services of the Postal Savings Fund, financial services provided by the National Postal Authority, and non-banking financial services supervised and regulated by the Financial Regulatory Authority or the Central Bank of Egypt. The VAT exemption has been expanded to cover a wider range of medical and assistive devices.

Practical actions for businesses:

- Review capital expenditure plans involving machinery, equipment and medical devices to assess the impact of the expanded VAT suspension regime.
- Review lease agreements involving non-residential premises used as independent premises for managing an activity.
- Update ERP systems and tax codes for the revised VAT treatment of natural gas, gypsum, household soaps and detergents, and affected non-residential premises leases.
- Assess the impact on existing VAT positions, ongoing arrangements and future transactions, including VAT recovery, compliance and contractual arrangements.

Law No. 151/2026 – Income Tax Law amendments

Income tax changes: transactions, investment and governance

The income tax amendments are broad and should be assessed by groups with regard to share transfers, financing arrangements, dividends, bad debts or planned public offerings and real estate disposals by individuals.

Bad debts deduction: Serious collection procedures are recognised after 12 months from due date. Small bad debts up to EGP 10,000 per debt may be treated differently, subject to an aggregate 1% cap and executive regulations.

Real estate disposals: The 2.5% tax applies to disposals by individuals of built real estate and land for building, with clarified scope for multiple disposals, payment within 60 days, and specific exclusions including certain in-kind contributions to joint stock companies if shares are held for five years.

Unlisted securities / quotas: Capital gains from the disposal of unlisted securities or quotas are subject to tax whether the gains are realised in Egypt or abroad. A non-resident disposer must calculate and remit the tax within 60 days from the transaction date. Capital gains realised by non-residents from the disposal of Treasury bills are excluded.

Dividends and participation exemption: Dividends received by a resident company from another resident company are excluded from the dividend tax base. In addition, dividends received by a resident parent or holding company from resident or non-resident subsidiaries may benefit from the participation exemption where the applicable conditions are met.

Financing and infrastructure projects: Interest deductibility remains subject to thin-capitalization limits, with a higher 4:1 threshold available for qualifying national infrastructure projects. Interest on certain long-term unrelated loans / facilities may be exempt from withholding tax.

Public offering incentive: Companies offering shares on the Egyptian Exchange pursuant to a prospectus approved by the Financial Regulatory Authority may obtain a 15% deduction from income tax payable for three years, subject to market value, offering size and other conditions.

Why this matters: These provisions should be reviewed before executing real estate disposals, M&A transactions, restructuring, dividend distributions, debt financing and public offering plans. They may also create immediate tax-position adjustments for doubtful debts, capital gains and dividend flows.

Capital markets and securities

Immediate transaction impact

Several provisions target securities transactions, listed/unlisted investments, distributions and public offering incentives. These changes should be considered in transaction structuring, investor communications and settlement mechanics.

Capital gains on unlisted securities and quotas: Tax applies to capital gains from the disposal of unlisted securities or quotas, whether the gains are realised in Egypt or abroad. A non-resident disposer is required to calculate and remit the tax within 60 days from the transaction date. Capital gains realized by non-residents from the disposal of Treasury bills are excluded.

EGX-listed securities: Returns on listed non-government bonds and capital gains from the disposal of EGX-listed securities are exempt, except where the disposal results in the company's shares being delisted.

Stamp duty on EGX-listed securities: Stamp duty applies on the total value of sales of listed securities, except listed investment certificates. Each buyer and seller bears 0.5 per thousand, or 0.25 per thousand for same-day transactions. Market makers subject to certain conditions are excluded.

Dividends and deemed distributions: Dividend withholding tax applies at 10%, reduced to 5% for listed securities. Profits of a non-resident legal person through an Egyptian permanent establishment are deemed distributed within 60 days from the PE year-end.

Investment incentive for public offerings: Companies offering shares on the Egyptian Exchange pursuant to a prospectus approved by the Financial Regulatory Authority may benefit from a 15% deduction from income tax payable for three years, subject to the prescribed conditions.

Adjusted acquisition cost for unlisted securities and quotas: Where unlisted securities or quotas are disposed of at fair value after being held for at least three years, the acquisition cost is increased by an amount equivalent to the Central Bank of Egypt's announced credit and discount rate for each year of the holding period. The acquisition cost is calculated using the weighted-average method, subject to the procedures prescribed by the Executive Regulations.

Waiver of unpaid capital gains tax on EGX-listed shares: Subject to Article 4 of Law No. 30 of 2023, unpaid capital gains tax due on disposals of shares listed on the Egyptian Exchange during the period from 16 June 2023 until 29 July 2026 is waived.

Recommended review points

- Review pending share transfers and corporate reorganisations.
- Consider withholding / reporting obligations for non-resident disposers and dividend recipients.
- Update transaction checklists for listed and unlisted securities.
- Assess whether planned public offerings on the Egyptian Exchange could qualify for the new investment incentive.

Procedures, settlements and disputes

Compliance windows to consider

The procedural and settlement provisions create a timely opportunity to clean up tax positions, reassess open disputes and strengthen record-keeping.

Temporary tax card: A temporary tax card may be granted for eight months to complete incorporation and licensing procedures. It cannot be used to issue e-invoices or e-receipts.

Accounting records: Taxpayers carrying out commercial, industrial, craft or professional activities must keep regular accounting books and records manually or electronically, subject to applicable law.

Small-business tax assessment: Non-final taxes assessed for businesses with annual turnover not exceeding EGP 10 million for tax periods beginning on 1 January 2023 and ending with the tax period preceding March 2025 may be assessed under the prescribed turnover-based settlement rules, unless the taxpayer elects to be taxed under the ordinary Income Tax Law rules.

Renewal of Tax dispute resolution regime: The tax dispute resolution regime under Law No. 79 of 2016 has been renewed until 31 December 2026. Existing committees continue to consider pending and new requests until that date.

Turnover-based settlement rates for qualifying taxpayers:

Annual turnover	Tax / rate
< EGP 250k	EGP 1,000
EGP 250k – <500k	EGP 2,500
EGP 500k – <1m	EGP 5,000
EGP 1m – <2m	0.5% of turnover
EGP 2m – <3m	0.75% of turnover
EGP 3m – 10m	1% of turnover

Strategic point: taxpayers should not view the settlement provisions as automatic. A case-by-case assessment is needed to compare the settlement outcome with the normal tax treatment and existing disputes.

Other charges and state-owned company measures

In addition to VAT, income tax and procedural amendments, the package includes targeted measures that may affect specific sectors and government-linked entities.

Departure fee: Law 148/2026 updates the State Development Fee imposed upon departure from Egypt to EGP 100, with specific exemptions for certain Egyptian and foreign public passenger/goods transport drivers and regular cross-border lines/trucks.

Cement production fee: Law 148/2026 imposes as state development fee EGP 35 per ton of cement produced. Factories are required to remit the due fee to the Egyptian Tax Authority for cement produced.

Companies wholly-owned by the State or public juridical persons: Law 154/2026 requires companies wholly owned by the State or public juridical persons to set aside 5% of distributable net profits after covering accumulated losses and before reserves. The amount is treated as tax revenue payable to the public treasury within four months from year-end.

Companies majority-owned by the State or public juridical persons: Where the State or public juridical persons own more than 50% of a company's capital, the board must collect 4% of distributable net profits after approval of the financial statements and coverage of carried-forward losses, provided that the amount does not exceed, and is fully deducted from, their share of those profits. The amount is treated as tax revenue and transferred to the State Public Treasury within four months from the financial year-end. The Cabinet may grant temporary exemptions for public-interest reasons.

Expected implications

- Cement producers should assess pricing, accounting and remittance controls for the new production fee.
- Airlines, travel operators and transport companies should review departure-fee treatment and exemptions.
- State-owned and majority State-owned companies should assess profit-distribution planning, board approvals, distributable net profits and payment timing.
- Entities transacting with state-owned companies should consider the impact on cash distribution assumptions and valuation models.

Comprehensive contribution: Income tax treatment and administration

Law No. 155 of 2026 amends the Comprehensive Health Insurance System Law by changing the income tax treatment and administration of the solidarity contribution.

Comprehensive health contribution: The comprehensive health contribution of the Comprehensive Health Insurance System Law is now expressly treated as tax revenue for the state public treasury.

ETA administration: The Egyptian Tax Authority is responsible for auditing, assessing and collecting the contribution from persons subject to it.

Income tax deductibility: The law stipulates that the contribution is now deductible for income tax purposes. Businesses should reassess the income tax treatment in current calculations and provisions.

Treasury allocation and implementation: Collections accrue to the State Public Treasury, which must allocate and automatically transfer an equivalent amount to the General Authority for Comprehensive Health Insurance without deductions. Implementing decisions must be issued within 60 days from the law's effective date.

Client implications

- Review the treatment of the comprehensive health contribution in current income tax calculations and provisions.
- Assess and review the related calculation of the comprehensive health contribution.
- Assess the impact on annual income tax return and payment processes.
- Review open audits and disputes involving the contribution.
- Monitor the implementing decisions governing assessment and collection procedures.

Who is affected and what it means for you

Industrial / manufacturing: The expanded VAT suspension regime for machinery, equipment and medical devices, together with input VAT deduction and accelerated VAT refund opportunities, may affect capital expenditure and cash-flow planning.

Real estate / construction: Built real estate disposals, land-for-building transactions, the new VAT treatment of certain non-residential premises leases and infrastructure-financing provisions should be reviewed before transactions.

Capital markets / investors: Unlisted securities CGT, EGX stamp duty, listed share CGT relief and Public offering incentive may affect transaction and investment decisions.

Groups with dividends / financing: Dividend WHT, participation exemption and thin capitalisation / infrastructure financing rules need updated tax models.

SMEs / smaller taxpayers: Turnover-based settlement, VAT refund acceleration for Law 6/2025 taxpayers and record-keeping requirements may reduce uncertainty if correctly applied.

Taxpayers with disputes: Extension of the tax dispute resolution regime until 31 December 2026 creates a window to reassess litigation and settlement strategy.

Companies owned by the State or public juridical persons: Transfers from distributable net profits to the State Public Treasury may affect profit distributions, governance and cash-flow planning.

Importers / energy / cement: The revised Schedule Tax treatment of natural gas, the cement production fee and the VAT treatment of services related to transit goods may affect pricing, documentation and compliance processes.

Businesses subject to the comprehensive contribution: The removal of the express non-deductibility rule and the ETA's new audit, assessment and collection role may affect income tax provisions, annual return processes and payment timing.

Immediate client question: Which of these changes affect your current business, transactions, open audits, credit balances, income tax provisions, annual filings, distributions, financing or planned investments, and what actions should be taken before the first compliance deadline or audit request?

How PwC can support your business

Our team is prepared to support clients in assessing the new provisions, identifying opportunities and implementing the required compliance and governance actions.

Tax impact assessment: Client-specific review across CIT, the comprehensive contribution, VAT, stamp duty, procedures, disputes, capital markets, dividends and state charges.

VAT and cash-flow review: Eligibility analysis for the expanded VAT suspension regime covering machinery, equipment and medical devices, input VAT deduction during suspension, VAT credit refunds, services related to transit goods, revised exemptions, Schedule Tax changes and the VAT treatment of certain non-residential premises leases.

Transaction and investment support: Review of built real estate disposals, land-for-building transactions, unlisted shares, M&A, public offering incentives, dividend structures and financing arrangements.

Dispute and resolution strategy: Assessment of eligibility for the turnover-based settlement regime for qualifying taxpayers for periods beginning on 1 January 2023 and ending with the tax period preceding March 2025.

Compliance implementation: Updated filing calendars, withholding and stamp duty processes, solidarity contribution payment and return processes, temporary tax cards, record-keeping and internal control support.

CFO / board briefing: Business-friendly briefing notes to help management understand tax risk, cash-flow impact and required actions.

Suggested next step: We recommend a short impact call to identify which of the new provisions are relevant to your business, whether immediate actions are required, and how to prepare for implementing procedures, administrative decisions and ETA guidance.

Key takeaways

- The Second Tax Facilitation Package introduces substantive changes across VAT, income tax, capital markets, procedures and state charges.
- Businesses should proactively assess the impact on prior periods, current operations and planned transactions.
- Immediate actions include reviewing VAT refund opportunities, reassessing dividend and financing transactions, and evaluating pending share transfers.
- Monitor implementing regulations and ETA guidance as they become available.
- Contact PwC for a tailored impact assessment and compliance support.

Contact us

If your business is affected by the recent tax amendments in Egypt, it's crucial to act swiftly and reassess your current tax position to mitigate risks and ensure compliance. PwC has a dedicated team of specialists in Egypt ready to support you. Contact us now to learn more:

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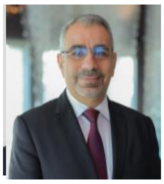

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Thank you

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