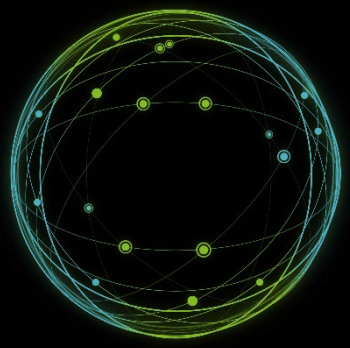
Deloitte.

International Tax

Egypt Highlights 2026

Updated June 2026



Recent developments

For the latest tax developments relating to Egypt, see Deloitte tax@hand.

Investment basics

Currency: Egyptian Pound (EGP)

Foreign exchange control: There are no foreign exchange controls.

Accounting principles/financial statements: Egyptian Accounting Standards apply.

Principal business entities: These include the joint stock company, limited liability company, partnership limited by shares, limited and unlimited partnership, branch and representative office of a foreign company, and single-owner limited liability company.

Corporate taxation

Rates	
Corporate income tax rate	22.5% (standard rate)
Branch tax rate	22.5%, plus 10% branch remittance tax
Capital gains tax rate	22.5% (standard rate)/10% (for listed shares)

Residence: A company is deemed tax resident in Egypt if it is established according to Egyptian law, if its main or actual center of management is in Egypt, or if the Egyptian government or a public juridical person owns more than 50% of its capital.

Basis: Resident companies are taxed on their worldwide income; nonresident companies are taxed only on Egyptian-source income. Branches are taxed in the same way as subsidiaries.

Taxable income: Corporate income tax is imposed on the profits of a company calculated primarily according to Egyptian Accounting Standards and adjusted by specific provisions based on the tax law. Tax is payable on the total profits after deducting the necessary and relevant expenses incurred in deriving the profits (the “tax pool”). Statutory payments to employees under profit-sharing rules may not be deducted for corporate income tax purposes and are not subject to the salary tax.

Rate

General

The standard corporate income tax rate is 22.5%. Companies engaged in the exploration and production of oil and gas are taxed at a rate of 40.55%.

Surtax

There is no surtax.

Alternative minimum tax

There is no alternative minimum tax.

Global minimum tax (Pillar Two)

Egypt has announced that it intends to implement rules that generally are in line with the global anti-base erosion (GloBE) or "Pillar Two" model rules published by the OECD/G20 Inclusive Framework on BEPS that are designed to ensure a global minimum level of taxation of 15% for multinational enterprise (MNE) groups with annual consolidated revenue of at least EUR 750 million. However, the Egyptian Tax Authority (ETA) has not yet made any official announcements concerning the introduction of Pillar Two rules.

Taxation of dividends: Under a "dividend exemption" (DIVEX) mechanism, 90% of the dividends received by a resident parent company from a resident or foreign subsidiary are exempt from corporate income tax. The mechanism applies where the parent company holds at least 25% of the shares or the voting rights in the subsidiary for at least two years before the distribution.

Dividends distributed by companies, including civil companies and companies established under the special economic zone system, and profit shares distributed by partnerships to nonresident natural persons and to resident or nonresident juridical persons, are subject to a 10% withholding tax except for dividends distributed in the form of free shares. The 10% rate also applies to profits of nonresident juridical persons realized through a permanent establishment (PE) in Egypt. The rate is 5% for dividends distributed by companies listed on the Egyptian stock exchange.

Capital gains: The standard capital gains tax rate is 22.5%. Capital gains derived by a resident company from the sale of shares listed on the Egyptian stock exchange are subject to a reduced 10% rate in a separate tax pool.

Capital gains derived by a nonresident company from the sale of shares listed on the Egyptian stock exchange or from the disposal of treasury bills are not subject to tax.

Capital gains tax does not apply to capital gains derived from a share swap involving listed and unlisted companies that deposit their shares with a central depository and registry company.

Capital gains derived by a resident or a nonresident entity from the disposal of unlisted securities in Egyptian companies are taxed at the standard corporate income tax rate.

Where relief may be available under a relevant tax treaty, the nonresident taxpayer should file a form with the International Tax Department of the ETA to obtain a formal "pre-approval" of the tax treaty application. The deadline for nonresidents to file their capital gains tax returns is 60 days from the date of the transaction.

Losses: Losses may be carried forward for five years. The carryback of losses is not permitted, except for losses incurred by a construction company on long-term contracts.

Losses derived from trading in shares may be carried forward for only three years.

Foreign tax relief: Foreign taxes paid overseas may be deducted from Egyptian income tax payable, but the deduction may not exceed the total tax payable in Egypt.

Participation exemption: See "Taxation of dividends" and "Capital gains," above.

Holding company regime: There is no holding company regime.

Incentives: Projects established under the free zone system are not subject to tax in Egypt.

The investment law provides fiscal incentives for investment projects established after 31 May 2017 in the form of a reduction of net taxable profits. A deduction equivalent to 50% of the "investment costs" is granted for investments made in geographic locations most urgently in need of development (designated as Sector A); a deduction of 30% of the investment costs is granted for projects established in Sector B (all other areas). The deduction may be used over a maximum period of seven years as from the date activity commences and is capped at 80% of the paid-up capital as at that date.

The investment law also provides general incentives for investment projects incorporated prior to June 2017. These include an exemption from stamp duties, relief from land registration fees, and a reduced customs duty rate.

Investments made from 2021 through 2029 (subject to extension pending cabinet decrees) may benefit from special incentives under the investment law, including capped discounts on investment costs.

Supplementary incentives for investment projects may be provided via cabinet decrees. These may include exemptions from land usage fees for a decade, a maximum 50% exemption from project contributions to infrastructure costs, and a cost-sharing arrangement whereby the Egyptian treasury covers 50% of utility expenses for up to 10 years.

Industrial investment projects that are at least 50% funded from foreign sources and that commence operations between 2023 and 2029 are granted a cash tax investment incentive of 35% to 55% of the income taxes due, based on filed income tax returns. Importantly, ministries may extend the eligibility window for the incentive beyond 2029 by a maximum of six years.

The importation of materials, waste, and scraps generated by projects operating within the free zones for safe disposal or recycling within Egypt are exempt from import duties and related customs fees.

Compliance for corporations

Tax year: The tax year is the accounting year.

Consolidated returns: Consolidated returns are not permitted; each company must file a separate return.

Filing and payment: The unified tax procedures law and related executive regulations aim to unify various tax procedures that apply to corporate income tax, VAT, stamp tax, and other similar taxes. More specifically, the law facilitates the collection of taxes by merging tax filing procedures.

The ETA gives taxpayers a unified tax registration number to be used for all types of taxes and on all correspondence and transactions. For new tax registrations, the ETA issues a registration certificate within five business days from the date all relevant documents are submitted.

Companies must file a tax return within four months following the end of the financial year (FY). Tax is assessed based on the information provided in the tax return.

Taxpayers may submit their data, records, information, and any other documents related to any type of taxes (i.e., tax returns) in any language. However, Arabic versions of all documents, translated by an accredited center related to the ETA, must be attached.

Taxpayers must submit their tax returns through an electronic system with their electronic signature (e-signature).

Companies that sell goods or provide services must register all their purchases and sales on the electronic system. In addition, all collections, whether cash or electronic, must be registered on the same system, including the value of sales and services and tax due, and an electronic invoice (e-invoice) with an e-signature must be issued for each sale transaction.

Companies that purchase goods or services are required to submit e-invoices for their expenses to be deductible.

Penalties: The unified tax procedures law integrates all penalties and fines for noncompliance with the tax laws.

Various penalties apply for failure to apply the system of withholding, collection, and remittance of tax; failure to file a return; and other offenses. Interest is calculated at 2% above the annual credit and discount rate announced by the Central Bank of Egypt at the start of the year.

If the amounts included in the tax return are less than the final amounts assessed to tax, an additional penalty may be imposed based on the difference between the amounts included in the return and those in the assessment. The rate is 20% where the difference is less than 50%; 40% where the difference is 50% or more; and 40% of the final assessment tax due where the tax return was not submitted.

A penalty ranging from EGP 3,000 to EGP 50,000 is imposed on taxpayers that submit their tax returns late but within 60 days following the due date. Where the period exceeds 60 days, the penalty ranges from EGP 50,000 to EGP 2 million. However, any delay penalty or additional tax imposed may not exceed 100% of the original tax liability.

A penalty ranging from EGP 20,000 to EGP 100,000 is imposed on taxpayers in certain other noncompliance cases (i.e., other than failure to file their tax returns). A penalty up to EGP 50,000 is imposed on taxpayers that do not keep books and records (whether in print or electronically) during the legally required period.

In cases of tax evasion, the government may prosecute and the person seeking reconciliation must pay 100% of the tax liability before a criminal case, 150% of the tax liability where a criminal case is brought to the competent court but a final judgment is not rendered, and 175% of the tax liability where a final judgment is rendered.

Rulings: Taxpayers may apply for an advance ruling by submitting a written request and copies of relevant documents to the ETA. The ETA will issue a decision on the request within 30 days after receiving all the relevant documents.

Although advance pricing agreements (APAs) are available in accordance with the Egyptian transfer pricing guidelines, the ETA has not yet implemented the application of APAs for taxpayers. The ETA is currently establishing a process to be followed for the application of APAs (see “Transfer pricing” under “Anti-avoidance rules,” below).

Individual taxation

Rates

Individual income tax rate	**Taxable income (EGP)**	**Rate (see “Rates,” below, for application of tax brackets)**
	Up to 40,000	0%
	40,001–55,000	10%
	55,001–70,000	15%
	70,001–200,000	20%
	200,001–400,000	22.5%
	400,001–1,200,000	25%
	Over 1,200,000	27.5%
Capital gains tax rate		10%/Progressive rates up to 27.5%

Residence: Individuals are resident if they are present in Egypt for more than 183 days in a fiscal year; are deemed to have a permanent abode in Egypt; or are Egyptian nationals performing the duties of their employment abroad but being paid for those duties from an Egyptian source.

Basis: Resident individuals are taxable on their worldwide income if Egypt is the "center of their commercial interests." Nonresident individuals are taxed only on their Egyptian-source income.

Taxable income: Taxable income includes income from employment, income from commercial or industrial activities, income from noncommercial activities (i.e., professional services), and income from real estate wealth (see "Real property tax" under "Other taxes on corporations and individuals," below). Mandatory profit sharing, pensions, and end-of-service bonuses are not subject to salary tax. Resident individuals are eligible for an annual salary tax exemption of EGP 20,000.

Rates: Progressive rates up to 27.5% are imposed on taxable income. The annual taxable income affects the application of the different tax brackets, as higher taxable incomes are not eligible for the lower tax rates, as illustrated below:

- Annual taxable income that does not exceed EGP 600,000 qualifies for all tax brackets except the 27.5% rate bracket.
- Annual taxable income that exceeds EGP 600,000 but does not exceed EGP 700,000 does not qualify for the 0% tax rate. The first EGP 55,000 of taxable income is taxed at 10%, with the balance taxed according to the remaining tax brackets.
- Annual taxable income that exceeds EGP 700,000 but does not exceed EGP 800,000 does not qualify for the 0% and 10% tax rates. The first EGP 70,000 of taxable income is taxed at 15%, with the balance taxed according to the remaining tax brackets.
- Annual taxable income that exceeds EGP 800,000 but does not exceed EGP 900,000 does not qualify for the 0%, 10%, and 15% tax rates. The first EGP 200,000 of taxable income is taxed at 20%, with the balance taxed according to the remaining tax brackets.
- Annual taxable income that exceeds EGP 900,000 but does not exceed EGP 1.2 million does not qualify for the 0%, 10%, 15%, and 20% tax rates. The first EGP 400,000 of taxable income is taxed at 22.5%, with the balance taxed according to the remaining tax brackets.
- Annual taxable income that exceeds EGP 1.2 million does not qualify for the 0%, 10%, 15%, 20%, and 22.5% tax rates. The first EGP 1.2 million of taxable income is taxed at 25%, with the balance taxed at 27.5%.

Resident employees who derive income from a secondary employment are subject to tax on that income at a 10% flat rate. Secondary employers are required to officially notify both the ETA and the original employer about any temporary employees, providing details of the gross income paid and the related remitted tax.

Dividend income received by resident individuals is taxed at a rate of 10%; the rate is reduced to 5% where the dividends are distributed by companies listed on the Egyptian stock exchange.

Capital gains: Capital gains derived by resident individuals from the sale of shares listed on the Egyptian stock exchange are subject to a reduced 10% tax rate in a separate tax pool.

Capital gains realized by nonresident individuals from the sale of shares listed on the Egyptian stock exchange or from the disposal of treasury bills are not subject to tax.

Capital gains realized on the sale of unlisted shares of Egyptian companies by resident or nonresident individuals are subject to progressive tax rates up to 27.5%.

Income derived from the sale of assets in a sole proprietorship becomes part of an individual's taxable base (including the sale of a sole proprietorship's real estate). If owned as personal assets and not classified as sole proprietorship assets, real estate sales are subject to a separate 2.5% tax on the gross proceeds.

Deductions and allowances: Available deductions depend on the type of income. Various allowances are available for items such as the employee's share of social security contributions and health insurance premiums up to the lower of EGP 10,000 or 15% of income.

Foreign tax relief: Foreign taxes paid overseas may be deducted from Egyptian income tax payable, but the deduction may not exceed the total tax payable in Egypt.

Compliance for individuals

Tax year: The tax year is the calendar year.

Filing status: Each individual must file an annual return; spouses are not permitted to file a joint return.

Filing and payment: Individuals must submit the annual return before 1 April following the end of the tax year and pay tax based on the return.

The employer is responsible for withholding and paying salary tax to the ETA monthly. The employer must submit quarterly tax returns electronically for salary taxes in January, April, July, and October of each year. The returns should include the number of employees and their information, total gross salaries, amount of salary tax withheld and remitted with a copy of payment receipts, and any changes that have occurred with respect to the employees.

The employer also is required to submit to the ETA annual reconciliation forms in January of each year.

The ETA has launched a system to unify the bases and criteria for calculating wages and salary tax. The system aims to enhance accuracy by reducing tax audit differences between the calculation and payment of tax. The system also aims to eliminate tax audit differences through prior verification of data received from the taxpayer.

If employees are paid from a foreign source, the employees must declare their income and benefits for the entire year and pay the applicable tax to the ETA with the annual income tax return before 31 January of the following year.

Penalties: If the amounts included in the tax return are less than the final amounts assessed to tax, an additional penalty may be imposed based on the difference between the amounts included in the return and those in the assessment. The rate is 20% where the difference is less than 50%; 40% where the difference is 50% or more; and 40% of the final assessment tax due where the tax return was not submitted. These rates may be reduced by 50% if the taxpayer and the ETA reach an agreement before the matter is submitted to an appeal committee.

A penalty ranging from EGP 3,000 to EGP 50,000 is imposed on taxpayers who submit their tax returns late but within 60 days following the due date. Where the period exceeds 60 days, the penalty ranges from EGP 50,000 to EGP 2 million. However, any delay penalty or additional tax imposed may not exceed 100% of the original tax liability.

A penalty ranging from EGP 20,000 to EGP 100,000 is imposed on taxpayers in certain other noncompliance cases (i.e., other than failure to file their tax returns). A penalty up to EGP 50,000 is imposed on taxpayers who do not keep books and records (whether in print or electronically) during the legally required period.

In cases of tax evasion, the government may prosecute and the person seeking reconciliation must pay 100% of the tax liability before a criminal case, 150% of the tax liability where a criminal case is brought to the competent court but a final judgment is not rendered, and 175% of the tax liability where a final judgment is rendered.

Rulings: Taxpayers may apply for an advance ruling by submitting a written request and copies of relevant documents to the ETA. The ETA will issue a decision on the request within 30 days after receiving all the relevant documents.

Withholding tax

Rates

Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	5%/10%/15%	5%/10%	5%/10%	5%/10%
Interest	0%/15%/20%	0%/5%/20%	0%/20%	20%
Royalties	3%	3%	20%	20%

Dividends: Dividends paid to residents or nonresidents are subject to a 10% withholding tax. The rate is reduced to 5% where dividends are distributed by companies listed on the Egyptian stock exchange. For payments to nonresidents, the rate may be

further reduced under an applicable tax treaty. Residents receiving dividends from investment funds established under Egypt's Capital Market Law are subject to withholding tax; the rate is 15% for juridical persons and 5% for natural persons.

See "Taxation of dividends" under "Corporate taxation," above, for rates applicable to dividends received by resident parent companies from resident subsidiaries that qualify for the DIVEX mechanism.

Interest: Interest paid to residents generally is not subject to withholding tax, although a 20% withholding tax applies to interest paid with respect to treasury bills and bonds. Residents receiving interest from investment funds established under Egypt's Capital Market Law are subject to withholding tax; the rate is 15% for juridical persons and 5% for natural persons.

Interest paid to nonresidents is subject to a 20% withholding tax, unless the rate is reduced under an applicable tax treaty. Treaty benefits generally may not be applied directly (i.e., at source); the domestic rate must first be applied. Where a more favorable rate applies under a tax treaty, the recipient subsequently must file a tax refund request with the ETA to recover the excess tax withheld. Treaty benefits may be applied at the time of payment where the recipient successfully files an advance ruling request (ARR) with the ETA.

A withholding tax exemption for interest paid to nonresidents on long-term loans (i.e., loans with a term of at least three years) is no longer available. However, the exemption still applies to interest on existing loans obtained by companies that made interest payments before 16 June 2023.

Royalties: Royalties paid to residents are subject to a 3% withholding tax.

Royalties paid to nonresidents are subject to a 20% withholding tax, unless the rate is reduced under an applicable tax treaty. In the absence of an advance ruling to apply a reduced treaty rate, withholding tax on royalties is withheld at the domestic rate at the time of payment and the recipient subsequently must apply for a refund.

Fees for technical services: Technical service fee payments made to residents are subject to a 3% or 5% withholding tax.

Payments to nonresidents for "services" are, in principle, subject to a 20% withholding tax unless otherwise provided in an applicable tax treaty. In contrast to interest and royalties, zero or reduced treaty rates may apply directly to technical service fee payments so that the recipient is not required to file a refund request. Based on the ETA's best practice, however, taxpayers are required to file an ARR to obtain confirmation that treaty benefits apply. Non-compliance with this requirement may trigger formal challenges from the ETA.

Branch remittance tax: Profits realized by an Egyptian branch or PE of a foreign company are deemed distributed to the head office within 60 days after the year end and are subject to the 10% dividend withholding tax, subject to the provisions of an applicable tax treaty.

Anti-avoidance rules

Transfer pricing: Transfer pricing guidelines allow the ETA to adjust the operating income of an entity if the income is affected as a result of a controlled transaction that would have yielded different results had the transaction occurred between unrelated parties.

The transfer pricing guidelines require the three-tiered approach to transfer pricing documentation, including a local file, master file, and country-by-country (CbC) report, as well as CbC notifications. Taxpayers with commercial or financial transactions with related parties exceeding EGP 30 million (increased from EGP 15 million as from FY 2025) in total during a particular FY (based on the total volume of transactions with related parties, whether revenue or expenses, and not the net amount of these transactions) are required to prepare and submit the master file and local file for that year. Additionally, if an Egyptian parent or holding company operates within the free zone system, any mainland subsidiary under its umbrella must concurrently prepare and file a master file along with a local file.

CbC reporting and CbC notification requirements apply to Egyptian tax resident parent entities with at least one foreign subsidiary and annual consolidated group revenue of at least EGP 3 billion in the immediately preceding year. For non-Egyptian

parented MNEs, an Egyptian tax resident entity is required to file a CbC notification form with the ETA if the consolidated group revenue is at least EUR 750 million in the immediately preceding year. Moreover, free zone companies and PEs in Egypt must submit CbC notifications.

The three transfer pricing documents (master file, local file, and CbC report) must be filed annually with the ETA by the deadlines specified in the Unified Tax Procedures Law. The local file must be submitted within two months after the corporate income tax return submission. Non-Egyptian parented companies must submit the master file by the deadline applicable in the jurisdiction of tax residence of the ultimate parent entity (UPE) or, if the UPE is not required to submit the master file in its jurisdiction of tax residence, the Egyptian subsidiary is required to submit it along with the local file.

The CbC report must be filed within one year following the end of the FY to which the report relates, whereas the CbC notification must be filed before the end of the FY of the UPE to which the CbC report relates.

Failure to submit the required transfer pricing documentation will result in significant penalties, as outlined below:

- Failure to declare all related party transactions in the taxpayer's corporate income tax return will result in a penalty of 1% of the total value of the undeclared related party transactions entered into by the taxpayer during the tax year;
- Failure to submit the local file or the master file will result in a penalty of 3% of the total value of related party transactions entered into by the taxpayer during the tax year; and
- Failure to submit the CbC report and CbC notification as required based on the predetermined thresholds will result in a penalty of 2% of the total value of related party transactions entered into by the taxpayer during the tax year.

Total penalties cannot exceed 3% of the aggregate value of the related party transactions entered into by the taxpayer during the tax year where the taxpayer has failed to submit more than one document in the same year (i.e., in case of multiple breaches); it is important to note that the application of these delay fines by the ETA does not preclude the application of other noncompliance penalties.

Failure to submit any required transfer pricing documentation also may result in:

- A high-risk rating and an increased risk of audit;
- Unilateral transfer pricing adjustments by the ETA; and
- Additional exposure to delay fees, interest, and related penalties based on the amount of the disputed annual tax base, where adjustments result from a transfer pricing audit.

Egypt's APA program is designed to help taxpayers determine in advance the appropriate arm's length price for their controlled transactions with associated entities. The transfer pricing guidelines specify that, if a taxpayer believes that its business activities and the associated transfer pricing issues are unique or complex in nature, the taxpayer is encouraged to conclude an APA with the ETA to avoid future tax disputes, subject to the ETA approving the taxpayer's APA request.

A taxpayer wishing to conclude a unilateral APA is required to approach the ETA formally for a prefiling meeting at least six months prior to the first day of the proposed covered period, following the procedures specified in the guidelines. However, the APA program has not yet been implemented or activated by the ETA.

Payments made on behalf of related parties, cost recharges, and reimbursements of expenses for related party transactions are subject to mandatory disclosure. These payments should be reported in the taxpayer's corporate income tax return, as well as in the local file. Related party transactions that affect balance sheet accounts also should be reported in the annual corporate income tax return and the local file, but they should not be part of the threshold's calculation. (It is important to note that, although not explicitly outlined in any current laws, executive regulations, or official instructions, this interpretation is applied in practice).

Dividend payments are not considered related party transactions and thus are not subject to transfer pricing requirements.

Interest deduction limitations: Egypt's thin capitalization ratio is being reduced gradually, as follows: it is 3:1 for FY 2024 through FY 2027 (reduced from 4:1 in prior years) and will be 2:1 as from FY 2028. The tax deduction for any interest on debt

exceeding this ratio is disallowed. In addition, the deduction is disallowed for interest paid that exceeds twice the credit and discount rate (announced by the Central Bank of Egypt at the beginning of each calendar year).

The interest rate on loans between related parties must be at arm's length and supported by a proper interest rate benchmarking analysis.

Controlled foreign companies: Income from investments in nonresident companies is recognized under the equity method of revenue recognition and is taxed in Egypt where the following three conditions are satisfied: (i) the Egyptian entity owns more than 10% of the nonresident company; (ii) more than 70% of the nonresident company's income is derived from dividends, interest, royalties, management fees, or rental fees (i.e., "passive income"); and (iii) the profits of the nonresident company are not subject to tax in its jurisdiction of residence, are exempt, or are subject to a tax rate of less than 75% of the corporate income tax rate applicable in Egypt.

Anti-hybrid rules: There are no anti-hybrid rules.

Economic substance requirements: There are no economic substance requirements.

Disclosure requirements: See "Transfer pricing," above.

Exit tax: There is no exit tax.

General anti-avoidance rule: A general anti-avoidance rule applies under which, if any of the principal purposes of a transaction is tax avoidance or tax deferral, the ETA may, as the result of a tax audit, adjust the transaction's tax effects and subject the economic substance of the transaction to tax.

Value added tax

Rates	
Standard rate	14%
Reduced rate	0%/10%

Taxable transactions: VAT generally applies to the supply of all goods and services. Services are broadly defined as anything that is not classified as a "good," including, but not limited to, intellectual property rights, consultancy services, and management services. Input VAT may be offset against output VAT on items other than those subject to tax at a "schedule rate." Schedule rates typically are different from the standard rate, but the VAT paid is non-creditable and non-refundable.

Rates: The standard rate is 14%. Schedule rates can apply on goods or services that are specifically listed in the table attached to the VAT law, such as construction services and professional services, among others. The standard VAT rate of 14% applies to all services, except for professional services, which are subject to a 10% rate.

The amended VAT law provides a list of exemptions that consists of 58 categories of goods and services, including: basic food products; provision of natural gas; transmission and distribution of electricity; banking services and other regulated nonbanking financial services and insurance services; rental of residential or nonresidential properties; and health and education services. In addition, certain Egyptian state bodies and entities are exempted from VAT, as well as entities exempted by virtue of an international agreement or special law.

Exports of goods or services, and goods or services provided to companies located in the free zones, are zero-rated.

Certain goods and services are specified as "tabled items" that are subject to a special rate, and their providers are not allowed to offset input VAT against output VAT. These items include professional services, petroleum products, and media productions. Construction contracts also are included in the table, but input VAT paid to subcontractors may be offset against output VAT on the same projects.

Other goods and services are denoted as "double taxed" items and are subject to the general rate as well as the "table rate"; these include cars, home appliances, air conditioning equipment, and mobile telecommunication services.

According to article 5 of Law No. 157 of 2025, crude oil, which had been previously exempted, is now added to the list of goods and services subject to the 10% VAT rate. Additionally, contracting and construction services are now subject to the standard VAT rate of 14%, replacing the previous fixed tax rate of 5%.

Registration: Resident providers of goods or services must register for VAT purposes if their annual revenue is at least EGP 500,000. Voluntary registration is possible below this threshold. No minimum registration threshold exists for providers of tabled or double taxed items. Importers of taxable goods or services for trading purposes, exporters, distribution agents of taxable goods or services, as well as manufacturers or importers of goods and services subject to a schedule rate, are required to register for VAT irrespective of the level of their turnover.

Under a simplified VAT registration process, nonresident entities providing services to customers (B2C transactions) in Egypt are not required to appoint a fiscal representative in Egypt. Nonresident suppliers providing services to businesses (B2B transactions) are not required to register using the simplified procedure. Instead, businesses in Egypt should apply the reverse charge mechanism to such received services.

Nonresident electronic data processing vendors and operators providing remote services to Egyptian B2C customers must register under the simplified vendor registration regime upon meeting or exceeding the threshold of EGP 500,000 within a 12-month period, while professional and consultancy services providers must register from the outset, regardless of the amount earned in Egypt. The registration applications must be submitted through the ETA's online portal.

Nonresidents registered under the simplified procedure are eligible for refunds of VAT incurred on purchases in Egypt. Nonresident suppliers do not have the right to deduct input VAT but may apply for a refund by submitting a refund request.

Filing and payment: The deadline to submit monthly VAT returns, including those covering periods of non-taxable activity, is the month following the end of the tax period. This deadline may differ from the monthly VAT return deadline for importers and exporters, or for those providing services only once a year and who thus submit only one VAT return per year. These deadlines should be approved by the head of the ETA or a delegate.

Penalties ranging from EGP 3,000 to EGP 50,000, in addition to the tax due and other payments (i.e., additional taxes) are imposed on taxpayers who file a VAT return and pay the tax late but within 60 days following the deadline. If the period exceeds 60 days, the penalties range from EGP 50,000 to EGP 2 million. In addition, penalties apply if the return contains incorrect information.

Other: Taxpayers must record their purchases and sales of goods and services in an electronic system (i.e., using e-invoices). Registered taxpayers should issue e-invoices that include both the e-signature of the company and the details/information endorsed by the ETA (i.e., codes for each type of good/service). The ETA does not accept paper invoices for VAT deduction or refund purposes.

Other taxes on corporations and individuals

Unless otherwise stated, the taxes in this section apply both to companies and individuals and are imposed at the national level.

Social contributions and payroll taxes: The social security regime applies to local and foreign nationals. The applicable contribution rate is 29.75%, with 11% as the employee share and 18.75% as the employer share. The applicable rate for managers and board members who are included in the commercial register is 21%. The minimum and maximum monthly salary caps for the year 2026 are EGP 2,700 and EGP 16,700, respectively. The cap will be subject to an increase of 15% on 1 January 2027. Certain allowances, including those payable for transportation, travel, meals, and accommodation, may be excluded from the salary cap, provided the total allowances do not exceed 25% of the contribution salary.

Capital duty: There is no capital duty.

Real property tax: Most real property in Egypt is subject to a real estate tax. A 10% rate applies on the annual rental value after allowing a 32% deduction to cover related costs for nonresidential property, and a 30% deduction for residential property.

Exemptions are provided for nonresidential property that is used for commercial, industrial, or administrative purposes with an annual rental value of less than EGP 1,200, and for residential units with an annual rental value of less than EGP 24,000. The user of the property pays the tax, which is due in two installments. The annual rental value of real estate is assessed every five years.

Transfer tax: There is no transfer tax.

Stamp duty: Stamp tax is charged at variable and fixed rates. The rate is 0.1% per quarter for banking transactions. Rates ranging from 1% to 11% apply to insurance premiums.

Stamp tax applies to the total value of trading in securities (i.e., Egyptian or foreign securities, listed or unlisted), excluding public treasury bills ("T-bills") and bonds, without any deduction for expenses. The tax is imposed on both the buyer and the seller, at rates of 0.125% for nonresident buyers and sellers, and 0.05% for resident buyers and sellers. However, a 0.3% rate applies both to the buyer and the seller, without any deduction for expenses, in the case of a sale or acquisition of at least 33% of the (i) shares or voting rights (in terms of number or value) of a resident company; or (ii) assets or liabilities of a resident company by another resident company, in exchange for shares in the acquiring company. If multiple transactions conducted by one legal person related to a company result in the 33% limit being exceeded during the two years following the first transaction, the buyer and seller are subject to a 0.3% rate on the total amount of the transactions, with the right to offset any stamp tax already paid on such transactions.

Stamp tax does not apply to transactions related to the sale or purchase of securities taking place on the same day.

Net wealth/worth tax: There is no net wealth tax or net worth tax.

Inheritance/estate tax: There is no inheritance tax or estate tax.

Other: Government agencies, partnerships, and companies are required to pay a solidarity contribution (to fund the state health insurance scheme) of 0.0025% of annual revenue to the ETA when filing their income tax return. The contribution is not considered a deductible cost when calculating taxable profits for corporate income tax purposes.

Tax treaties: Egypt has concluded over 65 tax treaties. The Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI) entered into force for Egypt on 1 January 2021.

For information on Egypt's tax treaty network, visit Deloitte International Tax Source.

Tax authorities: Egyptian Tax Authority (ETA)

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