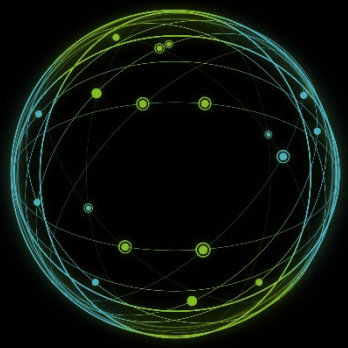
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International Tax

Lebanon Highlights 2026

Updated January 2026



Investment basics

Currency: The currency is the Lebanese Pound (LBP). Some taxes on income derived from foreign currency assets have to be settled in that currency.

Foreign exchange control: Informal foreign exchange controls exist, which are not yet regulated.

Accounting principles/financial statements: IFRS applies. Audited financial statements must be prepared and filed annually.

Principal business entities: These are the joint stock company, limited liability company, partnership, branch, and representative office of a foreign company.

Corporate taxation

Rates	
Corporate income tax rate	17% (in general)
Branch tax rate	17% (in general); plus 10% branch profit remittance tax
Capital gains tax rate	15% (in general)

Residence: A legal person is considered resident if it is established or registered in accordance with Lebanese law.

A business is considered resident if it commences business activities from a fixed place in Lebanon for a period exceeding six months in any consecutive 12-month period for contracting activities, and for a period exceeding three months for other activities.

Basis: Resident companies are taxed on their worldwide income, unless earned through foreign branches or subsidiaries. Branches of foreign entities are generally taxed in the same way as subsidiaries. However, such branches are subject to an additional 10% remittance tax, regardless of whether profits are actually remitted.

Taxable income: Income tax is imposed on taxable income related to all business activities, unless the income is exempt by law. Taxable income generally is calculated as revenue less eligible expenses. However, for insurance companies, public contractors, oil refineries, and international transport operators, taxable income is calculated as a percentage of total receipts.

Rate

General

The standard corporate income tax rate is 17%. For oil and gas companies, the rate is 20%.

Surtax

There is no surtax.

Alternative minimum tax

There is no alternative minimum tax.

Global minimum tax (Pillar Two)

Lebanon has not committed to implementing 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 groups with annual consolidated revenue of at least EUR 750 million.

Taxation of dividends: Dividends received from a Lebanese company are deducted from taxable income for purposes of the corporate income tax calculation. Dividends received from a foreign entity are taxable at a rate of 10%. Dividends declared or paid are subject to a withholding tax of 10% (see "Dividends" under "Withholding tax," below).

Capital gains: Capital gains derived from the disposal of long-term tangible, intangible, and financial assets generally are taxed at a rate of 15%. For oil and gas companies, such gains are considered part of the profits subject to corporate income tax at a rate of 20%.

The tax treatment of gains derived from sales of shares depends on the relevant circumstances. The net profit derived from the sale of shares of a Lebanese or foreign entity by a resident entity that deals in shares as a business activity is subject to corporate income tax (i.e., generally 17%, which is the standard corporate income tax rate). Gains derived from the sale of shares of a Lebanese or foreign entity by a resident entity are subject to a 15% capital gains tax or a 10% tax on movable capital, depending on whether the shares are held as long-term assets (financial fixed assets) or short-term assets (financial current assets). The same tax treatment applies to gains derived from the sale of shares of a Lebanese entity by a nonresident entity.

Losses: Tax losses generally may be carried forward for up to three years. Oil and gas companies may carry forward losses indefinitely. The carryback of losses is not permitted.

Foreign tax relief: There is no foreign tax relief.

Participation exemption: Dividends received from a Lebanese company are deducted from taxable income for purposes of the corporate income tax calculation. Dividends received from a foreign entity are taxable at a rate of 10%. There is no participation exemption for foreign subsidiaries.

Holding company regime: A company established under the holding company regime is exempt from tax on profits and dividend distributions. Holding companies are subject to an annual lump-sum tax of LBP 50 million. Gains derived from the sale of an investment in a Lebanese entity are exempt from tax if the investment is held for more than two years. No tax applies on gains derived from the disposal of an investment in a foreign subsidiary.

See "Incentives," below, for information on the offshore company regime.

Incentives: Various incentives are granted for eligible industrial or tourism investments.

Under certain conditions, industrial taxpayers may benefit from a 50% exemption on their profits generated from exports (except for exports of natural resources). Under certain conditions, a 75% exemption is granted for five years, starting from fiscal year 2022.

Startup companies established within five years of 15 November 2022 may be exempt from corporate income tax for five years, on the condition that at least 80% of their employees are Lebanese.

A company established under the offshore company regime is exempt from tax on profits and dividend distributions; offshore companies are subject to an annual lump-sum tax of LBP 50 million. An offshore company may carry on activities and have investments only outside Lebanon or through the Lebanese free trade zones; it may own or rent premises in Lebanon, invest in Lebanese treasury bonds, and open Lebanese bank accounts, but it is not allowed to carry on banking or insurance activities (either in Lebanon or abroad).

Compliance for corporations

Tax year: The tax year is the calendar year, although exceptions are granted when a parent company has a different fiscal year. Exceptional (i.e., non-calendar) tax years should end on the last day of a quarter.

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

Filing and payment: The tax return must be submitted within five months after the end of the preceding period.

Penalties: Failure to submit a return is subject to a penalty of 10% of the outstanding tax per month, capped at 100%, and a delay in payment is subject to a penalty accruing at a rate of 2% (3% for withholding tax and VAT) per month.

In the case of an adjustment to the tax return, a 20% penalty applies on the difference between the tax due and the tax already paid.

Rulings: There are no rulings, but taxpayers may obtain a binding explanation of the tax treatment for new transactions.

Individual taxation

Rates		
Individual income tax rate (salaries, wages)	**Taxable income (LBP)**	**Rate**
	Up to 360,000,000	2%
	360,000,001 – 900,000,000	4%
	900,000,001 – 1,800,000,000	7%
	1,800,000,001 – 3,600,000,000	11%
	3,600,000,001 – 7,200,000,000	15%
	7,200,000,001 – 13,500,000,000	20%
	Over 13,500,000,000	25%

Individual income tax rate (business income)	**Taxable income (LBP)**	**Rate**
	Up to 540,000,000	4%
	540,000,001 – 1,440,000,000	7%
	1,440,000,001 – 3,240,000,000	12%
	3,240,000,001 – 6,240,000,000	16%
	6,240,000,001 – 13,500,000,000	21%
	Over 13,500,000,000	25%
Capital gains tax rate		15% (generally on sale of fixed assets)

Residence: Individuals are considered resident if they:

- Have a fixed place of doing business in Lebanon;

- Maintain a permanent home in Lebanon used for their usual residence or for the usual residence of their family; or
- Stay in Lebanon for more than six months continuously or intermittently in a consecutive 12-month period. Transit stays and stays for medical treatment are not counted in calculating the length of a stay.

Registration as a licensed professional also triggers residency.

Basis: Residents that are employed are taxed on their employment income (salaries, wages). Self-employed residents are taxed on their business income, which is generated from services provided in Lebanon or pertaining to their profession in Lebanon, unless earned through a permanent establishment outside Lebanon. Nonresidents are taxed only on Lebanese-source income.

Taxable income: Employed individuals are taxed on salaries and wages. For self-employed individuals, taxable income comprises business income from a profession or personal establishment, which is calculated at a predefined percentage of total annual receipts (referred to as "lump-sum profit"), and income from a partnership, which is calculated based on actual revenue less eligible expenses (referred to as "real profit"). Taxable income also includes income derived from foreign shares and bonds.

Rates: Employment income from salaries and wages is taxed at rates ranging between 2% (for the lowest bracket) and 25% (for the highest bracket of more than LBP 13.5 billion per year). Self-employment (business) income is subject to progressive rates ranging from 4% to 25%. Income derived from foreign shares and bonds is taxed at a rate of 10%.

Capital gains: Gains from the sale of fixed assets generally are subject to a 15% capital gains tax.

Capital gains tax on the sale of real estate owned by nontaxable individuals is phased out at a rate of 8% annually from the date of acquisition (the rate is reduced to 1% through 31 December 2026). Gains from the sale of up to two primary residences per individual are tax exempt.

The tax treatment of gains derived from sales of shares depends on the relevant circumstances. The net profit derived from the sale of shares of a Lebanese or foreign entity by a resident individual that deals in shares as a business activity is subject to business income tax at progressive individual tax rates ranging from 4% to 25% (see "Rates," above). Gains derived from the sale of shares of a Lebanese entity are subject to tax at a rate of 3% (for Lebanese individuals) or 5% (for non-Lebanese individuals) if the entity whose shares are transferred is a real estate company or if 50% or more of the entity's total fixed assets are real estate assets. Gains derived from the sale of an interest in a Lebanese or foreign limited liability company by a resident individual are subject to the tax on movable capital at a 10% rate. Gains derived from the sale of an interest in a Lebanese limited liability company by a nonresident individual are subject to the tax on movable capital at a 10% rate.

Deductions and allowances: Family deductions are granted in calculating taxable income.

Foreign tax relief: There is no foreign tax relief.

Compliance for individuals

Tax year: In principle, the tax year is the calendar year.

Filing status: Married persons are taxed separately; joint assessment is not permitted.

Filing and payment: An employer withholds income tax from an employee's salary and remits the tax to the authorities quarterly. Resident employees of nonresident foreign entities are required to pay tax and file payroll tax returns both quarterly and annually.

For self-employed individuals, tax is assessed on a preceding-year basis. An individual is required to submit a return and pay any tax due before 1 February for lump-sum profit taxpayers and before 1 April for real profit taxpayers.

Resident individual owners or beneficiaries of foreign shares or bonds and other movable capital who receive income from such investments outside Lebanon are required to file a declaration with the tax authorities before 1 March to report the income derived during the prior year, and to settle any tax due before 1 April.

Penalties: Failure to submit a return is subject to a penalty of 10% of the outstanding tax per month, capped at 100%, and a delay in payment is subject to a penalty accruing at a rate of 2% (3% for withholding tax and VAT) per month.

In the case of an adjustment to the tax return, a 20% penalty applies on the difference between the net tax due and the tax already paid.

Rulings: There are no rulings, but taxpayers may obtain an explanation of the tax treatment for new transactions.

Withholding tax

Rates

Type of payment	Residents		Nonresidents	
	Company	Individual	Company	Individual
Dividends	10%	10%	10%	10%
Interest	10%	10%	8.5%	8.5%
Royalties	0%	0%	8.5%	8.5%

Dividends: Dividends paid to a resident or a nonresident are subject to a 10% withholding tax, unless, for nonresidents, the rate is reduced under an applicable tax treaty.

Interest: Interest on loans paid to a resident is subject to a 10% withholding tax. Interest on loans paid to a nonresident is subject to an 8.5% withholding tax, unless the rate is reduced under an applicable tax treaty.

Royalties: Royalties paid to a resident are not subject to withholding tax. Royalties paid to a nonresident are subject to an 8.5% withholding tax, unless the rate is reduced under an applicable tax treaty.

Fees for technical services: Technical or management fees paid to a resident are not subject to withholding tax. Technical or management fees paid to a nonresident are subject to an 8.5% withholding tax, unless the rate is reduced under an applicable tax treaty.

Branch remittance tax: In addition to being subject to the standard corporate income tax rate, profits derived by a branch of a foreign entity are subject to an additional 10% remittance tax, regardless of whether profits are remitted.

Other: Oil and gas companies are required to apply a 10% withholding tax on payments made to nonresidents for interest, royalties, and various services.

Anti-avoidance rules

Transfer pricing: The arm's length principle applies to determine the taxable base of related party transactions (both resident and nonresident).

Interest deduction limitations: There are no general interest deduction limitation rules, but specific rules apply for oil and gas companies.

Controlled foreign companies: There are no controlled foreign company rules.

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

Economic substance requirements: There are no economic substance requirements.

Disclosure requirements: There are no disclosure requirements.

Exit tax: There is no exit tax.

General anti-avoidance rule: There is no general anti-avoidance rule.

Value added tax

Rates	
Standard rate	11%
Reduced rate	0%

Taxable transactions: VAT applies to most transactions involving goods and services. Basic foods, health services, real estate, educational services, financial services, insurance, banking services, and leasing of residential property are VAT exempt. Eligible goods imported for use in petroleum activities are exempt from VAT if similar goods are not produced locally. Exports are zero rated.

Rates: The standard VAT rate is 11%.

Registration: Taxpayers whose turnover exceeds LBP 5 billion for a period between one quarter and four consecutive quarters must register for VAT purposes.

Filing and payment: VAT returns must be filed and tax paid quarterly.

Failure to submit a VAT return is subject to a penalty of 10% of the outstanding tax per month, capped at 100%, and a delay in payment is subject to a penalty accruing at a rate of 3% per month. In the case of an adjustment to the VAT return, a 20% penalty applies on the difference in the amount of tax due.

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: There are three mandatory social security schemes: (i) a family scheme contribution of 6% of employee earnings up to LBP 18 million per month; (ii) a medical scheme contribution of 11% of earnings up to LBP 120 million per month (of which 3% is the employee share); and (iii) an end-of-service indemnity scheme contribution of 8.5% of total earnings. Contributions are borne by the employer (with the exception of the 3% medical scheme contribution stated above borne by the employee).

Capital duty: A one-time stamp duty of 0.4% is imposed on the subscription of capital of a company or an increase in share capital.

Real property tax: An annual built property tax is imposed on the greater of the rental income from Lebanese real property or the estimated rental value of the real property, at rates ranging between 4% and 14%. Construction, installations, and vehicles used for petroleum-related operations within Lebanese territorial waters are exempt from built property tax.

Transfer tax: A 5% tax is imposed on the transferee of Lebanese real estate, based on the fair value of the real estate transferred.

Stamp duty: A stamp duty is imposed on most contracts, including those for the purchase or sale of unlisted shares, at a rate of 0.4% on each original copy (see also “Capital duty,” above).

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

Inheritance/estate tax: Inheritance tax is imposed at rates ranging from 12% to 45%, depending on the level of family relationship.

Tax treaties: Lebanon has concluded more than 30 tax treaties. Lebanon has expressed its intent to sign the Multilateral Convention to Implement Tax Treaty Related Measures to Prevent Base Erosion and Profit Shifting (BEPS MLI).

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

Tax authorities: Ministry of Finance

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