



**VAT guidelines for digital
services and other remote
services provided by non-residents
According to the
ministerial decree No. (160) for 2023**

First Edition

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introduction

Introduction:

- The Egyptian Tax Authority is a governmental entity tasked with regulating, enforcing, administering, and implementing taxation in Egypt.
- It is responsible for collecting all types of taxes, including Value added tax (VAT)
- It introduced VAT on remote service (e.g. electronic & digital services) and internet services in 2022 by amending VAT law#(67) of 2016.
- The VAT amendments regulate the VAT on remote services (e.g. electronic & digital services) rendered or imported to Egypt.

The purpose of this guidance:

- Egyptian Tax Authority provides detailed guidance to assist, design, and implement a (VAT) reform targeted at supplies of taxable services that are rendered by non-resident vendors.
- This guidance covers the core components of a comprehensive VAT strategy directed at the main types of digital trade and e-commerce, particularly online sales of services, (intangibles) to private consumers by foreign businesses and digital platforms that often have no physical presence in Egypt (non-resident vendor).
- The form in which this guidance has been issued is through a ministerial decree.

You should read this guide if you are:

- Non-resident vendors render remote services to customers based in Egypt;
- An operator of an electronic distribution platform that renders remote services to customers based in Egypt, on behalf of vendors and merchants, through the platform

Glossary of terms & abbreviations For the purposes of this guide

Glossary of terms

Non-resident registrant

A natural or juridical person who has not been deemed a resident of Egypt and who is liable to register under the Simplified Vendor Registration Regime and account for VAT upon the provision of imported services to customers not registered in Egypt.

Reverse Charge Scheme

A system under which a service beneficiary is liable to pay the tax directly to the Authority instead of the obligation incurred by the non-resident provider of services in the cases stated in this law.

Services (Intangibles)

Any supply that does not constitute a supply of Goods.
Such as legal advice, and consulting services.

Customer

A Person who buys a Service whether registered or unregistered for VAT purposes

Consumer

A non-registered persons who buys services.

Glossary of terms

Supplier

A Person who renders Services.

Electronic distribution platform (EDP)

Is an electronic interface, such as a website, internet portal, online store, or online marketplace, that allows recipients and persons offering services through the electronic interface to enter into contact which results in a sale through that electronic interface.

Input Tax

VAT incurred by a taxable Person in relation to Services supplied to him or imported for the purpose of carrying on his taxable activity.

Simplified vendor registration regime

A system that allows simplified registration for non-resident service providers and electronic distribution platforms that provide services to non-registered customers in Egypt (B2C) to comply with their VAT obligations in Egypt

business

A registered person who buys or sells services.

Abbreviations

VAT

Value added tax.

E service

Electronic service.

ETA

Egyptian Tax Authority.

B2C

Business – to - Consumer

RCS

Reverse charge scheme.

B2B

Business – to – Business

P E

Permanent establishment.

EGP

Egyptian Pound

Guide

VAT guidelines for digital Services and other remote services provided by non residents to customers in Egypt

Scope of vat on services

When a non-resident vendor through for example, a website, electronic distribution platform, social media store, or application, renders remote services to a Customer in Egypt, VAT must be paid in Egypt on the remote service.

Customer in Egypt shall be

Business
(Registered taxpayer)

Or

Consumer
(Non-Registered)

Scope of VAT on remote services

- Remote services (e.g. electronic & digital services) are defined as any services where, at the time of the performance of the service, there is no necessary connection between the physical location of the recipient and the place of physical performance.

Examples of services that could be rendered as remote services include:

- supplies of digital content, such as e-books, movies, TV shows, music and online newspaper subscriptions
- online supplies of games, apps, software and software maintenance
- website design or publishing services; and
- legal, accounting or consultancy services.

On-the-spot services

- Services that require the physical presence of a customer in a specific location to receive it (“on the spot” services) are not remote services, even if they are booked online.

Examples of on-the-spot services out of the scope of this Guide

- booking of hotel services
- Physiotherapy services
- Physical entry to entertainment or sporting events
- Restaurant and catering services; and
- Passenger transportation services.

Business to business (B2B) Reverse charge Scheme

In case the customer is a registered taxpayer

- The non-resident vendor who makes supplies to the resident registered taxpayer, so the resident registered taxpayer is obligated to self-account for VAT on supplies received using the [Reverse Charge scheme](#), the non-resident vendor does not have to charge and remit VAT in this case.

The resident registered taxpayer should provide his tax registration number to the non-resident vendor when the non-resident vendor renders services to him.

(Important note)

In all cases, the resident registered taxpayer must apply the reverse charge scheme when he buys a service from a non-resident vendor, whether the resident registered taxpayer sells either taxable goods/services or non-taxable goods/services.

Example

If a customer is a resident registered taxpayer who buys online data warehousing from a non-resident vendor, the registered taxpayer should apply the reverse charge scheme & he is obligated to provide his tax registration number to the non-resident vendor, and then the resident registered taxpayer shall self-account for VAT on supplies and pay it to the ETA within thirty days from the service supply date.

The non-resident vendor should not charge VAT to a legal business. However, the non-resident vendor should request from the resident registered taxpayer the tax registration number as evidence. The Non-resident vendor is required to check the validity of the tax registration number of the legal business.

Ensuring the validity of tax registration number

- Non-resident vendors should ensure the validity of tax registration numbers by using the API system.
- The system of the non-resident vendors should integrate with the API system allowing for the automated exchange of information between the non-resident vendor and ETA, enabling real-time verification of the tax registration number of the legal business.
- This integration process typically involves developing an interface that can communicate with the API system of ETA. The non-resident vendor will need to provide their own system with the necessary programming and technical resources to enable the integration. Once the integration is in place, the non-resident vendor's system can automatically check the tax registration number of the legal business before completing a sale as the API will then return a response that includes information about the tax registration number, such as whether it is valid or not,
- The API system will be obliged after five months from issuing this guideline.

Business to Consumer (B2C)

In case the customer is a consumer(non-registered person)

Remote services sold by

A

Non-resident vendor via his own portal or own application to the consumer. In this case, the vendor has to register and remit a VAT (simplified vendor registration regime).

B

Electronic distribution platform (EDP) or by a non-resident vendor via an EDP. In this case, the EDP has to register and remit a VAT (simplified vendor registration regime if EDP is non-resident).

A Remote services performed by the non-resident vendor via his own portal or his own application to the private consumer.

When a non-resident vendor renders service to (a private consumer) through his portal or his application, the non-resident vendor should be registered under the simplified vendor registration regime.

Example

A non-registered private consumer bought anti-virus software from company X which is established in China, As these supplies fall within the definition of remote services (eg. electronic & digital services), Company X is required to register under the simplified vendor registration regime, so it should charge and account for VAT on supplies made to non-registered consumers in Egypt.

B Remote services sold via an electronic distribution platform

- To reach a wider network of customers, vendors may choose to market and render their services through intermediaries such as online marketplaces and other electronic distribution platforms. These platforms are generally well-placed to collect and account for VAT, on the services provided via them.
- If a vendor (local or non-resident) sells remote services to non-registered taxpayers through an electronic distribution platform (EDP), the EDP is deemed for VAT purposes to have rendered the service to the non-registered taxpayer (B2C) itself. The EDP, therefore, has to collect and account for VAT. To fulfill their obligations, non-resident EDPs must use the simplified vendor registration regime.

Example

- Egypt based consumer buys an electronic service (a subscription for a game, or in-game credits) from a content owner via a non-resident app store.
- In this case, the app store as an electronic distribution platform is considered to be rendering the service to the private consumer and therefore has to charge VAT and register under the simplified vendor registration regime.

Remote services sold via an electronic distribution platform – Exceptions

“Conditions to be fulfilled for the EDP to fall outside the scope of the platform full liability”

- In certain exceptional cases, however, the EDP will have only very limited influence and involvement in the services sold by vendors via the platform and therefore cannot be regarded as having rendered the remote services themselves.

This is the case if **All** of the following criteria are fulfilled:

- a) the vendor has agreed with the electronic distribution platform operator in writing that the vendor, instead of the platform operator, is responsible for collecting the VAT and remitting it to the ETA.
 - b) the invoice/receipt issued to the recipient of the remote service identifies:
 - i) the vendor as the person that renders the service; and
 - ii) the service rendered.
 - c) the operator of the electronic distribution platform:
 - i) does not authorize the charge to the recipient for the sale; and
 - ii) does not authorize the delivery of the service and
 - iii) does not (whether directly or indirectly) set any of the terms and conditions under which the sale is made.
- Platforms that only process payments, only advertise offers, or only operate as click-through referral platforms are therefore not regarded as having rendered the remote services themselves.

Example**“Circumstances under which the EDP is deemed to have rendered the service”**

Circumstances	Electronic Distribution Platform (EDP)
1. Authorizes the charge to the Recipient?	No, payment is separately settled between seller and buyer
2. Authorizes the delivery of the Service?	No, delivery is separately arranged between seller and buyer
3. Sets the terms and conditions under which the sale is made or the service is rendered?	No, terms and conditions separately negotiated between buyer and seller
4. The documentation (invoice/receipt) issued to the consumer identifies the EDP (or anybody other than the seller) as a supplier?	No, the invoice/receipt issued to the consumer identifies the seller as the person who renders the service
5. Absence of an agreement between the seller and the EDP that the seller is responsible for collecting the VAT?	No, there is an agreement that the seller is responsible for collecting VAT
<p>Conclusion</p>	<p>Since none of the circumstances occurred, it is the seller that is considered to have rendered the service. VAT, therefore, has to be charged and remitted by the seller (and not the EDP).</p> <p>If any of the conditions would have been met, the EDP would be considered to have rendered the service to the consumer and would therefore have to charge and remit VAT.</p>

Reliance on data provided by the underlying vendors

- The EDP operator which is deemed to have rendered the service shall not be held liable for the payment of VAT in excess of the VAT which he declared and paid in this respect, where the following conditions are met:
 - a) the EDP operator is dependent on information provided by persons rendering services through the electronic distribution platform or by other third parties in order to correctly declare and pay the VAT on those sales;
 - b) the information referred to in point (a) is erroneous;
 - c) The EDP operator can demonstrate that he did not and could not reasonably know that this information was incorrect.

When is a remote service rendered to a recipient in Egypt?

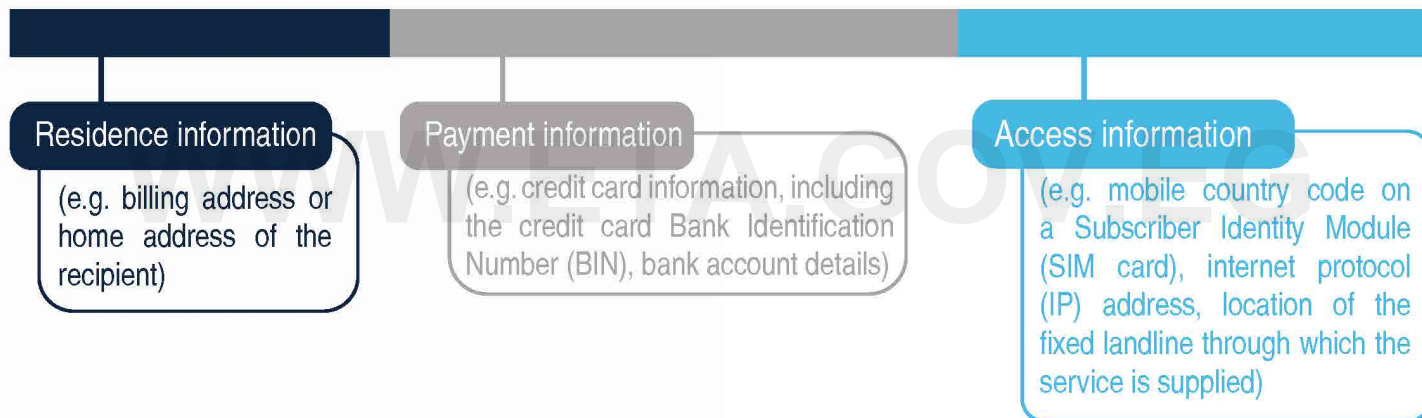
- Due to the portability of electronic devices, Remote services are accessible from multiple locations.
- When a non-resident vendor renders remote services to a recipient in Egypt, VAT has to be paid in Egypt for the remote service.

For remote services, a recipient is considered to be in Egypt if:

- the recipient is a non-registered person that has permanent residence in Egypt
- the recipient is a registered taxpayer in Egypt (unless the service is predominantly used by a permanent establishment of the taxpayer in another country)
- the recipient is a governmental body or a public or economic Authority or any other Authority or any other non-registered entity in Egypt.

Determining the permanent residence of a non-registered person

- A non-resident vendor who renders services shall determine the permanent residence of the recipient based on the information it routinely collects through its activity, which includes for instance:



If such information is contradictory, the person rendering the service should obtain at least two pieces of non-conflicting information.

Supply of taxable services from a non-resident vendor to an Egyptian customer

Place of customer*	usual place of residence of the customer	Registered taxpayer / Consumer	Egypt VAT
Egypt	Egypt	Registered taxpayer	Obligated to be paid by The customer through RCS
Egypt	Egypt	Consumer	Obligated to be paid by the non resident vendor
Egypt	Out side Egypt	Consumer	No VAT
Out side Egypt	Egypt	Registered taxpayer	Obligated to be paid by The customer through RCS
Out side Egypt	Egypt	Consumer	Obligated to be paid by the non-resident vendor
Out side Egypt	Out side Egypt	Consumer	No VAT

***The physical location of the customer at the time of order is generally not decisive for the VAT treatment.**

Registered taxpayers with multiple establishments as customers:

For the purposes of determining the place of supply of a remote service, and to avoid double taxation, a person is not to be considered a recipient in Egypt if the service is predominantly used by a permanent establishment of the recipient in another country.

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What is the applicable
vat rate?

Applicable VAT rate

- A non-resident registrant shall declare and pay tax on the supplies made on the e-service at the rate of 14%.
- But if the non-resident registrant provides a professional and consultancy service, he shall declare and pay tax on the supplies of this service at the rate of 10%.

Examples of remote services (such as e-services or digital services) from the non-resident vendor to the private non-registered consumers that are liable to the general VAT rate of 14% :

- Digital content purchases (downloads of videos, apps, games, music);
- Subscription-based supplies of content (music, streaming of video, online gaming);
- Supplies of software services and maintenance (anti-virus software, digital data storage, etc.);
- Licensing of content (e.g. access to specialized online content such as publications, software, cloud-based systems, etc.)

Examples of professional and consultancy services from the non-resident vendor to the private non-registered consumer that are liable to the reduced VAT rate 10%

- Legal consultancy.
- Accounting and bookkeeping.
- Marketing consultancy

How to register under the simplified vendor registration regime?

To register under a simplified vendor registration regime:-

- To register under the simplified vendor registration regime, you should log in to the following link: www.eta.gov.eg and then create an account on this website.

The screen recording for creating an account is accessible on this hyperlink:

<https://www.youtube.com/watch?v=-3ADYp2L8nQ>

The screen recording for the simplified registration process is accessible on this hyperlink

<https://youtu.be/sAsYY92LXhA>

The information requested for registration is:

- Nationality (country of incorporation for a legal person)
- Tax residency country.
- National tax identification number.
- Registered address of the business
- Name of the contact person responsible for dealing with tax authorities.
- Telephone number of the contact person.
- Electronic address of the contact person.
- Websites' URLs of non-resident suppliers.

The system is now ready for receiving registration.

The following rules and procedures shall be followed for the registration of non-resident vendors / non-resident electronic distribution platforms who apply for registration under the simplified vendor registration regime:

The non-resident vendor/non-resident electronic distribution platform or his legal representative shall lodge a registration application on the dedicated web portal of ETA.

ETA shall review the registration application to make sure that it contains all required data. If it finds that the data are not complete, it shall register the application on a provisional basis, and shall notify the responsible person via email to complete the missing data within the period to be specified by the tax inspectorate in the notice.

ETA shall enter duly completed registration applications, or those under completion, in the register designated for this purpose.

ETA shall assign a registration number for the non-resident vendor / non-resident electronic distribution platform, and shall issue a registration certificate (Form No. 3 - VAT) and notify that person thereof via (Form 13/1. – VAT) through sending an email within the course of 10 days.

For the non-resident vendor / non-resident electronic distribution platform that fails to apply for registration, they shall be treated by Egyptian Laws as registered under the simplified vendor registration regime; starting from the date the value of their sales reaches the registration threshold,

- The non-resident vendor will not be required to have a fiscal representative.
- For non-resident vendors that are currently registered under the standard registration regime through a representative: they should apply to register at the Simplified vendor registration regime after their representative applies to be deregistered from the Standard regime because he is still registered there until the Simplified vendor registration regime is activated.

Registration threshold

- The Thresholds would be the same as that of the domestic VAT taxpayers.

The Threshold under a simplified vendor registration regime is applied for:

- Remote services sales that exceed the supplier threshold of EGP 500,000 for any period of 12 months.
- But if the service is a professional and consultancy service, so he should be registered from day one whatever his turnover.

Upon successful registration on ETA, the non-resident registrant will be able to file the simplified VAT tax return and make payment for the VAT due.

VAT De-registration

- Non-resident vendors and non-resident electronic distribution platform operators may apply for cancellation of VAT registration if the registered person ceases to carry on the activity in Egypt.
- The registered person shall be deemed to be de-registered as of the day following the date of delivering thereto the Deregistration Form in the ETA portal.

(Important note)

- A non-resident vendor who conducts an activity through a permanent establishment in Egypt shall not apply for registration under the simplified vendor registration regime.
- In this case, the non-resident vendor should register for VAT purposes in Egypt under the standard registration regime.

Tax compliance Obligations

1. Invoicing Requirements

Invoicing Requirements

- Non-resident registrants providing taxable services to non-registered persons in Egypt are subject to specific invoicing rules. The invoice/receipt must contain the following data:

1. A description of the service supplied, its amount, and the rate and the amount of VAT.
2. The name and the registration number of the non-resident registrant.
3. Invoice/receipt issuing date.
4. Invoice/receipt number.

For advertisement services, the following additional data will be required:

“The name, phone, and email address of the customer”

- When the advertisement service is rendered to advertise for services that are issued for elections, job seekers, or missing persons and items; then the additional data mentioned above are not required as these services are exempted from VAT and the non-resident vendor is not required to collect and pay VAT in this case.

2. Keeping Records

Simplified books and records

- It is allowed for the non-resident registrant who is registered under the simplified vendor registration regime to use simplified record-keeping systems.
- Non-resident registrant can use their internal business records to fulfill record-keeping obligations.

The information to be recorded could be limited to:

- The type of supply;
- The date of the supply;
- The total revenue/sale amount;
- The VAT payable; and
- The information is used to determine where the consumer has his usual residence.



The retention period for keeping these books and records should be five years.

- Simplified books and records can be kept abroad and provided on demand during the audit purpose.

3. Filing VAT Returns

Non-resident registrants who provide services to a non-registered consumer in Egypt must file a VAT return with ETA as they are subjected to a simplified electronic VAT return within the end of the month following the expiration of the taxable period (monthly tax return).

The VAT return is considered the taxable person's self-assessment of tax due for that period.

The information required for a tax return:

- Supplier's or platform's registration identification number.
- Tax period.
- Currency.
- Taxable amount at the standard rate.
- Taxable amount at a reduced rate(s), if any.
- Tax amount payable.

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Cont'd / Simplified tax return

- When submitting a simplified vat return, you must include the bank transfer swift document in the attached icon, and the swift's specific details are as follows:

Transfer in EGP:

A/C NO: 9/025/44777/5

Bank name: Central bank of Egypt

IBAN: EG950001000100000009025447775

Code (Moasasy): 10601894

Transfer in USD:

Correspondent Bank Name: Citi Bank, New- York.

Swift Bank Code: CITIUS33XXX

A/C NO: 36001304

Beneficiary BANK: Central Bank of Egypt

Beneficiary Account No:

Beneficiary Cust Name: Ministry of Finance.

Code (Moasasy): 10601894

(Important note)

- Please make sure to indicate the company name, tax ID, and the type of tax paid (simplified VAT return) in the SWIFT message.
- The screen recording for submitting the Simplified tax return is accessible on this hyperlink
<https://youtu.be/jg7SjKQHxfU>

Tax refund process

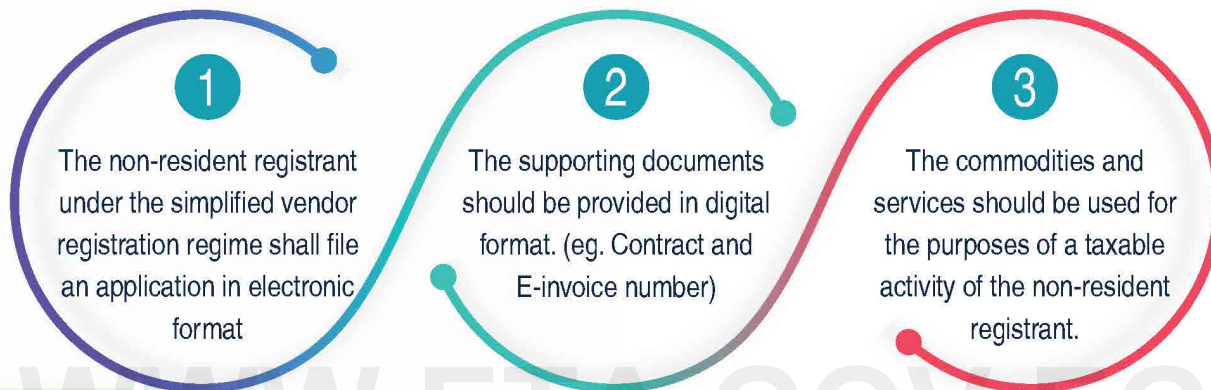
Tax refund

- Non-resident registrants under the simplified vendor registration regime can apply for a refund to recover input VAT they have incurred in Egypt in connection with their taxable activity.
- VAT shall be refunded within forty-five (45) days of the date of submitting the application supported by documents in the case that tax is incurred by a non-resident person who is registered under the simplified vendor registration regime to carry on the activity in the country.



ETA refund in EGP only but other currencies will be available from December 2023.

The tax shall be refunded on the conditions and according to the procedures assigned there to:



Steps for the tax refund

- The non-resident registrant under the simplified vendor registration regime shall file a tax refund application in ETA portal.

The form shall be included

Nature of goods or services	Name of suppliers	Address of supplier	Tax Registration number of supplier	Date of invoice	Amount of tax	E-invoice number
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- In Egypt, all Resident businesses are required to issue electronic invoices (e-invoices) for their transactions.
- Non-resident registrants who incur input VAT in Egypt in connection with their taxable activity are also required to obtain an e-invoice from the Egyptian business.

(Important note)

- ETA took action against non-resident vendors who haven't registered for VAT or haven't paid ETA the right amount of VAT collected from sales to private consumers in Egypt.
- When you are not complying with Egyptian tax law, ETA will contact you, and if you don't respond, ETA may commence a risk review.

A risk review may result in:

- a) Registering you for Egyptian VAT and sending you an assessment of your liability based on ETA calculation with additional penalties.
- b) Registering the debt in a court in your country.

ETA can take serious action by preventing or banning from importing and entry of services into the Egyptian market until you fulfill this obligation and its resulting consequences.

Frequently asked Questions

1

Do the Updated Regulations make a distinction between Business-to- Business(B2B) and Business-to-consumer(B2C) supplies?

Yes, B2C transactions would be covered by the simplified vendor registration regime, while B2B transactions would be covered by the reverse charge scheme.

2

Is there a turnover registration threshold for the VAT applicable to remote services (e.g. electronic & digital services) supplied by a non-resident vendor?

The threshold of a simplified vendor registration regime is applied for remote services sales that exceed the supplier threshold of EGP 500,000 for any period of 12 months. However, professional and consultancy services should be registered from day one whatever the turnover.

3

How does a non-resident vendor of remote services comply with the requirements of VAT in Egypt?



- A non-resident vendor of remote services without a physical presence (PE) in Egypt to a recipient (Consumer) in Egypt may register under the simplified vendor registration regime via the ETA portal.
- Upon successful registration on the ETA portal, the non-resident vendor of remote services will be able to file the tax return and make payment for the VAT due within the month following the expiration of the taxable period.

4

In which currency should the payments be made by non-resident vendors of remote services?



- ETA accepts payments in EGP & USD.
- Other currencies will be available from December 2023.

5

Can the input VAT be deducted in the simplified return?

No, non-resident vendors can't deduct their input VAT but they can get a refund through the refund procedure.

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6

Do non-resident providers of remote services pay both VAT & DST?

Egypt doesn't impose DST on remote service providers. They will be subject to VAT only under the simplified vendor registration regime.

7

Are intermediaries such as digital insurance agents (where the insurance agent provides the digital platform but the insurance policy is ultimately issued by the insurance company) classified as digital marketplace providers and subject to VAT?

No. If the insurance agent is using the platform for selling insurance policies, then it is not subject to VAT on the digital market Place. Insurance Services are exempted from VAT under the VAT Act, 2016 (Item 37).

8

Do Educational Services providers pay VAT?

No. If the Educational services provider is using the platform for providing Educational services, they are not subject to VAT on the digital market Place. Educational Services are exempted from VAT under the VAT Act, 2016 (Item 38).

9

Are transactions like buying word processing software, email hosting services, reading subscriptions, and cloud backup services subject to VAT?

Yes, the services mentioned above fall within the defined scope of VAT.

10

What is the prescribed rate for VAT on remote services / how will VAT be computed?

Non-resident registrants under the simplified vendor registration regime shall declare and pay tax on their supplies of remote services to consumers in Egypt at the rate of 14% (standard rate), except for supplies of professional and consultancy services on which the rate of 10% (reduced rate) will be applied.

11

Could a non-resident provider of remote service amend his VAT return?

Yes, he can do it through the Adjustments / Corrections (+) or the Adjustments / Corrections (-) fields in his VAT return when he collects a wrong VAT (either more or less) on the following period's tax return.

12

When is the remote services VAT payment due?

The payment will be due at the end of the month following the expiration of the taxable period (monthly tax return).

13

Does a non-resident provider of remote services subject to the provisions of the electronic tax invoice system?

No, he does not. But he is required to issue an invoice or receipt showing the value of the supply and the tax charged. The non-resident provider of remote services is exempted from the provisions of the electronic tax invoice system.

14

Is a non-resident remote service provider's income subject to corporate tax in Egypt?

No, his income is not liable to corporate tax in Egypt at all.

15

Can books and records be kept abroad outside Egypt?

Yes, non-resident registrants can keep their simplified books and records outside Egypt but must provide them to ETA on demand for audit purposes.

16

Have you considered eliminating invoicing requirements for B2C supplies of services under the simplified vendor registration regime?

- Yes, it will include specific invoicing rules and it will be simpler than the domestic invoice as it is shown in this guidance
- ETA allows such invoices to be submitted in the language of their main trading partners.

17

What is the effective date for applying VAT on the e-service supplies to Egypt?

It will be on 22th of June 2023 .

18

Is it possible for the non-resident vendor whose taxable services don't exceed the supplier threshold within a period of 12 months to voluntarily register under the simplified vendor registration regime (optional registration)?

Yes, it is possible.

19

What is the VAT treatment for supplies of the non-resident vendors in relation to the electronic distribution platform (mainly relevant if domestic platform)?



If the platform is domestic and resident in Egypt, so it would register under the standard regime and the non-resident vendors will not have any obligation as the domestic platform would have to apply the reverse charge scheme on the deemed supply that it receives from the non-resident vendor.

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Summary “flowchart”

Scope of the new simplified vendor registration regime

Applies to

- Non-resident vendors who sell e service to Egyptian consumers.
- Operators of digital platforms (electronic distribution platforms) who facilitate the supply of e services to an Egyptian consumer.

Customer type

- On the supply of remote services, the non-resident vendor must charge tax only on B2C supplies.

Type of services under this regime

- All remote services (e.g. electronic & digital services) unless a specific exemption exists.

Thresholds

- Remote services (e.g. electronic & digital services) turnover that exceeds the supplier threshold of EGP 500,000 for any period of 12 months.
- But if the service is a professional and consultancy service, so he should be registered from day one whatever his turnover.

Does his turnover reach the threshold?

If yes

- If you answered yes in all cases above, a simplified vendor registration regime is required.

If no

- If you answered no in any of the cases above, a simplified vendor registration regime may not be required.

Registration requirement

Effective from june 22 ,2023

- Non-resident vendors/operators of electronic distributions that provide remote services (e.g. electronic & digital services) to private consumers in Egypt will be required to register under the simplified vendor registration regime.

Appendix

Exempted service

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Exempted services

- purification, desalination, or distribution of water except for bottled water.
- production, transfer, sale, or distribution of electric current.
- Sale and renting of vacant and agricultural lands, buildings, and residential and non-residential units.
- Banking operations are legally restricted only to banks.
- Buying and selling currency in exchange firms or banks.
- Post office saving banking service.
- Non-banking financial services under the supervision of the Egyptian Financial Supervisory Authority EFSA.
- Insurance and reinsurance services.
- Educational, training, and scientific research services.
- Health services with the exception of cosmetic and slimming surgery for non-medical purposes.
- Land transportation services for passengers including transportation by taxi, with the exception of tourist transport and air-conditioned transport service between the Governorates, and private car rental.
- Non-tourist waterway transport for passengers and air transport for passengers.
- Services performed for establishing and providing maintenance to places of worship and the free-of-charge services rendered.
- Free of charge services broadcasted by radio and television or any other means.
- Subscriptions of e-books, e-magazines, and e-news.

- Library services provided by public libraries or by those affiliated to educational establishments, cultural or research centers of different types.
- Non-tourist waterway transport for passengers and air transport for passengers.
- Services performed for establishing and providing maintenance to places of worship and the free of charge services rendered.
- Free of charge services broadcasted by radio and television or any other means.
- Library services provided by public libraries or by those affiliated to educational establishments, cultural or research centers of different types.
- Museum services in whose respect a decree is issued by the minister based on a recommendation of the concerned minister.
- Plastic arts, and works of artistic and literary composition and publishing of different types.
- Services of the news agencies.
- Services pertaining to farming, breeding, and taking care of lands and crops, harvesting, and supplying agricultural labor.
- Services pertaining to shrouding, transporting, and burying the dead.
- Educational services carried out by the departments, schools, institutes, faculties, and universities that teach curricula of special nature (International).
- Advertisements that are issued for elections, job seekers, or missing persons and items.
- Subscriptions of syndicates, bodies subject to the Law on sports bodies including sports clubs and youth centers under the supervision of the ministry of youth and sports, in addition to the subscriptions of the non-governmental and social associations supervised by the ministry of social solidarity.

Articles law in use in this guidance

VAT law

Article Name	Law	Executive regulation
	Article #	Article #
Vat rate	3	
Imposition of VAT to non resident vendor	4	6
Basis of taxation	5	7 , 7/1 , 7/2
Simplified registration	17	21
Tax refund	30	37
Reverse charge	32	42
Penalties	67	

Uniform tax procedure law

Article Name	Law
	Article #
Invoicing requirement	37
Simplified VAT return	29/31

If you have a technical issue, please contact us at :-

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If you have an IT issue, please contact the IT Company

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