

Date: 29/08/2019

Finance Minister Ali Hassan Khalil issued a decision stipulating the rescheduling of the installment plans of the different taxes and fees collected by the Directorate of Finance.

It stipulates the below:

Article 1:

The taxpayer who fails to pay as of the down payment or any other installment within the installment plan due before 31/07/2019 (the date of the entry into force of the 2019 Budget Law), is entitled to submit, personally or through his representative, a written request to the competent unit asking for the rescheduling of the installment plan with a pledge (according to the attached form) including the taxpayer's name, tax number and address, as well as the type of tax and the number and year of the installment request that he failed to pay, before maximum 31/10/2019.

1. The following shall be annexed to the rescheduling request and pledge:
 - A copy of the identity card of the person concerned for individual taxpayers
 - A copy of the legal power of attorney if required.
2. The competent unit shall receive the request with the abovementioned document annexed.
3. The concerned person or his legal representative shall receive a receipt issued by the competent unit stating the number and date of reception and the date of the subsequent follow-up set at maximum ten working days from the date of submission of the request.

Article 2:

The competent Collection Department shall examine the request by verifying that that the taxpayer has failed to pay the

installments prior to 31/07/2019 and shall make the decision based on the following:

- a- In case of default in payment after the abovementioned date, the rescheduling request shall be rejected and the taxpayer shall be informed of the rejection and its reasons.
- b- In case of default in payment prior to 31/07/2019 included, the rescheduling request shall be accepted in accordance with the rules and regulations in place and the taxpayer shall be informed of the approval.

Article 3:

Upon accepting the rescheduling request:

-The Collection Department shall calculate the balance to be rescheduled as follows:

- If the taxpayer fails to pay one or all of the installments, while he had paid the down payment of the installment request, the balance shall be calculated as follows:

The total value of the amounts due to the treasury and penalties (if any) incurred from the total unpaid installments plus the interest of the first installment which the taxpayer failed to pay.

The collection penalty due on the calculated balance mentioned above shall also be added, starting from the maturity date of the first installment that the taxpayer failed to pay until the date of the rescheduling,

Final balance to be rescheduled = Total (tax + penalties if available) unpaid installments + interest of the first installment that the taxpayer failed to pay + the due collection penalty as of the date of default in payment until the rescheduling date.

- If the taxpayer is in default as of the down payment (non-payment of the down payment), the balance shall be calculated as follows:

The total value of the amounts due to the treasury and penalties incurred from the down payment and all the installments, plus the collection penalty due on the balance calculated above as of

the date of maturity of the down payment until the rescheduling date,

The final balance to be rescheduled = the total tax (treasury + penalties) of the down payment + all the installments + collection penalty due until the rescheduling date

- Developing a rescheduling plan: The amount of the down payment determined at 25% of the final balance approved for rescheduling and calculated according to the above, the installment period, the 12% interest rate, the number of installments and the value of each, provided that the installment period does not exceed three years from the date of payment of the new down payment.

-Entering the rescheduling request on its allocated screen on the automated system (Collection, SIGTAS) according to the calculation of the Collection Department and linking it to the previous installment request to prevent any impact on the accounts.

- Issuing the new installment statement, to be signed by the taxpayer for approval, the payment notice of the down payment and the payment notices of the remaining installments.

Article 4: Duties of the taxpayer

- 1- Receiving the payment notice and settling it within one week from the date of notification, provided that it does not exceed the end of the month during which the rescheduling was approved at the Treasury counter or at one of the banks or its branches or at one of Libanpost's offices or at any company which the Ministry of Finance assigns for this purpose. Then, handing the Collection Department the Administration's copy of the payment notice, and receiving the statement of installments and the remaining installments' payment notices, after signing the copy of the said statement as a notice of approval and reception
- 2- Paying the remaining installments on the relevant dates specified in the installment schedule, otherwise all installments shall be considered as having reached maturity

- 3- The taxpayer shall benefit from the settlement of penalties in force provided that the down payment of the installed tax is paid within the deadline for the reduction of penalties.

Article 5:

In case the taxpayer fails to pay any installment on its maturity date, the full installments shall be due with their interests until the maturity date of the installment that he failed to pay. An additional interest of 15% per year shall be imposed on the balance (total due installments + interest of the unpaid installment) until the payment date. A rescheduling cannot be requested.

Article 6:

The concerned Collection Department shall be responsible for:

- Writing the number of the rescheduling request and the date of its approval on the copies of the electronic tax assessment documents.
- Ensuring the implementation of the reduction of the installed tax due from the amounts owed by the taxpayer in his tax account.
- Developing a specific table for the installed amounts for each tax alone, determining the total amounts to be paid in installments, the amounts paid and the amounts to be collected.

Article 7:

Upon payment of the full installments due, the Collection departments shall address a letter to release the installment lien to the General Directorate of Land Registry and Cadastre, to the Secretariat of the Commercial Register or to the competent administration.

Article 8:

If the taxpayer requests to pay the remaining balance in one single payment, a collection receipt shall be issued in the value of the principal amount due plus the interest incurred for the period starting from the date of the last installment until the date of the actual payment, provided that the fraction of a month shall be deemed to be a full month.

Article 9:

This decision shall be published in the Official Gazette and on the website of the Ministry of Finance and shall enter into effect on the date of its publication.

A form has been especially prepared for the rescheduling request and can be found on the Ministry's website www.finance.gov.lb