



**Date: 16/08/2018**

The Ministry of Finance issued the following circular:

“The Ministry of Finance would like to inform taxpayers subject to taxes and fees assessed and collected by the Directorate General of Finance, that it has lately started to send messages to their mobile phones with a summary of legal texts issued by virtue of 2018 Budget Law which allows them to benefit from several advantages within specific deadlines. The Ministry will continue to do the same during the following days and would like to inform taxpayers that they can dial 1710 for further clarification about the following benefits:

- Reducing by 100% the penalties and interest imposed on violations committed by taxpayers subject to the estimated profit system for not keeping accounting books and on violations related to issuing invoices that do not include the VAT percentage, the address of the party issuing the invoice or the address or tax number of the person to whom the invoice is issued.
- Reducing by 90% the penalties and interest imposed on all other violations.
- The deadline for benefiting from such reductions is 20/10/2018
- Extending the deadline for objecting on fully unpaid assessments that were not subject to objection within the legal deadline or that were subject to objection but were rejected in form, before the Tax Administration or the Objection Committees, provided they pay 10% of due taxes, fees and penalties.
- Exempting employees and workers who are simultaneously employed in different companies or who simultaneously exercise a profession subject to the Income Tax on Profits, from penalties on late filing and late payment of taxes for 2016 and previous years, provided that they declare and pay the due taxes by 20/10/2018. They can also pay the taxes in installments without interest over 3 years, provided they pay

- 25% of their value by 20/10/2018.
- Paying the taxes deducted at source and the VAT in installments for tax periods up to 31/12/2016 within a deadline ending on 20/10/2018, provided they settle a down payment of 15% of the value of installed taxes within the same deadline.
  - Undertaking a settlement for Income Tax assessments covering 2012 and previous years and VAT assessments covering all years up to 2016 (included) that were submitted to Objection Committees and were still pending a decision by 19/04/2018, provided that only 50% of the objected taxes are paid by 20/08/2018 and given that 25% of the value of the settlement is also paid within that deadline. The balance can be paid in three annual installments. In this case, they shall benefit from an exemption from all penalties.
  - Exempting companies and institutions that ceased their business prior to 01/01/2013 from penalties and fiscal stamp fees due for not filing or not renewing the company's duration, if they have been struck off from the commercial register or civil register by 31/12/2018, provided they pay their other due taxes and fees.
  - Not imposing VAT on built properties leased for purposes other than housing and for which VAT is not collected from those renting or occupying the properties, in the following two cases:
    - In case one of the contracting parties is a religious authority or one of its affiliated legal entities, a public administration or institution, a municipality or a union of municipalities, until the end of 2018 second quarter (included), and if the persons undertaking these activities are subject to VAT by 30/06/2018, they shall submit a registration request to the VAT Directorate by 31/08/2018 at the latest.
    - In all other cases, until the end of 2004 second quarter (included), provided they file and pay the taxes due on such operations for the period after 30/06 by 31/08/2018 at the latest.
  - Exempting the employment contracts of Lebanese employees registered at the NSSF from the financial stamp fee. This exemption covers also employment contracts of Lebanese employees registered at the NSSF on 19/04/2018 and for which the financial stamp fee was not paid.