



Date: 30/08/2019

Finance Minister Ali Hassan Khalil issued a decision on fighting tax evasion.

It stated the below:

Whereas Article 57 of the 2019 Public Budget Law defines tax evasion as follows:

Tax evasion is when a person who is subject to tax obligations, refrains, knowingly and intentionally, from declaring the taxes and fees due to the State from his/her income or wealth, refrains from paying the taxes and fees that he/she is obliged to withhold or recover, or when he/she deducts, cancels, rebates or unduly requests their refund by resorting to illegal ways and means, including but not limited to:

- Hiding taxable income
- Carrying out activities or operations that are subject to taxes or fees without being compliant with the obligation to file a commencement of activity form and thus, not complying with the obligation to declare those activities and operations
- Creating accounts outside accounting books
- Carrying out operations without recording them in the books or without mentioning them in details
- Registering fictitious expenses
- Registering financial commitments that are fictitious or saying they are for a purpose different than the actual one
- Using forged documents
- Deliberately destroying accounting documents prior to the date set by the law
- Refraining from filing returns and statements on the turnover or tax base
- Unduly implementing tax deduction or requesting a tax refund
- Carrying out transactions that include bearing fictitious obligations and charges toward a third party, regardless of their legal form
- Refraining from declaring import and export operations in their real values
- Refraining from declaring all employees

- Refraining from issuing invoices or similar documents as per the regulations in place
- Hiding the economic ownership, as defined by the law, from any source of money and in any way

The Ministry of Finance assures all taxpayers that it shall take the necessary legal action to fight tax evasion including measures related to lifting bank secrecy when tax evasion is confirmed. The Ministry shall also impose the penal sanctions stipulated by the relevant laws.”