



**Date: 03/04/2019**

Statement of the Minister of Finance Ali Hassan Khalil at the Grand Serail on the submission by the Ministry of Finance of requests related to the settlement of filing and collection penalties that are above 1 billion Lebanese Pounds and that are mentioned in item 15 of the agenda of the Council of Ministers for Thursday, April 4, 2019.

Let me clarify this matter in order to prevent useless analyses. The item mentioned on the agenda of the Council of Ministers is for the benefit of the State, its finances and the public treasury. The Ministry, to be clear, has not proposed an exemption, but the legal obligation under Law 662 Article 3, stipulates that penalties exceeding one billion Lebanese Pounds should be submitted to the Council of Ministers. The Ministry of Finance has sent this request to the Council of Ministers for two reasons. First, the Ministry is unable to collect tax revenues from persons who deal with these companies because they cannot obtain quittances. Second, we are not able to carry out the forced collection of these companies with their penalties without the approval of the Council of Ministers. This means that since 2008, 2009 and 2010 we were unable, to date, to collect the requests and tax assessments because the law states that when the taxpayer submits an exemption request, the Council of Ministers shall decide on the matter by either rejecting or approving it and determining the ratios.

The Ministry of Finance has never requested an exemption but we have submitted these requests to the Council of Ministers to state that the Ministry had previously done so and the Council of Ministers did not issue any decision as to approving them or rejecting them. The text is clear and this matter hinders the transactions of concerned persons. For instance, the Treasury is losing revenues from those who deal with SOLIDERE and whose real estates cannot be registered or from whom we cannot collect fees because of a problem with SOLIDERE. Furthermore, when the Council of Ministers does not take a decision, we cannot undertake forced collection procedures.

People should know that the Council of Ministers is required to take a decision tomorrow. If the Council rejects the requests, these companies, instead of refraining from paying their dues, shall be subject to forced collection by the Ministry. Otherwise, they shall continue, as they have been doing for the past 11 years, to refrain from paying. This is the normal process. When penalties on any company are one billion Lebanese Pounds and above, we should submit the request to the Council of Ministers to take a decision on the matter. This is not fraudulent or illegal. On the contrary, the law imposes this and if we do not implement it, the State will continue to lose money and revenues.