



Starting Business In Egypt

The General Authority for Investment and Free Zones

Promotion Department

2024



Agenda

Incorporation regulations.

Companies legal forms.

Costs and procedures of starting business in Egypt.

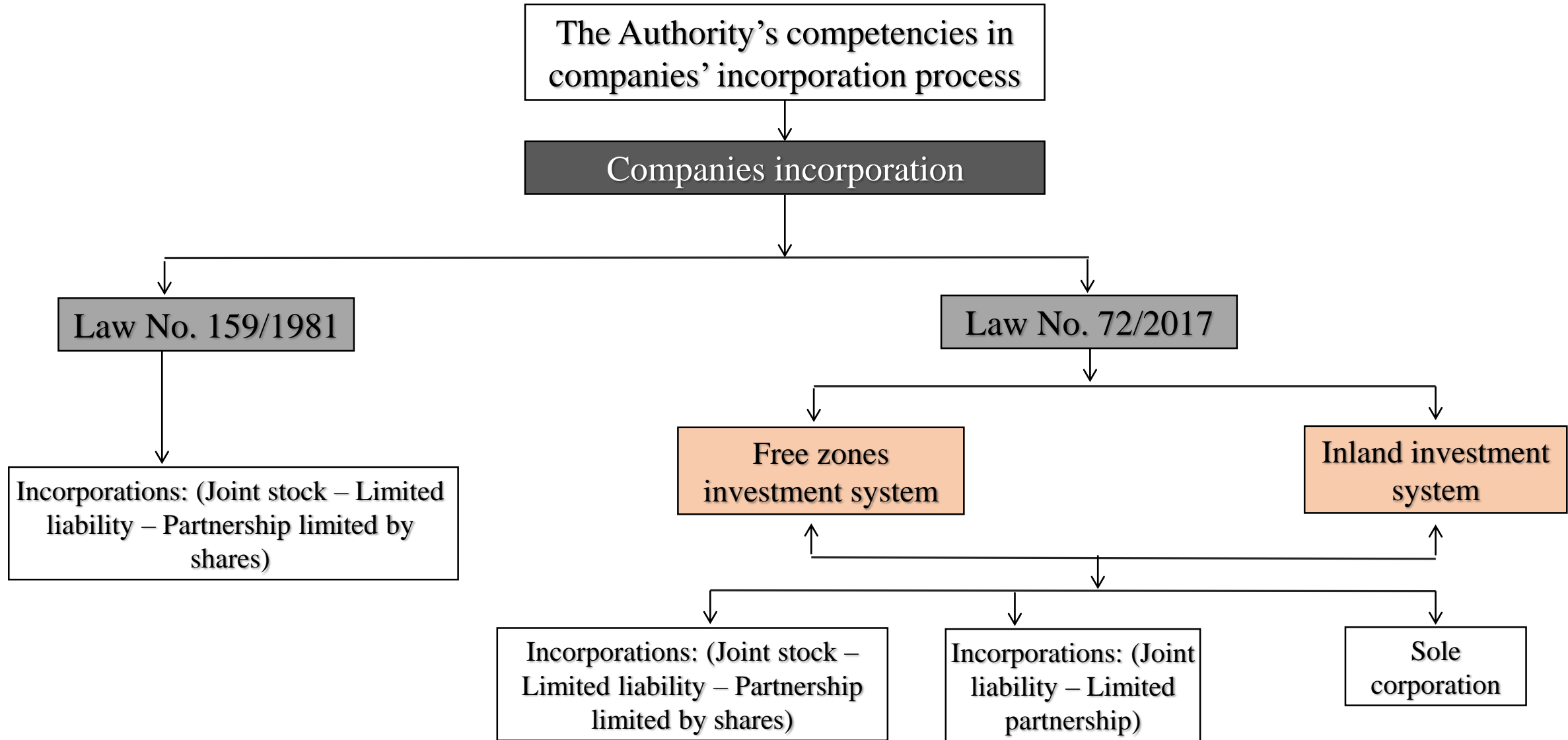
Documents for obtaining an import card.

Prices of energy and utilities.

Taxes.

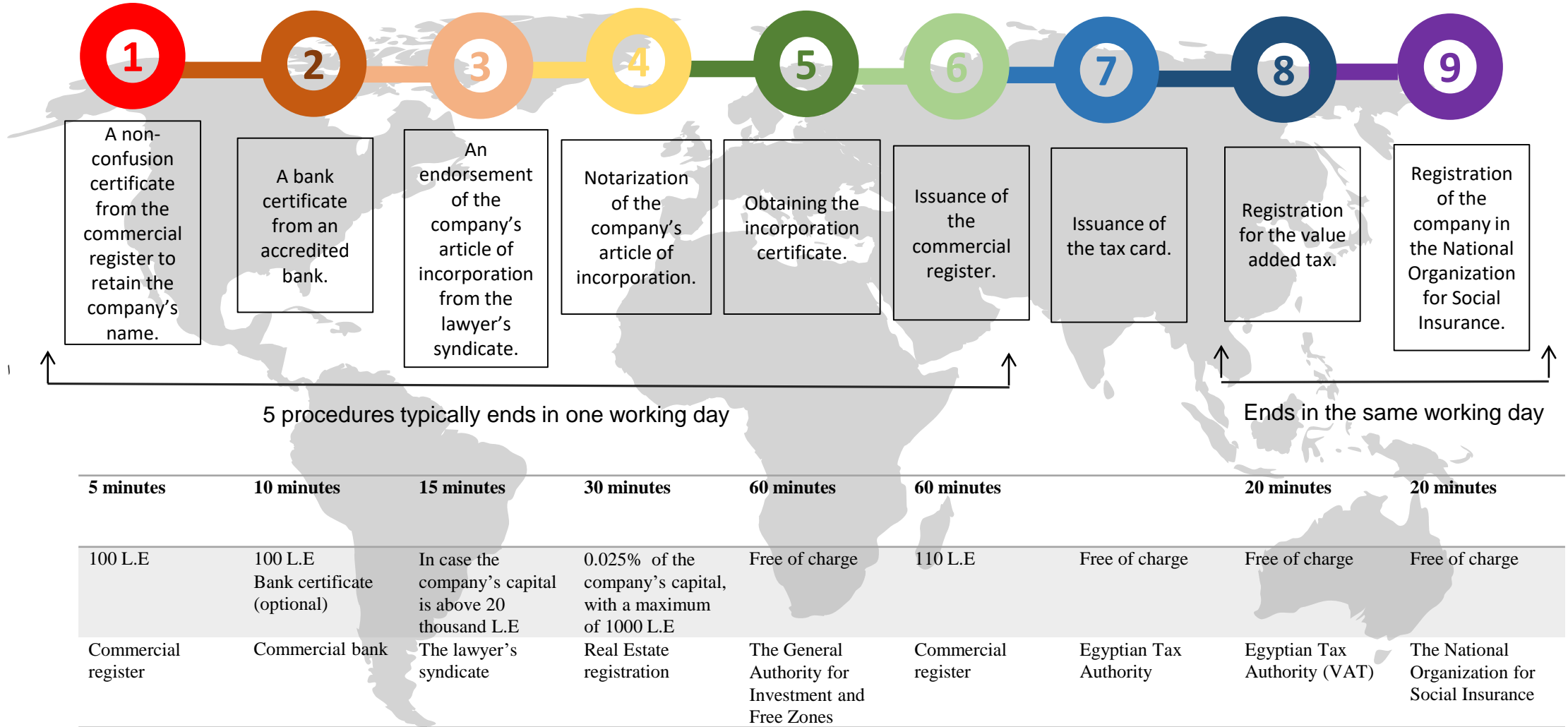


Incorporation regulations



All companies share the same procedures' Sequence, while incorporation, fees and required documents are varied according to the company's legal form.

Costs and procedures of starting business in Egypt



Source: GAFI



Prices of Utilities and Energy

First: Drinking water and sanitary sewage tariffs

All governorates (except for Sinai – Red Sea - Marsa Matruh)

Drinking water and sanitary sewage tariffs for the FY 2022/2023 (L.E/ m3)

Consumption	Services	Commercial	Industrial	Tourism	Sport Clubs	other
1:50		4.5	4.5	4.5		
51:100	4	5	5	5	3	12
> 100		6	6	6		
Sewage as a percentage of water	80%					
Sewage rate per meter	4	4.5	4.5	4.5	1.13	4.5
The prices are applicable to all governorates except for (Sinai – Red Sea - Marsa Matruh governorates).						

Border governorates

Drinking water and sanitary sewage tariffs, for the governorates:
North Sinai, South Sinai, Red Sea and Marsa Matruh for the FY 2022/2023 (L.E/ m3)

Consumption	Services	Commercial	Industrial	Tourism	Sport Clubs	other
Unified rate	13	13	13	13	3.25	13
Sewage as a percentage of water	80%					
Sewage rate per meter	4.5	4.5	4.5	4.5	1.13	4.5

Source: Holding Company for Water and Waste Water.



Second: Tariff of Industrial Establishments Sewage Treatment. 2022/2023 (L.E/ m3)

All governorates

Tariff of Industrial Establishments Sewage Treatment for the FY 2022/2023 (L.E/ m3)

Pollutants	Biological Oxygen Demand (BoD)	Chemical Oxygen Demand (CoD)	Pollutants	Biological Oxygen Demand (BoD)	Chemical Oxygen Demand (CoD)	Pollutants
Concentrations gram/ m3	> 600 / <660	660 and above / < 2000	2000 and above	>1100 / < 2000	2000 and above / < 5000	5000 and above
Refinement charge (L.E/ m3)	3	9	18	6	18	30



Third: Electricity Tariff - 2022/2023

All governorates

Electricity Tariff (To be applied in FY 2022/2023)

Usage purpose / Voltage	Capacity charge (L.E/ K.W per month)	Off-peak hours (piaster/ K.W per hour)	Peak hours (piaster/ K.W per hour)	Energy price average (piaster/ K.W per hour)	Application method
Ultra high Voltage(220.132 K.V)	40	96.9	145.4	105	Capacity is based on the user's maximum consumption every 3 months.
High Voltage (66.33 K.V)	50	101.5	152.3	110	Consumption time's tariff is applied according to the smart meters program; the Ministry of Electricity and Renewable Energy sets the start of the 4 peak hours.
Medium Voltage (22.11 K.V)	60	106.2	159.2	115	
Low Voltage (380 V)				125	If not available, the energy price is applied.



Fourth: Petroleum Products Prices for the Second quarter of the year 2023

All governorates

Petroleum Products Prices for the Second Quarter of the year 2023

Commercial butane Gas	Benzine 95	Benzine 92	Benzine 80	Kerosene	Diesel
150 L.E/ cylinder	11.50	10.25	8.75 L.E/liter	7.25	8.25
Mazut (In case of price stability for food industries and electricity)				Natural Gas for Vehicles	
6000 L.E/ Ton				4.50 L.E/ m3	



Fifth: Taxes

Taxes Incurred by Investor

Case	Type of Tax	Tax Value	Description
1. Project set-up	Income Tax	22.5%	A unified general tax on project income
1. After starting business operations	Value-Added Tax (VAT)	13% or 14%	A tax of 13% is due on goods and services for the fiscal year 2016/2017, and of 14% as of the fiscal year 2017/2018. The tax rate on machinery and equipment used to produce goods or provide a service is excluded, since the law sets such rate at 5%, with the exception of passenger vehicles and buses.
1. Real estate used for the project	Real Estate Tax	10%	(10%) of the annual lease value of taxable real estate, after excluding (32%) for all the expenses incurred by the taxpayer, including maintenance expenses.
1. Profits from purchasing shares in other companies	Tax on Dividends	5%	If the company is listed in the Egyptian Exchange (EGX)
		10%	If the company is not listed in the Egyptian Exchange (EGX)
1. Profits from selling shares or bonds in other companies	Capital Gains Tax (CGT) on profits realized on sale of capital shares or bonds	10%	On shares
		20%	On treasury bills or bonds

Taxes Incurred by Investor

1- Income Tax

Item	Internal Investment	Free Zones
Income tax	<ul style="list-style-type: none"> A fixed tax of 25% Exemption for 10 years on agricultural activities and animal production 	Exempted
Import fees	<ul style="list-style-type: none"> 2%–32% depending on the product A fixed fee of 2% on the value of imported machines and equipment 	Free of charge
Minimum exports	No limit	No limit

2- VAT

A tax of 13% is due on goods and services for the fiscal year 2016/2017.

A tax of 14% is due on goods and services for the fiscal year 2017/2018.

The tax rate on machinery and equipment used to produce goods or provide a service is excluded, since the law sets such rate at 5%, with the exception of passenger vehicles and buses.

Ministry of Finance bears for a period of 3 years starting from January 2022 the full value of the tax due on built properties used in carrying out the 19 industrial activities listed below.

The list of the industrial activities includes:

- Textile industry – engineering industries – mining industries – metal industries;
- Leather industry – wood and furniture industries;
- Automotive industry;
- Paper industry and its products, printing and publishing;
- Industry of building materials, porcelain and chinaware, and refractories;
- Electronic and electrical industries – manufacturing industries;
- Cement, iron, and ceramics industry;
- Pharmaceutical industries – medical industries – chemical industries; and
- Food industries – plant and livestock production.

(10%) of the annual rental value of the taxable property, after excluding (32%) of all expenses incurred by the taxpayer, including maintenance expenses.

In order for Ministry of Finance to bear the full value of the tax due on said activities, the activity must be registered within the state's official economy, and the built property for which the tax is borne must be actually used in carrying out the activity.

The decree does not prejudice the right of Real Estate Tax Authority to collect tax arrears due on the aforementioned activities until the end of 2021.



Thank you

The General Authority for Investment and Free Zones

Promotion Department

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For more info: <https://www.gafi.gov.eg>

Investment map: www.investinegypt.gov.eg

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