

Kabalan & Associates

مكتب المحامي نور الدين قبلان

Lebanon Legal Update

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Highlights on new tax regulations

Following issuance of Law no 64/2017 on new applicable taxes and Law no 66/2017 on Public Budget, the Ministry of Finance has issued on 18 January 2018 a series of related instructions. Below are some of these instructions:

- 1- **The taxpayers** who independently undertake sales activities or provide services which are subject to taxation or are exempt from taxation with the right of deduction **will now be subject to VAT in one of the following cases:**
 - a. **Their revenue exceeds 100,000,000 L.L** during a period of one to four previous consecutive trimesters. This condition shall be met at the end of the fourth trimester of the year 2017.
 - b. They started as of 8/11/2017 with **import or export transactions of monies or services** no matter what is the revenue.

The tax payers under (a) above shall register with the VAT department by end of February 2018. The tax payers under (b) above shall register within 2 months as of the first import or export transaction.

- 2- **Successions of persons deceased prior to 13/10/1994** are now exempt from succession tax. The concerned persons may obtain court orders delimiting the heirs without the need for an authorization from the Ministry of Finance.
- 3- The **changing of the companies' legal form** is exempt as of 8/11/2017 from registration duties, notary public duties and stamp duties. It is further exempt from tax subject that changing the form is made at the nominal value of the company's assets whilst maintaining the same distribution of shares for two years as of the change of form.
- 4- The **income tax for limited liability companies and joint-stock companies** shall be calculated as follows:
 - a. 15%: from 1/1/2017 until 26/10/2017 inclusive.
 - b. 17%: from 27/10/2017 onwards.

This note is not comprehensive. Further advice should be taken before relying on the contents of this note.

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Kabalan & Associates is a law firm with offices in Beirut & London and registered as Etude Maitre Nouredine Kabalan with the Beirut Bar Association.

KABALAN & ASSOCIATES

Contact:

legal@kabalancelaw.com

319 Michel Chiha Street,
Abi Rached Bldg 3rd Floor,
Kantari, Beirut, Lebanon
T: +961 1 365146

www.kabalanlaw.com

Please contact us should you have any queries in relation to this update.

Nouredine Kabalan

Nadine Azhari