MINISTRY OF FINANCE · ARAB REPUBLIC OF EGYPT

Domestic Revenue Mobilization in Egypt

Country Case — African Advisory Group

G20 Compact with Africa Initiative · June 2026

Agenda

1. Egypt's Fiscal Strategy — Four Strategic Pillars
2. First Pillar: Building Trust & Widening the Tax Base
3. Revenue Performance — Tax/GDP & Revenue Mix
4. Tax Facilitation Strategy — Four Integrated Packages
5. Early Results & Reforms from FY2025/26

Source: Ministry of Finance, Egypt

Key Pillars of Egypt's Fiscal Strategy

Four pillars frame the strategy; this case focuses on the first — domestic revenue mobilization.

PILLAR 1

Building Trust, Predictability & Confidence between Tax Authorities and the Business Community

PILLAR 2

Balanced Fiscal Policy anchoring Fiscal Discipline alongside Economic Support

PILLAR 3

Integrated Strategy to improve Debt Management & Public Debt Indicators

PILLAR 4

Generating Fiscal Space for targeted Social Programs & Human Capital

Source: Ministry of Finance, Egypt

First Pillar — Policies & Targets

Policies & Measures

- Expanding a simplified tax system for individuals and companies
- Linking tax incentives to tangible economic and developmental outcomes
- Aligning the tax system with international standards and global reforms
- Expanding digital services to raise compliance and curb avoidance and evasion

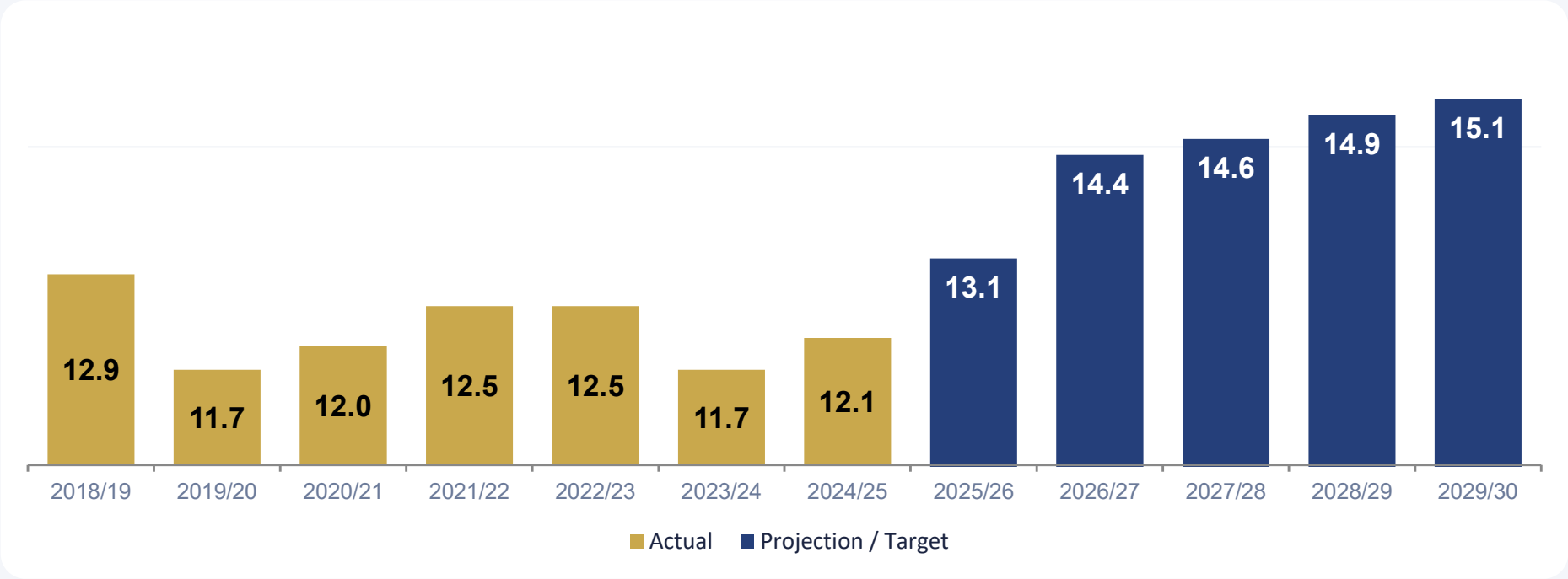
Targets

- Widen the tax base by adding ~100,000 new taxpayers
- Raise tax-to-GDP to around 15% over the medium term
- Increase non-sovereign tax revenue as a share of GDP
- Keep revenue mobilization aligned with economic growth
- Continue building a partnership between the Authority and taxpayers

Source: Ministry of Finance, Egypt

Tax/GDP Developments

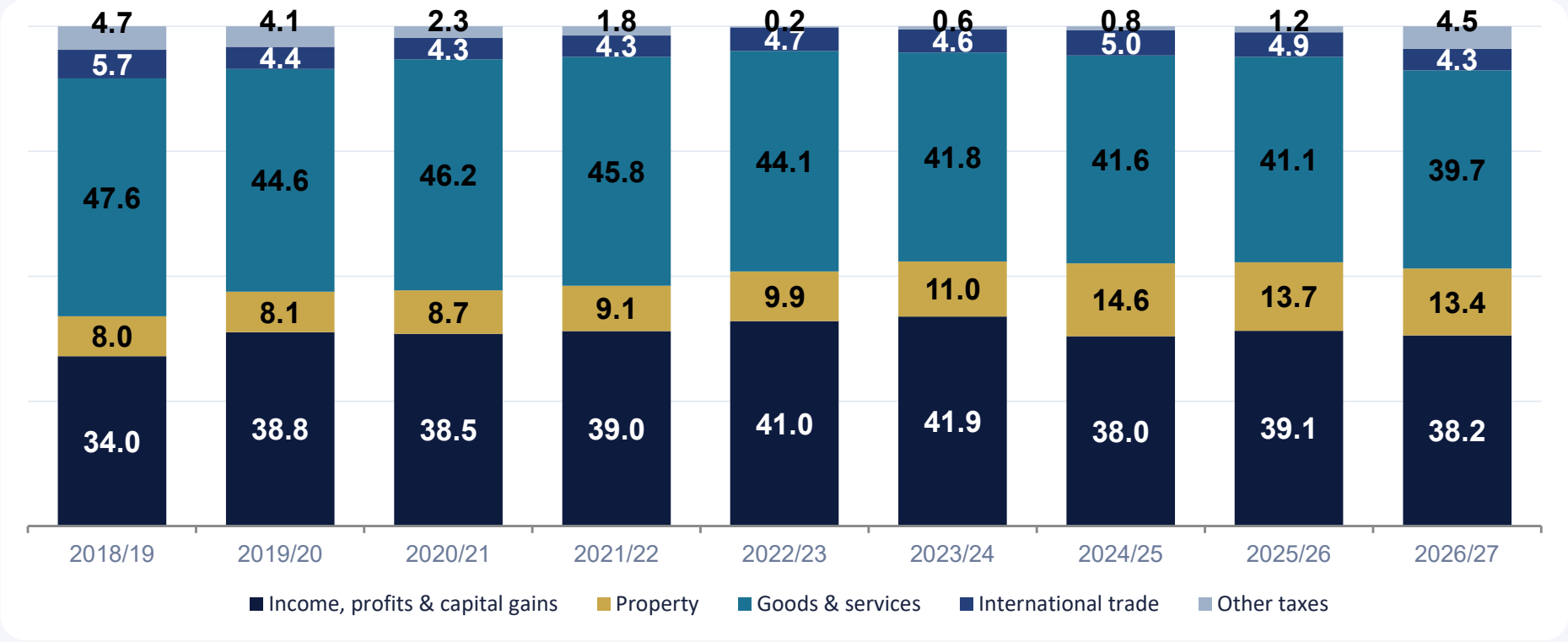
The core objective is to widen the tax base — bringing new taxpayers in, integrating the informal economy, and reframing the Authority and taxpayers as partners. Tax-to-GDP is targeted to rise toward 15% over the medium term.



Source: Ministry of Finance, Egypt

Tax Revenue Composition

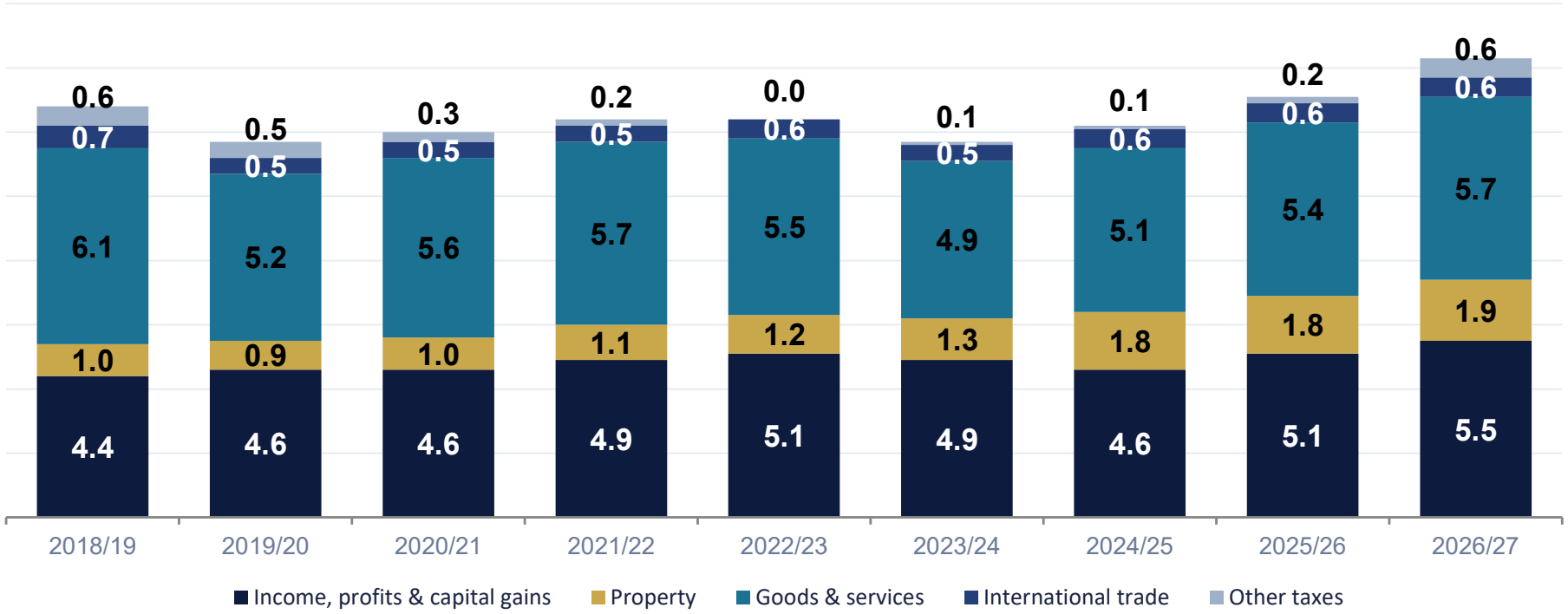
Revenue mix as a share of total tax revenue — each year sums to 100%, revealing the structural shift toward income and property taxes.



Source: Ministry of Finance, Egypt

Tax/GDP Composition

Tax revenue decomposed as a share of GDP — the stack total tracks the overall tax-to-GDP ratio.



Source: Ministry of Finance, Egypt

Tax Facilitation Strategy — Four Packages

The facilitation strategy is delivered through four integrated packages, sequenced across the whole tax community:

PACKAGE 1	PACKAGE 2	PACKAGE 3	PACKAGE 4
Building Trust	**Promoting Compliance**	**Balancing Rights**	**Ensuring Discipline**
Integrating the informal economy, a simplified SME system, simplified dispute settlement, a cap on penalties, and penalty-free voluntary disclosure.	Sustaining compliance through incentives for compliant taxpayers and better tax administration and service quality.	Balancing the rights of the Authority and taxpayers within a fully digitized framework, plus a further settlement opportunity.	Regulating the informal economy and targeting non-compliant taxpayers after ample opportunity for voluntary compliance.

Source: Ministry of Finance, Egypt

Initiatives of the First Facilitation Package

- A simplified tax system for SMEs with annual turnover up to EGP 20 million
- A cap on penalties so they cannot exceed 100% of the original tax due
- Settlement of tax disputes for periods prior to 2020
- Unregistered taxpayers may register with no retroactive taxes or penalties
- Late or amended returns (2020–2024) accepted within 6 months, penalty-free

Source: Ministry of Finance, Egypt

Results of the First Facilitation Package – 127,000 applications registered under the simplified tax system

612,000

tax returns submitted for the period 2020–2024

132,000

tax-dispute settlements completed for years prior to 2020

212,000

companies had penalties exceeding 100% of the original tax due

EGP 78bn

increase in declared tax in returns for 2020–2024

EGP 35bn

total value of penalty reductions delivered

EGP 18bn

reductions on amounts exceeding 100% of the original tax

Source: Ministry of Finance, Egypt

Tax Reforms Starting FY2025/26

Launch of the Second Tax Facilitation Initiative

Excellence Card

A new whitelist rewards compliant taxpayers with priority services and VAT refunds within 7 days.

Faster Customs

Customs clearance time reduced from 12 days to 6 days.

Property Reform

A mobile app lets individuals report property transactions and pay taxes without visiting the office.

Capped Late Fees

Late-payment fees capped so they do not exceed the principal tax amount.

Simpler Procedures

Streamlined procedures for lifting and removing tax obligations from taxpayers.

Compliance Focus

Continued shift toward incentive-based, digitized, taxpayer-friendly administration.

Source: Ministry of Finance, Egypt

Key Takeaways

- A trust-based reform is widening the tax base, targeting ~15% tax-to-GDP over the medium term.
- Early results from the first facilitation package show strong, measurable take-up.
- Reforms continue into FY2025/26 with incentives, digitization and faster services.