

Lebanon

Corporate - Other taxes

Last reviewed - 30 June 2025

Value-added tax (VAT)

The standard VAT rate in Lebanon is 11%. Unless specifically exempt, VAT is levied on all commercial transactions undertaken by business entities. Export of goods and services and export-related services, international transport, and some of the intermediate operations are zero-rated. Banking, financial services, and insurance operations are exempt from VAT. As per the 2022 Budget Law, solar power equipment used to generate electricity is exempt from VAT from the date this Law is published (November 2022) until 31 December 2023.

Note that the recharge of expenses from an entity in Lebanon to another entity abroad is subject to VAT at 11%.

The threshold for mandatory registration is a turnover that exceeds LL 100 million in four consecutive quarters.

The 2024 Budget Law increased the threshold for mandatory registration from LL 100 million to LL 5 billion over a period of one to four consecutive quarters. The new threshold is applicable starting from the year 2024.

On 27 April 2023, the MoF published Decree no. 11230 in the Official Gazette, whereby Article 18 of the VAT Law no. 7308, which states that VAT should be calculated following the official exchange rate, was replaced to mention that in instances where the price of the service or good is denominated in foreign currency, and until a unified exchange rate is set, the counter value of the foreign currency to be used for VAT calculation purposes should be the Sayrafa rate.

Customs duties

Modern, simple, and efficient assessment means are adopted by the customs authorities (e.g. electronic declarations, declaration in advance, applying international procedures in clearing the goods, selective inspection, auditing the goods after their release, and adopting the unique declaration).

Customs rates are imposed and modified according to decisions from the Lebanese customs authorities. These decisions are adopted based on the need of the Lebanese markets of some goods and the will to protect national production sectors.

Safeguard measures are provided for in relation to imported goods. The purpose behind such measures is to protect the domestic production sectors when an increase of imports is witnessed when compared to the same period during the previous year.

The rates are determined based on a specific schedule created in conformity with the Harmonised System of Nomenclature. This conformity with the unified system allows Lebanon to represent an ‘importer friendly’ environment for importers.

The normal rates are applied where there is no preferential agreement. When the origin of the good or part of the good is from a country with which Lebanon has a preferential customs treatment, preferential rates apply.

Customs rates in Lebanon are either determined in percentage or paid as a lump sum per unit of imported products.

Based on Article 59 of Budget Law 2019, 3% in additional custom fees is enforced for three years on imported goods that are subject to VAT, except for fuel, industrial equipment, and raw materials used in manufacturing and agriculture. The 2022 Budget Law imposed an additional customs fee of 3%, to be applicable for an additional year (i.e. until 31 December 2023), which was extended until 31 December 2024 as per the 2024 Budget Law. An exemption of customs and 3% additional duty is applied for solar power equipment used to generate electricity from 15 November 2022 until 31 December 2023.

In addition, a customs fee of 10% is imposed on imported goods with similar substitutes manufactured in Lebanon in sufficient quantities and on imported luxury items. This fee is applicable for a period of five years.

Excise taxes

Excise taxes are mainly applicable in Lebanon on certain beverages and spirits, tobacco products, gasoline, and vehicles.

Built property tax (BPT)

The BPT is an annual progressive tax, ranging between 4% and 14%, on built property.

The 2022 Budget Law amended the net income brackets subject to BPT starting from the year 2022.

The 2024 Budget Law further amended the net income brackets subject to BPT starting from the year 2024 to range from LL 1.2 billion to LL 6 billion.

Stamp duty

Two kinds of stamp duties are levied. A proportionate stamp duty of 0.4% is levied on all deeds and contracts (written or implied) that mention specific payments or other sums of money.

The 2022 Budget Law amended the Stamp Duty Law to state that the fixed stamp duty due on invoices, receipts, and debit and credit notes should be settled through monthly declarations within 15 days after the end of the month starting 1 January 2023.

The MoF issued Decision no. 684 on 23 November 2022 to clarify that the Sayrafa rate is the exchange rate that should be used to convert the value of contracts and deeds (and any other similar documentation) denominated in foreign currency into the local currency (Lebanese pounds) for the purpose of calculating the respective stamp duty.

The 2024 Budget Law amended the Stamp Duty Law to state that, provided the stamp duty fee does not exceed LL 3 billion, the duty can be processed by marking machines operated by authorised individuals.

Furthermore, the 2025 Budget Law stipulates that governmental receipts must include a stamp duty of USD 2 for receipts issued in U.S. dollars, and EUR 2 for those issued in euros.

Capital gains tax

Under local legislation, companies are permitted to revalue their fixed assets every five years. Capital gains recognised from such a revaluation, as well as any profits that may be realised from the disposal of fixed assets, are subject to a capital gains tax of 15%.

The MoF issued Law no. 330 on 5 December 2024, which amended article 45 of the Income Tax Law allowing taxpayers subject to the lumpsum method to revalue their fixed assets every year (instead of every five years) starting from the end of the year 2023 till 31 December 2026, based on the principles applicable to taxpayers subject to the real profit.

In addition, Law no. 330 mentioned that individuals and taxpayers who are not subject to income tax, or who benefit from special or permanent income tax exemptions, or those subject to income tax and owning real estate properties not used for generating operating income (e.g. real estate companies), are subject to a reduced tax rate of 1% instead of 15% on the disposal of non-residential real estates until 31 December 2026.

Income from disposal of fixed assets realised by a company is subject to 15% capital gains tax. In case of sale of shares and parts in Lebanese and foreign companies, any capital gains realised by a Lebanese corporate entity (other than holding, offshore, or a company whose activity is to trade in financial investments) is subject to tax at 15% if those financial assets are classified as non-current assets on the company's balance sheet.

Income from disposal of shares realised by a resident company whose main activity is the acquisition of investments is subject to 17% CIT.

Income from disposal of shares realised by a non-resident company is subject to 10% movable capital tax when the shares are not classified as financial non-current assets on the company's balance sheet.

Registration taxes

The estimated cost of establishing a company in Lebanon is around 7,500 United States dollars (USD). This includes lawyer's fees and registration fees. The registration fees will increase if the company is established with capital exceeding the minimum requirement. However, the registration fees should not normally exceed 1% of the value of capital.

For branch offices and representative offices, establishment costs are lower and may be estimated at USD 5,000.

When transferring ownership of real estate, registration fees of approximately 6% are applicable.

Payroll taxes

Employers are responsible for withholding and declaring payroll taxes on behalf of their employees.

On 5 September 2024, the MoF issued Decision no. 959 determining the mechanism for the calculation and payment of the payroll tax for salaries paid in part or full in foreign currencies as follows:

- For the period from 1 January 2024 to 31 March 2024, salaries paid in fresh US dollars are calculated using the exchange rate of USD 1 = LL 15,000. However, if salaries are paid by cheque or via an internal bank transfer (i.e. not in fresh US dollars), the first USD 3,000 is calculated at the exchange rate of USD 1 = LL 8,000, and any amount exceeding USD 3,000 is calculated at the exchange rate of USD 1 = LL 1,507.5.
- For the period starting 1 April 2024, salaries are calculated using the exchange rate of USD 1 = LL 89,500, regardless of the payment method.

The aforementioned Law has also amended the brackets of employment income subject to payroll progressive tax rates for 2024 and 2025. Payroll tax is levied at progressive rates of 2% to 25% on annual payroll tax brackets between LL 317,250,000 and LL 11,896,875,000 for 2024 and between LL 360 million and LL 13.5 billion for 2025. The annual family exemptions were also amended as follows:

- For the period from 1 January 2024 to 15 February 2024 (inclusive), family exemptions will be calculated according to the rates specified in the 2022 Budget Law, i.e. LL 4,687,500 for a single individual.
- From 16 February 2024 onwards, the exemptions will be calculated based on the rates outlined in the 2024 Budget Law, i.e. LL 393,750,000 for a single individual.
- Starting 1 January 2025, the family exemption for each single individual will be LL 450 million, to add LL 225 million for married individuals with an unemployed spouse, in addition to LL 45 million for each legitimate child.

Additionally, the MoF issued Decree no.11226, which increased the minimum wage to LL 9 million for monthly basic salary for employees subject to the Labor Law. This increase is applicable starting 26 April 2023.

Later on, the MoF issued Decree no. 13164, which increased the minimum wage of the employees subject to the Labor Law to LL 18 million, effective 1 April 2024.

Moreover, Decree no. 1311 exempts termination/severance payments from payroll tax for payments made to employees between 15 February 2024 and 31 December 2025.

Social security contributions

For the purpose of calculating social security contributions, the sickness and maternity ceiling amount is set as follows:

- Starting September 2023, LL 216 million per year (equivalent to LL 18 million per month).
- Starting March 2024, five times the minimum monthly wage of LBP 9 million (equivalent to LL 45 million).
- Starting April 2024, five times the minimum monthly wage of LBP 18 million (equivalent to LL 90 million).

In addition, memorandum no. 734, dated 29 December 2023, has set the monthly ceiling amounts for family allowance social security contributions LL 12 million per month, starting 1 January 2024.

Accordingly, social security contributions are calculated as follows:

- Borne by the employer: 8% for the maternity and sickness benefit schemes, on a maximum base of LL 90 million (amounting to LL 7,200,000 as a maximum per month), and 6% for the family benefit schemes, on a maximum base of LL 12 million (amounting

to LL 720,000 as a maximum per month), in addition to 8.5% of total annual earnings for the end-of-service indemnity, with no ceiling.

- Borne by the employee: 3% for the medical scheme, on a maximum base of LL 90 million (amounting to LL 2,700,000 as a maximum per month).

On 30 November 2023, the MoL issued Decree no. 12599 published in the Official Gazette whereby it increased the family allowances given by the Social Security Department to be as follows:

- LL 600,000 for the wife instead of LL 60,000.
- LL 330,000 for each child instead of LL 33,000 (for a maximum of five children).

The Decree is applicable starting from December 2023.

Later on, on 20 June 2025, the NSSF issued Memorandum no. 793, which amended the monthly family allowance ceiling amount to be set at LL 18,000,000 for the purpose of calculating social security contributions as well as the monthly family allowance amounts given by the Social Security Department to be as follows:

- **LL 1,200,000** for the wife instead of LL 600,000;
- **LL 660,000** for each child instead of LL 330,000 (for a maximum of 5 children).

The increases are applicable starting from 1 July 2025.

Moreover, on 1 February 2024, the NSSF issued Memorandum no. 740 whereby it set the exchange rate to be used for the conversion of the salaries paid in foreign currencies to the highest official exchange rate published by the Central Bank (currently LL 89,500/USD 1).

Furthermore, based on the provisions of Article 92 of the 2024 Budget Law, the tax authorities are required to provide a copy of the payroll tax declarations to the Social Security Department for reconciliation purposes and to notify them of any discrepancies.

In the event of differences, any discrepancy uncovered during the reconciliation between the amounts declared to the tax authorities and those reported to the Social Security Fund will incur a penalty of ten times the amount of the difference.

VAT Standard in Ghana

Value Added Tax (VAT) is a tax applied on the value added to goods and services at each stage in the production and distribution chain. It forms part of the final price the

consumer pays for goods or services. In some countries it is called ‘Goods and Services Tax’ or GST. Click [HERE to File and Pay for your VAT Standard Rate.](#)

With the passage of The Value Added Tax, (Amendment) No. 2 Act, 2022 (Act 1087) by parliament as law, the VAT rate has been increased from 12.5% to 15%. National Health Insurance Levy (NHIL), Ghana Education Trust Fund Levy (GETFund Levy) and the Covid -19 Health Recovery Levy (COVID-19 HRL) are separate levies that are calculated on the chargeable amounts. The NHIL, GETFund Levy and COVID-19 HRL cannot be deducted as input VAT. These changes have implications on the computation of tax for VAT Registered persons.

Note: A standard rated registered taxpayer who deals with a VFRS taxpayer, can deduct the 3% as input tax. Click [HERE to File and Pay for your NHIL/GETFund.](#)

The COVID-19 Health Recovery Levy Act, 2021 (Act 1068), imposes a special levy on the supply of goods and services, and the Import of goods and services into Ghana. The levy is chargeable at a rate of 1% calculated on the value of taxable supply in respect of:

COVID-19 Health Recovery Levy (COVID-19 HRL)

The COVID-19 Health Recovery Levy Act, 2021 (Act 1068), imposes a special levy on the supply of goods and services, and the Import of goods and services into Ghana.

The levy is chargeable at a rate of 1% calculated on the value of taxable supply in respect of:

- Supply of goods and services made in Ghana, but excluding exempt goods or services; and
- Import of goods and services into Ghana.

The COVID-19 Health Recovery Levy is applicable to both Standard Rate and VAT Flat Rate registered persons.

The COVID-19 Health Recovery Levy is not subject to input tax deduction. However, it is an allowable deduction against profit.

Rates

- Value Added Tax (VAT) – Standard Rate = 15%
- National Health Insurance Levy (NHIL) = 2.5%
- Ghana Education Trust Fund (GETFund) = 2.5%
- COVID-19 Health Recovery Levy (COVID-19 HRL) = 1%

Scope and Coverage

These rates are all chargeable on the value of:

- Every supply of Goods and services in Ghana.
- Importation of goods.
- Supply of imported services, unless otherwise exempted in the VAT Act 2013 (Act 870) or Regulations made under it.

Key Features on the NHIL, GETFund & COVID-19 Health Recovery Levy

- VAT Registered Taxpayers cannot claim the NHIL, the GETFund, and the COVID-19 HRL charged on their purchases (i.e. the levies are not subject to input tax deduction).
- Goods charged at the VAT Flat Rate of 3% are not subject to the NHIL & GETFund but are subject to the COVID-19 HRL.
- The levies are to be charged at every stage that a VAT Standard rated supply is made by VAT Registered Taxpayer.
- VAT Registered persons are now to account for NHIL, GETFund, and COVID-19 HRL on imported services (which include management and technical services, patents, licenses, etc.) on monthly NHIL, GETFund, and COVID-19 HRL returns.
- Items that attract a zero rate of VAT also attract a zero rate of GETFund, the NHIL Levy and COVID-19 HRL.
- VAT Registered Taxpayers who are on the Standard Rated Scheme (SRS) i.e. Manufacturers & Service providers are to account and pay for NHIL, GETFund and COVID-19 HRL.

The Base for Charging the Levies

- The value of the supply, excluding the chargeable levies and the deductible VAT.
- All non-deductible levies and taxes should be factored into the cost build up (i.e. treated as costs) to the base to which to compute NHIL, GETFund, and COVID-19 HRL. These cost (levies and taxes) incurred can however be treated as deductible expenses in the financial statements.

Taxable Value for Charging VAT

- The base for charging VAT is the value of the supply (Goods or services) Including the chargeable levies And excluding the deductible VAT
- All levies that CANNOT be deducted should be factored into the cost building (i.e. treated as costs) and added to the base before computing the VAT.
- The 2.5% NHIL, the 2.5% GETFund, and COVID-19 HRL 1% shall be computed on the value of the taxable supply which includes all costs incurred except deductible VAT.
- The 15% VAT shall be computed on the NHIL, GETFund, and COVID-19 HRL charged inclusive value of the taxable supply
- These costs (levies and taxes) can be presented as deductible expenses in a financial statement.

Responsibilities of Standard Rate Supplier

- Account for the full output tax at 15% on the monthly VAT return
- Account for NHIL 2.5%, GETFund 2.5% and COVID-19 HRL 1% on monthly NHIL, GETFund and COVID-19 HRL return.
- Retain withholding VAT credit certificate issued to them by withholding VAT agents as proof for qualification for input tax deduction.
- Discharge all other duties and obligations applicable to them under the VAT law.

VAT, NHIL, GETFund Levy, & COVID-19 Levy Invoice

- The Commissioner General's invoice should contain fields for NHIL, GETFund levy, COVID-19 levy and VAT.
- No invoice other than the new VAT/NHIL invoice is acceptable for use by registered traders as from the Effective Date of Collection (EDC) of the COVID-19 Levy.
- In completing the invoice, the field for total of NHIL, GETFund Levy, COVID 19 Levy and VAT is mandatory. It is obligatory however for every taxpayer to enter on the invoice, the total of NHIL, GETFund Levy, COVID-19 Levy and VAT without which the vouching of invoices during audit visits would be made extremely tedious.
- Points (1 to 3) above relating to NHIL, GETFund Levy, COVID-19 Levy and VAT invoice equally apply to the Hotel and Restaurant Receipt/Invoice

