

Cairo Team

## Tax practice

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**Egypt revives real estate tax: key changes for businesses****1. Why real estate tax is back on the agenda**

On 2 April, Egypt amended its Real Estate Tax Law 196/2008 through Law 3/2026 (“**Amendment**”). This newsletter highlights the key changes that matter for businesses and investors holding real estate in Egypt.

Although real estate has been taxable since 2008, Egypt’s real estate tax authority (“**RETA**”) has struggled in practice to collect real estate taxes (“**RETs**”) effectively. The Amendment is thus part of government efforts to:

- boost tax revenues by digitising collection;
- widen the tax base by simplifying and encouraging tax reporting; and
- build trust between taxpayers and tax authorities by settling ongoing – and sometimes longstanding – disputes.

The Amendment is also one of Egypt’s structural benchmarks under its ongoing programme with the IMF.

**2. Incentives for compliance and safeguards for businesses**

Businesses that submit their tax returns on time qualify for a **10% discount** on the RETs due. In addition, subject to a ministerial decree, they may receive an extra discount of up to 5% if they pay their RETs in advance.

As a safeguard, the Amendment – consistent with other Egyptian tax legislation – caps late-payment penalties at the amount of the underlying RETs due. This offers significant protection for businesses, limiting the accumulation of penalties. Moreover, if a business challenges an assessment, RETs become payable only from the date of the appeal committee’s decision.

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### 3. Clearing the slate: amnesties and settlement of ongoing disputes

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The Amendment offers three types of amnesty, depending on the situation.

1. **Undeclared and unassessed property:** Businesses can obtain full RET exemption for previous years for property that was neither declared to nor assessed by RETA, if the property is declared in a tax return filed by 3 April 2027.
2. **Late-payment penalties:** Businesses are exempt from penalties for late payment of RETs if they:
  - paid the RETs before the Amendment was enacted, i.e., before **3 April 2026**; or
  - pay the RETs within 6 months of enactment, i.e., by **3 October 2026**.

The Minister of Finance (“**MoF**”) may extend the amnesty period once for a further 6 months, i.e., to **3 April 2027**.

3. **Ongoing disputes:** Businesses can opt to settle pending disputes and appeals by paying **70%** of the disputed RET. Upon payment, courts or appeal committees must rule the dispute formally closed.

To benefit, businesses must submit their dispute settlement requests to RETA within 6 months of the Amendment’s enactment, i.e., by **3 October 2026**. Here too, the MoF may extend the amnesty period once for a further 6 months, i.e., to **3 April 2027**.

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### 4. Conclusion

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The Amendment introduces several important changes, from digitising compliance to limiting RETA’s right to challenge property surveys and taxable bases. At the same time, it must be read together with the existing rules on taxable bases for RETs, reporting deadlines, and the appeals process.

More importantly, it must also be read in light of the Cabinet Decree (expires on 31 December 2026) instructing the Ministry of Finance to bear, on behalf of businesses, the RETs due on properties used for industrial purposes.



## Cairo Team

The team is a constellation of skills in different practice areas, with a focus on Egypt.

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