

COUNTRY PROFILE



Lebanon

Tax overview

Personal Income Tax	4%-25%, progr.
Corporate Income Tax	17%
Gift Tax	3% to 45%
Inheritance Tax	3% to 45%
Wealth Tax	None

Legal System

The Lebanese Republic is a parliamentary democracy, which applies a mixture of French origin Civil Law and religious laws for the different religious communities.

Currency and Foreign Exchange Controls

The currency is the Lebanese Pound (LBP). Lebanon has no foreign exchange controls.

Personal Income Tax

Resident individuals are taxed on local source income at progressive rates between 4% and 25%, as well as revenue from capital gains or other income from securities, whether Lebanese or foreign sourced. Income from portfolio investments is typically subject to tax at 10%. Gift and inheritance taxes are based on amounts and the degrees of consanguinity.

Corporate Income Tax

Resident corporations are taxed on worldwide income, at a standard rate of 17%. Other rates apply to specific categories of income, such as capital gains (15%) and dividends (10%).

Value Added Tax (VAT)

Lebanon levies VAT at a standard rate of 11% on most goods and services, with exemptions.

Anti-Avoidance Rules

Lebanon has no general Transfer Pricing rules, no general Thin Capitalization rules and has no Controlled Foreign Corporation (CFC) rules. Lebanon has no general Anti-Avoidance Rules.

Fiduciary Accounts

Lebanon has a law on Fiduciary Accounts, Law No. 520 (6/6/1996), the Lebanese civil law equivalent of trusts. The "trustee" of a Fiduciary Account must be a bank or financial institution approved by the Central Bank.

Lebanese "offshore" companies are authorized to conduct business outside Lebanon. They are exempt from Lebanese tax on profits and dividends, except lump sum tax. Shares are exempt from transfer tax, and shareholders are exempt from inheritance tax.

Double Tax Treaties (DTTs)

Lebanon has DTTs with a number of jurisdictions, Cyprus, Malta, and the UAE.

OECD Multilateral Convention

Lebanon has ratified the Multilateral Convention on Mutual Administrative Assistance in Tax Matters. The Convention requires parties to exchange information "on request," and allows spontaneous and automatic exchange.

Common Reporting Standard (CRS)

Lebanon executed the Multilateral Competent Authority Agreement (MCAA) and has implemented automatic exchange under CRS.

FATCA

Lebanon does not have a FATCA IGA with the United States or an "agreement in substance" for FATCA implementation.

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