

## Country Profile

# Lebanon

## Tax Summary

Personal Income Tax:	4%-25%, progressive
Corporate Income Tax:	17%
Inheritance Tax:	3% to 45%
Gift 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 Exchange Controls

The currency is the Lebanese Pound (LBP). Since November 2023 access to deposits held in foreign currencies are frozen, and transfers of deposits outside the country are restricted.

### Personal Income Taxation

Individuals residing in Lebanon for 183 days or more, or maintaining an office in Lebanon, or a permanent home constituting an habitual residence, are subject to 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 of Lebanese residents on portfolio investments in Lebanon is typically subject to tax at 10%. Gift and inheritance taxes are based on amounts and the degrees of consanguinity, and are progressive.

### Corporate Income Taxation

Resident corporations are taxed on worldwide income, at a standard rate of 17%, subject to DTTs. Other rates apply to specific categories of income. Dividends are taxed at 10%, capital gains on moveable assets (shares and bonds) are taxed at 10% capital gains on immovable assets (real estate) is taxed at 15%.

### 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 Anti-Avoidance Rules and Transfer Pricing rules, but no Thin Capitalization rules or Controlled Foreign Corporation (CFC) rules.

### Fiduciary Accounts

Lebanon has a law on Fiduciary Accounts, Law No. 520 (6/6/1996) pertaining to the development of the financial market and fiduciary contracts. The institutions that are authorized to practice fiduciary transactions must be a bank or other 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, but are subject to a lump sum tax. The transfer of shares are exempt from transfer tax, except real estate companies, and shareholders are exempt from inheritance tax.

### Double Tax Treaties (DTTs)

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

### OECD Multilateral Convention

Lebanon has ratified the Multilateral Convention on Mutual Administrative Assistance in Tax Matters to exchange information “on request,” and spontaneous and automatic exchange.

### Common Reporting Standard (CRS)

Lebanon is a non-reciprocal Participating Jurisdiction under the CRS, and is required to transmit information to CRS counterparties but is not authorized to receive information.

### FATCA

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

### Notice

CISA is not a legal or tax advisor, this material is for information only and is not advice.