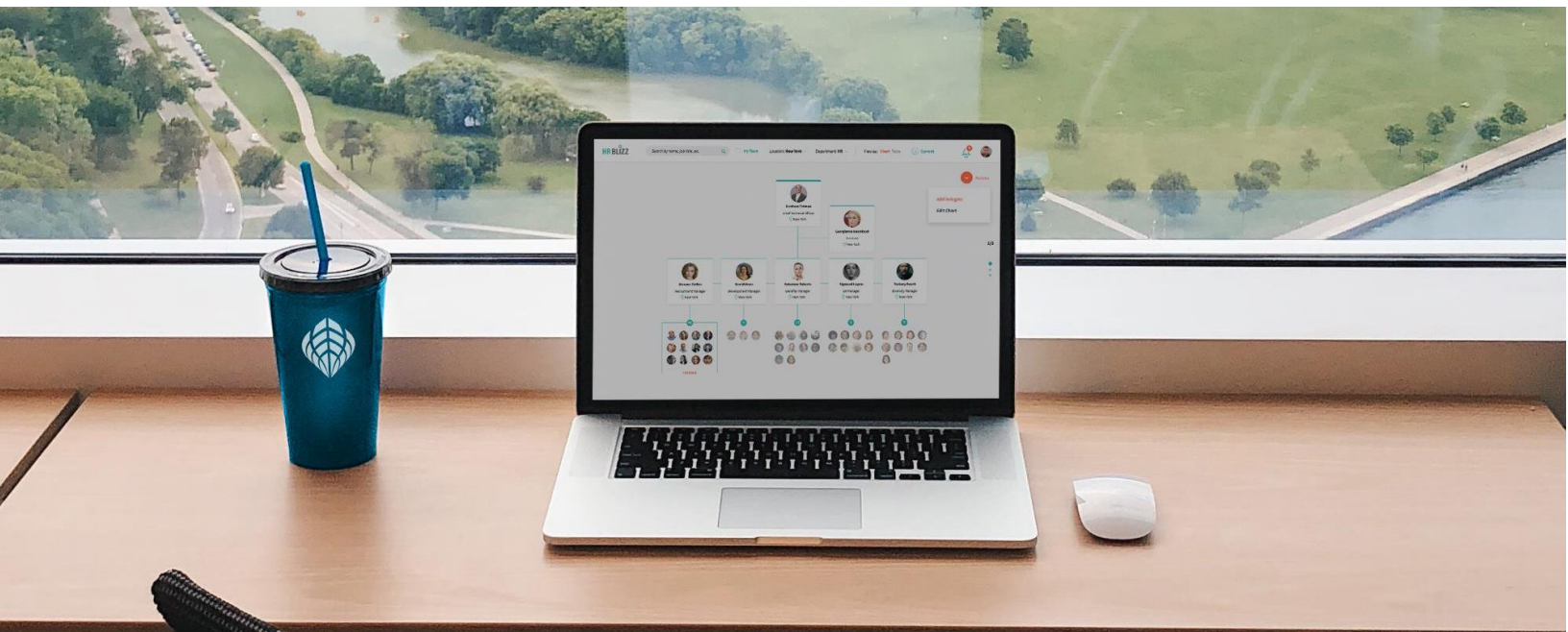




Simplifying Employment
Tasks Worldwide

Statutory Change Alert (Update)

Egypt Amends Personal Income Tax Rates



ARAB REPUBLIC OF EGYPT



June 4, 2020



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We help you achieve your global ambitions

Thank you for trusting Mercans to outsource your HR and Payroll functions. We propose HR consulting services, actionable solutions, and cost-effective global payroll processing tools to energize your human capital management in real-time and augment your performance. We are dedicated to becoming your business growth facilitator.



Global Payroll Solutions – Boost your HR brand and employee satisfaction

Rationalize your HR budgets, monitor your data, and optimize your global payroll tasks in real-time. Systematize processes and streamline HRM lifecycles with HR Blizz™, our unified SaaS platform, to ensure your employees are paid accurately and on time.



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A reliable Professional Employer Organization (PEO), Mercans is your trusted employer of record to globally select, engage, and manage highly-qualified personnel on your behalf, through integrated Global Employment Outsourcing (GEO).



Global Talent Acquisition – Quickly fill vacancies with only the best candidates

Mercans supports you in designing/deploying long-term HR strategies and processing full-cycle recruitment. Our ATS Suite Mesar™ and our hiring experts help to screen, select, attract the right candidates for your organization, and populate your pipeline of prequalified talents.



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Centralize your HR function on an all-in-one user-friendly and self-service platform. Combined with the expertise of our consultants, the Mesar SaaS offers a built-in applicant tracking system and easy-integration features to improve internal processes.



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Mercans at a Glance

140+

Countries

20

Years of Success

500+

Specialists

5k+

Customers Worldwide

97%

Client Retention Rate

1.5X

Annual Revenue Growth

25k+

Largest Single Country Payroll

2.5M+

Pay Slips per Annum

0

Security Breaches

Number one for outsourced payroll services, we are endorsed by international authorities.



Mercans has the highest industry quality and IT security certifications.





Egypt – Income Tax Law changes announced.

The below alert is an update to the Statutory Change Alert issued by Mercans on 31 May 2020 and clarifies the timing of the changes related to personal income tax exemptions and rates in Egypt.

On 7 May 2020, the government of Egypt issued Law Nr. 26 of 2020, which amends articles 8, 13 and 87 of the Tax Law Nr. 91 of 2005. The respective amendments have been summarized below.

Effective from **June 2020**, the annual personal tax exemption amount increased from EGP 7,000 to EGP 9,000.

Effective from **1 July 2020**, the law abolishes tax discounts on the income of natural persons and modifies the progressive tax rates and creates a new bracket for annual taxable income in excess of EGP 400,000, which will be taxed at 25%.

The new rates will apply to salary income and salary equivalents, income from commercial and industrial activities, revenue from non-commercial activities, and real estate revenue.

The amended tax brackets, effective from 1 July 2020, have been summarized below:

Annual Income Tax Bracket (in EGP)	Total Annual Taxable Income (in EGP) *					
	<600,000	600,000-700,000	700,000-800,000	800,000-900,000	900,000-1,000,000	>1,000,000
1-15,000	0.0%	2.5%	10.0%	15.0%	20.0%	22.5%
15,001-30,000	2.5%	2.5%	10.0%	15.0%	20.0%	22.5%
30,001-45,000	10.0%	10.0%	10.0%	15.0%	20.0%	22.5%
45,001-60,000	15.0%	15.0%	15.0%	15.0%	20.0%	22.5%
60,001-200,000	20.0%	20.0%	20.0%	20.0%	20.0%	22.5%
200,001-400,000	22.5%	22.5%	22.5%	22.5%	22.5%	22.5%



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>400,000	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
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* The annual net taxable income should be rounded to the nearest 10 EGP for the PIT calculation purposes.

20% penalty is applied if the final tax due exceeds the declared amounts by less than 50%. 40% penalty will be applied if the difference is more than 50%.

Please contact your Mercans' services delivery team for any additional information regarding the implications of the above change.



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3M



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What Makes Mercans your HR and Payroll Partner of Choice?

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We are a borderless people engagement enabler, driven by technology and innovation. We deliver bespoke human capital management services and global payroll solutions to empower businesses across 110+ countries regardless of their organizations' size and their industry. We pride ourselves on being global people experts with a striking local presence, committed to making your teams happy, and ensuring the consistent and sustainable growth of your organization.

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Supported by 500+ payroll and HR specialists with in-depth local knowledge, Mercans operate globally. Our pioneering human resources consulting services and trailblazing SaaS platforms are already satisfying 5,000+ international clients, ensuring timely measurable results and bottom-line savings. Thanks to success-oriented teams striving for excellence and taking care of our clients' tasks within budget, we have gained the trust of major multinational companies.

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Say goodbye to third-party service providers, offshore call centers, fragmented data, and endless chains of sub-contracts.

Mercans cloud-based SaaS Products, HR Blizz™ & Mesaar™, combine the performance of proprietary technologies with a human touch. Cost-effective, they are fully-compliant self-service tools, packed with smart built-in features for your peace of mind. All your data are integrated into single interfaces accessible from everywhere and on any device.

Trailblazing Cloud-Based SaaS Products

HR Blizz & Mesaar, our Software-as-a-Service platforms, both propose a preconfigured API integration capability with all the major global HRMS platforms, including SuccessFactors, Workday, Oracle HCM, and MS Dynamics. All Mercans systems and processes are GDPR compliant, ISO 9001, 20000, 27001 certified, and SOC 1 and SOC 2 audited. A registered Finpro expert, Mercans is also a member of the Global Payroll Association and the Global Payroll Management Institute.



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