



The 5th BRITACOF

Deepening Tax Administration Cooperation for
High-Quality Belt and Road Development

Hong Kong, China 24-26/9/2024



Egyptian Tax Authority (ETA) Digital Transformation (Facts and Prospects)



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1

The Importance of Digital Transformation for the ETA





The Importance of Digital Transformation for the ETA

1) Improving the tax services and Upgrade performance effectiveness of ETA:

E-filing, E-payment, E-registration, E- verification,etc,

(16 Processes, 64 operations)

2) Achieving Cost-effect for both ETA and the taxpayer:

Electronically Remotely work procedures, Reducing corruption, Reduce disputes, Building trust, Saving time of both (24 hours / 365 days) etc,

3) Effective communication between ETA & Taxpayers,

4) Creating Transparency

5) Establishing an solid database:

Monitoring all tax transactions, Survey the Informal Sector, increasing the Tax Base, Growth of Tax revenues Support decision-making,etc.

6) Increasing the Reliability on data provided through the system.



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2

Success Factors of the ETA's Digital Transformation Program





Success Factors of the ETA's Digital Transformation Program

- 1) **Establishing a Roadmap** that identifies priorities and the goals it seeks to achieve from the digital transformation.
- 2) **Setting-up Methodologies**, mechanisms and procedures required to implement and monitor the performance.
- 3) **Re-engineering and legalizing** of processes and procedures in line with digital transformation.
- 4) **Enhancing Infrastructure**, integrating systems and processes, and usage of modern technologies
- 5) **Building Human** capacity and capabilities.
- 6) **Reconstructing & Modernizing** in the institutional work culture and work environment and adopting the principle of continuous improvement.
- 7) **Measuring** performance, satisfaction, extent of benefit, and dealing with challenges.



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3

The Most Important Projects





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The Most Important Projects

1) Automation of major tax business (Core System)

(Merging (Income & VAT) regional & District Offices)

2) Electronic tax invoice (B2B) (E-Invoice)

3) Electronic Monitoring the Collection of Sales to Consumers (B2C) (E-Receipt)

4) Initiative of Citizen Motivating





1) Automation of Major Tax Business (Core System)

Project objectives: Building a digital system: ↓

- raising the effectiveness of tax administration,
- reducing and detecting cases of corruption and tax evasion,
- improving the performance of procedural processes and
- providing services to the tax community through an automated system. **The implementation** with the participation of companies (**IBM / SAP / e-Finance / EY**), and the **operation** of (Large Taxpayer centers , medium Taxpayer centers , large self-employer professions Taxpayer center, and 2 Tax Regional Offices) on from Jan 3, 2021 till now





2) Electronic Tax Invoice (B2B) (E-Invoice)

Project Brief

E-Invoice system is aiming to:

- **Accurately & Simultaneously Survey the Tax Society transactions,**
- **Achieve tax justices,**
- **Online verify the validity of the invoices data, including issuer, receiver, invoices items, and contents data.**
- **Identify transactions among companies and detect fictitious transactions.**
- **Accelerate and speed up tax procedures, such as tax refund.**
- **Reduce tax evasion, and**
- **Increase the inclusion of the informal economy (gray market) into the formal one,**
(helps to lay the foundations of a modern tax system benchmarked with the developed countries.

2) Electronic Tax Invoice (B2B) (E-Invoice)





2) Electronic Tax Invoice (B2B) (E-Invoice) - **The Implementation**

- 1. The implementation contracted through Microsoft.**
- 2. The Minister of Finance Decision No. (188) of 2020 was issued to obligate the electronic invoice, including the electronic signature.**
- 3. A cooperation protocol was signed with the International Numbering Organization (GS1 AISBL) on 9/7/2019, and integration with the GS1 system was implemented.**



2) Electronic Tax Invoice (B2B) (E-Invoice) - The Implementation Steps

■ The project went to live production in successive phases:

- Started on 15th of Nov 2020 on selected segment of Large Taxpayers (134),
- 15th Feb 2021 with (347) additional taxpayer,
- 15th of May 2021 the rest of Large Taxpayers' Center (2500)
- 1st of July 2021 All companies who are dealing with governmental parties
- 15th of Sep 2021, all taxpayers registered in Medium Taxpayers Center and Large Professional Taxpayer Center (nearly 2500 taxpayer)
- By the end of year 2022 the entire Tax Community



2) Electronic Tax Invoice (B2B) (E-Invoice)

Statistics of Taxpayers registered in the E.Invoive System

Total of Taxpayers registered	Taxpayers activated their accounts	Taxpayers sent documents	Total number of documents sent (Invoice, Credit notice, debit notice)
414,007	328,718	150,068	657,945,973





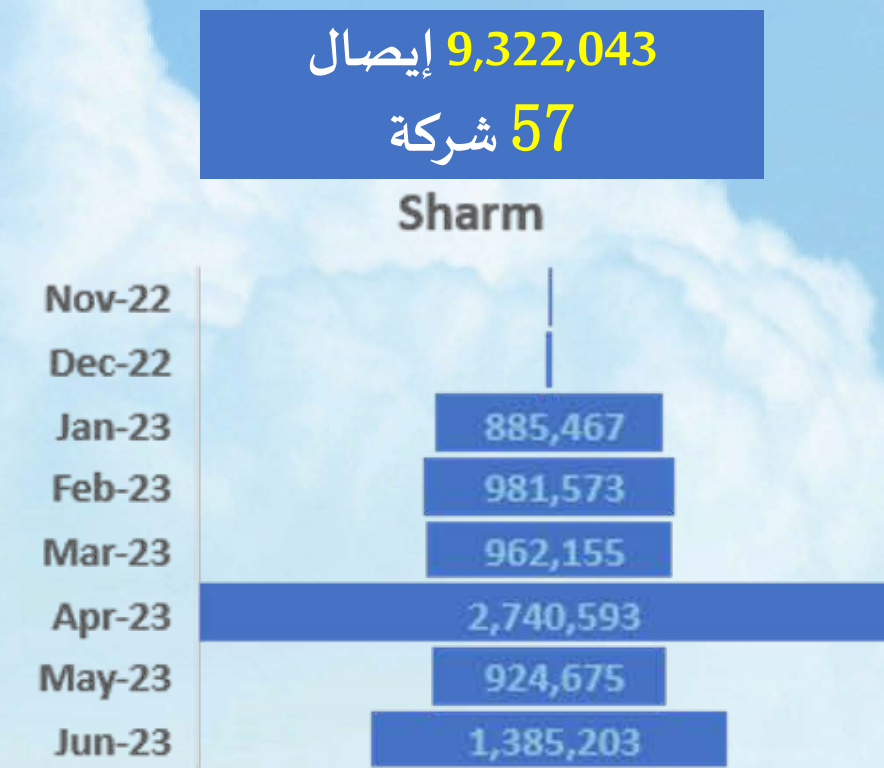
3) Monitoring the Collection of Sales Data B2C (Controller)

- **Usage of Sales Monitoring Devices at points of sale for transactions between retailers and the final consumer (B2C).**
- **Conditions and Specifications has been prepared jointly with Ernst & Young to implement the technical solution for the project.**



3) Monitoring the Collection of Sales Data B2C (Controller)

Statistics of Operating E-Receipt System till 18 June 2023



إيصال 102,549,225
شركة 128





3) Monitoring the Collection of Sales Data B2C (Controller)

Summary of Statistics of E.Receipt System

Totals	Declaration
980	Number of Taxpayers issued receipts
130,697,466	Number of receipts sent
13,455	Points of Sale registered
1,257	Number of Companies has Points of Sale



4) Initiative of Citizen Motivating

- **Started on January 2023 as an experiment**
- **Aiming at motivating the citizens to ask for receipts of their purchases**
- **Integrating with the E.Receipt System**
- **The Presents:**
 - **Prompt discounts on purchase at the cashier**
 - **Coupons for patch of receipts**
 - **Prizes on Weekly and monthly withdrawals of receipts**



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Thank you