

e-Tax Signs Contract to Establish a Standardized System for Calculating Taxes Relating to Salaries and Wages

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e-finance for Digital and Financial Investments S.A.E. (“e-finance”, or the “Group”, EFIGH.CA on the Egyptian Exchange), a leading technology-focused investment firm in Egypt, announced today that e-Tax, a technology and tax solutions company owned by the Ministry of Finance and e-finance, has signed a contract with the Egyptian Tax Authority to launch the first government system aimed at unifying the criteria for calculating taxes relating to wages and salaries. The agreement will also see the launch of the “Employee Portal”, a simplified digital platform that enables government employees to learn about details regarding salaries and the relevant deductions.

The agreement was signed during a ceremony organized by e-Tax in cooperation with the Egyptian Tax Authority and e-finance for Digital and Financial Investments. The ceremony was attended by Mr. Ibrahim Sarhan, Chairman of the Board of Directors of e-finance for Digital and Financial Investments, Mr. Mokhtar Tawfiq, Head of the Egyptian Tax Authority, Mr. Khlaed Abdel Al-Ghani, Managing Director of e-Tax, and Mr. Reda Abd Al-Kader, Assistant Minister of Finance for the affairs of the Egyptian Tax Authority.

The new system aims to achieve full transparency regarding the methodologies and criteria for calculating taxes relating to salaries and wages through an entirely digital process. The system will align with all relevant laws and regulations and will fall under the supervision of the Egyptian Tax Authority and the Ministry of Finance. The system will also strengthen the integration between the tax, social insurance, and universal health insurance authorities to ensure accurate deductions for government wages, enhancing tax compliance, and achieving fairness and transparency between all parties (including employees, business owners, the Egyptian Tax Authority, social insurance, and universal health insurance authorities).

e-Tax developed the entire system by utilizing the SAP platform and aligned with technical best practices in accordance with the company’s ISO 20000-1 certificate. Additionally, e-Tax has implemented the highest standards of data protection and security and has fully encrypted the system’s databases to ensure robust security and confidentiality.

Parallel to this, the “Employee Portal” aims to enable state employees to seamlessly log in to their personal accounts and view their pay slips with all details relating to government deductions clearly outlined. This process is fully encrypted to ensure security and adheres to the highest privacy standards.

e-Tax will leverage its strong human capital and the expertise from its holding company, e-finance for Digital and Financial Investments, to build and develop the entirety of the system and portal. e-Tax will utilize state-of-the-art technologies and ensure alignment with technical best practices to guarantee the highest standards of security and encryption for the databases.

It is worthy to note that the system successfully passed the operational trial stage on December 15, 2022 and began its soft launch on January 16, 2023, which included providing its services to 16 companies that were nominated by the Egyptian Tax Authority according to specific criteria. Thus far, the system has calculated taxes and insurance relating to the salaries of over 16,000 employees and, parallel to this, a number of employees have also extracted their salary slips through the Employee Portal. The final stage of the system’s implementation will be launched on April 13, 2023.

Commenting on the signing ceremony is Ibrahim Sarhan, Chairman of the Board, said, “I am happy with this step, as it reflects a new achievement within the government’s framework and efforts to promote digital transformation and expand its applications across all financial transactions. The cooperation between e-finance, its subsidiaries, the Ministry of Finance and its various affiliates, has resulted in multiple digital projects that have completely changed the way the government handles its financial accounts, including taxation, customs, collections and payments. These transactions are now conducted through fully automated and digital systems and channels, which has led to strong improvements in the government’s collections, achieved transparency for citizens, and improved their access to services.”

Also commenting, Eng. Khaled Abdel-Ghani, Managing Director of e-Tax, said, “The system and portal are a new representation of the importance of technological taxing solutions that the company offers, and by leveraging state-of-the-art technology, we are able to achieve the financial goals set forth by various entities. The system’s benefits are two-fold, it regulates the financial processes related to salaries and wage tax in a digital, neutral, and fair manner. Parallel to this, it leverages the data generated by the system for the benefit of the government and the employees.”

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About e-finance for Digital and Financial Investments

e-finance Investment Group is a homegrown developer of digital payments infrastructures that was established in 2005 to develop the Government of Egypt's financial network. Over the course of nearly two decades, the Group has penetrated all corners of Egypt's digital market and transformed itself into a leading technology-focused investment firm. With a dynamic business model and a flexible organizational structure, e-finance is able to focus on multiple target markets through its subsidiaries and maximize its ability to unlock value in the digital payments space. The Group boasts a portfolio of subsidiaries that has enabled e-finance's growth across multiple markets, unlocked synergies across its business lines, and enabled digital transformation for various strategic sectors throughout the nation to support the development of Egypt's digital economy and drive towards financial inclusion. Learn more at efinanceinvestment.com.