

Tax - Payroll Guide - Free shares / RSU

Egypt	
Tax points	<p>Grant: No income tax. No social security.</p> <p>Vesting: Income tax and social security.</p> <p>Transfer to participant: No income tax. No social security.</p> <p>Sale by participant: Capital gains tax. No social security.</p> <p>Note: The tax treatment on share benefits is uncertain. However, the conservative view is that income tax is payable on vesting and capital gains tax is payable on sale.</p>
Income tax (maximum rate)	27.5% (2025). Any change in tax rates usually takes effect from 1 January.
Income tax rates	Tax rates are progressive. From 1 July 2023, a new maximum tax rate of 27.5% applies to annual income exceeding EGP1,200,000. Taxpayers whose income exceeds EGP700,000 in any tax year, progressively lose the right to make use of the lower tax brackets, which increases their effective tax rate.
Employer income tax withholding	Yes
Employer social security withholding	If social security is payable, employer withholding will apply at the taxable moment (unless the contribution caps have already been met). If there is no social security payable, then there is no withholding.
Employee social security	<p>Employee social security (max rate): 11%</p> <p>Employee social security (cap): the minimum and maximum salary caps increase on 1 January of each year. In 2025, the minimum monthly salary cap is EGP2,300 and the maximum monthly salary cap is EGP14,500.</p> <p>Note: if the shares are being provided to the employee free of charge or at a discount, then social security will payable at the taxable moment (unless the contribution caps have already been met). However, if the employee is purchasing the shares or is receiving free shares as a form of dividends based on shares they already own, then no social security deductions shall apply.</p>
Employer social security	<p>Employer social security (max rate): 18.75%</p> <p>Managers and members of the board of directors (named on the commercial register of the company) are socially insured as employers and are subject to social insurance at a flat rate of 21% of the maximum wage (EGP14,500 in 2025).</p> <p>Employer social security (cap): the minimum and maximum salary caps increase on 1 January of each year. In 2025, the minimum monthly salary cap is EGP2,300 and the maximum monthly salary cap is EGP14,500.</p>

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Tax reporting - Individual	<p>Yes</p> <p>There is no specific filing for equity related incentives.</p> <p>Report name: Annual Tax Return. Capital gains and dividends are reported on the same return. The return can be filed online. The return can be downloaded from the website here.</p> <p>Tax period: 1 January to 31 December.</p> <p>Reporting deadline: the report must be filed by 31 March.</p> <p>Payment of tax: any unpaid income tax (including tax on dividends and capital gains) is due by the date of filing the return.</p>
Tax reporting - Employing company	<p>Yes, the employer must report the employees' incentive related income but the filing covers all employee benefits and is not specific to equity related incentives.</p> <p>Report name: the local employer must file:</p> <ul style="list-style-type: none"> • monthly tax withholdings and reporting to the tax authorities; • annual filings with the Companies Department setting out the following information in respect of its employees: names, positions, nationalities and their total salary as well as the percentage of the salaries earned by its Egyptian employees. <p>Tax returns can be filed online. The return can be downloaded from the website here.</p> <p>Reporting deadline:</p> <ul style="list-style-type: none"> • prior to the 15th day of the month following settlement of the payments; • annual filing. <p>Payment of tax: withheld tax and social security contributions are paid at the same time as the monthly report is filed.</p>
Malus and clawback - Tax points	<p>The existence of a malus or clawback clause does not affect the moment of tax for the individual.</p>