SADER LEGAL
SINCE 1863

Decision 942 /1

Related to the tax treatment of profits earned by self-employed persons residing in Lebanon for performing their activities in a Country that has signed an Agreement with Lebanon in order to avoid double taxation

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In accordance with Decree No. 4340 dated 31/1/2019 and No. 144 dated 12/6/1959, Tax Double Taxation Agreements signed by Lebanon in force, and after consulting with the state council; the Ministry of finance has decided on the following:

Income tax in Lebanon is subject to the profits earned by self-employed residents residing in Lebanon in order to have the freedom to engage in activities with countries that are in agreement with Lebanon for the purpose of avoiding double taxation.

All self-employed residents subject to the provisions of Article two of this Resolution shall be completely transparent about the revenues they generate from their conducted activities in the foreign contracting state as well as the revenues they generate in Lebanon. Self-employed residents should declare which revenues are subject to tax deduction by determining the taxable profits from the total of these revenues based on their annual budget. This shall be determined according to whether their tax deduction is on the basis of real profit or a lump sum profit constructed on the activity they're engaged in.

Special provisions shall be taken into account in the application of this resolution regarding the elimination of double taxation when those provisions are authorized under the territory of the state in which the profits have been rewarded in, making those profits subject to tax.

This decision is published in the Official Gazette and on the website of the Ministry of Finance, and its provisions is applied to the profits made as of the works of the year 2019.