

Law No. 24 of 2003

Income Tax Law

President of the Republic

Pursuant to the provisions of the Constitution and what is approved by the People's Assembly in its meeting held on 2/9/1424 Hijri corresponding to 28/10/2003, the following shall be issued:

Article 1

Income tax is levied and approaches :

(A) The net profits resulting from practicing of industrial, commercial and non-commercial occupations specified in the first and second titles of this law.

(B) The amounts paid to non-resident natural or legal persons as compensation for services rendered within the Syrian Arab Republic, the provisions of which are set forth in title Three of this Law.

(C) salaries and wages;

(D) proceeds from circulating capital;

Title I

Profit tax for industrial, commercial and non-commercial occupations

The category of real profits` taxpayers

The First Chapter

Taxable persons

Article 2

(A) The tax shall cover the taxpayers whose profits arising from practicing of occupations, industrial, commercial, non-commercial, and other business, even if incidental, as well as other sources of income that are not subject to other income tax or to property and vacant land tax:

1. Public sector institutions, companies and establishments of all kinds.

2. Financial institutions including banks, money exchanges, insurance and reinsurance companies and savings institutions.

3. Joint stock companies and limited liability companies of any kind and purpose.
4. Commercial and industrial establishments affiliated with establishments outside the Syrian Arab Republic and commercial and industrial establishments to which they are affiliated establishments outside the Syrian Arab Republic.
5. Commercial and industrial establishments that have at least a branch other than the administrative unit in which they operate.
6. Import and export dealers, wholesalers and commission brokers other than ordinary brokers. A half wholesaler is considered to be wholesaler if the wholesale is most common in his activities.
7. Agents of national and foreign factories and agencies representing foreign and national enterprises and companies.
8. Trade of built and non-built real estates and contracting works.
9. Customs Clearance agents.
10. Stations selling fuel and flammable materials.
11. Sale of medical instruments and equipment of clinics and laboratories.
12. Factories of medicines, chemicals, perfumes and cosmetics.
13. Alcohol factories.
14. Industrial establishments not enumerated in the preceding paragraphs if the total value of the establishments and machinery used for industrial purposes exceeds two million Syrian pounds according to the effective estimate of the tax on real estate proceeds.
15. Private hospitals.
16. Cinemas of the first category according to the classification of financial departments to collect the amusement tax, international hotels of excellent first and second grade, restaurants of the excellent, first and second grade according to the classification of the Ministry of Tourism.
17. Artistic production (movies, TV series, advertising films) and the like.
18. Distributors of imported and local artistic production.
19. Amusement parks of the excellent and first class as classified by the Ministry of Tourism.

20. Investors of amusement parks and public scenes and investors of sports teams and circus shows.
21. Tourist accommodation of international grade, first class, second class, as well as restaurants, chalets, casinos and independent marine swimming pools of international grade, and excellent and first class.
22. Tourist offices.
23. Auditing offices and chartered accountants.
24. Financial and Economic Studies Offices.
25. Consultants in financial and accounting matters.
26. Practitioners of the professions of marine services and the supply of vessels and ships.
27. Travel offices that use buses for tourists.
28. Profession of leasing and re-leasing of industrial, commercial, professional and vocational establishments or some of their assets.
29. Establishments of cow raising farms and poultry.
30. Goods transport offices.
31. The main Vocational university units.
32. Universities, schools and institutes of all stages and kindergartens.
33. Any taxpayer who is decided to be charged with the tax on real profits in accordance with the provisions of this law.

(B) Taxpayers on the basis of lump-sum income are entitled to request to pay on the basis of real profits and their request shall be accepted by a decision of the Minister of Finance.

(C) The Minister of Finance have the right, by virtue of a decree, to remove certain professions or taxpayers on lump-sum income and to include them as taxpayers on real profits.

(D) The decision referred to in paragraphs (b) and (c) shall be effective from the first year following the year in which the decision was made and shall be published and disseminated by various means of public publication.

(E) If the taxpayer is practicing more than one activity, each of which is subject to a certain category of income tax assignment (lump sum income, real profits), his annual profits shall be collected from the total of his activities and assigned to it in ascending order in the tax category in which the taxpayer must keep the statutory restrictions for the higher category.

Article 3

The tax levied on the profits of natural and legal persons arising from their activities in the Syrian Arab Republic; in the place of business on 1 January of the year of assignment. If the taxpayer has more than one branch, the tax shall be taxed at the head office on the profits of all branches, whether their accounts and business are consolidated or independent. If the head office was located outside the Syrian territory, the tax on the profits of all the existing branches in the Syrian Arab Republic in the center of the branch located in the Syrian capital or in the center of the wider branch.

Article 4

Exempted from tax:

1. Cooperative consumption and investment societies whose work is limited to collecting the applications of their subscribers and distributing the required materials, crops and goods in their warehouses.
2. Agricultural investors who collect and sell crops and fruits resulting from land owned or invested. This exemption also covers the animals that they graze, raise or feed in those lands.
3. Agricultural cooperative societies whose work is confined to receiving, transferring and selling the products of their subscribers. This exemption only covers the works normally included in agricultural investment that are not subject to tax if they are exercised (under the same conditions) by individual members of the association.
4. Agricultural cooperative societies to buy agricultural machinery and tools and invest them in the lands of members. This exemption does not cover the profits resulting from the investment of machinery and tools in other than the lands invested by members.
5. People who practice one of the following works: writing music, playing, composing, hand drawing, and sculpture.

6. Nurseries.

7. Institutes and institutions dedicated for people of special needs .

8. 75% of the net annual profits of air and maritime transport activity. This exemption is conditioned to non-Syrian persons on reciprocity.

9. 50% of the net annual profits of the cow raising farms and poultry establishments only.

(B) Contrary to the provisions of Article 1 of Law No. 242 dated 3/5/1956, private hospitals covered by the provisions of the said Law shall be subject to the assignment of income , property , and vacant land taxes after two years from the date of commencement of their investment.

C) The taxation prescribed in paragraph B of this Article shall be effective from the beginning of the year following the date of entry into force of this Law for private hospitals whose investment has been two years or more since the date of entry into force of this Law. As for private hospitals, which did not have more than two years of investment on the date this law came into effect, shall supplement the remaining period of the said exemption.

The Second Chapter

Foundations of commissioning

Article 5

(A)The tax shall be levied on the basis of the net profit achieved during the business year calculated from 1 January to 31 December.

(B) The business year for the assignment of income tax shall be the year of assignment.

C) By the decision of the Minister of Finance may be deemed to commence in the year of assignment in other date than 1 January if the nature of business of the establishment or the taxpayer justifies it. In this case, the establishment or the taxpayer shall submit a statement of the profits achieved during the period starting from January 1 of the year in which the assignment year was replaced until the beginning of work in the new year. The tax resulting from these profits is payable within thirty days from the start of the new assignment year.

(D) The dates and duration of submitting the data and payment of the tax provided for in Article 13 of this Law amended in accordance with the new year of assignment.

Article 6

- A. Each taxpayer shall maintain regular and complete accounting entries that show his true results.
- B. The Minister of Finance may issue a decision specifying the accounting rules adopted to determine the net results.

Article 7

- (A) The net profit consists of the sum of the total revenues of the taxpayer's business subject to this tax of all types after deducting the burdens and expenses required by the practice of such business or which are associated with the type of work.
- (B) The deductible expenses and expenses shall include, but are not limited to:
 - 1. Rent allowances of shops intended for business or their rental value (if they are owned by taxpayer) on the basis of allowances or values based on the tax on the proceeds of the real estate built.
 - 2. Salaries, wages and incentives paid to employees and workers in return for their services.
 - 3. Paid amount for the employer's share in social insurance.
 - 4. Provision made to pay demobilization, end-of-service or emergency compensation in accordance with the Labor Law.
 - 5. Consumables generally accepted in accordance with the technical rules of each type of industry, trade, professions and trades except for the consumption of real estate, as well as allocations that represent a real and specific burden.
 - 6. Taxes and fees incurred in the Syrian Arab Republic on the taxpayer and paid during the year in which the profits were achieved, except the net profit tax imposed under this section.
 - 7. Expenses deducted from profits shall be considered as contributions paid by taxpayers in return for official receipts to public or private entities that are

officially recognized as having public interest, provided that the donors and the beneficiary maintain legal restrictions and books acceptable to the Income Tax Department, and not exceeding 3 percent of net profit.

C) Reserves that have not been fully or partially utilized for which they have been allocated or which are not due to remain in a subsequent year shall be added to the profits of that year.

Article 8

Non-deductible charges and expenses involve, in particular:

A) Capital expenditures that increase the value of fixed assets.

B) Personal expenses or amounts calculated by the employer or his partner as a fare for the management of the work.

C- The amounts calculated without limit by the partners in the partnership company or the partners who are in the limited partnership companies to pay them for the management of the work.

Article 9

The tax on insurance, reinsurance, savings and capital raising institutions is levied from the total net income, which consists of the net profit from its various activities and investments.

Article 10

Accounts of natural or legal persons who are based in foreign countries and do business within the borders of the Syrian Arab Republic shall not be admitted to work subject to net profit tax unless these accounts directly show the profits derived from the exercise of such works, otherwise the said profits shall be determined by way of analogy with respect to the results of the works of similar institutions or professions. .

Article 11

Institutions affiliated with institutions outside the Syrian Arab Republic; and those to which they belong to institutions outside the Syrian Arab Republic; and whose profits are transferred indirectly to those outside the Syrian Arab Republic by either increasing or decreasing the purchase or sale prices or by

any other means subject to tax after the entry of the said profits on the results of their calculations.

In the absence of explicit elements enabling the corrections referred to in the preceding paragraph, the costs shall be measured in a comparative manner with similarly invested institutions.

Article 12

If a deficit occurs in one year, it can be considered a burden on the following year and deducted from the profit achieved during that year.

If this profit is not sufficient to cover the entire deficit, the remainder shall be deducted from the profits achieved during the second year following the year of occurrence of the deficit.

If something remains, it can be transferred to the third year and so on until the fifth year following the year of incapacity.

Article 13

A. The taxpayers shall submit to the financial departments a written statement of their net profit results from profit or loss during the previous year in the following terms:

1. Up to 30 June of each year for joint stock companies, limited liability corporations, public institutions, public corporations and public establishments.
2. Up to 30 April of each year for all other taxpayers.

In exceptional cases at the discretion of the Minister of Finance, the Minister of Finance may grant an additional period not exceeding sixty days.

In the event of deficit, a statement of its amount shall be submitted within the same terms and conditions.

B. The Minister of Finance shall issue the tax declaration form stipulated in the preceding paragraph (a) and its annexes.

Article 14

A. The taxpayers shall submit the statement and a copy of the operating account (for industrial establishments), Operating statement, the profit and loss account,

a copy of the budget, a table of the amounts taken from the profits in the name of depreciation and a detailed description of such depreciation.

(B) Taxpayers other than industrial and commercial professions (in the absence of a balance sheet or profit and loss account) shall provide a proof of their statement, in a form of a table includes their total original non-net imports, all expenses related to their profession, deductible charges and their net profit during the previous year. Trades subject to secrecy mention the items of amounts received and paid and the dates of their receipt and payment.

(C) The taxpayers shall present to the financial departments all accounting documents, inventories, receivables, exchange, purchase and sale invoices, and in general all documents that will validate their data. Documents and entries derived from computer records may be accepted for taxpayers who regulate their accounting entries using that tool. .

D- The taxpayers shall pay to the Treasury within thirty days following the expiry of the deadline for submitting the statement sought in Article 13 of this Law, the tax due on the profits declared in the statement shall be calculated and the amounts paid under this article shall be calculated from the original tax approved by the specialized tax committees.

E) Financial departments may request taxpayers to pay an advance tax on the taxable business year, provided that the calculation of the advance shall be settled after the issuance of the decisions of the tax committees, and the acquisition of commissioning the definitive final degree. The rules and regulations for the application of this paragraph and the basis of the advance account shall be regulated by a decision of the Minister of Finance.

Article 15

If the taxpayers liquidate all or part of their establishments, assign them to others or merge them with others, the liquidators, assignees or merger shall immediately be liable to the tax due in respect of profits not yet taxed.

The assignment shall be made on the basis of the net profit achieved as set forth in Articles 5, 7, 8, 9, 10, 11 and 12 for the period between the last day of the previous assignment period and the day on which the assignment or liquidation becomes definitive.

The taxpayers shall submit a statement to the financial departments within thirty days from the date of liquidation or assignment, and shall comply within the same period with the duties stipulated in Articles 13 and 14, and also indicate the identity of the assignee or the recipient and his address in case of assignment to others.

Costs within the conditions specified in this Article promptly collected in full.

The Third Chapter

Tax rates, verification and accrual

Article 16

Taxes on net profits shall be levied according to the following rates: Including national defense additions, school fees, municipal share and contribution to the war effort except local administration:

1. 10% of the net profit portion between the exempted minimum and up to 200,000 SP.
2. 15 percent of the net profit portion exceeding 200,000 Syrian pounds and up to 400,000 Syrian pounds.
3. 20% of the net profit portion exceeding 400,000 SP and up to 700,000 SP.
4. 23 % of the net profit portion exceeding 700,000 SP and up to 1 million SP.
5. 26 % for the part of the net profit that exceeds 1 million SP and up to 2 million SP.
6. 29 % of the net profit portion exceeding 2 million SP and up to 3 million SP.
7. 35 % of the net profit portion exceeding three million Syrian pounds.

B- The income tax shall be levied from the net profits achieved by the joint-stock companies, whose shares are offered to the public by at least 50% in the private and joint sectors, whose head office is in the Syrian Arab Republic for all its activities at a rate of 20%, including contributing to the war effort, except for the addition of local administration. Income tax levied on the net profits achieved by the industrial joint stock companies and industrial companies of limited liability whose value of machines used for industrial work exceeds five million Syrian pounds according to the financial estimation adopted in the collection of real estate tax, whose head

office is in the Syrian Arab Republic in the private and joint sectors for all its activities at a rate of 25 percent, including contributing to the war effort except the addition of local administration. The said amount may be raised by a decision of the Council of Ministers.

- (C) The tax rates prescribed in Article 16 of this Law and the minimum exemption prescribed in Article 20 apply to the costs attributable to the activities of the year of entry into force of this Law and beyond. As for the taxpayers whose years of assignment have been adjusted on a seasonal basis, the said rates shall be applied to the profits of the seasonal works starting during the year of the entry into force of this Law and thereafter.

Article 17

- A- The taxpayers listed in Article 2 of this Law shall submit their annual profit statements stipulated in Articles 13, 14, 15 and 23 of this Law approved by a certified public accountant who is not duly employed by the Ministry of Finance.
- B- The prosecution of the accountants referred to in paragraph (a) above shall be prosecuted by a decision of the Minister of Finance, those who proved that they have adopted the data or submitted reports or certificates in a manner that is contrary to the truth and does not comply with the accepted accounting rules and are aware of this for the purpose of tax evasion.
- C- If the taxpayer submits unauthorized data in accordance with the provisions of paragraph (a) of this Article, a notice of compliance shall be served. If he fails to comply within 30 days from the date of notification, the unapproved statement shall not be counted. In addition to the tax he will pay, a non-compliance fine of 10% of the tax reduces to 5 percent if the taxpayer complies with the mentioned deadline.

Article 18

Subject to the preceding provisions of Article 17:

- (A)

1. If the taxable taxpayer does not submit within the prescribed time limit ,the statement stipulated in Articles 13, 15 and 23, he shall be notified of compliance with the provisions of the law. If he does not comply with that within fifteen days from the date of notification of the said warning, a fine of 20% will be added to his tax due to not submitting the statement. The statement reduced to 10% if the taxpayer complies with the warning or submits the statement after the legal period before notification is given.
2. If the taxpayer does not show the accounting entries stipulated in Article 6 of this Law or refuses to provide the documents stipulated in Articles 14, 15 and 23, he shall be notified of compliance with the provisions of the Law, so if he fails to comply within 15 days from the date of notifying him, a compliance with a written letter to be recorded by the financial departments within the specified time period that shows his readiness to present the accounting entries , the financial departments shall estimate his profits directly according to his activities, events and other information available to the financial departments and at least twice the highest annual number of profits assigned to him during the last five years. In this case, the taxpayer shall be fined with an equivalent to 50% of the tax assessed for the year of assignment. It is not permissible to rely on applying this paragraph on an imposition that was mainly based on the double of the highest annual number of profits.
 - B) If the taxpayer submits his profits statement within his legal date and the accounting entries held by him with other documents and files , shall the financial departments find that some of the taxpayer`s activities not included , his profits shall be directly assessed and he shall be fined in an equivalent to two times the difference of the tax resulting from the concealed profit and this penalty shall a replacement of the interest stipulated in paragraph (B) of Article (31) of this law.
 - C) If the taxpayer submits his profits statement within his legal date and the accounting entries held by him with other supporting and approved documents and records , shall the financial departments accepted them as a basis in commissioning in principle or merely amends some of its results, he shall be taxed according to the peremptory decision issued by

the specialized tax committees and subject him to the legal fines in accordance with the provisions of paragraph (b) of Article 31 of this law in the event that the amendment is proved to increase the imposition_ and the excess amount shall be returned without interest to the taxpayer in the event that the amendment is proved by lack of imposition.

Article 19

A. In addition to the fines stipulated in paragraph (a) of the preceding Article, every taxpayer who supported his statement with accounting books containing information proved to be inaccurate and used in its organization fraudulent methods in order to evade the tax in whole or in part, is referred to the judiciary by a decision of the Minister of Finance and punished with imprisonment for one month , deprived of export and import licenses and his membership in the Chambers of Commerce, Industry and Agriculture shall be frozen for one year following the acquisition of a decision with peremptory degree.

- A. The penalty stipulated in this Article doubled in case of repeated violation.

Article 20

(A) A minimum of SP 50,000 shall be deducted from the annual net profit if the taxpayer is a natural person. This limit shall be divided by the period of commissioning less than a year.

(B) The deduction of the tax-exempt minimum shall be beneficial for each partner in the partnership company and every responsible partner without a limit in the partnership company. A single partner will only benefit once if he is a partner in more than one company.

C - The deduction provided in paragraph A of this article depends on the taxpayer to fulfill the duties stipulated in articles 6, 13, 14, 15 and 23 of this law and that the institution or company or facility registered in the Commercial Register.

Article 21

(A) Income taxation shall include the profits of every real estate sale carried out by practitioners of the real estate trade. A real estate dealer refers to any natural or legal person who has taken up the business of buying, building and selling real estate for his own account in order to achieve profit as his usual profession. He earned the status of a trader from repeated practice of this business.

(B) A tax of 5 percent shall be levied on waiver and disposition of real estate of any kind, whether such waiver or disposition, inclusive of all or part of the real estate, which shall be used as a basis for deducting the final tax value of the real estate or part thereof, as the case may be stated in the financial records of the financial departments which are mainly adopted in putting the proceeds tax of real estate and vacant lands.

C- The provisions of paragraph (b) above shall be exempted from the actions of the inheritor in the real estate following his inheritance in the case of inheritance, as well as the provision of the property as an in-kind share in return for its contribution of the capital of the joint stock companies; provided that the provider of the in-kind share in the corresponding shares does not dispose the shares during the five years following the in-kind contribution.

(D) A taxable act referred to in paragraph B of this Article shall be deemed to be a donation other than ascendants or descendants. It shall not be deemed to be subject to this tax:

- Administrative or judicial forced sales.
- Expropriation or appropriation for public benefit or real estate improvement.
- Donation to public administrations, institutions, companies and popular organizations.
- The donation to places of worship.
- Donation for ascendants and descendants .
- The donation to charities and scientific bodies.

- Cases by landlords who are not practicing the real estate trade by selling the residential property in which they reside no matter how many sales are done for this purpose.

(E) The tax mentioned in paragraph (b) of this Article shall be deemed to be a charge to be deducted in determining the net taxable profit of the taxable taxpayers from their practice of real estate trade.

Article 22

The single property, in the assignment of the trade in real estate income tax, is considered a unit in the assignment in case of multiple owners.

Article 23

In the event of merging or transferring the institution, company or establishment with or to the name of third parties, whether such merger or transfer is compulsory or free of charge or allowance, the successor shall be jointly liable for what he has agreed with the predecessor to pay the tax incurred by the latter.

The provisions of this Article and Article 15 shall apply in the event of the death of the taxpayer. The heirs shall submit the necessary data for taxation until the third month following the month of death and pay the tax within a period of 30 days from the date of submitting the data.

The successor shall not be liable in the event of the transfer of the bankrupt's funds to the successor through compulsory execution.

Article 24

(A) The taxation departments shall audit the data submitted pursuant to this law and may clarify and discuss the relevant parties if the departments deem it useful. If the taxpayer accepts the financial departments' remarks, the resulting amendment shall be considered as an integral part of his statement, and a report shall be made for such.

(B) The statement submitted by the public sector establishments and companies shall be subject to the office audit in the financial departments

and the tax shall be levied on the basis of the disclosed profits after its audit. The tax shall be finalized on the basis of the final budget of the institution or company for which an acceptance decision has been issued by the Central Financial Auditing Organization.

Article 25

When the financial departments accept the taxpayer's statement without amendment, the tax shall be determined on the disclosed basis, otherwise the tax shall be levied on the basis of the amendments that the financial departments deem necessary to make to the statement according to the results of the investigation.

Article 26

In order to achieve the tax on the taxpayers, the financial departments may instruct to carry out all audits and investigations that are required and to request them, other taxpayers, public administrations, institutions and the public sector, all accounting documents, lists and contracts. Whoever has the information and documents required by the financial departments in accordance with the preceding paragraph and refuses to submit them shall be penalized with a fine of 5000 Syrian pounds for each violation by a decision of the Minister of Finance. In case of recurrence, the fine shall be doubled.

Article 27

The taxpayer is notified by an individual written notice, which shall be considered as a temporary assignment, including tax items, and shall provide a copy of the assignment report, if requested, unless it contains confidential information or the taxpayer abstain from submitting the entries and documents. Then the taxpayer is given the basis of commissioning only.

Article 28

(A) The taxpayer shall be given 30 days to explain his objection to the local financial departments. This period starts on the day following the date of notification of the temporary assignment duly.

(B) If the taxpayer does not object to the provisional assignment, such assignment shall be final. If the taxpayer objects (within the above-mentioned deadline) to the provisional mandate, he shall indicate in his objection the estimates he accepts and submit the documents proving his claim within 15 days from the expiry of the objection period.

Article 29

A. In case of expiry of the deadlines stipulated in the preceding Article, the temporary costs not objected upon by the taxpayers shall be presented to the Financial Management Committee composed of the Director of Finance and the Head of the Income Section, and a decision called by a decision of the Minister of Finance to fix or increase it if necessary. In the event that it is increased, it is permissible to object to the decision taken before the Review Committee.

(B) An additional financial management committee may be formed by a decision of the Minister of Finance or his delegate, provided that the position of any of its members is not less than that of a department head.

(C) The objected costs shall be presented to the taxation committee which decides according to the provisions of Article 30 of this law. This committee is formed at the center of each governorate from the following:

1. The Director of Finance or his deputy in his absence, and a key employee may be assigned for this purpose as a President.
2. A representative of one of the public administrations or bodies and the public sector companies most relevant to the profession, selected by the Minister of finance from a list annually issued by relevant authorities as a Member.

3. An expert selected by the Minister of Finance from a list of experts prepared annually by the Ministry of Finance in agreement with the specialized unions or chambers of industry or commerce as a Member.
 4. The specialized income controller shall be a member of the Committee and shall not participate in the voting. Member.
- D - The taxation committees may be multiplied in the center of each governorate their number and composition determined by a decision of the Minister of Finance or his delegate provided that each of them shall be headed by a financial officer of at least the rank of head of a department. In this case, the powers are distributed among the committees by the Finance Director. The taxation Committee shall meet at the invitation of its Chairman and its decisions are valid only in the presence of all its members. Decisions of the Committee are taken by majority votes of the attendees.
- E. The heads of the taxation committees shall invite a representative of public administrations, public bodies or public sector institutions and companies in place of the expert member of such committees when considering the costs of the public and joint sectors.

Article 30

The Taxation Committee shall examine all objected provisional costs and shall audit all statements and costs imposed by the financial departments directly and the objections of taxpayers submitted within the time limit specified in Article 28 and may, when necessary, invite the objectors to hear their oral statements and may instruct the financial controllers or experts acceptable to the Ministry of Finance. In each governorate, to carry out all audits and investigations that would be required by the Committee and request all information in accordance with the provisions of Article 14. The Committee approves the costs, adjusted by increase or decrease as required.

Article 31

A) The cost schedules approved by the Taxation Committee or the Financial Management Committee become effective by a decision of the senior financial officer of the governorate or district center without any other transaction.

The said costs deemed definitive against the financial services and taxpayers, except for the cases stipulated in Article 32.

The decision shall be communicated to the financial departments that broadcast it by placing it on the notice board in the financial centers of the governorates and regions or by publishing it in the local newspapers. In addition, all objected taxpayers or whose temporary assignment has been modified by the Committee individually notified by a notice with a copy of the decision of the Taxation Committee or the Financial Management Committee.

B-

1. The final taxable costs deemed payable within the period provided for in Article 13 of this Law. In addition to an annual interest of 7% added on the amount not paid in this period from the day following the end of this period until the end of the month preceding the issuance of the decision of the taxation committee or the financial management committee.

2. The fine imposed by virtue of Article 106 of this Law shall replace the interest mentioned in paragraph 1 above in respect of the tax arising from the amount of the authorized profits.

(C) The maximum interest stipulated in paragraph B above shall be set at 14 percent if the tax declaration is submitted within the period stipulated in Article 13 of this Law.

D- In case the taxpayer delays his tax statement, the interest stipulated in paragraph B of this Article calculated for the period preceding the submission of the tax declaration, whatever the amount.

An interest rate of 7% per annum shall be added after the date of submission of the statement, provided that the amount of such added interest shall not exceed 21%, except the interest arising from the previous period.

E. The tax statement submitted by the taxpayer within the legal time limits referred to in Article 13 is given the definitive mandate in case the financial departments are late to initiate the commissioning procedures after five years from the date of the declaration and without any interest or fines and are not subject to appeal.

The Fourth Chapter

Review and correction

Article 32

A- Taxpayers whose objection has been rejected by the Taxation Committee or whose temporary assignment has been amended are given 30 days to request a review of their assignment.

Within the same period, the financial departments have the right to request reconsideration of the tax decisions of the Committee, especially in the following cases:

1. When the decision is based on incorrect documents.
2. When commissioning is based on estimation in determining net profits.
3. If the assignment is inconsistent with the legal provisions or the instructions of the Ministry of Finance.
4. When the decision is taken by majority. In such a case, the said departments shall inform the taxpayer in writing.

B. The period of 30 days starts from the day following the date of the individual notification. If the request for reconsideration is not submitted, the mandate approved by the Taxation Committee and the Financial Management Committee shall be final.

Article 33

A) Applications for reconsideration submitted to the financial departments and sent with their opinion to the reconsideration committee formed at the Ministry of Finance as follows:

- Assistant to the Minister of Finance for Revenue as Chairman.
- Judge of the rank of Appeal Counsel appointed by the Minister of Justice as a member.
- One of the directors in the Central Administration as a member
- A representative of one of the public sector entities most relevant to the profession subjected to tax by the Minister of Finance in agreement with

the relevant authorities and by their nomination, provided that his position not less than deputy director as a member.

- An expert selected by the Minister of Finance from the list of experts mentioned in Article 29 of this Law other than the expert elected in the taxation committees as a member.

The Committee shall have a rapporteur with experience in income tax nominated by the Minister of Finance who shall not vote.

The chairpersons of the review committees shall invite one of the representatives of the departments, institutions, public bodies or public sector institutions and companies related to the subject of the assignment and nominate them instead of the expert member of these committees when considering the costs of the public and joint sectors.

(B) The review committee referred to in the preceding paragraph (a) is considered to be the main reconsideration committee. Additional committees is established, if necessary, with the same powers as the main committee provided that each of the aforementioned committees is headed by at least a director in the central administration of the Ministry of Finance and formed according to the formation of the main committee.

The financial aspect of the committee shall be represented by a finance officer with the rank of associate director or at least a department head with tax experience by the nomination of the Minister of Finance.

C- The work shall be distributed among the review committees by the chairman of the main review committee.

D. The Review Committee meets at the invitation of its Chairman and its decisions are valid only in the presence of four members, including the Chairman and the representative of the profession or craft. The committee decisions are taken by majority of votes. If the votes are equally divided at the meeting in the presence of four of its members, the President shall have a casting vote.

E) The reconsideration committee holds its meetings in the governorate centers related to the costs presented to it.

In all cases, the expert shall be from the governorates related to the costs presented to the committee.

Article 34

A. The request for reconsideration shall not stop collection and the Committee shall not accept such request unless accompanied by a receipt

proving that the taxpayer has paid to the treasury an insurance of 1000 Syrian pounds in various cases.

B. The insurance shall be paid within the time limit of the application for reconsideration, the request for correction or the appeal request under penalty of rejection.

Article 35

(A) The Committee shall review requests of reconsideration on the basis of written lists and supporting documentation and may direct the conduct of further investigations; or appoint experts in accordance with the provisions of Article 26 of this Law if it deems it necessary or at the request of the taxpayer explicitly established in the reconsideration call. In the latter case, the taxpayer shall be required to pay an advance on expenses within ten days from the date of notification by the Chairman of the Committee.

(B) The Committee of Review judges the applications according to justified final decisions. The taxpayer has the right to request the correction and appeal sought in articles 37 and 40 of this law within the conditions specified therein.

Article 36

The expenses of investigation and experience are judged by the decision of the Commission against the unjustified party. If both parties are not rightful in a part of their request, each of them is judged in part by the proportion of the unjustified amount.

The insurance is returned to the depositor if it appears that he is rightful in his application or it becomes a revenue of the treasury.

Article 37

A. The financial departments and the taxpayer may apply for correction in one of the following cases:

1. If the decision is based on forged documents.
2. If one of the parties is sentenced for not submitting a conclusive document which was in possession of his opponent.
3. If the investigation and judgment do not take into account the assets specified in this law.
4. If the reconsideration committee does not decide on one of the legal reasons stated in writing by either party.

5. If the decision of the Review Committee includes a material error affecting the judgment.

B. The application of correction shall be submitted within six months in the first case and within thirty days in the other cases.

The time limit starts on the day following the date of notification of the taxpayer the decision to be corrected.

The acceptance and determination of a request for correction is subject to the rules and provisions set in Articles 34, 35 and 36.

Article 38

A. A general body for the committees formed for reconsidering the income tax as follows:

- Chairman of the Main Review Committee as Chairman.
- Two judges representing the Ministry of Justice in the above-mentioned committees and departments named by the Minister of Finance as members.
- The Income Manager and the chief of one of the additional committees of the reconsideration committee that is named by the Minister of Finance as two members

The aforementioned General Assembly is specialized in deciding on the cases referred thereto by the Chairman of the Main Reconsideration Committee in the event of discrepancy between the above-mentioned committees on the initial issues to be decided upon, or if one of the committees requests to renounce a stable discretionary principle.

The meetings of the Commission shall be valid only in the presence of all its members. The decisions are made by the majority of votes.

B. All income tax committees of all degrees shall comply with the jurisprudence issued by the General Assembly of the committees of reconsideration subject to appealing them before the reconsideration committee or requesting their rectification in accordance with the provisions of this law.

Article 39

While retaining the special provisions of Articles 14, 15 and 23, the tax is due as a lump sum and shall be paid within the two months following the month in which the Director of Finance's decision to implement the schedules of assignments is announced.

Article 40

An Appeal is permissible within thirty days following the date of notifying the taxpayer about the decisions of the reconsideration committees by the assigned persons or the Minister of Finance in front of specialized court.

(B)The approved cases for appeal before the competent courts are determined as follows:

- 1- In the legal basis of commission in terms of compliance to the tax commission or not.
2. In case of decision of the Reconsideration Committee includes an increase or reduction of the commissioning profits by more or less than 25 percent of what is specified by the imposition and financial management committees.

Title II

Profit tax for industrial, commercial and non-commercial occupations and crafts

Lump - income taxpayer category

The First Chapter

Taxable persons and their duties

Article 41

A. Any person who practices an industrial, commercial or non-commercial profession and does not fall within the category of real profit taxpayers specified in Article (2) of this Law.

B- The profits of the taxpayers subject to the lump-sum income tax shall be estimated by the first instance and appellate committees in accordance with the provisions specified in this law.

Article 42

The Ministry of Finance establishes the rules and principles to be followed by classification committees to determine the tax.

It also establishes rules and procedures of classification and may assign staff or committees to carry out preliminary work and classification control work.

Article 43

(A) The classification of lump-sum income taxpayers is valid for a period of five years starting from the first year of taxation.

(B) After two years from the date of the classification's entry into force, and during any of the following years, certain professions or taxpayers subject to lump-income tax may be reclassified if a difference of at least 25 percent decrease or increase in their income number occurred on their business.

Reclassification is made in accordance with the provisions of this paragraph upon a justified request from the financial departments or the taxpayer (as the case may be) forwarded by the Director of Finance to the specialized classification committee.

(C) Classification and reclassification are carried out in accordance with the provisions of paragraphs (a) and (b) of this Article by the classification committees stipulated in Article 48 of this Law.

The new tax applied to the taxpayer in accordance with the final decision issued by these committees for a maximum period not exceeding five years, unless it is amended after two years from the date of tax enforcement.

(D) The classification provisions are not applied to the taxpayer after the expiry of five or two years, as the case may be, if the taxpayer is not notified of the preliminary classification committee's amended decision of his original taxation during the maximum five-year classification cycle.

In this case, the previous tax shall remain in force until it is amended in accordance with the provisions of this Article.

Article 44

A- The lump-sum income tax is levied on the profits of public cars of various types and purposes on the basis of considering the car as a unit in the assigned taxation; according to schedules decided by a central classification committee formed by the Minister of Finance for each classification cycle in accordance with the provisions of Article

43 of this law, after reviewing the studies received from the financial departments in Provinces and is collected through the transport departments with car fees.

- B- The Minister of Finance issues a decision specifying the rules and regulations for assessing the tax, the procedures for its verification and the due dates of collection.
- C- A minimum exempted deductible of SYP 36000 shall be deducted from the annual profit for each vehicle.
- D- Annual profits shall be reduced by 5% annually starting from the sixth year of manufacture.
- E- The schedules approved by the committee stipulated in paragraph (a) above shall apply to all governorates of the country and considered final after adoption by a decision of the Minister of Finance.
- F- It is not permissible to renew the license to drive public cars before paying the tax due thereto. Owners of the vehicle are jointly responsible to settle the financial commitments due on it during one year of assignment. No right in the vehicle shall be occurred or documented unless all its liabilities are paid.

Article 45

(A) Wages and amounts received by retired doctors, lawyers and engineers with different State departments, public institutions, public and joint sector institutions and companies under their employment contracts shall be subject to levying lump-income tax, whatever the capacity and duration of the contract.

persons who are full-time employees or contractors are subject to income tax on salaries and wages.

(b) The fees of surgical operations performed by surgeons working in hospitals shall be subject to income tax on salaries and wages.

(C) Tax exemptions granted to private hospitals under paragraph 4 of Article 4 of this Law shall be restricted to hospitals only.

It shall not apply to the wages of doctors in clinics established in hospitals that pay them or to the wages of the doctors they are entitled to for the operations they perform, regardless of the features of such wages.

They shall be taxed on lump-sum income and added to the proceeds of their own business upon taxation.

D-

1. Waiver Renunciation of the right to lease real estate invested or intended for commercial, industrial and non-commercial occupations and trades conducted by lump-income taxpayers or other persons not practicing such professions shall be subject to lump-income tax when they renounce the said right or part thereof.

2. The maximum percentage of taxation of persons listed in paragraph 1 above, as well as the taxpayers of real profits tax on their capital gains, shall be set at 23% of the ascending scale stipulated in Article 16 of this Law.

3. The tax mentioned in this article shall be collected by independent assignment.

Article 46

If the taxpayer practicing several activities, each of which is subject to lump-sum income tax in more than one duty station within the administrative unit, it is initially classified for each center with the tax mentioned separately, provided that the financial departments later to unify the total of his activities.

Accordingly, the final tax shall be determined on an ascending basis and the taxpayer shall benefit from the minimum exempted deductible only once.

The Second Chapter

Foundations of commissioning

Article 47

(A) Classification committees (First instance or appellate) shall be formed by a decision of the Minister of Finance or an authorized delegate.

(B) Associate members shall be appointed along with the original members who shall represent them in their absence.

C- More than one First instance or appellate committee may be formed in the administrative unit as needed.

d- Committees shall meet at the invitation of their Chairman and their decisions shall be valid only in the presence of all their original or associated members. Decisions are taken by the majority of votes.

Article 48

The Preliminary Classification Committee consists of:

- A. Income supervisor or Chief Financial Officer
- B. A representative of one of the departments, public bodies or institutions and companies of the public sector most relevant to the profession subject of imposition and nominate a member thereof
- C. A representative of the trade or profession chosen by the senior financial officer in the governorate from a list of three delegates designated by the syndicate or the specialized chamber of commerce or industry. In case of absence of such syndicates or lack of representatives or insufficient number of workers in the profession, this representative is nominated by the financial officer mentioned practitioners of the profession or craft in the nearest administrative unit as a member.

Article 49

- A. The Classification Committee organizes the classification decision and mention all the considerations taken by the Committee mainly in the classification. The financial departments shall notify the taxpayer of a copy of his classification decision.
- (B) The taxpayers and the financial departments alike have the right to request reconsideration of the preliminary classification within 30 days from the date of taxpayer notification.
- C. The reconsideration request shall not result in the suspension of collection and the Committee shall not accept such request unless accompanied with a receipt proving that the taxpayer has paid to the treasury an insurance of 10 percent of the value of the tax approved by the first instance committees, provided that the insurance shall not exceed 500 SP. The insurance is given back to the depositor he has the right in his application or in part thereof, otherwise the insurance shall become revenue of the treasury.
- D) The request for reconsideration shall include a statement of objections to the considerations taken by the committee as a basis for

classifying the taxpayer and mention the profits that the objector considers appropriate to his status.

Article 50

(A) Appeals shall be decided upon by an appeal committee or committees formed in the governorate and region centers as follows:

1. Chief Financial Officer experienced in commercial accounting or tax issues as President.
2. An expert employee in one of the departments or public bodies or institutions and companies of the public sector most relevant to the profession subject of imposition and a designation of them as determined by the Ministry of Finance member.
3. A representative of the trade or profession chosen by the senior financial officer in the governorate from a list of three delegates designated by the specialized syndicate or chambers of commerce or industry.

In the absence of a syndicates or a lack of representatives or insufficient number of workers in the profession or trade, the senior financial officer in the governorate shall nominate three practitioners of the profession or craft in the nearest center to choose one of them. In case of insufficient number of practitioners, a general expert may be nominated.

- B. The decision of the Appeal Committee shall be justified.
- C. The taxpayer shall be notified of decisions of the Appeal Committee and these decisions shall be considered final.

Article 51

The taxpayers of the lump-sum tax shall submit data to the financial departments in the following cases and periods:

1. Within thirty days following the announcement date of the classification issued by the Ministry of Finance for the taxpayers covered by the provisions of paragraph (a) of Article 43 of this Law.
2. Within thirty days from the date of occurrence related to the following cases:
 - A-Start a taxable profession or craft.
 - B- Changing the craft or profession, changing the place of practice, ceasing or adding one of the activities.
 - C- The whole or partial transfer of the establishment to third-parties.

D-Entry or withdrawal of new partners in the facility.

(E) Ceasing profession practice because of a force majeure beyond the control of the taxpayer.

F- Ceasing the practice of the craft or profession by the taxpayer.

G-The taxpayers are reclassified in the cases mentioned in this article.

In case of ceasing to practice the profession or craft stipulated in paragraph (e), the assignment shall be renounced, and the tax with partial renouncing shall be considered at the rate of downtime. In the case of cessation provided for in paragraph (f), the tax renouncing considered for the period of cessation of more than six months.

H. Assignments are terminated by decisions of the Finance Managers.

The Third Chapter

Verification of the tax and its entitlement and collection

Article 52

A. The taxpayer taxed from the beginning of the first year of the classification cycles specified under paragraphs (a) and (b) of Article 43 of this Law. If there is a change in the deducted during the year, the paid tax is considered as a credit against the taxpayer and the amount paid in the light of the substitution shall be settled. In the cases stipulated in the second clause of paragraph (a) of Article 51 of this law, the tax shall be deemed to be effective from the beginning of the month following the date of the occurrence of the commissioning incident and shall be partially calculated from the annual tax and in proportion to the number of months of actual practice.

B. The taxpayer shall be taxed after two months from the month in which he was notified of the decision of the first instance classification committee.

Article 53

An additional 2% of the lump-sum income tax shall be added to the cost of taxpayers each year under the name of a contribution to the classification expenses.

Article 54

In case the taxpayer fails to submit the statement in cases where the imposition of the tax or an increase thereof, he / she shall be fined with a lump sum fine of 10% of the concealed tax or of the emergency increase. The fine applies to years prior to

the date of discovery of concealment until the end of the month in which it was discovered.

The Fourth Chapter

Various provisions

Article 55

The provisions of paragraph (E) of Article 14 of this Law shall apply to the taxpayers of lump-sum income, provided that the tax calculation shall be settled after the end of the year of assignment.

Article 56

The provisions of Article 23 of this Law shall apply to the costs of lump-sum income tax in respect of the solidarity between the ancestor and the successor to the payment of the tax in the event that the Corporation is transferred to the name of others for any reason other than the case of obligatory transfer.

Article 57

The Minister of Finance issues a decision obligating all or some of the persons in charge of certain professions to keep registers or provide certain data or schedules to the financial departments to enable them to monitor its activities.

The aforesaid resolution specifies the type of data, schedules and registers. The offender shall be fined with a fine equivalent to 50% of the annual tax.

Article 58

Upon the process of checking , verification and collection of all income taxes, as well as calculating all additions, fines and what is due to other public entities, the fractions of the Syrian pound shall be rounded to the next higher ten.

Article 59

A) Beneficiaries of the deductions mentioned in paragraphs (a) and (b) of Article 20 of this Law are those liable to lump-sum income.

It is up to the competent classification committees in light of their legal authorities and in light of the reality of the company, and the requirements of doing business in it; to decide all issues related to the validity of the declared partnership for companies that are not duly registered. As well as deciding when necessary, the formalism of the partnership contract for registered companies. In all cases, for the

partner to benefit from the aforementioned deduction, he must actually work for the company.

(B) The exempted minimum prescribed in paragraph (a) of Article 20, as well as the rates prescribed in Article 16 of this Law, apply to all taxpayers of lump-sum income starting from the first year of the enforcement of this Law; with the exception of taxpayers whose classification sessions have not been completed or not at the date of the enforcement of this law ,so the previous rates and the previously exempt minimum are effective against them regarding investment profits until the end of the cycle or their reclassification.

Article 60

An exempt minimum amount of 50,000 Syrian pounds shall be deducted from the annual net profits attributable to the taxpayers of the non-commercial scientific professions, whose human intellectual effort is predominantly exercised on capital regardless of the group to which they are subject.

Title III

Assigning non-residents and non-Syrian persons

Article 61

- A. As an exception to the provisions governing the real profits income tax and the salaries and wages stipulated in this law, natural and legal persons who are not Syrians, whether they have a branch in Syria or not, and their non-Syrian secondary contractors for services and works implemented with the public, joint, private, and cooperative sectors of Syria; or for their benefit are subject to income tax. Profits, salaries and wages income tax is collected by way of withholding) and is deducted when the taxable amounts are paid.
- B. The tax rate to be deducted for the amounts paid for the services and works performed shall be determined as follows:
 - 5 percent of the total value of the supply and services business in return for the for the income tax on profits in businesses that include both supplies and services in the event that the value of the services is not explicitly specified amounts.
 - 1 percent of the total value of the supply and services business in return for the salaries and wages tax in businesses that include both

supplies and services in the event that the value of the services is not specified in explicitly specified amounts.

- 10% of the value of service fees as well as wages paid for the investment of films, devices, machines, patents, names, marks, industrial and commercial addresses, etc., in return for the income tax of profits.

- 2% of the value of service fees as well as wages paid for the investment of films, equipment, machines, patents, names, marks, industrial and commercial addresses, etc., in return for salary and wage

C. The mentioned tax rates are not subject to any addition under the laws in force.

D. The provisions of this Article shall not apply to the branches of the entities mentioned in paragraph (a) above registered within the Syrian Arab Republic, which import goods for their own account and sell them in the local market where they remain subject to the general provisions stipulated in this Law.

Article 62

It is incumbent upon all institutions, departments, companies, individuals, public and private bodies who pay taxable amounts to deduct this tax for the treasury account and pay to the public treasury funds within fifteen days from the date of payment of the amounts mentioned the amount of tax collected by deduction.

Article 63

Non-Syrian natural and legal persons who make payments to non-Syrian subcontractors subject to tax shall deduct this tax to the treasury account.

And to pay to the public treasury funds within fifteen days from the date of payment of such amounts to them the tax collected by deduction.

The said persons shall be held jointly and severally liable along with public, joint and private sectors to pay this tax.

Article 64

If the authorities mentioned in Articles 61 and 62 do not deduct and supply the tax within the period specified therein or pay it incomplete, they shall be obliged to pay the unpaid tax in addition to the fine stipulated in Article 106 of this law.

Article 65

Royalties due in the Syrian Arab Republic to reinsurance companies abroad shall be subject to non-resident income tax at the rate of 10 percent stipulated in paragraph (c) of Article 60 of this Law.

Title IV

Salaries and wages tax

Taxable income, tax rate and benefits.

Article 66

The salary and wage tax levied on every person who receives a salary, wage or compensation:

- (A) From a private treasury if he is a resident of the Syrian Arab Republic or the amount paid for services rendered therein;
- (B) From a public treasury if he resides in the Syrian Arab Republic or abroad.

Article 67

Exempted from salaries and wages tax:

- A) Ambassadors accredited to the Syrian Arab Republic and other members of the political corps, consuls, consular corps and their foreign employees subject to reciprocity. This exemption deals only with work related to their functions.
- (B) Military personnel of the armed forces, members of the internal security forces, and firefighters.
- (C) Those in charge of mosques and churches;
- (D) Local workers employed in Syrian foreign missions, both Syrian and non-Syrian.
- E) Retirement pensions, family allowances, laying-off or dismissals, and all amounts paid to the worker due to the termination of his services.

F) Compensation paid to victims of work accidents.

G) Wages of domestic servants.

H) Cash grants issued by the President of the Republic.

Article 68

The tax rate, including national defense additions, school fees, the municipal share and contribution to the war effort, determined as follows:

- 5% of the monthly net income portion between the exempted minimum and SYP 8000 and for each lump sum payment.
- 7% of the monthly net income portion between 8001 and 12000 SP.
- 9% of the monthly net income portion between 12001 and 16000 SP.
- 11 percent of the monthly net income portion between 16001 and 20,000 Syrian pounds.
- 13 percent of the monthly net income portion that exceeds 20001 and 30,000 SP.
- 20% of the monthly net income portion exceeding 30,000 Syrian Pounds.

Article 69

A minimum tax exemption of SP 5,000 per month shall be deducted from the net income.

Article 70

(A) In determining non-net income, the real amount of salaries, allowances, returns, wages, compensation, awards, bonuses and other monetary or in-kind benefits shall be adopted.

(B) The amounts covered by self-employed persons for contracts with a continuing characteristic are included in this definition.

(C) To determine the net taxable income, the following amounts shall be deducted from the non-net income defined in the preceding paragraph:

1. The value of the contributions deducted from the salaries and wages of the employees for the participation in the social insurance system or insurance and pensions.

2. Compensation for the expenses of the job, transfer and travel and in general all compensation for the expense of the occasion of doing work required by the service.

3. Representation expenses not exceeding 25% of the monthly salary or lump sum wage.

Article 71

In the event that the worker commences work or leaves it permanently after the first day of the month, the minimum exemption (in the verification of the tax resulting from that month) shall be divided by the number of days to which the taxable income belongs, as the month is 30 days. Lump payments are not covered by any deduction.

Article 72

The tax comes into effect upon payment of the amount paid and the period to which the payment is due.

Article 73

The taxpayer dealt with in the provisions of chapters I and IV of this law at the same time; benefits from the minimum exemption only once and can choose the most appropriate limit if the condition is available.

The Second Chapter

Duties of employer and worker

Article 74

Every taxable person, in accordance with the provisions of Article 65 of this Law, shall submit to the specialized financial department to which he is affiliated within 30 days from the date of commencement of work a statement containing:

1. His identity and address.
2. The identity and address of his current and former employer.
3. The amount of his income as defined in Article 69. If his income or status changes, he shall submit a statement within 30 days from the date of the status change. If the taxpayer does not submit a statement, he will be notified as a warning to comply with the legal provisions.

If he fails to comply within fifteen days from the date of his notification, a penalty 20% of the tax due shall be added to the tax. If he submits an incorrect statement, the tax shall be doubled on the concealed income.

These fines shall not apply if the employer submits the list stipulated in Article 76. Workers in public bodies and the common sector are excluded from the submission of the statement.

Article 75

All public, private and other entities and individuals employing employees, workers, or assistants or contracting artists for a salary, wage, compensation or remuneration shall keep a record in which the following data shall be recorded in sequence, without space, footnotes, deletion, taking into account the sequence of the date of use:

(A) The identity of the mentioned persons, the type of their work, the date of commencement of their employment, the date of termination of their services or their interruption from work.

(B) The amount of non-net income defined in Article 69 of this Law and the amounts paid to each of them.

(C) A statement of the changes in the status or income of each of them;

Article 76

The tax levied on the owner of the income to which he is subjected, but the employer is obliged to deduct it when each amount is paid by him. This deduction liberates the owner of the income from the deducted amount.

Article 77

The bodies mentioned in Article 74 of this law shall:

(A) submit to the financial departments within fifteen days from the expiry of every six months of the year a list containing the following:

1. All the data mentioned in Article 74 of this Law.
2. The amount of tax deducted from the entitlement of the taxpayers mentioned in Article 74 of this Law.

(B) Pay to the public treasury, within the period mentioned in paragraph (a) above, all the amounts deducted from the salaries, wages, compensation and remuneration of the taxpayers mentioned in Article 74 of this Law.

Article 78

If the employer refuses to present the record stipulated in Article 74 at the time of the summoning and in the workplace to the employees of the financial departments in charge of the audit or if he fails to submit the list stipulated in Article 76, he shall be notified of compliance to the provisions of this law. If he fails to comply within fifteen days from the date of his notification of warning, the financial departments shall pay the tax directly. The employer is penalized with a fine of 20 percent of the tax on workers, and this fine reduced to 10 percent if the taxpayer complies with the warning.

If the employer submits incorrect or incomplete data, he shall be liable to a fine of 50 percent of the tax on the undisclosed part.

The Third Chapter

Verification of the Tax and Paying it.

Article 79

The financial departments organize the tax tables based on the lists stipulated in Article 76 or the results of their investigations.

Article 80

In the event of direct assignment or when there is a difference between the amounts the taxpayer is due to pay under the deducting of financial departments and the amounts deducted by the employer, the employer shall be notified of the difference and shall pay the said difference to the State Treasury within 15 days from the date of notification. With regard to State employees, municipalities and official departments and their employees, the liquidation of the amounts to be deducted in the performance table shall be taken as a check, and collection shall happen directly by taking the amounts deducted on its own accounts when the taxable expense is disbursed.

The Fourth Chapter

Methods of review

Article 81

Any person who believes that he has been charged by mistake or that his **assignment** is a abundant, whether as a result of direct **assignment**, or the amendment of his data directly by the financial departments, or a mistake in the statement or in the taxation, is entitled to object up to thirty days after the date of notification of the employer stipulated in Article 79 and the financial departments and the employer also have the right to object.

Article 82

The objections referred to in the preceding Article shall be submitted to the financial departments to be judged and audited by the Taxation Committee and the Review Committee if necessary in accordance with the provisions of Articles 29 to 37. However, the objection before the Taxation Committee does not stop the collection.

The application for reconsideration shall not be accepted unless the due installments are paid in full on the basis of the amounts approved by the taxation committee. The application shall be accompanied by a receipt notifying the insurance performance stipulated in Article 34.

Title V

Tax on proceeds from capital in circulation

The First Chapter

General Provisions

Article 83

(A) The proceeds from the capital gains tax covers profits, interest, returns, draw prize, payment prizes and other cash and in-kind resources, including free stock dividends arising from:

1. Debt bonds and loans issued by companies and other financial, industrial, commercial or civil institutions whose head office or main business is within the territory of the Syrian Arab Republic. Companies and establishments whose

principal investment or business center or principal assets are located in the Syrian Arab Republic shall be listed in the territory of the Syrian Arab Republic.

2. Shares, founders' shares, interest shares, limited partners' shares, various debt bonds and loans issued by companies, institutions and associations not located in the territory of the Syrian Arab Republic that belong to Syrian natural and legal persons.

3. Profit bonds, debt bonds and other public bonds issued by the Syrian government (for all foreign persons and governments) in respect of natural and legal persons residing in the Syrian Arab Republic.

4. Liabilities documented by real estate insurance, excellent and normal, except for any commercial transaction that does not have the qualification of the loan from the legal point of view.

5. Deposits of all kinds, regardless of the personality of the depositor, whatever the party allocating the deposit and the current accounts.

6. Cash guarantees and bonds issued by legal persons.

7. Prizes for lottery papers that exceed one million SP.

(B) The tax is payable whether or not the amounts distributed are derived from profits.

C) The proceeds of capital in circulation shall not be subject to the proceeds sought in paragraphs 4, 5, 6 included in the total profits arising from taxable banking stipulated in Part I of this Law.

Article 84

The rate of capital in circulation income tax is set at 7.5 percent (seven and a half percent), including national defense additions, school fees, the municipality's share and contribution to the war effort except the addition of the local administration.

The Second Chapter

Syrian funds in circulation

Article 85

The income adapted as a basis for commissioning the companies and institutions based in the territory of the Syrian Arab Republic is determined as follows:

- (A) on/by debt and loan bills, in the amount of interest or income distributed each year;
- (B) for draw prizes, in the amount of the prize;
- (C) for payment awards, the difference between the amount paid and the allowance specified for the bonds when issued.

Article 86

The allowance for debt, public bonds and other loan bonds whose payment prizes are subject to this tax shall be the basis for the liquidation of the tax resulting from the awards if the issue rate is the same. If the issue rate changes, the tax for each loan is determined on the basis of the average resulting from dividing the total loans by the number of shares issued. Total loans mean this net sum after deducting the proceeds from the period between the date of issuance and the date of each sale.

Article 87

Companies, corporations and departments with legal personality shall pay the tax imposed by this Law and pay it to the Treasury under the following conditions: They have the right to recourse thereafter to the beneficiaries:

- A. The tax shall be collected from the bonds of debt, loans and other specified and fixed income in advance in four equal installments based on the total income of these annual values.
- B. The tax shall be collected from the prize draws and payment prizes in one payment on the date of payment of the first installment due after the specified day for the payment of the draw allowance and prize. The person who levies the tax shall submit along with the payment a certified copy of the withdrawal report and a table showing each withdrawal:
 1. Number of bonds consumed.

2. The rate of issuance of these bonds calculated in accordance with the provisions of Article 85.
3. Amount of withdrawals and prizes due to high-yield bonds.
4. The amount for which the tax should be paid.

Article 88

The four installments stipulated in the preceding Article shall be paid during the first five days of February, May, August and November of each year.

Article 89

Companies and industrial establishments and others subject to the payment of the tax in question shall inform the employees of the financial departments who are authorized upon request, whether in its head office or in its branches and offices on all documents, entries and calculations that help them to verify the validity of the application of the above-mentioned provisions and justify the bases taken to calculate the payment occurring. It is sufficient for banks covered by the provisions of Law 29 dated 16/4/2001 to inform these employees of the numbered accounts and deposits to audit tax deductions without the names of their owners.

Article 90

Any refusal to submit the documents examined in the previous article recorded in a report organized by the officer in charge of auditing\auditor

Any violation punished by a fine of SYP 1000, which is increased in case of repetition to SYP 2000. In case of invalidity of the permits, statements or other documents that emerge or are sent to the financial departments, the tax is tripled for the sums concealed.

The Third Chapter

Foreign funds in circulation

Article 91

Banks, money-changers and others in the territory of the Syrian Arab Republic, who pay dividends from revenues or other resources, shall deduct to the treasury the tax arising from the income of shares, profit bonds, loans and other bonds stipulated in paragraphs 2 and 3 of Article 82 of this Law.

Article 92

Whoever engages in a trade or profession that recovers, collects, pays and buys vouchers or other securities eligible to receive profits, interest, returns, prize draws, payment prizes and all other securities mentioned in the preceding article, shall submit to the financial departments a statement otherwise he / she shall be punished by a fine of / 1000 / Syrian Pound. This violation shall be proved by a record organized by the official in charge of the control.

Article 93

All persons subject to the provisions of the preceding Article shall be prohibited from collecting, receiving, paying, buying or trading in the vouchers or other securities mentioned in the preceding Article, unless they immediately deduct or advance the tax if the conditions of issuance put the tax on the issuer of the shares. They shall not be charged with deduction or credit if they prove that a former intermediary has performed this duty.

Article 94

The persons mentioned in Article 91 shall hand over to the financial departments, at each payment, a list in which the following data are included:

- A. The name, commercial address, occupation and description of the payer.
 - B. Type of vouchers or other securities deposited for receipt, number and price of each in the Syrian currency at the time of payment.
 - C. The total of non-net amount in the Syrian currency.
- A- The amount of tax levied or withheld.
- B- The registration number in the book stipulated in Article 94 of this Law, the date, the validation of the payer and his signature.

Article 95

Persons mentioned in Article 91 of this Law shall also keep two numbered and signed books wherein they write day by day without any space or writing between the lines, any payment, sale or purchase of vouchers or other securities subject to withholding or levy of tax. All data recorded in the list stipulated in the preceding article shall be recorded in these books. The first book allocated to record the

payments for which the tax has been withheld or credited by the taxpayer directly. The second book is devoted to the recording of transactions that have not been taxed because a previous intermediary has collected the tax.

Article 96

A. The recordings recorded in the first book shall be copied and collected on the last day every 3 months, and then certified and sent with the levied or withheld tax as a documentary proof. The levied or withheld tax shall be paid within the conditions stipulated in Article 87.

(B) The persons referred to in Article 91 shall submit to the specialized finance staff all documents, schedules, books, entries and accounting papers that shall verify the validity of the occurrences.

Article 97

Any violation of the provisions of Articles 82 to 86 and any incorrect statement contained in the statements submitted or in the supporting documents shall be penalized with the fines stipulated in Article 87.

Article 98

The holders of foreign bonds, securities, and the proceeds thereof residing in Syria, who are instructed to pay the profits of such bonds and securities, their interests and their returns to other materials resulting therefrom, or receive it outside the Syrian territory directly or through third parties, shall submit to the financial departments until the fifteenth of January of each year a statement showing the total of these profits, benefits, returns or proceeds received during the past year.

If the statement is not submitted or the declaration is not valid, the tax shall be tripled in respect of the amounts concealed.

The Fourth Chapter

Claims, deposits, current accounts, guarantees and Bonds

Article 99

The tax on interest, returns and other resources specified in paragraphs 4, 5 and 6 of Article 82 of this Law shall be taxed on a non-net basis. In cases where the amount of resources is not stated or where the resources are in kind, the taxable amount is estimated in a comparative manner with similar transactions.

A tax not exceeding SP 500 levied on these resources by putting a stamp on the receipt or any other document in support of payment or recording in an account.

The tax is the responsibility of the creditor in spite of any contrary condition whatever the date. However, the creditor and the debtor are jointly liable for their performance.

Article 100

Any violation of the provisions of the preceding Article shall be punished by a fine of 100 Syrian Pounds imposed on each persons included in the violation. In addition, triple the tax paid is credited to the creditor.

Violations recorded in a record organized by the authorized employees of financial departments.

Article 101

Without prejudice to the provisions of the Banking Secrecy Law, owners of banks and credit companies wishing to pay income tax on interest on deposits and current accounts without putting a stamp method shall submit to the financial departments a statement dated and duly signed.

Article 102

Every bank or credit company that submits the statement stipulated in this Article shall keep a special book stating:

- A. The identity and address of the taxable income holder.
- B. The amount of taxable income due.
- C. Date of registration in the account.
- D. The amount of the tax incurred.
- E.

Fifth Chapter

Exemptions

Article 103

The methods applicable to the tax on industrial, commercial and non-commercial profits shall be applied with respect to the methods of review in the tax on working capital.

Article 104

The exemption, from the proceeds from the capital gains tax stipulated in Law 40 dated 12/3/1955, which deals with lottery papers issued by the Public Establishment for Fairs and Exhibitions, shall be canceled in respect of prizes whose value exceeds one million Syrian Pounds for a single prize.

Article 105

80% of the interest of the following funds shall be exempted from the proceeds of capital gains tax:

A. Investment certificates.

(B) Amounts deposited in savings accounts with public banks.

Article 106

The following paragraphs and provisions shall definitely be amended in accordance with the content of the preceding Article.

- Article 2 of Legislative Decree No. 57 dated 27/1/1970.
- Article 4 of Legislative Decree No. 58 of 27/1/1970.
- Article 11 of Legislative Decree No. 70 dated 8/1/1963.

Title VI

General and Common Provisions

Article 107

(A) The costs of tax on income and advances payable in accordance with the provisions of Articles 14, 15, 23, 63, 76, 79, 87 and 95 of this Law subjects to a fine of 10% if they are not paid within the maturity period stipulated in the said articles or in the referred articles.

B) A fine of 10% per annum is imposed on the income tax costs stipulated in Article 1 of this Law, including all unpaid additions in the year of maturity.

C) The maximum fine stipulated in this Article shall be set at 30% of the original costs, including all additions.

Article 108

In all matters stipulated in a provision a fine for not submitting the statement within the provisions of this law, this fine is calculated on the basis of the total tax except the addition of the local administration.

Article 109

(A) Authorized financial officers are authorized to review the taxpayers' entries and their various documents and papers whenever the audit or taxation activities so require.

(B) The provisions of paragraph (a) above shall apply to all public sector entities.

Article 110

The Minister of Finance shall, by a decision, determine the representatives of the financial departments in objecting the decisions of the tax committees and submit applications for reconsideration, correction and appeal stipulated in this law.

Article 111

(A) Verification and freezing of bonds shall be issued by the Director of Finance.

(B) While retaining the provisions of paragraph (e) of Article (31) of this Law, the financial departments are entitled to remedy any physical omissions, shortages or material errors in assigning an additional verification deed.

The financial department may correct any physical error in levying or calculating the tax or freezing any duplicate or levied assignment to a person exempted from a deed of reduction until the fourth year following the issuance of the deed.

(D) If there is an error in the levy or calculation of the tax, or the tax is levied to a person not assigned to pay it, or repeatedly, it may be objected before the specialized authority within thirty full days from the date of notifying the taxpayer of the procedural warning of payment.

Article 112

Compensations of tax and financial committees, experts and other expenses related to the levy of income tax shall be determined by a decision of the Minister of Finance, and shall be disbursed from the appropriations allocated for this purpose in the budget.

Article 113

All data, receipts, lists, schedules and other documents organized, submitted, given, taken or highlighted in implementation of the provisions of this Law, except for objections, reconsideration, correction, appeal and tax receipts, shall be exempt from stamp duty.

Article 114

Any person who interferes (by virtue of his or her functions or powers) in the levy or collection of income tax or the settlement of disputes arising therefrom shall adhere to the confidentiality of the profession, otherwise he shall be punished by virtue of Article 565 of the Penal Code.

Article 115

The income controllers shall take the legal oath before the Magistrate in their area of work before they start work (I swear by Almighty God to faithfully implement the provisions of income tax laws and to keep the secret of the profession).

Article 116

All persons using a method of review shall designate a place of residence in the Syrian Arab Republic to make notifications. If they do not, the notification shall be effective from the date of notification in secured mail.

Article 117

10% of the income tax specified in Article 16 shall be allocated to municipalities of different grades within city limits and for urban works outside it. This addition does not apply to monetary penalties.

Article 118

The income tax stipulated in this law and its fines and additions is levied in accordance with the law of collecting public funds.

Article 119

The financial departments may set off between the taxpayers' required from the public treasury and any tax arises or arose from them.

Article 120

It is prohibited for public bodies and the joint sector to release insurance and freezing of contracts actually executed and concluded with Syrian private individuals, companies and institutions before obtaining a quietus from the specialized financial departments for the contract whose insurances and freezing are in need to be released.

Article 121

(A) Employees and other persons who discover or guide to hidden levied tax shall be granted a remuneration determined by a decision of the Minister of Finance not exceeding 25 percent of the fine and disbursed from the appropriations allocated for this purpose in the budget.

(B) The Minister of Finance determines the concealed and the discovery of the tax's spots .

C) This remuneration exempted from the maximum limits of compensation specified in the laws in force.

D- Every employee in the financial departments assigned to audit or verify the tax and used his job to facilitate the taxpayer's partial or total evasion of the tax shall be referred to the disciplinary court to take other disciplinary and legal procedures against him.

Article 122

An employee who discloses the invalidity of the data, documents, information or fraudulent methods stipulated in Articles 18 and 19 shall be given a quota estimated by the Minister of Finance, provided that it does not exceed 10% of the fine collected in the said Articles.

Article 123

In all cases where experts in the income tax committees of all categories are invited and refrain from attending the meetings of the said committees, the

Minister of Finance or his authorized representative may invite such taxpayers or persons working in one of the public sector entities to represent the different professions and trades in the said committees.

The rules and principles of inviting the experts sought shall be regulated by instructions issued by the Minister of Finance.

Article 124

Books, schedules, files and documents should be kept for ten years. Failure to regulate or preserve them shall be deemed as a refrain from showing or submitting them.

Article 125

Keeping the provisions of Article 21 of this Law, secretaries of the Land Registry, notaries and any other party shall be prohibited from documenting or registering contracts, declarations and rights related to real estate and industrial, commercial or non-commercial establishments, whether the

purpose of this is to waive or liquidate solely before attaching a document from the financial departments notifying that the tax has been collected or an advance on the tax that is equal to the tax due and is considered a final tax for those charged with it who are not practicing the real estate trade profession.

Article 126

In exceptional cases, it may be stipulated in the State Budget Law to increase or decrease the rates of direct and indirect taxes and fees according to economic and social circumstances.

Article 127

The provisions of the following legal instruments shall be terminated as of the effective date of this law.

1. Legislative Decree No. 85 dated 21/5/1949.
2. Law No. 112 dated 11/8/1958.
3. Articles 2, 3, 31, 32, 36 and 37 of Legislative Decree No. 146 dated 22/12/1964.
4. Decree No. 928 dated 25/4/1968.
5. Legislative Decree No. 21 dated 18/1/1969.

6. Legislative Decree No. 162 dated 5/8/1969.
7. Legislative Decree No. 300 dated 2/12/1969.
8. Articles 1, 3 and 4 of Legislative Decree No. 326 dated 23/12/1969.
9. Legislative Decree No. 52 dated 21/2/1971 except Article 16 thereof.
10. Law No. 31 dated 7/12/1975.
11. Law No. 21 dated 1/7/1981 except Article 18 thereof.
12. Law No. 20 dated 6/7/1991 except Article 12 thereof.
13. Legislative Decree No. 8 dated 14/5/2001.
14. Law No. 42 dated 20/5/1944.
15. Article 4 of Legislative Decree No. 7 dated 13/5/2000.

Article 128

The Minister of Finance shall issue the necessary decisions and instructions to implement the provisions of this law.

Article 129

This Law shall be published in the Official Gazette and its provisions shall take effect from the first year following the date of its promulgation.

Damascus on 18/9/1424 Hijri corresponding to 13/11/2003 AD

President of the Republic

Bashar Al Assad