Egypt's Ministry of Finance Automates National Tax System in Collaboration with IBM and SAP

IBM provides an integrated system based on SAP® software

IBM Cloud Pak for Business Automation designed to support a smoother, more automated, and well-governed taxation journey



Cairo, Egypt, 9 March 2022: The Egyptian Ministry of Finance announced its collaboration with IBM (NYSE: IBM)Consulting and SAP SE to help automate the Egyptian tax system as part of the Egyptian government's digital transformation strategy.

With taxes representing more than 75% of the general revenues of the state*, the Egyptian Ministry of Finance kicked off a comprehensive national project for the automation and digitalization of the Egyptian Tax Authority processes and procedures to integrate the informal economy into the formal economy, enhance governance over tax return, list the tax community more accurately, and expand the tax base, to lay the foundations for tax justice, and fair competition in markets.

IBM Consulting, in collaboration with its strategic partner SAP, is providing an integrated solution that is based on the SAP® Tax and Revenue Management for Public Sector package. The package is designed to equip the Ministry of Finance with a comprehensive business operations automation platform to help streamline and automate its business processes into intelligent workflows, enhance collaboration and elevate its citizen experiences. The system was successfully piloted with 10 tax offices in Greater Cairo and will continue to expand across Egypt later this year.

As part of the collaboration, IBM implemented IBM Cloud Pak for Business Automation designed to infuse AI into the Ministry's processes and provide taxpayers, tax officers and collectors with a smoother, more automated, and well-governed taxation journey. This can enhance accuracy in taxpayers' submissions, drive deeper understanding of the tax process and enable the Ministry to focus on higher-value work like minimizing tax evasion and helping increase national tax revenue.

Commenting on the achievement, Dr. Mohamed Maait, Minister of Finance, said: "The project is part of the digital transformation strategy that the government has launched to enhance the business ecosystem in Egypt. The modernization of the current taxation system is also part of the Unified Tax Law and the national vision to maximize public revenues." Dr. Maait added, "The Ministry is keen to adopt advanced technology in its reform agenda which is why we selected IBM and SAP as partners for the modernization of the tax core system and empowering the e-payments strategy."

Marwa Abbas, General Manager, IBM Egypt, stated: "We are honored to be leading such a complex project that can help supports the national economy. IBM delivered a tailored solution to the Ministry of Finance in the short term, and based on the roll-out pilot experience, the outcomes were quite successful. We are confident that the integrated core taxation model can support Egypt's digital transformation journey."

Tamer Fahmy, Managing Partner, IBM Egypt Consulting stated that: "We are proud that the solution from IBM and SAP is providing the taxpayer community in Egypt with a robust and well governed platform through which all companies and taxpayers can pay off their duties and the Egyptian Tax authority can better govern and control tax collection. Our proven record in the local market, deep SAP consulting expertise and commitment to client success are among the reasons that led to the selection of IBM for such an important project to the national economy of Egypt."

This is the latest example of how IBM is collaborating with ecosystem partners like SAP to help clients modernize their infrastructure and address the needs of the hybrid cloud era. IBM has committed to a \$1 billion investment in its partner ecosystem over the next three years. This investment is already supporting collaborations to support customers as they migrate their mission-critical workloads to the hybrid cloud.

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*Al Ahram Gate, "Finance: Taxes represent 75% of the state's treasury revenue," February, 22, 2021

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