

## Lebanon to tax calls on messaging apps

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The information minister says users will be charged a 20 cent fee for each call made through messaging applications such as WhatsApp and Viber

Lebanon on Thursday announced a new tax on internet calls made through messaging applications, a move meant to boost the cashstrapped state's revenues but which sparked widespread user outrage.



Information Minister Jamal Jarrah on Thursday said that users will be charged a 20 cent fee for each call made through messaging applications such as WhatsApp and Viber.

The decision approved by cabinet on Wednesday will go into effect on January 1, 2020, he told reporters after a cabinet session, adding that the move will bring \$200 million into the government's coffers.

Jarrah did not provide more details but Lebanese digital rights group SMEX said the country's main mobile operators are already planning to introduce new technology that will allow them to detect whether users are trying to make <u>internet calls</u> using their networks.

"Lebanon already has some of the highest mobile prices in the region," SMEX said on Twitter.

The latest policy "will force users to pay for <u>internet services</u> twice," it added.

TechGeek365, another digital rights group, said it contacted WhatsApp and Facebook regarding the matter.

"A spokesperson mentioned that if the decision is taken, it would be a direct violation of their ToS (terms of service)," it said.

"Profiting from any specific functionality within WhatsApp is illegal," it added on Twitter.

But SMEX said that the 20 cent fee would be "a condition of data plans" offered by mobile operators.

"Also, Facebook previously complied with a social media tax in Uganda, which is effectively the same thing," it said on Twitter.



The latest policy is part of a series of austerity measures being introduced by the government in an attempt to rescue the country's ailing economy and secure \$11 billion in aid pledged by international donors last year.

Growth in Lebanon has plummeted in the wake of repeated political deadlocks in recent years, compounded by the impact of eight years of war in neighbouring Syria.

Lebanon's <u>public debt</u> stands at around \$86 billion—higher than 150 percent of GDP—according to the finance ministry.

Eighty percent of that figure is owed to Lebanon's central bank and local banks.

In July, parliament passed its 2019 budget, which is expected to trim Lebanon's deficit to 7.59 percent of GDP—a nearly 4-point drop from the previous year.

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