

NOV. 23

ANGOLA

Angola - Draft General State Budget for 2024

Main tax measures

Introductory note

On 31 October, the draft law approving the General State Budget (“GSB”) for 2024 was submitted to the Angolan National Assembly (parliament).

This draft law contains a number of measures that could have a positive impact on companies. Growth in the non-oil sector is expected to be around 4.6% and overall growth in gross domestic product expected to be around 2.8%, given the decline in the oil sector.

This draft law contains a number of measures that could have a positive impact on companies. Growth in the non-oil sector is expected.

These are the main changes in the tax in the draft GSB 2024:

Special Contribution on Current Invisible Foreign Exchange Transactions (“CEOCIC”)

The draft GSB 2024 provides for the reintroduction of the special levy on current invisible foreign exchange operations, which was created in 2015 and abolished in 2021.

This contribution will be levied on transfers made under contracts for the provision of foreign technical assistance, management services or - one of the new features to be introduced - unilateral operations.

The CEOCIC will apply to natural or legal persons governed by private law and public companies with their domicile or head office in Angola that request a financial institution to transfer funds for payments under contracts subject to this special contribution. This was already the case under the previous system.

The rate of this contribution will be 10% of the value of the transfer, which financial institutions will withhold at source when processing the transfer abroad.

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ANGOLA

The State and all its bodies, establishments and organisations, with the exception of public institutions and companies, and, unlike under the old system, operators of oil, gas or mineral resources, are exempt from this contribution.

Tax on Income from Work (“IRT”)

For 2024, the draft maintains the IRT reduction to 6.5% for companies whose turnover in 2024 is AOA 10,000,000 (ten million kwanzas) or lower. IRT - *Imposto sobre os Rendimentos do Trabalho* (Tax on Employment Income) is the Angolan equivalent of personal income tax.

There is also a provision for an IRT exemption for income from employment up to a limit of AOA 100,000 (one hundred thousand kwanzas).

Industrial Tax (“II”) Code

The draft provides that changes in assets and latent capital gains or losses resulting from the revaluation of fixed assets to fair value will now be considered tax neutral.

Changes have been made in the area of Industrial Tax (*Imposto Industrial* or “II”), which is the Angolan equivalent of corporate tax. The draft 2024 GSB provides that changes in assets and latent capital gains or losses resulting from the revaluation of fixed assets to fair value will now be considered tax neutral and will not contribute to the determination of the tax base.

In addition, depreciation of fixed assets, to the extent that it relates to the revaluation, will not be considered tax deductible.

It is now clear that amounts resulting from revaluations recognised in equity cannot be distributed as dividends.

Payers of Industrial Tax are now required to file their tax returns electronically.

The costs incurred by taxpayers in the agricultural and livestock sectors for investments in infrastructure necessary for the production and disposal of products will be considered tax deductible for a period of 5 years, subject to prior approval by the General Tax Administration.

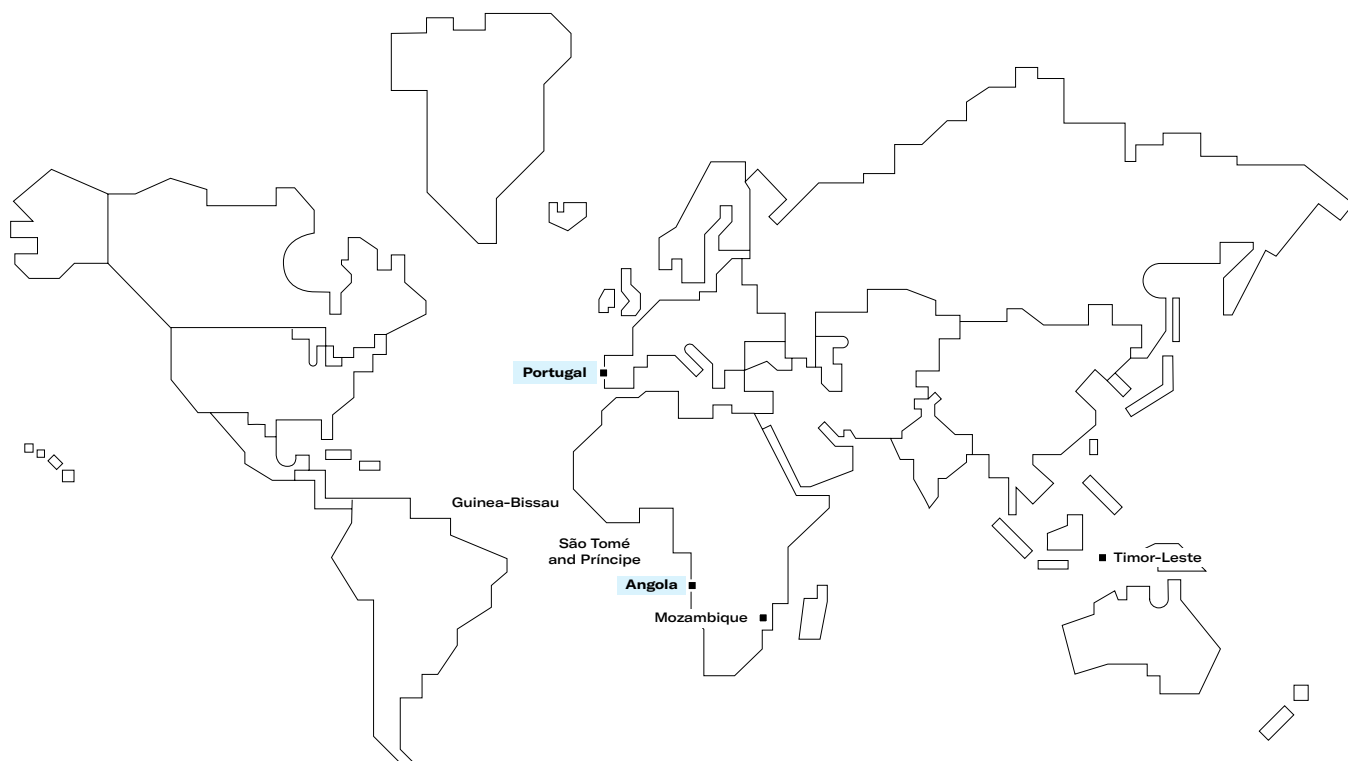
Customs Code

The only change introduced by the draft GSB 2024 is that the rules of the Customs Code will now also apply to electronic auctions.

Special Gaming Tax

The draft GSB 2024 extends the system for bank games to gaming machines, with certain special provisions. ■

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