



JAN. 24

ANGOLA

## NEWS

# General State Budget 2024

## Main tax measures

Law 15/23 of 29 December approving the General State Budget for the financial year 2024 (“GSB 2024”) was published and entered into force on 1 January 2024.

The main tax measures introduced by the GSB 2024 are:

### I. SPECIAL CONTRIBUTION ON FOREIGN EXCHANGE OPERATIONS (“CEOC”):

The GSB 2024 has created the Special Contribution on Foreign Exchange Transactions (*Contribuição Especial sobre Operações Cambiais* - “CEOC”) and established the legal rules applicable to it. The main features of the CEOC are:

- Individuals and legal entities domiciled or incorporated in Angola that request a financial institution to make a transfer abroad under contracts for the provision of services, technical assistance, consultancy and management, capital operations and unilateral transfers are subject to payment of the CEOC.
- Transfers intended to cover health and education expenses, when made directly to the bank accounts of health or education institutions, are excluded from the scope of payment of the CEOC.
- Transfers of dividends or repayments of borrowed capital, including interest, are also excluded from the scope of the CEOC.
- The rate applicable to the value of each transfer is **(i)** 2.5% for individuals; and **(ii)** 10% for legal entities.
- The basis of calculation is the amount to be transferred in Angolan currency at the exchange rate in force at the time of the transfer. The financial institutions must assess and pay the CEOC when the transfer is processed. They must also ensure that the special contribution is remitted to the General Tax Administration.
- The State and all its organisations, with the exception of public institutions and companies, diamond companies and oil investment companies, are exempt from paying the CEOC.

The GSB 2024 has created the Special Contribution on Foreign Exchange Transactions and established the legal rules applicable to it.

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**ANGOLA**

**Taxpayers subject to Industrial (Corporate) Tax are obliged to submit their tax returns electronically; the submission of tax returns in physical form is prohibited.**

**II. CHANGES TO THE INDUSTRIAL TAX CODE**

These are the main changes to the Industrial Tax Code (Corporate Income Tax Code):

- Changes in the value of assets and capital gains or losses resulting from the revaluation of fixed assets - tangible fixed assets, intangible fixed assets and investments in real estate - to fair value will be considered tax neutral with effect from the tax year 2023 and will not be considered as income or expenses for the purpose of determining the Industrial (Corporate) Tax base.
- The depreciation charge for the year on fixed assets, in the part resulting from the revaluation, over the useful life of the asset will not be recognised for tax purposes and will be subject to compliance with accounting rules. This includes the separation in the accounts of the transactions relating to the revaluation, the amounts of which are recorded in separate accounts in accordance with the conditions to be laid down. However, if the revaluation is recorded in equity, it may not be used to pay dividends.
- Taxpayers subject to Industrial (Corporate) Tax are obliged to submit their tax returns electronically; the submission of tax returns in physical form is prohibited.
- Costs incurred by taxpayers in the agricultural and livestock sectors for investments in infrastructure necessary for the production and disposal of products that benefit the communities in which they are located, such as water, electricity or access roads, may be amortised over the 5 (five) financial years immediately following those in which the investments were made. However, this depreciation must be authorised in advance by the General Tax Administration and the expenses must be duly documented.

**III. CHANGES TO THE EMPLOYMENT INCOME TAX (“IRT”) CODE**

- The GSB 2024 maintains the 6.5% IRT<sup>1</sup> rate applicable to Group C taxpayers whose turnover does not exceed AOA 10,000,000 (ten million kwanzas) in 2023. The taxable amount corresponds to the volume of sales of goods and services not subject to withholding tax. Regardless of the volume of invoices, taxpayers in this group who have organised accounts are subject to the rules for calculating the tax base that apply to taxpayers under the general rules for Industrial (Corporate) Tax.
- Group A taxpayers whose income does not exceed AOA 100,000 (one hundred thousand kwanzas) will be exempt from payment of IRT.

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<sup>1</sup> IRT (*Imposto sobre os Rendimentos do Trabalho*) is the Angolan equivalent of personal income tax and applies to the income of employed and self-employed individuals.

**ANGOLA****IV. SPECIAL GAMING TAX**

- Gaming machines are subject to the rules governing banked games with the following specific provisions: *(i)* the rules established for single banking games will apply to them; *(ii)* the capital referred to in the previous point is determined for each of the machines offered for use or, at the request of the operators, for groups of machines. In the latter case, the tax is due on this capital even if not all the machines in the group are in operation.

**V. BENEFITS FOR AUTHORISED ECONOMIC OPERATORS (“AEOs”)**

The benefits for AEOs included in the 2023 General State Budget have been maintained.

AEOs certified as customs agents and freight forwarders will enjoy the following benefits:

- Reduction in the number of physical and documentary inspections;
- Priority treatment in case of selection for physical and documentary inspections;
- No need to provide a guarantee for transit procedures.

Importers and exporters will continue to benefit from:

- i) The possibility to pay duties in instalments;
- ii) A 60-day period to submit the declaration of commitment to exclusivity for goods imported for the productive sector;
- iii) An exemption from the requirement to provide a guarantee in the customs clearance procedure and the possibility to clear goods with deferred payment of duties and other customs charges due.

**VI. EXCEPTIONAL ARRANGEMENTS FOR THE SETTLEMENT OF SOCIAL SECURITY DEBTS OF PUBLIC UNDERTAKINGS IN LIQUIDATION**

- Public companies in liquidation that voluntarily repay the outstanding amount of social security contributions, provided that the declaration and payment of the outstanding amount are made by 31 December 2024, will continue to be exempt from the payment of interest and fines. ■

**The benefits for AEOs included in the 2023 General State Budget have been maintained.**