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ANGOLA

NEWS

Special Contribution on Foreign Exchange Transactions

Main tax measures

The entry into force of the 2024 State Budget on 1 January 2024 (approved by Law 15/23 of 29 December) saw the reintroduction of the Special Contribution on Foreign Exchange Transactions ('CEOC').

In view of the various questions raised about the scope of this contribution, the General Tax Administration ('AGT') has provided some important clarifications, which we summarise below:

- Natural and legal persons domiciled or having their registered office in Angola who apply to a financial institution for transfers abroad under: *i)* service contracts; *ii)* technical assistance contracts; *iii)* consultancy and management contracts; *iv)* capital operations and *v)* unilateral transfers are subject to the CEOC.
- The tax on the value of each transfer is 2.5% for natural persons and 10% for legal persons.
- The calculation basis corresponds to the amount to be transferred, in the national currency, at the exchange rate in force at the time of the transfer, and the assessment and payment of the contribution is made by the financial institutions at the time the transfer is processed, the latter having to ensure the settlement and delivery of the CEOC to the AGT.
- “*Transfers made under contracts for the provision of technical assistance or management services*” should be understood to mean any legal-obligational relationship, the purpose of which is the acquisition from non-resident legal entities of specialised administrative, scientific and technical services necessary to maintain, improve or increase the productive capacity of goods or services, as well as to increase the level of professional training of workers who need knowledge that cannot be obtained in the country.
- Transfers of dividends abroad or the return of loan capital, including interest, are excluded from the scope of CEOC payments.

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- The state and any of its organisations, with the exception of institutes and public companies, are exempt from paying this contribution.
- Given that the amount corresponding to the CEOC is not provided for as an expense in the budget of the various Budgetary Units (approved by the 2024 State Budget), public institutes are only subject to the CEOC if the transfer is ordered through a bank account they hold. Otherwise, when the payment is made through a withdrawal order, the issuing public entity is exempt from the CEOC.
- It is clarified that transfers made outside the country by the employer to pay the salaries of non-resident foreign exchange workers in Angola are not subject to the CEOC.
- For the purposes of supporting and deducting the cost in terms of Industrial (Corporate) Tax, the bank statement or transfer order confirming the amount corresponding to the bank transfer, as well as the amount retained by the Bank as CEOC, is sufficient. The bank that carried out the transfer does not need to issue an invoice.
- No contribution is due on operations cancelled in the month in which they were carried out. If they are cancelled in subsequent months, the contribution must be paid in the month in which the operation was carried out and reimbursement must be requested in the month in which it is cancelled.
- We expect the AGT to issue instructions shortly on the interpretation and application rules of the rules governing this contribution to be applied by the organisations responsible for collecting it. ■