

Taxation

ANGOLAN TAXATION SYSTEM

The general scheme of the Angolan taxation is governed by law No 7/11 of February. It applies to fees and other finance contributions with this nature in favor of the central Government and indirect to services and autonomous funds and State authorities who are just delegated to the pursuit of a public purpose such as regulatory agencies, public associations and utilities companies. They are however excluded from the scope of the appliance of the diploma the contributions for social security once they are regulated by their own regulation or yet by the activities or services provided by the State

The Angolan tax system includes income taxes, on the consumption on financial operations on real estate property and broadcasts free transmissions in General, also known as real estate taxes and on the movement of goods from abroad to Angola and Angola.

The Angolan tax system comprises various types of taxes:

1 – INCOME ON WORK (IRT)

The employees, including managers of companies or the ones who are self employed, are subject to taxation on income from work. The rate of employment of employees is progressive and varies in accordance to the salary earned between 5% and 17%, being taxed all workers who have a salary equal or greater than 230,000 per month on the income earned during the self employed activities is applied a single rate of 15%.

Social security contributions levied on wages and fringe benefits overall to the rates of 8% for the employer and 3% for workers. Workers who are in transition to exercise activity in Angola and to prove that he or she be included in social protection regime of another country may choose not to be covered by the local social security scheme

2 – INDUSTRIAL TAX

By the Industrial tax, are taxed profits of commercial activities and industrial companies either have been obtained in the country, for the case of companies resident in Angola or abroad, in the case of companies domiciled in foreign territory.

The industrial tax comprises the following three tax schemes:

Group A: in this group, the tax levied on profits actually obtained by taxpayers and determined by their accounting system in it we find companies with relevant dimension, namely State-owned, limited-liability companies, credit institutions, among other entities. However, any contributions other than those mentioned previously, can opt for their inclusion in this group.

Group B: in this group, the tax levied on profits alleged.

Group B: this group accommodates taxpayers whose taxation is based in profits that normally could have obtained.

Through this tax, it taxes the profits of commercial and industrial activities at a rate of 35%. In the case of income from activities exclusively agricultural, forestry and livestock, applies to one-time fee of 20%.

3 – URBAN PROPERTY TAX

The tax on urban property fall upon the urban property situated in the Angolan territory, that are leased or under it is arrest when are not. In the case of leased buildings, the tax is levied on the valued of their income, expressed in a current currency. In the case of non-leased building, the tax focuses on your equity value. Income tax and social security contributions, the employees and the self-employed, among others, including the managers of companies are subject to taxation by the activities undertaken in Angola.

4 – CONSUMPTION TAX

The consumption tax is levied on hotel services and the like; services of telecommunications; water and energy consumption; leasing of machinery, equipment, spaces for conferences, colloquia or other events; services of advice; photographic services; Airport and port services, services of dispatchers; private security services; tourism and travel services promoted by travel agencies; service-management of canteens, refectories, homes and condominiums; access to shows or cultural events, artistic and sports; transport and importation of goods.

Tax rates are 5% or 10%, depending on the cases

5 – REAL STATE TRANSFER TAX (IMPOSTO DE SISA)

The real estate transfer tax charged on the sale of immovable property situated in Angola. There is still a place for the payment of REAL ESTATE tax in some special cases as in rentals for twenty or more years, or in the purchase of parts in partnerships, or limited liability with. The real estate transfer fee is fixed at 2%.

6 – MINING TAX

The rate of income tax of the mining industry is 40%. For this tax, the legal framework provides for the possibility of being deducted charges of reintegration of fixed asset goods, in certain percentages. The rates of royalties range from 5% to 2% depending on whether deal of precious stones and metals, semi-precious stones, metal and mineral other mineral resources.

The mining industry is subject to a special tax regime structured around three strands: taxation of earnings (income tax), taxation of the value of extracted mineral resources (royalty) and taxation depending on the extent of licensed area (surface). The income tax is based on the tax industry with the expertise provided for in regulation of the tax regime for the mining industry that stands to the higher rate of 40% the specific depreciation rates forecast for durable fixed assets fixed the determination of the terms in which the costs of research and recognition must be pluri-yearly and the consecration of a provision to cover the environmental recovery obligations

In addition some transversal aspects to the whole fiscal system are treated with any systematization in general tax code.