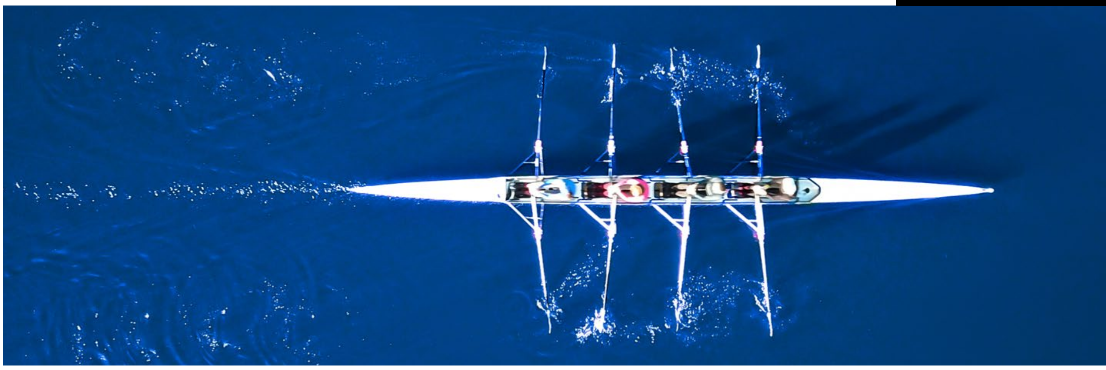

JAN. 25

ANGOLA

NEWS

General State Budget for 2025

Main tax measures

Introductory note

Law 18/24 of 30 December approving the General State Budget for the financial year 2025 ("**GSB 2025**") was published and entered into force on 1 January 2025.

The main tax measures introduced by the GSB 2025 are:

Special Contribution on Foreign Exchange Operations

- Under the same conditions, the Special Contribution on Foreign Exchange Operations created by the General State Budget for 2024 ("**OGE 2024**") is maintained. It extends the exemption from this contribution to foreign airlines authorised to operate in Angola and to the national flag carrier.Por outro lado, o OGE 2025 clarifica que se encontram isentas desta contribuição as sociedades que se dediquem exclusivamente à atividade de exploração diamantífera.

- The GSB 2025 also clarifies that companies engaged exclusively in diamond exploration are exempt from this contribution.

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Changes to the Employment Income Tax ("IRT") Code

- IRT - *Imposto sobre os Rendimentos do Trabalho* (Tax on Employment Income) is the Angolan equivalent of personal income tax. Income from employment up to AOA 100,000 (one hundred thousand kwanzas) remains exempt from this tax.

- The IRT rate of 6.5% on the volume of sales of goods and services not subject to withholding tax remains in force. It applies to Group C taxpayers whose turnover in 2024 is equal to or less than AOA 10,000,000 (ten million kwanzas).

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It is determined that interbank money market transactions, as defined by specific legislation, are exempt from the stamp duty provided for in item 16 of the table annexed to the Stamp Duty Code.

- What is new in the GSB 2025 is the taxation at a rate of 10% for Group C taxpayers engaged in agricultural, forestry, animal husbandry and fishing activities with a turnover exceeding AOA 10,000,000 (ten million kwanzas)..

Changes to the Industrial Tax Code

- The GSB 2025 maintains the changes introduced in the Industrial Tax Code by the GSB 2024.
- Taxpayers under the general regime and the simplified regime without technological capacity will now be able to submit their returns electronically to the offices of the General Tax Administration ("GTA") with the help of tax technicians.

Changes to Value Added Tax ("VAT") Code

- The GSB 2025 introduces an important amendment to the VAT Code, reducing the VAT rate on the import or transfer of industrial equipment by the manufacturer to 5% upon the taxpayer's application and subsequent approval by the GTA.
- In the case of a positive change in turnover or import operations that exceed the thresholds of the exclusion and simplified regimes, the taxpayer must change the VAT regime by the end of the month following the import or the realisation of the operation that gave rise to the change in turnover. This change will be made by the GTA if the taxpayer does not change the scheme voluntarily.

Stamp duty on the interbank money market and on capital increases

- The GSB 2025 stipulates that interbank money market transactions, as defined by specific legislation, are exempt from the stamp duty provided for in item 16 of the table annexed to the Stamp Duty Code.
- Capital increases carried out by legally established commercial companies are exempt from the stamp duty provided for in item 7.3 of the table annexed to the Stamp Duty Code.

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Benefits for Authorised Economic Operators ("AEOs") and national and international bodies or entities

- The benefits for AEOs included in the 2024 State Budget will be maintained in 2025, namely:

  i) The possibility to pay customs duties in instalments;

  ii) 60-day deadline for submitting the declaration of exclusive obligation for goods imported for the production sector;

  iii) No need to provide a guarantee in the customs clearance process and the possibility of customs clearance of goods with deferred payment of duties and other customs charges due.

  And in the case of customs brokers and freight forwarders:

  iv) Reduction in the number of physical and documentary controls;

  v) Priority treatment if selected for physical and documentary examination; and

  vi) No need to provide a guarantee in transit procedures.

- In addition, the implementation of projects considered to be in the public interest by international and national organisations or entities will benefit from exemptions from import duties, property tax, VAT and stamp duty, provided that they are established by the head of the executive branch with the prior opinion of the ministerial department responsible for public finance.

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Amendments to the Tax Enforcement Code

- With the GSB 2025, taxpayers in an irregular situation will no longer be able to clear goods through customs, and the retained goods may be subject to an administrative procedure for the purpose of paying tax debts.

- The concept of an irregular tax situation is maintained for taxpayers who are in breach of any tax obligation.

ANGOLA

Taxpayers who register their properties with the GTA or declare that they own properties during the 2025 tax year may be exempted from paying property tax and/or fines, provided that they meet certain requirements.

Exceptional regularisation of registry

- The GSB 2024 provided for the possibility for individual taxpayers who had been registered for more than 5 years and who had not been active for the same period to regularise their registration situation without having to pay fines for not submitting declarations. However, the GSB 2025 makes this regularisation conditional on the payment of tax for the tax years 2023 and 2024.

- Taxpayers who voluntarily register their properties with the GTA or declare that they own properties during the 2025 tax year may be exempted from paying property tax and/or fines and interest due for the tax years between 2019 and 2023, provided that they meet certain requirements.

Exceptional framework 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 2025, will continue to be exempt from the payment of interest and fines. ■