

# Profile——The Republic of Angola (Angola for short)

## I. Jurisdiction Background<sup>[1]</sup>

The Republic of Angola (Angola for short) is a country on the west-central coast of Southern Africa, it is made up of 18 provinces, each province is organised into municipalities (a total of 164), the capital and most populous city is Luanda. The official language of Angola is Portuguese.

Angola has vast mineral and petroleum reserves, it is one of the most oil-dependent African countries. The largest investment and trade partners are China, the European Union, and the United States.

## II. Organizational Structure<sup>[2]</sup>

The Angolan tax authority is the General Tax Administration of Angola (AGT), which is a State body whose fundamental mission is to propose and implement the State's tax policy and administrate the taxes, customs duties and other levies. AGT is headquartered in Luanda and operates throughout Angola, it consists of two levels, the Central Tax Services and the Regional Tax Services.

The Central Tax Services of AGT assumes responsibility for Angola's overall tax administration, and the Regional Tax Services, which are organised into Tax Offices and Customs Offices, are responsible for registration of taxpayers, collection of taxes, settlement of disputes, tax inspections, etc. Additionally, the Regional Tax Services can create Customs Posts and Tax Posts as an extension of the Customs Offices and Tax Offices in order to ensure greater proximity of the public service to taxpayers.

The Central Tax Services has established five Departments of Executive Services: Customs Services Directorate, Tax Services Directorate, Large Taxpayers Directorate, Special Taxation Directorate and Technical Directorate, they are responsible for improving the tax administration system in different areas. Each Regional Tax Service has the following structure: Support Office for the Regional Director, Administrative Department, Technical Department, Tax Services Department and Customs Services Department.

## III. Current Tax System<sup>[3]</sup>

There are ten main taxes and three main special tax regimes in Angola, which can be divided into three categories according to their nature, each tax is introduced by separate legislation.

◆ Goods and services taxes: including Value Added Tax (VAT), Excise Duty and Customs Duty.

◆ Income taxes: including Industrial Tax (also known as Corporate Income Tax), Labour Income Tax (also known as Individual Income Tax) and Capital Gains Tax.

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<sup>[1]</sup> Source: Wikipedia: <https://en.wikipedia.org/wiki/Angola>.

<sup>[2]</sup> Source: Presidential Decree no. 324/14:

<https://angolex.com/paginas/decreto-presidencial/estatuto-organico-da-administracao-geral-tributaria.html>.

<sup>[3]</sup> Source: Official site of the General Tax Administration:

<https://portaldocontribuinte.minfin.gov.ao/impostos-e-taxas>;

<https://agt.minfin.gov.ao/PortalAGT/#!/tributacao-especial/>.

◆ Other taxes: including Property Tax, Stamp Duty, Motor Vehicle Tax, Inheritance and Gift Tax.

◆ Special tax regimes: including Petroleum Regime, Mining Regime and Gaming Activity Tax Regime. Under the Petroleum Regime there are Petroleum Income Tax, Petroleum Transaction Tax and Petroleum Production Tax. Under the Mining Regime there are Tax on the Value of Mineral Resources and Mineral Resources Income Tax. The Gaming Activity Tax Regime includes Special Gaming Tax.

[Click here for more detailed information.](#)

#### **IV. Overview of tax preference policies<sup>[4]</sup>**

Angola's tax incentives are fragmented and different laws can provide tax incentives for different taxpayers, some examples of which are listed below.

##### **◆ VAT**

According to the VAT Code of Angola, taxpayers with a turnover or import transactions of up to 25 million kwanzas are exempted from VAT.

Taxpayers with a turnover or import transactions of no more than 350 million kwanzas can apply a simplified VAT regime, under which they can apply a reduced rate of 7%.

Additionally, taxpayers under the simplified VAT regime are entitled to deduct 10% of the VAT they pay on their purchases of goods and services from their VAT liability, with the remaining 90% VAT being deductible from the Industrial Tax base.

There are also many activities that are exempt from VAT, such as transfers of medicines, wheelchairs, books, and real estate within the internal market, and import of gold, coins or banknotes, etc.

##### **◆ Labour Income Tax**

The Annual State Budget Law of Angola for 2024 provides for tax exemption from Labour Income Tax for persons earning up to 100,000 kwanzas per month.

Taxpayers who create jobs are entitled to a reduction in Labour Income Tax equivalent to 3 to 7 times the minimum wage for each job created.

##### **◆ Industrial Tax**

Micro, small and medium-sized enterprises are entitled to a reduction in the Industrial Tax rate. Micro enterprises are exclusively subject to a tax of 2% on monthly gross sales, while small and medium-sized enterprises are entitled to a 10-50 % (depending on the region in which the enterprises are located) reduction in Industrial Tax rate.

Qualifying companies under the Law for Promotion of Angolan Private Companies are eligible for incentives such as tax exemption or reduction in respect of Industrial Tax on business income or on concession rights, which are granted on the basis of consideration of Angola's fiscal situation and the company's contribution to the Angolan economy.

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<sup>[4]</sup> Sources: Official site of IBFD: <https://research.ibfd.org/#/>;

Official site of PwC: <https://taxsummaries.pwc.com/angola/corporate/tax-credits-and-incentives>;

Official site of the General Tax Administration:

<https://agt.minfin.gov.ao/PortalAGT/#!/iva/imposto-sobre-o-valor-acrescentado/o-iva>.

## V. Tax Collection and Administration<sup>[6]</sup>

Tax collection and administration system in Angola is composed of the Central AGT and the Regional Tax Services, responsible for assessing and collecting taxes, supervising taxpayers, preventing tax evasion, informing taxpayers, implementing international tax conventions, and controlling international traffic in goods and means of transport and other work in accordance with the General Tax Code of Angola and other relevant laws, regulations and rules.

Angola has approved the electronic processing and recording of tax procedures, taxpayers subject to this regime are required to file by electronic means tax statements, including maps and forms as well as all supporting documents. Also, it becomes the taxpayer's responsibility to access periodically the taxpayer Portal and to consult the tax acts of which it is addressee. The taxpayer is considered has being notified when he consults the Portal or 10 days after the tax act is made available on the taxpayer's Portal.

In the case of large taxpayers, the settlement and payment of taxes, as well as tax adjustments, are the responsibility of the Tax Administration of Large Taxpayers. The Tax Administration imposes stricter oversight on large taxpayers in the areas of transfer pricing and accounting.

## VI. Taxpayer Services<sup>[6]</sup>

AGT has been increasing the level of proximity to taxpayers, through the creation of digital platforms and systems that facilitate access to the services provided by the AGT.

- ◆ Taxpayer Portal: Taxpayers can not only register on the website of Taxpayer Portal, submit returns and other applications, but also communicate efficiently with the AGT.
- ◆ Tax Simulator platform: A digital tool on the website of Ministry of Finance of Angola, with the help of which taxpayers can calculate the amount of taxes to be paid.
- ◆ The ASYCUDA system: This system integrates the databases of AGT and the Ministry of Commerce, which helps to simplify the process of customs clearance, processing of documents and payment of custom duties.
- ◆ Taxpayer support center: AGT has established a consultation line for taxpayers 923 16 70 10.

## VII. Tax Legislation Process<sup>[7]</sup>

The Angolan tax rules used to be based on often outdated legislation. In 2011, the

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<sup>[5]</sup> Sources: Presidential Decree no. 324/14:

<https://angolex.com/paginas/decreto-presidencial/estatuto-organico-da-administracao-geral-tributaria.html>;

Law no. 21/14 - General Tax Code: <https://angolex.com/paginas/codigos/codigo-geral-tributario.html>;

Official site of Pwc:

<https://www.pwc.com/ao/en/pwcinfo/fisco/flash/pwc-tax-flash-angola-legal-framework-on-electronic-processing-and-recording-of-tax-procedures.html>;

Presidential Decree no. 147/13:

<https://angolex.com/paginas/decreto-presidencial/estatuto-dos-grandes-contribuintes.html>.

<sup>[6]</sup> Source: Official site of the General Tax Administration:

<https://agt.minfin.gov.ao/PortalAGT/#!/servicos-eletronicos/>.

<sup>[7]</sup> Sources: Official site of the General Tax Administration:

<https://agt.minfin.gov.ao/PortalAGT/#!/legislacao/fiscal>;

Official site of IBFD: <https://research.ibfd.org/#/>.

government of Angola started implementing a non-oil tax reform, with the objective of reducing the dependency on oil revenues by broadening the tax base and improving tax administration.

In recent years, Angolan tax legislation entered the "fast lane". In 2014, Angola enacted laws such as the General Tax Code, the Industrial Tax Code, and the Stamp Duty Code, with the introduction of VAT in 2019, and frequent revisions to the various tax codes after 2020. The tax system is becoming more complete and sophisticated.

In addition to tax laws, Angolan laws regulating special industries can also introduce charges of a tax nature, for example, the mineral output royalty, surface charge and artisanal charge were introduced in the Mining Code.

## **VIII. Future Tax Reform Plan<sup>[8]</sup>**

The Angolan government is in the process of reforming the Angolan tax system, the tax reform plan has four main directions, namely broadening the tax base, improving tax competitiveness, simplifying the tax system and reducing distortions that erode revenue collection.

Currently, AGT's tax reform programme consists of several strategic directions:

- ◆ Maximising revenue collection: Increase voluntary compliance with tax obligations through awareness-raising actions, incentives for payment and risk perception in cases of omission, non-compliance and fraud.
- ◆ Contributing to the security and facilitation of foreign trade: Improve customs control mechanisms through the use of operational risk analysis and streamline the clearance of goods, as well as minimizing the customs clearance time.
- ◆ Strengthen the institutional image: Consolidate AGT's image in the national and international arena as an institution providing an excellent public service.

## **IX. International tax cooperation<sup>[9]</sup>**

Angola actively participates in international tax cooperation.

- ◆ Expansion of the tax treaty network: Angola has signed Double Tax Agreements with 3 countries (Portugal, the United Arabs Emirates and the People's Republic of China) which are currently in force. In recent years, Angola has been actively expanding its tax treaty network and has negotiated or signed Double Tax Agreements with the Czech Republic, Serbia, Switzerland, Botswana and other countries.
- ◆ Participation in international tax cooperation organizations and forums: Angola actively participates in international tax cooperation organizations such as the Organization for Economic Cooperation and Development (OECD), World Trade Organization (WTO), and World Customs Organization (WCO). In addition, Angola has also joined a number of mechanisms for cooperation in tax administration, such as the African Tax Administrations Forum, the Belt and Road Initiative Tax Administration Cooperation Mechanism, and the Inter-American Center for Tax Administrations.

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<sup>[8]</sup> Source: Official site of the General Tax Administration:

<https://www.ucm.minfin.gov.ao/cs/groups/public/documents/document/aw4x/mjm3/~edisp/minfin1237002.pdf>.

<sup>[9]</sup> Source: Official site of the General Tax Administration:

<https://agt.minfin.gov.ao/PortalAGT/#!/institucional/atividades-internacionais>.

**X. Others**

None.