



**Ministry of Economy and Finance of the
Democratic Republic of São Tomé and
Príncipe**

Tax Administration in São Tomé and Príncipe

Tax Regimes, Tax Services, and Tax Incentive Policies

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OBJECTIVES

- ▶ Introduce the basic concepts of tax administration
- ▶ Highlight the current tax services and tax regimes
- ▶ Briefly explain the tax incentive policies

INTRODUCTION

Tax administration is one of the cornerstones of national governance, ensuring the fair and efficient collection of fiscal revenue and the management of public finances. In São Tomé and Príncipe, the tax system aims to ensure equity, transparency, and fiscal sustainability, thereby promoting economic growth.

Tax Administration: Concept and Structure

A collective term for the institutions responsible for the collection, supervision, and control of taxes, ensuring the fulfillment of tax obligations.

Legal basis: Law No. 6/2007 – General Tax Code

Decree-Law No. 22/2026 – Approves amendments to the Code of Tax Process and Procedure

It falls under the supervision of the Ministry of Economy and Finance, and the operational structure includes:

- Tax Directorate
- General Customs Authority

Tax Regimes

In São Tomé and Príncipe, tax regimes basically refer to the ways in which taxpayers are taxed, depending on the type of activity, turnover, and economic sector. The main regimes are:

General Regime (Group 1): Article 19 of the Corporate Income Tax Code

- ▶ Applies to the majority of taxpayers;
- ▶ Public enterprises, joint-stock companies, and limited partnerships, as well as non-resident companies that carry out activities within São Tomé and Príncipe through a permanent establishment.

Simplified Regime (Group 2): Article 20 of the Corporate Income Tax Code

- ▶ Generally applies to small enterprises or self-employed individuals who do not have the administrative structure to meet the requirements of the general regime (such as organized accounting and complete bookkeeping);
- ▶ Also applies to taxpayers who carry out commercial, industrial, or service activities on an occasional or temporary basis.

Tax Services

GENERAL CONTEXT

The tax system is an essential component of a country's fiscal policy and plays a crucial role in organizing revenue to meet the needs of the state and promote tax justice.

It refers to the structure, principles, objectives, and mechanisms that a country or region adopts to raise public funds through taxation.

OBJECTIVES

- ▶ Collection of Public Revenue
- ▶ Promotion of Tax Justice
- ▶ Promotion of Economic Development
- ▶ Redistribution of Income
- ▶ Economic Stability

Tax Administration Structure of the Democratic Republic of São Tomé and Príncipe

1. Tax Directorate

- ▶ Responsible for the collection of revenue, tax assessment, and tax inspection.
- ▶ Responsible for the collection of revenue, tax assessment, tax inspection to ensure the voluntary compliance of taxpayers with their fiscal obligations.
- ▶ Acts as the first instance of the Tax Court, responsible for carrying out fiscal enforcement in cases of non-compliance with tax obligations.

2. General Customs Authority

- ▶ Responsible for the taxation of foreign trade (imports and exports).
- ▶ At its level, the authority ensures the prevention and suppression of money laundering involving capital, goods, rights, and securities, and guarantees the enforcement of control measures over the inflow and outflow of national or foreign currency, payment instruments, or bearer securities within the national customs territory.



Tax Incentive Policies

The government employs tax incentives as an instrument of its economic policy.

Types of Benefits

- ▶ Partial or total tax exemption
- ▶ Reduction of import tax rates
- ▶ Deduction for investments in priority sectors

Legal Basis: Decree-Law No. 15/2016 – Tax Benefits and Incentives Code;
Decree-Law No. 19/2016 – Investment Code.

CONCLUSION

- ▶ Tax administration is fundamental for the sustainability of the State.
- ▶ Tax services operate in an integrated manner to collect, supervise, and guide taxpayers.
- ▶ Well-structured fiscal policies promote the country's economic development.

“A solid tax system is the foundation of a fair and prosperous nation.”

THANK YOU