BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

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BUILDING A GROWTH-FRIENDLY TAX ENVIRONMENT

Tax Benefits for Investment in Angola – Tax Incentives

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General Objectives of the Incentives

PROMOTE BUSINESS CREATION

Promote national and foreign private entrepreneurship, prioritize sustainable growth and job creation.

ECONOMIC DIVERSIFICATION

Promote and support investment in sectors considered strategic to the Angolan economy.

ADDRESSING REGIONAL ASYMMETRIES

Encourage regional development and contribute to strengthening the capital structure of companies.

INVESTMENT ATTRACTION

Attract foreign investment to Angola for the revival of the national economy.

Composition of the Tax System

Consumption Taxes

Value Added Tax (VAT)

Excise Tax (Excise Duty)

Stamp Duty (Stamp Tax)

Customs Taxes

Income Taxes

Corporate Income Tax

Tax on Employment Income

Tax on Capital Income

Rental Income Tax

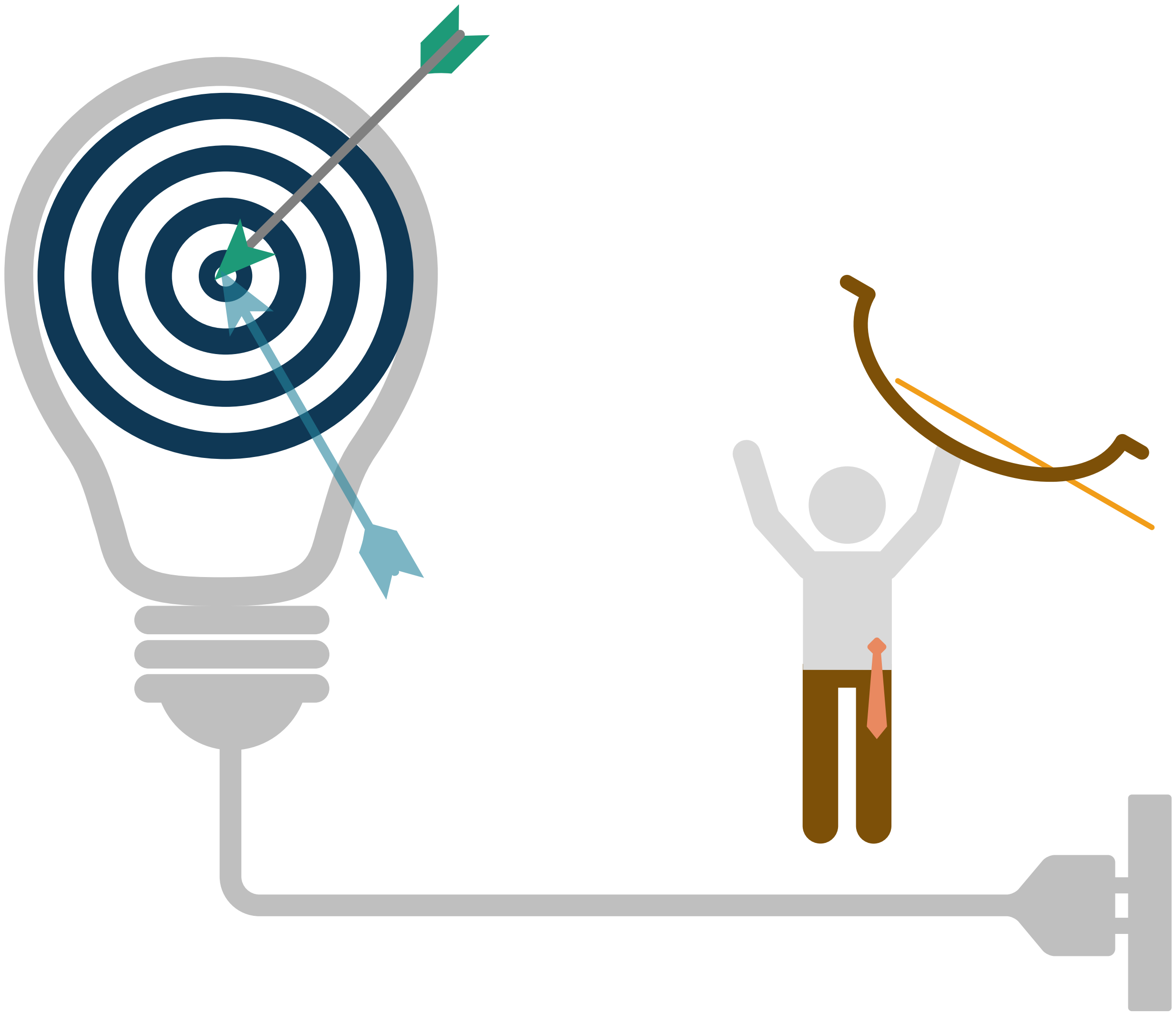
Taxation of the Extractive Industries

Taxes on Property

Real Estate Tax

Motor Vehicles Taxes

Estate, Inheritance and Gift Taxes



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The fundamental regulatory instruments contain, develop, and deepen the foundations of the tax system applicable to the productive sector.

GENERAL TAX CODE

Enacted by Law No. 21/14 of 22 October, amended by Law No. 21/20 of 9 June

TAX PROCEDURE CODE

Enacted by Law No. 22/14 of 5 December

TAX ENFORCEMENT CODE

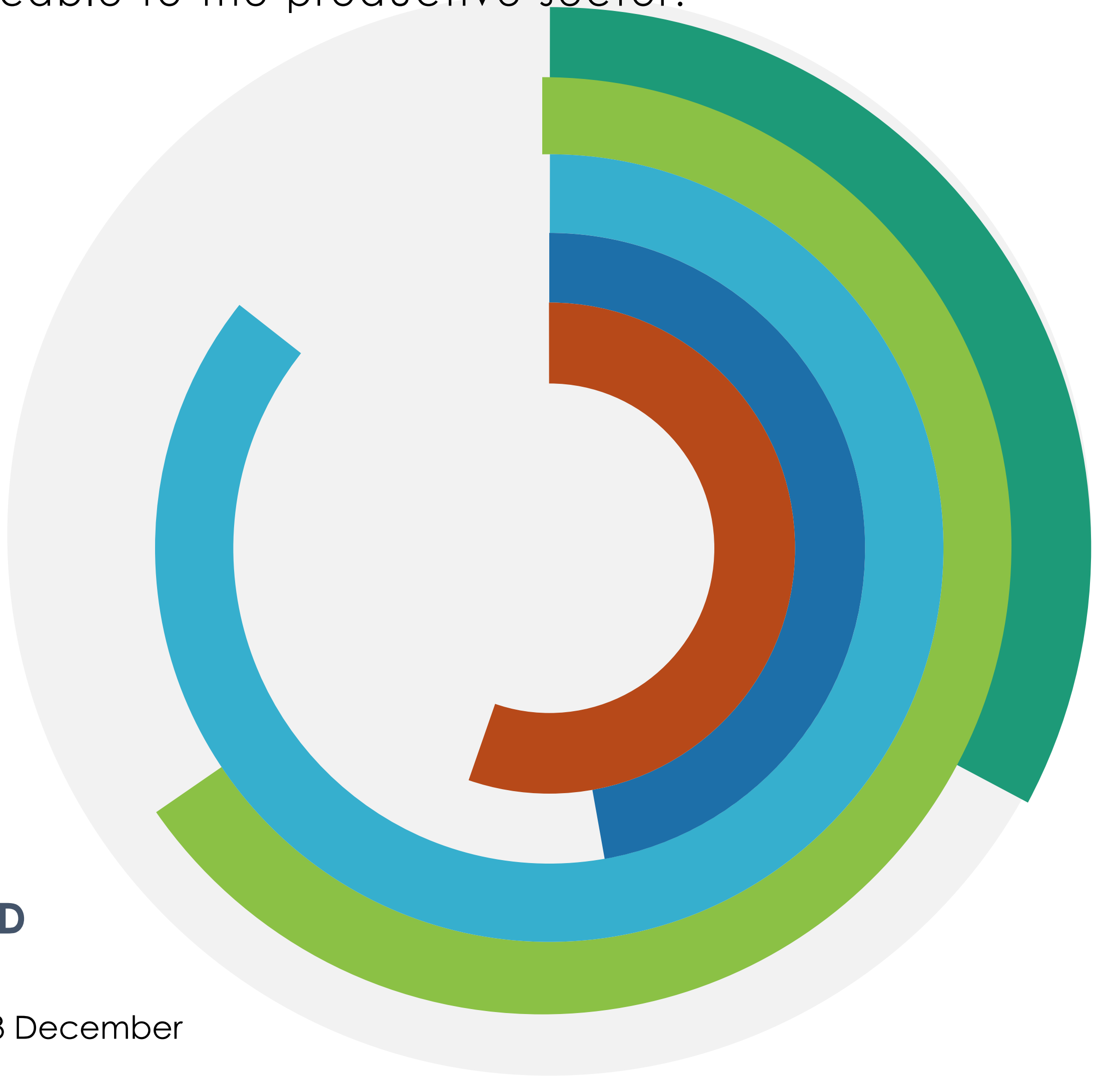
Enacted by Law No. 20/14 of 22 October

CUSTOMS CODE

Approved by Decree-Law No. 05/06 of 4 October

LEGAL FRAMEWORK FOR INVOICES AND EQUIVALENT DOCUMENTS

Promulgated by Presidential Decree No. 292/18 of 3 December



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The law provides for a favorable tax treatment for the productive sector. In addition to general incentives, the respective tax codes establish legitimate advantages specifically applicable to agricultural and related activities.

1 Corporate Income Tax

- Income derived exclusively from agricultural, aquacultural, beekeeping, poultry, livestock, fisheries, and forestry operations is subject to a reduced tax rate of 10%.
- Enterprises with an annual turnover equal to or below AOA 50 million are subject to the Simplified Tax Regime.

2 Motor Vehicles Taxes

- Tractors used exclusively for agricultural purposes are exempt from taxation.
- Vehicles specifically designed and used for artisanal fishing benefit from a 50% reduction in the applicable tax rate.

3 Tax on Employment Income

- Remuneration of agricultural sector workers registered with the National Social Security Institute (INSS) is exempt from taxation up to a limit of AOA 100,000.
- Costs related to the purchase of agricultural and similar products from unregistered individual suppliers (without formal accounting records) are deductible under the self-billing regime.

4 Real Estate Tax

- Tax exemption is granted to productive agricultural land..
- Productive agricultural land is exempt from taxation. Additionally, tax exemption applies to rural real estate (rustic properties) situated in rural zones, provided their area does not exceed 7 hectares.

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Out of the 5,640 products listed in the Customs Tariff Schedule, more than 2,410 — primarily from the productive sector — are exempt from customs duties.

Customs Taxes

- Over 2,410 products benefit from customs duty exemptions, including tractors, components and spare parts for agricultural and related machinery, generators, and various other items.

Scope of Application of Customs Benefits

1. Agricultural Sector Inputs
2. Inorganic and Organic Chemical Products
3. Industrial Sector Inputs
4. Machinery, Tools, and Equipment for the Productive Sector
5. Mineral Products with No Domestic Production

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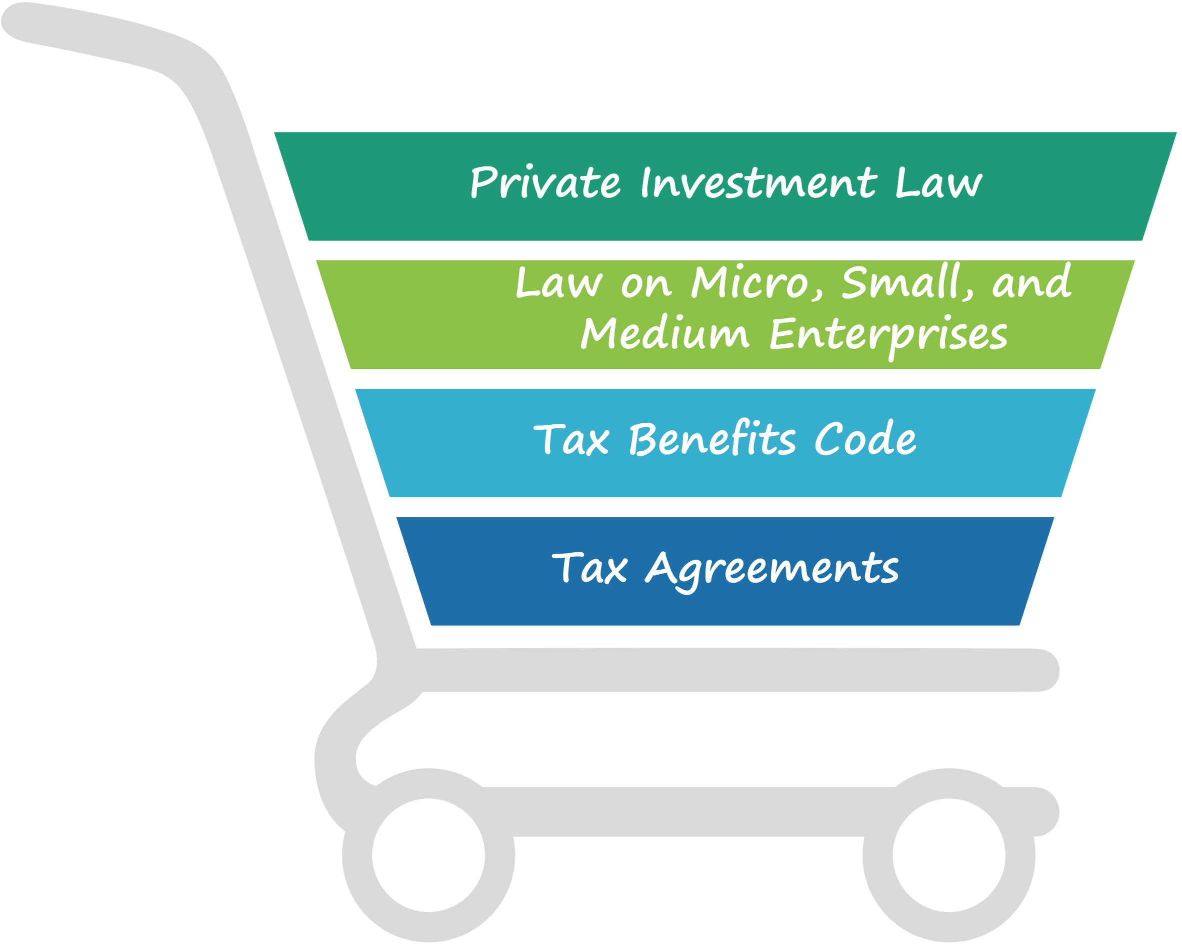
adopted fiscal policy embodies the objective of establishing an investment-friendly tax framework.



Private Investment Law

It establishes a set of benefits across various taxes, according to which the country is divided into four development zones.

Law on Micro, Small, and Medium Enterprises

It establishes a dedicated fiscal regime for small enterprises, along with a range of additional parafiscal incentives.

Tax Benefits Code

The statute consolidates all existing benefits previously set out in separate legal instruments and provides for the inclusion of additional tax incentives.

Tax Agreements

These instruments may be concluded whenever the public interest so requires, taking into account the magnitude of the investment.

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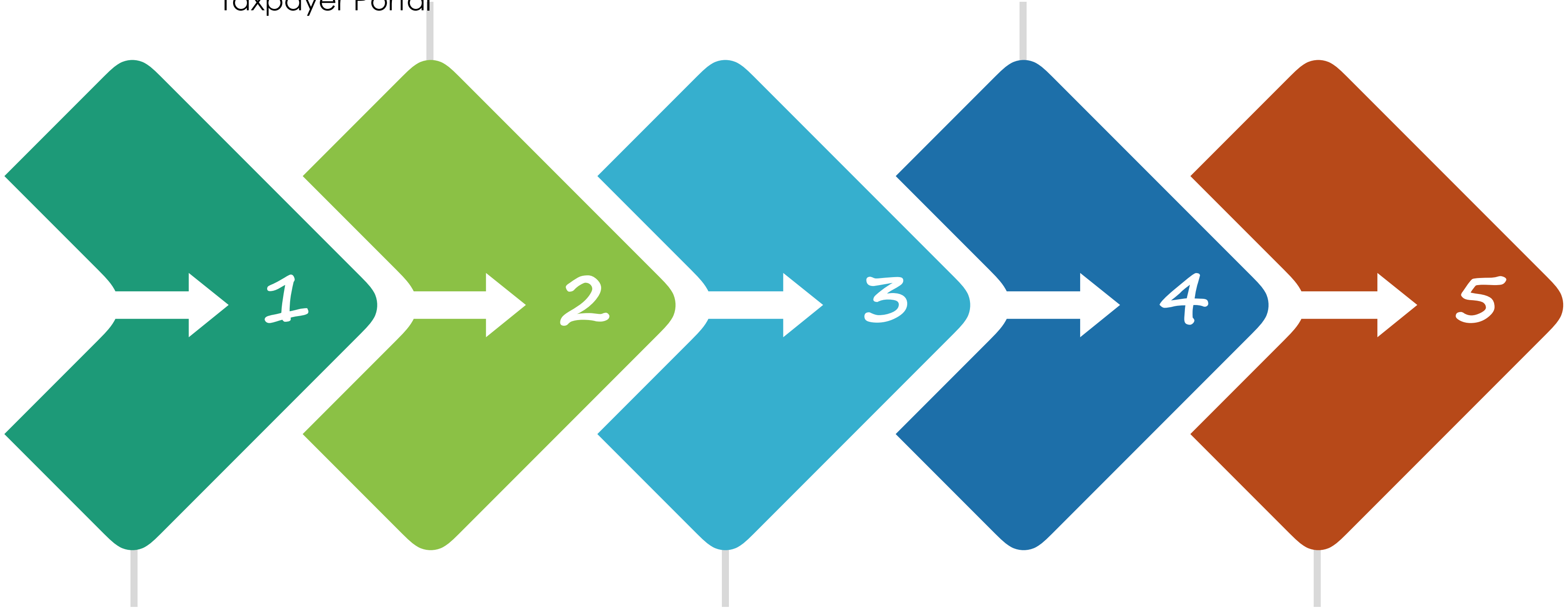
Advances in technology facilitate the automation of tax processes and the streamlining of tax determination mechanisms.



1. Implementation of the Electronic Invoicing Module
2. Request for Tax Compliance Certificate through the Taxpayer Portal
3. Automated Submission of Tax Declarations
4. Implementation of the Tax Enforcement Module
5. Implementation of the Online Auction

THANKS

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