



Getting to the point, **With confidence**

Publication of the Law Approving the Tax Benefits Code

Law No. 8/22 (Law 8/22), which approves the Tax Benefits Code ("TBC"), was published in the Official Journal on 14 April 2022.

Law 8/22 enters into force 30 days after its publication and can be accessed [here](#).

Transitional provisions and entry into force

Tax benefits granted before the entry into force of this Law shall remain in force until the end of the period for which they were granted.

The rules foreseen in the TBC shall not apply to tax benefits granted under the special taxation regimes for oil and mining activities, which shall be regulated by the laws that established such regimes.

With the entry into force of Law 8/22, the tax benefits in contradiction to the dispositions of this Law and those listed below are repealed:

- Law of Former Soldiers and War Disabled (Law No. 13 of October 15, 2002);
- Law for the Promotion of Angolan Private Companies (Law No. 14 of July 18, 2003);
- Law of Environmental Associations (Law no. 3 of January 18, 2006);
- Law of Micro, Small and Medium-Sized Companies (Law no. 30 of September 13, 2011);
- Private Associations Law (Law 6 of January 18, 2012);
- Patronage Law (Law no. 8 of January 18, 2012);
- Law for the Financing of Political Parties (Law no. 10 of March 22, 2012);
- Law for the Disabled People (Law no. 21 of July 30, 2012);

- Private Investment Law (Law no. 10 of June 26, 2018);
- Tax Regime applicable to Undertakings for Collective Investment – “OIC” (Presidential Legislative Decree no. 1 of October 13, 2014);
- Article 13(1)(a) of the Investment Income Tax Code – “IIT” (Presidential Legislative Decree 2 of October 20, 2014).

General rules of the TBC

The provisions of the TBC apply to the tax benefits provided for therein, as well as to the tax benefits contained in the laws that approve taxes and in other tax legislation nature, and to international conventions ratified by the Angolan State.

Only taxpayers whose tax situation is in order can access the tax benefits provided for in the TBC. In addition, no non-automatic tax benefits can be recognised when the taxpayer has stopped paying any tax and Social Security contributions, or the collection of any tax or Social Security debt has not been suspended.

In addition, the TBC provides for a general set of rules relating, among others, to the concept and characteristics of tax benefits, the conditions of access and recognition, as well as the declarative obligations, transmission, extinction, duration, and cumulation of tax benefits.

Investment zones

For the attribution of tax benefits to private investment and micro, small and medium-sized companies, the country is organized into 4 development zones, as follows:

Zone A	Zone B	Zone C	Zone D
<ul style="list-style-type: none">• Province of Luanda and the head municipalities of the provinces of Benguela, Huíla, and the municipality of Lobito.	<ul style="list-style-type: none">• Provinces of Bié, Bengo, Cuanza-Norte, Cuanza Sul, Huambo, Namibe and the remaining municipalities in the provinces of Benguela and Huíla.	<ul style="list-style-type: none">• Province of Cuando Cubango, Cunene, Lunda-Norte, Lunda-Sul, Malanje, Moxico, Uíge and Zaire.	<ul style="list-style-type: none">• Province of Cabinda.

Exemptions and benefits provided for in the Law approving the TBC

The following tax exemptions and benefits are provided for in the Law approving the TBC:

Exemption for public entities or equivalent

The i) independent administrative entities, ii) public institutes, iii) public funds, and iv) the Central Bank of Angola, are exempt from property and income taxation on assets directly and exclusively connected to the execution of the statutory purposes of these entities and facilities for the direct and exclusive support of those assets, as well as to acquisitions, either gratuitous or remunerated, of any assets or values.

Income from instruments negotiated on a regulated market

The profits allocated to partners or shareholders of civil or corporate companies, as well as the repatriation of profits imputable to permanent establishments of non-residents entities in Angola, regarding shares that are negotiated in an Angolan regulated market, benefit from a reduction of 50% of the IIT, for 5 years, counting from the admission of the shares to negotiation in a regulated market.

There is also an exemption from IIT on profits or dividends distributed by an entity with its share capital negotiated in a regulated market with a head office or place of effective management in Angola to an entity with the place of effective management in this territory, liable to Corporate Income Tax ("CIT"), even if exempt from it, which holds in the share capital of the entity distributing the profits or dividends, a shareholding of not less than 25% for a period exceeding one year before the distribution of the profits or dividends.

Social tax benefits

Disabled people are exempt from paying customs duties when importing adapted vehicles, including the respective auxiliary means necessary for their mobility, under the terms of the applicable legislation. The disability condition must be proven by presenting the respective documentation issued by the competent authorities.

Former combatants, veterans of the country, and war disabled persons are also exempt from the payment of customs duties when importing equipment aimed for their economic and social reintegration. Such conditions must be proven under the terms of the applicable legislation.

Tax benefits relating to job creation, internship, and professional training

Job creation and women's promotion

A new tax benefit is provided to encourage job creation, consisting of the possibility of deducting the salary costs for the jobs created, provided that the employer and employee are duly registered in the Employment Centre.

Jobs created shall mean the positive difference between the existing jobs at the beginning and end of each financial year, duly proven through the contributions paid to the National Institute of Social Security.

The following amounts, calculated monthly, may be deducted per the number of jobs created:

- 3 times the lowest salary of the public service per job created in the Zones A and B;
- 6 times the lowest salary of the public service per job created in the Zones C and D;
- 7 times the lowest salary of the public service per job created for persons with disabilities, which invalidity or disability degree is equal to or greater than 50%, duly demonstrated.

The costs resulting from the application of the benefits are deducted from the taxable amount of the year to which they refer or of the year in which the employee completes 1 year of employment, and the benefit may be applied proportionally in cases where the contractual relationship terminates before the employee completes 1 year of employment, if superior to 6 months.

The amount to be deducted from job creation may be doubled when the job created is occupied by a woman.

Internships and vocational training

The costs incurred with the hiring of young workers for professional internships in companies or research and scientific investigation, defined in a specific diploma, can be increased by 50% of the lowest salary of the civil service, with a minimum duration of 6 months and a maximum of one year, in the financial year to which the hiring of the internship refers.

When women or disabled people are hired, the increase of costs may be raised to 60%.

On the other hand, it is established that the costs related to vocational training of employees can be increased by 25%, up to the limit of Akz 1,000,000, including, for this purpose, the costs of training carried out in the country by a duly certified institution, and the respective costs must be included in the calculation of the taxable profit for the financial year in which the training takes place.

Environmental tax benefits

Use of electric vehicle

The following tax benefits will be granted to electric vehicles, until the end of the 2032 financial year:

- 50% reduction of customs duties on imports of electric vehicles;
- 50% reduction in Motor Vehicle Tax.

Production and use of renewable energy

Properties exclusively allocated to the production of energy from renewable sources will benefit from a Property Tax reduction of 75% of the tax due in the property acquisition and 50% in the property ownership.

This reduction must be requested by the taxpayer, in the tax office of the area in which the property is located, beginning in the year in which the effective use of the property for the production of energy from renewable sources occurs.

On the other hand, reductions of (i) 35% in the final rate of the CIT and (ii) 60% of the IIT rate are foreseen for CIT taxpayers engaged in the production and sale of energy from renewable sources, for 4 years counting from the date the effective energy production begins.

Tax Benefits to the Financial Sector and Capital Markets

Tax Benefits for Savings

Pension Funds

Pension Funds licensed in accordance with the Angolan legislation shall benefit from:

- A reduced CIT rate of 14%;
- A reduction of 50% of the Property Tax rate applicable on the sale, detention and income from property (applicable for two years since the date of acquisition of the property, regarding the Property Tax on property detention and income from property received, after which the general regime will apply);
- Exemption from IIT for income received by the funds.

These benefits cease to apply when Pension Funds no longer meet the requirements necessary to carry on their activity.

Participants in pension funds will benefit from:

- A reduction of 50% on the IIT rate applicable on income, including reimbursements paid by pension funds and other complementary social security regimes, which exclusively covers retirement, supplementary retirement, disability or survivors, incapacity for work, unemployment, and serious illness;
- IIT exemption on reimbursements from beneficiaries' contributions.

Pension funds manager companies are jointly and severally liable for the payment of tax due by the funds under their management.

[Saving Funds](#)

Saving funds licensed according with the Angolan legislation shall benefit from a reduced CIT rate in accordance with the framework applicable to Collective Investment Undertakings ("OIC").

Income paid by these saving funds benefits from a 50% reduction of the IIT rate, even in cases of reimbursement due to the death of the participant.

These benefits shall cease to apply when the fund no longer meets any of the requirements necessary to carry on the activity, in which case the fund management company will become liable for tax debts.

Manager companies of these funds are jointly and severally liable for the payment of tax due by the funds under their management.

[Life Capitalization Insurance](#)

Income from a life capitalization insurance policy benefits from a 50% or 80% reduction of the IIT rate, depending on whether the term of the investment is between three and six years or more than six years, respectively.

[Deposits made by individuals](#)

Interest on deposits made by individuals in financial institutions licensed to operate in Angola, with a maturity equal to or greater than two years, which do not allow an early redemption, shall benefit from a reduction of 50% of the IIT rate.

[Deposits made by non-resident entities](#)

Interest on deposits made by non-resident entities in financial institutions licensed to operate in Angola, equal to or greater than Akz 50,000,000 and with maturity equal to or greater than two years, shall benefit from a 60% reduction of the IIT rate.

Tax Benefits to Undertakings for Collective Investment

[Taxation of OIC](#)

With the repeal of Presidential Legislative Decree No. 1/14 of 13 October, which provided for the tax regime of the OIC, the new tax framework applicable to OIC consists of:

- A CIT rate of 10% (formerly 7.5%) or 15%, depending on whether it is a securities investment fund or a real estate investment fund, respectively (applicable during the life of the OIC, unless these benefits are revoked);
- Exemption from any other income tax, including IIT and Property Tax on real estate rental income.

OIC also benefit from:

- A reduction of 50% on the Property Tax rate applicable on the transfer of properties and the detention of properties not leased, to real estate funds and for one year since the date of acquisition of the property;
- An exemption from Stamp Duty due on capital increases.

[Accounting treatment of profit](#)

The previous regime regarding the calculation of the taxable income of OIC is maintained.

The taxable income of OICs is assessed based on the net income computed according to the applicable accounting rules, including rents on leased properties and income arising from capital investments, deducted from any income and added to any costs arising from the potential valuation or devaluation of assets held, including those arising from increases and reversals of provisions or impairment losses, added to the capital gains and deducted from the capital losses realized on those same assets.

The capital gains or losses are given by the difference between the sale price and the original acquisition price of the assets.

CIT that has been estimated and accounted for in the financial year shall also be added to the accounting profit.

Income deriving from other OIC that are licensed and that operate in accordance with national legislation is not taxable.

[Tax benefits to participants](#)

Income received or made available to OIC's participants from redemptions, profit distributions, as well as capital gains from the disposal of units, is exempt from IIT (during the term of the OIC).

Tax benefits to Private Investment, Free Zones, Businesses Capitalization and Micro, Small and Medium Enterprises

Incentives for Private Investment

Investments under the Private Investment Law benefit from the following tax benefits, by the applicable regime (it should be noted that non-compliance with any rules established in the regulatory legislation, results in the loss of the respective tax benefits):

[Prior declaration regime](#)

Tax	Benefit
CIT	<ul style="list-style-type: none">• Rate reduction by 20%, for 2 years.
IIT	<ul style="list-style-type: none">• Reduction of the rate on the distribution of profits and dividends by 25%, for 2 years.
Property Tax	<ul style="list-style-type: none">• Rate reduction by 50%, for the acquisition of properties intended for the investment's office and establishment.
Stamp Duty	<ul style="list-style-type: none">• Rate reduction by half, for 2 years.

Special regime

Tax/Zone	Zone A	Zone B	Zone C	Zone D
CIT	<ul style="list-style-type: none"> Rate reduction by 20%, for 2 years. 	<ul style="list-style-type: none"> Rate reduction by 60%, for 4 years; Increased amortization and reintegration rates by 50%, for 4 years. 	<ul style="list-style-type: none"> Rate reduction by 80% for 8 years; Increased amortization and reintegration rates by 50% for 8 years. 	<ul style="list-style-type: none"> Half of the rate resulting from the application of the rate allocated to Zone C, for 8 years; Increased amortization and reintegration rates by 50% for 8 years.
IIT	<ul style="list-style-type: none"> Reduction of the rate on the distribution of profits and dividends by 25%, for 2 years. 	<ul style="list-style-type: none"> Reduction of the rate on the distribution of profits and dividends by 60% for 4 years. 	<ul style="list-style-type: none"> Reduction of the rate on the distribution of profits and dividends by 80%, for 8 years. 	<ul style="list-style-type: none"> Half of the rate resulting from the application of the rate allocated to Zone C, for 8 years.
Property tax, for the acquisition of real estate intended for the investment's office and establishment	<ul style="list-style-type: none"> Rate reduction by 50%. 	<ul style="list-style-type: none"> Rate reduction by 75%. 	<ul style="list-style-type: none"> Rate reduction by 85%. 	<ul style="list-style-type: none"> Half of the rate resulting from the application of the rate allocated to Zone C.
Property tax, for the ownership of real state intended for the investment's office and establishment	--	<ul style="list-style-type: none"> Rate reduction by 50% for 4 years. 	<ul style="list-style-type: none"> Rate reduction by 75%, for 8 years. 	<ul style="list-style-type: none"> Half of the rate resulting from the application of the rate allocated to Zone C, for 8 years.

Contractual regime

Tax	Benefit
CIT	
IIT	<ul style="list-style-type: none"> Rate reduction up to 15 years;
Urban Property Tax	<ul style="list-style-type: none"> Deferral in time of the tax payment.
Stamp Duty	
Other benefits	<ul style="list-style-type: none"> Tax credit of up to 50% of the investment value, for up to 10 years; Consider as cost 80% of the value of investment expenditure for the creation of infrastructure, necessary for the implementation of the project, which, due to its nature, must be provided by the State; Increase in amortization and reintegration rates of up to 80%, for a maximum period of 10 years for projects located in Zones B, C, and D.

Tax benefits granted to public-private partnerships

These benefits may also apply, with the necessary adaptations, to companies that form partnerships with the State, with majority participation, and must be requested by the private partner with the assent of the public partner. This benefit is also dependent on the recognition by the Tax Authority.

Tax benefits to Free Zones

Companies carrying out investment operations in the Free Zones benefit from the following tax benefits:

Tax	Benefit
CIT	<ul style="list-style-type: none"> Reduction of the rate to 15%; Reduction of the rate to 8% for commercial, industrial activities or service activities oriented exclusively to exports outside the customs territory.
IIT	<ul style="list-style-type: none"> Exemption regarding the profits generated by the exercise of the activity in the Free Zones and distributed to the partners and shareholders of the companies; Reduction of the applicable rate to capital transactions to 5%, regarding royalty payments, interest, and any other remuneration for services, technical assistance, technology transfer, loans and financing, equipment rental, and full service from third countries to users of the Free Zones.
Property Tax	<ul style="list-style-type: none"> Exemption on the acquisition of real estate in the Free Zone intended for the promotion of investment operations; Exemption on the ownership of real state located in the Free Zone intended for office facilities or the establishment subject of investment.
Other benefits	<ul style="list-style-type: none"> Operations of import, export, and re-export of goods, capital goods, accessories, and other tangible goods shall be exempt from payment of customs charges; The rate of 8% also applies to income from activities carried out in the Free Zones, exclusively from agricultural, aquaculture, apicultural, poultry, livestock, fishing, and forestry activities, except for timber exploitation.

Tax benefits to the capitalization of companies - Conventional remuneration of share capital

Through a set of conditions to be verified, an amount corresponding to the conventional remuneration of the share capital may be deducted in the calculation of the tax base of commercial or civil companies, cooperatives, public companies, and other legal entities under public or private law with head office or effective management in Angolan territory.

This value is calculated by applying the rate of 5% to the amount of inflows made up to Akz 8.000.000, by cash deliveries or through the conversion of supplies or loans from shareholders, in the context of the increase in the share capital.

Tax benefits to corporate restructuring

Upon request, companies that reorganize themselves, as a result of restructuring operations or cooperation agreements, may be granted exemption or reduction of the Property Tax rate on transfers of real estate, regarding properties not intended for housing, necessary for the restructuring operations or cooperation agreements involving companies with head office, effective management or domicile in the national territory.

Tax benefits to Micro, Small, and Medium Enterprises

Micro, Small and Medium-sized Enterprises are entitled to a reduction in the **CIT**, for 2 years (renewable), in the following terms:

Dimension/Zone	Zone A	Zone B	Zone C	Zone D
Micro Enterprises	<ul style="list-style-type: none"> Tax calculated based on a 2% rate of the Gross Sales value. 			
Small and Medium Enterprises	<ul style="list-style-type: none"> Reduction by 10%. 	<ul style="list-style-type: none"> Reduction by 20%. 	<ul style="list-style-type: none"> Reduction by 35%. 	<ul style="list-style-type: none"> Reduction by 50%.

Tax Benefits related to Patronage

Donations

The donations made, in accordance with the applicable legislation, by patrons that have an organized accounting model, a simplified accounting model, or purchase and sales register, are deductible for the CIT or Personal Income Tax ("PIT") purposes, as follows:

- Up to 40% of the taxable amount, in case those donations result from services rendered or actions made, activities for others, or financing (in whole or partial) of projects of a social, cultural, educational, sports, environmental, youth, scientific, technological nature, as well as in the areas of health and information society, in all cases provided that such activities are conducted altruistically; and,
- Up to 30% of the taxable amount, regarding donations as above mention, in favour of its employees and their families.

Tax deduction on acquisitions of works of art

The acquisition of artworks or any other formats of artistic production of Angolan artists may be considered as a deductible cost, for income tax purposes, up to 1% of the net profit of the year in which the acquisition is made, as long as such cost is duly supported by invoices or equivalent documents issued by the artist, in compliance with the Legal Regime for Invoices and Equivalent Documents.

This benefit applies only to taxpayers that have an organized accounting model and do not carry on an activity related to the sale of artwork.

Other Tax Benefits

Benefits to public utility associations

Non-profit legal entities to whom the Public Utility Statute has been recognized benefit from the following tax incentives:

- 50% reduction of the Stamp Duty rate;
- 70% reduction of the Property Tax rate on the acquisition and holding of properties used for the setup of its registered office, delegations and services indispensable to statutory purposes;
- Exemption from the payment of customs duties for the import of materials indispensable to pursue statutory purposes, provided that they cannot be purchased in the country in the desired quantity and quality;
- 70% reduction of the CIT and IIT rates due to income arising from cultural, sports, environmental, social solidarity, youth, health, scientific or technological activities, provided that certain conditions are met.

These benefits are attributed by the entity responsible for the granting of the Public Utility Statute, after hearing the Ministerial Department responsible for Public Finance, upon request of the interested party.

Benefits to cooperatives

Cooperatives of first degree, incorporated and licensed in accordance with the legislation applicable, benefit from a 50% reduction of the CIT rate, if they operate in the following areas:

- Agricultural;
- Livestock;
- Forestry;
- Fishing;
- Cultural;
- Housing;
- Basic, professional and higher education;
- Social solidarity;
- Health;
- Environmental.

This benefit does not apply to income from transactions carried out with third parties or resulting from activities unrelated to the cooperative's activities.

This benefit shall cease to apply when the legal provisions regulating the cooperative's activity are not complied with.

Customs benefits to political parties

Material goods imported and intended for the exclusive use of the statutory purposes of political parties and coalitions of political parties with representation in the National Parliament benefit from a customs duties exemption.

Contacts:

For more information, please contact:

Deloitte & Touche – Auditores, Limitada

Talatona | Condomínio Cidade Financeira

Via S8, Bloco 4 – 5.º andar, Talatona

Tel: +(244) 923 168 100

www.deloitte.co.ao

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