



Getting to the point, **with confidence**

Law approving the General State Budget for 2022

Law No. 32/21, which approves the General State Budget for the Economic Year of 2022, was published in the Official Journal last December 30, 2021. This Law is in force since January 1, 2022.

Please find below the main fiscal and customs measures included in the General State Budget for 2022.

Simplified VAT Regime and Exclusion Regime

Besides the General Regime, the Simplified and Exclusion Regimes for Value Added Tax (VAT) purposes remain in force, in the same terms as in 2021.

VAT retention on payments received in bank cards POS (“Point of Sale”) systems

It is renewed, for the year 2022, the obligation for Financial Institutions to retain 2.5% of the payments collected in POS regarding local supplies of goods and services performed by taxpayers.

The procedures to be implemented to enable this retention are not defined in the General State Budget.

Within 24 hours after the POS’ closing period, Financial Institutions shall transfer the retained amounts to the Single Treasury Account. Monthly, these Institutions must also submit to the Angolan Tax Authorities (“AGT”), by electronic transmission of data, a file with the summary of the operations processed in the POS, identifying the client (through the Tax Identification Number), the

payment amount, the retained amount and the POS number. Failure by the Financial Institutions to comply with the mentioned obligations implies the payment of penalties and late payment interest.

The taxpayers may deduct on their VAT returns the full amount of 2.5% VAT retained.

VAT rates

- **Hotels and Restaurants**

With the aim of creating consumption incentives in sectors particularly affected by the COVID-19 pandemic, the VAT rate applicable to hotel and meal services is reduced from 14% to 7%, provided that some requirements laid down in the Law are met by the service providers.

- **Essential products and “cesta básica”**

An intermediate VAT rate of 7% is introduced for imports and local supplies of certain products identified in Table I attached to Law No. 32/21 (General State Budget), namely meat, fish and some dairy products. Although this rate intends to mitigate the fiscal impact related to some products, it implies an increase in the VAT rate at the level of the products classified as “cesta básica” which were formerly subject to the reduced VAT rate of 5%.

The reduced VAT rate of 5% continues in force for imports and local supplies of some products considered essential, including agricultural products and inputs.

Products subject to VAT rates of 5% and 7% are listed in Annex I of Law No. 32/21.

Import of Goods – Exemptions

A VAT exemption is introduced on the import of goods donated for philanthropic purposes or to mitigate the effects of natural disasters, including pandemics, provided that the purposes for which they are intended are duly recognized by AGT.

Stamp Tax on VAT exempt operations

The obligation to pay Stamp Tax on the Receipt of Payment (Recibo de Quitação) continues in force, at the rate of 7% (as per paragraph 23.3 of the General Stamp Duty Tax Table), by the following entities:

- entities scoped by the General VAT Regime exclusively performing VAT exempt operations (that do not grant the right to deduct);
- entities scoped by the Simplified VAT Regime, for all transactions exempt from VAT.

International air passenger transport and immovable property lease will not, if applicable, be subject to the 7% Stamp Tax but only to 1% Stamp Tax on receipt.

VAT on the operations related to games and gambling

In the General State Budget for 2022, the VAT rate of 14% continues to apply to the supplies of goods and services made in the context of these activities.

Payment of the tax computed in periodic VAT returns

The obligation to perform the tax payments computed in periodic VAT returns until the last working day of each month, applicable to VAT and Stamp Tax, is maintained.

Non-deducted VAT is not eligible for deductible cost for industrial tax purposes

The General State Budget foresees that VAT that is not deducted is not accepted as a deductible cost for Industrial Tax (these are situations in which VAT, being deductible under the Code, is not recovered by the taxable person, for example as a result of the non-deduction of VAT within the legal period).

Deduction to taxable income of the Stamp Duty due on VAT exempt transactions

Taxpayers of the General VAT Regime carrying out exclusively VAT exempt transactions without the right to input VAT deduction, as well as those of the Simplified Regime performing VAT exempt transactions, can deduct to the Corporate Tax payable the full amount of Stamp Tax on the Receipt of Payment (Recibo de Quitação) paid for those transactions.

Changes to the Customs Tariff

Changes are made to the customs tariff for some products (essentially food) which have a positive impact on customs duties (reduction). In general terms, there is a decrease in the value of customs duties compared to the Customs Tariff in place during 2021.

Payment of customs debt in installments

The possibility of paying the customs debt in installments is maintained, as in 2021, when there has been a deferred payment of duties and other customs charges related to the procedure for customs clearance of imported goods. This framework is also applied in cases where additional tax resulting from post-import audit procedures is computed.

Import of goods intended to mitigate, prevent and refrain natural and non-natural disasters

An exemption of payment of customs duties and other charges for goods imported for these purposes is introduced.

Authorized Economic Operators ("AEO")

Additional benefits are granted to the AEO during the Economic Year of 2022, such as the possibility of payment of customs duties in installments, the postponement to 60 days of the deadline for submitting the Declaration of Commitment of Exclusivity in case of goods imported for the productive sector, the waiver to provide a guarantee in the process of establishing a customs warehouse and the clearance of goods with deferral of the payment of duties and other charges.

Special Gaming Tax

Game prizes whose values are equal to or less than 250,000 Kwanzas, in the form of social games, territorial or online, are now exempt from paying Special Gaming Tax, and prizes that exceed that value are taxed at the rate of 20%

Prizes obtained in games of chance, banked, unbanked and online are now taxed at a single rate of 15%.

Fees for the administrative management of the gaming activity within the scope of the provision of services to the concessionary entities by the Gaming Supervisory Body are suspended.

Industrial tax on the value of accidental services

During the 2022 Financial Year, the withholding tax of Industrial Tax is reduced to 6.5% on the global value of accidental services, provided by legal persons without registered office, effective management or permanent establishment in Angola to entities with headquarters, effective management or permanent establishment in the national territory.

Tax Rate on Succession and Donations of on Movable Goods

In 2022 the rates of Succession and Donations of on Movable Goods that were in force in 2021 are maintained, i.e., 0.5% for transfers of movable and similar goods up to 5,000,000 Kwanzas and 1% for transfers above this value, whenever they occur between spouses or in favour of descendants and ascendants.

Whenever transfers of movable and similar goods are carried out between any other persons, the applicable rates are 1% for transfers up to 5,000,000 Kwanzas and 2% for transfers above this limit.

Motor Vehicle Tax Rates applicable to Vessels and Aircrafts

The tables for the fiscal year 2022 are updated for the rates of the Tax on Motor Vehicles applicable to Vessels (fixed according to the gross tonnage and propulsion power) and Aircrafts (in this case, fixed according to the maximum weight authorized for the take-off).

Suspension and restriction of rights and benefits

In view of the budget consolidation process, during 2022 the lifetime monthly subsidy to beneficiaries remunerated on a cumulative basis is suspended, unless the beneficiary chooses to receive exclusively the lifetime monthly subsidy, as well as the allocation of State vehicles.

During Financial Year 2022, the installation subsidy is restricted in 25% for all beneficiaries and the stimulus subsidy in 25%, which must be paid in a single instalment, and travel ticket classes for Political Office Holders, Magistrates, Parliamentary Deputies and their spouses are reduced.

For more information we recommend consulting the law [here](#).

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