

# Angola – Approval of Tax Laws

On 9<sup>th</sup> of July, 2020, were published two diplomas whereby it is approved the Property Tax Code and are introduced several changes to the General Tax Code.

Only four days later, on 13<sup>th</sup> July, 2020 was published the Law 24/20 approving the Tax over Motor Vehicles Code which main implications are briefly described below.

Although already approved by the National Assembly were not published yet the Personal Income Tax Code and Industrial (Corporate Income) Tax Code.

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### Property Tax Code

According with this new Code that revokes the Urban Property Tax Code, will be subject to Property Tax all real estate assets, namely urban buildings, constructions, lands, and building plots – only urban properties were subject to Urban Property Tax.

In the mentioned Code is also settled the tax regime applicable to transactions of real estate assets and rights (SISA).

Regarding the ownership, instead of a flat rate of 0.5% over the respective taxable value, the new Property Code foresees progressive tax rates up to 0.6%.

Non-occupied properties will have an additional surcharge of 50% of the due tax what is deemed to be considered as an incentive to the occupation and exploitation of those properties envisaging the increase of real estate market.

The rules derived from the Property Code will enter in force 30 days after their official publication on the Official Gazette – on 8<sup>th</sup> of August, 2020.

### General Tax Code

As per Law 21/20 were implemented changes regarding the relationship of the taxpayers with the AGT aiming to increase the efficiency and make the procedures easier to accomplish.

Quoting the legislator, the goal is to approach Tax Legislation to the State Policy.

As the Tax legislation is becoming more complex and sophisticated, it was included a general anti-abuse clause according with, shall

not be considered as relevant for tax purposes, transactions held by means of an abusive behavior which main purpose is to obtain a given tax advantage.

Were also changed and added rules regarding payment procedures, namely of late and compensatory interest, the bank secrecy obligation suspensions rules, the redefinition of the allowed period to submit claims against decisions of AGT, and the duty and obligation of any entity to cooperate with AGT in the context of a tax audit procedure that is being carried out.

In general, the changes will have a direct impact in the taxpayers life.

The changes derived from the mentioned diploma are in force since the day of its publication on the Official Gazette – 9<sup>th</sup> of July, 2020.

### Tax over Motor Vehicles

In the context of the Angolan Tax System Reform and considering no taxation was due by the ownership of motor vehicles, on 13<sup>th</sup> July, 2020 was approved and published the Tax over Motor Vehicles Code.

In general terms, Tax over Motor Vehicles is due by owners of light and heavy automobiles, motorcycles, aircrafts and vessels registered in Angola and shall be paid between January and June regarding the prior year.

In the computation of the due taxable amount are considered, among other indicators, the vehicle power/engine capacity, maximum weight on take-off, tonnage and year of manufacturing/production.

The rules derived from this Code will enter in force 30 days after their official publication on the Official Gazette – on 12<sup>th</sup> of August, 2020.

MC&A Carrazedo & Pascoal Associados remains fully available to discuss in detail the implications of the above-mentioned rules on the quotidian of Angolan citizens and companies.