



MAR. 23

ANGOLA

General State Budget for 2023

Main tax measures

Introductory note

Law 2/23 of 13 March 2023 has been published to approve the General State Budget for 2023 (“GSB 2023”).

The 2023 State Budget estimates revenue and sets expenditure at AOA (kwanza) 20.1 trillion (about EUR 38.3 billion). Of this, AOA 3.4 trillion (EUR 25.5 billion) is tax revenue and AOA 6.6 trillion (EUR 12.5 billion) is financial revenue.

In order to consolidate macroeconomic stability, the government proposes to keep fiscal policy anchored to the continued consolidation of public finances. It aims to reduce the non-oil primary deficit through a series of tax and customs measures aimed at reducing costs in the supply chain of goods and services.

We will now take a look at the main tax innovations introduced by the GSB 2023.

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Main changes

IRT – *Imposto sobre os Rendimentos do Trabalho* (Tax on Employment Income) is the Angolan equivalent of personal income tax.

Small traders and sole traders

The IRT rate applicable to taxpayers in Group C whose turnover in the financial year 2022 is AOA 10,000,000 (ten million kwanzas) or less is reduced to 6.5%. The taxable amount corresponds to the turnover of sales of goods and services not subject to withholding tax.

Regardless of the turnover, taxpayers in this group who keep accounts will be subject, with the necessary adaptations, to the rules for determining the taxable amount applicable to taxpayers under the general Industrial Tax system.

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Any VAT that has not been deducted within the legally established period will now be considered a non-deductible cost for the purposes of determining taxable income for the purposes of Industrial Tax.

Industrial Tax – *Imposto Industrial* (Industrial Tax) is the Angolan equivalent of corporate income tax.

Deductible costs

Any VAT that has not been deducted within the legally established period will now be considered a non-deductible cost for the purposes of determining taxable income for the purposes of Industrial Tax.

The GSB 2023 stipulates that the Stamp Duty on the payment receipt borne by VAT taxpayers subject to the general or simplified system and carrying out exempt transactions is considered a deductible cost for the purposes of determining the Industrial Tax.

VAT**Manufacturing industry**

Contrary to what was established in the General State Budget for 2022, the GSB 2023 provides that taxpayers linked to the manufacturing industry, whose turnover or import operations in the previous financial year exceeded AOA 10,000,000 (ten million kwanzas), will be subject to the general VAT taxation rules.

Simplified system

Similarly to the measure introduced in the General State Budget for 2022, taxpayers whose turnover or import operations in the previous financial year exceeded AOA 10,000,000 (ten million kwanzas) and did not exceed AOA 350,000,000 (three hundred and fifty million kwanzas) will now be included in the simplified VAT system.

Taxpayers under the simplified system may apply for a refund of the credit accumulated in their favour for more than 12 months, which is always granted in a tax certificate, under the regulated conditions.

Transition from the simplified system to the general system

Taxpayers who switch from the simplified system to the general VAT system must pay tax at a rate of 7% on the income they obtain from invoices issued during the period in which they were subject to this VAT system.

Exclusion of transactions from the application of VAT

The GSB 2023 maintains the exclusion (already provided for in the General State Budget for 2022) from the scope of application of VAT for individuals or legal entities whose turnover or import operations amount to AOA 10,000,000 (ten million kwanzas) or less.

ANGOLA**VAT taxpayers subject to Stamp Duty**

Taxpayers subject to VAT under the simplified system and the general system that carry out exempt transactions are obliged to pay Stamp Duty in respect of those transactions at the rate of 7% on the payment receipt, in respect of item 23.3 of the table annexed to the Stamp Duty Code. These taxpayers may deduct the full amount of Stamp Duty paid from their taxable income.

This measure does not apply to international passenger air transport services and leasing of immovable property. In these cases, the Stamp Duty on the payment receipt is 1%, as set out in item 23.3 of the table annexed to the Stamp Duty Code.

Benefits for Authorised Economic Operators (“AEOs”)

Pursuant to the GSB 2023, AEOs certified as importers and exporters are granted the following benefits:

- Possibility of paying customs duties in instalments;
- Postponement to 60 days of the deadline for submitting the declaration of commitment to exclusivity for imported goods for the productive sector;
- Abolition of the requirement to provide a guarantee in the customs clearance procedure;
- Possibility of customs clearance of goods with deferment of payment of customs duties and other customs levies.

In the case of AEOs certified as freight forwarders or customs agents, they enjoy the following benefits:

- Reduction in the number of physical and documentary controls;
- Priority treatment when selected for physical and documentary inspections;
- Exemption from the requirement to provide a guarantee for transit operations. ■

AEOs certified as importers and exporters benefit from the abolition of the requirement to provide a guarantee in the customs clearance procedure.