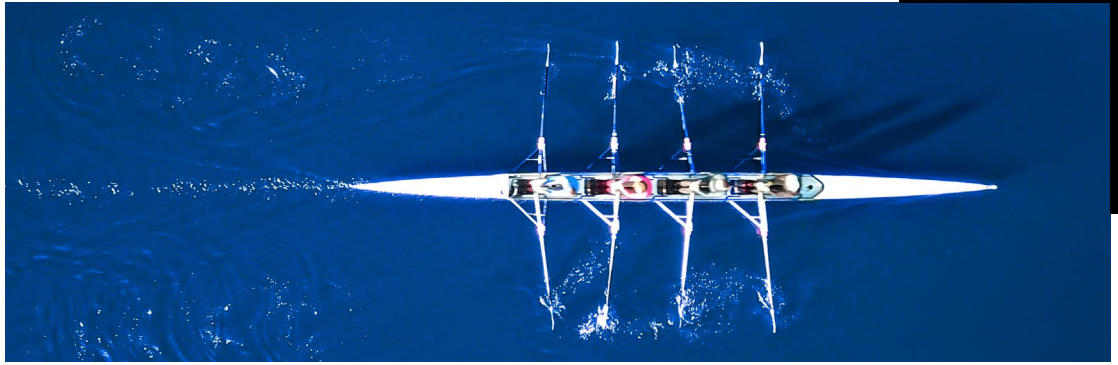




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NEWS

TAX

Personal Income Tax Code

On 25 June 2026, the National Assembly approved the Personal Income Tax Code (*Código do Imposto sobre o Rendimento das Pessoas Singulares* (the “IRPS Code”)) in a final block vote. This code unifies the taxation of individuals’ income and introduces a simpler, more modern and coherent tax system in line with the principle of ability to pay.

The approval of the IRPS Code marks a significant reform of Angola’s tax system. It replaces the current system of schedular taxation, which is based on different pieces of legislation applicable to different types of income, with a single progressive tax.

The taxes that are now absorbed by the IRPS Code are:

- Tax on Employment Income (“IRT”)
- Capital Investment Tax (“IAC”)
- Property Tax, in respect of property income
- Stamp Duty, under Item 23.2.

With the adoption of the IRPS Code, the Income Tax on Employment Code (“CIRT”), which was adopted by Law 18/14 of 22 October and amended by Law 28/20 of 22 July, is repealed, as are any other legal provisions that conflict with the new regime.

The main measures provided for in the IRPS Code are highlighted below:

Important note: In the absence of the final text being published in the Official Gazette (*Diário da República*), the comments below are based on the draft law published on 16 January 2026. This is supplemented by information released by the Ministry of Finance (“MINFIN”) at the time of parliamentary approval.

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ANGOLA**TAX****Territorial scope and tax residency**

The IRPS Code applies to:

- Tax residents in Angola, in respect of their total income (including income earned outside the country), thereby adopting a system of worldwide income taxation. and
- Non-tax residents, only in respect of income earned in Angola.

Tax residents are taxpayers who remain in Angola for more than 183 days in any 12-month period beginning or ending in the year in question, or who have accommodation in Angola under conditions suggesting an intention to maintain and occupy it as their habitual residence.

Members of a household are also regarded as residents if any person responsible for managing the household resides in Angola.

The IRPS Code also stipulates the obligation to notify the General Tax Administration (Administração Geral Tributária (“AGT”)) of one’s habitual residence and to update this information within 30 days of any change.

A taxpayer’s habitual residence is presumed to be their own permanent dwelling unless proof to the contrary is provided.

Income categories

Personal income tax (“IRPS”) is now levied on the following five categories of income:

Category A: employment income

Category B: business and professional income

Category C: capital income

Category D: property income

Category E: increases in net worth

This system preserves the distinction between different types of income. However, it also integrates them into a single tax framework, with common rules governing taxation, assessment, deductions, reporting obligations, and payment. There is no provision for the taxation of pension income.

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Category A: Employment income

In Category A, the system of monthly tax deducted at source (withholding tax) remains in place. This tax is final and conclusive whenever a taxpayer receives income from a single employer. In cases of mandatory aggregation (i.e. income from more than one employer), the withholding tax is provisional and will be taken into account in the final tax assessment.

According to the reports published, the following measures are of particular note in Category A of the IRPS Code:

- Monthly income of up to AOA 150,000.00 is exempt from tax (note that the published proposal provides for an exemption limit of up to AOA 105,000).
- An increase in the tax-free thresholds for meal and transport allowances to AOA 43,000 per month each.
- Deduction of compulsory social security contributions and of non-taxable or exempt components of remuneration.
- Those who receive income exclusively from this category paid by a single employer are exempt from the requirement to submit an annual tax return.

According to information released by MINFIN, the approved IRPS Code introduces two significant changes:

- Firstly, the number of tax brackets for Category A income is reduced from 12 to 6, with wider intervals.
- Secondly, taxpayers with monthly incomes of up to AOA 150,000, as well as micro and small business owners and self-employed professionals with an annual turnover of up to AOA 6,000,000, are exempt from the obligation to file a tax return and pay IRPS.

The IRPS Code also includes specific rules on income in kind, covering, among others:

- Accommodation provided by the employer.
- Vehicles allocated to the employee.
- Interest-free or low-interest loans.
- Share option schemes and similar remunerative instruments.

In cases of mandatory aggregation (i.e. income from more than one employer), the withholding tax is provisional and will be taken into account in the final tax assessment.

ANGOLA**TAX****Category B Business and professional income**

Category B covers business and professional income, including:

- Commercial, industrial, agricultural, forestry and livestock activities.
- Self-employed service provision.
- Scientific, technical, artistic and cultural activities.
- Income from intellectual property received by the original owner.
- Isolated transactions.

The IRPS Code provides two methods for determining the taxable income of Category B taxpayers:

- The accounting-based regime applies to taxpayers who keep accounts and generally follow the Corporate Income Tax (*Imposto sobre os Rendimentos das Pessoas Colectivas* (“IRPC”)) rules for calculating taxable income.
- The simplified scheme is applicable to taxpayers with an annual turnover or import value of up to AOA 25,000,000, with taxable income set at 70% of the annual gross turnover.

In addition, the IRPS Code provides for the following in Category B:

- A 6.5% withholding tax on the value of services provided to entities that keep accounts. This deduction is, as a rule, provisional in nature and is deducted from the final tax liability.
- The option to be taxed at 25% on income not subject to withholding tax, calculated on the basis of accounting records.
- The use of indirect methods in cases where there are no accounting records, or where there are irregularities or significant omissions.

Category C Capital income

Capital income is largely treated separately and taxed at final, definitive rates via withholding tax.

In Category C, the following rules apply:

- A standard rate of 10% applies to interest, dividends and other capital income.
- A reduced rate of 5% applies to certain securities admitted to trading on a regulated market, provided the issue has a maturity of three years or more.
- Income is taxed on a gross basis, without any deductions.

Income in Category C that is subject to withholding tax is excluded from mandatory aggregation and is subject to optional aggregation.

ANGOLA**TAX****Category D Property income**

Category D covers rent from rural, urban and mixed-use properties, whether paid or made available to the respective owners, as well as income arising from the transfer of the right to operate commercial or industrial premises. This includes income from movable property situated on the property in question.

Income in Category D is taxed at a rate of 25%. A deduction is allowed for maintenance and upkeep expenses, up to a limit of 40% of gross income, for which the taxpayer is responsible and which are borne by them.

Taxation of property income for personal income tax purposes does not preclude property tax being levied in accordance with the Property Tax Code.

Category E Increases in net worth

One of the most significant innovations of the IRPS Code is the creation of a separate category, Category E, for increases in net worth. This aims to capture increases in a taxpayer's economic capacity obtained through non-conventional means. This category includes:

- Capital gains.
- Certain compensation payments.
- Sums received under non-competition clauses.
- Increases in assets and expenditure for which the source of income cannot be substantiated.
- Other increases in assets not expressly classified under other categories.

As a general rule, Category E is taxed at a rate of 10%. However, increases in net worth and expenditure for which the source of income cannot be substantiated (Article 10(1)(d)) are taxed at the highest Category A marginal rate (currently 25%).

In the case of capital gains, the IRPS Code provides for:

- Taxation of the annual net balance between capital gains and capital losses.
- Deduction of expenses incurred in connection with acquisition and disposal.

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- Exemption from taxation, under certain conditions, of capital gains arising from the sale of a property used as the owner's permanent residence. This exemption applies if the proceeds are reinvested in the purchase of a new property to be used as the owner's permanent residence in Angola within six months.

Mandatory and optional aggregation

One of the structural changes introduced by the new legislation is the adoption of rules for aggregating income from various categories. This enables a more comprehensive and progressive taxation of the taxpayer's total income.

Aggregation is mandatory in the following cases:

- Where the taxpayer derives income from more than one category.
- Where the taxpayer derives Category A income from more than one employer.
- Where the taxpayer derives Category C income that is not subject to withholding tax and is paid by individuals or entities that are not domiciled or have their registered office in Angola.

On the other hand:

- Income in Category C that is subject to withholding tax is subject to optional aggregation.
- Exempt income and income received by non-residents are not subject to aggregation.
- Losses in one category cannot offset income from other categories, but they can be deducted from positive results in the same category over the following five years.

Tax deductions and international double taxation

The IRPS Code provides for the following amounts to be deducted from the tax liability:

- Tax paid provisionally by way of withholding tax.
- Tax credit for international double taxation, in accordance with the double taxation agreements concluded by Angola.

Regarding international double taxation, the credit will correspond to the lesser of the following amounts:

- IRPS paid abroad.
- The portion of the IRPS tax liability that corresponds to income which may be taxed in the source country.

The IRPS Code also allows any remaining amount not deducted due to insufficient tax liability to be carried forward for up to five years. Any overpaid tax can be refunded via a tax credit certificate or in cash within 90 days of the voluntary payment period expiring.

ANGOLA**TAX****Deduction of personal expenses**

According to the draft IRPS Code and information published by MINFIN, the IRPS Code may allow for the following tax deductions:

- IRPS paid on a provisional basis.
- Those relating to international double taxation.
- Deductions for education, healthcare and housing costs, upon presentation of an electronic invoice.
- Other deductions for essential expenses incurred by the taxpayer, in accordance with the terms defined in the General State Budget Law.

Declaration, assessment and payment obligations

As a general rule, taxpayers are required to submit their annual income tax return electronically by 15 March of the year following that to which the income relates.

Those who derive income exclusively from Category A, paid by a single employer, are exempt from submitting a return. According to MINFIN, micro and small business owners, as well as self-employed professionals, with an annual turnover of up to AOA 6,000,000, are also exempt.

Regarding the payment of personal income tax (IRPS):

- IRPS must be paid by the last working day in March of the following year.
- The calculated amount may be paid in up to six consecutive monthly instalments without any statutory surcharges. The first instalment is due by the last working day in March.
- IRPS withheld at source by paying entities must be remitted by the last working day in the month following the payment of the income.

Ancillary obligations and penalties

The IRPS Code contains a set of ancillary obligations, including:

- Submission of remuneration statements by employers.
- The obligation for certain Category B taxpayers to maintain and organise their accounts.

Those who derive income exclusively from Category A, paid by a single employer, are exempt from submitting a return.

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- Electronic registration of lease and sublease agreements.
- Reporting of income and deductions by entities obliged to withhold tax.
- Specific duties for notaries, registrars, bailiffs and financial institutions.

A specific system of penalties is also provided for:

- Failure to file tax returns.
- Failure to submit remuneration statements.
- Failure to withhold tax at source.
- Failure to pay tax withheld at source.

Entry into force and transitional arrangements

According to media reports, the IRPS Code will come into force on 1 January 2027.

From this date onwards, affected taxpayers will be required to start organising and retaining the necessary tax documents. The first income tax return will be filed in 2028 and will relate to the 2027 tax year.

Under the transitional arrangements, the 2027 tax year will be subject to separate taxation by category and the general rule on income aggregation will not apply.

Tax losses calculated under the previous IRT rules can be deducted under the new code, as can tax credits existing on the date of entry into force.

PLMJ Angola's Tax Law team is closely monitoring developments relating to the IRPS Code and is available to support you in assessing the impact of this reform on your business and planning for the transition to the new rules. ■