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ANGOLA

AMENDMENT TO THE INDUSTRIAL TAX CODE

Law 4/19, of 18 April 2019, has introduced several amendments to the Industrial Tax Code. We would highlight the following amendments:

- 7% or higher foreign exchange variations in connection with fixed assets and liabilities are disregarded as income or cost for Industrial Tax purposes;
- Interest borne with loans granted by equity holders or shareholders loans are now eligible as a deductible cost, being disallowed the portion exceeding the average annual reference rate of interest set forth by the Central Bank which shall accrue to the taxable income;
- Costs improperly documented or non-documented costs are no longer subject to autonomous taxation, although continuing to be deemed as non-deductible costs;
- Expenses supported with documents not complying with the requirements set forth for in the regime applicable to invoices and equivalent documents shall not be eligible as deductible cost;
- New rules are introduced with regard to the assessment and payment of the provisional tax on sales, including a provision releasing from such obligation companies that obtained taxable losses in the previous tax year;
- Only Urban Property Tax on Rented Properties is qualified as a non-deductible cost for purposes of Industrial Tax (whereas Urban Property Tax on unrented property is now deemed as a tax deductible cost).

The law entered into force on the date of its publication.