



November 2019

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ANGOLA

VALUE ADDED TAX

VAT Payment and Assessment Regime applicable to the Angola LNG Project

The Value Added Tax ("VAT") Payment and Assessment Regime applicable to the Angola LNG Project ("Project") has been published, approved by Presidential Decree no. 343/19, of 21 November, regulating purchases of goods and services made by the Implementing Companies that are exclusively and directly intended for the execution of the Project's operations.

We highlight the following rules:

- The Project Implementing Companies must captivate 100% of the VAT paid on the goods and services they purchase, and subsequently deliver this VAT and electronically submit the periodic VAT return before the last day of the month following that to which the transactions or operations refer.
- The general exclusion of the right to deduct VAT, provided for in Article 24, no. 1 of the VAT Code (which covers VAT incurred on acquisitions, manufacture or import operations, and leases, including the repair of tourist vehicles, accommodation, food, beverages and reception expenses, among others) does not apply to the Implementing Companies.
- Project Implementing Companies that have acquired goods or services from non-implementing companies are subject to the exclusion of the right to deduct established for oil operations, as defined in Article 25, no. 1 of the VAT Code (which covers production costs related to the consumption of water and energy, electronic communications and telecommunications services, hotel services and related or similar activities, among others). Expenses related to purchases of goods and services not directly intended for the Project, as well as reception and related expenses, are also excluded from the right to deduct.
- VAT borne by the Project Implementing Companies on the above mentioned transactions and operations constitutes a tax deductible cost for income tax purposes, with the exception of expenses related to the acquisition of goods and services that are not exclusively and directly intended for the execution of the Project's operations.

This Decree excludes the purchase of goods and services by the Implementing Companies related to the activities of evaluation, development and production of the Project's Non-Associated Gas.