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ANGOLA

VALUE ADDED TAX AND EXCISE DUTY

The Value Added Tax Code (“VAT Code”) and the Excise Duty Code have been amended by recently published Laws 17/19 and 18/19, respectively.

The amended Acts are expected to enter into force on 1 October.

VAT

TRANSITIONAL ARRANGEMENTS

The VAT rate expected to apply between 1 October 2019 and 31 December 2021 dropped from 7% to 3%, but the possibility of deducting 4% of input tax remains unchanged.

VAT taxable persons must file their commencement of business form electronically within 30 days of publication of Law 17/19, i.e., by 12 September 2019. During the transitional period, this provision applies solely to taxpayers registered with the Large Taxpayers Unit and any economic agents who have chosen to be subject to the general scheme from 1 October.

The deadline to recover Consumption Tax paid on the acquisition of goods was pushed back to 2022.

NON-TAXABLE PERSONS AND EXEMPTIONS

Along with samples and small commercial offers, duly justified shrinkage and offers to mitigate natural disasters are now VAT-exempt, subject to the authorization of the Head of the Executive Branch.

The Acts also establish new exemptions for the education and health sectors, and for the importation of foreign currency by financial institutions.

PLACE OF SUPPLY

The place of supply rules are amended so that certain services with less connection to Angola are not subject to VAT, even when the acquirer has his domicile, headquarters or permanent establishment in Angola.

CAPTIVE VAT

Goods sold by supermarkets, water and energy consumption, hotel and similar services, services purchased from automatic teller machines and insurance claims joined services provided by commercial banks in terms of exclusion of the captive VAT regime. The exclusions do not apply, however, if the acquirer is the State or any state body.

Taxable persons may deduct captive VAT from the amount of VAT charged by their goods' and services' suppliers.

RIGHT TO DEDUCTION

Input VAT can be deducted in the VAT return for the relevant period or for the period following that in which invoices or other tax relevant documents were issued, rather than in the period when they were received.

EXCISE DUTY

Motor vehicles, plastic bags, straws and retreaded tires are now subject to Excise Duty.

When it is the producer's task to assess Excise Duty, the tax will be assessed upon the delivery of the goods to the purchasers instead of when the invoices are processed.

Several rates were adjusted, including the rates for mineral water, added sugar beverages and tobacco, which were sharply increased from 2% to 25%.

Lastly, tax returns must be submitted electronically on an official model, which should include the volume of transactions carried out in the month prior to the tax assessment.

VdA Legal Partners promotes a set of initiatives to disseminate, clarify and prepare for the implementation of the new tax from February 2019. If you are interested, please contact us [here](#).