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ANGOLA | VALUE ADDED TAX

The Angolan National Assembly approved a bill enacting the new Value Added Tax (“VAT”) Code.

The approved VAT model is a multi-stage tax that encompasses the entire economic chain. Inspired by the European VAT model, the new tax should replace the current Consumption Tax as well as bring about a few adjustments to the Stamp Duty Code.

Among the various amendments envisaged, we highlight the following:

- Significantly broadening of the taxable base, when compared to the current Consumption Tax;
- Single tax rate of 14%;
- Introduction of a deduction mechanism along with rules for VAT refunds;
- Creation of new reporting and registration obligations

VAT will be implemented in two phases: a first phase, applicable to the large taxpayers and other (eligible) entities that opt for immediate application; and a second phase, extending this new regime to all taxable persons.

A transitional regime is also foreseen for entities with a turnover or importations in excess of USD 250,000.00 and that have not joined the first phase.

The new tax is intended to be introduced in Angola as of July 2019.

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**.