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## ANGOLA

### MUNICIPALITIES FEES LAW

Law no. 12/20 of May 14<sup>th</sup>, 2020, on the Municipalities Fees Regime ("MFR") was published and entered into force on May the 14<sup>th</sup>. MFR regulates the legal and tax relations originating an obligation to pay fees to the Municipalities, establishing the structural elements of such fees, in line with the rules and principles set out in Law no. 7/11, of February 16<sup>th</sup>, 2011, which approved the General Fees Regime ("GFR").

Pursuant to the GFR and MFR, Municipalities are subject to the principles of legal equivalence, proportionality, fair sharing of public charges and publicity.

### TAXABLE EVENTS

Municipalities fees are due as a result of (i) the actual provision of a municipal public service, (ii) the private use of assets in the public domain or private Municipalities domain or (iii) the removal of a legal hindrance to the behaviour of individuals. MFR provides the following list, without limitation, of activities on which Municipalities fees will be levied:

- Implementation, maintenance and reinforcement of urban infrastructures;
- Licensing, administrative acts and administrative authorisations;
- Use and exploitation of assets in the public domain or private Municipalities domain;
- Management of traffic and parking areas, public equipment for collective use and rural and urban equipment;
- Promotion of social purposes and of urban, territorial and environmental qualification of Municipalities and promotion of municipal development and competitiveness;
- Risk prevention and civil protection services;
- Exploration or use of markets, fairs and street sales;
- Services or activities which affect or benefit specific people or which have been requested by them, directly or indirectly.

In addition, Municipalities fees may be levied on individuals negatively impacting the environment.

## TAXABLE PERSONS AND EXEMPTIONS

Municipalities fees are payable to the Municipalities by any natural or corporate person who, pursuant to the MFR or a Municipality regulation, carries out one of the activities classified as taxable events and is generally bound to pay them. The State and the Municipalities are exempt from paying such fees.

## CREATION OF FEES

Municipalities fees are created by Regulation approved by the Municipality Assembly (decision-making body), which must mention, among other aspects, the taxable events and persons, the value or formula for calculating the amount to be levied, the economic and financial grounds, the exemptions and their grounds, the method of payment (and other forms of termination of the obligation) and the possibility of payment in instalments.

The value of Municipalities fees must **reflect a balance between the cost inherent as consideration to the Municipality and the respective benefit for the taxable persons**, and may not be connected to the value of the taxpayers' assets, consumption or income.

## ASSESSMENT AND SELF-ASSESSMENT

Municipalities fees assessment and collection rules shall be set out in the regulations creating such fees.

The fees are assessed by means of a collection document, or similar document, which must contain the identification of the taxable person, the taxable event underpinning the fee (act, fact or contract underpinning the assessment), the table of fees and the calculation of the amount due.

In the cases expressly provided for by law, self-assessment will be permitted, in which case the taxable persons will determine the amount to be assessed, and they may request clarification from the Municipalities concerning such amount.

## PAYMENT

Municipalities fees may be paid by:

- *datio in solutum* or compensation, if compatible with the public interest;
- cheques, account debit, wire transfer, postal order or other means provided for by law, in national currency;

Upon authorisation of the Mayor, some Municipalities fees (due for the issuance of license permits, allotment authorisation, urbanization works, building works and fines) may be paid in instalments, up to a 3 instalment limit.

Authorisation for payment in instalments depends on a substantiated request and failure to pay an instalment will result in the remaining instalments becoming immediately payable.

## CONSEQUENCES OF PAYMENT FAILURE AND TERMINATION BY PRESCRIPTION

Failure to pay Municipalities fees is grounds for:

- refusal to provide any services requested from the Municipalities;
- refusal to issue permits or licenses;
- termination of the right to use assets in the public domain or private Municipalities domain .

TERMINATION BY LIMITATION PERIOD

Debts for non-payment of Municipalities fees become time-barred within 10 years (general limitation period provided for in the General Tax Code - "GTC" - and in the GFR).

The summons, administrative complaint and judicial claim interrupt the statute of limitations, which means that the time elapsed until one of these events occurs will not be counted towards the statute of limitations of the Municipalities fee debt and, as one of these events ceases, the 10-year statute of limitations starts counting anew. This rule is in line with the provisions of the GFR and is more burdensome than the regime provided for in the GTC, under which the summons, the administrative complaint and the judicial claim are causes of suspension of the statute of limitations (i.e. when the suspension ends the period of limitation of the debt resumes from the moment it has stopped).

The interruption of the limitation period for one of the aforementioned causes ceases whenever there is an interruption of the administrative, judicial and fee enforcement proceedings for a period of more than 1 year, for an event not attributable to the taxable person. In this case, a rule similar to that of suspension of the limitation period applies, since the limitation period for the debt resumes where it stopped, i.e. taking into account the time that had elapsed until the summons, administrative complaint or judicial claim.

GUARANTEES

The Municipalities cannot deny the provision of services, the issue of authorisations or the continued use of goods on the grounds of failure to pay fees, if the taxable person lodges an administrative complaint or judicial claim, and provides an adequate guarantee (i.e. bank guarantee security, insurance-guarantee, mortgage, pledge or attachment of sufficient value to ensure the payment of the enforced debt and legal surcharges, in accordance with the Tax Enforcements Code).

The taxable persons subject to Municipalities fees may challenge their assessment, with the body that made it, and subsequently file a judicial claim, under the following terms:

