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ANGOLA

PROPERTY TAX CODE

Law no. 20/2020, of 9th July, 2020 approved the new Property Tax Code (“PTC”), revoking the former Urban Property Tax Code and all the legal provisions regarding the taxation of real state, established by the Regulation regarding the Assessment and the Collection of the Inheritance and Gift Tax and SISA levied on the Acquisition for Consideration of Real Estate Properties. The new tax will enter into force on August 8th, 2020.

The Law also allows the holder of the executive power to regulate the provisions of the CIP in a specific diploma (evaluation and re-evaluation of real estate; registration of real estate; organization, conservation, alteration, renewal and replacement of matrices).

Among the several rules of the PTC, we highlight the following:

1. Taxation on the holding and rental of real estate properties

- **Objective scope**

Unlike the former Urban Property Tax, which covered only urban property, the new Property Tax (“PT”) is levied on both rural and urban properties.

- **Taxable income**

Urban properties – asset value established in the evaluation; **Rural properties** – AKZ 10,397.00 per hectare; **Leasehold properties** – the value of the rent actually received, net of 40% related to conservation and maintenance expenses.

- **Rates**

- **Urban properties:** Up to 0,5% depending on the value of the real estate
- **Plots of land for construction:** 0.6%
- **Rural properties:** hectare's value or the sum of each hectare's value
- **Leasehold properties:** 25% of the taxable income

The properties that have not been occupied for more than 1 year, as well as the plots of land for construction for which the useful and effective use criteria are not met for three consecutive or six interpolated years, are now subject to an **additional taxation of 50%** of the amount of the tax due.

- **Tax assessment and payment**

The tax is assessed, on an annually basis, on December 31st of the year to which it relates, and its payment should be made until the last working day of March of the following year. Tenants who have organized accounting, a simplified accounting model or a registry book are still obliged to withhold the tax due.

2. Taxation on the acquisition for consideration or on the free acquisition of real estate properties

- **Objective scope**

PT is levied on the acquisition for consideration or for free of real estate property, replacing the former SISA. Among other taxable events, the PTC now covers **irrevocable powers of attorney** related to real estate properties.

- **Subjective scope**

For **free acquisitions**, the beneficiaries of the real estate properties, as well as the beneficiaries of the transfer of the water rights, are deemed as taxpayers; with regard to **acquisitions for consideration**, the acquirers are deemed, as a general rule, as taxpayers.

- **Rate**

A 2% rate is applicable (same as applicable under the SISA regulations)

- **Tax assessment and payment**

The assessment and the payment of the tax should be made, as a general rule, until the last working day of the month after the operation subject to taxation.