

# TAX

2021 State Budget

VdA EXPERTISE



January 2021

**The 2021 State Budget, approved by Law 42/20, of 31 December 2020, has been recently published. The diploma entered into force on 1 January 2021.**

Among the several tax measures, we highlight the following:

- During tax year 2021, decrease from 15% to 6.5% of the Industrial Tax withholding rate applicable on services rendered by non-resident suppliers to oil companies with residency or permanent establishment in Angola;
- Implementation of a simplified VAT regime applicable to taxable persons with a turnover or importations in an amount equal to or lower than Kz 350,000,000. Taxpayers covered by this regime are subject to VAT at the rate of 7%, computed on the basis of their monthly turnover (receivables), with the right to deduct 7% of the total amount of VAT born on their inputs;
- Taxable persons subject to the simplified VAT regime that carry out VAT exempt transactions as well as taxable persons subject to the general VAT regime that only carry out VAT exempt transactions are now subject to Stamp Duty on receipts at the rate of 7%;
- Approval of a 2.5% rate to be withheld as VAT applicable on receivables obtained via automatic payment terminals related to supply of goods or services carried out by taxable persons;
- A 5% rate is set forth in connection with the importation and supply of the goods included in the revised Annex I of the VAT Code;
- Amendment of the Inheritance and Donation Tax rates applicable on transfers of movable goods, the maximum rate now being of 2% (previously of 30%);
- Amendment of the customs regime applicable to goods sent by courier or included in travelers' personal baggage;
- Application of a 70% customs duties rate at the exportation of nationalized biosafety goods, food products, medicines and medical equipment;
- Extension to the customs debt of the rules set forth in the General Tax Code regarding payment in instalments provided there has been a deferral of the payment of customs charges as well as in the cases where there is an additional tax assessment determined during a post-importation inspection;
- The statute of limitation applicable to the assessment of taxes in connection with year 2015 is extended until 31 December 2021.

We note that some of the measures highlighted above were already foreseen in the law that approved the revised version of the 2020 State Budget, published on 11 August 2020.

Finally, the 2021 State Budget no longer foresees the application of the Special Contribution on transfers made in connection with commercial contracts for the hiring of foreign technical assistance and management services.

# Contacts



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