

DTT

CONVENTION TO ELIMINATE
DOUBLE TAXATION BETWEEN
ANGOLA AND CABO VERDE

VdA EXPERTISE



April 2021

The Republic of Angola and the Republic of Cape Verde have signed, on August 8, 2019, in Luanda, a Convention to eliminate Double Taxation of Income Taxes and to avoid Tax Evasion (DTT).

Conventions to eliminate Double Taxation concluded between contracting States are a very important instrument for companies and investors' trust when dealing with cross border transactions.

The DTT signed between Angola and Cape Verde may assume an important role for structuring investments involving both countries.

We highlight the following:

Technical Services Fees

The DTT sets forth a reduced 5% withholding rate on services paid by a client resident in one state to a service provider resident in the other state.

Interest

It is also foreseen a reduced 8% rate applicable on interest payments between both countries.

Dividends

To what concerns dividends, the applicable rates may vary between 5% and 10% depending on the situations.

Entry into force

The DTT has been signed in August 2019, however, only the Republic of Cape Verde has approved the agreement for ratification, as per the Resolution n.º 192/IX/2021 of 31.03.2021.

The Republic of Angola has not approved similar procedure up to this date.

Thus, the DTT has not entered into force yet.

Angola has currently DTTs in force with Portugal and the UAE, and the DTT with China is still pending to be ratified.

Cape Verde has DTTs in force with Portugal, Macau, Spain and Guinea Bissau. The DTTs with Equatorial Guinea, Mauritius and Sao Tome and Principe are still pending to be ratified.

Contacts



TIAGO MARREIROS MOREIRA

TM@VDA.PT



SAMUEL FERNANDES DE ALMEIDA

SFA@VDA.PT



JOANA LOBATO HEITOR

JLH@VDA.PT