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angola@vda.pt

João Afonso Fialho  
jaf@vda.pt

Hugo Moredo Santos  
hms@vda.pt

Joana Pacheco  
jlp@angolacounsel.com

## Special Contribution on Banking Operations in Angola approved

The legal framework of the special contribution on banking operations was recently approved (Presidential Decree 1/16, of 24 February 2016). The legal framework, which is foreseen to apply during the economic and financial year of 2016, creates a special tax comprised within the measures to increase revenues for the 2016 State Budget and promote the State's tax policy.

The legal framework will become effective 90 days from its publication, to afford the relevant players time to take the necessary measures to implement both the framework and the operations contemplated by it.

### Which banking operations are subject to the special contribution?

Any operation settled or other account operation that leads to either the electronic or physical transfer of currency, and results in the transfer of title to the relevant amounts, credits and rights performed by banking and non-banking financial institutions

The following operations are notably included:

#### *Performed by banking financial institutions*

- > Debit operations in deposit current accounts, loans, savings, collateralized or otherwise
- > Credit operations in deposit current accounts
- > Settlement or payment of amounts, credits and rights, on behalf or upon instruction of third parties, which have not been credited, in the name of the beneficiary, in the accounts mentioned in the preceding items

#### *Performed by commercial banks*

- > Operations and other forms of operation or transfer of amounts, credits and rights of a financial nature, unrelated to the preceding items
- > Purchase and sale of currency and liquidity transactions

#### *Others*

- > Any operation or transfer of amounts, credits and rights of a financial nature, irrespective of the person who performs them or the instruments used for that purpose
- > Payment services and the issue and management of other payment means, such as cheques in paper form, travelling cheques in paper form and letters of credit

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- > Operations in connection with precious stones and metals
- > Operations performed on the inter-banking markets

### Which operations are exempt from the special contribution?

- > Operations corresponding to the payment of salaries, allowances and payment of other labour compensation components
- > Reversal of operations performed in error, provided that the reversal does not correspond to a cancellation of the operation actually agreed
- > Operations involving cheques and netting documents and their reversal, returned in accordance with the rules of the Central Bank of Angola (BNA)
- > Operations performed by the Central Bank of Angola, acting as a passive entity
- > Withdrawals from savings accounts
- > Netting operations performed by banks to correct debits made by clients of other banks on automatic payment terminals

### Which operations are not subject to the special contribution?

- > Operations for payment of pensions
- > Banking operations over accounts created in simplified regime within the scope of the financial inclusion strategy and aimed at fostering savings, which are duly and previously approved by the Minister for Finance
- > Transfers between current accounts of the same beneficiary, even if the same account is held by more than one beneficiary
- > Transfers subject to the Legal Framework of the Special Contribution over Currency Operations of Current Invisibles

### What is the rate and how is the special contribution calculated?

0.1% over the amount of the relevant banking operation, and the reference for the calculation will be the amount of the operation in domestic or foreign currency

### Which entities are responsible for paying the special contribution?

The economical burden of the special contribution shall be borne by the following entities:

- > Individuals or legal entities subject to private law
- > Public companies
- > Banking and non-banking financial institutions

which, in any of these cases, are the beneficiaries of the accounts subject to banking operations and transfers

The State and its services, establishments and entities, even if having legal capacity, are exempt from the special contribution

### Which entities are responsible for collecting the special contribution and remitting it to the Tax Authorities?

Banking and non-banking financial institutions which hold the operated bank accounts are the taxable subject responsible for assessing and delivering the special contribution to the treasury on a monthly basis

### What are the procedures applicable to the collection and remittance of the special contribution to the Tax Authorities?

- > The special contribution is collected through an application form (*guia*), by the relevant banking or non-banking financial institution, when the banking operation is performed
- > The banking or non-banking financial institution must then remit the special contribution collected by the last day of the month following that in which the relevant banking operation was performed and submit a tax assessment document for that purpose (*documento de liquidação de impostos - DLI*), specifying the amounts collected in each operation

### What penalties apply in the event of failure to collect and remit the special contribution to the Tax Authorities?

Failure to comply with the assessment and delivery of the tax due by the financial institutions may trigger a fine which may range up to three times the amount of the contribution due, without prejudice to other sanctions set forth in the General Tax Law

### What other duties do the banking and non-banking financial institutions have?

- > Include the amount of the operations performed subject to the special contribution and either exempt or non-exempt in the record of the banking operations
- > Keep the accounting organized in such a way as to evidence clear and unchallengeable information on the elements required to verify and monitor the special contribution collected
- > Keep the relevant supporting documents relating to those records and any evidence of payment of taxes for 5 years