



# Thinking beyond borders: Management of extended business travelers - Angola

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**01**

**Key message**

Individuals are subject to taxation on personal income tax on their Angolan source income obtained, irrespective of their place of residence. Income tax is levied at progressive rates over the individual's annual taxable income. All rights reserved. The information contained herein is of general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on such information without appropriate professional advice after a thorough examination of the particular situation.

# 1 Key message

Extended business travellers are likely to be taxed on Angolan source income.

**02**

# **Income tax**

# 2 Income Tax

## 2.1 Liability for income tax

- According to the Angolan tax law, a person's liability to tax in Angola is determined by the source of their income, irrespective of their place of residence.
- Employment income tax is due on any income resulting from personal services rendered in Angola, by employed or self-employed individuals, who are directly or indirectly paid by an Angolan based entity, irrespective of the residence status of the individual.
- Employment income is subject to monthly withholding tax to be made by the employer and paid to the tax authorities on a monthly basis.

## 2.2 Tax trigger points for employment income

There is no minimum number of days rule that exempts the employee from the requirements to pay tax in Angola.

## 2.3 Types of taxable income

For extended business travellers, the types of income that are generally subject to tax are employment income, business, and professional income.

Employment/business and professional income are segmented into three taxation groups:

- **Group A** – includes the remuneration earned by employees (paid by an employer entity under an employment contract entered into in accordance with the labour law), public servants, as well as, the remuneration earned by members of the board;
- **Group B** – includes the remuneration received by entrepreneurs/ freelance workers that falls under the activities' list included as attachment to the PIT Code;
- **Group C** – includes all the remuneration obtained as a result of the development of an industrial or commercial activity as foreseen in the Table of Minimum Profits.

## 2.4 Tax rates

- Social security is only mandatory for Angolan nationals and for foreign individuals with a residency permit. Subject to this condition, the employee and the employer must contribute 3 percent and 8 percent, of the employee's gross salary, respectively.
- **Group A:** taxable income is determined by deducting from the gross earnings the mandatory contributions to Social Security and the remuneration components not subject or exempt from PIT – progressive personal income tax rates apply, with a maximum rate of 25%.
- **Group B:** The taxable income resulting from income paid by individuals, companies or equivalent, who possess bookkeeping or are under the simplified accounts regime shall correspond to the actual value of the service. Otherwise, when the paying entity does not possess bookkeeping, the taxable income shall be based on the commercial records of the purchases and sales or rendered services made by the individual (in the absence of such records, the taxable income shall be established on the data known by the General Administration).

- For taxpayer with bookkeeping, for the purpose of assessing the taxable base, are applied the general rules of the Industrial Tax Code. On the other hand, taxpayers under the simplified accounts method are entitled to deduct up to 30% of the costs they have incurred in.
- A 6,5% flat rate applies to income subject to tax withholding, whereas the income not subject to withholding tax is subject to personal income tax at 25% rate.
- **Group C** – The taxable income corresponds to the amounts indicated in the Table of Minimum Profits, apart from a few exceptions where the taxable earnings correspond to the amount of the sales and services rendered.
  - In case of noncompliance with the rules for assessing the taxable income, the General Tax Administration will add to the final tax due a penalty corresponding to 25% of the tax due.
  - Taxpayers under the simplified accounts method are entitled to deduct up to 30% of the costs they have incurred in.
  - For taxpayers whose turnover in the 2023 financial year is equal to or less than Kz: 10.000.000,00 (ten million Kwanzas), the taxable amount corresponds to the volume of sales of goods and services not subject to withholding tax, on which the rate of 6,5% per cent will be levied.

**03**

# **Compliance obligations**



# 3 Compliance obligations

## 3.1 Employees' compliance obligations

Employment income tax is withheld by the employer on salaries paid to employees. As the withholdings correspond to the final taxes due in Angola, the employee has no reporting obligation herein.

## 3.2 Employers reporting and withholding requirements

- The employer is required to withhold tax on the salaries and wages of their employees on a monthly basis.
- The employer is also required to report the income paid and tax withheld to the employee to the tax authorities.

**04**

# **Immigration**

# 4 Immigration

## 4.1 Work permit/visa requirements

A visa must be applied for before the individual enters Angola. The type of visa required will depend on the purpose of the individual's entry into Angola.

**05**

**Other issues**

# 5 Other issues

## 5.1 Double taxation treaties

Angola signed a Double Tax Treaty with Portugal, with United Arab Emirates and with China, which are currently into force.

## 5.2 Permanent establishment implications

There is potential that a permanent establishment (PE) could be created as a result of extended business travel, but this would be dependent on the type of services performed and the level of authority the employee has.

## 5.3 Indirect taxes

There is no “value added tax” in Angola. However, a consumption tax applies on supplies and imports of goods and services within the Angolan tax territory.

## 5.4 Transfer pricing

Angola has a transfer pricing regime.

## 5.5 Local data privacy requirements

Angola has data privacy laws.

## 5.6 Exchange control

All foreign exchange transactions are subject to comply with the exchange control regulations imposed by the national bank. Under such regulations there are limitations on the amount of money that can be transferred out of Angola.

## 5.7 Non-deductible costs for assignees

All foreign exchange transactions are subject to comply with the exchange control regulations imposed by the national bank. Under such regulations there are limitations on the amount of money that can be transferred out of Angola.

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