



# Taxation of international executives: Angola



February 2024

# Contents

<b>1</b>	<b>Overview and Introduction</b>	<b>4</b>
<b>2</b>	<b>Income Tax</b>	<b>6</b>
<b>3</b>	<b>Special considerations for short-term assignments</b>	<b>16</b>
<b>4</b>	<b>Other taxes and levies</b>	<b>18</b>

**01**

# **Overview and Introduction**

# 1 Overview and Introduction

Personal income tax is levied 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 citizenship, and residence status of the individual.

The official currency of Angola is the Angolan Kwanza (AOA).

For information on practical matters that employers and employees should consider with respect to an international assignment, please refer to the companion booklet titled *Planning Your International Transfer*, if available.

For the purposes of this publication, the host country/territory refers to the country/territory to which the employee is assigned. The home country/territory refers to the country/territory where the assignee lives when they are not on assignment.

**02**

# **Income tax**

# 2 Income Tax

## 2.1 Tax Returns and Compliance

### When are tax returns due? That is, what is the tax return due date?

Employees are not required to submit tax returns.

### What is the tax year-end?

31 December.

### What are the compliance requirements for tax returns in Angola?

#### Residents and Non-residents

It is always the entity that pays the income (salary, wage, or fee) that must deal with the tax administration.

The paying entity must withhold the tax and subsequently remit it to the tax administration.

Personal income tax must be paid by the end of following the month in which the personal income was paid.

## 2.2 Tax Rates

### What are the current income tax rates for residents and Non-residents in Angola?

#### Residents and Non-residents

##### Income tax table for 2024.

Taxable income bracket		Tax rate on income in bracket
From AOA	To AOA	Percent
0	100.000,00	Exempt
100.001,00	150.000,00	13%
150.001,00	200.000,00	16%
200.001,00	300.000,00	18%
300.001,00	500.000,00	19%
500.001,00	1.000.000,00	20%
1.000.001,00	1.500.000,00	21%
1.500.001,00	2.000.000,00	22%

Taxable income bracket		Tax rate on income in bracket
2.000.001,00	2,500,000,00	23%
2.500.001,00	5,000,000,00	24%
5.000.001,00	10,000,000,00	24,5%
10,000,001,00	Unlimited	25%

### Tax Rates Applicable to Employees

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.

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%.

### Tax Rates Applicable to Independent (Self-Employed) Professionals

Group B: includes the remuneration received by entrepreneurs/ freelance workers that falls under the activities' list included as attachment to the PIT Code.

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.

## 2.3 Residence Rules

### For the purposes of taxation, how is an individual defined as a resident of Angola?

An individual is considered resident of Angola if he/she stays therein for more than 90 days – either continuously or not -, during each year, or if he/she has, on December 31st of each year, an accommodation available in conditions where it can be assumed that it is his/her intention to keep it and use it as a place as his habitual abode.

Residency status is, however, irrelevant for taxation at the individual level.

In Angola, the only criterion for the applicability of personal income tax is the source of the income. (Therefore, only income earned in Angola attracts personal income tax).

It should be noted that, in the event that an employee of a foreign entity renders services in Angola for a period of time exceeding 90 days, this may create a permanent establishment of the foreign entity in Angola. As a result, said foreign entity will be subject to all Angolan taxation.

**Is there, a de minimums number of days rule when it comes to residency start and end date? For example, a taxpayer cannot come back to the host country/territory for more than 10 days after their assignment is over and they repatriate.**

There is no de minimums number of days rule in Angola.

**What if the assignee enters the country/territory before their assignment begins?**

This does not make a difference as there is not de minimums number of days rule.

## **2.4 Termination of Residence**

**Are there any tax compliance requirements when leaving Angola?**

Not applicable in Angola.

**What if the assignee comes back for a trip after residency has terminated?**

Not applicable in Angola.

### **Communication between Immigration and Taxation Authorities**

**Do the immigration authorities in Angola provide information to the local taxation authorities regarding when a person enters or leaves Angola?**

Currently this is not happening. This could change any time if the authorities gain the capacity to do so.

### **Filing Requirements**

**Will an assignee have a filing requirement in the host country/territory after they leave the country/territory and repatriate?**

Not applicable in Angola.

## **2.5 Economic Employer Approach**

**Do the taxation authorities in Angola adopt the economic employer approach to interpreting Article 15 of the Organisation for Economic Co-operation and Development (OECD) treaty? If no, are the taxation authorities in Angola considering the adoption of this interpretation of economic employer in the future?**

Yes.

### **De minimums Number of Days**

**Are there a de minimums number of days before the local taxation authorities will apply the economic employer approach? If yes, what is the de minimums number of days?**

Not applicable in Angola.

## **2.6 Types of Taxable Compensation**

**What categories are subject to income tax in general situations?**

As general rule, all types of compensation and benefits received by an individual for services rendered constitute taxable income subject to personal income tax including, but not limited, to the following:



- salaries and wages benefits-in-kind;
- cost-of-living allowances;
- housing allowances.

### Intra-group statutory directors

**Will a Non-resident of Angola who, as part of their employment within a group company, is also appointed as a statutory director (i.e., member of the Board of Directors in a group company situated in Angola) trigger a personal tax liability in Angola, even though no separate director's fee/remuneration is paid for their duties as a board member?**

In case any part of their remuneration is paid/borne by an Angolan entity, taxation should arise in Angola.

**1 Will the taxation be triggered irrespective of whether the board member is physically present at the board meetings in Angola?**

Yes.

**2 Will the answer be different if the cost directly or indirectly is charged to/allocated to the company situated in Angola (i.e., as a general management fee where the duties rendered as a board member is included)?**

Yes, in that case taxation in Angola should arise.

**3 In the case that a tax liability is triggered, how will the taxable income be determined?"**

The taxable income should correspond to the total income paid/recharge to the Angolan entity.

## 2.7 Tax-Exempt Income

Are there any areas of income that are exempt from taxation in Angola? If so, please provide a general definition of these areas.

The following items are expressively excluded from tax:

- Social benefits paid by Social Security of a mandatory social protection nature;
- Family allowance paid by the employer entity up to the limit of 5 percent of the employee's monthly base salary;
- Contributions to the social security;
- Salaries and other remuneration due, up to a limit of AOA: 100.000,00 (one hundred thousand Kwanzas);
- Allowance granted by law to national citizens with motor, sensorial and mental disabilities;
- Travel allowance;
- Meal allowance paid to the employees up to the total limit of AOA 30,000;
- Transport allowance paid to the employees up to the total limit of AOA 30,000;
- Reimbursement of business expenses incurred by employees of entities subject to industrial tax (or to other special tax regimes) provided that such expenses are duly documented;

## 2.8 Expatriate Concessions

### Are there any concessions made for expatriates in Angola?

There are no specific concessions for expatriates.

## 2.9 Salary Earned from Working Abroad

### Is salary earned from working abroad taxed in Angola? If so, how?

Income earned from working abroad is not subject to tax unless it is paid or borne by the Angolan company.

## 2.10 Taxation of Investment Income and Capital Gains

### Are investment income and capital gains taxed in Angola? If so, how?

#### Capital gains

Capital gains earned by an individual are not subject to taxation on personal income tax.

#### Dividends, Interest, and Rental Income

Dividends, interest, and rental income earned by an individual are not subject to taxation on personal income tax.

#### Gains from Stock Option Exercises

The Angolan employment income tax code does not provide any specific criteria to calculate the related income neither when the taxable event takes place.

Nevertheless, under the applicable rules, compensation and benefits paid in cash or in kind by the employer to the employees are deemed as taxable income and it is the employer's requirement to withhold the tax due and pay it to the tax authorities. In addition, please note that the benefits in kind should be computed by its cost for the employer entity.

That said, the income derived from stock options should be considered as taxable employment income subject to withholding provide that the related cost is recharged the Angolan entity.

#### Foreign Exchange Gains and Losses

Income is taxed at the conversion rate ruling at the date of payment of the salary.

#### Principal Residence Gains and Losses

Not applicable. Capital Losses Not deductible.

#### Personal Use Items

Not considered for deduction. Taxable as a benefit if paid by employer.

## 2.11 Additional Capital Gains Tax (CGT) Issues and Exceptions

### Are there additional capital gains tax (CGT) issues in Angola? If so, please discuss?

None.

### Are there capital gains tax exceptions in Angola? If so, please discuss?

#### Pre-CGT Assets

Not applicable.

#### **Deemed Disposal and Acquisition**

Not applicable.

## **2.12 General Deductions from Income**

**What are the general deductions from income allowed in Angola?**

Social security contributions.

## **2.13 Tax Reimbursement Methods**

**What are the tax reimbursement methods generally used by employers in Angola?**

N/A.

## **2.14 Calculation of Estimates/Prepayments/Withholding**

**How are estimates/prepayments/withholding of tax handled in Angola? For example, Pay-As- You-Earn (PAYE), Pay-As-You-Go (PAYG), and so on.**

#### **PAYE.**

This tax withholding is final.

**Pay-As-You-Go (PAYG) Withholding** Not applicable.

**When are estimates/prepayments/withholding of tax due in Angola? For example, monthly, annually, both, and so on.**

Monthly.

## **2.15 Relief for Foreign Taxes**

**Is there any Relief for Foreign Taxes in Angola? For example, a foreign tax credit (FTC) system, double taxation treaties, and so on.**

Angola signed a Double Tax Treaty with Portugal, United Arab Emirates and China (however, the practical procedures for elimination of double taxation, namely, over employment income received were not yet defined). Otherwise, no foreign credit system exists as the PAYE system is final.

## **2.16 General Tax Credits**

**What are the general tax credits that may be claimed in Angola? Please list below. None.**

## **2.17 Sample tax calculation**

This calculation assumes a married taxpayer resident in Angola with two children whose 3- year assignment begins 1 January 2019 and ends 31 December 2021. The taxpayer's base salary is USD100,000 and the calculation covers 3 years.

	2019 USD	2020 USD	2021 USD
Salary	100,000	100,000	100,000
Bonus	20,000	20,000	20,000
Cost-of-living allowance	10,000	10,000	10,000
Housing allowance	12,000	12,000	12,000
Car allowance	6,000	6,000	6,000
Moving expense reimbursement	20,000	0	20,000
Home leave	0	5,000	0
Education allowance	3,000	3,000	3,000
Interest income from non-local sources	6,000	6,00	6,000

Exchange rate used for calculation: USD1.00 = AOA308.31 (this same rate was used for the calculation for of the years 2019, 2020 and 2021).

#### Other Assumptions

- All earned income is attributable to local sources;
- Bonuses are paid at the end of each tax year and accrue evenly throughout the year. Interest income is not remitted to Angola;
- Car allowance;
- The employee is deemed resident throughout the assignment;
- Tax treaties and totalization agreements are ignored for the purpose of this calculation;
- The remuneration accrues evenly throughout the year.

#### Calculation of Taxable Income

Year ended	2019	2020	2021
Days in Angola during year	366	365	365
Earned income subject to income tax			
Salary	30,831.048,03	30,831.048,03	30,831,048,03
Bonus	6,166,209,61	6,166,209,61	6,166,209,61
Cost-of-living allowance	3,083,104,80	3,083,104,80	3,083,104,80

Year ended	2019	2020	2021
Net housing allowance	3,699,725,76	3,699,725,76	3,699,725,76
Car allowance	1,849,862,88	1,849,862,88	1,849,862,88
Moving expense reimbursement	0	0	0
Home leave	0	1,541,552,40	0
Education allowance	924,931,44	924,931,44	924,931,44
Total earned income	46,554,882,52	48,096,434,92	46,554,882,52
Other income	0	0	0
Total income	46,554,882,52	48,096,434,92	46,554,882,52
Deductions:	924,931,44	924,931,44	924,931,44
Total taxable income	45,629,951,08	47,171,503,48	45,629,951,08

#### Calculation of Tax Liability

	2019 AOA	2020 AOA	2021 AOA
Taxable income as above	45,629,951,08	47,171,503,48	45,629,951,08
Angolan tax thereon	7,743,741,68	11,635,125,62	11,249,737,52
Less:			
Domestic tax rebates (dependent spouse rebate)	0	0	0
Foreign tax credits	0	0	0
Total Angolan tax	7,743,741,68	11,635,125,62	11,249,737,52

**03**

**Special considerations  
for short term  
assignments**

# 3 Special considerations for short-term assignments

For the purposes of this publication, a short-term assignment is defined as an assignment that lasts for less than 1 year.

## 3.1 Residency Rules

**Are there special residency considerations for short-term assignments?**

None.

## 3.2 Payroll considerations

**Are there special payroll considerations for short-term assignments?**

None.

## 3.3 Taxable income

**What income will be taxed during short-term assignments?**

All income earned in Angola.

## 3.4 Additional considerations

**Are there any additional considerations that should be considered before initiating a short-term assignment in Angola?**

None in terms of tax.

**04**

# **Other taxes and levies**



# 4 Other taxes and levies

## 4.1 Social Security Tax

Are there social security/social insurance taxes in Angola? If so, what are the rates for employers and employees?

Employer and Employee

Type of Insurance	Paid by		
	Employer Percent	Employee Percent	Total Percent
Social Security	8	3	11
Total Percent	8	3	11

The following aspects of social security are worth noting:

Social security is only mandatory for Angolan nationals and for 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.

The employer is required to withhold the employee's contribution and pay both contributions by the tenth day of the month following the month in which the personal income was paid.

## 4.2 Gift, Wealth, Estate, and/or Inheritance Tax

Are there any gift, wealth, estate, and/or inheritance taxes in Angola?

Inheritance / gift tax:

- up to 15% for transfers between spouses or in favor of descendants and ascendants, and up to 30% for other transfers – applicable to immovable property.
- 1% for transfers between spouses or in favor of descendants and ascendants, and 2% for other transfers – applicable to movable property.

## 4.3 Real Estate Tax

Are there real estate taxes in Angola?

There is a property transfer tax (SISA) applied on the sale, exchange, and disposal of immovable tangible property.

## 4.4 Sales/VAT Tax

Are there sales and/or value-added taxes in Angola?

There is no value-added tax in Angola. However, there is a consumption tax.

## 4.5 Unemployment Tax

**Are there unemployment taxes in Angola?**

Not applicable.

## 4.6 Other Taxes

**Are there additional taxes in Angola that may be relevant to the general assignee? For example, customs tax, excise tax, stamp tax, and so on.**

### Capital gains

Capital gains earned by an individual are taxed under Capital Taxation Law (capital gains deriving from the sale of shares) at 10% rate.

### Dividends, Interest, and Rental Income

Owners of properties are subject to property tax on the rents received at 25 percent.

Investment income (including dividends and interest) are taxed at 5%, 10% or 15% depending on the type of income received / underlying asset.

### Payroll Tax

Employees are subject to a monthly payroll tax which is a final tax.

## 4.7 Foreign Financial Assets

**Is there a requirement to declare/report offshore assets (e.g., foreign financial accounts, securities) to the country/territory's fiscal or banking authorities?**

No

[Back to top](#)

### Disclaimer

All information contained in this publication is summarized by KPMG Angola the Angolan member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee, based on the applicable provisions of the Angolan Tax legislation.



[kpmg.com](https://kpmg.com)



'KPMG' refers to the global organization or to one or more of the member firms of KPMG International Limited ("KPMG International"), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit [kpmg.com/governance](https://kpmg.com/governance).

© 2024 Copyright owned by one or more of the KPMG International entities. KPMG International entities provide no services to clients. All rights reserved. The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavor 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.