

LEGAL ALERT

TAX AMENDMENTS

INDUSTRIAL TAX AND LABOUR INCOME

Industrial Tax

On 20 July 2020, in the context of the Tax Reform and, notably, with the purpose of “stimulating the productivity of the Industrial Tax on the GDP and implementing its competitiveness considering international taxation”, Law no. 26/20 was published, which amends the **Industrial Tax Code**.

Notwithstanding further review we would like to highlight:

- a) The extension of the period for reporting tax losses from 3 to 5 years: the losses verified in a given year are deductible from the taxable income in one or more of the next 5 years;
- b) The amendment of the tax rates:
 - Reduction of the general industrial tax rate to 25%;
 - For income resulting from agriculture, aquaculture, beekeeping, poultry farming, fishing and forestry, the single rate of 10% shall be applied;
 - For income resulting from banking and insurance activities, telecommunications operators and Angolan oil companies, the single rate of 35% shall be applied;
 - An increase in the tax rate on services provided by entities with head office, address, permanent establishment or place of management in Angola to 15%.

ALC Advogados remains at your disposal to analyze the consequences of the publication of this diploma, which will enter into force 30 days after its publication.

Labour Income

On the 22 July 2020, the Law no. 28/20, which amends the **Labour Income Tax Code**, was published. Said diploma also revokes Law no. 9/19, of 24 April, and Law no. 28/19, of 25 September, which had amended the same Labour Income Tax Code.

We are available to clarify any doubts about the amendments that have now been published to the taxation of labour in Angola which, in an amendment of the utmost importance, now follows a global taxation model by considering, as referred in the preamble of the diploma, “all income that is obtained, paid, distributed or made available to individuals”.

Law no. 28/20 becomes enters into force 30 days after its publication.

ALC Advogados

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