

# *International Assignment Services*

## Taxation of International Assignees Country – Angola

*Human  
Resources Services*

*International  
Assignment  
Taxation Folio*



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# *Introduction – International assignees working in Angola*

This booklet is intended to assist foreign nationals sent to work in Angola with their tax planning. It gives a broad background to taxation in Angola and other important aspects to be considered by a foreign national working in Angola on a temporary basis.

This booklet is not intended to be a comprehensive guide. It merely attempts to give an overview of the issues involved. Accordingly, professional advice should be sought before making important decisions.

For further information or assistance please contact one of the IAS contacts listed at the end of this folio.

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# ***Step 1 – Understanding basic principles***

## ***The scope of taxation in Angola***

1. Income tax is levied on residents or non-residents who earn any work-related income in Angola.
2. Other tax which individuals may become liable for is:
  - Social security - 3% of basic salary. An exemption is available for expatriates protected by their home country systems and contributing to the same.

## ***The tax year***

3. The tax year runs from January 1st to December 31st.

## ***Methods of calculating tax***

4. Income taxes for individuals (resident and non-resident) are levied on a sliding scale at rates which vary between 0% and 17%. For a schedule of the rates of tax please refer to Appendix A. For self-employed professionals the income tax rate is of 15%.

## ***Husband and wife***

5. A husband and wife are treated as individual taxpayers in Angola.
6. Annual tax returns should be filed in January in relation to income earned in the previous year (only for self-employed professionals).

## ***Residence***

7. The residency criterion is irrelevant since this concept was eliminated from the new Employment Income Tax Law. Employment income tax is due by individuals, either resident or non-resident, who obtain income sourced in Angola, which is understood as paid for or borne by an Angolan employer.

## ***Non-residents***

8. Non-residents are liable for tax on income earned in Angola. They are not liable for tax on income brought into Angola or received from a source outside Angola. The rate of tax for non-residents, as for residents, varies between 0% and 17% of total income earned or derived from a source within Angola.

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# ***Step 2 – Understanding the Angolan tax system***

## ***Taxation of employment income***

9. Taxable income comprises any remuneration paid or payable in cash or in kind to an individual in the form of regular or incidental salaries, wages, bonuses, perquisites, food allowances, travel allowances on the amount exceeding the travel allowance paid to civil servants, subsidies, rewards, authorship rights, income arising from an independent practice unless subject to Corporate Income Tax, remuneration to board members, executive directors, etc.
10. Employment income is subject to monthly withholding tax deducted by the employer and paid over to the tax authorities on a monthly basis.

## ***Benefits***

11. The following non cash benefits received from employers are in practice not taxable:
  - Use of company car;
  - Use of household furniture; and
  - Company provided accommodation.

## ***Non-taxable benefits***

12. The following cash benefits received from employers are not taxable:
  - Subsidies for death, work accident and illness, unemployment and funeral, subject to certain legal limits;
  - Retirement, disability;
  - Vacation pay, a 13th-month;
  - Family allowances;
  - Housing subsidy not exceeding 50% of the price shown in the rental contract or, in the absence of a contract, the market price;
  - Severance pay;
  - Wages of seasonal agricultural workers and domestic servants; and
  - Legal subsidies received by seriously disabled persons of Angolan nationality.

## ***Deductions***

13. An employee can deduct social security contributions.

## ***Dividends***

14. The dividend income paid by Angolan resident companies is liable to a 10% withholding tax paid over to the tax Authorities by the end of the following month, and is not allowed as credit against the taxpayer's liability.

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## ***Tax rates***

15. Tax rates are the same for resident and non-resident taxpayers. Please refer to Appendix A for the applicable tax rates.

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# Step 3 – Work permit applications

## Work permit opportunities

16. According to the new regulations in force, since November 2007, expatriates coming to Angola for work purposes should apply before Angolan Embassies or Consulates for the work permits.

The applications have to be accompanied by the following documents, although some Consulates might require additional ones:

- Passport;
- Two photos;
- Statement declaring to respect Angolan laws;
- Clean criminal registration certificate issued in the residence country;
- Medical certificate issued in the residence country;
- Employment contract;
- Job description of the position to be occupied;
- Certificate of education and professional qualifications; and
- Curriculum vitae.

The declaration about respecting Angolan laws and the employment contract must be notarized.

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# Appendix A – 2010 Tax tables

## Personal income tax rates

Tax rates applicable to individuals in 2010 are as follows (in KZ):

| Taxable income over | Not over  | Tax on Column 1 | Percentage on excess |
|---------------------|-----------|-----------------|----------------------|
| 0                   | 25,000    | –               | 0.0%                 |
| 25,000              | 30,000    | –               | 5.0%                 |
| 30,000              | 35,000    | 250             | 6.0%                 |
| 35,000              | 40,000    | 550             | 7.0%                 |
| 40,000              | 45,000    | 900             | 8.0%                 |
| 45,000              | 50,000    | 1,300           | 9.0%                 |
| 50,000              | 70,000    | 1,750           | 10.0%                |
| 70,000              | 90,000    | 3,750           | 11.0%                |
| 90,000              | 110,000   | 5,950           | 12.0%                |
| 110,000             | 140,000   | 8,350           | 13.0%                |
| 140,000             | 170,000   | 12,250          | 14.0%                |
| 170,000             | 200,000   | 16,450          | 15.0%                |
| 200,000             | 230,000   | 20,950          | 16.0%                |
| 230,000             | And above | 25,750          | 17.0%                |

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# ***Appendix B – Double taxation agreements***

## ***Countries with which Angola currently has double taxation agreements:***

Angola has not concluded, up to now, any double tax agreements.

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# Appendix C – Typical tax computation

## Typical tax computation for 2010

Assuming a monthly income of Kwanza (KZ) 1,000,000, and a contribution to social security of 3% of the income, the computation of the personal income tax will be as follows:

| <b>Tax computation</b>                         | <b>KZ</b> | <b>KZ</b>      |
|--|-----------|----------------|
| Gross Income                                   | 1,000,000 |                |
| Contribution to Social Security (3% of income) | (30,000)  |                |
| Taxable Income                                 |           | <b>970,000</b> |
| Tax on lower amount                            | 25,750    |                |
| Tax on excess @ 17%                            | 125,800   |                |
| <b>Tax due</b>                                 |           | <b>151,550</b> |

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# Appendix D – Angola contacts and offices

## Contacts

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