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# ***Global Mobility Services:*** Taxation of International Assignees - Angola

*Taxation issues &  
related matters for  
employers &  
employees 2017*



**pwc**

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This document was not intended or written to be used, and it cannot be used for the purpose of avoiding tax penalties that may be imposed on the taxpayer.

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# *Country:* Angola

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Additional Country Folios can be located at the following website:  
**Global Mobility Country Guides**

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# ***Introduction:*** **International assignees working in Angola**

PwC is the world's leading provider of professional services. The People and Organisation group works together with its clients to find solutions for the challenges they encounter when transferring people from one country to another.

This summary is intended to inform foreign nationals and their employers

about high level tax, social security and immigration issues.

This guide is not exhaustive and cannot be regarded as a substitute for professional advice addressing individual circumstances.

Nevertheless, answers will be found to most of the questions raised by an expatriate or his/her employer. More detailed advice should be sought

before any specific decisions are made about these issues.

More information can be obtained from our offices specializing in People and Organisation Services, Global Mobility.

# Step 1:

## Income tax summary

	Question	Answer
	<b>Basic information</b>	
1	<b>The date of the tax year end</b>	31 December
2	<b>Types of income that are liable to tax</b>	<p>Taxable employment income comprises any remuneration paid in cash or in kind to an individual in the form of regular or incidental wages, salaries, bonuses, premiums, entertainment and travel allowances, subsidies, rewards, directors' fees, in respect of dependent or independent services, irrespective of the source, place, currency and form stipulated for its calculation and payment.</p> <ul style="list-style-type: none"> <li>• Interest, dividends and rental income sourced in Angola are liable to tax.</li> </ul>
3	<b>How are residents and non residents treated differently for tax purposes?</b>	There is no difference of treatment between residents and non-residents.
4	<b>Do spouses file tax returns jointly or as individuals?</b>	There is no filing requirement in Angola for individuals.
5	<b>Method of determining domestic tax residence</b>	The General Tax Code establishes a definition of tax residency criteria for individuals - individuals, who stay in Angola for more than 183 days during a twelve-month period, will become tax resident in Angola.
6	<b>Provide some details of the exchange controls in this jurisdiction</b>	There are no tax information exchange agreements in place in Angola.

	Question	Answer
	<b>Tax rates, allowances and credits</b>	
7	<b>Income tax rate</b>	Progressive PIT rates with a maximum of 17% (17% marginal rate applies on income earned in excess of AKZ 230,000). For calculation purposes, the employer applies the rates to the gross (taxable) income less the social security contribution paid by the employee, if applicable.
8	<b>Income tax allowance amount</b>	Nil.
9	<b>Capital gains tax allowance amount</b>	Not applicable.
10	<b>Rate of capital gains tax</b>	Capital gains are liable to Investment Income Tax (IAC), at a 10% tax rate. Please note that, there are no clear compliance/payment rules in force for the taxation of capital gains at the individuals' level.
11	<b>Rate of tax on interest</b>	Interest on loans granted by third parties to individuals is liable to IAC, at a 15% tax rate.
12	<b>Rate of tax on dividends</b>	Dividends paid by an Angolan entity to individuals are liable to IAC, at a 10% tax rate.
13	<b>Rate of employer social security</b>	8% of gross salary. The employer is required to withhold the employee's contribution and pay both contributions by the 10th day of the month following the month in which the personal income was paid.
14	<b>Rate of employee social security</b>	3% of gross salary. According to the Angolan Law, unless employees can prove that they are covered by a social security regime in their home country, which provides for protection comparable to that of the Angola social security system, all employees must register with the National Social Security Institute and contribute to it. Please note that the Angolan National Social Security Institute is refusing to register expatriate employees holding valid work visas.
15	<b>What types of income are exempt from tax/deductible from taxable income?</b>	Holidays and Christmas allowances up to a limit of 100% of employees' basic salary, housing allowances up to the limit of 50% of the value of the rental agreement, social allowances (e.g. family allowance to the limit of 5% of the employee's monthly basic salary, maternity, death, and labour accidents) and old-age, disability and survivor's pensions, retirement bonuses, social security contributions, severance payments (up to a maximum ceilings as foreseen in the labour law). Meal and transport allowances are not subject to PIT up to a total limit of AKZ 30 000 per month.

	Question	Answer
	Before arriving in the country	
16	<b>What must an individual do in order to be able to work in the country ie obtain a work permit, intra company transfer visa, critical skills visa</b>	Obtain a work or residence visa.
17	<b>What conditions must be met to be eligible to have a work permit</b>	Work visas obtainment may be divided in 2 main phases: (i) obtainment of the favourable opinion for the hiring of a foreign citizen issued by the Ministry in charge for the sector of activity in which the hiring company operates and (ii) submission of the visa application with the Angolan Consulate at the country of origin / residency. In addition, the employment agreement of foreign employees must be registered in the employment center of the area where the company operates and the request must be submitted up to 30 days after the starting date of the professional activity.
18	<b>What is the maximum period a work permit will be issued for</b>	There is no maximum period. Work visas may be granted for the duration of the employment agreement (freely agreed) and its renewals (maximum twice), under the terms agreed between the employer and the employee.
19	<b>Can a work permit be renewed</b>	Yes. We refer to our comments on question 18.
20	<b>What would be the immigration requirements for a short term business visitor</b>	For business development purposes – eg. to attend business meetings or business workshops -, it is possible to apply for an ordinary visa, which is usually granted for a time period of 30 days, renewable locally for 2 times. Please note that an ordinary visa does not allow its holder to undertake any remunerated activity in Angola or to apply for a residence permit.
21	<b>At what point/type of activity would trigger a tax liability in the country</b>	Tax liability is triggered when the income is paid for or borne by an Angolan employer. For these purposes, please note that foreign individuals should hold a valid work visa. A foreign entity is deemed to create a Permanent Establishment (PE) in case it carries out services in Angola through employees for a period of at least 90 days in any given period of 12 months. Consequently, the foreign entity will be subject to Angolan taxation (eg. Corporate Income Tax at a rate of 30%, etc).

	Question	Answer
	<b>During the assignment</b>	
22	<b>Does an individual need to register as a taxpayer</b>	Tax registration will only be required in case the foreign employee has a work or residence visa
23	<b>Timeline and process for registering as a taxpayer</b>	Companies have to register employees with the competent authorities at least 30 days before starting activities. The registration of employees should be made in the first month of employment
24	<b>Are provisional taxes required?</b>	No
25	<b>If yes, on which dates?</b>	Not applicable
26	<b>If yes, what are the penalties for non compliance?</b>	Not applicable
27	<b>Important dates to remember during the tax year</b>	Not applicable
	<b>At the end of the tax year</b>	
28	<b>Tax return filing deadline</b>	Angola applies a fairly straightforward Pay-As-You-Earn (P.A.Y.E.) system, hence there are no Personal Income Tax returns filed by the employees. All the obligations must be fulfilled by the employer through the monthly withholding tax mechanism, i.e., withholding tax is final.
29	<b>Penalty for late filing</b>	Not applicable
30	<b>Tax payment deadline</b>	The Angolan employer must file every month a tax return disclosing the remuneration and fees paid to employees and the tax withheld. Tax is payable simultaneously with the return filing, which deadline is by the end of the following month
31	<b>Penalty for late payment</b>	Penalty of 35% of the tax due plus late interest (1%) – the 35% rate can be reduced to 30% in case of voluntary payment
	<b>At the end of an assignment</b>	
32	The process and actions required before leaving the country	Before leaving Angola there are no specific actions to be taken. Work visa needs to be cancelled by the employer after the employee has departed.
	Other comments	Angola does not have any double taxation treaties with any country. No foreign credit system exists as the PAYE system is final. This applies regardless of how long the assignment will be in Angola.

## Step 2: Rates of tax

### *Personal income tax rates for 2017 (in Angolan Kwanza)*

Over	Up To	Marginal Rate	Marginal Tax	Accum. Total	Accum Total to Last Band	Excess amount
0	34.450	0,00%	0	0	0	0
34.451	35.000	0,00%	550	550	0	34.450
35.001	40.000	7,00%	350	900	550	35.000
40.001	45.000	8,00%	400	1.300	900	40.000
45.001	50.000	9,00%	450	1.750	1.300	45.000
50.001	70.000	10,00%	2.000	3.750	1.750	50.000
70.001	90.000	11,00%	2.200	5.950	3.750	70.000
90.001	110.000	12,00%	2.400	8.350	5.950	90.000
110.001	140.000	13,00%	3.900	12.250	8.350	110.000
140.001	170.000	14,00%	4.200	16.450	12.250	140.000
170.001	200.000	15,00%	4.500	20.950	16.450	170.000
200.001	230.000	16,00%	4.800	25.750	20.950	200.000
230.001		17,00%			25.750	230.000

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# *Appendix:* Contacts and offices

## *Contacts*

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