



COVID-19

Given the public health emergency situation due to COVID-19, a number of statutes have been approved establishing measures to avoid the spread of the disease and mitigate its effects. For more detailed information about the statutes published in response to the pandemic, please consult this [link](#).

TAX

Property Tax Code Approved

Law No. 20/20, of 9 July 2020, approved the Property Tax Code, and repealed the Urban Property Tax (UPT) Code, approved by Legislative Statute No. 4044, of 13 October 1970. Law No. 20/20 further repeals the rules on the taxation of immovable property set forth in the Regulation for the Settlement and Collection of the Tax on Successions and Donations, and the Property Conveyance Tax on the Transfer of Real Estate for Consideration, approved by Legislative Statute No. 230, of 21 May 1931.

Among the main changes introduced by the new law, we highlight the broadening of the scope of application of the tax, which now includes not only urban properties but also rural properties and land for construction, as well as the application of progressive tax rates up to 0.6% (with an increased rate of 50% on unoccupied properties). The Property Tax Code came into force on 8 August 2020.

Amendments to the General Tax Code

Several amendments to the General Tax Code were approved by Law No. 21/20, of 9 July 2020, of which we highlight the following: (i) the introduction of a general anti-abuse rule; (ii) the filing of amended tax returns and binding ruling requests became subject to the payment of fees; (iii) bank secrecy may now be lifted in certain situations; and (iv) a general extension to 30 days of the time periods afforded to the taxpayers (e.g. the right to be heard, the filing of challenges, the bringing of appeals, etc.). The new rules came into force on 9 July 2020.

New Tax on Motor Vehicles

Law No. 24/20, of 13 July 2020, approved the Motor Vehicle Tax, which applies to (a) light and heavy vehicles; (ii) motorcycles, mopeds, tricycles and quadricycles; (iii) aircraft; and (iv) vessels, provided that they are properly licensed or registered in the Republic of Angola. The taxable persons are the owners or possessors, in whose name the vehicles are licensed or registered, lessees and acquirers with retention of title, as well as the holders of purchase option rights under a lease. The tax rate varies depending on the type of vehicle, the category and the engine capacity, ranging from AOA 1,850 and AOA 15,350. The tax must be settled and paid between January and June of each year, with respect to the previous year. The Motor Vehicle Tax came into force on 12 August 2020. The statutes on fines of the Highway Code, as well as the Regulation on the Collection and Fee for Traffic Circulation and Inspection, were repealed.

Amendments to the Industrial Tax Code

The Industrial Tax Code, approved by Law No. 19/14, of 22 October 2014, was the subject of important amendments, approved by Law No. 26/20, of 20 July 2020, of which we highlight the following:

- Abolition of Taxation Groups A and B and implementation of two distinct regimes – the general regime (based on organized accounting) and the

simplified regime (applicable to taxpayers with a gross annual turnover lower than or equal to that defined in the Code);

- The time period for deduction of tax losses was extended from 3 to 5 years;
- Amendments to the tax rates
 - General rate: lowered from 30% to 25%;
 - Income originating in the agricultural sector: rate lowered from 30% to 10%;
 - Income originating in the banking, insurance, telecommunications sectors, and income of Angolan oil companies: rate increased from 30% to 35%;
 - Withholding tax rate on incidental services provided by non-resident entities: increased from 6.5% to 15%.
- The amounts of the fines levied for failure to comply with reporting obligations were doubled.

Law No. 26/20 came into force on 19 August 2020.

Amendments to the Personal Income Tax Code

Law No. 28/20, 22 July 2020, approved amendments to the Personal Income Tax Code. Of the amendments now made, we highlight the general increase of the tax rates and the new rules on the taxation of self-employed workers. The amendments came into force on 21 August 2020.

New Self-Invoicing Regime

Presidential Decree No. 194/20, of 24 of July 2020, approved a new Self-Invoicing Regime, and repealed the rules formerly provided for in Article 10 of the Legal Regime on Invoices and Equivalent Documents (Presidential Decree No. 292/18, of 3 December 2018). The new legal regime came into force on 22 August 2020.

BUDGET

Amended State Budget for 2020

An amended General State Budget (GSB) for the 2020 financial year was approved by Law No. 31/20, of 11 August 2020, which came into force on the day of its publication. Law No. 31/20 partially repeals the law approving the GSB for 2020 (Law No. 30/19, of 27 December 2019). The amended GSB approved several measures of a tax and customs nature, including the application of reduced VAT rates (5%) on the importation, reimportation and conveyance of several foodstuffs; the application of a 14% VAT rate on the transactions related to the operation and practice of games of chance and social amusement; the exportation of nationalized goods, especially foodstuffs, medicines and medical equipment, which is subject to customs duties at a rate of 70%. The law amending the GSB further approved an exceptional regime for compliance with tax obligations in dispute, whose judicial proceedings were initiated by 31 March 2020, and the payment of which may be made without interest or fines, as well as with a 30% reduction of the amount of the tax, on condition that the claimant discontinues the judicial proceedings and pays the debt within 60 days of the effective date of the new law.

BANKING AND FINANCE

Rules on the Activities of Credit Guarantee Companies

Approved

The Regulations on the Activities of Credit Guarantee Companies were approved by means of Presidential Decree No. 193/20, of 24 July 2020. This Presidential Decree repealed Presidential Decree No. 79/12, of 4 May 2012.

Amendments to the Rules on Exchange Operations by Individuals

BNA Order No. 17/20, of 3 August 2020, defined the rules and procedures to be complied with by natural persons in the carrying-out of foreign exchange operations for the purchase of foreign currency or for the transfer of own funds in foreign currency. This Order extended to the holders of other types of visas, other than the Work Visa, allowing the carrying-out of remunerated activities (e.g. the Investor Visa) under the Legal Framework on Foreign Citizens in the Republic of Angola (Law No. 13/19, of 23 May 2019), the possibility of transferring their income abroad, provided that they do so from an account opened with a banking institution domiciled in Angola. On the other hand, the Order further determined that foreign workers who qualify as non-residents for foreign exchange purposes and who carry out a remunerated activity in the Country are required to open a non-resident account with a local financial institution, in which their income must be domiciled. This Order revoked Order No. 12/19, of 2 December 2019, and all other legal provisions inconsistent with it.

Custody Fee Applicable to Surplus Reserves of Commercial Banks Approved

BNA Instruction No. 14/2020, of 4 August 2020, defined the custody fee that the BNA will charge on the surplus reserves of Commercial Banks (the custody fee was set at 0.1% per day).

New Minimum Amounts of Share Capital and Statutory own Funds for Non-Banking Financial Institutions

BNA Order No. 18/20, of 12 August 2020, determined that non-banking financial institutions must now have their share capital fully paid up and keep statutory own funds at the following minimum amounts: AOA 70,000,000 for Companies providing Payment Services; AOA 50,000,000 for Foreign Exchange Offices; AOA 100,000,000 for Factoring Companies; AOA 100,000,000 for Leasing Companies; AOA 25,000,000 for Credit Unions; AOA 25,000,000 for Microcredit Companies; and AOA 250,000,000 for Credit Guarantee Companies.

New Operational Rules on Credit Guarantee Funds

Approved

By means of Order No. 19/20, of 21 August 2020, the BNA defined the operational rules applicable to the carrying-out of activities by the Credit Guarantee Fund, as well as prudential rules on the requirements and procedures for its special registration.

New Operational Rules on Activities of Credit Guarantee

Companies Approved

New operational rules applicable to the carrying-out of activities by Credit Guarantee Companies were defined by means of BNA Order No. 20/20, of 21 August 2020.

INTERNATIONAL PUBLIC LAW

Doha Amendment to Kyoto Protocol Approved

Through Resolution No. 29/20, of 14 July 2020, the National Assembly approved the accession to the Doha Amendment to the Kyoto Protocol. Aiming to stabilize the concentration of greenhouse gases in the atmosphere, this Protocol defines limits for greenhouse gas emissions in industrialized countries, and sets forth mechanisms to keep the costs of containing emissions as low as possible.

Revision to the ECCAS Constituent Treaty Approved and

Ratified

The revision to the Treaty instituting the Economic Community of Central African States (ECCAS) was approved by the National Assembly by means of Resolution No. 30/20, of 31 July 2020, and confirmed by the President of the Republic, by means of

Letter of Ratification No. 8/20, of 7 August 2020.

OFFICE OF THE OMBUDSMAN

Law on the Office of the Ombudsman Approved

By means of Law No. 27/20, of 20 July 2020, the National Assembly approved the Law on the Office of the Ombudsman, which defines the technical and administrative support structure required for the carrying-out of the Ombudsman's duties and functions. This statute defines the rules on the organization, the financial and assets' management, and the labor regime of the Office of the Ombudsman's personnel.

Ombudsman's Framework Law

By means of Law No. 29/20, of 28 July 2020, the National Assembly approved the Organizational Framework of the Ombudsman. This statute defines the status of the Ombudsman, the scope of the Ombudsman's actions, the conditions on the basis of which the Ombudsman exercises his responsibilities, and the remuneration regime for the Ombudsman and the Deputy Ombudsman. The procedures to be followed in the submission, acceptance and processing of the complaints addressed to the Ombudsman are also governed by this statute.

CIVIL REQUISITION

Law on Civil Requisition Approved

By means of Law No. 33/20, of 17 August 2020, the National Assembly approved the Law on Civil Requisition, the exceptional and temporary mechanism allowing the State to resort to a set of determined and necessary measures to ensure, in particularly serious circumstances, the regular provision of services, or the availability of goods essential to public interest or of vital sectors of the national economy. This Law defines the principles, rules and procedures governing the mechanism for recourse to and implementation of civil requisition by the State.

ADMINISTRATIVE LAW

Transfer of Duties and Powers to Local Authorities

By means of Law No. 22/20, of 10 July 2020, the National Assembly approved the Law on the Transfer of Duties and Powers from the Central State to the Local Authorities. This statute sets out the legal framework for the transfer of duties and powers to the local authorities and delimits the scope of the duties and powers to be transferred. It also defines the scope of the intervention of the State bodies and of those of the local authority, thus implementing the principles of local autonomy and administrative decentralization.

Guidelines for the Process of Simplification of Procedures in Public Administration Approved

With a view to eliminating unnecessary requirements in the procedures and to making the Public Administration more efficient, more rational and less bureaucratic, the President of the Republic approved, by means of Presidential Decree No. 189/20, of 23 July 2020, the guidelines for the process of simplification of procedures in the Public Administration. The guidelines approved are applicable to the acts and procedures of the bodies and services of the Central and Local Administration.

General Regime for Cooperation between Local Authorities Approved

By means of Law No. 30/20, of 28 July 2020, the National Assembly approved the General Regime on Cooperation between Local Authorities. This regime defines the general framework on the forms of cooperation that local authorities may adopt to pursue common interests.

New Organizational Frameworks of Several Ministries Approved

With a view to adapt the organizational structure of the various Ministries to the new rules on the creation, structuring, organization and disbanding of services of the Central Administration of the State, the President of the Republic approved new Organizational Frameworks of the following Ministries:

- Ministry of Public Administration, Labor and Social Security (Presidential Decree No. 220/20, of 27 August 2020);
- Ministry of Higher Education, Science, Technology and Innovation (Presidential Decree No. 221/20, of 27 August 2020);
- Ministry of Education (Presidential Decree No. 222/20, of 28 August 2020);
- Ministry of Energy and Water (Presidential Decree No. 223/20, of 28 August 2020); and
- Ministry of Justice and Human Rights (Presidential Decree No. 224/20, of 31 August 2020).

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