

A low-angle, upward-looking photograph of several modern skyscrapers with glass facades. The buildings are illuminated from within, creating a warm, golden glow that contrasts with the clear blue sky. The perspective makes the buildings appear to converge towards the top of the frame, creating a sense of height and architectural grandeur.

Deloitte.

Invest in Angola
The New Private
Investment Law

Approval of the new Private Investment Law in Angola

Law No. 14/15, of 11 August 2015

Private investment

For the purpose of this present Law, a private investment is defined as (i) the use in national territory of capital, technologies and know-how, capital goods and others in specific economic projects, or as (ii) the use of funds intended to create new companies, groups of companies or any other form of corporate representation of domestic or foreign private companies, as well as the acquisition of the whole or part of the capital of existing Angolan companies, with a view to implementing or continuing a specific economic activity according to their corporate objects.

Eligible sectors

Notwithstanding the provisions of the Sectors Delimitation Law, all economic sectors are eligible for tax benefits. However, foreign investment in Angola in the electricity and water sectors, hospitality management and tourism, transport and logistics, civil construction, telecommunications and information technology and media requires the establishment of partnerships with Angolan citizens, state-owned companies or Angolan companies who hold at least 35% of the share capital and participate effectively in its management, as reflected in a shareholders' agreement.

Threshold for tax benefits

Incentives and benefits under the new law apply to domestic investments of an equivalent in Kwanzas of USD 500,000 or more, and foreign investments amounting to the equivalent in Kwanzas of USD 1,000,000, or more.

USD 500,000

Minimum amount for a national investment to access tax benefits

USD 1,000,000

Minimum amount for a foreign investment to access tax benefits

Exemption period for tax benefits

Reductions in Industrial Tax, Property Transfer Tax and Investment Income Tax are available for periods of one to ten years, according to the following rationale:

Tax reduction in percentage points	Years
10 to 30	4
31 to 50	6
51 to 70	8
71 to 100	10



Development zones

For the purposes of granting tax benefits to investment projects, the country is divided into the following development zones:

- i) Zone A - The province of Luanda and the municipalities of the provincial capitals of Benguela, Huíla and the municipality of Lobito;
- ii) Zone B - The provinces of Cabinda, Bié, Cunene, Huambo, Cuando Cubango, Lunda-Norte, Lunda-Sul, Moxico, Zaire, Bengo, Cuanza-Norte, Cuanza-Sul, Malanje, Namibe, Uije and other municipalities of the provinces of Benguela and Huíla.

Projects of reinvestment, modernisation and expansion

Projects of reinvestment, modernisation and expansion may apply for tax benefits that can be granted by the relevant governmental body on the basis of a prior opinion of the government ministry responsible for finance.

Extraordinary incentive grant

The extraordinary grant of tax benefits by the Head of Government is available by negotiation, under the contractual regime for private investment, for investments in Kwanzas of USD 50,000,000 or more and capable of creating at least 500 or 200 jobs for Angolan citizens in Development zones A and B, respectively.

Benefits and customs incentives

The granting and withdrawal of benefits and customs incentives is governed by the tax regime set out in the Customs Tariff Schedule of Import and Export Duties.

Limits of application

Tax benefits cease immediately where the investor has benefited from a tax saving equal to or higher than the investment made or on expiry or after a maximum term of ten years.

Repatriation of profits and dividends

When a qualifying investment project is implemented and upon proof of its execution, foreign investors are granted the right to transfer the following abroad:

- a) Dividends or profits;
- b) The proceeds of liquidation of investments, including capital gains, upon payment of any applicable taxes;
- c) The proceeds of indemnities;
- d) Royalties or other earnings resulting from payments for indirect investments, associated with the transfer of technology.

Supplementary rate of Investment Income Tax

Dividends and profits distributed are subject to a supplementary rate of Investment Income Tax, to the extent that they exceed the recipient's participation in its own funds, as follows:

Excess value	Additional tax rate
Up to 20%	15%
From 20% to 50%	30%
Above 50%	50%

This regime does not apply to dividends or profits reinvested in Angola.

Indirect investment

Whenever national or foreign investors intend to make an indirect investment, the indirect component shall not exceed 50% of the total investment.

Shareholders' loans

Shareholders' loans may not exceed 30% of the amount of investment made by the company, and may not be repaid during the first three years from the date of being recorded as a liability in the borrowing company's accounts.

Previous investment projects

The new Private Investment Law and related regulations will not apply to investment projects approved prior to their entry into force. These investments continue to be governed by the laws and/or the specific contracts on the basis of which they were made and authorisation granted.

However, private investors are free to apply to have projects which have already been approved made subject to the provisions of this new Private Investment Law, and the relevant authority for approval shall decide on any such request, in accordance with the value or characteristics of the project.

Tax and customs incentives and benefits and other facilities already granted under previous legislation shall remain in force throughout the time periods set, and shall not be extended.



Criteria for granting tax benefits

The granting of tax benefits is analysed on a case-by-case basis and will take into account the score obtained in each private investment proposal regarding the criteria presented in the table below.

Tax Benefits Table				
National job creation	Up to 50 jobs	> 50 < 100	> 100 < 500	> 500
	5.00%	7.50%	10.00%	12.50%
Investment value in Kwanzas equivalent to	> USD 500 thousand < USD 5 million	> USD 5 million < USD 20 million	> USD 20 million < USD 50 million	> USD 50 million
	5.00%	7.50%	10.00%	12.50%
Investment location	Zone A		Zone B	
	7.50%		15.00%	
Agriculture, livestock, forestry, fisheries and related agro-industries	Zone A		Zone B	
	7.50%		15.00%	
Production for export	Up to 25%	> 25% < 50%	> 50% < 75%	> 75%
	7.50%	10.00%	12.50%	15.00%
Shareholding by Angolans	> 10% < 20%	> 20% < 35%	> 35% < 45%	> 45% < 50%
	7.50%	10.00%	12.50%	15.00%
National added value	Até 25%	> 25% < 50%	> 50% < 75%	> 75%
	7.50%	10.00%	12.50%	15.00%

For further information, please contact us:

Jorge Nadais

Associate Partner

jnadais@deloitte.pt

+351 936 403 388

+244 942 641 525

Sónia Gonçalves

Senior Manager

songoncalves@deloitte.co.ao

+244 946 291 439

Edifício Escom

Rua Marechal Brós Tito, 35 - 7º

Luanda

Angola

Condomínio Cidade Financeira

Via S8, Bloco 4 - 5º, Talatona

Luanda

Angola

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