



## Getting to the point, **with confidence**

### The General State Budget for 2024

On December 29, 2023, Law No. 15/23, approving the General State Budget for the Economic Year of 2024, was published in the Official Gazette.

This Law entered into force on January 1, 2024, and may be consulted [here](#).

Please find below the main tax and customs provisions included in the General State Budget for 2024.

#### Special Contribution on Exchange Transactions ("SCET")

The SCET is introduced, which has a broader scope of application than the Special Contribution on Current Invisible Exchange Transactions that was in force in previous years.

Currently, in addition to transfers made under contracts for the provision of services, technical assistance, consultancy, and management services, capital operations, and unilateral transfers are now subject to the SCET, except transfers of dividends and the return of loan capital, including interest, as well as transfers intended for health and education expenses, provided they are made directly to the bank accounts of health or education institutions.

Natural and legal persons governed by private law, with their domicile or registered office in Angola, who apply to a financial institution for the above-mentioned transfers are subject to SCET.

The State and any of its bodies, agencies, and establishments are exempt from this contribution, except public institutes and companies, as well as oil and diamond investment companies.

Assessment and payment will be made by the financial institutions, when the transfer abroad is processed, under penalty of a fine corresponding to the amount of the SCET due.

Finally, the SCET rate applied to the amount in national currency to be transferred is 2.5% if the sender is a natural person, or 10% if the sender is a legal person.

## Amendment to the Customs Code

### Non-renewal of the suspensions associated with (i) the possibility of customs clearance of imported goods with deferred payment of duties and other charges and (ii) the exemption from import duties for goods imported by public institutions or companies for public investments or public works

The suspensions of articles 48 and 66 of the Customs Tariff (approved by Presidential Legislative Decree no. 10/19 of November 29) provided for in the General State Budget for 2023 are not foreseen in the General State Budget for the current year. As a result, these rules will be in force, without suspension, for the 2024 financial year.

Thus, public institutions will once again be able to carry out customs clearance of goods imported with deferred payment of duties and other customs charges (Article 48 of the Customs Tariff). In addition, goods imported by public institutions or companies for public investments or works will benefit from exemption from customs duties (Article 66 of the Customs Tariff).

A new Customs Tariff is also expected to be published, following the legislative authorization granted in Law 13/23 of December 28, 2023.

### Payment of customs debt in instalments

The possibility of paying the customs debt in instalments has been maintained, both in cases where there has been customs clearance of imported goods with deferred payment of customs duties and in cases where additional amounts of tax are assessed, as a result of post-import audit procedures.

### Electronic auctions

As far as electronic auctions are concerned, auctions can now be carried out by applying the rules defined in the Customs Code.

### Settlement of administrative proceedings

Article 503.9 of the Customs Code, approved by Decree-Law no. 5/06, of October 4, which was suspended under the provisions of the General State Budget for 2023, is repealed, changing the order of distribution of the proceeds from the auctioning of goods. According to the Statement of Reasons for the 2024 General State Budget Law proposal, the aim of repealing this rule is to establish that storage costs should be subsequently paid, after customs duties and other charges, ensuring faster and more secure payments to terminal operators.

## Special Gaming Tax

As already foreseen in the General State Budget for 2023, the award of prizes benefits from a Special Gaming Tax exemption on prizes of any type of gambling up to the value of 200,000 Kwanzas. However, the excess over this amount will now be taxed at rates of 20% to 25%, if the games are land-based or online, respectively.

Random combinations for advertising promotions, raffles, draws and contests are excluded from the above exemption regime.

Regarding the tax levied on territorially based banked games, the Special Gaming Tax continues to be settled in two installments: 1<sup>st</sup> a rate of 1.1% is applied over the initial working capital for single stalls and 2.2% for double stalls, and 2<sup>nd</sup> a rate of 25% is also applied to the gross revenue of the stalls.

To this end, minimum initial working capital amounts are set for gaming tables and vending machines, depending on whether they are in general gaming rooms or VIP rooms.

Notwithstanding, the General State Budget for 2024 foresees that vending machines will be subject to the system of banked games, with the fixed bases for games practiced in simple banking being applied and, on the other hand, the capital is fixed for each of the machines offered for operation or, at the request of the operating entities, by groups of machines. In the latter case, the tax is due on the referred capital, even if not all the machines in the respective group are working.

Concerning land-based online games, including bingo, tax is due at a rate of 25%, which is levied on the gross revenue and commissions of the operating entities, for each of the tables and gaming sessions.

Regarding social games, the following tax rates apply to the gross revenue exclusively resulting from betting:

- 20% over territorially based sports bets; and
- 25% over online sports bets.

Finally, the following special gaming tax rates apply to the total value of prizes: 10% for land-based and online games of chance and 20% for land-based and online social games.

Lastly, the administrative management fee provided for in article 50.º of Law no. 5/16, of May 17, approving the Gaming Act, which was already suspended by the 2023 General State Budget, is repealed.

## Authorized Economic Operators

As foreseen in General State Budget for 2023, the benefits granted to authorized economic operators certified as importers and exporters are maintained for 2024 (e.g. the possibility of paying customs duties in instalments, exemption from providing a guarantee in the customs clearance process or the possibility of clearing goods on a deferred basis, etc.), as well the benefits granted to authorized economic operators certified as official brokers and freight forwarders (e.g. a reduction in the number of tax and documentary inspections, exemption from providing a guarantee in transit processes, etc.).

## Personal Income Tax (“PIT”)

For determining the taxable amount of income falling within Group C, regarding the activities of taxpayers whose turnover in the 2023 fiscal year was equal to or less than 10 million of Kwanzas, it is defined that the taxable amount will correspond to the volume of sales of goods and services not subject to withholding tax on which PIT will be levied, at a rate of 6.5%.

It is also reinforced that, regardless of their turnover, Group C taxpayers with organized accounts will be subject, *mutatis mutandis*, to the rules applicable to the calculation of the taxable income of taxpayers under the general corporate income tax regime.

Therefore, during the financial year of 2024, Article 9(2) of the PIT Code, approved by Law No. 18/14 of October 22, is suspended.

Finally, Group A income earned up to the limit of 100,000 Kwanzas will be exempt from PIT, being the correspondent PIT tables consequently updated.

## Corporate Income Tax (“CIT”)

### Tax-neutrality in the revaluation of fixed assets

An amendment to the CIT has been introduced which establishes tax neutrality, with an impact on the 2023 tax year, of revaluations of companies' fixed assets at fair value (tangible and intangible fixed assets and investments in real estate).

Thus, the gains or losses resulting from the revaluation of fixed assets to their fair value should not be relevant for the determination of the CIT taxable base in the 2023 tax year.

The application of this regime depends on the correct compliance with accounting standards, including the segregation of operations related to revaluation in the accounts (future regulations are expected to be approved regarding the specific accounts in which the amounts resulting from revaluation should be recorded).

On the other hand, depreciation costs calculated on fixed assets, in the part resulting from the revaluation, during the useful life of the asset, are not accepted for tax purposes, as well as the impossibility of distributing dividends on the component of the revaluation that impacted positively the companies' equity position.

### **Mandatory electronic submission**

Taxpayers liable to CIT under the general regime and the simplified regime will now be obliged to submit their returns electronically and will no longer be allowed to submit the returns in physical format.

### **Costs incurred by taxpayers in the agricultural and livestock sectors**

Duly documented costs incurred by taxpayers in the agricultural and livestock sectors, relating to investment in infrastructure necessary for the production and disposal of products, that benefit the communities in which they operate can be depreciated over the five financial years immediately following the investment.

Acceptance of the costs depends on prior authorization from the Tax Authority, as well as proper documentation supporting such expenses.

### **Tax Rate on Inheritance and Donations over movable goods**

The tax rates on Inheritance and Donations over movable goods that were in force in 2023 are maintained for the 2024 fiscal year.

Thus, for transfers of movable and similar goods between spouses or in favor of descendants and ascendants, the tax rate is 0,5% for transfers up to 5 million Kwanzas and 1% for transfers above this amount.

Whenever the transfer of movable and equivalent assets is made between any other persons, the applicable rates are doubled (1% for transfers up to 5 million Kwanzas and 2% for transfers above this limit).

### **Motor Vehicle Tax Rates applicable to Vessels and Aircrafts**

The tables regarding the rates for the Tax on Motor Vehicles applicable to Vessels (fixed according to the gross tonnage and propulsion power) and Aircrafts (in this case, fixed according to the maximum weight authorized for the take-off) are maintained for the fiscal year of 2024.

### **Exceptional regime for the settlement of social security debts by terminated public companies or in the process of liquidation**

Terminated public companies or those that are in the process of liquidation that voluntarily declare and settle the outstanding contributions debt to Social Security, are exempt from the payment of interest and fines.

Adherence to the regime in question must be made upon request by the liquidating entity, provided that the application and settlement of the outstanding debt are made by December 31, 2024.

### **Tax Enforcement Code**

The non-regularized tax situation concept is extended to taxpayers who are in breach of any obligation laid down in the Tax Laws.

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