FOREWORD

A country’s tax regime is always a key factor for any business considering moving into new markets. What is the corporate tax rate? Are there any incentives for overseas businesses? Are there double tax treaties in place? How will foreign source income be taxed?

Since 1994, the PKF network of independent member firms, administered by PKF International Limited, has produced the PKF Worldwide Tax Guide (WWTG) to provide international businesses with the answers to these key tax questions. This handy reference guide provides clients and professional practitioners with comprehensive tax and business information for over 90 countries throughout the world.

As you will appreciate, the production of the WWTG is a huge team effort and I would like to thank all tax experts within PKF member firms who gave up their time to contribute the vital information on their country’s taxes that forms the heart of this publication.

I hope that the combination of the WWTG and assistance from your local PKF member firm will provide you with the advice you need to make the right decisions for your international business.

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The PKF Worldwide Tax Guide 2013 (WWTG) is an annual publication that provides an overview of the taxation and business regulation regimes of the world’s most significant trading countries. In compiling this publication, member firms of the PKF network have based their summaries on information current on 1 January 2013, while also noting imminent changes where necessary.

On a country-by-country basis, each summary addresses the major taxes applicable to business; how taxable income is determined; sundry other related taxation and business issues; and the country’s personal tax regime. The final section of each country summary sets out the Double Tax Treaty and Non-Treaty rates of tax withholding relating to the payment of dividends, interest, royalties and other related payments.

While the WWTG should not be regarded as offering a complete explanation of the taxation issues in each country, we hope readers will use the publication as their first point of reference and then use the services of their local PKF member firm to provide specific information and advice.

In addition to the printed version of the WWTG, individual country taxation guides are available in PDF format which can be downloaded from the PKF website at www.pkf.com
ABOUT PKF INTERNATIONAL LIMITED

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Please visit www.pkf.com for more information.
STRUCTURE OF COUNTRY DESCRIPTIONS

A. TAXES PAYABLE
   - Federal Taxes and Levies
   - Company Tax
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   - Branch Profits Tax
   - Sales Tax/Value Added Tax
   - Fringe Benefits Tax
   - Local Taxes
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   - Capital Allowances
   - Depreciation
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   - Dividends
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C. FOREIGN TAX RELIEF

D. CORPORATE GROUPS

E. RELATED PARTY TRANSACTIONS

F. WITHHOLDING TAX

G. EXCHANGE CONTROL

H. PERSONAL TAX

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES
INTERNATIONAL TIME ZONES

AT 12 NOON, GREENWICH MEAN TIME, THE STANDARD TIME ELSEWHERE IS:

**A**
- Algeria . . . . . . . . . . . . . . . . . . . 1 pm
- Angola . . . . . . . . . . . . . . . . . . . 1 pm
- Argentina . . . . . . . . . . . . . . . . . . 9 am
- Australia -
  - Melbourne . . . . . . . . . . . . . . . . . . . 10 pm
  - Sydney . . . . . . . . . . . . . . . . . . . . 10 pm
  - Adelaide . . . . . . . . . . . . . . . . . . . 9.30 pm
  - Perth . . . . . . . . . . . . . . . . . . . . . 8 pm
- Austria . . . . . . . . . . . . . . . . . . . .1 pm

**B**
- Bahamas . . . . . . . . . . . . . . . . . . .7 am
- Bahrain . . . . . . . . . . . . . . . . . . . .3 pm
- Belgium . . . . . . . . . . . . . . . . . . . .1 pm
- Belize . . . . . . . . . . . . . . . . . . . . .6 am
- Bermuda . . . . . . . . . . . . . . . . . . . .8 am
- Brazil . . . . . . . . . . . . . . . . . . . . .7 am
- British Virgin Islands . . . . . . . . . . .8 am

**C**
- Canada -
  - Toronto . . . . . . . . . . . . . . . . . . .7 am
  - Winnipeg . . . . . . . . . . . . . . . . . . .6 am
  - Calgary . . . . . . . . . . . . . . . . . . . .5 am
  - Vancouver . . . . . . . . . . . . . . . . . . .4 am
  - Cayman Islands . . . . . . . . . . . . . . .7 am
  - Chile . . . . . . . . . . . . . . . . . . . . .8 am
  - China - Beijing . . . . . . . . . . . . . . .10 pm
  - Colombia . . . . . . . . . . . . . . . . . . .7 am
  - Cyprus . . . . . . . . . . . . . . . . . . . . .2 pm
  - Czech Republic . . . . . . . . . . . . . . .1 pm

**D**
- Denmark . . . . . . . . . . . . . . . . . . .1 pm
- Dominican Republic . . . . . . . . . . . .7 am

**E**
- Ecuador . . . . . . . . . . . . . . . . . . . .7 am
- Egypt . . . . . . . . . . . . . . . . . . . . . .2 pm
- El Salvador . . . . . . . . . . . . . . . . . . .6 am
- Estonia . . . . . . . . . . . . . . . . . . . . .2 pm

**F**
- Fiji . . . . . . . . . . . . . . . . . . . . . .12 midnight
- Finland . . . . . . . . . . . . . . . . . . . .2 pm
- France . . . . . . . . . . . . . . . . . . . . .1 pm

**G**
- Gambia (The) . . . . . . . . . . . . . . . . .12 noon
- Germany . . . . . . . . . . . . . . . . . . . .1 pm
- Ghana . . . . . . . . . . . . . . . . . . . . .12 noon
- Greece . . . . . . . . . . . . . . . . . . . . .2 pm
- Grenada . . . . . . . . . . . . . . . . . . . . .8 am
- Guatemala . . . . . . . . . . . . . . . . . . .6 am
- Guernsey . . . . . . . . . . . . . . . . . . . .12 noon
- Guysey . . . . . . . . . . . . . . . . . . . . .7 am
- Hong Kong . . . . . . . . . . . . . . . . . . .8 pm
- Hungary . . . . . . . . . . . . . . . . . . . . .1 pm
- India . . . . . . . . . . . . . . . . . . . . . .5.30 pm
- Indonesia . . . . . . . . . . . . . . . . . . . .7 pm
- Ireland . . . . . . . . . . . . . . . . . . . . .12 noon
- Isle of Man . . . . . . . . . . . . . . . . . . .12 noon
- Israel . . . . . . . . . . . . . . . . . . . . . .2 pm
- Italy . . . . . . . . . . . . . . . . . . . . . . .1 pm
- Jamaica . . . . . . . . . . . . . . . . . . . . .7 am
- Japan . . . . . . . . . . . . . . . . . . . . . .9 pm
- Jordan . . . . . . . . . . . . . . . . . . . . . .2 pm
- Kenya . . . . . . . . . . . . . . . . . . . . . .3 pm
- Latvia . . . . . . . . . . . . . . . . . . . . . .2 pm
- Lebanon . . . . . . . . . . . . . . . . . . . . .2 pm
- Luxembourg . . . . . . . . . . . . . . . . . .1 pm
- Malaysia . . . . . . . . . . . . . . . . . . . .8 pm
- Malta . . . . . . . . . . . . . . . . . . . . . .1 pm
- Mexico . . . . . . . . . . . . . . . . . . . . .6 am
- Morocco . . . . . . . . . . . . . . . . . . . .12 noon
- Namibia . . . . . . . . . . . . . . . . . . . .2 pm
- Netherlands (The). . . . . . . . . . . . . .1 pm
- New Zealand . . . . . . . . . . . . . . . . . .12 midnight
- Nigeria . . . . . . . . . . . . . . . . . . . . .1 pm
- Norway . . . . . . . . . . . . . . . . . . . . .1 pm
- Oman . . . . . . . . . . . . . . . . . . . . . .4 pm
- Panama . . . . . . . . . . . . . . . . . . . . .7 am
- Papua New Guinea . . . . . . . . . . . . .10 pm
- Peru . . . . . . . . . . . . . . . . . . . . . . .7 am
- Philippines . . . . . . . . . . . . . . . . . . .8 pm
- Poland . . . . . . . . . . . . . . . . . . . . . .1 pm
- Portugal . . . . . . . . . . . . . . . . . . . . .1 pm
- Qatar . . . . . . . . . . . . . . . . . . . . . . .8 am
- Romania . . . . . . . . . . . . . . . . . . . . .2 pm
Russia -
  Moscow .................. 3 pm
  St Petersburg .......... 3 pm

S
  Singapore ............ 7 pm
  Slovak Republic .... 1 pm
  Slovenia ............. 1 pm
  South Africa ......... 2 pm
  Spain ................ 1 pm
  Sweden ............... 1 pm
  Switzerland .......... 1 pm

T
  Taiwan ................. 8 pm
  Thailand ............. 8 pm
  Tunisia .............. 12 noon
  Turkey ................ 2 pm
  Turks and Caicos Islands .... 7 am

U
  Uganda .................. 3 pm
  Ukraine ............... 2 pm
  United Arab Emirates ... 4 pm
  United Kingdom .... (GMT) 12 noon
  United States of America -
    New York City .......... 7 am
    Washington, D.C. .... 7 am
    Chicago ............... 6 am
    Houston ............... 6 am
    Denver ................ 5 am
    Los Angeles .......... 4 am
    San Francisco ......... 4 am
    Uruguay ............... 9 am

V
  Venezuela ............. 8 am

Z
  Zimbabwe ................ 2 pm
ANGOLA

Currency: Kwanza
(KZ)

Dial Code To: 244

Dial Code Out: 00

Member Firm:

City: Luanda

Name: Henrique Camões

Serra

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A. TAXES PAYABLE

CORPORATE INCOME TAX: GENERAL REGIME

Industrial Tax (Income Tax) is levied on all profits derived from Angola. All the income obtained by an Angola company operating overseas will be fully taxable.

Taxpayers paying Industrial Tax are divided into three groups of which Group A is the most important.

GROUP A

Group A includes joint stock companies, public companies with capital greater than 35 UCFs, financial and insurance institutions, Angolan companies operating abroad, foreign entities having a permanent establishment in Angola and other taxpayers that have an average turnover in the last three years over 70 UCFs.

A UCF is a reference value used to establish a taxpayer's tax liability. The UCF is periodically adjusted by the Minister of Finance based on oil prices, exchange rate against the US Dollar and the consumer price index.

GROUP B

This group comprises the taxpayers that do not fall under Groups A or C, as well as those who carry out a one-off activity of a commercial or industrial nature.

GROUP C

Group C comprises any individual who fulfils the following conditions:

• is included in a trade list
• does not keep a set of accounts
• works for himself and does not have more than three employees or collaborators
• does not make use of more than two vehicles and
• whose annual gross turnover is not exceeding 13 UCFs.

The tax rate applicable to Groups A and C is 35%. The Group B tax rate is 25% (levied on gross turnover).

Tax payment obligations should be fulfilled under the following conditions:

• Group A: Companies have to file form M/1 up to 31 May and advance payments of tax shall be made in January, February and March of the following year. Final payments will be made at the time of delivering form M/1 and set off against the advance payments made.
• Group B: The tax must be paid by 30 April.
• Group C: The tax must be paid by 28 February.

CAPITAL GAINS TAX

Worldwide capital gains obtained by resident companies are included in taxable income and taxed at the standard flat rate of 35%.

BRANCH PROFITS TAX

All income attributable to the Angolan branch (permanent establishment) is subject to Industrial Tax.

CONSUMPTION TAX

This tax is levied on the supply of goods and services as well as on the import of goods into Angola. The tax rate ranges from 2% to 30%, depending on the goods or service. The standard rate of VAT is 10%.

With the recently approved changes to the Consumption Tax Regulation, several types of services that were not subject to taxation are now subject to Consumption Tax at a rate of 5% or 10% (e.g. consultant services, dispatch services and the transportation of goods and passengers inside the Angolan territory). Whenever an Angola Company provides a service subject to Consumption Tax, this tax should be included in the invoice issued with the tax cost being borne by the purchaser of the service. However, if these services are acquired to a non-resident entity, the Angola company shall self-assess Consumption Tax over the acquisition price and deliver it to the Angola tax authorities.
STAMP DUTY
The tax reform has published a new Stamp Duty Code which provides the taxation on a wide range of facts included in the Stamp Duty Table from which we highlight the following situations:

(i) rate of 1% on the amount effectively received by the Angola company and;
(ii) rate of 0.3% up to 0.5% on the credit operations between non-financial entities.

SPECIAL TAX REGIMES
CONTRACTORS/SERVICE PROVIDERS
Scope: A tax law approved in 1997 introduced a special tax regime for contracting and similar services.

This regime establishes a withholding tax on payments made to persons and companies carrying out, occasionally or permanently, contracting services, subcontracting services or rendering of services not included in the employment income Tax Code, regardless of whether or not they have a head office, permanent office or permanent establishment in Angola.

Tax rates: If the services comprise the repairing or construction/assembly of fixed assets of the contracting part, the rate of tax is 3.5%. For all other services, the tax rate is 5.25%.

Tax collection/payment method: The tax shall be withheld by the contracting party for each payment made and paid over to the Tax Office within the following 15 days, accompanied by a complete official document. The tax shall be paid in the currency which is determined in the respective contract and converted into Kwanza.

PETROLEUM INDUSTRY TAX REGIME
Oil companies are subject to a specific tax regime.

PETROLEUM INCOME TAX (PIT)
Tax base: PIT is levied on the income obtained from the exercise of petroleum transactions and any other income derived from other activities of a non-commercial or industrial nature.

Tax rate:
(i) 65.75% - in relation to a joint venture agreement (“Associação em Participação”)
(ii) 50% - for a cost share agreement.

PETROLEUM TRANSACTION TAX (PTT)
PTT is due on all the income derived from petroleum transactions carried out under a joint venture agreement. The tax rate is 70%.

SURFACE
Surface fees are calculated based on production areas at a rate of $300 per square kilometre per year.

PRODUCTION ROYALTY
This is due on non-PSA (Associação em Participação) total hydrocarbons production less hydrocarbons used in field operations at a rate of 20% with possible reduction to 10%.

ANNUAL CONTRIBUTIONS FOR TRAINING ANGOLAN NATIONALS
ENTITIES SUBJECT TO TRAINING LEVY/RATES:
(i) Enterprises that carry forward activities related to the production of petroleum/ US$ 0.15 per produced barrel.
(ii) Enterprises whose activities are in exploration and development phases/US$ 200,000 per year.

MINING INDUSTRY TAXATION
Mining companies are subject to a specific taxation regime.

MINING CORPORATE INCOME TAX
The tax base is the same as corporate income tax with specific adjustments, such as depreciation. The tax rate is 40% and is payable in the same manner as corporate income tax.

MINING SURFACE FEE
This fee is due based on the surface area licensed during the prospecting and exploration periods. The tax rate varies between US$1/Km2 to US$4/Km2.

MINING ROYALTY
This is charged ad valorem on the market value of the annual mineral ore output at various rates between 2% and 5%.
B. DETERMINATION OF TAXABLE INCOME

GENERAL REGIME
The calculation of net or taxable income is arrived at by adjusting the accounting profits for non-taxable income and non-deductible expenses. As a general principle, costs are only deductible when necessarily incurred for the purpose of producing income.

DEPRECIATION OF FIXED ASSETS
Fixed assets can be depreciated for tax purposes. The depreciation rates are set by specific legislation. The normal method of calculation is the straight-line basis.

STOCK/INVENTORY
Inventory must normally be valued at the effective cost of acquisition or production (historic cost).

DIVIDENDS
Companies are generally subject to tax on the gross amount of dividends received. Dividends received from Angolan companies subject to industrial tax are exempt from tax if, at the time of the distribution, the recipient owns at least 25% of the capital of the paying company and has held the shares for at least two years or since the incorporation of this company. Whenever the dividends are distributed by a local company and the conditions mentioned above are not foreseen, the tax rate is 10%. Dividends received from a foreign company are considered to be normal business income and taxed at an effective rate of 35%.

LOSSES
Operating losses incurred by resident companies, or by a branch of a non-resident company, may be carried forward to set off against taxable profits for three years.

FOREIGN SOURCED INCOME
Taxation of resident companies takes into account their worldwide income.

INCENTIVES
Incentives under Angolan tax legislation include investment incentives:

(i) or projects of national interest or projects located in special development zones – total exemption from corporate income tax from three up to five years and also the reduction of 50% of corporate income tax for up to ten years. The incentives are granted by the Minister of Finance

(ii) for investment in agriculture, farming, transformative industries, transportation, education and health. These can benefit from an eight to 15 year corporate income tax holiday, depending on the investment’s geographical location.

C. FOREIGN TAX RELIEF
Foreign-sourced income is included in the taxable income. No relief is granted for foreign taxes paid by an Angola taxpayer subject to earned income tax. Tax credits are available for overseas taxes incurred in certain circumstances.

D. CORPORATE GROUPS
There is no special regime for the taxation of groups of companies.

E. RELATED PARTY TRANSACTIONS
There are no tax regulations governing groups of companies. However, there are provisions that allow the tax authorities to adjust the taxable income of any taxpayer as a result of a special relationship. Furthermore, adjustment of the assessable income is also allowed for the case of a foreign operating entity declaring a taxable profit which will be different from the taxable profit that would be obtained by an Angolan entity under the same conditions.

F. WITHHOLDING TAXES
Dividends in general (including income from profit-sharing arrangements) paid to resident and non-resident individuals and companies are subject to withholding of investment income tax at a general rate of 10% on the gross amount of the dividends. Interest payments to resident and non-resident companies are subject to withholding of investment income tax at the rates indicated below:

• 10% on corporate bond interest, withheld by the payer
• 15% on any other type of taxable interest, assessed by the competent local tax office (i.e. on interest from ordinary loans – other than domestic bank loans – and credit facilities, current accounts, sales on credit and late payment thereof and participants’ advance loans to their company).
Domestic and foreign-source royalties received by taxpayers subject to business income tax are taxed as ordinary business income at a rate of 35%. Royalties paid for intellectual works to the original creator are treated as self-employment income and subject to earned income tax at a flat rate of 10%.

G. EXCHANGE CONTROL

There are no exchange controls in effect.

H. PERSONAL TAX

SCOPE

All individuals receiving employment income for duties performed in Angola are subject to income tax. Personal income tax will be payable by all Angolan residents and non-residents on all the income obtained from an activity in Angola.

INCOME TAX

Income taxes for individuals (resident and non-resident) are levied on a sliding scale at rates which vary from 0% to 17%.

<table>
<thead>
<tr>
<th>Salaries in Kwanza</th>
<th>Tax rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Up to 25,000</td>
<td>Exempt</td>
</tr>
<tr>
<td>From 25,001 up to 30,000</td>
<td>5% of the amount exceeding 25,001</td>
</tr>
<tr>
<td>From 30,001 up to 35,000</td>
<td>250 Kz + 6% of the amount exceeding 30,001</td>
</tr>
<tr>
<td>From 35,001 up to 40,000</td>
<td>550 Kz + 7% of the amount exceeding 35,001</td>
</tr>
<tr>
<td>From 40,001 up to 45,000</td>
<td>900 Kz + 8% of the amount exceeding 40,001</td>
</tr>
<tr>
<td>From 45,001 up to 50,000</td>
<td>1,300 Kz + 9% of the amount exceeding 45,001</td>
</tr>
<tr>
<td>From 50,001 up to 70,000</td>
<td>1,750 Kz + 10% of the amount exceeding 50,001</td>
</tr>
<tr>
<td>From 70,001 up to 90,000</td>
<td>3,750 Kz + 11% of the amount exceeding 70,001</td>
</tr>
<tr>
<td>From 90,001 up to 110,000</td>
<td>5,950 Kz + 12% of the amount exceeding 90,001</td>
</tr>
<tr>
<td>From 110,001 up to 140,000</td>
<td>8,350 Kz + 13% of the amount exceeding 110,001</td>
</tr>
<tr>
<td>From 140,001 up to 170,000</td>
<td>12,250 Kz + 14% of the amount exceeding 140,001</td>
</tr>
<tr>
<td>From 170,001 up to 200,000</td>
<td>16,450 Kz + 15% of the amount exceeding 170,001</td>
</tr>
<tr>
<td>From 200,001 up to 230,000</td>
<td>20,950 Kz + 16% of the amount exceeding 200,001</td>
</tr>
<tr>
<td>Above 230,001</td>
<td>25,750 Kz + 17% of the amount exceeding 230,001</td>
</tr>
</tbody>
</table>

TAX RATES APPLICABLE TO EMPLOYEES

Employees are subject to personal income tax at the rates mentioned in the table above on their total remuneration.

INDEPENDENT PROFESSIONALS

Tax rates levied on the remuneration derived by independent professionals are subject to a personal tax income tax rate at a flat rate of 15% on 70% of their total income.

NON-RESIDENTS

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.

TAXABLE INCOME

Includes all employment income such as wages, salaries, leave payments, fees, gratuities, bonuses and premiums or allowances paid or granted by reason of employment, in cash or kind.

TAXATION

Employment income is subject to a monthly withholding tax deducted by the employer and paid over to the Tax Office on a monthly basis.

I. TREATY AND NON-TREATY WITHHOLDING TAX RATES

Angola has not concluded tax treaties with any other jurisdiction.