

Double Tax Treaty Portugal – Angola

In accordance with the notice gazzeted in Portugal yesterday, the double tax treaty signed between Portugal and Angola entered into force on 22 August and will be applicable to all taxes foreseen therein from 1 January 2020 onwards.

The double tax treaty between Portugal and Angola follows the UN Model Tax Convention with an impact, for instance, in the concept of permanent establishment. The tax treaty foresees the following maximum tax rates: 8% and 15% for dividends, 10% for interest, 8% for royalties and 5% for fees related to technical services.

On the other hand, the treaty foresees a tax sparing credit applicable during seven years to tax payers resident in Portugal, which allows the deduction of the tax that would have otherwise been paid in the absence of an exemption or tax reduction foreseen in the Angolan legislation aimed at promoting its economic development. This tax sparing credit is not applicable to income from entities whose main activity is carrying on banking or insurance activities, neither to income from participations or from the lease of assets.

The tax treaty is expressly not applicable to the taxation of income and profits from oil and gas.

CONTACTS

Diogo Bernardo Monteiro | Partner | dbm@fcblegal.com

João Robles | Partner | jmr@fcblegal.com