

# ANGOLAN TRANSACTION TAX CAUSES UNCERTAINTY - FCB&A

Posted on 27/05/2015



Category: [Uncategorized](#)



## **New tax relating to invisible transactions could lead to additional costs of 15-20 per cent that some fear could deter investors**

As plummeting oil prices force the Angolan government to look for alternative ways of raising foreign currency revenue, Portuguese lawyers are speculating as to what the impact of a new invisible transaction tax will be on foreign investment.

"For a country with an economy largely dependent on oil, the government is struggling with the task of balancing its internal balance of payments," explains João Robles from FCB&A in Lisbon.

Contained in the draft of the amended State Budget Law for 2015, one of the new measures being introduced is the Special Contribution on Current Invisible Transactions between residents and non-residents, which will tax services, transfers and salary transactions related to areas such as travel, insurance and investment income.

Some lawyers are concerned that despite the existing tax incentives and benefits on offer to foreign investors, the additional costs of possibly between 15–20 per cent incurred by this new legislation might be seen as a "stop sign". However, Robles is confident that any extra costs will be offset by the growing opportunities for foreign investors now that the Angolan government is investing heavily in the diversification of the economy away from oil.

"Angola remains a very rich country in terms of other natural resources," he says. "By the government making huge efforts to invest in less developed areas where Angola continues to be a major producer, there's still enormous investment potential." Robles believes that it is this government recognition of the need for foreign investment that will continue to make Angola one of the world economies with the most potential. "If anything, in the government having to act out of necessity because of the oil crisis, there's never been a better time for a foreign investor. You can't just look at oil anymore as you would be closing the door to another world of opportunity."