

Angola

Transfer Pricing Country Profile

July 2021

		SUMMARY	REFERENCE
The Arm's Length Principle			
1	Does your domestic legislation or regulation make reference to the Arm's Length Principle?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Corporate Income Tax, n.º 1, article 50, approved by Law n.º 26/20
2	What is the role of the OECD Transfer Pricing Guidelines under your domestic legislation?	The OECD Transfer Pricing Guidelines (TPG) are not legally binding, but used as an explanatory instrument.	
3	Does your domestic legislation or regulation provide a definition of related parties? If so, please provide the definition contained under your domestic law or regulation.	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>[...] there are special relationships between two entities when one has the power to exercise, directly or indirectly, a significant influence on the management decisions of the others, namely:</i> <ol style="list-style-type: none"> <i>a) when the administrators or managers of a company, as well as their spouses, ascendants and descendants, directly or indirectly hold a participation of not less than 10% of the capital, or of the voting rights in the other entity;</i> <i>b) when the majority of the members of the administrative or management bodies are the same or, being different people, are linked together by marriage, "de facto" union or kinship in a straight line;</i> <i>c) when the entities are linked by means of a subordination contract;</i> <i>d) when they are in relations of dominance or reciprocal participation, as well as linked by means of subordination contract, of parity group, or other equivalent effect under the terms of the law of commercial companies;</i> <i>e) when between one and the other there are commercial relations that represent more than 80% of its total volume of operations;</i> <i>f) when one reports the other, in more than 80% of its credit portfolio.</i> 	Large Tax Payers regulation, Presidential Decree n.º 147/13, October 1 st article 11

Transfer Pricing Methods

4	<p>Does your domestic legislation provide for transfer pricing methods to be used in respect of transactions between related parties?</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p> <p>If affirmative, please check those provided for in your legislation:</p> <table border="1" style="width: 100%; text-align: center;"> <thead> <tr> <th>CUP</th> <th>Resale Price</th> <th>Cost Plus</th> <th>TNMM</th> <th>Profit Split</th> <th>Other (<i>If so, please describe</i>)</th> </tr> </thead> <tbody> <tr> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> </tr> </tbody> </table> <p>Article 13 of the Large Taxpayer Code provides for these three methods.</p>	CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>Large Tax Payers regulation, Presidential Decree n.º 147/13, October 1st article 13</p>
CUP	Resale Price	Cost Plus	TNMM	Profit Split	Other (<i>If so, please describe</i>)										
<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>										
5	<p>Which criterion is used in your jurisdiction for the application of transfer pricing methods?</p>	<p>Please check all that apply:</p> <p><input type="checkbox"/> Hierarchy of methods</p> <p><input checked="" type="checkbox"/> Most appropriate method</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p> <p>Article 13 states that only the three traditional methods may be used and the legal interpretation of the article is that the taxpayer should use the most appropriate method according to the transaction.</p>	<p>Large Tax Payers regulation, Presidential Decree n.º 147/13, October 1st article 13</p>												
6	<p>If your domestic legislation or regulations contain specific guidance on commodity transactions, indicate which of the following approaches is followed.</p>	<p><input type="checkbox"/> For controlled transactions involving commodities, the guidance contained in paragraphs 2.18-2.22 of the TPG is followed.</p> <p><input type="checkbox"/> Domestic legislation mandates the use of a specific method for controlled transactions involving commodities (<i>if so, please explain</i>)</p> <p><input type="checkbox"/> Other (<i>if so, please explain</i>)</p> <p>Angola does not have specific guidance on commodities.</p>													
<h2 style="margin: 0;">Comparability Analysis</h2>															
7	<p>Does your jurisdiction follow (or largely follow) the guidance on comparability</p>	<p><input checked="" type="checkbox"/> Yes</p> <p><input type="checkbox"/> No</p>	<p>Large Tax Payers regulation, Presidential Decree n.º 147/13, October 1st article 11</p>												

	analysis outlined in Chapter III of the TPG?	Although TP legislation does not specify, internal TP procedures follow Chapter III of the OECD TPG, namely in the comparability analysis, timing issues on comparability, as well as compliance issues.	
8	Is there a preference in your jurisdiction for domestic comparables over foreign comparables?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No There is no preference since there is very little financial information available for purposes of using national comparables.	
9	Does your tax administration use secret comparables for transfer pricing assessment purposes?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
10	Does your legislation allow or require the use of an arm's length range and/or statistical measure for determining arm's length remuneration?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No The current TP legislation allows the use of the three methods above and it does not restrict the use of an arm's length range or statistical measure, but it does not specifically require it. For now, this is stated in internal procedures and will be included in the soon to be approved TP legislation.	
11	Are comparability adjustments required under your domestic legislation or regulations?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Intangible Property			
12	Does your domestic legislation or regulations contain guidance specific to the pricing of controlled transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Angola's TP regulations does not contain specific provisions to the pricing of controlled transactions involving intangibles. The general TP provisions in Income Tax Law and regulations would apply.	
13	Does your domestic legislation or regulation provide for transfer pricing	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

	rules or special measures regarding hard to value intangibles (HTVI)?		
14	Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving intangibles?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Intra-group Services			
15	Does your domestic legislation or regulations provide guidance specific to intra-group services transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Angola's TP regulations does not contain specific provisions on intra-group services transactions. The general TP provisions in Income Tax Law and regulations would apply.	
16	Do you have any simplified approach for low value-adding intra-group services?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
17	Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of transactions involving services?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Services provided by corporate resident taxpayers, are taxed at a 6.5% withholding rate. In the case of accidental services provided by non-resident taxpayers, the rate is 15%. This provision applies to services of any kind.	Corporate Income Tax, n.º 1, article 64 (paragraph 6) and 67 (paragraph 1), approved by Law n.º 26/20
Financial transactions			
18	[NEW] Does your domestic legislation or regulations provide guidance specific to financial transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Angola's TP regulations does not contain specific provisions on intra-group financial transactions. The general TP provisions in Income Tax Law and regulations would apply.	

19	[NEW] Are there any other rules outside transfer pricing rules that are relevant for the tax treatment of financial transactions?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Cost Contribution Agreements			
20	Does your jurisdiction have legislation or regulations on cost contribution agreements?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
Transfer Pricing Documentation			
21	Does your legislation or regulations require the taxpayer to prepare transfer pricing documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <i>If affirmative, please check all that apply:</i> <ul style="list-style-type: none"> <input type="checkbox"/> Master file consistent with Annex I to Chapter V of the TPG <input checked="" type="checkbox"/> Local file consistent with Annex II to Chapter V of the TPG <input type="checkbox"/> Country-by-country report consistent with Annex III to Chapter V of the TPG <input type="checkbox"/> Specific transfer pricing returns (separate or annexed to the tax return) <input type="checkbox"/> Other (specify): 	Large Tax Payers regulation, Presidential Decree n.º 147/13, October 1 st article 12
22	Please briefly explain the relevant requirements related to filing of transfer pricing documentation (i.e. timing for preparation or submission, languages, etc.)	Taxpayers with operating revenue above AKZ 7 000 million are obligated to provide to the Angola Revenue Administration the Transfer Pricing File. However, this obligation is only for the large companies (large taxpayers). Therefore, the large taxpayer must submit the TP File between the end of the fiscal year on 31 December and June the following fiscal year. The file must be in Portuguese.	
23	Does your legislation provide for specific transfer pricing penalties and/or compliance incentives regarding transfer pricing documentation?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
		If an entity follows all specifics we mentioned above, and still does not submit, it will have to pay a fine up to AKZ 100 000 (approximately EUR130)	

24	If your legislation provides for exemption from transfer pricing documentation obligations, please explain.	N/A	
Administrative Approaches to Avoiding and Resolving Disputes			
25	Which mechanisms are available in your jurisdiction to prevent and/or resolve transfer pricing disputes?	<p>Please check those that apply:</p> <p><input checked="" type="checkbox"/> Rulings</p> <p><input type="checkbox"/> Enhanced engagement programs</p> <p><input type="checkbox"/> Advance Pricing Agreements (APA)</p> <p style="padding-left: 20px;"><input type="checkbox"/> Unilateral APAs</p> <p style="padding-left: 20px;"><input type="checkbox"/> Bilateral APAs</p> <p style="padding-left: 20px;"><input type="checkbox"/> Multilateral APAs</p> <p><input checked="" type="checkbox"/> Mutual Agreement Procedures</p> <p><input type="checkbox"/> Other (<i>please specify</i>):</p> <hr/> <p>Mutual Agreement Procedures only apply for cases in which Double Tax Agreements apply.</p>	
Safe Harbours and Other Simplification Measures			
26	Does your jurisdiction have rules on safe harbours in respect of certain industries, types of taxpayers, or types of transactions?	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	
27	Does your jurisdiction have any other simplification measures not listed in this questionnaire? If so, please provide a brief explanation.	<p><input type="checkbox"/> Yes</p> <p><input checked="" type="checkbox"/> No</p>	

Other Legislative Aspects or Administrative Procedures

28	Does your jurisdiction allow/require taxpayers to make year-end adjustments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
29	Does your jurisdiction make secondary adjustments?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Attribution of Profits to Permanent Establishments

30	[NEW] Does your jurisdiction follow the Authorised OECD Approaches for the attribution of profits to PEs (AOA)?	<input checked="" type="checkbox"/> Yes <i>In how many tax treaties?</i> In Angola's two tax treaties.	
		<input type="checkbox"/> No <i>In how many tax treaties?</i>	
31	[NEW] Does your jurisdiction follow also another approach?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Other Relevant Information

32	Other legislative aspects or administrative procedures regarding transfer pricing	N/A	
33	Other relevant information (e.g. whether your jurisdiction is preparing new transfer pricing regulations, or other relevant aspects not addressed in this questionnaire)	Angola is preparing a new transfer pricing regulation at the moment.	

For more information, please visit: <https://oe.cd/transfer-pricing-country-profiles>