Angola

WTS Global Country TP Guide

Last Update: December 2017

1. Legal Basis	
Is there a legal requirement to prepare TP documentation?	Yes
Since when does a TP documentation requirement exist in your country?	2013
Are TP policies of multinational enterprises in principle accepted by the tax authorities, if they are in line with the OECD TP Guidelines?	Yes
Have the documentation requirements of OECD BEPS Action 13 already been implemented (i.e. the LF, MF and CbCR concepts)?	No CbCR/MF/LF
Reference to relevant articles of law, legislative regulation or applicable administrative guidance that are in place for TP documentation in general :	The legislation calls for the obligation of documentation applicable to tax years and transactions beginning or occurring on or after 1 January 2013. Taxpayers will have to justify arm's-length pricing in the cases of commercial transactions of the taxpayer with other "special relations" entities, regardless if these transactions are subject to Industrial Tax (this concerns domestic and cross-border transactions). The proposed rules generally cover commercial transactions including any transaction of goods, rights or services and they also include financial transactions. An entity-specific transfer pricing file would have to be prepared and submitted to the tax administration within six months of the end of the tax year. This transfer-pricing file, which must be prepared on an annual basis, must detail the relationships and prices established by the large taxpayers with the companies and entities with which they have "special relations." • Describe the taxpayer and the group structure, • Describe the industry/sector, • Identify the related entities with which the taxpayer has carried out transactions and characterise the special relationship existing between them, • Describe and quantify the related transactions, by nature of transaction and by counterparties, • Analyse the split of functions and risks of each transactions between the involver parties, • Select the transfer pricing method to validate the terms and conditions applied, & • Present the transfer pricing economic analyses to validate each transaction. Under the legislation, the Transfer Pricing Dossier will have to be prepared according to the following structure: a) Summary b) Macro-economic environment c) Presentation of the entity d) Functional analysis of the entity e) Identification of the related party operations f) Economic analysis of the related party transactions

2. Master File (MF)	Not implemented

3. Local File (LF)	Not implemented
What is the threshold requirement for the obligation to prepare a LF?	The LF in line with OECD BEPS 13 has not been implemented but local transfer pricing documentation requirements exist which are detailed in the following. The transfer pricing legislation (Presidential Decree n.º 147/13, dated one of October 2014) set forth that the taxpayer should have a turnover/revenue during the respective FY above the seven thousand million Kwanzas (approximately USD 45,000). Only one file must be submitted.
As from which year does this obligation exist?	This obligation is applicable to tax years and transactions beginning or occurring on or after 1 January 2013.
When does the LF need to be available?	6 months after year-end
When does the LF need to be submitted?	15 days upon request, usually in a tax audit
What are the possible consequences of not having the LF available?	
Imprisonment?	No
To which extent do local rules differ from the OECD standard regarding the OECD content requirements for the LF as shown in the BEPS implementation overview chart?	Consistent with OECD requirements.

4. Country-by-Country Reporting	Not implemented

5. TP disclosure in tax return or transfer pricing specific returns	
Does a taxpayer need to disclose information regarding TP documentation in his tax return?	No
When a taxpayer files a tax return for which he understands or should understand that the result reported in that tax return is too low due to incorrect transfer pricing, what could be the legal consequences?	If the Tax Authorities conclude the CIT is lower than it should be due to incorrect transfer pricing, they can perform the necessary corrections to Taxable Basis of the Corporate Income Tax.
Does a taxpayer need to file TP-specific returns?	No

6. Benchmarking	
Is there any local guidance or requirement with regard to the preparation of a benchmark study?	No

7. Year-end adjustments	
Are year-end adjustments permissible?	No

8. Transfer Pricing Audit and Dispute Resolution Mechanisms	
What are currently the main TP areas of scrutiny by the tax authorities in your country?	As far as we are aware, there is no main areas of scrutiny since this legislation is very recent and currently has not been a target for inspections from the Revenue Authority. However, the companies operating in the oil and gas industry should be in theory the main target for this scrutiny.
Based on your experience, are joint or multilateral audits initiated and carried out?	No
Does the taxpayer have the option to apply for bilateral or multilateral APAs?	No

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