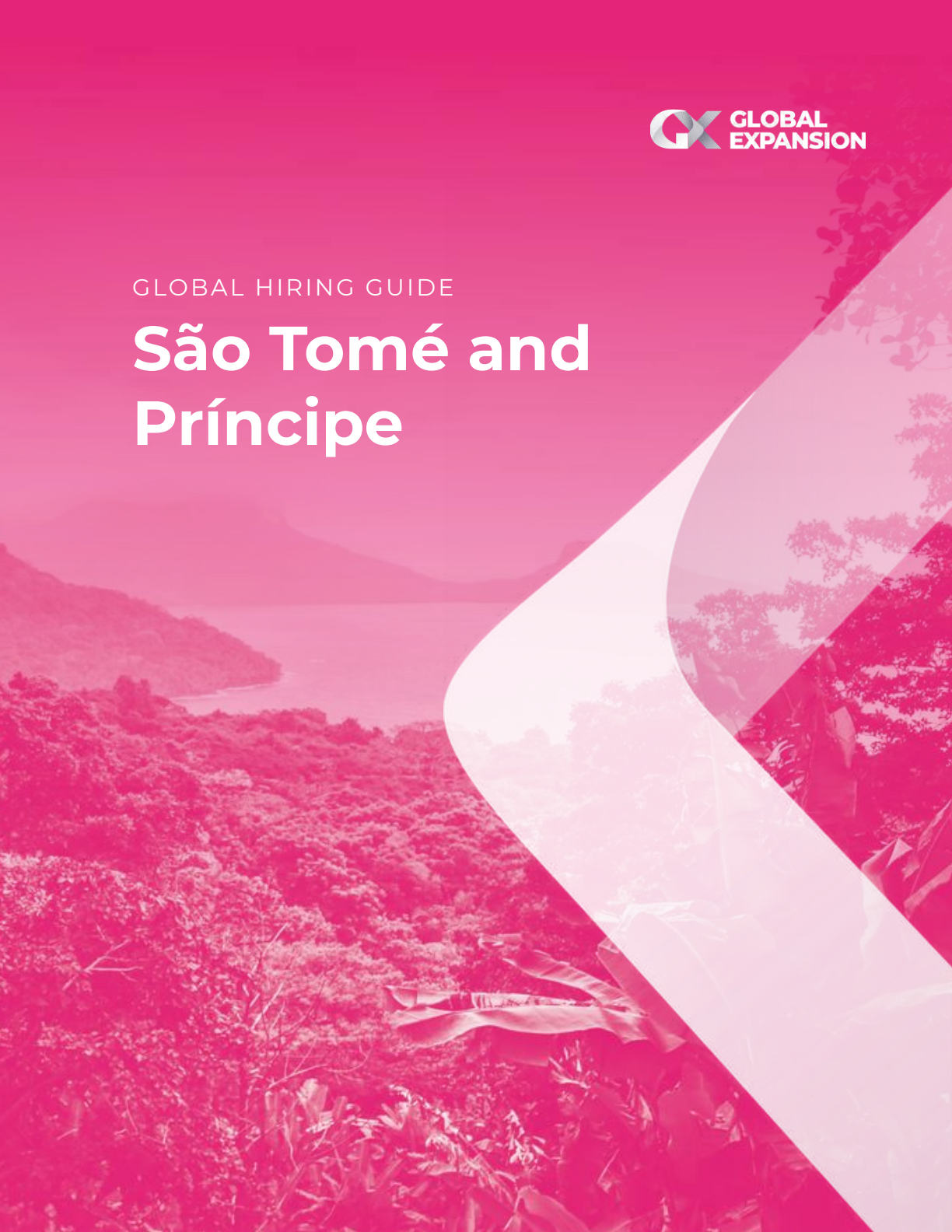


GLOBAL HIRING GUIDE

São Tomé and Príncipe





GLOBAL HIRING GUIDE

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01

BASIC COUNTRY FACTS

- **Full Name**
São Tomé And Príncipe
- **Capital**
Sao Tome
- **Main Languages**
Portuguese
Forro
Angolar
Principense
- **Population**
223,107
- **Monetary Unit**
São Tomé And Príncipe Dobra
- **Internet Domain**
.st
- **International Dialing Code**
+239
- **Currency**
São Tomé and Príncipe dobra



02

STATUTORY LABOR REQUIREMENTS

Probation Period

- Probation is capped at 6 months.

Annual Leave

- The annual vacation period is 30 consecutive days. Holidays and rest days do not count towards the 30-day period.

Public Holidays

1. New Year's Day
2. Martyrs' Day
3. Labor Day
4. Independence Day
5. Armed Forces Day
6. Agricultural Reform Day
7. São Tomé Day
8. Christmas Day

Maternity Leave

- Female employees receive 60 days of paid maternity leave.

Paternity Leave

- There is no paternity leave.

Sick Leave

- The Labor Code does not stipulate the duration of sick leave.
- However, it states that sick leave is a form of justified absence.
- According to the Labor Code, a form of justified absence includes:
 - those motivated by the impossibility of providing work due to a fact that is not attributable to the employee, namely illness, accident, or fulfilling legal obligations

Work Hours

- The normal daily work period cannot be superior to eight hours and weekly work period cannot exceed 45 hours.

Overtime

- Overtime work shall be compensated in the following way:
 - 25% of the regular wage in the first hour of overtime work;
 - 50% of the regular wage in the following hours or fractions of hours of overtime work

Notice Period

- The employee has the right to terminate the employment contract, by unilateral decision, by giving 2 months' notice.
- The notice will, however, be 1 month for workers with less than 3 years at the company.

Severance

- The payment amount in this case and for dismissal on economic grounds is a lump sum of 100% of the employee's last monthly earnings multiplied by the number of years of continuous employment.
- The minimum payment amount is 3 times the employee's last monthly earnings.

13th Month

- 13th month pay is not mandatory.

03

INCOME TAX

- In general, resident individuals are subject to Personal Income Tax (PIT) on their worldwide income. Nonresident individuals are subject to PIT on income received in São Tomé and Príncipe (STP).
- In accordance with the PIT Code, individuals' income is divided into the following four categories:
 - Dependent income and pensions (Category A)
 - Business or professional income (Category B)
 - Investment income (Category C)
 - Capital gains (Category D)
- Income included in Categories A and B is aggregated and subject to PIT at the progressive rates shown in the table below.
- The PIT Code establishes the following formula to determine annual taxable income for each tax bracket:
 - Taxable income for bracket = (Amount from first column x rate from second column) – Amount from third column
Income up to STD11,700,000 (approximately USD536.42) is exempt from tax.
- The following is the tax rate table.

AXABLE INCOME (STD)	TAX RATE
Up To 11,700,000	0
Between 11,700,001 And 50,000,000	10
Between 50,000,001 And 100,000,000	13
Between 100,000,001 And 150,000,000	15
Between 150,000,001 And 240,000,000	20
Over 240,000,000	25

- Nonresidents are subject to PIT on gross income derived in STP.
- This income is subject to a final withholding tax of 15%.

04

SOCIAL SECURITY

- Social security contributions are payable on gross income at a rate of 14% (8% for the employer and 6% withheld from the employee).

CONTRIBUTION	EMPLOYER	EMPLOYEE
Social Security Contribution	8%	6%

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DEDUCTIBLE EXPENSES

- The PIT Code allows the following tax deductions:
 - Family deductions
 - Double tax relief
 - Health deductions
 - Education and training deductions
 - Property deductions (limited to STD15 million [approximately USD687.72])

DEDUCTIBLE EXPENSES

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 - Health deductions
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06

IMMIGRATION

Immigration

- Temporary visas may be granted to foreign citizens to engage in, among others, cultural, study, sports or business activities (to the extent that a work visa is not required for such activities).
- A multiple-entry visa is valid for 180 days, while the single-entry visa is valid for 30 days.
- No specific work visa is issued in STP.
- Foreign citizens must obtain a residence visa to be able to work in STP (either as dependent or independent workers).
- On request, yearly residence visas may be granted to foreign citizens.
- After final approval, the residence visa is valid for one year, with the possibility of renewals for equal periods.

TYPE OF VISA	DOCUMENTATION	VALIDITY	ELIGIBILITY
Tourist Visa	<ul style="list-style-type: none">• Valid passport• Passport size photos• Completed visa application form	30 days (single entry) 180 days (multiple entry)	Foreigners seeking to visit STP for tourism purposes must obtain a tourist visa
Residence Visa	<ul style="list-style-type: none">• Valid passport• Passport size photos• Completed visa application form• CV• Academic qualification• Employment Contract	1 year	Foreigners seeking to visit STP for employment must obtain a residence visa

07

VALUE ADD TAX

Value Added Tax

- Finance Minister Osvaldo Vaz stated the VAT Code bill, which will come into force in January 2021, aims to modernize the São Tomé tax system and will be operated exclusively on a computer platform, in line with IMF and World Bank recommendations.
- The proposed standard VAT rate is 10%.

VAT	
Standard Rate	10%

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WITHHOLDING TAX

Withholding Tax

- Withholding tax rates are as follows:

WHT	
Dividends	10%/15%
Interest	10%
Royalties	10%
Technical Service Fees	15%

09

TERMINATION

- Notice period ranges from 1 to 3 months
- The minimum severance payment amount is three times the employee's last monthly earnings.

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STATUTORY BENEFITS

- These are mandatory benefits as postulated by law.
- These include probationary period, annual leave, public holidays, sick leave, maternity leave, paternity leave, overtime pay, notice period.
- Statutory benefits also include social security benefits.

STATUTORY BENEFITS

- Probationary Period
- Annual Leave
- Public Holidays
- Maternity Leave
- Paternity Leave
- Sick Leave
- Overtime Pay
- Notice Period
- Social Security Benefits





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