



COVID-19

Given the public health emergency situation due to COVID-19, a number of statutes have been approved establishing measures to avoid the spread of the disease and mitigate its effects. For more detailed information about the statutes published in response to the pandemic, please consult this [link](#).

OIL & GAS

New Local Content Rules

By means of Presidential Decree No. 271/20, of 20 October 2020, the President of the Republic approved the new Legal Framework on Local Content in the Petroleum Industry, thus revoking Order No. 127/03, of 25 November 2003. The statute sets forth new rules applicable to the procurement of goods and services for petroleum operations and obligations relating to the recruitment, employment and training of Angolan citizens. Violation of the obligations set forth in the statute constitutes an administrative offence punishable by fines in the amount (in Kwanzas) of between USD 50,000 and USD 300,000. Offenders may also be subject to the accessory penalties of being inhibited from engaging in business activities, suspension of the authorization to operate, and prohibition from entering into new contracts.

Strategy for Exploitation of Hydrocarbons

In line with the priorities identified for the Petroleum Sector in the National Development Plan for the period 2018-2022, which included the need to foster and increase hydrocarbon reserves, in order to revert the decline in production, the President of the Republic approved the Strategy for Exploitation of Hydrocarbons for the period 2020-2025, through Presidential Decree No. 282/20, of 27 October 2020. The general goals of the Strategy include: (i) promoting the geological knowledge of the Country and its petroleum potential, including in respect of non-conventional deposits; (ii) ensuring the continuous increase of petroleum resources discovered; (iii) fostering competition within the industry and investment, guaranteeing fair remuneration; and (iv) promoting natural gas exploration. The Strategy also sets forth a schedule with the description of the different goals and actions to be developed in the next 5 years.

Price-Definition Model for Petroleum Products

Presidential Decree No. 283/20, of 27 October 2020, approved the Price-Definition Model for Crude Oil and Natural Gas By-Products applicable to the refining of crude oil and the importation, logistics, distribution and marketing of crude oil and natural gas by-products. Under the new statute, the Ministries of Finance and of Mineral Resources, Petroleum and Gas are responsible for determining, amending and publishing the prices of crude oil and natural gas by-products, and, in the event that retail prices are set below market prices, the State ensures the relevant subsidy, under the applicable law.

PRIVATIZATIONS / STATE-OWNED ENTERPRISE SECTOR

Framework Law on State-Owned Enterprise Sector

Amended

With a view to safeguarding the strategic interests of the State in companies subject to privatization, and in commercial companies operating in strategic

sectors in which the State holds, directly or indirectly, a minority equity interest, the Framework Law on the State-Owned Enterprise Sector was amended, by means of Law No. 34/20, of 5 October 2020.

The new Law foresees, *inter alia*: (i) the creation, in favor of the State, of golden shares in companies operating in strategic sectors of the economy (energy, water, telecommunications, and public transport), which involves, amongst other powers, the State's right to veto in respect of matters such as the amendment of the company's articles of association and the appointment of directors; (ii) the possibility of creating golden shares in the companies to be privatized; (iii) the possibility of granting to the State similar special rights in limited liability companies by quotas operating in sectors of strategic public interest; and (iv) the mandatory attendance, in person, of the State-appointed members of the management bodies of said companies in at least one third of the annual meetings of their respective boards of directors. The rights conferred upon the State under this Law and referred to in (i) above took effect as at the effective date of said Law, without any other formalities being required on the part of the State or of the other shareholders.

TAX

Changes to Tax Return Forms for Oil Companies

Changes to the tax return forms that have to be submitted by oil companies under the Petroleum Activities Taxation Law were approved by Executive Decree No. 243/20, of 6 October 2020. The statute came into force on 6 October 2020, with retroactive effects as from January 2020.

Free Trade Zones Law Approved

A Law on Free Trade Zones was approved (Law No. 35/20, of 12 October 2020), which sets forth the possibility of creating free trade zones with a number of incentives and benefits. The new law came into force on 12 October 2020 and revoked the Legal Framework of Special Economic Zones.

CIVIL AVIATION

General Bases Approved for Concession of Exploration of Airport Services to Support Civil Aviation

Through Presidential Decree No. 250/20, of 1 October 2020, General Bases were approved for the Concession of Exploration of Airport Services to Support Civil Aviation, establishing rules on: the object, term and nature of the concession; the concessionaire, especially as to its incorporation; the assessment of its performance; its corporate purpose, registered office and form; its economic and financial condition; and duties regarding safety, the environment and social responsibility, and the relevant guarantees. Rules were also defined regarding the concession's assets. Finally, the Decree also regulated the opening and closing of aerodromes, the powers of authority, expropriation, and easements. The new Presidential Decree revoked Presidential Decree No. 76/14, of 2 April 2014.

INTERNATIONAL TREATIES

Angola's Accession to the Paris Agreement on Climate Change Approved and Ratified

Angola's accession to the Paris Agreement on Climate Change (PACC) was approved by the National Assembly, by means of Resolution No. 37/20, of 12 October 2020, and further confirmed by the President of the Republic, by means of Accession Letter No. 8/20, of 20 October 2020. By reinforcing the implementation of the United Nations Framework Convention on Climate Change, adopted in New York on 9 May 1992, the PACC aims at strengthening the global response to the threat of climate change, in the context of sustainable development and efforts to eradicate poverty.

Agreement Establishing African Continental Free Trade Area Ratified

By means of Letter of Ratification No. 14/20, of 13 October 2020, the President of the Republic confirmed the 2018 Agreement establishing the African Continental Free Trade Area (AfCFTA).

The AfCFTA, signed by 54 Member States of the African Union, is a trade agreement that foresees the creation, by 2028, of a single market and economic union, as well as an area for the free movement of persons. This Agreement will create the world's largest free-trade area, which will imply the reduction or progressive elimination of tariff and non-tariff barriers to trade and investment.

BANKING AND FINANCE

Rules Approved for Determination of and Compliance with Mandatory Reserves

Through BNA Instruction No. 16/2020, of 2 October 2020, rules were approved for the determination of and compliance with mandatory reserves by Financial Banking Institutions. Instruction No. 17/2019, of 24 October 2019, was duly revoked. By BNA Directive No. 04/DMA/2020, of 6 October 2020, the requirements for calculating and complying with Banking Financial Institutions' mandatory reserves were also defined, establishing the coefficients for mandatory reserves in national currency and in foreign currency, and the assets that are eligible to comply with those reserves.

Limits Approved for Foreign Exchange Operations to Import Goods

BNA Instruction No. 17/2020, of 15 October 2020, determined that importers may freely negotiate payment methods for the importing of goods, which are subject to neither annual limits nor limits per transaction, with the exception of payments in advance or down payments. Thus, payments in advance or down

payments of up to USD 50,000.00 per transaction and of up to 10% of the total amount of the transaction are permitted when made under a letter of credit. The Instruction also determined that for payments in advance or down payments of higher amounts, the exporter must present an irrevocable performance guarantee in the same amount, issued by a foreign bank recognized by the importer's Banking Financial Institution. The new Instruction revoked Instruction No. 18/19, of 25 October 2019.

Regulations Approved for Activity of Private Credit

Information Centers

Presidential Decree No. 275/20, of 21 October 2020, approved Regulations for the Activity of Private Credit Information Centers, establishing the relevant legal framework, the requirements for their incorporation, and the authorization process. The Decree also determined how information-sharing should be carried out, and the rules and duties of conduct governing such Centers.

Possibility of Deferring Recognition of Impairments

Relating to Public Debt Securities Approved

By means of Order No. 21/20, of 26 October 2020, the BNA established the terms and conditions to be observed for the deferral of the recognition of impairments constituted and registered by Banking Financial Institutions in respect of public debt securities of the Republic of Angola, for the purposes of calculating Regulatory Own Funds.

Amendments to Development Bank of Angola's Organic Statute Approved

Presidential Decree No. 281/20, of 27 October 2020, approved several amendments to Presidential Decree No. 241/14, of 8 September 2014, which had in turn approved the Development Bank of Angola's Organic Statute, with

amendments to articles related to: corporate bodies; appointment, composition and mandate; relevant competencies; and functioning.

Rules on Property Appraisal Approved RE BNA

Instruction on Impairment Losses for Credit Portfolio

As Instruction No. 8/19, of 27 August 2019, on Impairment Losses for the Credit Portfolio, requires that property appraisals be carried out by independent qualified appraisal experts, BNA Directive No. 01/DSB/20, of 30 October 2020, determined rules for carrying out appraisal reports and for the hiring of appraisal experts. The Directive determined that the values of properties pledged as collateral in the accounting records of Banking Financial Institutions at the end of the current financial year must comply with the requirements set out therein.

REAL ESTATE

Property Register

In the context of the '*Minha Terra*' ('My Land') Program, the Ministers of Finance and of Justice and Human Rights approved, by means of Joint Executive Decree No. 249/20, of 12 October 2020, certain measures aimed at facilitating the formalization and concession of rural land to local communities. Under the new statute, the first property registry act pertaining to recognized rural land, as well as the issuance of the first property registry certificate, are exempt from the payment of registry fees.

STATE

New Framework Laws of Various Ministries Approved

With a view to adapting the organic structure and the form of operation of Ministries to the regime relating to the organization and functioning of the



Presidency's auxiliary bodies, the President of the Republic approved the new framework laws of the following Ministries:

- Ministry of Foreign Affairs (Presidential Decree No. 257/20, of 13 October 2020);
- Ministry of Finance (Presidential Decree No. 264/20, of 14 October 2020); and
- Ministry of Health (Presidential Decree No. 277/20, of 26 October 2020).

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