

ANGOLA

November and December 2016

ARBITRATION

PRESIDENT RATIFIES ACCESSION TO THE NEW YORK CONVENTION ON FOREIGN ARBITRAL AWARDS

In August 2016, the Angolan National Assembly approved the accession of the country to the New York Convention on the Recognition and Enforcement of Foreign Arbitral Awards (the New York Convention) by means of Resolution No. 38/2016, of 12 August 2016. Last December the President issued the formal instrument of ratification of accession to the New York Convention through Letter of Accession dated 5 December 2016, published in the Official Gazette on 19 December 2016. Such an instrument must now be deposited with the Secretary-General of the United Nations, ninety (90) days after which the New York Convention shall come into force in Angola.

STATE

STATE BUDGET FOR 2017

The Angolan State Budget for 2017 has been enacted by means of Law No. 22/16, of 30 December 2016. Among other measures, this statute revokes Presidential Legislative Decree No 1/16, of 24 February 2016, which approved the Special Contribution on Banking Operations. However, the Special Contribution on Current Invisibles Exchange Transactions will be applicable in year 2017.

INSURANCE

NEW RULES ON MANDATORY INSURANCE FOR CIVIL AVIATION

Presidential Decree No. 226/16, of 17 November 2016, approved regulations on mandatory insurance for civil aviation. The regulations are applicable to air transportation companies, aircraft owners and operators as well as operators or providers of aeronautical infrastructure services and other ancillary services, the operations of which are now subject to mandatory insurance. Insurance agreements must be entered into with insurers duly authorized to operate in Angola, unless a special authorization is obtained.

INSURANCE SECTOR FINES INCREASED

Executive Decree 464/16, of 1 December 2016, changed the amounts of fines in case of breach of the insurance, reinsurance and pension fund legislation. Such fines may now reach Kwanzas 1,250,000,000.00 (equivalent to roughly USD 7,500,000.00). Fines for breach of statutory provisions on the activities of insurance, mediation and brokerage were also modified, through Executive Decree No. 465/16, of December 2016. They may reach Kwanzas 800,000,000.00 (equivalent to roughly USD 4,850,000.00).

NEW RULES ON INSURANCE COMPANY PERMITS

Executive Decree No. 467/16 and Executive Decree No. 468/16, both of 2 December 2016, approved new Model Permit Certificates for the carry out, respectively, of mediation and brokerage activities on the one hand, and for the exercise of insurance activity, on the other. Companies that carry out mediation and insurance brokerage activities, as well as all the insurers, must, within a 90-day period which will expire on 3 March 2017, update their certificates in order to adapt them to the new model.

PERMITS FOR PENSION FUND MANAGEMENT COMPANIES

Executive Decree No. 466/16, of 2 December 2016, approved a new Model Permit Certificate for the exercise of the activity of pension fund management companies. Such companies must, within a 90-day period which is to expire on 3 March 2017, update their Permit Certificates in order to adapt them to the new model.

PUBLIC PROCUREMENT

MANDATORY COMPENSATORY MEASURES IN PUBLIC PROCUREMENT CONTRACTS

Law No. 20/16, of 29 December 2016, approved the statutory regime on mandatory compensatory measures to be provided by contractors entering into goods and services agreements with public entities pursuant to the Law on Public Contracts (Law No. 9/16, of 16 June 2016). As a condition for entering into such agreements, public entities must establish compensatory measures to be complied with by the selected provider of goods and services, such as, inter alia, the transfer of technology and know-how, subcontracting of and/or entering into joint ventures with local companies, and purchase of local goods or services. The mandatory compensatory measures apply to all goods and services agreements of an amount equal to or higher than USD 10,000,000 or in respect of goods and services agreements to be paid in Kwanzas in an amount equal to or higher than 700,000,000 (roughly USD 4,000,000 at current exchange rate). To ensure compliance with the agreed compensatory measures, contractors are required to provide the relevant public entities with a first demand guarantee equal to 20% of the total amount of the compensatory measures to be implemented.

MINING

RARE METALS AND RARE EARTH ELEMENTS CLASSIFIED AS STRATEGIC MINERALS

Presidential Decree No. 231/16, of 8 December 2016, which entered into force on the date of its gazetting, classifies rare metals and rare earth elements as 'strategic minerals'. Rare metals and rare earth elements are deemed by this statute as meeting the requirements established in Article 20.2 of the Mining Code (Law No. 31/11, of 23 September 2011), notably rareness, level of international demand, impact on the economy, job creation, impact on the balance of payments, and relevance for advanced technologies. They become thus subject to the legal regime set forth in the Mining Code for strategic minerals as well as to other applicable provisions. Diamonds, gold and radioactive minerals continue to be classified as strategic minerals.

CONSUMER PROTECTION

OBLIGATION TO HAVE AN OFFICIAL COMPLAINTS BOOK

Presidential Decree no. 234/16, of 9 December 2016, sets forth the obligation to have and make available a Complaints Book. This obligation applies to all establishments supplying goods and/or services which are subject to the Consumer Protection Law and to the Law on Commercial Activities. The statute (i) defines the template for the Complaints Book; (ii) grants the National Institute for Consumer Protection the authority to draft, distribute and sell the Complaints Book; and (iii) sets forth the procedure to be followed once a complaint is lodged in the Complaints Book.

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