



LEGAL NEWS

Angola

March 2018

STATE

GENERAL STATE BUDGET FOR 2018 APPROVED

The General State Budget for 2018 was recently enacted by Law No. 3/18, of 1 March 2018.

Among other measures, the Budget has kept the 10% Special Contribution on transfers made under so-called foreign technical assistance or management services contracts. Law No. 3/81 also authorizes the President of the Republic to make a number of amendments to tax legislation, namely in respect of Investment Income Tax, Consumption Tax and Stamp Duty, as well as to the Customs Code. These amendments include:

- Introducing a regime for the payment of customs debts in instalments;
- Clarifying the Investment Income Tax rules to allow stand-alone taxation of capital gains resulting from transfers to individuals, and from individuals to legal persons, of securities on the regulated markets;
- Extending to other sectors, such as financial, telecommunications and mining, the regime reversing the obligation to remit Consumption Tax, which is currently applicable to the petroleum sector;
- Making the following subject to Stamp Duty: (i) advertising contracts and services; (ii) tickets for air and maritime travel on routes fully within national territory; (iii) payment receipts of freelance professionals; (iv) service contracts of any kind; and (v) employment contracts of non-resident foreigners;

Clarifying the taxation responsibility regime in respect of Stamp Duty.

PRIVATE INVESTMENT

NEW AGENCY CREATED FOR PRIVATE INVESTMENT AND PROMOTION OF EXPORTS

The Agency for Private Investment and Promotion of Exports (AIPEX) was created by means of Presidential Decree No. 81/18, of 19 March 2018. This statute also extinguished the Technical Unit for Private Investment (UTIP), as well as the Agency for Investment and Promotion of Exports of Angola (APIEX Angola) and the Technical Units for Support to Private Investment (UTAIPs) of each ministerial department. This statutory amendment falls within the scope of the new draft Private Investment Law, which will establish new principles and rules aimed at facilitating, promoting and accelerating private investment in Angola. The draft law, recently approved in general terms by the Angolan National Assembly, will introduce significant amendments to the legal framework applicable to private investment, in particular regarding the repatriation of dividends and the criteria for granting tax and customs benefits to investors.

ANTI-CORRUPTION

NEW ANTI-CORRUPTION DIRECTORATE CREATED

Presidential Decree No. 78/18, of 15 March 2018, created a new Anti-Corruption Directorate as a central executive service of the Criminal Investigation Service ("SIC"). This statute entered into force on 16 March 2018.

The SIC is the highest-ranking body of the criminal and judicial police, responsible namely for implementing policies and legislative measures aimed at investigating possible crimes, adopting measures to prevent and repress crime, conducting the preliminary stages of criminal proceedings falling within its scope of competence, and carrying out arrests, searches and seizures, evidence collection, and examinations, in accordance with the law.

Under the new statute, the Anti-Corruption Directorate is entrusted with defining and implementing strategic and operational procedures for the prevention and repression of crimes of corruption.

BANKING

INCREASE OF BANKS' MINIMUM REGULATORY CAPITAL AND

OWN FUNDS

By means of Central Bank of Angola ("BNA") Order No. 2/18, of 2 March 2018, the minimum amount of banks' regulatory capital and own funds was increased to AOA 7,500,000,000.00. The Order also sets forth a transitional regime until 31 December 2018, so that banks not currently complying with said minimum amount may make the necessary adjustments.

NO COMMISSIONS FOR MINIMUM BANKING SERVICES

Through Order No. 3/18, of 2 March 2018, the BNA established a set of minimum banking services exempt from commissions, applicable to individual and collective accounts held by private customers, including:

- The opening, maintaining and closing of deposit accounts, except for accounts that require the assignment of a manager;
- The processing of credit repayments and direct debits;
- The consultation of account operations via ATM and electronic banking;
- Bank transfers via ATM and electronic banking.

This Order, which entered into force on 7 March 2018, repealed all legislation to the contrary, notably Order No. 3/17, of 30 March 2017.

NEW PENALTIES FOR TRANSFERS OF FUNDS IN LOCAL CURRENCY

BNA Order No. 4/18, of 7 March 2018, amended the wording of Article 12 of Order No. 9/17, of 12 September 2017, which sets forth time frames for the execution of transfers and remittances in local currency, and for making funds available to beneficiaries of deposits, cheques, transfers or remittances.

The new Order sets forth and details the penalties arising from non-compliance with Order No. 9/17, of 12 September 2017, as well as the new rules for claims. The new measures provide for the application of fines ranging from 2% to 5% of the minimum share capital determined for the payment-service provider, divided by 360 days, for each day's delay in completing the relevant transaction. This Order entered into force on 7 March 2018.

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