



LEGAL NEWS

Equatorial Guinea

February 2019

BUSINESS

ONE-STOP-SHOP *VENTANILLA UNICA* NOW OPERATIONAL

The one-stop-shop for the incorporation and registration of companies and branches created by Decree No. 67/2017, dated 12 September 2017, and known as "*Ventanilla Unica*", became operational last February. Existing companies and branches have to request their enrolment in this office until 14 July 2019, unless they are performing activities in sectors reserved to the State under the Constitution, which is the case of oil companies engaged in exploration or production activities as per petroleum contracts entered into with the Ministry of Mines and Hydrocarbons. Upon their enrollment in the *Ventanilla Unica*, companies and branches will receive a new taxpayer number.

PARLIAMENT PASSES ROAD TRANSPORTATION LAW

On 19 December 2018, the Parliament passed a law to govern road transportation, which will complement the regulations adopted by the Economic and Monetary Community of Central Africa. Law No. 4/2018 allocates responsibilities concerning road transportation to different State agencies and creates a body of inspectors to survey road transportation of cargo and passengers. This law also contains rules applicable to companies that transport their own cargo and passengers, but the bulk of its provisions sets forth licensing procedures for companies that carry cargo or passengers for clients or

ancillary activities, including logistics, storage, wholesale, vehicle renting, etc.

TAX

2019 STATE BUDGET INCREASES TAXES

Law No. 3/2018, of 19 December 2018, which approved the 2019 State Budget, introduced different changes to the 2014 General Tax Law that lead to a significant increase of taxes payable by companies and investors. The increase of the Minimum Income Tax rate from 1% to 3% of the previous year's turnover becomes permanent. The rates of Corporate Income Tax withholding applicable to non-residents have been raised from 10% to 20%, regardless of their sector of activity. Dividends distributed to resident shareholders will be subject to withholding tax at the rate of 10%. A registration tax of 2% of the contract's value is now applicable to contracts awarded by the State, and other tax levies have been introduced. The scope of some of the tax changes is not entirely clear and taxpayers should assess all implications for their businesses and projects.

GOVERNMENT STUDING ESTABLISHMENT OF SPECIAL ECONOMIC ZONE

A commission appointed by the Prime Minister has been working towards the establishment of a special economic zone to encourage investment outside the petroleum sector, attract manufacturers to the country and increase its exports. The commission, appointed in 2018, is headed by the Minister of Finance and comprises several Ministers, including the Minister of Industry and Energy, its vice-chairman.

LABOR

DETAILED RULES FOR LABOR AUDITS

The Ministry of Labor and Employment Promotion issued a set of detailed rules of procedure applicable to both planned and unplanned labor inspections. Most rules are primarily addressed to labor inspectors and other government officials carrying out inspections, but their breach will allow inspected companies to challenge inspection results. In addition, the order seeks to clarify which remedies inspected parties have available when they do not agree with the conclusions reached during an inspection. All these rules are contained in Ministerial Order No. 2/2018, dated 5 September 2018.

mirandaalliance

For further information about the content of this Legal News, please contact:

Catarina.Tavora@mirandalawfirm.com

mirandaalliance

MEMBERS ANGOLA | BRAZIL | CAMEROON | CAPE VERDE | CÔTE D'IVOIRE | DEMOCRATIC REPUBLIC OF THE CONGO
EQUATORIAL GUINEA | GABON | GUINEA-BISSAU | MACAU (CHINA) | MOZAMBIQUE | PORTUGAL | REPUBLIC OF THE CONGO
SÃO TOMÉ AND PRÍNCIPE | SENEGAL | TIMOR-LESTE **LIAISON OFFICES** FRANCE (PARIS) | UK (LONDON) | USA (HOUSTON)

© Miranda & Associados, 2019. Reproduction is authorised, provided the source is acknowledged. WARNING: The texts contained in this bulletin are provided for general information purposes only, and are not intended to be a source of advertising, solicitation, or legal advice; thus, the reader should not rely solely on information provided herein and should always seek the advice of competent counsel. This bulletin is distributed free of charge to our clients, colleagues and friends. If you do not wish to continue receiving it, please reply to this e-mail.