



LEGAL NEWS

Angola

July and August 2018

OIL & GAS

ORGANIZATIONAL RESTRUCTURING OF THE PETROLEUM SECTOR

The President of the Republic determined, by means of Presidential Order No. 112/18, of 24 August 2018, the creation of the Installation Committee for the Nacional Agency of Petroleum and Gas (ANPG), which will lead ANPG's creation process, up to its incorporation and appointment of the respective Executive Board, and which will notably establish a detailed model for transferring the role of National Concessionaire from Sonangol E.P to ANPG, agree with Sonangol E.P. the schedule for transferring the assets of the National Concessionaire, and identify and plan the transfer of the contracts for the provision of external services and insurances. The ANPG Installation Committee is directed by the Inter Ministerial Committee for Monitoring the Readjustment of the Petroleum Sector Organization (ICMRPSO), in the meantime created by means of Presidential Order No. 113/18, of 27 August 2018. The ICMRPSO, coordinated by the Minister of Mineral Resources and Petroleum, include also the Minister of Finance, as assistant coordinator, the Secretary of State of Petroleum, the Secretary of State of Budget and Public Investment, and the President of the Board of Directors of Sonangol E.P..

MINING

NEW DIAMOND MARKETING POLICY APPROVED

The new Diamond Marketing Policy was recently approved (Presidential Decree No. 175/18, of 27 July 2018). The statute entrusts the State-owned company SODIAM E.P. with the duties of Public Marketing Body and public purchase of strategic minerals. Among the main innovations brought about by the Diamond Marketing Policy, the following stand out: (i) the possibility for mining companies to sell up to 60% of their production to subsidiaries or companies of their choosing; (ii) the replacement of the old "Preferential Customers" system by a " Long-Term Contracts Customers " system, subject to parameters to be approved by the Ministry of Mineral Resources and Petroleum ("MMRP"); and (iii) the progressive implementation of uniform criteria for classification and valuation of rough diamonds aimed at simplifying and promoting transparency in pricing. The statute also contains provisions to promote the rough diamonds polishing industry in the country. This Presidential Decree will be subject to further regulation, and the proposal for the Technical Diamond Marketing Regulations shall be submitted by SODIAM E.P. and ENDIAMA E.P. to the MMRP, for approval, within a 12-month period. These regulations will detail the fundamental aspects of the marketing of diamonds set out in the statute, in particular the criteria for the sorting and valuation of the diamonds, the sale and purchase arrangements, and the pricing criteria.

BANKING AND FOREIGN EXCHANGE

NEW FOREIGN EXCHANGE RULES ON IMPORTATION AND EXPORTATION OF GOODS

The Central Bank of Angola ("BNA") established new rules and procedures applicable to the foreign exchange transactions for the settlement of the importation and exportation of goods (Order No. 5/18). The importation of goods with a settlement period of more than 360 days is subject to BNA licensing, except for certain situations. Foreign exchange transactions relating to the exportation of goods do not require prior BNA licensing, as long as the requirements set forth in the Order are complied with. The newly enacted rules revoke all contradictory regulations and entered into force on 31 August 2018.

DEPOSIT GUARANTEE FUND CREATED

Through Presidential Decree No. 195/18, of 22 August 2018, the Deposit Guarantee Fund ("DGF") was created and its regulations were approved. The DGF aims to secure the reimbursement of deposits held with banking institutions domiciled in Angola up to the amount of AOA 12,500,000.00. These institutions are required to contribute to the DGF, pursuant to the terms to be set forth by a Notice of BNA and following an opinion from the DGF.

COMMERCIAL ACTIVITIES

NEW REGULATIONS ON WHOLESALE MARKETS

Presidential Decree No. 177/18, of 31 July 2018, approved the Regulations for the Organization and Operation of Wholesale Markets (“WM”). The setting up of WMs may be by private initiative, but both the setting up and operation of same are subject to authorization from the Ministry of Commerce. The Minister of Commerce is responsible for the appointment of the WM’s Board of Directors (in the case of public management), or for attributing the management to a private company (in the case of private management). WMs will have points of sale.

PRODUCTS INTENDED FOR HUMAN AND ANIMAL CONSUMPTION SUBJECT TO LABORATORY ANALYSIS

Presidential Decree No. 179/18, of 2 August 2018, approved regulations on the subjecting to laboratory analysis of products intended for human and animal consumption that are a potential risk to public health and the environment. Said products include foodstuffs and related additives, beverages, medicines, cosmetics, fertilizers, seeds and phytopharmaceuticals. Among other aspects, the regulations establish: (i) the categories of products subject to inspection; (ii) rules for the collection of samples; and (iii) maximum limits for tolerated residues, as well as penalties for the infringement of the newly approved rules.

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