



LEGAL NEWS

Republic of the Congo

August through October 2018

OIL & GAS

LICENSING OF DOWNSTREAM ACTIVITIES ALIGNED WITH GENERAL PUBLIC ACCOUNTING REGULATIONS

In the context of the approval of the general public accounting regulations, in early March, and of the organic law on finance laws, in late 2017, several amendments to existing statutes applicable to Oil & Gas downstream activities have now been enacted. The amended statutes define the conditions for the carrying-out of downstream activities in the country, as well as those for the granting of the required licenses. Aimed at aligning the existing framework to the abovementioned regulations, these amendments may entail (i) a reduction of the amount to be paid to the Public Treasury for the granting of the relevant licenses, (ii) the payment of specific charges to the Ministry of Hydrocarbons for the analysis of the license applications, and (iii) the possibility of the State participating in the share capital of the relevant downstream company. The procedures for obtaining the relevant licenses, and the terms for their renewal or cancellation, are also detailed.

BUSINESS

SUBCONTRACTING AND PARTNERSHIP OFFICE EXPECTED TO IMPROVE RELATIONSHIPS BETWEEN COMPANIES

With a view to contributing to the to the inter-company relationships and enhancing the subcontracting companies' competitiveness, a Subcontracting and Partnership Office was created by Law No. 37-2018, of 10 October 2018. As a center for technical information, promotion, development, organization and management of subcontracting and partnership activities, this Office is entrusted with creating and managing a reliable database on the existing contracting and subcontracting companies. This Office, which will be based in the country's oil-hub Pointe-Noire, is also expected to promote exchanges between companies and assist the local subcontracting companies in improving their offers.

CONGO FURTHER INVESTS IN THE REGULATION OF SPECIAL ECONOMIC ZONES

Further to the adoption of a legal framework applicable to Special Economic Zones ("SEZs") during the latter part of 2017, the Government has approved an additional regulatory package during the month of June. Decree No. 2018-213, of 5 June 2018, governing the granting and cancellation of authorizations for investors within the SEZs, and Decree No. 2018-214, of 5 June 2018, approving the By-laws of the SEZs Planning, Promotion and Development Agencies, were enacted to complement such framework and facilitate the investment in the SEZs. In this context, the Pointe-Noire SEZ was also approved by Law No. 19-2018, of 5 June 2018, and is expected to support the industrialization initiatives which are being conducted by the Government.

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