



2021 State Budget Law

The 2021 State Budget Law was approved by Law No. 9/2020, of 22 December 2020, which introduces significant changes to the existing EG tax framework, effective as of 1 January 2021. Below is a list of the most noteworthy changes introduced:

- The Minimum Income Tax (“Cuota mínima fiscal”) rate has been reduced from 3% to 1.5% of the previous year’s turnover.
- Reduction of the withholding tax (WHT) rate to 15% for all non-residents (natural persons were previously subject to a 20% WHT).
- The WHT rate for non-residents has been maintained at 20% for natural persons and 15% for legal persons (no changes as far as the oil & gas regime is concerned).
- The registration of public maintenance contracts awarded in 2021 shall be subject to a registration fee amounting to 0,5% of the value of the contract. The Law provides no definition of said contracts but mentions solely “public maintenance contracts” with the State, autonomous public entities as well as public-owned companies. Therefore, petroleum contracts should be deemed excluded.

New Measures to Fight Covid-19

The most recent measures adopted by the Government to fight COVID-19 were approved by means of Decree No. 9/2021, of 8 February 2021 and complemented by Ministerial Order No. 2/201, of 26 February 2021 and can be summarized as follows:

- Limitations to commercial flights: national airlines can only perform 2 international flights per week and one domestic flight per day, and international airlines can only perform 1 domestic flight per week.
- Limitations on domestic maritime transportation: one trip per week per naval maritime company, with the exception of domestic or international transportation of goods to supply local markets.
- Bars, night clubs, casinos, pools and similar leisure facilities are closed. All licenses of bars are suspended. Fines between XAF 500,000 and XAF 1,000,000 will be imposed in case of infractions.
- Restaurants and hotels must enforce the use of masks by their customers and must forbid the entrance of any costumers not wearing masks.
- Curfew from 7 p.m. to 6 a.m.
- Religious activities (weddings, baptisms, first communions, etc.) as well as parties that involve large gatherings (e.g., birthday parties) are suspended.
- The use of masks, social distancing and a hygiene routine are mandatory inside public or private buildings. Public and private buildings must be disinfected regularly.
- A negative PCR test is required for all national and foreign travelers, traveling by air and sea or between districts.

New Universal Postal Service Law

The President of the Republic of Equatorial Guinea has enacted the new Universal Postal Service Law in the Country, Law No. 6/2020, of 7 December 2020. The most relevant provisions introduced by this law are as follows:

- Postal services are rendered by an Official Operator, appointed by the State. Private operators can also render postal services when granted an Administrative Authorization or a Qualifying Title.
- Creation of the Universal Postal Service Fund.
- Operators must pay an annual contribution, of up to 1% of the annual gross income, to the Universal Postal Service Fund.
- Creation of the Postal Operators Registry (“Registro de Operadores Postales”). All existing operators that already hold an Administrative Authorization will have 3 months to conclude their registration with the Postal Operators Registry.
- Rights and obligations of the users, such as, the right of secrecy and confidentiality of the correspondence and the right to compensation in case the correspondence is lost or damaged.
- Regulates the fees charged by the Operators.
- Defines the scope of infractions and applicable penalties. Fines vary between XAF 65,000 and XAF 60,000,000.

Law No. 6/2020 enters into force on the date of its publication and allows for a transitional period of 6 months, thus giving entities enough time to align their status with the new provisions.

New Ports Law

A new Ports Law was enacted by the President of the Republic in November 2020 and is applicable to both State-owned ports and privately-owned ports.

Law No. 5/2020, of 23 November 2020 establishes the regime and general system of public and private ports, port facilities and maritime terminals. The Ports Law focuses on the various aspects of port activities, such as organization, operation and management matters, the services provided and the norms applicable to the construction and expansion of ports.

Moreover, the Ports Law establishes the framework for port concessions and authorizations, as well as the rules on port charges and tariffs. Finally, the law also sets forth an infractions and sanctions.

New Maritime Law

The EG Government has approved and enacted a Maritime Law: Law No. 2/2020, of 8 July 2020. This law regulates EG's activity in the maritime sector, namely regarding the provision of services by sea, maritime transport, maritime navigation, safety and the protection of the maritime environment. One of the most relevant rules adopted by the new Maritime Law is the introduction of registration requirements for vessels and shipping companies.

Two New Ministerial Orders in the Telecommunications Sector

The Minister of Transports, Post and Telecommunications issued two new Ministerial Orders aimed at regulating the activities in the telecommunications sector: Ministerial Order No. 3/2020, of 2 December 2020 and Ministerial Order No. 4/2020, of 3 December 2020.

Ministerial Order No. 3/2020 establishes the terms and conditions for the issuance of titles (licenses and authorizations) to operate networks, provide telecommunication services and/or perform other economic activities deemed

as electronic communications in Equatorial Guinea. It also governs the registration, structure and organization of telecommunication operators and establishes public service obligations for individuals and private entities, holders of a valid title to provide public electronic communications services in EG.

Ministerial Order No. 4/2020 regulates the inspection powers of ORTEL (Telecommunications Regulatory Body of Equatorial Guinea), as well as the procedure followed by the Regulatory Body when assessing infractions and penalties. The statute also sets forth the procedure of fee collection, technical fees as well as any other charges relating to electronic communications' activities, services and operations.

Appointment of a New Minister of Finance, Economy and Planning

Mr. Cesar-Augusto Mba Abogo has been removed from the Office of Minister of Finance, Economy and Planning, with effects as of 26 October 2020. His removal was approved by Presidential Decree No. 94/2020, of 26 October 2020. On the same date, the President appointed the former Minister Delegate, Mr. Valentin Ela Maye, as the new Minister, by Decree No. 96/2020.

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