

## OIL AND GAS

## INCENTIVES FOR DEVELOPMENT OF MARGINAL FIELDS APPROVED

Pursuant to Legislative Authorization Law No. 4/16, of 17 May 2016, the President of the Republic enacted, by means of Presidential Legislative Decree No. 2/16, of 13 June 2016, the "Procedure and Incentives for the Adjustment of the Contractual and Fiscal Terms Applicable to Concessions Including Marginal Discoveries". This statute establishes the procedures for declaration of a marginal discovery, as well as the incentives for the adjustment of the contractual and fiscal terms applicable to concessions including marginal discoveries, both to be decided by the Ministry of Petroleum upon SONANGOL E.P.'s proposal. To that effect, the operator may, on duly grounded terms, account taken of the criteria listed in the statute, apply to SONANGOL E.P. to have a discovery declared marginal for purposes of the Declaration of Marginal Discovery. The fiscal incentives contemplated in the statute, which are applicable exclusively to a qualified zone, refer inter alia to (i) the rates of Petroleum Production Tax and Petroleum Income Tax (PIT), as well as the percentage of Investment Allowance for PIT and Production Bonus purposes; (ii) the period of exemption of customs charges and duties on petroleum exports; (iii) the amortization period for capital expenditures; and (iv) the period for recovery of development expenses.

## ENVIRONMENT

## CLASSIFICATION OF CONSULTING AND ENVIRONMENTAL AUDIT COMPANIES

Executive Decree No. 302/16, of 30 June 2016, approved the regulations governing the "Classification of Environmental Consulting and Audit Companies". This statute seeks to classify Environmental Consulting and Audit Companies, whose purpose is the preparation of Environmental Impact Studies and the conducting of Environmental Audits. Such entities are classified as "Large Company", "Medium Company" and "Small Company", depending on the number of hired consultants and auditors with university degree or technical training in the environmental or related fields, and on the value of the project subject to environmental impact study or environmental audit. The classification is decided upon registration or renewal of the relevant certificate by the Ministry of the Environment, is mandatory, and is carried out by an Evaluation Commission appointed by the Minister of the Environment.

## PRIVATE INVESTMENT

## MODEL BY-LAWS FOR INCORPORATION OF COMPANIES APPROVED

Executive Decree No. 247/16, of 3 June 2016, approved the models of by-laws that may be adopted for purposes of incorporating commercial companies without the need to execute a public deed. These models offer a pre-approved solution of by-laws fit for companies without major complexity and where the main objective is a swift incorporation process. The newly approved models are optional, and companies that do not wish to adopt them will follow the standard incorporation procedure by means of a public deed.

## PUBLIC PROCUREMENT

## NEW PUBLIC CONTRACTS LAW

National Assembly Law No. 9/16, of 16 June 2016, approved the new Public Contracts Code, encompassing both public procurement and rules on the performance of some contracts. The law enters in force on 16 September 2016. Among the changes introduced by the new law, we would highlight the following: (i) subjecting State-owned companies and also private law companies controlled by the State to public procurement rules, above defined thresholds, unless they operate in the market on a level playing field competition-wise; (ii) changes to various types of procurement procedures, notably some procedures have been eliminated, like the special procedure for the acquisition of consultancy services, which henceforth becomes subject to the general rules; others have been renamed: the simplified procurement procedure replaces the negotiated procedure but remains in essence a direct award; (iii) general rules have been introduced on framework agreements and call-offs, under terms still to be laid down in secondary legislation; (iv) thresholds conditioning the choice of procedure have been altered; and (v) the rules on administrative appeals have been amended.

## CAPITAL MARKETS

## NEW RULES ON SECURITIES OFFERING

The Angolan Capital Markets Commission Regulations Nos. 3/16, 5/16, 6/16, 7/16, of 2, 6, 7 and 30 June 2016, respectively, were published in the Angolan Official Gazette. Said Regulations set new rules applicable to the securities markets, in particular, the rules applicable to:

- i. the prospectus of public offering of securities and admission to trading in regulated markets;
- ii. the securities offering, in particular to public and private offering;
- iii. the obligations of disclosure imposed to the issuers of securities admitted to trading in regulated markets, as well as the content of the information to be disclosed and to the organization of listed companies and of any other type of issuers of securities admitted to trading in regulated markets; and
- iv. centralized systems of securities, systems of registration through a single intermediation agent, settlement systems and central counterparts.

The Regulations entered into force on the date of their publication.

## LAW COMBATING MONEY-LAUNDERING FURTHER REGULATED

The Angolan legal framework on money-laundering and terrorism financing has been strengthened by the enactment of Regulation No. 4/16, of 2 June 2016, as approved by the Board of Directors of the Capital Market Commission. The Regulation will come into force on 1 August 2016 and it shall apply to the financial institutions under the Capital Market Commission supervision, as well as other entities, notably those managing regulated markets or providing services related to investments in securities. It sets forth specific compliance rules regarding client identification and diligence, risk assessment systems and internal monitoring procedures. The entities covered by the Regulation shall also be required to have a Compliance Officer who shall be responsible for the enforcement of procedures and policies aimed at preventing money laundering and terrorism financing.

## BANKING

## FINANCIAL INSTITUTIONS SUBJECT TO NEW RULES

The Angolan Central Bank (BNA) has recently issued several Orders (*Avisos*) approving new rules applicable to financial institutions on the following matters:

- Regulatory Solvency Ratio and Regulatory Own Funds (BNA Orders Nos. 2/16, 3/16, 4/16 and 5/16, of 15 and 22 June 2016, respectively);
- Harmonization of the accounting regime of financial institutions with the International Accounting Standards and the International Financial Reporting Standards (BNA Order No. 6/16, of 22 June 2016);
- Internal systems of risk governance (BNA Order No. 7/16, of 22 June 2016);
- Rules on the interest rate's risk in the banking book (BNA Order No. 8/16, of 22 June 2016);
- Prudential limits regarding large risks and the detention of holdings in non-financial companies (BNA Order No. 9/16, of 22 June 2016).

Above Orders entered into force on the date of their gazetting.

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