

ENERGY

NEW RULES FOR OIL AND GAS EXPLORATION ACTIVITIES IN DEVELOPMENT AREAS

By means of Presidential Decree No. 211/15, of 2 December 2015, the President of the Republic enacted special rules applicable to oil and gas exploration activities carried out inside a development area, in order to allow for the discovery of additional resources within an existing concession. These special rules include specific percentages and limited time-frames for cost recovery of expenses incurred prior to a commercial discovery. The statute only applies to the Block 14 and 17 development areas expressly identified therein. However, the possibility of other development areas being subject to these rules is also foreseen.

GENERAL ELECTRICITY LAW AMENDED

In line with the National Energy Security Policy and Strategy for the power and oil & gas sectors, the National Assembly, by means of Law No. 27/15, of 14 December 2015, amended for the first time, and republished, the General Electricity Law (Law No. 14-A/96, of 31 May 1996). Under the new rules, public and private entities wishing to carry out production, distribution, transport or marketing of electric power may be subject to either a concession regime or a license, depending on the exact activity they intend to perform. The amendments enacted also include the creation of a national fund for rural electrification, aimed at increasing the electrification rate of the country.

DIESEL PRICES LIBERALIZED

The Minister of Petroleum, through Executive Decree No. 706/15, of 30 December 2015, determined that diesel prices are henceforth subject to the free-pricing system, thus ceasing the State's obligation to subsidize diesel prices. With the publication of this statute, Sonangol E.P. becomes responsible for determining the new price for diesel.

STATE

2016 STATE BUDGET

The 2016 State Budget was enacted by Law No. 28/15, of 31 December 2015, of which we point out the following tax measures: (i) the creation of a Special Contribution on Banking Operations, with a rate of 0.10% on the value of each operation, being the President of the Republic authorized to set forth the legal regime; (ii) the Special Contribution on Current Invisibles Foreign Exchange Transactions is extended for year 2016; and (iii) the President is authorized to adjust domestic legislation in the context of international policies and agreements concerning the exchange of tax information. The State Budget entered into force on 1 January 2016.

PRIVATE INVESTMENT

TECHNICAL UNIT FOR PRIVATE INVESTMENT CREATED AND PRIVATE INVESTMENT REGISTRATION CERTIFICATE FORMS APPROVED

Presidential Decree No. 236/15, of 30 December 2015, approved the legal regime for the Technical Units for Private Investment ("UTAIP") and the Private Investment Registration Certificate Forms ("CRIP"). UTAIPs are the permanent technical service in each ministry entrusted with the preparation, handling, evaluation and negotiation of private investment projects. The full operationalization of each UTAIP is subject to the enactment of its internal regulations, which must be approved by Executive Decree of the relevant Ministry, within 30 days as of the date of creation of the unit.

REGULATIONS ON THE PROCEDURES FOR THE IMPLEMENTATION OF PRIVATE INVESTMENT PROJECTS

Presidential Decree No. 226/15, of 29 December 2015, amends several provisions of the Regulations on Procedures for Private Investment, approved by Presidential Decree No. 182/15, of 30 September 2015. Among other amendments, the new statute rectifies the schedule of depreciation rates attached therein, which was silent on the rates in the initially gazetted version.

INTERNAL REGULATIONS OF THE MINISTRY OF TELECOMMUNICATIONS AND INFORMATION TECHNOLOGY'S TECHNICAL UNIT FOR PRIVATE INVESTMENT

Presidential Decree No. 688/15, of 10 December 2015, set up the General Guidelines of the Ministry of Telecommunications and Information Technology's Technical Unit for Private Investment ("UTAIP-MTTI"). UTAIP-MTTI is a specialized technical service of the Ministry of Telecommunications and Information Technology, responsible for the preparation, handling, evaluation and negotiation of private investment projects subject to the approval of the holder of this Ministerial Department.

TOURISM

NEW LEGAL FRAMEWORK FOR TRAVEL AND TOURISM AGENCIES

Presidential Decree No. 232/15, of 30 December 2015, approved the new legal framework for travel and tourism agencies. The new statute enters into force on 29 March 2016 and sets the licensing requirements that apply to entities carrying out activity in this business sector. Existing permits ("alvarás") will continue to be valid under the new statute. However, existing companies are granted a 5-year period to increase their share capital in order to comply with the new minimum statutory share capital. Of particular relevance also are the new rules on (i) limitation of agencies' liability; (ii) the minimum insurance coverage amount; and (iii) the provision of bonds.

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