

Basic Law for Private Investment

LAW N° 20/11 **of May 20, 2011**

Private investment, on a par with public investment, continues to be viewed by the State as a strategic and likely way to mobilize human, financial, material, and technological resources in order to boost the country's economic and social development, along with the competitiveness of its economy, as well as increasing job creation and improving the people's living standards.

Whereas the approval of Law N.º 11/03, of May 13, 2003 — Basic Private Investment Law enabled the State, in essence, to achieve its intended aims with the reorganization operated at that time on the private investment system as a whole;

It is now imperative to introduce the adjustments revealed to be necessary after the application of the major legal instruments regulating private investment. This fine-tuning will be made with a view to harmonizing the general interests of the State and the economy with those of private investors. Above all, it is vital to maintain and bolster private investor rights and guarantees, as well as to introduce clear, simple and expedite rules and procedures into the private-investment approval process.

On the other hand, it is equally imperative to create a system of incentives, benefits, and facilities for investors that really addresses the economic and social impact of projects on the economy.

With this approach, the attractiveness of the system regulating private investment does not harm the collection of public revenue, revealed as essential to putting the State's social function into practice.

Furthermore, whereas a need exists to adapt the legal framework of private investment to the new constitutional reality of Angola and the system of tax and customs incentives and benefits to the taxation reform currently underway;

The National Assembly hereby approves, by mandate of the people, in accordance with the combined provisions of N.º 2 of article 165 and of paragraph d) of N.º 2 of article 166, both enshrined in the Constitution of the Republic of Angola, the following:

PRIVATE INVESTMENT LAW

HEADING I

General Provisions

Chapter I

Purpose, Definitions & Scope

Article 1 (Purpose)

This Law establishes the general basis underpinning private investment in the Republic of Angola and defines the principles and system regarding eligibility for incentives and other facilities to be granted by the State to this type of investment.

Article 2 (Definitions)

1. For the purposes of this law, the following is defined:
 - a) Private Investment — the utilization in national territory of capital, technologies and know-how, capital equipment and other assets, in specific economic projects, or the utilization of funds earmarked for the setting up of new companies, consortia or other forms of corporate representation of private domestic or foreign companies, as well as the acquisition of the whole or part of existing companies incorporated under Angolan law, with a view to the implementation or continuity of a specific economic activity in accordance with their corporate purposes, provided that those investments are qualifiable as such, under the terms of article 3 of this law;
 - b) Qualified Private Investment — is all that which falls within the scope of article 3 of this law;
 - c) Private Investor — any person, individual or corporate, resident or non-resident, irrespective of their nationality, making investments in national territory earmarked for the purposes referred to in paragraph a);

d) Domestic Investment — the utilization, by way of recourse to assets domiciled in national territory or derived from financing obtained from abroad — with amortization to be made by recourse to the country's Foreign Exchange Fund — of capital, technologies and know-how, capital equipment and other assets, in specific economic projects, or also the utilization of those funds in the setting up of new companies, consortia or other forms of corporate representation of private companies, domestic or foreign, as well as the acquisition of the whole or part of existing companies incorporated under Angolan law, with a view to the implementation or continuity of a specific economic activity, in accordance with their corporate purposes;

e) Domestic Investor — any person, individual or corporate, with resident foreign-currency status, irrespective of their nationality, making investments in the country, with capital domiciled in Angola or derived from financing obtained from abroad, without entitlement to repatriate dividends or profits abroad. Should the capital not be domiciled in national territory, a loan agreement must be presented for licensing, in accordance with foreign exchange legislation;

f) Foreign Investment — the importation and utilization in Angola, with recourse to assets domiciled:

i) inside and outside national territory, by individual persons or corporate entities, with non-resident foreign-currency status, of capital, technologies and know-how, capital equipment and other assets, in specific economic projects, or also the utilization of those funds in the setting up of new companies, consortia, or other forms of corporate representation of private companies, domestic or foreign, as well as the acquisition of the whole or part of existing companies incorporated under Angolan law, with a view to the implementation or continuity of a specific economic activity, in accordance with their corporate purposes;

ii) outside national territory, by individual persons or corporate entities, with resident foreign-currency status, of capital, technologies and know-how, capital equipment and other assets, in specific economic projects, or also the utilization of those funds in the setting up of new companies, consortia, or other forms of corporate representation of private companies, domestic or foreign, as well as the acquisition of the whole or part of existing companies incorporated under Angolan law, with a view to the implementation or continuity of a specific economic activity, in accordance with their corporate purposes;

iii) for the purposes of that determined in the preceding paragraph, in relation to capital not domiciled in national territory obtained by recourse to credit, its amortization must be made without recourse to the Angolan Foreign Exchange Fund;

g) Foreign Investor — any person, individual or corporate, with resident foreign-currency status or not, irrespective of their nationality, bringing capital domiciled outside Angola into or utilizing same in national territory, under the terms of the preceding paragraph, with entitlement to transfer profits and dividends abroad;

h) Foreign Reinvestment — investment in national territory of the whole or of part of profits generated

by way of a foreign investment, and which, in accordance with this law, are suitable for export, must abide by the same rules to which foreign investments are subject;

i) Indirect Investment — all domestic or foreign investment that includes, separately or cumulatively, forms of loans, shareholder loans, supplementary capital loans, patented technology, technical processes, industrial secrets and models, franchising, registered brands, technical assistance and other forms of access to their utilization, whether in terms of exclusivity or licensing restricted to geographical areas or fields of industrial and/or commercial activity;

j) Direct Investment — all investment, domestic or foreign, implemented in all those forms that do not come under the definition of indirect investment, as referred to in the preceding paragraph;

k) ANIP — National Agency for Private Investment;

l) CNFI — Facilities & Incentives Negotiating Committee, an intermittent intersectorial body, which works with ANIP to analyze and assess private investment proposals, setting up negotiations with investors vis-à-vis the incentives and benefits applied for by the latter;

m) BNA — Banco Nacional de Angola, which acts as the central bank and is the country's highest foreign exchange authority;

n) Special Economic Zones — investment areas deemed special, in accordance with criteria defined by the Executive;

o) CRIP — Private Investment Registration Certificate.

Article 3 **(Scope)**

1. This law applies to foreign and domestic investments, whose amounts correspond to a value equal to or exceeding USD 1,000,000 (one million US dollars) or, in the case of a domestic investment, its equivalent in national currency.

2. The private investment scheme provided for in this law is only applicable to investment projects implemented in national territory.

3. This private investment scheme is not applicable to investments implemented by corporate entities incorporated under private law with 50% or more of their capital stock held by the State or by any other state-owned corporate entity.

4. When an investment stands above the value established in N.º 1 and it is implemented by a corporate entity, only those shareholders who, in proportion to their share-holding, can prove that they have invested at least USD 1,000,000 (one million US dollars) in the investment project concerned, are individually entitled to private investor status.

5. For the purposes of that stipulated in the preceding numbers, consortia, joint ventures and other

relevant forms of entrepreneurial partnership, must be taken into consideration.

6. The system of incentives and other facilities to be granted by the State to investors of Angolan nationality, within the corporate development framework, is regulated by its own specific law.

Article 4 (Special Investment Schemes)

1. Private investment schemes, as well as their inherent rights, guarantees and incentives, applicable to those spheres of activities entailing the exploration of oil and gas, diamonds, financial institutions, and other sectors determined by law, are established in Specific legislation.
2. The entities legally empowered to authorize the implementation of the investments defined in the preceding number are obligated, within a period of 30 days counting from the date of the said authorization, to send information to ANIP containing data on the respective overall value, location of investment, form, scheme, number of jobs created, and all other information considered relevant for the purposes of the centralized registration and statistical control of private investments.
3. ANIP must issue a certificate for registration in a form differing from that used for the Private Investment Registration Certificate (CRIP), which is checked against projects approved by it.
4. All that which is not provided for in the special investment schemes created under the terms of N.º 1 is applied subsidiarily as determined in this law, especially as regards deadlines and penalties.

Chapter II Private Investment Policy Principles & Goals

Article 5 (General Principles)

Private investment policy and the granting of incentives and facilities abide by the following general principles:

- a) Respect for private property;
- b) Respect for free market laws and healthy competition among economic agents;
- c) Respect for free enterprise, except for those areas defined by law as being the reserve of the State;
- d) Guarantees of security and protection for investments;

- e) Equality of treatment for nationals and foreigners, and protection of the economic citizenship rights of nationals;
- f) Promotion of free and full circulation of goods and capital, in accordance with legal terms and limits;
- g) Respect for and integral compliance with international agreements and treaties.

Article 6
(Political & Legal Conformity Principle)

The implementation of investments in accordance with that provided for in this law, irrespective of their form, must contribute to the human progress of the Angolan people, and to the country's sustainable economic and social development. It must also conform to the principles and goals of national economic policies, the provisions of this law and its regulation, and to any other applicable legislation in force in the country.

Article 7
(Responsibility for Definition & Promotion of Private Investment)

1. It is incumbent on the Executive to define and promote private investment policy, especially that which contributes decisively to the economic and social development of the country and the general well-being of the people.
2. ANIP is the body encharged with executing national policy vis-à-vis private qualified investments, in accordance with this law, as well as promoting, coordinating, guiding and overseeing private investments.

Article 8
(Universality of Private Investment)

1. In light of the principle of free economic enterprise, the implementation of qualified investments of any type and throughout all national territory is permissible, under the terms of article 3, provided that same do not contradict any legislation and formal procedures in force.
2. That determined in the preceding article does not prejudice the faculty of the Executive, as the authority defining and promoting private investment policy, from favoring certain types of investment, i.e., in relation to the sectors concerned or the Special Economic Zones where these occur.

Chapter III

Investment Operations

Article 9 (Forms of Private Investment)

Private investment may take the form of domestic or foreign investment.

Article 10 (Domestic Investment Operations)

Under the terms and for the purposes of this law, the following acts and agreements, among others, are deemed as domestic investment operations:

- a) Utilization of national or other freely-convertible currency domiciled in national territory;
- b) Acquisition of technology and know-how;
- c) Acquisition of machinery and equipment;
- d) Conversion of credits arising out of any type of agreement;
- e) Shareholdings in companies and enterprises incorporated under Angolan law, domiciled in national territory;
- f) Investment of financial resources obtained through loans, including those obtained from abroad, with same having to be previously licensed, in accordance with prevailing foreign exchange legislation;
- g) Setting-up of new companies belonging exclusively to private investor;
- h) Expansion of companies or other forms of corporate representation of companies;
- i) Acquisition of the whole or part of existing companies or consortia;
- j) Shareholding or acquisition of shareholding in the capital of companies or consortia, either new or existing, in any form whatsoever;
- k) Signing and amending agreements of consortia, shareholding partnerships, joint ventures, partnership of third parties in shares or stakes in capital and any other form of permissible partnership agreement, even if not yet provided for in prevailing commercial legislation;
- l) Total or partial takeover of commercial or industrial establishments, by acquiring assets or through assigned operating agreements;
- m) Total or partial takeover of agricultural companies, by leasing contracts or of any agreements that entail the exercise of rights of ownership, utilization, development and exploration of land, on the part of the investor;

- n) Operation of real estate complexes, tourist or otherwise, irrespective of their legal nature;
- o) Realization of supplementary capital loans, shareholder advances and, in general, loans linked to profit sharing;
- p) Acquisition of real estate located in national territory, when that acquisition is part of a private investment project.
- q) Assignment, in specific cases and under terms agreed and sanctioned by the relevant authorities, of rights concerning utilization of land, patented technologies and registered brands, the remuneration of which is limited to the distribution of profits resulting from activities in which such technologies or brands have been applied;
- r) Assignment of the operation of concession rights and licenses and rights of an economic, commercial or technological nature.

Article 11
(Forms of Implementing Domestic Investments)

Private investment acts may be implemented, separately or cumulatively, in the following forms:

- a) Allocation of own funds;
- b) Investment in Angola of existing funds available in bank accounts set up in Angola, held by residents with foreign-currency status, even when acquired by way of financing obtained abroad;
- c) Allocation of machinery, equipment, accessories and other tangible fixed assets;
- d) Incorporation of credits and other private investor funds, liable to be invested in enterprises;
- e) Incorporation of technologies and know-how, provided they represent a capital gain for the enterprise and that they may be evaluated financially.

Article 12
(Foreign Investment Operations)

1. Under the terms and for the purposes of this law, deemed as foreign investment operations, among others, are the following acts and agreements, made without recourse to the country's foreign-exchange reserves:

- a) Importation into national territory of freely-convertible currency;
- b) Importation of technology and know-how, provided they represent a capital gain for the enterprise and that they may be evaluated financially.
- c) Importation of machinery, equipment and other tangible fixed assets;

- d) Shareholdings in companies and enterprises incorporated under Angolan law domiciled in national territory;
 - e) Setting up and expansion of branches or other forms of corporate representation of foreign companies;
 - f) Setting up of new companies belonging exclusively to foreign investor;
 - g) Acquisition of the whole or part of existing companies or consortia and shareholding or acquisition of shareholding in the capital of companies or consortia, either new or existing, in any form whatsoever;
 - h) Signing and amending agreements of consortia, shareholding partnerships, joint ventures, partnership of third parties in shares or stakes in capital and any other form of partnership agreement permissible in international commerce, even if not yet provided for in prevailing commercial legislation;
 - i) Total or partial takeover of commercial or industrial establishments, by acquiring assets or through assigned operating agreements;
 - j) Total or partial takeover of agricultural companies, by leasing contracts or of any agreements that entail exercise of ownership and operation on the part of investor;
 - k) Operation of real estate complexes, tourist or otherwise, irrespective of their legal nature;
 - l) Realization of supplementary capital loans, shareholder advances and, in general, loans linked to profit sharing;
 - m) Acquisition of real estate located in national territory, when that acquisition is part of a private investment project.
2. Not deemed as foreign investment operations are those that consist of the temporary chartering of sailing vessels, aircraft and other resources liable to rental, leasing or any other form of temporary utilization in national territory against payment.
3. Notwithstanding that stipulated in the preceding number, the operations referred to therein may be deemed as foreign investments, provided that, owing to their major economic or strategic importance, the Executive, expressly and accordingly, decides to grant them such status.

Article 13 **(Forms of Implementing Foreign Investment)**

- 1. Foreign investment acts may be performed, separately or cumulatively, in the following forms:
 - a) Transfer of own funds from abroad;
 - b) Investment of foreign currency funds, in bank accounts set up in Angola by non-residents with foreign-currency status, eligible for reexport, in accordance with applicable foreign exchange legislation;
 - c) Investment in national territory of funds within the scope of foreign reinvestment;

- d) Importation of machinery, equipment, accessories, and other tangible fixed assets;
 - e) Incorporation of technologies and know-how.
2. The forms expressed in paragraphs d) and e) of this article must always be accompanied by a transfer of funds from abroad, i.e., to finance expenses involving incorporation, installation and paying up capital.

Chapter IV

General Private Investor Guarantees, Rights & Obligations

Section I Generalities

Article 14 **(Private Investment Status)**

Companies and enterprises incorporated in Angola for the purpose of obtaining private investment facilities and incentives, even when the capital comes from abroad, have, to all legal intents and purposes, the status of companies and enterprises incorporated under Angolan law, with common Angolan law being applicable to them in that which is not regulated differently by this law or by specific legislation.

Article 15 **(Equality of Treatment)**

1. Under the terms of the Constitution and the principles shaping the country's legal, political and economic order, the Angolan State ensures that, irrespective of the origin of capital, incorporated companies and enterprises and their assets are given fair and equal treatment, which is not arbitrarily discriminatory, guaranteeing them protection, security, access to resources and courts, and not hindering their management, maintenance and operations.
2. The rights of foreign investors arising out of the ownership of resources invested are guaranteed, i.e. the right of freely disposing of them, under the same terms as domestic investors.

Section II **Common Guarantees**

Article 16 **(Protection of Rights)**

1. The Angolan State guarantees all private investors access to Angolan courts in defense of their

rights, with their being guaranteed due legal process.

2. Private investors, both domestic and foreign, are entitled to denounce, direct to the Public Prosecution Service, in accordance with Law N.º 3/10, March 29, 2010 — the Public Probity Law, any irregularities, illegalities, and any acts of improbity in general, attempting, directly or indirectly, to harm their economic interests, even before their investment application has been officially approved.
3. In the case of assets that are the subject of a private investment project being expropriated or requisitioned because of duly considered and justified reasons of public interest, in accordance with law, the State ensures the payment of fair, prompt, and effective compensation, the amount of which being determined in accordance with the applicable rules and regulations.
4. The State guarantees, according to law, protection of and respect for professional secrecy, both banking and commercial, for companies and enterprises incorporated for the purposes of private investment.
5. The rights granted to private investments in accordance with this law are ensured without prejudice to others arising out of agreements and conventions to which the Angolan State is an integral party.

Article 17 (Other Guarantees)

1. Industrial property rights, together with all intellectual property rights, are guaranteed in accordance with prevailing legislation.
2. Rights acquired with ownership, utilization and titled development of land, as well as of other property-related resources, are guaranteed in accordance with prevailing legislation.
3. Non-interference by the State in the management of private companies is guaranteed, except in those cases expressly provided for in law.
4. The State guarantees that licenses will not be cancelled without recourse to the respective judicial or administrative process.
5. The right to import goods direct from abroad and the independent export of products produced by private investors is guaranteed, without prejudice to the domestic-market protection rules applicable.

Section III Repatriation of Capital & Eligibility for Other Facilities

Article 18 (Transfer of Profits & Dividends)

1. Subsequent to a foreign private investment project having been implemented and with its execution

proven, in accordance with the rules defined in this law and, in particular, those in articles 19 and 20, and under the conditions defined in the respective BNA authorization, in accordance with the applicable foreign exchange legislation, transfers abroad are guaranteed for:

- a) Distributed dividends or profits, once proof of respective payment of taxes payable has been verified and certified, taking into account the amount of capital invested and its correspondence to the respective holdings in own capital of the company or enterprise concerned;
- b) Proceeds from the liquidation of its investments, including capital gains, after having paid taxes due;
- c) Any amounts due to it, with the deduction of respective taxes, provided for in acts or agreements which, in accordance with this law, constitute private investment;
- d) Proceeds from compensation, under the terms of N.o 3 of article 16;
- e) Royalties or other income earned from indirect investments, linked to assigned transfer of technology.

2. The repatriation of profits and dividends, under the terms of paragraph a) of the preceding number, is scaled proportionally and objectively, abiding by the limits imposed in article 20. That is to say, in relation to the invested value, concession period and extent of tax and customs incentives and benefits, investment period, profits effectively realized, socioeconomic impact of investment and its influence on reduction in regional asymmetries, as well as impact of repatriation of profits and dividends on the country's balance of payments.

3. The terms of the proportion and percentile scaling of the repatriation of profits and dividends, within the scope of the preceding number are subject to casuistic considerations and negotiation, in accordance with objective data, and with it being mandatory that these be contained in the investment agreement to be signed.

4. The effective transfer of profits and dividends depends, with necessary adaptations, on proven compliance with that demanded by N.º 4 of article 26.

Article 19

(Minimum Investment Limit for Repatriation of Capital)

The proportional repatriation of capital generated as profits, dividends, and similar returns emanating from foreign investment operations is permissible, under the terms of the preceding article, provided that this investment reaches the minimum limit, for each investor, of USD 1,000,000 (one million US dollars).

Article 20

(Scaling Criteria for Right to Repatriation of Profits & Dividends)

1. Considering that determined for Development Zones in article 35, the percentile scaling of the right to repatriate profits and dividends is performed in the following manner:

- a) Foreign investment projects put in place in Zone A amounting to less than USD 10,000,000 (ten million US dollars) may only repatriate profits, dividends and similar returns, under the terms of N.º 1 of article 18, with three years having elapsed subsequent to their effective implementation.
 - b) Foreign investment projects put in place in Zone A, which are equal to or exceeding USD 10,000,000 (ten million US dollars, but less than USD 50,000,000 (fifty million US dollars), may only repatriate profits, dividends and similar returns under the terms of N.º 1 of article 18, with two years having elapsed subsequent to their effective implementation.
 - c) Foreign investment projects put in place in Zone B, amounting to less than USD 5,000,000 (five million US dollars) may only repatriate profits and dividends, under the terms of N.º 1 of article 18, with two years having elapsed subsequent to their effective implementation.
2. That stipulated in the paragraphs of the preceding number shall not apply to those cases provided for in paragraph a) of N.º 1 of article 29.

Article 21

(Economic Requirements for Eligibility for Other Facilities)

1. Eligibility for incentives and facilities for investment operations is permissible when complying with the following requirements of economic interest:
 - a) Investments to be made in the following sectors of activity:
 - i) agriculture and livestock;
 - ii) manufacturing industry, i.e. manufacture of packaging, production of machinery, equipment, tools and accessories, recycling of ferrous and non-ferrous materials, production of textiles, shoes and clothing, manufacture of wooden goods and timber by-products, production of foodstuffs, construction materials, information technologies;
 - iii) rail, road, seaport and airport infrastructure;
 - iv) telecommunications and information technologies;
 - v) fishing industry and derivatives, including the construction of shipping vessels and nets;
 - vi) energy and water;
 - vii) social housing;
 - viii) health and education;
 - ix) hospitality and tourism.
 - b) Investments to be made in development hubs and other Special Economic Zones of investment, approved in accordance with criteria and priorities defined by the Executive.
 - c) Investments to be made in free-trade zones to be created by the Executive, in accordance with the appropriate law on the matter.

Article 22
(Recourse to Credit)

1. Private investors may have recourse to domestic and foreign credit, in accordance with prevailing legislation.
2. Resources emanating from domestic credit granted to a corporate entity, providing same is not a stakeholder or shareholder in the investment project, will only be accepted as capital to be invested in projects after these have been totally implemented and providing they do not generate profits and dividends that could be repatriated.

Section IV
Obligations

Article 23
(General Private Investor Obligations)

Private investors are obligated to respect this law and any other legislation applicable, together with regulations in force in the Republic of Angola, as well as contractual commitments, being subject to the penalties defined therein.

Article 24
(Specific Private Investor Obligations)

In particular, the private investor is obligated to:

- a) Abide by periods stipulated for the importation of foreign capital and implementation of investment project, in accordance with commitments undertaken;
- b) Promote the training and integration of national labor and the progressive “Angolanization” of managerial and supervisory staff, without any type of discrimination;
- c) Not practice any acts or omissions construed as racial, gender or disability discrimination, not foster exclusion factors in relation to salaries or social conditions of national and expatriate workers, with Angolans being attributed occupational, salary and social benefits equal to those of their expatriate counterparts of equal grade or academic degree, and technical and professional qualification;
- d) Pay taxes and all other contributions due, without prejudice to eventual tax benefits which may apply to them;
- e) Set up funds and reserves, and make provisions in accordance with prevailing legislation;
- f) Apply the chart of accounts and accounting rules established by law;

- g) Abide by regulations in relation to environmental conservation, according to Law N.º 5/98, of June 19, 1998 — Basic Environmental Law and other applicable legislation;
- h) Have due regard for hygiene, protection and safety of workers against occupational diseases, industrial accidents and other eventualities provided for in social security legislation;
- i) Take out, and maintain updated, accident and occupational disease insurance policies for workers, as well as civil liability insurances for damage to third parties or the environment.

HEADING II

Tax & Customs Benefits & Foreign Exchange System

Chapter I Tax & Customs Benefits

Section I General Rules

Article 25 (General Principle)

Corporate entities or individual persons coming within the framework of this law are subject to compliance with the tax legislation in force, enjoying the same tax benefits established and being subject to the same penalties.

Article 26 (Accounting Concept & Nature of Incentives)

1. Deemed as tax benefits are those measures implicating a reduction in or exemption from the amount payable of prevailing taxes, in order to promote factors of development on a macroeconomic scale for the country, as well as favoring activities recognized as being of public, social, or cultural interest.

2. Tax and customs benefits or incentives are, namely: deductions on taxable items, deductions on taxes payable, depreciations and accelerated reincorporation's, tax credits, exemption from and reduction of rates of tax, contributions and import duties, deferred payment of taxes, and other taxation measures of an exceptional nature that benefit the taxpaying investor.
3. For the purposes of this law, tax benefits are considered as tax expenditure, with, in their accounting classification and control, an appropriate declaration of the benefits enjoyed having to be made, which must be completed for each financial year.
4. In order to be eligible for the tax and customs incentives and benefits scheme, each investor has to have its accounting duly organized and certified by an external auditor.
5. Without prejudice to that stipulated herein, the accounting of tax and customs incentives and benefits will be subject to specific regulation.

Article 27
(Granting Incentives — Criteria & Goals)

The granting of the incentives and facilities provided for in this law is conducted by taking into account the following economic and social goals to:

- a) Incentivize growth of the economy;
- b) Promote the economic, social and cultural well-being of the people, especially of youth, senior citizens, women and children;
- c) Promote the most disfavored regions, primarily in the country's interior;
- d) Increase national production, based on the incorporation of local raw materials and enhance value-added of nationally produced goods;
- e) Facilitate partnerships between domestic and foreign entities;
- f) Encourage job creation for national workers and raise qualification of Angolan labor;
- g) Obtain technology transfers and increase productive efficiency;
- h) Increase exports and reduce imports;
- i) Increase foreign exchange funds and equilibrium of balance of payments;
- j) Organize efficient ways to supply domestic market;
- k) Promote technological development, business efficiency and quality of products;
- l) Revamp, expand, or upgrade infrastructures earmarked for economic activity.

Article 28
(Exceptional Nature of Incentives & Benefits)

1. Private investment to be made within the framework of this law may enjoy tax and customs incentives and benefits, in accordance with the terms of their own specific legislation.
2. Tax incentives and benefits do not constitute a rule, nor are they automatically or indiscriminately granted, nor for an indeterminate period of time.
3. Goods imported within the framework of duly approved private investment projects, whose value is equal to or exceeding USD 1,000,000 (one million US dollars) and less than USD 50,000,000 (fifty million US dollars), must comply with the duty system provided for in the Customs Tariff of Import and Export Duties.
4. When considering the proportion and scaling of tax and customs incentives and benefits to be granted, the criteria cited in N.º 2 of article 18 are followed, aside from an objective consideration vis-à-vis the type of investment and its insertion into the country's economic development strategy, perception of direct and indirect capital gains, complexity of investment, and estimated time required for a return on capital.
5. The specific laws on each type of tax, within the scope of tax incentives, must define tax-rate reduction percentages.

Article 29
(Contratualized Concession of Incentives)

1. An extraordinary tax incentive and benefit concession may, within the scope of the sole private investment contractual system, stem from a negotiation. That is to say, in the cases of N.º 3 of article 60 or in those cases in which that provided for in paragraph a) ensues together with one of the conditions in the following paragraphs:
 - a) Investment is declared as highly relevant for the strategic development of the national economy, considering the importance of the sector of activity concerned, location and value of investment, and reduction in regional asymmetries;
 - b) Investment is capable of creating or maintaining, at the least, 500 (five hundred) direct jobs for national citizens;
 - c) Investment is capable of contributing to a major boost in technological innovation and scientific research in the country, in a quantifiable and certifiable manner;
 - d) Annual exports resulting directly from investment exceed USD 50,000,000 (fifty million US dollars).
2. The declaration provided for in paragraph a) of the preceding number and the option of having an incentives scheme which contratualizes their concession are a prerogative of the Holder of Executive

Power.

Article 30
(Administration of Incentives Scheme)

1. Administration of the tax and customs incentives and benefits scheme is incumbent on the Executive Power, which executes same through the ministerial department of finance concerned.
2. Within the scope of the delegation of powers of the Holder of Executive Power, it is incumbent on the Minister of Finance to issue the final decision with regard to tax and customs incentives and benefits, without prejudice to the general responsibility of ANIP in the reception, processing, assessment, negotiation, approval, monitoring, and inspection of private investment applications.
3. ANIP, as well as the representatives of the ministerial department or public entity regulating the pertinent economic sector for the investment concerned, may propose incentives and benefits, provided that these reside within legal parameters.
4. Incentives approved for a specific investment project only come into effect starting from the time at which its implementation commences, and these may be suspended by the ministerial department of finance concerned, as the entity managing the incentives scheme, should the deadlines and timings scheduled for the financing or implementation of the investment project not be complied with.
5. In light of its being a foreign investment, the suspension referred to in the preceding number will also occur whenever the timing of the importation of foreign capital has not been complied with.

Article 31
(Withdrawal of Tax & Customs Incentives)

1. Without prejudice to that provided for in specific legislation, tax and customs incentives are withdrawn upon:
 - a) Termination of period for which they have been granted, when temporary;
 - b) Verification of the provisions of respective resolute clauses, when conditioned;
 - c) Cancellation, in the case of defaulting on their legal or contractual obligations, due to a fact imputable to the taxpayer.
2. When tax and customs incentives are withdrawn this automatically results in a return to the General Taxation System.

3. Whenever tax and customs incentives cover the acquisition of assets earmarked for investment operations, the respective concession is annulled should those assets be divested or allocated for some other purpose without ANIP's authorization, without prejudice to any other penalties or consequences established according to law.

Article 32
(Assignment of Tax & Customs Incentives)

Entitlement to incentives is assignable, within the scope of the assignment provided for in article 80, with prior authorization from the Minister of Finance, and with ANIP having been consulted, provided that the conditions on which the concession was based are still in place and that obligations arising out of the investment project are maintained, with the proposer having to be notified within a period of eight days subsequent to reception of the said petition.

Article 33
(Limits to Application of Penalties)

Excepting that stipulated in N.º 3 of article 87, sanctions impeding, suspending, or terminating tax and customs incentives are only applied on the grounds of tax infringements related to the benefits granted.

Section II
Tax Incentives & Benefits

Article 34
(Scope of Application)

In this section, the granting of tax incentives is regulated exclusively within the private investment framework, i.e., concerning the scaling criteria, type, period, and limits of incentives, as well as procedures to be adopted.

Article 35
(Development Zones)

For the purposes of granting tax incentives to investment operations, the country is organized into the following development zones:

- a) Zone A — Province of Luanda, the municipal seats of the provinces of Benguela, Cabinda, Huíla, and the Municipality of Lobito.

- b) Zone B — Other municipalities of the provinces of Benguela, Cabinda, and Huíla, and provinces of Bengo, Cuanza-Norte, Cuanza-Sul, Malanje, Namibe, and Uíge.
- c) Zone C — Provinces of Bié, Cunene, Huambo, Cuando-Cubango, Lunda-Norte, Lunda-Sul, Moxico, and Zaire.

Article 36
(Special Economic Zone)

The definition and incentives for investments to be made in the Special Economic Zones are defined in their own specific law.

Article 37
(Requirements)

Private investors seeking to benefit from tax incentives, in accordance with this law, must cumulatively comply with the following requirements of:

- a) Being in legal and taxation conditions to exercise their activity;
- b) Not being indebted to the State and Social Security, and not being in default vis-à-vis the financial system;
- c) Having an organized accounting system, tailored to the demands of appraising and monitoring the investment project, under the terms of N.º 3 of article 26.

Article 38
(Industrial Tax)

1. Profits resulting from private investment may be eligible for exemption from or a reduction in the percentage of industrial tax, when implemented in:

- a) Zone A, for a period ranging from one to five years;
- b) Zone B, for a period ranging from one to eight years;
- c) Zone C, for a period ranging from one to 10 years.

2. In Zone C, the value of a subcontract, may be similarly eligible for exemption from or reduction in the percentage of industrial tax to be paid by subcontractors contracted to carry out the investment project.

3. The exemption or reduction period is counted as of the commencement of the work by at least 90% of the estimated workforce, within the scope of the investment project's implementation, without

prejudice to that determined in specific legislation relating to the recruitment of expatriate workers.

4. The reduction in the percentage of the rate of tax may not exceed 50%.

Article 39 **(Scaling of Incentives Period)**

When setting the duration period for incentives, the forecastable social and economic impact of the investment is analyzed, taking into consideration the following factors:

- a) Net foreign exchange balance;
- b) Number of goals, among those established by this law, which investor achieves;
- c) Number of jobs to be created and type of training to be provided for Angolan workers;
- d) Value of investment;
- e) Volume of goods or services to be produced;
- f) Type of technology to be utilized;
- g) Firm commitment to reinvestment of profits;
- h) Creation of production lines.

Article 40 **(Capital Investment Tax)**

1. Companies promoting investment operations coming within the framework of this law are subject to exemption from or reduction in the percentage of tax on capital investment, for the period of time established in N.º 2 below, in relation to profits distributed to stakeholders.

2. The exemption provided for in the preceding number is granted for:

- a) a period of up to three years, in relation to investments when implemented in Zone A;
- b) a period of up to six years, in the case of investments implemented in Zone B;
- c) a period of up to nine years, for investments implemented in Zone C.

Article 41 **(Conveyance Tax)**

Companies promoting investment operations coming within the framework of this law are subject to exemption from or reduction in the percentage on the payment of conveyance tax for the acquisition of land and real estate connected to the project, with their having, for that purpose, to apply to the relevant tax

department for the said exemption.

Article 42
(Criteria for Applying Maximum Limits)

1. In Zone A, the maximum exemption limit may only be granted to investments evaluated at an amount exceeding USD 50,000,000 (fifty million US dollars), or which generate, at the least, 500 new direct jobs for national citizens.
2. In Zones B and C, the maximum exemption limit may only be granted to investments evaluated at an amount starting from USD 20,000,000 (twenty million US dollars) or if they generate, at the least, 500 new direct jobs for national citizens.
3. The maximum exemption limit may also be granted to investment projects in any of the zones, if they meet with at least two of the mandatory cumulative requirements, under the terms of article 29.

Article 43
(Useful Life of Equipment)

1. The exemption period or any other incentive may not exceed the useful life of imported equipment belonging to the investment project.
2. Considering that determined in the preceding number, in an investment project dispute, the residual book value of imported equipment may not be equal to zero.

Article 44
(Obligation of Return to Taxpaying)

1. Without prejudice to any eventual casuistic consideration by the relevant authority, when the exemption or incentive period in general has terminated, any taxes payable within the scope of the investment project must be paid, even though the investing entity submits a petition to increase the investment.
2. For the purposes of the preceding number, the relevant approval authority may, by way of a prior opinion issued by the ministerial department responsible for the finance sector, establish a reduction of the tax-rate percentage for projects merely seeking to improve the quality of others, with fresh capital injections or the addition of other equipment.

Article 45
(Tax Obligations)

1. Having tax and customs incentives neither releases the private investor from being enrolled on the general taxpayer register, nor from compliance with other legal obligations and formalities stipulated by the tax administration and of providing casuistic proof that an incentive has been granted.
2. Exercise of entitlement to any of the normative type of tax incentives provided for in this law occurs at the time of compliance with tax obligations, by demonstrating verification of the conditions established for the said incentive.
3. Taxpayers benefitting from tax incentives, as provided for in this law, must disclose this in their official documents.

Article 46
(Recognition of Tax Incentives)

The granting of tax incentives results from the casuistic analysis of projects, limiting same to that stipulated in this law.

Article 47
(Remittance of Applications)

Copies of all incentive application dossiers approved by the Ministry of Finance, through the Internal Revenue Service and the National Customs Service, must be sent to ANIP.

Article 48
(Inspection)

Without prejudice to that provided for in article 71, individual persons or corporate entities, which have been granted tax and customs incentives, are subject, within the scope of this law, to inspection by ANIP and by the ministerial department responsible for the finance sector, to verify observance of the conditions upon which the granting of incentives depend, and compliance with obligations imposed on taxpayer beneficiaries.

Chapter II

Foreign Exchange System

Article 49 **(Foreign Exchange System)**

1. Foreign exchange operations that translate into the acts referred to in articles 10 and 12 of this law are subject to the system established in foreign exchange legislation.
2. The following rules for private investment operations are established:
 - a) Mandatory obligation of private investor to negotiate exclusively with legally authorized financial institutions;
 - b) Possibility of a private investor, individual person or corporate entity, provided they are not acting in the individual capacity of stakeholder or shareholder, to acquire foreign currency, either to import same into the country or make transfers abroad, in accordance with this law and the foreign exchange legislation applicable.
3. Financial institutions, legally authorized to trade in foreign exchange, and private investors, under the terms of the preceding number, having recourse to them, are jointly responsible for the validity and good faith of transactions in which they participate within the framework of this law, without prejudice to that determined as regards inspection in Law N.º 12/10, of July 9, 2010 — Law on Combating Money Laundering and Financing of Terrorism.
4. The Executive must regulate the modes of inspection and control of those activities contained in N.º 3 of this article.
5. Entities indulging in irregular remittances of foreign currency abroad, contravening the rules established for private investment, are obligated to repatriate any irregularly transferred foreign currency to Angola, together with payment of a fine, calculated in accordance with the Foreign Exchange Law and complementary statutes, without prejudice to other sanctions provided for or applicable.

Article 50 **(Suspension of Remittances Abroad)**

Transfers abroad, guaranteed within the framework of this law, may be suspended by the Holder of Executive Power whenever the said amount is liable to cause serious problems to the balance of payments situation, in which case the Governor of Angola's Central Bank may, exceptionally, determine its payment being scheduled over a negotiated and mutually agreed period of time, in accordance with that provided for in prevailing foreign exchange legislation.

HEADING III

Procedural System for Investments

Chapter I Sole Procedural System for Investments

Article 51 (Contractual System)

1. The one and only procedural system for the implementation of a private investment project, within the scope of this law, corresponds to the contractual system.
2. Notwithstanding the fact that different approval levels may exist, the contractual system is characterized by its necessarily entailing a negotiating process on the specific terms of an investment, between the potential investor and the relevant Executive authorities. Such may also include the incentives and benefits sought, within the scope of an investment agreement, without prejudice to the objective factors entailed in judging the validity, merit, importance, and convenience of the investment project.
3. The discretionary powers of the relevant Executive authorities, provided for in the preceding number, do not prejudice the rights of individuals to contest and appeal, pursuant to general administrative procedure, decisions taken by the relevant Executive authority which are unfavorable to them.

Article 52 (Scope of Procedural System)

All private investment projects are subject to the contractual system, as it is the one and only procedural system.

Article 53 (Nature & Structure of Investment Agreement)

1. The investment agreement is of an administrative nature, with the parties to it being the Angolan

State, represented by ANIP, and the private investor.

2. The private investment agreement seeks to define the rights and obligations of the parties, with it having to contain, essentially, among other clauses, the following elements:

- a) Identification of the parties;
- b) Administrative nature and purpose of agreements;
- c) Validity period of agreement;
- d) Definition and quantification of the goals to be achieved by private investor during the contractual period;
- e) Definition of the operating, management, partnership and deadline conditions of projects which will be the subject of the private investment agreement;
- f) Definition and quantification of facilities, tax benefits and other incentives to be granted and ensured by the State in relation to the private investor, as a quid pro quo for strict and punctual compliance with the goals set;
- g) Location of investment and legal system governing investor's assets;
- h) Monitoring mechanisms by ANIP on actions to bring investment to fruition during the contractual period;
- i) Form of resolving disputes, with detailed terms of the jurisdiction and procedures of arbitration, in the event of opting for this extrajudicial alternative;
- j) General definition, but with documented validation, as an appendix, of the economic, social, and environmental impact of the forecast project, whenever such applies.

3. The investment agreement is legally finalized in a private document, with the number of copies corresponding to that of the contracting parties, and with a duly initialed and signed original of the agreement always on file at the ANIP services.

4. In private investment agreements, it is legitimate to agree and stipulate that different disputes regarding interpretation and execution may be resolved by recourse to arbitration.

5. In the cases referred to in the preceding number, arbitration must take place in Angola and the law applicable to the agreement and to the process must be that of Angolan law.

Chapter II

Stages & Other Matters Entailed in Process

Article 54 **(Presentation of Proposal)**

1. The private investment proposal must be presented to ANIP in the most complete form possible, in order that an extremely meticulous analysis may be made, which will result in the appropriate decision being taken on the investment project.
2. The proposal must, unfailingly, be accompanied by those documents necessary to the identification, and legal, economic, financial, and technical characterization of the investor and the projected investment. In particular, this will be achieved by way of the respective feasibility study, as well as by an assessment of the pertinence of the application made by the investor to become eligible for facilities, incentives, and benefits. It will also include an implementation-timing schedule, together with a study assessing the investment project's environmental impact.
3. The relevant approval authority may, at any time, pass down instructions to ANIP requesting the addition of other documents to the investment application, in accordance with the project concerned.
4. ANIP may adopt electronic, computerized, and virtual interface mechanisms, with recourse to the Internet for the reception of investment proposals, and the gathering and processing of data, as well as subsequent communication with the investor, and monitoring of the investment.

Article 55 **(Suspension & Renunciation of Application)**

1. It is permissible for the investor to request ANIP to suspend the investment application for up to 180 days, provided it is made before the scheduling of the decision on the said investment project by the relevant approval authority.
2. For the purposes of that provided for in the preceding number the retaking up of the matter may be set in motion by the investor merely reapplying, with ANIP having 30 more days to schedule the appraisal of the corresponding investment project by the relevant approval authority.
3. Investors may at any time refrain from going ahead with their investment project, provided they have grounds for doing so and before the investment agreement is legally finalized, at which time the strict undertaking of contractual liabilities comes into effect, pursuant to article 406 of the Civil Law.
4. Should the investor's renunciation be made fraudulently, in bad faith or without due grounds, as ascertained by ANIP in a specific inquiry, this entails the potential investor being registered on an ANIP database for entities prohibited from having recourse to the private investment scheme provided for in

this law, as well as from enjoying the tax and customs incentives and benefits scheme, for a period of up to 10 years.

5. The investor may appeal the decision taken under the terms of the preceding number, in accordance with applicable legislation on administrative procedure.

Article 56 (Rectification of Proposals)

1. Should proposals be presented in a deficient or unsatisfactory manner, ANIP must notify the proposer, within a period of 15 days, to rectify the respective deficiency or inadequacy.

2. If, at the end of the established deadline, proposers do not rectify their proposals, ANIP will issue an express decision flatly rejecting the investment application.

Article 57 (Appraisal of Proposal)

1. After acceptance of the proposal, ANIP has a general maximum period of 45 days to appraise, negotiate and submit the terms of the proposed investment for approval, without prejudice to that determined in N.º 3 of article 60.

2. For the purposes of that stipulated in the preceding number, the proposal is only deemed as accepted after formal recognition by ANIP that the application contains all the requisites considered pertinent to its analysis, without prejudice to an eventual request for any complementary information considered necessary.

3. After acceptance of the proposal, within the maximum period provided for in N.º 1, the Facilities and Incentives Negotiating Committee (CNFI) has 30 days to proceed with the analysis and assessment of the investment proposal, both in general and specific terms, and to duly establish negotiations with the investor on the incentives and benefits applied for by the latter.

4. At the end of the period referred to in the preceding number, plus a further 10 days, the CNFI issues a final opinion on the investment project, already having considered any amendments made as a result of negotiations, with it then being passed, if such is indispensable, to other Public Administration sectors or other institutions for the issue of an opinion complementary to its own.

Article 58 (Constitution & Composition of CNFI)

1. If called for, ANIP may simultaneously set up several facilities and incentives negotiating committees

within the scope of various private investment proposals.

2. Aside from the relevant internal ANIP bodies concerned, it is essential that representatives of the Internal Revenue Service, National Customs Service, and the BNA's Foreign Exchange Control Department also sit on the facilities and incentives negotiating committees, as well as a representative from the ministerial department or body regulating the sector to which the investment proposal's purpose is linked.
3. The CNFI's positions and opinion culminate in a consensus among its members; and failing that, they are put to a simple majority vote, with the ANIP representative holding the casting vote in the event of a stalemate, with abstentions not being permitted.
4. The CNFI's functioning is provided for in ANIP's internal regulations, which must be submitted to appraisal by the regulatory body in accordance with the terms of its basic statute.

Article 59 **(Remittance of Correspondence)**

1. Once negotiations with the investor have been concluded, ANIP has five days, within the period provided for in N.º 1 of article 57, to submit the CNFI opinion to the relevant entity for approval. That opinion shall contain the investment project's legal, technical, financial, and economic appraisal, to which is added the implementation timing schedule and description of application for facilities and incentives presented by the investor, along with the draft private investment agreement for the approval authority's decision.
2. Should negotiations be inconclusive, ANIP may extend the period, for the purposes of N.º 1 of article 57, for a further 45 days, and, should the stalemate persist, ANIP shall make the final decision to reject and refuse the investment proposal.

Article 60 **(Approval — Authorization, Form & Period)**

1. It is incumbent on the ANIP Management Board to make the final decision, by way of a resolution, considering the binding opinion of the Minister of Finance in respect of the tax incentives and benefits to be granted, on investment projects of up to an equivalent of USD 10,000,000 (ten million US dollars), with information about the respective approval being passed to the Holder of Executive Power in an ongoing process.
2. It is incumbent on the Holder of Executive Power, after appraisal by the Cabinet, to make the final decision, including approval of the agreement, along with incentives and benefits to be granted on investment projects exceeding USD 10,000,000 (ten million US dollars).

3. Without prejudice to the regular administration of the application dossier by ANIP, in cases of private investment projects evaluated at above USD 50,000,000 (fifty million US dollars), the Holder of Executive Power may constitute and define the composition of an ad hoc Facilities and Incentives Negotiating Committee, to negotiate with the investor and to prepare the final decision.

4. The approval period is of 15 days, counted from reception of correspondence under the terms of the preceding article, for cases covered in N.º 1, and is of 30 days, counted from reception of correspondence, for the cases provided for in N.º 2.

Article 61 **(Approval of Investment Proposal)**

1. Should the relevant authority approve the investment proposal, it is then returned to ANIP for the agreement to be signed, registered, and issued with its respective Private Investment Registration Certificate (CRIP). As of that date the private investment's operations shall commence, and notice of the private investment agreement is published in the *Diário da República* [official gazette], without prejudice, when applicable, to the prior publication of the decree authorizing ANIP to sign the private investment agreement.

2. In the situations provided for in N.º 2 of the preceding article, the Holder of Executive Power may also pass down the investment application dossier to ANIP to renegotiate the incentives or benefits proposed in the investment, in the event of not agreeing with same or in the event that some remediable irregularity is verified, with, in such case, that stipulated in N.º 2 of article 59 being applied, with any necessary adaptations.

Article 62 **(Rejection of Proposal)**

1. Should the proposal not be approved, this decision must be formally communicated by ANIP to the proposer, with a precise indication of the reasons underpinning the rejection.

2. For the purposes of that determined in the preceding number, reasons considered as valid for rejections are:

a) Of a legal order;

b) Inconvenience of the projected investment, in light of the development strategy defined by the country's sovereign bodies or goals established in its economic and social development program.

3. Complaints and appeals can be filed in relation to investment denial decisions, in accordance with procedure rules and administrative litigation.

4. Should the proposer agree with the causes invoked by the relevant authority in rejecting the proposal, it may rectify failings or errors in the proposal and re-present it, thereby initiating a new investment application, without prejudice to the application of the principle of recourse to legal action in whatsoever may be possible.

Chapter III Registration

Article 63

(Private Investment Operations Registration)

1. All private investment operations benefitting from the advantages defined in this law must be registered with ANIP.
2. After approval by the relevant authority, they are registered, irrespective of the amount and level of approval adopted.

Article 64

(Private Investment Registration Certificate)

1. Once the private investment project is approved, ANIP issues a Private Investment Registration Certificate (CRIP), which confers on its holder the right to invest under the terms mentioned therein.
2. The CRIP must exhibit the investor's complete identification, procedural system, amount, including economic and financial characteristics of the investment, distribution and how investment must be achieved, implementation period of the project per se, location of investment, date and signature of the highest ranking ANIP executive, authenticated with the official seal employed by that institution.
3. The reverse side of the CRIP must exhibit the private investor's rights and obligations enshrined in this law and the private investor's signature or that of its legal representative.
4. Fifteen days are allowed for the issue of the CRIP, counting from when the private investment project is approved, excepting the existence of a force majeure situation.

Article 65

(Legal Effects of Private Investment Registration Certificates)

1. After being validly issued, CRIPs constitute private investor titles.
2. CRIPs constitute documental proof of the acquisition of rights and the undertaking of the private

investor obligations enshrined in this law, with their serving as a basis for all investment operations, eligibility for incentives and facilities, obtaining of licenses and registrations, resolution of litigation and other facts arising out of the granting of facilities and incentives.

3. The rights conferred by the CRIP may be exercised directly by its holder or by a duly empowered legal representative.

Chapter IV

Importation of Capital, Machinery & Equipment

Article 66 **(Importation of Capital)**

1. Licensing for capital importation operations shall be applied for by the proposer from the BNA, through a banking institution authorized to perform foreign exchange operations, by presenting the Private Investment Registration Certificate (CRIP).

2. For the purpose referred to in N.º 1 of this article, after the investment has been approved and respective CRIP issued, ANIP sends the BNA an official letter, with advice to the investor, a copy of the CRIP and all other pertinent data, so that the BNA may license the capital importation operations requested by the respective investors.

3. The BNA must license the capital operations provided for in this article within a maximum period of 15 days subsequent to entry of the application referred to in the preceding numbers, with its having to communicate any errors detected to the interested party, within a period of five days.

4. The BNA must send ANIP information on foreign exchange operations realized within the scope of private investments, whenever such take place.

Article 67 **(Importation of Machinery, Equipment & Accessories)**

The registering of the entry into the country of machinery, equipment, accessories and other materials for investments benefitting from facilities and exemptions as provided for in this law is incumbent on the National Customs Service, in coordination with the Ministry of Trade and depends on the presentation of the Private Investment Registration Certificate (CRIP), issued in accordance with the formal requirements defined in this law.

Article 68
(Registered Value of Equipment)

The registering of a private investment in the form of the importation of machinery, equipment and their components, new or used, is made according to its CIF value (cost, insurance and freight) in foreign currency and its equivalent in national currency, at the BNA foreign exchange reference rate corresponding to the date when the customs declaration is presented.

Article 69
(Price of Machinery)

For the purposes of that determined in this law, the price of machinery and equipment must be validated by means of an officially-recognized document issued by the pre-shipment inspection authority.

HEADING IV

During Investment Projects

Chapter I **Implementation of Investment Projects**

Article 70
(Execution of Projects)

1. The execution of an investment project must commence within the period established the respective CRIP and in the investment agreement.
2. In duly validated cases and at the private investor's request, the period referred to in the preceding number may be extended by ANIP, subsequent to authorization from the investment project's relevant approval authority.
3. The execution and management of a private investment project must be carried out in strict conformity with its authorization conditions and applicable legislation, with it not being permissible for funds coming from abroad to be applied for purposes differing from those which have been authorized, nor to deviate from its authorized purpose.

Article 71
(Monitoring)

1. To facilitate the monitoring of authorized investments, companies must, on an annual basis, provide ANIP with information on the implementation and development of the investment, profits and dividends of enterprises, by filling out the form that will be sent to them by ANIP for that purpose.
2. ANIP may have recourse to the Executive's relevant authorities as regards fiscally related matters in order to guarantee compliance with this normative provision.
3. Based on the information and data gathered, under the terms of the preceding number, subsequent to its processing, ANIP must present the Holder of Executive Power with a complete and descriptive annual report on the private investment situation in Angola.

Article 72
(Workforce)

1. Companies and enterprises incorporated for private investment purposes are obligated to employ Angolan workers, guaranteeing them the necessary professional training, and providing them with salary and social conditions compatible with their qualifications, and with any type of discrimination being forbidden.
2. Companies and enterprises incorporated for private investment purposes may, in accordance with prevailing legislation, hire qualified foreign workers, with their having, however, to comply with a strict training program and/or qualification of national technicians, while seeking to progressively fill those posts with Angolan workers.
3. The training program must be part of the documentation to be submitted to the relevant authority for the investment's approval and, under the terms of the preceding article, ANIP is responsible for overseeing its compliance.

Article 73
(Technical Assistance)

The parameters for hiring technical assistance are defined in the general terms of legislation on the matter.

Article 74
(Workers' Salaries)

Non-resident workers, with foreign-currency status, hired within the framework of private investment

projects are entitled to transfer their salaries abroad, in accordance with foreign exchange legislation, with the employer having to abide by that established in taxation legislation.

Article 75
(Bank Accounts)

1. In accordance with prevailing legislation, it is mandatory for private investors to hold accounts in banks domiciled in the country, where they deposit their respective monetary resources, and through which they conduct all payment operations, both domestic and foreign, related to the investment approved in accordance with this law.
2. Private investors may, of their own accord and liability, maintain monetary resources in foreign currency in their bank accounts, converting them, in installments, into national currency, to gradually realize the operations provided for in the preceding number and to pay up the capital of the company or private enterprise to be incorporated.
3. Commercial banks are prohibited from automatically converting foreign exchange imported and deposited in foreign currency accounts, which is earmarked to implement private investment operations.

Chapter II
Incorporation & Transformation of Companies

Article 76
(Formal Requirements)

1. Should the investment project entail the incorporation or transformation of companies, such acts must be ratified by public deed or in the legal form demanded.
2. No public deed, relating to acts constituting foreign investment operations as defined in this law, may be drawn up without presentation of the Private Investment Registration Certificate (CRIP) issued by ANIP and of the relevant capital import license issued by the BNA, stamped by the Commercial Bank receiving the respective capital, in accordance with this law, under penalty of the acts to which they relate being declared null and void.
3. Companies incorporated to implement foreign investments, under the terms and for the purposes contained in this law, are duly obligated to provide proof that the capital has been fully paid up within a period of 90 days as of the date of issue of the capital import license by the BNA, under penalty of the license being revoked and the company's incorporation acts being declared null and void, in accordance with prevailing legislation.
4. The capital stock of companies incorporated within the private investment framework must be proportional to the investment value, under penalty of the CRIP being revoked and the investment

agreement being dissolved.

5. It is incumbent on ANIP, in coordination with the BNA, to denounce and request a declaration of nullity of the incorporation acts of companies carried out in breach of that provided for in Nos 2 and 3 of this article.

Article 77

(Sole Corporate Purpose & Prohibition of Extension of Benefits)

1. Companies and enterprises incorporated for private investments within the scope of this law must, preferentially, be set up for a sole purpose and with a closed corporate mission, with this corresponding to the investment project approved.
2. Should it not be possible to apply that determined in the preceding number, it is expressly forbidden to extend any facilities, incentives or benefits granted within the private investment framework, provided for in this law or in separate legislation, to other business activities developed by the investor, not covered by the approval granted to the private investment under the terms of the CRIP or by the private investment agreement.

Article 78

(Expansion of Purpose)

1. The expansion of a company's or enterprise's purpose to areas of activity not contained in the authorization granted, whether or not this changes the structure of the facilities and exemptions granted and of the amounts to be transferred abroad, when such is the case, shall depend on prior authorization from the relevant approval authority.
2. Capital increases for investments framed within projects underway must be approved by ANIP, with, however, their being subject to ratification by the investment's relevant approval authority.
3. Increases in the capital stock of companies, incorporated to implement foreign investments, which do not entail the importation of foreign capital must be communicated to ANIP.

Article 79

(Commercial Registration)

1. Companies incorporated to implement investments approved within the framework of this law, as well as the modification of existing companies, for the same purposes, are subject to commercial registration, in accordance with prevailing legislation.
2. Equally subject to commercial registration are branches and other forms of foreign company representation, with such registration being conditioned to presentation of the license issued by the BNA,

stamped by the Commercial Bank receiving the respective capital, and with validation of the relevant authority stamped on the instruments to be registered.

Article 80
(Assignment of Private Investor's Contractual Position)

1. The total or partial assignment of a contractual stake or holding in relation to a private investment must be made with prior authorization from ANIP, with the interested domestic investor, if any, always having the right of first refusal, in equality of circumstances.
2. The right of first refusal referred to in the preceding number is of a legal nature, with it being permissible for any interested party feeling prejudiced by its non-observance to contest same, within a period of 180 days as of the date of the assignment of the contractual position to be contested.
3. Without prejudice to N.º 1, any ANIP authorization of a total or partial assignment in relation to a private investment is subject to approval by the investment's relevant approval authority.

Article 81
(Systemic Integration)

In the event of private investment projects being preceded by a public tender or any other type of public contracting process, the procedures established in this law shall apply, with the adaptations necessary or convenient to the integration of the various contractual mechanisms of an economic relationship between the State and private individuals, thereby avoiding the duplication of procedures.

Article 82
(Dissolution & Liquidation)

1. Companies and enterprises incorporated for investments implemented within the framework of this law shall be dissolved in those cases provided for in the respective agreement or articles of incorporation, and due to:
 - a) Completion of period established in investment agreement;
 - b) Shareholder resolutions, provided that obligations arising out of CRIP and/or of application of investment agreement have been complied with;
 - c) Complete achievement of corporate purpose, or its supervening impossibility, confirmed by ANIP;
 - d) Failure to pay up capital indispensable to enterprise's operation within period established in authorization, provided that obligations arising out of CRIP and/or private investment agreement have been complied with;

- e) Non-approval of private investment project, in the case of a company having already been incorporated and with this being for a sole purpose, in accordance with investment project;
 - f) Supervening illicitness of its corporate purpose;
 - g) Bankruptcy of company;
 - h) Manifest deviation in implementing enterprise's corporate purpose;
 - i) In all other cases provided for in prevailing legislation.
2. The initiative to dissolve, in the cases provided for in paragraphs a) d), e), f) and g) of the preceding number, may come from ANIP.
3. The dissolution and liquidation of companies or enterprises incorporated for the purposes of private investment is processed pursuant to commercial legislation in force.

HEADING V

Infringements & Penalties

Chapter I Legal Types

Article 83 (Fraudulent or Culpable Noncompliance with Legal Obligations)

Without prejudice to that stipulated in other laws, fraudulent or culpable noncompliance with legal obligations to which the private investor is subject, in accordance with this law and other legislation on private investment, constitutes an infringement.

Article 84 (Other Infringements)

1. The following constitute infringements:
- a) Utilization of funds coming from abroad for purposes differing from those authorized;
 - b) Practice of commercial acts outside of scope of authorized project;
 - c) Billing practices enabling the exit of capital or evasion of obligations to which the company or

partnership is subject, i.e., those of a taxation nature;

- d) Failure to implement training initiatives or to substitute foreign workers for national ones in accordance with the conditions and deadlines provided for in investment proposal;
 - e) Unjustified failure to execute investment within contractually-agreed periods;
 - f) Failure to provide annual information referred to in N.º 1 of article 71;
 - g) Counterfeiting of goods and presentation of false declarations.
2. The over-billing of imported machinery and equipment prices constitutes, according to this law, a violation in accordance with applicable legislation.

Article 85 (Counterfeiting Goods & False Declarations)

Without prejudice to penalties as regards infringements in accordance with this law, the counterfeiting of goods or the presentation of false declarations are also liable to sanctions in accordance with the applicable penal legislation.

Chapter II Penalties

Article 86 (Fines & Other Penalties)

1. Without prejudice to other penalties especially provided for in law, the infringements referred to in articles 84 and 85 are liable to the following consequences:
- a) Fine, corresponding in value to kwanzas, ranging between USD 10,000 (ten thousand US dollars) and USD 500,000 (five hundred thousand US dollars), with the minimum and maximum values being tripled in cases of repeated offences;
 - b) Forfeiture of exemptions, tax incentives and other facilities granted;
 - c) Revoking of investment authorization.
2. Failure to execute projects within the periods established in an authorization or extension is liable to the penalty provided for in paragraph c) of the preceding number, accompanied by the payment of a fine amounting to one third of the investment value, excepting a proven situation of force majeure.
3. In the cases provided for in the preceding number, assets belonging to the potential investor domiciled in the Republic of Angola shall revert to the favor of the Angolan State.

Article 87
(Authority to Apply Penalties)

1. The penalty provided for in paragraph a) of the preceding article is applied by ANIP, and that provided for in paragraph c) by the relevant authority that approved the private investment, in accordance with this law.
2. The penalty provided for in paragraph b) of N.º 1 of the preceding article is applied in accordance with specific legislation on the matter and by the relevant private investment approval authority.
3. The revoking of the investment authorization, in accordance with N.º 2 of the preceding article, always implicates the loss of tax exemptions, benefits and other facilities granted, within the scope of the investment project in question.

Article 88
(Penalties — Procedure & Appeals)

1. Before the application of any sanction, it is mandatory that the private investor be given a hearing, with same having the right to be accompanied, at the respective meeting with ANIP, by a lawyer and to append any evidence that it has at its disposal to the process.
2. The notice convening the meeting, under the terms of the preceding number, must contain all facts and accusatory elements and be delivered at least 20 days in advance.
3. In determining the penalization to be applied, all the circumstances that surrounded the committing of the violation, degree of culpability, benefits envisaged and obtained with the practice of the said violation and resulting damages must be taken into consideration.
4. The private investor may file a complaint or appeal against the sanction determined in accordance with prevailing legislation.

HEADING VI

Final & Transitory Provisions

Chapter I Final Provisions

Article 89 (Share in Fees, Taxes & Fines)

1. Without prejudice to the grant it receives from the General State Budget, ANIP retains 100% of the revenue coming from the amount it charges for fees, and 50% of the amount coming from taxes and fines collected by it within the scope of this law.
2. ANIP shall reinforce its institutional capacity with recourse to this income, with it having to equip itself materially, as regards structural and movable assets, as well as in connection with the increase and enhancement of its human resources.

Article 90 (Regulation)

Without prejudice to the sufficiency of this law, the Executive must promote the regulation of same whenever its effective application calls for the need to clarify and detail the principles and rules herein contained.

Article 91 (Private Investment Below Stipulated Minimum-Value Limit)

1. Without prejudice to this provision, any private investment whose value falls below the minimum limit established in article 3 is governed by the general provisions applicable to commerce and to companies, remaining outside the specific scope of the Private Investment Law.
2. A private investment whose value falls below the minimum limit set in article 3 does not provide the investor with entitlement to repatriate profits, dividends or other capital gains, or eligibility for the specific system of benefits or incentives covered within the framework of this law.
3. In those cases where a private investment, whose value falls below the minimum limit set in article 3, entails the importation of capital in foreign currency, such is conducted in accordance with the general terms of the Angolan Foreign Exchange Law.
4. Without prejudice to that provided for in the preceding numbers, should the importation of capital by

a non-resident citizen or foreign entity correspond, at the minimum, to USD 500,000 (five hundred thousand US dollars), the latter may request the respective proof of the said capital importation from the BNA for the purpose of incorporating a company or enterprise under Angolan law.

Article 92
(Domestic Investment Abroad)

Without prejudice to the eventual subsidiary application of the Private Investment Law, it is incumbent on the Executive to regulate domestic investment abroad, respecting the demands of the Foreign Exchange Law and guaranteeing public interest, consolidated in the re-entry of exported capital, as well as of income generated within the scope of the investment project.

Article 93
(Executive Powers)

1. The Executive powers provided for in this law are exercised by the Holder of Executive Power or by whomsoever, pursuant to article 137 of the Constitution, the President of the Republic has delegated powers.
2. The Holder of Executive Power exercises powers of oversight, as well as enjoying regulatory powers to substitute and integrate in relation to all bodies empowered vis-à-vis private investment.

Article 94
(Evaluation Period for Legal Framework)

Without prejudice to the sovereignty of the National Assembly in promoting legislative changes, a broad legislative evaluation should be made every 10 years, on the initiative of the Executive, of the effects of this Private Investment Law.

Article 95
(Previous Investment Projects)

1. This Private Investment Law and its regulation shall not be applied to investment applications approved prior to its coming into effect, with these continuing to be governed, up until the respective termination of their implementation, by legislative provisions and terms or specific agreements on which their authorization was based and granted.
2. However, private investors may apply to ANIP for already- approved projects to be submitted for the scheme established in this Private Investment Law. Any decision to so shall be incumbent on the relevant

approval authority, in accordance with the project's value and/or characteristics, in accordance with this law.

3. The tax and customs incentives and benefits and other facilities already granted within the framework of previous laws remain in effect for the periods established, with no extension whatsoever of same being permitted.

4. Investment projects pending up until the date of the coming into effect of this Private Investment Law shall be analyzed and resolved under the terms of the new law, taking advantage, with the necessary adaptations, of procedures already performed.

Article 96
(Repeal)

With the enactment of this Private Investment Law, Law N.º 11/03, of May 13, 2003 — Basic Private Investment Law and, in all that which contradicts this law, Law N.º 17/03, of July 25, 2003, Law on Tax and Customs Incentives for Private Investment, are hereby repealed.

Article 97
(Doubts & Omissions)

Any doubts and omissions arising out of the application and interpretation of this law shall be resolved by the National Assembly.

Article 98
(Enactment)

This law shall come into effect on the date of its publication.

Seen and approved by the National Assembly, in Luanda, on April 19, 2011. The Speaker of the National Assembly, António Paulo Kassoma.

Promulgated on May 19, 2011. Let it be published.

The President of the Republic, JOSÉ EDUARDO DOS SANTOS.