

**ANGOLA**  
*Legal News*  
(August/September 2003)

**COMMERCIAL**

**AGENCY, FRANCHISING AND COMMERCIAL CONCESSION CONTRACTS** – The National Assembly approved Law No. 18/03, of 12 August 2003, which provides the legal regime for Agency, Franchising and Commercial Concession Contracts, governing aspects such as their form, rights and duties of the parties, protection of third parties and compensation for early termination. The provisions of the Law that deserve special mention are those that grant the agent the right to compensation after termination of the contract, and those that make it possible for the parties to agree on obligations regarding non-competition, exclusivity and confidentiality after termination of the contracts. The parties to the above contracts may also choose the law applicable to said contracts as well as the forum for resolution of disputes, including arbitral tribunals.

**CONTRACTS OF PARTICIPATION, CONSORTIUM AND COMPANIES ALLIANCE** – Law No. 19/03, of 12 August 2003, which sets out the legal framework for business cooperation contracts, such as those of Participation (“Conta em Participação”), Consortium and Companies Alliance, came into force. Except for Participation Contracts, previously covered by the Commercial Code, these business cooperation contracts are new to the Angolan legal system. Law No. 19/03 also regulates unincorporated joint venture contracts for the achievement of common business objectives, in areas such as distribution and retailing, exploitation of natural resources, research and technical assistance. As a rule, contracts governed by the new law must be in writing, except for those involving a transfer of immovable property, which must be embodied in a notary deed. The Companies Alliance must also always be incorporated by notary deed and be registered with the Commercial Registry.

**ADMINISTRATIVE**

**AUDIT COURT TO REVIEW CONTRACTS ENTERED INTO BY PUBLIC ENTITIES** – The Basic Law of the Audit Court (Law No. 5/96, of 12 April 1996) was amended by Law No. 21/03, of 29 August 2003. Under the new Law, draft contracts of an amount (in Kwanzas) equal to, or greater than the equivalent to US\$ 700,000 (previously US\$ 500,000), to be entered into by public entities other than state companies or corporations with mainly state-owned capital, are now subject to prior audit by the Audit Court. Contracts of an amount equal to, or greater than US\$ 350,000 and less than US\$ 700,000, to which said public entities are a party, may be entered into without the need for prior submission to the Audit Court, but the contracts are not effective, nor can they be implemented, until they are approved by the Court. Contracts entered into by state companies or corporations with mainly state-owned capital are only subject to subsequent (*a posteriori*) audit by the Audit Court, except if they call for the allocation of external resources of an amount equal to or greater than the equivalent to US\$ 350,000, in which case the respective drafts must first be approved by the Court.

**CUSTOMS**

**REGULATIONS ON THE EXPORTATION, IMPORTATION AND TRANSPORTATION OF UNCUT DIAMONDS** – Decree No. 56/03, of 26 August 2003, approved the Regulations on the Certification System of the Kimberley Process, which henceforth will govern the exportation, importation and transportation of uncut diamonds, pursuant to the requirements of international certification of diamonds, approved by Resolution No. 55/56 of the United Nations General Assembly.

**TEMPORARY EXPORTATION OF GOODS** – Executive Decree No. 48/03, of 2 September 2003, extended the range of goods which may be exported on a temporary basis, as set forth in the Preliminary Instructions to the Fee Schedule for Importation and Exportation, approved by Decree-Law No. 13/99, of 3 September 1999. It is now permitted to export, for a temporary period of up to 6 months, goods and vehicles for purposes of their repair, servicing, improvement or completion.

## **FOREIGN EXCHANGE**

**USE OF FOREIGN CURRENCY IN THE IMPORTATION OF GOODS** – Notice (“Aviso”) No. 12/03, of 30 September 2003, from the Angolan Central Bank (“BNA”) authorizes the issuance of payment orders in foreign currency for the importation of goods with a value of up to US\$ 100,000 or goods that are already in the country. Apart from these cases, importation operations should be processed via the issuing of letters of credit to be used against the presentation of the bill of lading for the goods. However, when such is required by the exporter, the issuance of a prior order of payment up to a maximum limit of 20% of the value of the goods is permitted.

**MAXIMUM TIME LIMITS SET FOR CLEARING PAYMENT INSTRUMENTS DEPOSITED WITH BANKS** – As per Notice No. 9/03, of 30 September 2003, BNA approved the Regulations on the Clearing Service Subsystem. The exchange and definitive settlement of payments made by checks, credit documents, bank drafts and other similar instruments of payment will now be cleared at the BNA Clearing House. The Regulations set the maximum time that banks may withhold the values represented by such instruments of payment. The bank must now make available to the client check values within three working days of their presentation at the branch of the institution if the clearing occurs in the local (Lubango and Cabinda) or regional (Luanda and Benguela) system, or within 7 working days of their presentation if said clearing implies a crossover between local and/or regional systems.

## **TAX**

**REDUCTION OF STAMP DUTY ON THE INCORPORATION AND MODIFICATION OF COMMERCIAL COMPANIES** – Law No. 22/03, of 9 August 2003, which amended the General Stamp Duty Rate Schedule, has cut by half, that is from 4 to 2 Kz. for every 1,000 Kz. of share capital, the rate of said tax on the public deeds of incorporation and modification of commercial companies.

**VEHICLE ROAD TAX FOR 2003** – Executive Decree No. 40/03, of 15 August 2003, set the amount of Road Tax for 2003 at between Kz. 1,350 and Kz. 4,610, depending on cylinder capacity and tare of the vehicle. This tax should be paid at the relevant Tax Office during the months of August to December 2003 with respect to vehicles that were already circulating in 2002. As for vehicles that only started circulating in 2003, the tax should be paid within 60 days of the vehicle coming onto the road.

## **LABOR**

**READJUSTMENT OF MINIMUM SALARY AND TRANSPORTATION ALLOWANCE** – The national minimum salary, set on 20 June of this year (see our *Legal News* of June/July 2003), was readjusted by Decree No. 68/03, of 30 September 2003, coming into effect on 1 October 2003, to Kz. 4,014 (roughly US\$ 50). Meanwhile, pursuant to Executive Decree No. 38/03, of 8 August 2003, the Minister of Finance set at Kz. 8,000 (roughly US\$ 100) the daily transportation allowance for civil servants traveling on business inside Angola but outside their town of domicile. When the public business takes more than 15 days, the daily allowance to be paid during the supplementary period is reduced to 60% of the aforementioned amount.

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