



## GLA

Global Experience, Local Expertise

December 2011

# FOREIGN TECHNICAL ASSISTANCE OR MANAGEMENT SERVICES



## GLA - Gabinete Legal Angola

Sílvia Espírito Santo

[silvia.espiritosanto@gla-advogados.com](mailto:silvia.espiritosanto@gla-advogados.com)



## PLMJ Angola Desk

Bruno Xavier de Pina

[bruno.xavierpina@plmj.pt](mailto:bruno.xavierpina@plmj.pt)

The Regulations on Contracting the Provision of Foreign Technical Assistance and Management Services, as provided for in Presidential Decree 273/11 of 27 October (the “Decree”), were published recently. This legislation has great relevance, on the one hand, because it aims to cover contracts for the provision of services made with non-resident entities and, on the other hand, because it introduces a number of new obligations for the parties involved in these contracts.

The general principle that was at the origin of the introduction of this legislation was the need to “protect the national interest” as well as to promote the development of the employment market and the rationalisation of Angola’s foreign exchange resources.

The legislation only applies to legal entities, whether they are the service providers or the resident entities (companies) that contract such services. The rules do not apply to technical assistance or management contracted by companies from the oil and diamond sectors. Furthermore, the legislation does not apply to what it defines as technology contracts and the individual hiring of specialists.

These contracts are defined in the Decree as “acquisition from non-resident legal entities of the specialised administrative, scientific and technical services necessary to maintain, improve or increase production capacity for either goods or services as well as

to increase the level of professional training of employees requiring knowledge on the part of the provider that cannot be found in the country”.

The Decree is divided into two main areas: (a) the new procedural requirements when dealing with the Ministry of the Economy and/or ANIP (the national agency for private investment) or also when confirming the foreign exchange settlement of these contracts subject to regulation by the National Bank of Angola; (b) the terms to which these contracts become subject under this legislation.

As regards the new procedures, when contracts for technical assistance or management have an overall value of less than USD 300 000 and a

These contracts are defined in the Decree as “acquisition from non-resident legal entities of the specialised administrative, scientific and technical services necessary to maintain, improve or increase production capacity for either goods or services”.

---

Another provision of great relevance is that contracts for technical assistance or management that are in force remain valid for the period for which they were made but they must be registered at the Ministry of the Economy within 60 business days of the Decree coming into force.

---

duration of less than 12 months, they must be reported to the Ministry of the Economy..

Contracts above this value are subject to consideration and approval by the Evaluation Committee of the Ministry of the Economy which has not yet been set up but which, according to the law, should include a representative of the National Bank of Angola and the Ministry of Public Administration, Employment and Social Security.

The implications of this new law are not limited to the intervention of the Ministry of the Economy. For example, the Decree establishes that companies set up under the Private Investment Law “may not enter into contracts for the provision of foreign technical assistance or management services with the respective foreign associates except in exceptional circumstances duly authorised by the National Agency for Private Investment - ANIP.”

The Decree describes the various standard clauses that must be included

in the contracts as well as the various provisions that are prohibited and also provides that the contract must be drafted in Portuguese. There are also a number of other provisions to regulate prices, duration, and the procedure for requesting authorisation from the Ministry of the Economy. Another provision of great relevance is that contracts for technical assistance or management that are in force remain valid for the period for which they were made but they must be registered at the Ministry of the Economy within 60 business days of the Decree coming into force.

This Decree has only recently been made available and, because of its great relevance, it is expected that significant changes will be made to the lives of companies in Angola in the near future. In particular, there will be changes in their economic relations with companies that are not established in the country and have been supplying goods and certain types of services to Angola.

---

This newsletter was prepared by a multidisciplinary team made up of Angolan lawyers from GLA – Gabinete Legal Angola and Portuguese lawyers from PLMJ. This team was brought together under an agreement for international cooperation and membership of PLMJ International Legal Network, in strict compliance with applicable rules of professional ethics.

---