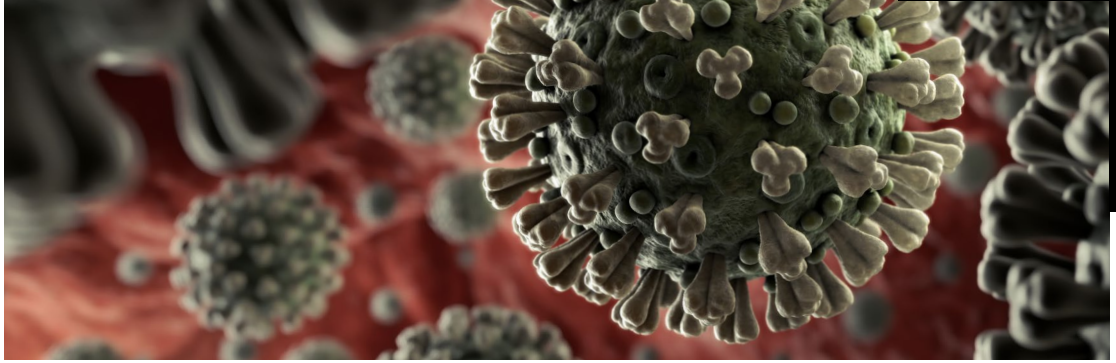


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Coronavirus: Credit lines for production of essential goods

In the context of combating the impact of the COVID-19 pandemic on the economy, the National Bank of Angola approved Notice no. 10/2020 of 3 April 2020, which establishes special credit lines for national producers of essential goods. The credit lines must be made available by financial banking institutions to national production and they can be used by projects that have shortfalls in supply of production, raw materials and investment. The credit can also be used as capitalisation to acquire technology, machinery and equipment.

The essential goods are those referred to in Presidential Decree no. 23/19 of 14 January, which include, among others: rice; animal production and derivatives; fishing, aquaculture and fishing related activities; hygiene products; beverages, including juices; vegetables; milk and derivatives; packaging; soap and detergents; common salt; tubers and their derivatives; cement; clinker; construction paint; steel pipes for construction; and glass.

Financial institutions should stimulate and prioritise credit operations submitted by agricultural cooperatives and small and medium sized companies. The total cost of the respective credit line, including the nominal interest rate and commissions, may not exceed 7.5% per year.

The balance of credit contracted by each financial banking institution must correspond to at least 2.5% of the total value of net assets recorded on its balance sheet at 31 December. The Notice also determines that financial institutions must ensure that, in 2020, they enter into contracts for a minimum of 50 new credits in the event that the total net assets recorded on their balance sheet are equal to or greater than Kz. 1.5 billion, or 20 new credits if the total net assets recorded on the balance sheet are lower.

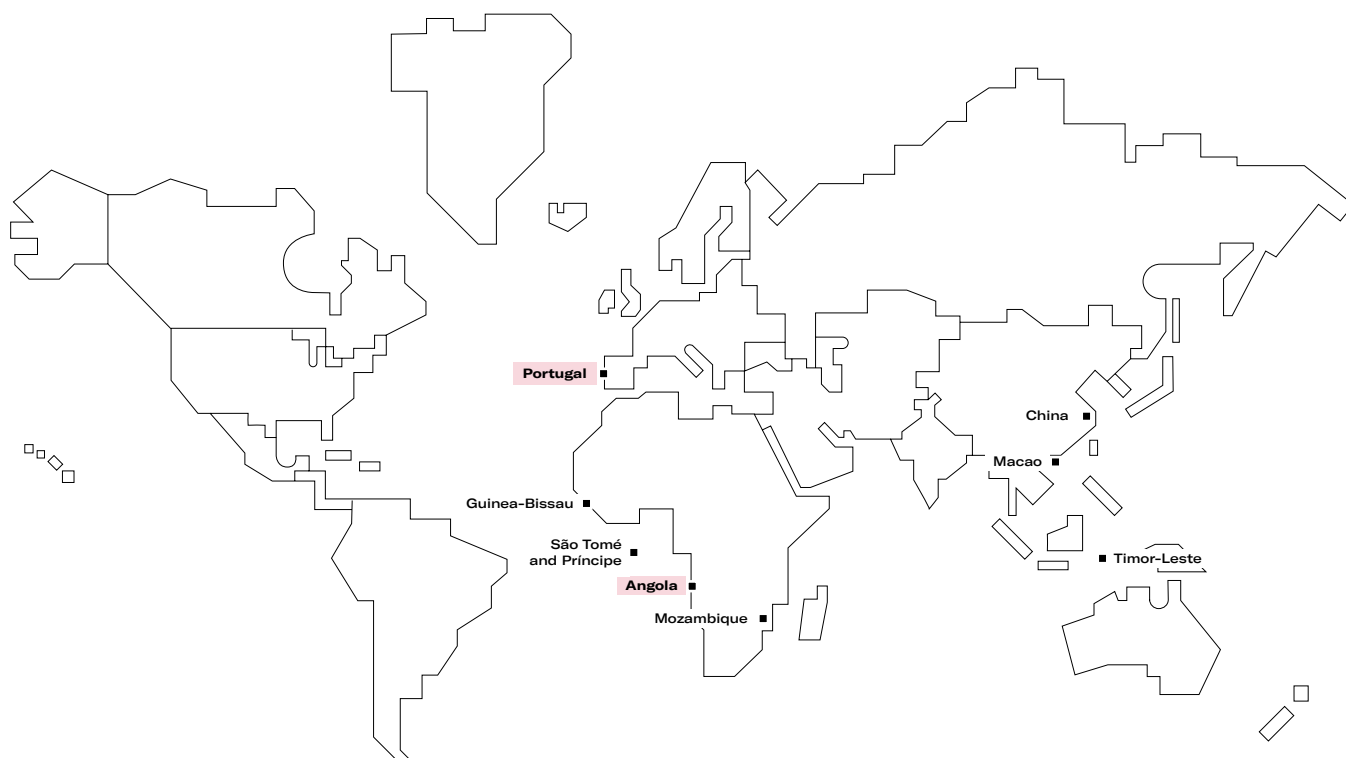
"The credit lines must be made available by financial banking institutions to national production and they can be used by projects that have shortfalls in supply of production, raw materials and investment."

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Credit restructurings are considered as credit operations for the purposes of the obligations set out in the Notice. In addition, the credit lines granted in accordance with the Notice are deductible from the amount of mandatory reserves of the financial institution, with the exception of restructuring of credits prior to 3 April 2019.

Credit lines cannot be made available to related parties or members of the corporate bodies of the financial institution in question and their families, as these are expressly prohibited.

Financial institutions must publish on their official website the accumulated amounts of credit issued under the Notice within 30 days and then quarterly. The Notice entered into force on 3 April 2020. ■



PLMJ COLAB ANGOLA – CHINA/MACAO – GUINEA-BISSAU – MOZAMBIQUE – PORTUGAL – SÃO TOMÉ AND PRÍNCIPE – TIMOR-LESTE

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