

JAN. 22

ANGOLA

NEWS

New foreign exchange rules for foreign investment and capital transactions

Notice 11/2021 of 2 December (the “Notice”) was approved by Banco Nacional de Angola (“BNA”) to define the procedures for carrying out foreign investment operations and repatriation of capital by foreign exchange non-residents, in relation to (a) companies without shares admitted to trading on regulated markets (b) securities and derivative instruments and (c) divestment operations.

The Notice repeals the rules provided for in Notice 15/2019 of 30 December and maintains the focus on liberalisation of the sector. The exemption from prior licensing from the BNA remains in place for most foreign exchange operations, with the burden of compliance being on the commercial banks. Investments in the oil sector remain excluded from the scope of application of these rules.

The parties to foreign exchange transactions are exempt from prior licensing of the transactions. In order to ensure repatriation, the relevant parties have to comply with the procedures set out in the Notice. This will allow repatriation of income relating to (i) foreign investments, (ii) repayment of shareholder loans and other shareholder benefits, (iii) the proceeds of sale or dissolution of a foreign investment, and (iv) the proceeds of sale or maturity relating to investment in securities and derivatives.

Of special note are operations in derivatives (e.g., options or swaps) which are expressly addressed and, like investments in securities, are subject to mandatory intermediation by Intermediation Agents, that is, financial institutions registered with the Angolan Capital Market Commission.

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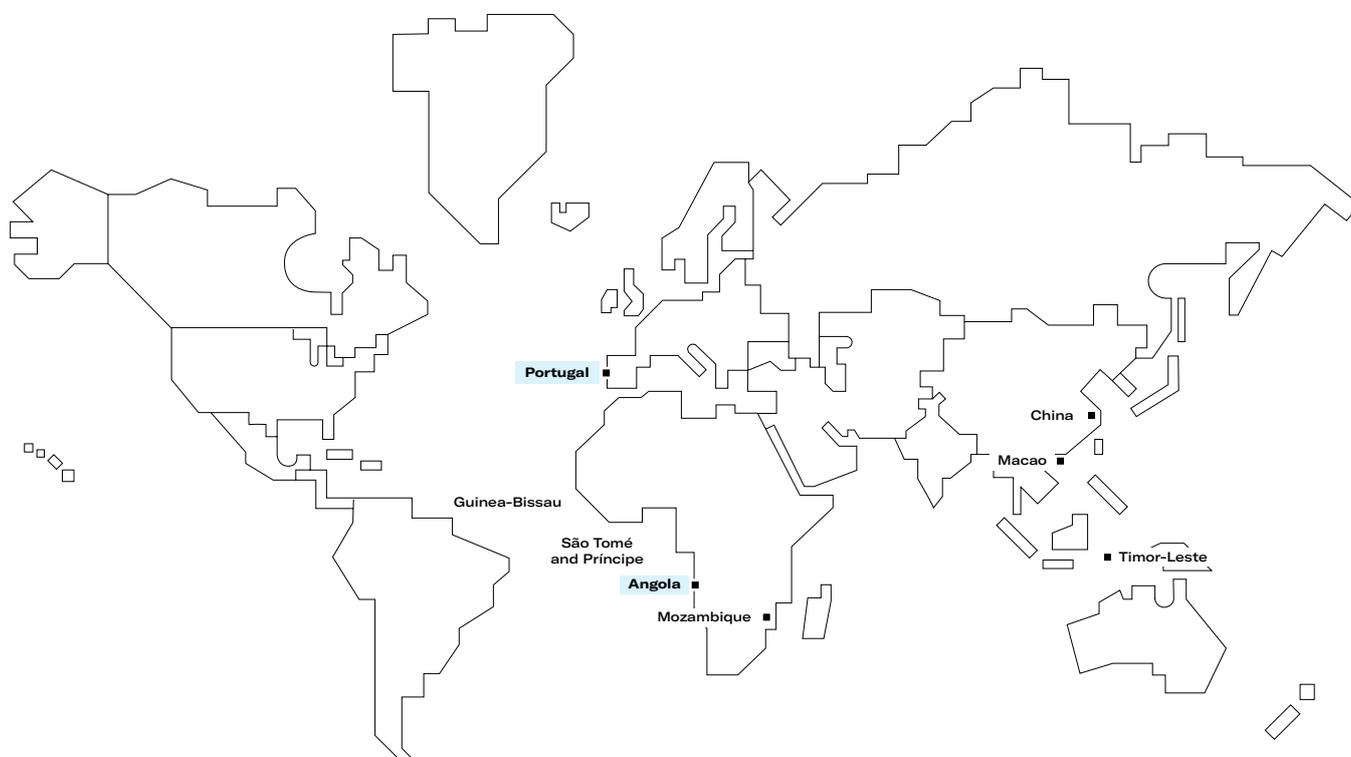
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As regards the ways in which foreign investments can be made, the new rules go into greater detail and are aligned with the Private Investment Law. They now expressly provide for the possibility to convert credits deriving from contracts for the supply of machinery, equipment and goods, and for the incorporation of technology and know-how.

In broad terms, repatriation continues to be dependent on compliance with obligations relating to investment projects and payment of taxes due. As mentioned above, the process of validation and payment abroad is done exclusively at the level of the commercial bank and it does not require any type of prior licensing from the BNA or any other public body. ■



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