



THE COMPETITION LAW IN ANGOLA

The Competition Law was published on 10 May and it establishes the set of principles and rules that govern competition in Angola (“Competition Law”).

The Competition Law applies to a wide group of entities including state and private companies, groups of companies, cooperatives, and business associations, among others. The Law covers economic activities carried on a permanent or occasional basis in Angola, or having effects here.

The objective of this Law is, therefore, to safeguard healthy and fair competition between economic agents. To achieve this, it lists a set of practices capable of restricting or distorting competition between these agents and, in doing so, it establishes a system to defend competition.

The Competition Law came into force on the date of its publication and its regulations will be introduced by the person holding executive power.

The new Law also creates the Competition Regulatory Authority (*Autoridade Reguladora da Concorrência*), which will be the regulatory body responsible for the application of the Competition Law. The authority will function with administrative, financial and asset-related autonomy, and its responsibilities, legal framework and organisation will be regulated by a legislative instrument of the President of the Republic.

The Competition Law is structured to combat practices that restrict competition and to control concentrations between undertakings.

The Law lists as anti-competitive practices those which result in (i) abuse of a dominant position, (ii) abuse of economic dependence, and (iii) prohibited collective practices – agreements to restrict competition, concerted practices and the decisions or resolutions of associations of companies that distort competition. Prohibited collective practices cover both agreements between competing companies (horizontal agreements) and agreements between companies and their suppliers or clients (vertical agreements).

Regardless of any applicable criminal liability and administrative measures, infringements of the Competition Law are punishable with fines up to the limit of 10% of the turnover of the company in the preceding year. Ancillary sanctions and penalty payments may also be applied if there is any delay in complying with decisions of the Authority.

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When it comes to controlling concentrations between undertakings, such as the merger or acquisition of companies, the Law provides that concentrations between undertakings that lead to a certain market share, or a certain annual turnover or volume of invoicing must be submitted to the Competition Regulatory Authority, which will then make a decision on the concentration operation. The limits on market share and turnover that will require notification to the Authority will be defined by a legislative instrument of the President of the Republic.

If the notification obligation is not respected, the companies in question will be subject to fines of up to the maximum of 5% of their turnover in the preceding year.

Even though it depends on the creation of the new regulatory body, the application of the new Competition Law is, undoubtedly, a very important step in creating an effective competition policy to promote competitiveness, efficiency in production and distribution of goods and services and, ultimately, the well-being of consumers in Angola.



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O Estado da Cultura Moçambicana, 2010 (detail)

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