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Angola's private investment regime

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The Private Investment Law (Law 11/03 13 May) defines and governs private investment in Angola, as well as the principles for eligibility for the incentives and benefits granted by the Angolan state.

It should be noted that investments in certain sectors (such as oil, diamonds and financial institutions) are governed by specific legislation, without prejudice to the subsidiary application of Law 11/03. The regime set out in the Economic Activity Sector Law (Law 05/02 of 16 April), covering the sectors integrated into the state reserves, should be taken into account, including the restrictions that apply to the areas of the economy outside of free private initiative or those that are specifically limited.

It is also worth noting that, as a rule, there is no legal obligation for foreign investors to associate with national investors for putting projects into practice. This rule is not applicable to specific sectors such as the media, air transport, oil exploration and diamond mining.

Private investment may be national or external, the external investor being deemed to be any non-resident individual or company that, regardless of nationality, brings foreign capital into Angola or uses it there, with the right to transfer profits and dividends abroad.

Declaration regimes and ANIP

The right to invest in Angola, as well as the right to perform any acts necessary for the pursuit of investment projects, is dependent on prior authorisation, the proposal and authorisation of investments taking place under one of two procedural regimes: (a) the prior declaration regime; and (b) the contractual regime.

The prior declaration regime applies to investment proposals of \$100,000 or more for external investors (\$50,000 for national investors) up to a maximum of \$5 million.

The contractual regime (culminating in the entry into an investment contract with the Angolan State) covers proposals that meet the following conditions:

- i) investments of \$5,000,000 or more;
- ii) irrespective of the value, investments in areas whose exploration, by law, may only be carried out by means of the grant of temporary exploration rights; and
- iii) irrespective of the value, investments whose exploration, by law, may only be carried out with the compulsory participation of the state business sector.

The authorisation procedures are handled by the Agência Nacional do Investimento Privado (National Private Investment Agency - ANIP), which is charged with the implementation of Angolan private investment policy, as well as the promotion, co-ordination, guidance and supervision of private investments.

Once the private investment has been approved, ANIP issues a Certificado de Registo de Investimento Privado (Private Investment Registration Certificate - Crip) which confers upon its holder the right to invest according to the terms stated therein.

The Crip is the supporting document for the acquisition of rights and the assumption of the duties by the private investor, and is the basis for all investment operations, incentive and benefit eligibility, incorporation of companies, obtaining licenses and registrations, settling disputes and other issues arising from the grant of incentives and benefits.

After obtaining the Crip, in order to import the capital for the project a foreign exchange licence for such a transaction must be obtained from the National Bank of Angola, with the assistance of a financial institution, chosen by the investor, which is authorised to trade in foreign currency.

Investment incentives

Angola offers a series of benefits to private investors. These include tax and customs benefits in business areas deemed priority areas, development zones and in certain cases, special economic areas. Investors benefit from various exemptions from customs.

Indeed, ANIP is implementing its vision of a move towards a strong market economy by actively promoting Angolan and foreign private investment in the following areas, noted as priority sectors:

- agricultural production and cattle-raising;
- transport industry;
- fishing industry and derivatives;
- civil construction;
- health and education;
- infrastructure development and management;
- telecommunications;
- energy and water; and
- heavy equipment, cargo and passengers.

ANIP has also identified development zones eligible for tax and customs incentives.

- Zone A – this covers the province of Luanda, the municipal headquarters of the provinces of Benguela, Huíla and Cabinda and the municipality of Lobito. Investment transactions in Zone A are exempt from the payment of custom charges and duties for three years.
- Zone B – the remaining municipalities of the provinces of Benguela, Cabinda and Huíla and the provinces of Cuanza-North, Bengo, Uíge, Cuanza-South, Lunda-North and Lunda-South. Investment transactions in Zone B are exempt from the payment of custom charges and duties for four years.
- Zone C – the provinces of Huambo, Bié, Moxico, Cuando-Cubango, Cunene, Namibe, Malange and Zaire. Investment transactions in Zone C are exempt from the payment of custom charges and duties for six years.