

## New Leasehold Law *Flash News*

The new Leasehold Law was recently approved through Law no. 26/15 of 23 October (NLL). The NLL will enter into force 90 days from the date of its publication and will apply to all non-agricultural leases executed after the date of entry into force.

The NLL has introduced significant changes to Angolan leases, of which we highlight the following:

- I. The NLL lists the requirements that must be included in leases, particularly regarding their purpose, whereby in case of ambiguity, the leased premises may only be used for housing purposes;
- II. Leases will have to be executed by public deed if they are entered into for non-housing purposes (commercial/trade, industrial or other professional activities), as well as when the duration of the lease exceeds 6 years, in which latter case it will also be subject to registration at the Land Registry;
- III. Only entire buildings or autonomous parts that are deemed suitable for the purposes set out in the lease and certified by an user permit issued by the competent local authorities may be subject to a lease;

- IV. In terms of duration, the NLL sets out that if leases do not contain an express initial duration, they will be deemed to be for 2 years and the NLL limits the duration of leases to a maximum period of 30 years;
- V. The rent must be established in Angolan currency (Kwanza) and any clause to the contrary will be null and void;
- VI. In case the tenant fails to pay rent for more than 8 days after the due date, the landlord may claim interest;
- VII. The rent may be updated, particularly through the application of the legal index published by the government (CPI), or in the case of housing leases entered into under the free rent scheme and of non-housing leases that have an effective duration greater than five (5) years, as agreed by the parties;
- VIII. Subletting is subject to written consent and must be granted by public deed, if the lease was executed by public deed;

- IX. The tenant has a right of first refusal in case of transfer of the premises by the landlord after 3 years of the date execution of the lease;
- X. Eviction proceedings have been streamlined;
- XI. Limited duration for housing purposes (with a minimum duration of 5 years) have become possible, in which case, the landlord may terminate freely upon expiry of its initial duration without paying any compensation to the tenant.

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