

LEGAL NEWS - ANGOLA

ANGOLA APPROVES TO ADHERE TO THE NEW YORK CONVENTION

Angola has begun the process for its accession to the Convention on the Recognition of Foreign Arbitral Awards, also known as the "New York Convention". Such long awaited decision by the international community has finally become a reality.

By way of Resolution 38/16 of 12 August, the Angolan National Assembly has approved the country's accession to the New York Convention, following other leading countries in Africa, such as Nigeria, Kenya, Tanzania and South Africa. The ratification of the Convention is not yet completed as Angola has not formally acceded to the Convention, but this step is of significant importance for (foreign) investors as it is a sign that an effective and predictable tool to seek recognition and enforcement of awards delivered outside the country is soon to be in place. As to domestic Angolan parties, the accession to the New York Convention is also highly relevant, especially when dealing with parties with assets in foreign countries as it guarantees the enforcement of arbitration awards in other jurisdictions.

In a nutshell, the New York Convention eliminates the risks associated with the enforcement provision of national arbitration laws and brings to investors a safe ground to resolve commercial disputes, since

they provide international accepted enforcement rules and promote the use of arbitration, a commonly preferred dispute resolution mechanism.

It is undeniable that Angola has been keen in securing and attracting investment into the country. The recent restructuring of its petroleum sector and now the first step in the accession to the New York Convention are just a couple of examples that shows Angola's willingness in this respect. As to the latter, the next challenge will be to determine how to interpret and implement the New York Convention and enforce international arbitration awards in Angola's domestic courts. For sure Angola will be up to the test.