

Amendment to the Angolan Private Investment Law

With the aim of attracting more and better foreign private investment to the Angolan market, the Angolan Government enacted Law no. 10/21, of 22 April, which amended the existing Private Investment Law, approved by Law no. 10/18, of 26 June. This Law entered into force on the date of its publication.

Among the highly important amendments introduced, we would highlight the following:

- i. starting with the most substantial change, this new legislation re-introduced the contractual regime which is eligible for investments in any sector of activity; under this regime, the investor will negotiate with the Angolan State the conditions for the implementation of the project and also the applicable incentives and facilities to be granted under the private investment contract, which is a different approach compared with the other two existing foreign investment regimes, which are rather inflexible;
- ii. foreign investors are now able to transfer their profits and dividends abroad, without the need to prove the complete execution of the investment project;
- iii. foreign investors and companies majority held by them are now eligible to access domestic credit, prior to the implementation of the investment project, differently to what was provided in the previous regime;
- iv. the tax benefits to be granted to private investors (irrespective of the investment regime), are from now on regulated by the eagerly awaited Tax Benefits Code (still to be approved) and, apparently, are no longer subject to the maximum period of 10 years, previously applicable;
- v. the new legislation includes both the investment amount and the number of jobs to be created by the investment as two new criteria for the purposes of granting benefits and other facilities;
- vi. for the purposes of implementing private investment projects, investors will now be exempted from obtaining provisional licenses and other authorizations, and, if such licenses/authorizations are deemed to be essential, the relevant governmental entities responsible for their issuance will be required to comply with the deadlines to be established in the relevant project's implementation schedule as otherwise they will be deemed to be tacitly approved;
- vii. companies currently carrying out activities whose investments were not made under the Private Investment Law, can now regularize them through their registration with the

relevant entity. These companies will not be entitled to the relevant tax benefits but are eligible for the other rights foreseen in the private investment legislation, including, apparently, the right to repatriate profits and dividends.

With the approval of this amendment to the private investment legal framework, the Angolan Government evidences a clear effort to attract more and better investment, either to foreign companies already established in the Angolan market or to those which intend to invest in it.

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