

LEGAL ALERT

AMENDMENTS TO THE PRIVATE INVESTMENT LAW

On 22 April 2021, Law no. 10/21 was published, amending Law no. 10/18, of 26 June, which approves the Private Investment Law and establishes the principles and framework of private investment in Angola.

As stated in said Law no. 10/21, the amendments to the Private Investment Law seek to satisfy the need for improving the conditions of competitiveness in the attraction of investment, which lead to the creation of a contractual investment regime. In fact, in its previous wording, the Private Investment Law did not foresee the possibility of negotiating incentives, facilities and other rights in favour of investors, namely to those seeking to implement structural projects with a relevant impact at economic and social level.

In this vein, Article 36-A ('Contractual Regime') was included in the Private Investment Law, which states that such regime is applicable to *'private investment projects carried out in any sector of activity and implies a negotiation between the promoter of the investment project and the Angolan State regarding the conditions for implementation of the project, the incentives and facilities to be granted under the private investment contract'*.

Law no. 10/21, which became enforceable on the date of publication, consolidates and republishes the Private Investment Law. Other than the creation of the contractual investment regime, we highlight the following amendments:

- a) The revocation of Article 39 of the Private Investment Law, which established the benefits inherent to the special investment regime, and the amendment of Article 38, which now establishes that *'investment projects included in the Prior Declaration, Special and Contractual regimes enjoy the tax benefits set out in the Tax Benefits Code'*;¹

- b) The elimination of the obligation of full implementation of the investment project as a requirement for the investor to make transfers abroad corresponding to dividends, to the proceeds from the liquidation of undertakings, to indemnities and to royalties or other income from indirect investment remuneration;
- c) The exemption from obtaining provisional licenses and other authorizations from public administrative bodies, by the investor, for the implementation of investment projects, with corresponding Private Investment Registration Certificate being sufficient for such purpose;²
- d) The revocation of the rule that required external investors and companies whose share capital was mostly owned by external investors to have the respective investment projects fully implemented to become eligible to resort to internal credit.

In spite of this Legal Alert containing the main aspects introduced by the recently published Law no. 10/21, we clarify that its reading does not imply the waiver of the need to consult the full diploma to which it corresponds, with ALC Advogados remaining available to clarify any doubts arising from the interpretation of its provisions.

ALC Advogados

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