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ANGOLA ADOPTS NEW REGULATIONS ON EXCHANGE TRANSACTIONS INVOLVING EXPORT OF GOODS

On the 28th June 2017, the National Bank of Angola (BNA) published the notice no. 04/2017, with the purpose to regulate the Exchange regime related to the export of goods, which shall enter into force on the 27th July 2017.

According to the new rules and procedures established by aforementioned notice, the settlement of operations of export and re-export of goods can only be made through a banking financial institution authorized to operate in Angola.

In addition, the notice foresees that only one banking financial institution at a time is allowed to intermediate and settle the same export and/or re-export transaction.

The scope of this notice covers natural and legal persons, residents as defined for foreign exchange purposes, holders of rights and obligations, financial banking institutions operating in Angola, as intermediaries in these transactions under the new rules, which aim to adapt the rules governing exchange operations of export of goods to the macroeconomic context.

According to the news agency Angop, BNA reported that total foreign currency revenues, resulting from each export transaction of goods made, must be deposited in foreign currency, in a bank account held by the exporting entity, within any Angolan Bank.

The foreign currency resulting from any export activity can only be used by its holder to carry out payments in Angola or abroad, related to export activities, or to make investments with banks where the funds are domiciled.

At last, the above regulations shall be observed by stakeholders while conducting foreign exchange transactions of export and re-export of goods operating in Angola.

EFFECTIVE ALTERNATIVE DISPUTE RESOLUTION IN ANGOLA

CREL (Centro de Resolução Extrajudicial de Litígios), an out-of-court dispute resolution Center of the Ministry of Justice and Human Rights is the first arbitration centre in Angola, regulated by the recently published Decree n.º 290/17, of 11 May.

Although the Ministry of Justice has approved the establishment of four private arbitration centers, so far none of them carries out any activity, due to a legal gap on the regulation of such activity.

In fact, CREL was created in 2014, as a public centre of arbitration,



with the purpose to remedy the lack of activity of private arbitration centers, seeking to serve as a motor for encouraging the use of arbitration as an alternative dispute resolution method.

However, until the publication of the regulation, CREL could only receive ad hoc arbitration, since it lacked of its own arbitration rules. With the entry into force of the aforementioned Decree, CREL is empowered to accommodate institutional arbitrations, which will be resolved according to the procedures provided for therein.

In order to submit disputes to arbitration, the following requirements shall be met:

(i) to include in the contract a clause of arbitration referring that CREL has the competence to administer the arbitration;

or

(ii) if the contract precedes the entry into force of Decree 290/17 proving the rules of the CREL Decree, which the parties sign an arbitration agreement, through which attach to the CREL the power to administer the arbitration, as the dispute with that encounter.

SONANGOL PROFITED 68 MILLION DOLLARS IN 2016

Angola's state-owned oil company (Sonangol) obtained a net profit of more than KZ 13 billion (USD 68 million) in 2016.

When presenting the results for the previous year, Isabel dos Santos pointed out that the net profit and EBITDA (earnings before interest, taxes, depreciation and amortization) of KZ 525 billion (USD 2,755,000,000) represent a reversal of the downward trend seen in the previous two years.

Quoted by Angop News Agency, Isabel dos Santos declared that "the company has kept oil production over 1,700,000 barrels per day in 2016; despite all the constraints associated with the fall in oil prices, Angola is ranked as the first oil producer in the African continent; she also pointed out that" the present Sonangol's administration (appointed in June 2016), has been dealing with the difficulties raised by the economic crisis in the country, meaning the drop in revenues of 60% compared to 2013/2016 values, together with a high debt and the falling oil prices.

But, in fact, it was possible to increase revenue and reduce expenditure due to the introduction of a several of programs directly connected to Sonaplus and Sonalight cases.

The first program aims to increase the sale of bitumen, optimization of Luanda refinery products, lubricants prices review and the adoption of revenue assurance programs at the hospitals and health clinics.

The second program aimed to reduce costs of KZ 200 billion (USD 1,200,000,000) in 2016; the effective savings already achieved are of KZ 53 billion (USD 320 million).

TRADE BETWEEN CHINA AND PORTUGUESE LANGUAGE COUNTRIES GROWS 40.41% FROM JANUARY TO APRIL

Trade between China and Portuguese language countries recorded an annual growth of 40.41% from January to April, representing USD 34 172 million, according to Chinese official figures released by the Macau Forum.

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In the first quarter of the year, China exported to Portuguese speaking countries USD 9,755,000,000 and imported goods worth USD 24 416 million, assuming a trade deficit of USD 2061 million.

The value of trade between China and Brazil in the period under review stood at USD 24 381 million; China sold goods in the amount of USD 7,678,000,000 and purchased goods at a cost of 16 639 million.

China's trade with Angola increased 61.83% comparing to the same period of the previous year, representing USD 7,602,000,000, where Angola have purchased goods valued at USD 597 million and placed in the Chinese companies products valued at USD 7,005,000,000 dollars. Portugal comes in third place due to the transactions with China in the amount of 1,619,000,000 dollars; the Chinese sold USD 1,035,000,000 dollars and purchased in the amount of \$583 million.

Trade with Mozambique from January to April reached a value of USD 564 million as a result of Chinese exports in the amount of USD 377 million dollars and imports in the amount of 186 million dollars.

Trade between China and the other Portuguese language countries- Cape Verde, Guinea-Bissau, Sao Tome and Principe and Timor-Leste – represents, in the period under review, 67 million dollars.

RUSSIA AND ANGOLA REINFORCE ECONOMIC COOPERATION IN DIAMONDS INDUSTRY

National Diamond Company of Angola (Endiama) and the Russian Diamond Company Alrosa signed an investment contract authorizing the diamond project of Luaxe, as well as the public deed of incorporation of the Mining Company Luaxe, in a ceremony that was attended by the Deputy Prime Minister of the Russian Federation, Yury Trutnev.

According to the President of Endiama, it is expected that this agreement will duplicate the Angolan diamond production, from 9 million to 20 million carats per year, The diamond project of Luaxe is a mining concession to be owned in the future by Endiama and Alrosa, each one with a share of 8%, by Sociedade Mineira de Catoca with a share of 50.5%, by Artcon with a share of 23.3%, by Makakuima with a share of 5.2% and Kollur with a share of 5.0%.

It should be noted that Luaxe, located in the province of Luanda Sul, is considered one of the largest Angolan kimberlites.

According to the evaluation of Sergey Ivanov, President of Alrosa, Luaxe will allow to extract diamonds in a market value of more than 35 billion dollars.