



FEV. 23

ANGOLA

NEWS

Mining sector authorised to operate in foreign currency in Angola

Notice 2/23 of 9 February issued by the Angolan National Bank ("BNA") sets out the foreign exchange rules applicable to the mining sector as a whole. The special arrangements for the diamond sector provided for in Notice 13/20 of 29 May are expressly repealed.

These rules apply to companies carrying out reconnaissance, prospecting, research, evaluation, exploration, marketing, cutting and refining of any type of ore in Angola. They also apply to buyers and sellers of rough diamonds or other minerals, exporters, the public body that markets diamonds in Angola, and public companies involved in diamonds or other mineral resources. The new regulations are designed to increase the country's competitiveness in relation to other national and international investment destinations and to encourage private investment, which is an essential lever for the development of the mining sector in Angola.

The export of raw ore, cut or refined, or of products of mining origin in the form of bars, alloys, blocks, stones or jewellery, whether intermediate or finished products, must be paid for in full in freely convertible foreign currency, and the amounts received by exporters must be deposited and handled as follows:

- i) **Angolan investors:** deposit of proceeds in a bank account held by the exporter, in foreign currency, opened with a banking institution domiciled in Angola, with the exception of the amounts required for the guarantee, repayment of capital or payment of interest and charges related to financing contracted abroad.
- ii) **Foreign investors:** export proceeds can be deposited in a bank account held by the foreign investor in a banking institution located abroad without the need for authorisation from Banco Nacional de Angola. However, the amounts necessary to pay taxes and other obligations to the Angolan State, as well as to pay for goods and services supplied by foreign currency residents, must be remitted to the country.

These rules apply to companies carrying out reconnaissance, prospecting, research, evaluation, exploration, marketing, cutting and refining of any type of ore in Angola.

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Companies subject to the Notice must maintain accounts in local and foreign currency, and the latter may be debited only in the following situations:

- Payment of principal, interest and charges in respect of foreign currency loans or debts contracted in Angola or abroad.
- Reimbursement of supplies originating outside Angola.
- Payments abroad, including the settlement of imports of goods and services intended exclusively for the use of the company holding the account.
- Payments to foreign shareholders in accordance with the regulations in force.
- Sale of foreign currency and transfer of the acquired Angolan currency to its Angolan currency accounts.
- Other payments that may be made in foreign currency in accordance with the Angolan legislation in force.

With regard to contracting foreign financing, covered companies can carry out the following operations:

- Take out loans abroad for the exclusive purpose of financing their mining activities in Angola.
- In relation to these loans, instruct the companies that purchase their exports to transfer all or part of the amounts payable for these exports directly to the lending financial institutions abroad, in order to pay the debts, fees or increase the guarantees.
- Maintain, in accordance with the terms of the loan agreements, escrow accounts with the lending financial banking institutions located abroad.

The Notice entered into force on 9 February 2023. ■