

LEGAL ALERT

CURRENT INVISIBLE EXCHANGE OPERATIONS

On 9 January 2020, [Notice no. 2/20](#), of the Angolan National Bank (the “Notice”) was published and came into force.

This legislation sets out the rules and procedures that must be complied with in the execution of current invisible operations by legal entities. By way of reminder these are foreign exchange (“forex”) payments for goods and services.

The following operations are excluded from the scope of the Notice:

- (i) Operations carried out by entities who fall within the scope of Law no. 2/12, of 13 January – Law on the Foreign Exchange Framework Applicable to the Oil Sector (the National Concessionaire and the Associated Companies); and
- (ii) Operations relating to transfer of the proceeds of financial or capital assets, including revenues, dividends and interest.

The Notice exempts the current invisible operations from obtaining a license from the Angolan National Bank (“BNA”). In contrast, the duties and responsibilities of the commercial banking institutions involved, which must be authorized by BNA to perform forex operations, is reinforced. These institutions are now required to have procedures in place to assess the nature, justification and legitimacy of each operation.

Banking institutions must, under their general intermediation duties, request all the supporting documents which they deem necessary, in accordance with the validation, registration and settlement requirements provided by the Notice. When in doubt, the banking institutions must refrain from performing the operations.

It is still mandatory to register every current invisible operation in the Integrated System for Foreign Exchange Operations (“SINOC”). This registration still takes place at the time of carrying out of operations, although the registration of contracts must still precede the operations.

The Notice further sets out the formal requirements that must be followed when registering contracts with SINOC. A technical file has been created to simplify the procedure, and the minimum requirements applicable to the contracts subject to registration are also established.

The Notice provides that, where an operation involves the provision of services in an amount over USD 25,000 (twenty-five thousand US dollars), it should be backed by a contract. Notwithstanding

this, the provision of transportation services in the importation of goods and the transfers for educational, scientific and cultural purposes are exempted from this obligation.

The Notice only allows the settlement of exchange operations to be made through bank transfers, excluding other forms of payment, and requires the beneficiary of the respective bank transfer to be the counterparty in the corresponding supporting contract.

The exchange coverage for the settlement of the operations under discussion shall from now onwards be made exclusively through one of the following means:

- (i) Through the use of own funds in a foreign currency by the transferor; or
- (ii) Through the purchase of foreign currency from a banking institution.

The Notice expressly sets out the requirements applicable to the transfers to be made by embassies, diplomatic and consular representations accredited in Angola.

Notice no. 13/13, of 6 August, already partially revoked by Notice no. 10/19, of 6 November, is revoked. Notice no. 10/19, of 6 November, is also partially revoked, in the extent that it contradicts the Notice.

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