

Customs and regulations

The Angolan Government has been taking several steps towards a fair and effective regulatory system that will govern customs. The UK's Crown Agents were engaged to assist the Angolan Government with the modernisation of Angola's custom and excise service. Although the customs part of importing has been transformed, the end-to-end process is still long and bureaucratic, with consignments taking on average 38 days. For further information, please contact UKTI Angola (See the 'Resources' section).

Getting your goods to market

Getting goods to the market can be a difficult and complex exercise in Angola. For this reason we advise companies to seek help and conduct market research in order to identify, examine, and understand the operational distribution network. There are a few main product distributors in Angola. A possible solution during the early stages could involve establishing a partnership and then perhaps finding ways of identifying new effective distribution methods and start operating through these.

Legislation and local regulations

The legal system in Angola is weak and fragmented and based on the Portuguese and Customary Law system. Courts operate in only a fraction of 164 municipalities and the Supreme Court serves as the final appellate tribunal. Understanding the system is difficult for the layman or novice and professional advice should always be sought. Although these factors tend to inhibit the pace of investment, the Angolan Government is making efforts to improve the situation. The following summary has been provided by PwC (Angola), and further information is available from the Embassy:

- Registration process – The incorporation/registration of a company/branch starts with the application for recognition of the foreign investor status, if there are foreign investors (the foreign company in the case of branch registration and the shareholders if incorporating an Angolan company) at the National Private Investment Agency (ANIP). ANIP is the entity responsible for approval and recognition of the status of foreign investors, through the issue of the investment certificate. For the approval of the investment project, investors should provide ANIP with a set of documents and information that indicates the purposes of setting up the operation in Angola. When the investment project is approved by ANIP several procedures must be followed such as: issuance of License to Import Capital (LIC), opening bank account, importation of funds, deposit of the articles of association / public deed of incorporation, commercial, tax and statistical registrations and licensing of activity.

- Foreign investment – The Angolan investment legislation establishes a regime for private investment in Angola, carried out by nationals or foreigners, including the requirements to benefit from incentives and other opportunities conceded by the government. Considering that the “company”, a foreign entity, intends to register an Angolan business vehicle and that such operation qualifies, under the investment legislation, as an investment operation, it will be required to get an approval from ANIP (the government private investment agency). The minimum amount for foreign investments is US\$1 million in order to benefit from taxation incentives and repatriation of profits. On the other hand, and for projects which investment values exceeds US\$5 million, the process to get the approval requires the celebration of an investment contract with the Angolan Government, which is ultimately approved by the Angolan Council of Ministers.
- Documentation – Angola prides itself on their administrative procedures. Documentation is required for every process and many procedures require the intervention of a number of government agencies. For this reason, UKTI advises companies to consult local recognised law firms in order to seek assistance when dealing with the bureaucratic maze that is the Angolan regulatory framework.
- Labelling and packaging regulations – INADEC is a government institution created with the purpose of protecting the consumer. One of their main objectives is to ensure that products are labelled with the right information that the consumer must be aware of and packed in accordance with international health and safety law. For more detailed information companies are advised to contact INADEC in order to find out what they consider material facts and therefore should be outlined to consumers in a form of labelling.

[Source: PwC Angola]

Responding to Tenders

Companies are usually advised to respond to tenders directly. The local UKTI team is always available to clarify, provide advice or information about the way companies should respond to tenders. In their response it is important for companies to clearly outline their existence in the market, because it enhances their credibility and provides their local contacts.

Sanctions and Embargoes

Some countries may be subject to export restrictions due to sanctions and embargoes placed on them by the UN or EU. Exporting companies are responsible for checking that their goods can be exported and that they are using the correct licences.

Further information is available at: www.gov.uk/beginners-guide-to-export-controls#introduction

Recruiting and Retaining Staff

Under the local content umbrella the Angolan Government expects foreign and national companies to prioritise local labour, which essentially means they have to exhaust all the recruitment methods for a certain period of time before recruiting externally. For each company, there is in place a 70/30 split requirement for the employment of local staff. However, the Angolan Government recognises the fact that there is a huge deficit of skilled technical and professional personnel, a reason why several companies are forced to recruit expatriate staff reasonably skilled to match their needs. This is an area of primary concern for the Angolan authorities and the government favours companies that embrace the local content guidelines, which also assists in the transfer of skills and knowledge to Angolans.

Retaining staff in Angola can be challenging for several reasons, but salary is a key consideration. The market is extremely competitive for reliable skilled labour and therefore companies tend to recruit and retain their staff especially after investing in them with training programmes, but due to the level of demand within the market, those paying better salaries and offering better conditions are more likely to retain their staff and attract others.

Legislation on employment of expatriates

Foreign workers are not protected under the Labour Law but do receive legal protection if they work under contract. Otherwise they receive protection only against criminal acts. Work permits are granted by Angolan consular authorities with the authorisation of the Angolan Immigration Authorities (SME) and the Ministry of Labour. This type of visa is valid for multiple entries and enables a person to stay in the country for one year, renewable for similar periods, for the term of the contract.

The government has established a 41.5 hour working week. All employees must be registered for social security and must contribute 3% of salary; the employer contributes 8%. However, a foreign worker has the option of not contributing towards the social security scheme if they can produce evidence that they already contribute towards a foreign scheme and/or have life insurance. Women are entitled to 90 days maternity leave at full pay.

New Private Investment Law

The Angolan Government has enacted a new Private Investment Law (NPIL), Law 14/15 of 11 August 2015, which replaces the former law no.20/11 of 20 May 2011.

The aim of this new law is to increase the volume of private investment (domestic and foreign) in coordination with the National Development Plan 2013-2017 and make the investment procedure simple and with less bureaucracy. It also establishes the general basis of private investment in Angola, including special economic zones, free trade zones, development areas and other areas subject to specific regulations. Most importantly it allows foreign investors to make investments below US\$1 million, entitling them to repatriate profits, dividends and other investment income.

For full details of the NPIL, and advice on how it can help your business in-market, please contact UKTI in Luanda (see the 'Resources' section in this guide).

Source – UKTI

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