

# ANGOLA<sup>1</sup>

## I. Overview of Country<sup>2</sup>

Angola is a recognized sovereign state since 1975, having reached its independence after a protracted liberation war against the Republic of Portugal. Due to the long territorial, political and economic Portuguese domain, most Angolan statutes are still influenced and deeply inspired by Portuguese law.

Angola's Constitution currently in force was enacted on 5 February 2010<sup>3</sup>. This new Constitution reinforces some of the historical fundamental rights already established by the former versions of the Angolan Constitution (1975/1992) which are interpreted and applied in light of the Universal Declaration of Human Rights, the African Charter on Human and Peoples' Rights and other international Treaties ratified by Angola.

Angola is a civil law country with a Presidential Government system and the rule of precedent is not in place, as such, case law and legal writing both play a secondary role on the outcome of cases brought before the courts<sup>4</sup>. Codes and statutes are designed to cover all matters and judges have a role of applying the law to the case in hand. In addition to this, traditional customary law still plays an important role in many areas of the country.

Amongst the various Constitutional Rights, Freedoms and Liberties expressly recognized under the Angolan Constitution, emphasis should be given – for the purposes envisaged herein - to the right to private property, private economic initiative and freedom of association<sup>5</sup>. Under Angolan Constitutional Law, both individuals and legal entities enjoy the right to freedom of association, including the right to form and to join a private association for the protection of their common interests. No restrictions to exercise of such rights exist, other than the protection of public safety, morals and the rights and freedoms of others.

Angola recognizes many different forms of association. In case of for-profit organizations, the law expressly recognizes representative offices, branch offices, partnerships, limited liability companies by quotas, joint stock companies, limited partnerships and limited partnerships by shares. As to non-profitable organizations, there are numerous forms of association admissible under Angolan law<sup>6</sup>. All our below considerations will be narrowed to the general regime of private associations and non-governmental organizations. As described in greater detail below, the overall legal regime applicable to profitable and non-profitable organizations is significantly disparate.

## II. Registration Procedures

### A. For-Profit Organizations

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<sup>1</sup> The following memorandum was prepared by pro bono counsel for the ABA Center for Human Rights. It is intended as background information only and should not be relied upon as legal advice on a particular case. The views expressed herein have not been approved by the House of Delegates or the Board of Governors of the American Bar Association, and, accordingly, should not be construed as representing the policy of the American Bar Association.

<sup>2</sup> Disclaimer: The author of this section is not qualified to practice Angolan law, and relied on publicly available information, including Angolan legislation, government websites, and other online resources.

<sup>3</sup> Constitution of the Republic of Angola, published in the Angolan Official Gazette on 5 February 2010

<sup>4</sup> Case law is not publically available and is seldom taken into consideration in the ruling of new cases.

<sup>5</sup> Chapter II of the Constitution of the Republic of Angola

<sup>6</sup> Foundations, unions, religious institutions, sports associations, political parties, just to name a few.

a. Laws

The Angolan Companies Law in force - approved by Law 1/04, of 13 February 2004 - recognizes five types of commercial<sup>7</sup> for-profit organizations, namely: (i) partnerships, (ii) limited liability companies by quotas, (iii) joint stock companies, (iv) limited partnerships and (v) limited partnerships by shares. In addition to these types of companies, Law 19/12, of 11 June 2012 - which approved the legal regime of sole shareholding companies - introduced in the Angolan legal system two additional types of companies: (vi) sole shareholding companies by quotas and (vii) sole shareholding joint stock companies.

As better explained below (please refer to Section IV below), the incorporation / registration of a for-profit organization in Angola by foreign investors is subject to a significantly different set of rules. In addition to the relevant private investment rules and procedures for which we shall make express reference under Section IV below, the incorporation of a company in Angola requires the completion of the following steps and procedures:

- (a) Obtain a certificate from the Central Company Name Registry confirming approval of the company's corporate name;
- (b) Open a local bank account in the future company's name and deposit the amount corresponding to the shareholders' cash contributions to the share capital;
- (c) Execute Notary Deed of Incorporation of the local company;
- (d) Publication of notarized local company's Memorandum and Articles of Association in the Angolan Official Gazette;
- (e) Tax registration with the Ministry of Finance (issuance of the taxpayer card);
- (f) Registration with the Registry of Companies;
- (g) Registration with the National Social Security Institute;
- (h) Registration with the Ministry of Planning (Statistical Registration);
- (i) Obtain commercial operations permit from the Ministry of Commerce (if applicable);
- (j) Obtain import /export license from the Ministry of Commerce (if applicable).
- (k) Other registrations (depending on the type of activity).

The most common types of companies incorporated under Angolan law are (a) limited liability companies by quotas (locally called "*Sociedade por Quotas*" or "*LDA*") and (b) joint stock companies (locally called "*Sociedade Anónima*" or "*SA*"). Both are limited liability companies, may be 100% owned by foreign shareholders<sup>8</sup> and, since 2012, may be held by one single shareholder.

The timing for incorporation and registration of a local company by national and/or resident individuals/entities varies from 1 to 4 weeks. The timing for incorporation and registration of a local company/branch by foreign entities varies from 4-9 months (please refer to Section IV for additional information).

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<sup>7</sup> The Angolan Civil Code further recognizes civil societies (Articles 980 et seq. of the Angolan Civil Code), which shall not be included in this Report.

<sup>8</sup> It is worth highlighting that some industries impose strict local content rules on ownership and may call for a specific minimum national shareholding (e.g. oil and gas, mining, banking, insurance, maritime transportation, amongst other).

Pursuant to the Companies Law the winding-up / de-registration of a company may occur in the following circumstances<sup>9</sup>: (a) if the period set forth in the By-laws has elapsed; (b) by full implementation of the corporate object or by superseding impossibility to carry out the same; (c) by superseding unlawfulness of its corporate object; (d) by bankruptcy of the company; (e) by resolution of the shareholders; (f) whenever, for a period exceeding one year, the number of shareholders is lower than the minimum number required by law; (g) whenever the company has not carried out any business activity for 5 consecutive years; (h) whenever the company carries out an activity not included in the corporate purpose.

The rules and procedures for each of the above listed winding-up / de-registration procedures (and relevant redress mechanisms available) vary significantly from one another and should be assessed on a case-by-case basis.

b. Case Law

N/A

B. Not-For Profit Organizations

a. Laws

Associations, foundations and non-governmental organizations are all recognized under Angolan law. The rules and procedures for incorporation, registration and organization of said not-for profit organizations are primarily governed in the Angolan Civil Code and further developed in ancillary statutes. Since Angolan legal framework on not-for profit organizations is quite overwhelming and vast, one shall - for the purposes of this Report - narrow our below considerations to (a) private associations and (b) non-governmental organizations.

**Private Associations**

The key rules and procedures for incorporation, registration and organization of private associations in Angola are set forth under Law 6/12, of 18 January 2012 (Private Associations Act).

A private association is defined by law as a group of individuals/entities (at least two) organized in accordance with a common purpose, other than generating income or profit to its members<sup>10</sup>. There are three types/categories of private associations in Angola, depending on whether (i) the members are local entities (Local Private Association “LPA”), the members are either Angolan and/or foreign entities (International Private Association “IPA”) or a foreign entity that chooses to register a local private association in the country (Foreign Association “FA”).

The rules and procedures for recognition/registration of each of said private associations vary significantly. Please find below a side-by-side list with all the mandatory steps and procedures that must be completed in order to register a private association in Angola, as follows:

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<sup>9</sup> Additional industry-specific rules may apply. Also, private investment laws set forth additional rules and procedures for winding-up / de-registration of companies incorporated thereunder by foreign investors.

<sup>10</sup> A private association is not prevented from – complementarily to its main activity/purpose – generate revenues.

<b>Steps and Procedures</b>	<b>LPA</b>	<b>IPA</b>	<b>FA</b>
Obtain the relevant name certificate from the Names Central Registry confirming the approval of the intended private association name	√	√	√
Obtain an authorization for incorporation/registration from the relevant Department of Justice of the Presidential Cabinet	-	√	√
Execute the Notary Deed of Incorporation containing the LPA/IPA's Articles of Association and By-Laws and registration with the Registry and Notary Services with jurisdiction over the area where the IPA will have its registered office	√	√	-
Obtain a certificate issued by the relevant Angolan Consulate confirming that the FA was duly incorporated and is currently in good standing order. Notarization and deposit of FA's By-Laws with the Registry and Notary Services with jurisdiction over the area where the FA will have its registered office	-	-	√
Publication of LPA or IPA's Deed of Incorporation and By-laws / Notarized FA's By-Laws in the Official Gazette	√	√	√
Address notice to the Public Attorney's Office the area where the IPA / FA is domiciled informing same of its incorporation/registration	-	√	√
Tax registration with the Ministry of Finance (issuance of the taxpayer card)	√	√	√
Open a local bank account	√	√	√
Registration with the Social Security Institute (if applicable)	√	√	√

Pursuant to the Private Associations Act, private associations can apply for a special status/regime, the so called Entities with a Public Interest Status<sup>11</sup> ("EPIS"), which must be granted and recognized by Presidential Decree. Amongst other benefits and advantages, EPIS are eligible for tax and customs incentives. However, EPIS are subject to administrative supervision and the competent authority has the powers to verify if the EPIS have complied with all applicable laws and regulations.

The procedures for the incorporation, registration and licensing of a Private Association may be cumbersome and time consuming. Based on our experience, a period of roughly six (6) to twelve (12) months is usually required in order to complete the whole process (excluding application for EPIS).

<sup>11</sup> Private Associations Act and Presidential Decree 193/11, of 6 July

There are several grounds for dissolution of a private association, notably: (a) whenever resolved by the General Assembly; (b) due to expiry of its term; (c) on the grounds provided for in the relevant By-Laws; (d) when the number of members is reduced to one and/or by extinction and/or decease of all of its members; (e) in case of bankruptcy; (f) whenever it becomes impossible to carry-out its activities; (g) it carries-out an activity not included in its purpose; (h) its activities are pursued resorting to unlawful and/or immoral means; (i) and/or if its existence becomes contrary to the public order.

The rules and procedures for each of the above listed dissolution procedures (and relevant redress mechanisms available) vary significantly from one another and should be assessed on a case-by-case basis.

### **Non-Governmental Organizations (“NGO”)**

The incorporation and registration of NGOs is subject to the recently enacted Presidential Decree 74/15, of 23 March 2015. According to the Angolan Government, the key purpose of the new set of rules and procedures established under Presidential Decree 74/15 was to set forth a more transparent and anticorruption legal framework for NGOs operating in the country.

NGOs are defined by law as organizations created by at least two individuals/entities to pursue specific goal(s) on a non-profitable basis. Improvement of health conditions, emergency and humanitarian work, charity and community development are some of the purposes/scopes that may be pursued by a NGO in Angola. NGO’s are categorized into two different categories (a) National NGOs<sup>12</sup> and (b) International NGOs.

Please find below a side-by-side list with all the mandatory steps and procedures that must be completed in order to incorporate/register a national and an international NGO in Angola, as follows:

<b>Steps and Procedures</b>	<b>National NGO</b>	<b>Intern. NGO</b>
Obtain authorization to carry out NGO’s activity within the Angolan territory issued by the Ministry having supervision power over the sector in which the NGO plans to carry out its activity	√	√
Obtain approval from the Ministry of Justice for the incorporation of the NGO, including the certificate confirming the approval of the NGO’s name	√	√
Execute Notary Deed of Incorporation	√	-
Publication of NGO’s By-Laws in the Official Gazette	√	-
Publication of notarized NGO’s Articles of Incorporation in the Official Gazette	-	√

<sup>12</sup> Duly incorporated NGO’s acquire the EPIS.

Registration with the Ministry of Foreign Affairs	-	√
Registration with IPCAC <sup>13</sup>	√	√
Tax registration with the Ministry of Finance (issuance of taxpayer card)	√	√
Registration with the Ministry of Planning	√	√
Obtain import /export license from the Ministry of Commerce (if applicable)	√	√
Registration with the Social Security Institute (if applicable)	√	√

The time required to register a NGO is quite unpredictable, since a number of steps require the involvement of Angolan authorities. However, from our experience in similar cases we anticipate that it will not take much more than eight (8) to twelve (12) months to incorporate / register a NGO in Angola.

NGO's operations may be suspended by order of the Public Prosecutor's Office whenever (i) there are strong evidence of unlawful or harmful acts to the sovereignty and integrity of the Angolan State (e.g. money laundering, terrorism funding), (ii) whenever the NGO has not carried out any activities for 2 consecutive years, (iii) by full or unlawful implementation of the purpose for which they were registered object or by superseding impossibility to carry out same, (iv) insolvency, (v) whenever the NGO carries out an activity not included in its purpose.

NGO's may be extinguished in the exact same circumstances as any other private association. In addition, International NGOs may also be de-registered in case of prior de-registration in the home country or whenever its goals and activities become in contradiction with the Angolan Constitutional Fundamental Rights.

The rules and procedures for each of the above listed suspension/extinguishment procedures (and relevant redress mechanisms available) vary significantly from one another and should be assessed on a case-by-case basis.

b. Case Law

N/A

C. Analytical comparison of the legal process of registration

As better detailed above, Angola has adopted a thorough legal framework covering each type of organization. This sophisticated and thorough legal regime results in a completely different regime for incorporation/registration of profitable and not-for profit organizations in Angola.

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<sup>13</sup> Institute for Promotion and Coordination of Community Assistance “*Instituto de Promoção e Coordenação da Ajuda às Comunidade*”

In general, the incorporation/registration of for-profit organizations is less cumbersome and time-consuming than the not-for profit organizations. Public authorities' involvement and approval is always required. It is worth stressing that the incorporation/registration regime of for-profit / not-for profit entities by foreign individuals/entities is subject to specific rules and procedures (Section IV below).

### **III. Tax Laws**

#### **A. For-Profit Organizations**

##### **a. Laws**

By way of background, it is worth noting that Angola has a schedular system tax system and income derived by Angolan registered entities being taxed under separate taxes depending on the type of income earned.

Profits derived from commercial and industrial activities by Angolan registered entities (or permanent establishments ("PE") of foreign entities) are subject to Industrial Tax, at the rate of 30% on a net basis.

Taxable profits correspond to the balance shown in the yearly income statement or profit and loss account drawn up in accordance with the Angolan General Accounting Rules, and shall consist of the difference between (i) all gains or revenues made during the year prior to the fiscal year in progress; and (ii) the costs and losses incurred during the same year, adjusted for tax purposes.

Real estate income and investment income are taxed separately. Income derived from the lease of properties is subject to Urban Property Tax at the effective rate of 15%. Conversely, investment income, including notably interest, dividends and royalties, is subject to Investment Income Tax at rates ranging from 5% to 15%, depending on the type of income.

The Private Investment Law (please refer to Section IV below) foresees the possibility of different tax benefits being granted to companies. The attribution of incentives is not automatic and depends on several factors: location of the investment, economic sector, investment amount, number of Angolan jobs created, as well as the expected social and economic impact of the project. The tax incentives foreseen in the Private Investment Law include:

- (a) Industrial Tax exemption (or rate reduction) on profits derived from the investment project;
- (b) Investment Income Tax exemption (or rate reduction) on the distribution of profits to shareholders;
- (c) Exemption from payment of Conveyance Tax ("SISA") on the acquisition of land and buildings to be used in the relevant investment project;
- (d) Customs exemptions.

Under the Private Investment Law, the country is divided into 3 major development areas for purposes of incentives eligibility: (i) Area A includes the most developed areas in the country, notably, Luanda; investment projects implemented in this area are eligible for incentives with a lower duration; (ii) Area B that includes medium developed areas; and (iii) Area C, which includes the less developed areas and thus available for extended tax holiday

periods. Below, we detail the maximum holiday periods foreseen in the Private Investment Law for the different areas.

	<b>A</b>	<b>B</b>	<b>C</b>
Industrial Tax	1 to 5 years	1 to 8 years	1 to 10 years
Investment Income Tax	Up to 3 years	Up to 6 years	Up to 9 years

Salaries paid to Angolan and expatriates working for the benefit of Angola, i.e. whose salaries are paid and accounted for as a cost by an Angolan taxpayer are subject to Personal Income Tax at progressive rates up to 17%.

b. Case Law

N/A

## B. Not-For Profit Organizations

a. Laws

Similarly to the above mentioned entities, Not-For Profit Organizations may be subject to Industrial Tax (on profits derived from commercial and industrial activities), Investment Income Tax on investment income and to Urban Property Tax on income derived from the lease of real estate.

Having this said, EPIS may enjoy from the following tax exemptions:

- Industrial Tax;
- Stamp Duty;
- Urban Property Tax;
- Conveyance Tax;
- Customs exemptions.

The above mentioned exemptions may be subject to specific authorization procedures. NGO's are also eligible to tax exemptions.

Salaries paid to employees of NGO may be exempt from Personal Income Tax, provided there is a written prior approval of the National Tax Director.

b. Case Law

N/A

## C. Analytical comparison

For-Profit Organizations are eligible to limited temporary exemptions, which are basically provided in the Private Investment Law. The attribution of these incentives is not automatic and depends on several factors such as the location of the investment, economic sector, investment amount, number of Angolan jobs created, as well as the expected social and economic impact of the project.



For-Profit Organizations are eligible to a wider range of incentives. The requirements/procedures for the eligibility to the exemptions depend on several aspects, including the legal status of the applicant and the relevant tax.

#### **IV. Financial Transaction Laws**

##### **A. For-Profit Organizations**

###### **a. Laws**

###### **i. Foreign Investment/Foreign Funding Laws**

Angolan has adopted a quite stringent foreign investment legal regime<sup>14</sup> governing, inter alia, investment operations in Angola by foreign individuals/entities and/or with resort to foreign funds. The incorporation of a local company / registration of a local branch – as well as many other forms of investment<sup>15</sup> - by a foreign investor qualify as a “private investment operation” under the Private Investment Law. As a result, in order to benefit from the right to repatriate profits/dividends abroad, and to be eligible to apply for tax and customs benefits and incentives, foreign investors are required to submit and negotiate a private investment contract with the National Private Investment Agency (ANIP) – which represents the Angolan State with whom the investment contract is entered into - and import a minimum investment amount of USD 1,000,000/per investor.

The execution of a private investment contract entails the need to prepare and submit a comprehensive set of documents, including the project’s feasibility study and implementation schedule, workforce training plan, official application form for tax incentives and other benefits and environmental impact assessment study (if applicable).

Notwithstanding the above, foreign investors may choose to incorporate a local company / register a branch in Angola outside the scope of the Private Investment Law (with a minimum investment amount of USD 500,000.00/per investor) – subject only to licensing by the Angolan Central Bank (“BNA”) – though in such case NO benefits and privileges may be granted, notably the entitlement to profits and/or dividend repatriation.

###### **ii. Political Contribution Laws**

Law 10/12, of 22 March 2012 (Political Parties Funding Act) and Order 1763/12, of 28 August 2012 (Regulations on Election Campaigns, and Political Parties

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<sup>14</sup> Private Investment Law enacted by Law 20/11, of 20 May 2011. It is worth adding that it has been recently approved by the Angolan Government a long-awaited bill amending the PIL (still pending formal enactment).

<sup>15</sup> For example, the introduction of freely convertible currency, technology and/or know-how, machinery, equipment and other tangible fixed assets in the country; the total or partial takeover of agricultural companies, by means of leases or any agreements entailing the exercise of possession and operation rights by the investor; the operation of real estate developments, for tourism or other purposes, in whatever legal form, amongst many others.

Funding and Accounting Rules) establish the key legal framework with respect to contributions to political campaigns and political activities.

In a nutshell, political parties may be funded through State financial allocations, contributions, legacies, subventions and other donations. Local companies are allowed to fund political campaigns and political activities. However, any contribution must take into account Article 6 of the Companies Law which expressly sets forth that only the usual gratuities - in accordance with the prevailing circumstances at the time when such gratuities are made and the specific conditions of the company - are not deemed to be contrary to the purpose of the company and, therefore, admissible.

b. Case Law

N/A

B. Not-For Profit Organizations

a. Laws

i. Foreign Investment/Foreign Funding Laws

As better detailed in Section II above, the Angolan law expressly recognizes and allows the incorporation/registration of foreign not-for profit organizations, notably: (a) International Associations (b) Foreign Associations and (c) International ONG.

Without prejudice to the applicable laws on anti-money laundering and anti-terrorism funding - in particular Law 34/11, of 12 December 2011 (Angolan Anti-Money Laundering and Anti-Terrorism Funding Act) - private associations are not subject to any particular requirement/restriction with the regard to private associations' funding.

With regard to NGOs funding, Angola has recently adopted a more rigorous control mechanism which is tested at the time of incorporation/registration of the NGO – as NGOs must report to IPCAC its initial source of funding – and during the entire operation of the NGO in the country. In addition to the general provisions on anti-money laundering and anti-terrorism funding, NGOs are further subject to the funding limitations set forth under Presidential Decree 74/15 which prohibits NGOs from receiving funds in anyway related with individuals/entities indicted or charged with crimes such as tax evasion, drug dealing, racism, traffic of human organs, money laundering, terrorism, just to name a few. Moreover, foreign funds (public/private) must be sanctioned by the relevant national authority.

ii. Political Contribution Laws

Private Associations are generically allowed to fund political campaigns and political activities (if so allowed by the relevant Articles of Association). EPIS

however are expressly prevented from contributing to political campaigns and political activities.

As regards NGOs, only national NGO's are free to fund political campaigns and political activities (if so allowed by the relevant Articles of Association). International NGOs are also expressly prevented from doing so.

b. Case Law

N/A

C. Analytical Comparison

It results clear from the above that the Angolan legal regime for foreign investment for for-profit organizations is much more stringent than that applicable to the recognition and registration of foreign not-for profit organizations. However, and despite the entry of foreign funds in Angola being always subject to the applicable foreign exchange controls and national laws on anti-money laundering and anti-terrorism funding, the scrutiny as regards the source of foreign funding is more constricted in private associations, in particular NGOs.

In respect of political funding, Angola generically allows for-profit organizations to make donations and contribute to political campaigns and political activities. On the contrary, some types of private associations are expressly forbidden to make any contribution to political causes or campaigns.

## V. Auditing/Reporting Requirements

A. For-Profit Organizations

a. Laws

According to the Companies Law, Angolan companies shall annually meet until 31 March in order to approve the annual accounts of the preceding fiscal year. To that effect, the managers/directors of the company shall prepare and submit to the relevant company bodies the management report, the accounts for the period and the other financial statements required by law, for the relevant calendar year. If the management report, accounts for the period and other financial statements are not submitted within due time, any shareholder may apply for a judicial enquiry, after which the judge shall order their presentation.

Decree 38/00, of 6 October 2000 – which sets forth the Rules on the Obligation to file Annual Financial Statements by accredited Auditors registered with the Accounting Experts Representative Entity - establishes additional audit requirements for certain types of companies. These include, among others, companies incorporated under the Private Investment Law, Limited Liability Companies by Shares and Limited Liability Companies by Quotas with a gross asset equal or greater that Kz. 6,000,000.00<sup>16</sup>. Non-compliance with said obligation shall cause the relevant company's accounts to be subject to an immediate audit and any fiscal or foreign exchange benefits or privileges granted to the respective organizations to be suspended or cancelled, including, in the

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<sup>16</sup> Roughly USD 50,000 (official exchange rate available at [www.bna.ao](http://www.bna.ao))

case of foreign investments, the suspension of the transfer of dividends or other earnings belonging to the foreign shareholder.

Without prejudice to any of the above it is worth highlighting that industry-specific requirements may apply.

In addition to the above auditing requirements, companies are subject to several reporting requirements, which vary significantly depending on the type of company / industry and shall be assessed on a case-by-case basis.

b. Case Law

N/A

B. Not-For Profit Organizations

a. Laws

The Private Association Act sets forth a general obligation of the board of directors of any private association to present its annual management report and accounts<sup>17</sup>. EPIS are further required to present its statement of accounts for the preceding year and the relevant activity report (without prejudice to any other additional information that may be requested by the governmental body responsible for the EPIS' administrative supervision).

In addition to the above auditing requirements, private associations are subject to several reporting requirements, which vary significantly depending on the type/nature of private association and shall be assessed on a case-by-case basis.

NGOs are also subject to specific accounting and reporting rules. According to Presidential Decree 74/15, of 23 March 2015, NGOs are required to present to IPCAC, within the first three months of each year, its statement of accounts regarding the preceding fiscal year and a forecast of all the expected future donations/contributions. NGOs are further required to file, periodically, with IPCAC a comprehensive list of documents (projects reports, budgets, cooperation agreements, amongst other operational information and data). Non-compliance with these obligations shall be punished with the suspension of the NGO's activities or even its extinction.

b. Case Law

N/A

C. Analytical Comparison

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<sup>17</sup> Additional rules and procedures may apply depending on the type of private association (e.g. sports association, political association)

Overall, Angolan auditing requirements for for-profit organizations is quite similar to that applicable to not-for profit organizations. However, the reporting requirements for each type of organization vary significantly and shall be carefully assessed on a case-by-case basis.

**VI. Penalties for Non-Compliance**

A. For-Profit Organizations

a. Laws

Under Angolan law, breach of any mandatory legal provision is likely to trigger civil and/or criminal liability. The scope and extent of the above Sections makes it impossible to list – with the minimum degree of accuracy and completeness all the civil and criminal liabilities that may arise from breach of any of the above obligations/requirements. We shall therefore refrain from completing this Section of the Report.

i. Civil

See comment above.

ii. Criminal

See comment above.

B. Not-For Profit Organizations

a. Laws

i. Civil

See comment above.

ii. Criminal

See comment above.

C. Analytical comparison

N/A

D. Statistics on actual penalties for each group (if, available)

N/A

**OVERVIEW CHART**

Although not exhaustive of all the similarities and differences discussed in the above sections, this is to help highlight some of the biggest differences or similarities.

Please identify 3-4 of the main issues discussed above for each category.

Issue	For-Profit	Not-For Profit	Similarities
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	<b>Organizations</b>	<b>Organizations</b>	
<p>Registration Procedures</p>	<p><b>Types of For-Profit Organizations</b></p> <p>There are seven types of commercial for-profit organizations in Angola, namely: partnerships, limited liability companies by quotas, joint stock companies, limited partnerships, limited partnerships by shares, sole shareholding companies by quotas, and sole shareholding joint stock companies.</p> <p>The most common types of for-profit organizations are limited liability companies by quotas, joint stock companies.</p> <p><b>Timing for incorporation and registration</b></p> <p>The timing for incorporation and registration of a local company by national and/or resident individuals/entities varies from 1 to 4 weeks. The timing for incorporation and registration of a local company/branch by foreign entities varies from 4-9 months.</p>	<p>There are several types of not-for profit organizations recognized under Angolan law.</p> <p><b>Types of Private Associations</b></p> <p>As particularly as regards Associations, Angolan law distinguishes three types/categories of private associations: Local Private Associations, International Private Associations and Foreign Associations. Private associations can apply to a special status/regime (EPIS), so as to benefit from tax and customs incentives.</p> <p><b>Timing for incorporation / registration of private association</b></p> <p>The procedures for the incorporation, registration and licensing of a private association may be cumbersome and time consuming. Based on our experience, a period of roughly six (6) to twelve (12) months is usually required in order to complete the whole process (excluding application for EPIS).</p> <p><b>Types of NGOs</b></p> <p>NGOs are subject to a specific legal regime and may be categorized into two different categories</p>	<p>The incorporation and/or registration of For-profit and Not-For Profit organizations requires Angolan authorities prior approval and the need to complete a comprehensive list of preliminary steps and procedures.</p>

		<p>(a) National NGOs and (b) International NGOs.</p> <p><b>Timing for incorporation / registration of a NGO</b></p> <p>The time required to register a NGO is quite unpredictable. However, from our experience in similar cases we anticipate that it will not take much more than eight (8) to twelve (12) months to incorporate / register a NGO in Angola.</p>	
Tax Laws	<p><b>Taxable income</b></p> <p>Profits, investment income property income and salaries are taxed.</p> <p><b>Exemptions</b></p> <p>Tax exemptions may apply.</p>	<p><b>EPIS tax regime</b></p> <p>EPIS may enjoy from the following tax exemptions:</p> <ul style="list-style-type: none"> <li>(a) Industrial Tax;</li> <li>(b) Stamp Duty;</li> <li>(c) Urban Property Tax;</li> <li>(d) Conveyance Tax;</li> <li>(e) Customs exemptions</li> </ul> <p><b>NGO's tax regime</b></p> <p>NGO's are also eligible to tax exemptions. Salaries paid to employees of NGO may be exempt from Personal Income Tax.</p>	N/A
Financial Transaction Laws	<p><b>Foreign Investment</b></p> <p>The incorporation of a local company / registration of a local branch by a foreign</p>	<p><b>Foreign Not-for profit organizations</b></p> <p>Angolan law expressly recognizes and allows the incorporation and</p>	Both the incorporation of a local company / registration of a local branch of for-profit and not-for profit organizations is

	<p>investor qualify as a private investment operation under the Private Investment Law. As a result, in order to benefit from the right to repatriate profits and dividends abroad, and to be eligible to apply for tax and customs benefits and incentives, foreign investors are required to enter into an investment contract with the Angolan State and import a minimum investment amount of USD 1,000,000/per investor.</p> <p><b>Political Contributions</b></p> <p>Local companies are generically allowed to make donations and contribute to political campaigns and political activities.</p>	<p>registration of foreign not-for profit organizations, notably: (a) International Associations (b) Foreign Associations and (c) International ONG.</p> <p>There is a stringent scrutiny as regards the source of foreign funding of private associations, in particular NGOs.</p> <p><b>Political Contributions</b></p> <p>Some types of private associations (e.g. EPIS and International NGOs) are expressly forbidden to make any contribution to political causes or campaigns.</p>	<p>permitted under Angolan law.</p>
<p>Auditing/Reporting Requirements</p>	<p><b>Auditing</b></p> <p>Angolan companies are required to approve annual accounts.</p> <p><b>Reporting Requirements</b></p> <p>Local companies are subject to several reporting requirements, which vary significantly depending on the type of company / industry and shall be assessed on a case-by-case basis.</p>	<p><b>Auditing</b></p> <p>Private Associations are required to approve annual accounts.</p> <p><b>Reporting Requirements</b></p> <p>Private associations are subject to several reporting requirements, which vary significantly depending on the type/nature of private association and shall be assessed on a case-by-case basis.</p>	<p>Both for-profit and not-for profit organizations are required to approve annual accounts.</p> <p>Both for-profit and not-for profit organizations are subject to several reporting requirements, which vary significantly depending on the type/nature of the organization and shall be assessed on a case-by-case basis.</p>



Penalties	N/A	N/A	N/A
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