



ICLG

The International Comparative Legal Guide to:

Private Equity 2015

1st Edition

A practical cross-border insight into private equity

Published by Global Legal Group, with contributions from:

Aabø-Evensen & Co

Ali Budiardjo, Nugroho, Reksodiputro

Angola Capital Partners

Anjarwalla & Khanna

Ashurst LLP

Bär & Karrer AG

Bentsi-Enchill, Letsa & Ankomah

British Private Equity & Venture Capital Association

Chiomenti Studio Legale

Clifford Chance

Elvinger, Hoss & Prussen

Garrigues

Goltsblat BLP

Greenberg Traurig, LLP

Hajji & Associés

Houthoff Buruma

Milbank, Tweed, Hadley & McCloy LLP

Morais Leitão, Galvão Teles, Soares da Silva
& Associados

Schindler Rechtsanwälte GmbH

Schulte Roth & Zabel LLP

Shearman & Sterling LLP

Simont Braun

Skadden, Arps, Slate, Meagher & Flom (UK) LLP

Țuca Zbârcea & Asociații

Veirano Advogados

Vieira de Almeida & Associados,

Sociedade de Advogados, RL

Zhong Lun Law Firm

GLG

Global Legal Group

Contributing Editor

Shaun Lascelles,
Skadden, Arps, Slate,
Meagher & Flom (UK) LLP

Head of Business Development

Dror Levy

Sales Director

Florjan Osmani

Commercial Director

Antony Dine

Account Directors

Oliver Smith, Rory Smith

Senior Account Manager

Maria Lopez

Sales Support Manager

Toni Hayward

Editor

Rachel Williams

Senior Editor

Suzie Levy

Group Consulting Editor

Alan Falach

Group Publisher

Richard Firth

Published by

Global Legal Group Ltd.
59 Tanner Street
London SE1 3PL, UK
Tel: +44 20 7367 0720
Fax: +44 20 7407 5255
Email: info@glgroup.co.uk
URL: www.glgroup.co.uk

GLG Cover Design

F&F Studio Design

GLG Cover Image Source

iStockphoto

Printed by

Ashford Colour Press Ltd
July 2015

Copyright © 2015

Global Legal Group Ltd.

All rights reserved

No photocopying

ISBN 978-1-910083-53-6

ISSN 2058-1823

Strategic Partners



General Chapters:

1	Vendor Due Diligence Reports: A Tale of Two Markets – Jeremy W. Dickens, Shearman & Sterling LLP	1
2	Enforcing Investors' Rights in Latin America: The Basics – Emilio J. Alvarez-Farré & Juan Delgado, Greenberg Traurig, LLP	7
3	Unitranche Facilities – A Real Debt Funding Alternative for Private Equity – Paul Stewart & Ewen Scott, Ashurst LLP	12
4	The Development of EU Regulation since the Financial Crisis and the Future of the Capital Markets Union – Simon Burns, British Private Equity & Venture Capital Association	16

Country Question and Answer Chapters:

5	Angola	Vieira de Almeida & Associados – Sociedade de Advogados, R.L. and Angola Capital Partners: Hugo Moredo Santos & Rui Madeira	20
6	Austria	Schindler Rechtsanwälte GmbH: Florian Philipp Cvak & Clemens Philipp Schindler	26
7	Belgium	Simont Braun: David Ryckaert & Koen Van Cauter	33
8	Brazil	Veirano Advogados: Ricardo C. Veirano & Gustavo Moraes Stolaghi	41
9	China	Zhong Lun Law Firm: Lefan Gong & David Xu (Xu Shiduo)	47
10	Germany	Milbank, Tweed, Hadley & McCloy LLP: Dr. Peter Memminger	55
11	Ghana	Bentsi-Enchill, Letsa & Ankomah: Seth Asante & Frank Nimako Akowuah	61
12	Indonesia	Ali Budiardjo, Nugroho, Reksodiputro: Oene J. Marseille & Emir Nurmansyah	68
13	Italy	Chiomenti Studio Legale: Franco Agopyan	75
14	Kenya	Anjarwalla & Khanna: Roddy McKean & Dominic Rebelo	83
15	Luxembourg	Elvinger, Hoss & Prussen: Toinon Hoss & Jean-Luc Fisch	89
16	Morocco	Hajji & Associés: Amin Hajji & Houda Boudlali	97
17	Netherlands	Houthoff Buruma: Alexander J. Kaarls & Johan Kasper	102
18	Norway	Aabø-Evensen & Co: Ole Kristian Aabø-Evensen & Harald Blaauw	110
19	Poland	Clifford Chance: Marcin Bartnicki & Wojciech Polz	129
20	Portugal	Moraes Leitão, Galvão Teles, Soares da Silva & Associados: Ricardo Andrade Amaro & Pedro Capitão Barbosa	137
21	Romania	Țuca Zbârcea & Asociații: Ștefan Damian & Silvana Ivan	143
22	Russia	Goltsblat BLP: Anton Sitnikov & Vera Gorbacheva	150
23	Spain	Garrigues: María Fernández-Picazo & Ferran Escayola	158
24	Switzerland	Bär & Karrer AG: Dr. Christoph Neeracher & Dr. Luca Jagmetti	165
25	United Kingdom	Skadden, Arps, Slate, Meagher & Flom (UK) LLP: Shaun Lascelles	171
26	USA	Schulte Roth & Zabel LLP: Peter Jonathan Halasz & Richard A. Presutti	179

Further copies of this book and others in the series can be ordered from the publisher. Please call +44 20 7367 0720

Disclaimer

This publication is for general information purposes only. It does not purport to provide comprehensive full legal or other advice. Global Legal Group Ltd. and the contributors accept no responsibility for losses that may arise from reliance upon information contained in this publication. This publication is intended to give an indication of legal issues upon which you may need advice. Full legal advice should be taken from a qualified professional when dealing with specific situations.

EDITORIAL

Welcome to the first edition of *The International Comparative Legal Guide to: Private Equity*.

This guide provides the international practitioner and in-house counsel with a comprehensive worldwide legal analysis of the laws and regulations of private equity.

It is divided into two main sections:

Four general chapters. These are designed to provide readers with a comprehensive overview of key private equity issues, particularly from the perspective of a multi-jurisdictional transaction.

Country question and answer chapters. These provide a broad overview of common issues in private equity laws and regulations in 22 jurisdictions.

All chapters are written by leading private equity lawyers and industry specialists and we are extremely grateful for their excellent contributions.

Special thanks are reserved for the contributing editor, Shaun Lascelles of Skadden, Arps, Slate, Meagher & Flom (UK) LLP, for his invaluable assistance.

Global Legal Group hopes that you find this guide practical and interesting.

The *International Comparative Legal Guide* series is also available online at www.iclg.co.uk.

Alan Falach LL.M.
Group Consulting Editor
Global Legal Group
Alan.Falach@glgroup.co.uk

Angola

Hugo Moredo Santos



Vieira de Almeida & Associados – Sociedade de Advogados, R.L. and Angola Capital Partners

Rui Madeira



1 Overview

1.1 What are the most common types of private equity transactions in Angola and what is the current state of the market for these transactions?

The Private Equity (PE) market in Angola was inexistent until recently, when Angola Capital Partners launched FIPA in 2009; the first country-dedicated investment fund focused on small and medium enterprises. Having raised US\$ 39 million from the country's largest private banks and international Development Finance Institutions, FIPA is now fully invested across a wide range of industry sectors (e.g. agriculture, fishing, building materials, media and waste management treatment) and was then the pioneer of a nascent market with an enormous growth potential. As opposed to the PE reputation in developed markets, FIPA was most welcomed by the Angolan market stakeholders. PE funds in Angola, as in other frontier markets, are regarded as an important funding alternative to the corporate banking credit queues, which do not suffice entrepreneurs' need for longer maturity financing to support their fast growing businesses. They are also welcome for its contributions through board advice and far-reaching networks that facilitate growth and eventually co-exits.

New investment funds emerged. In 2011, the Angolan sovereign wealth fund, or *Fundo Soberano de Angola*, became the largest investment fund with US\$ 5 billion dedicated to large regional projects and infrastructures. In 2012, *Fundo Activo de Capital de Risco Angolano* was created via presidential decree with US\$ 250 million to support venture capital projects. International PE houses have also started investing in Angolan companies, particularly brought in as co-investors by the country's existing PE funds. Growth capital transactions have driven most PE deals in Angola as the country rebuilds itself after a devastating civil war that ended only in 2002. This resource-rich former Portuguese colony has become one of the world's fastest growing economies over the past decade. The significant rise of its middle class, when compared to its regional peers, in sync with a decline of those living on or below the poverty line, and in addition to a relatively young and technology savvy population are catalysts, to a boom of demand for products and services provided by partnerships set up between foreign investors with know-how and Angolan partners with local expertise. Despite its current subdued GDP growth due to the effect of low oil prices, international economic research analysts indicate robust medium-term growth prospects at above 5%, including in the non-oil sector, on the back of ongoing investments in the agricultural, electricity and manufacturing industries.

1.2 What are the most significant factors or developments encouraging or inhibiting private equity transactions in Angola?

Unlike many other jurisdictions, Angolan legal framework still lacks specific legislation on private equity. However, steps have been taken to change this and a draft was submitted to public consultation in 2014 by the Angolan Securities Market Commission (*Comissão do Mercado de Capitais*). The relevant feedback report has been disclosed to the public, but no further action is known and apparently the legislative process is not moving forward. At any rate, specific legal framework for investment funds and an apparent appetite for fund managers / investment funds to be created is on the horizon.

2 Structuring Matters

2.1 What are the most common acquisition structures adopted for private equity transactions in Angola?

Typical PE transactions in Angola use PE fund structures that are subscribed by investors, or Limited Partners, and domiciled in investor friendly jurisdictions (e.g. Europe or the US) where they are subject to its competent regulatory authorities. PE funds are managed by investment professionals with remunerations that depend on their fund's returns delivered to investors, also known as carried interest, although its entitlement arises only after investors received their drawdown capital accrued of a preferred return. The fund is the beneficial owner of intermediate Special Purpose Vehicles, domiciled in Angola or offshore, which acquire equity stakes directly or subscribe to new shares issued by target companies. The PE fund will co-invest with individual shareholders together under a single newco ring fenced structure solely dedicated to each target company, assuring incentive alignment and commitment in the case of key managers also becoming co-shareholders of the target company.

2.2 What are the main drivers for these acquisition structures?

Incentive alignment, compliance and tax treatment are key reasons for adopting the described transaction structures in Angola. Incentive alignment between investors and managers drives the importance of a carried interest remuneration structure as well as a newco ring-fenced structure, providing not only a risk-sharing

mechanism but also retaining human talent, particularly vital in Angola, during the lifetime of the fund's vehicle or investment. Compliance is a key reason for domiciling PE funds in conventional investment jurisdictions (e.g. Europe or the US) as these are familiar to institutional investors and fulfil their legal and transparency requirements. Tax treatment of international PE structures is a key consideration when selecting mature markets as domicile for this alternative asset class.

2.3 How is the equity commonly structured in private equity transactions in Angola (including institutional, management and carried interests)?

Angolan PE transactions are structured through limited partnership models, by which investors hold limited partner interests in the fund vehicle and the management team holds an interest in the General Partner. The common profit allocation scheme is usually 80% distributed to the limited partners, according to their capital contributions, and the remaining 20%, or carried interest, allocated to the General Partner, but only after a preferred return, or hurdle rate, is achieved. Limited partners sometimes request the possibility of directly investing in target companies which are originated by the PE fund, incrementing their exposure to a specified industry sector beyond that of the PE fund. Depending on the investors' type and strategy, some funds may require active consideration of environmental, social and governance issues and initiatives as well as require its periodic monitoring. This is the case of FIPA as its investors, international Development Finance Institutions, promote such values at the core of their missions.

2.4 What are the main drivers for these equity structures?

Such equity structures are primarily used to align incentives and induce risk-sharing mechanisms between investors and managers. In Angola, retaining and aligning talented human capital is particularly important due to the scarcity of PE expertise.

2.5 In relation to management equity, what are the typical vesting and compulsory acquisition provisions?

Management stock option schemes are being increasingly used in PE funds in Angola. Vesting is typically driven by performance and vesting periods are linked to the local PE fund's time schedule. Customary leaver provisions triggering call options for investors (good vs bad leaver provisions) may be seen in recent transactions.

3 Governance Matters

3.1 What are the typical governance arrangements for private equity portfolio companies?

Although experience is quite limited, one should not exclude the possibility of private equity investors willing to influence the composition of the board of directors and indicate one or more persons to form part of a list to be elected to the board, although directors will not actually represent the relevant shareholders. Committees to deal with investment policy, remuneration or conflict of interest may also be put in place.

3.2 Do private equity investors and/or their director nominees typically enjoy significant veto rights over major corporate actions (such as acquisitions and disposals, litigation, indebtedness, changing the nature of the business, business plans and strategy, etc.)?

Veto rights may be created to the benefit of private equity investors notably under shareholder agreements. Such arrangements may refer to the actual exercise of voting rights, but not to the exercise of management or auditing functions. Matters in respect of which such veto rights may be created include, among others, significant acquisitions and disposals, material litigation, incurrence of material indebtedness, changes in the nature of the business, business plans, budgets and strategic plans.

3.3 Are there any limitations on the effectiveness of veto arrangements: (i) at the shareholder level; and (ii) at the director nominee level? If so, how are these typically addressed?

Veto arrangements may not lead to a scenario where a given shareholder is required to exercise its voting rights always following the instructions of the relevant company or any of its corporate bodies, approve the proposals presented by any of its corporate bodies or as compensation for obtaining special benefits.

3.4 Are there any duties owed by a private equity investor to minority shareholders such as management shareholders (or vice versa)? If so, how are these typically addressed?

No. However, particularly in what concerns limited liability companies by shares (*sociedades anónimas*), the relevant bylaws may stipulate specific rules aimed at ensuring that minority shareholders are entitled to appoint a representative to the board of directors. In relation to public limited liability companies by shares (*sociedades de subscrição pública*), inclusion of such mechanisms in the bylaws is mandatory.

3.5 Are there any limitations or restrictions on the contents or enforceability of shareholder agreements (including governing law and jurisdiction)?

Shareholder agreements may be executed among two or more shareholders, and may have as subject any action which is not prevented by operation of law. Shareholder agreements are binding upon the parties thereto, and no acts or facts performed by the company or by any of its shareholders *vis-à-vis* the company may be challenged based therein. Shareholder agreements may refer to the exercise of voting rights, but not to the exercise of management or auditing functions. Shareholder agreements may not imply that a given shareholder is required to exercise its voting rights always following the instructions of the relevant company or any of its corporate bodies, approve the proposals presented by any of its corporate bodies or as compensation for obtaining special benefits.

3.6 Are there any legal restrictions or other requirements that a private equity investor should be aware of in appointing its nominees to boards of portfolio companies? What are the key potential risks and liabilities for (i) directors nominated by private equity investors to portfolio company boards, and (ii) private equity investors that nominate directors to boards of portfolio companies?

Members of the board of directors are not directly appointed by shareholders acting individually, but rather by means of a resolution passed by the shareholders' meeting. Accordingly, directors do not represent a given shareholder (even if proposed by such shareholder) and are required to act in the company's best interest, employing the same level of diligence as a prudent manager would use, without prejudice to the interests of the shareholders and the workers (diligence duty – *dever de diligência*).

Members of the board of directors may be held liable towards the creditors of the company whenever they wilfully disregard legal or contractual obligations aimed at protecting such creditors, or if the company's estate becomes insufficient to discharge the company's obligations. On the other hand, any shareholder which, acting alone or together with another shareholder under a shareholder agreement, may appoint managers or members of the auditing body (without the remaining shareholders being entitled to participate in such election) and may also be jointly and severally liable with the appointed person in case there is wilful default in the selection of such person and the same has a duty to indemnify.

3.7 How do directors nominated by private equity investors deal with actual and potential conflicts of interest arising from (i) their relationship with the party nominating them, and (ii) positions as directors of other portfolio companies?

Conflict of interest rules exist both at the shareholders' meeting and board of directors levels. For instance, a shareholder may not take part in any decision pertaining to the discharge of self-obligation, either as a shareholder or as a member of a corporate body, a dispute between such shareholder and the company, its dismissal with cause as member of the board of directors or any relationship, current or future, between such shareholder and the company which falls outside the scope of the corporate subject. On the other hand, any transactions between the company and its board members are null and void except if previously authorised by the board of directors pursuant to a decision in which the relevant board member may not participate, and provided that the auditing body has voted favourably.

4 Transaction Terms: General

4.1 What are the major issues impacting the timetable for transactions in Angola, including competition and other regulatory approval requirements, disclosure obligations and financing issues?

In May 2015, the Angolan government approved a revised Private Investment law aimed at reducing bureaucracy, streamlining the decision-making process and facilitating capital repatriation. In short, a more investor-friendly legal framework will be in place:

- The minimum private investment amount required from Angolan sponsors has been reduced from US\$ 1 million to

US\$ 500,000 per project. The minimum private investment required from foreign sponsors remains at US\$ 1 million per project. It is now possible to make investments under these thresholds, provided that investors will not apply for tax incentives. In any case, investors will be entitled to repatriate its profits or dividends.

- Ministry(ies) in charge of the relevant investment sector will be responsible for evaluating and approving private investment projects of up to US\$ 10 million, above which its approval falls under the authority of the President of the Republic.
- The Angolan National Private Investment Agency (ANIP) will be mainly engaged in promoting Angola as an attractive destination for private investment and on monitoring the implementation of the government's private investment policies. ANIP will no longer be involved in the evaluation, negotiation nor approval of investment projects.
- Tourism, hospitality, telecommunications and information technologies, transport and logistics, energy and water, and construction have been elected as priority sectors for investment. Foreign investors in these sectors are required to partner up with local investors with a minimum equity interest of 35%.
- Investors remain eligible to apply to tax incentives, namely including Corporate Income Tax, Property Conveyance Tax and Investment Income Tax, ranging from 5 to 100%, depending on specific criteria rules which include the number of jobs created for Angolan nationals.

As per the previous legal framework, foreign private investments in Angola took on average six to nine months for the preparation, submission and processing of its investment approvals. Such timeline is now expected to be streamlined.

4.2 Have there been any discernible trends in transaction terms over recent years?

In addition to the significant regulatory changes occurring in the past decade to facilitate private investment in Angola, it is expected that a trend will emerge towards more liquid equity and debt instruments. The Angolan Stock Exchange is estimated to start its operations in 2017, whereas the Angolan Debt Exchange has already opened, although still in its first stage, dedicated to Government bond trading among banks.

5 Transaction Terms: Public Acquisitions

5.1 What particular features and/or challenges apply to private equity investors involved in public-to-private transactions (and their financing) and how are these commonly dealt with?

The Angolan market has no significant experience in this respect due to the fact that capital markets and private equity are at a very early stage in the country. However, Angola has recently approved a new Securities Code which is aimed at dealing in more detail, in a European-inspired manner, with public-to-private transactions.

5.2 Are break-up fees available in Angola in relation to public acquisitions? If not, what other arrangements are available, e.g. to cover aborted deal costs?

Please see the preceding answer.

6 Transaction Terms: Private Acquisitions

6.1 What consideration structures are typically preferred by private equity investors in Angola?

Consideration structures will typically exclude short- and long-term interest bearing debt, net of any excess cash or cash equivalents, and possibly accrue net working capital.

6.2 What is the typical package of warranties/indemnities offered by a private equity seller and its management team to a buyer?

The typical representations and warranties apply, mostly involving the portfolio company's underlying assets.

6.3 What is the typical scope of other covenants, undertakings and indemnities provided by a private equity seller and its management team to a buyer?

Other covenants and undertakings usually will include non-compete provisions.

6.4 Is warranty and indemnity insurance used to "bridge the gap" where only limited warranties are given by the private equity seller and is it common for this to be offered by private equity sellers as part of the sales process?

Typically, warranty and indemnity insurance is not used in Angola.

6.5 What limitations will typically apply to the liability of a private equity seller and management team under warranties, covenants, indemnities and undertakings?

PE exit limitations will typically involve caps and baskets.

6.6 How do private equity buyers typically provide comfort as to the availability of equity finance and what rights of enforcement do sellers typically obtain if commitments are provided by SPVs?

Guarantees (from banks or investors) or equity commitment letters are typically used.

6.7 Are reverse break fees prevalent in private equity transactions to limit private equity buyers' exposure? If so, what terms are typical?

Reverse break fees are not common.

7 Transaction Terms: IPOs

7.1 What particular features and/or challenges should a private equity seller be aware of in considering an IPO exit?

Currently, there are no equity capital markets in Angola and thus no IPO experience can be mentioned.

7.2 What customary lock-ups would be imposed on private equity sellers on an IPO exit?

Please see the answer to question 7.1.

7.3 To what extent can rights in pre-existing shareholders' agreements survive post-IPO?

Please see the answer to question 7.1.

8 Financing

8.1 Please outline the most common sources of debt finance used to fund private equity transactions in Angola and provide an overview of the current state of the finance market in Angola for such debt.

The Angolan Banking System is composed of 29 licensed banking institutions, an impressive growth from the nine licensed banking institutions in 2003. The banking sector environment is increasingly competitive, opening room for potential consolidation movements. Banks have quickly grown their nationwide branch networks and their offering of products and services has significantly developed for both retail and institutional clients. There is, however, significant room for development in creating more PE deal-friendly debt structures. The debt availability is largely limited to short-term facilities with estimated funding costs from 12 to 16% *per annum*, varying as per the credit rating analysis.

8.2 Are there any relevant legal requirements or restrictions impacting the nature or structure of the debt financing (or any particular type of debt financing) of private equity transactions?

The existing legal framework hinders Angola's bank lending activities for secured lending, namely impediments to the enforcement of property ownership and foreclosing of collateral – properties in particular.

The relatively small number of Angolan firms with annual financial statements verified by external auditors (approx. 20% in Angola vs approx. 40% in other African counties) also contributes to the lender's limited ability to accurately gauge the creditworthiness of its prospective borrowers. PE funds have contributed to a culture of financial discipline and greater transparency by enforcing external annual auditing to its target companies.

9 Tax Matters

9.1 What are the key tax considerations for private equity investors and transactions in Angola?

Typically, income deriving from private equity may qualify as capital gains, interest or dividend. As such, this income should be subject to Investment Income Tax (*Imposto sobre a Aplicação de Capitais*).

However, capital gains may be subject to Corporate Income Tax (*Imposto Industrial*) or Personal Income Tax (*Imposto sobre o Rendimento do Trabalho*) if the income derives from the exercise of a commercial activity.

In addition, it should be noted that dividends paid to companies may be exempted from Investment Income Tax provided the participation exemption requirements are met (participation in the share capital is higher than 25% and held for at least one year).

The tax rates may vary between 5 and 15% and usually through withholding taxation.

9.2 Have there been any significant changes in tax legislation or the practices of tax authorities (including in relation to tax rulings or clearances) impacting private equity investors or transactions and are any anticipated?

Significant changes were enacted in November 2014. We anticipate that the scrutiny of the Angolan Tax Authorities should be increased as a significant number of tax inspectors were appointed to deal specifically with tax leakage issues.

10 Legal and Regulatory Matters

10.1 What are the key laws and regulations affecting private equity investors and transactions in Angola, including those that impact private equity transactions differently to other types of transaction?

Currently, Angola has no specific legal framework applicable to private equity, without prejudice of a draft having been subject to public consultation in 2014. Recently, Angola has approved a new Securities Code. Any acquisition or disposal of an equity stake, or the rights and obligations inherent thereto, are governed by the Angolan Corporate Code (*Lei das Sociedades Comerciais* – Law no. 1/2004, dated 13 February).

10.2 Have there been any significant legal and/or regulatory developments over recent years impacting private equity investors or transactions and are any anticipated?

Without prejudice to the public consultation procedure in respect of future legislation in private equity, apparently the legislative initiative has not moved forward and at this stage there is no official information publically available regarding if, and when, such specific legislation on private equity will be enacted.

10.3 Has anti-bribery or anti-corruption legislation impacted private equity investment and/or investors' approach to private equity transactions (e.g. diligence, contractual protection, etc.)?

Angola has legislation aimed at avoiding anti-money laundering or the financing of terrorism. Such legislation triggers a wider range of duties, which include the duty to identify, perform due diligence, refuse or abstain from certain actions, cooperate, keep secrecy, control, train and communicate.

10.4 Are there any circumstances in which: (i) a private equity investor may be held liable for the liabilities of the underlying portfolio companies; and (ii) one portfolio company may be held liable for the liabilities of another portfolio company)?

Angolan corporate law sets forth that any company that controls another company is liable for the obligations undertaken by the latter, before or after the control relationship and until the same ceases. In addition, the controlled company has the right to require that the controlling company compensates it for any annual losses that the former experiences during the control relationship, provided that such losses are not compensated by the reserves accumulated during such period.

11 Other Useful Facts

11.1 What other factors commonly give rise to concerns for private equity investors in Angola or should such investors otherwise be aware of in considering an investment in Angola?

While a frontier market, Angola's economic, social and cultural environment presents PE players with significant challenges. When considering the booming PE market, one must consider the importance of building a strong local team, which is particularly important to pursue deal flow generation, due diligence and portfolio monitoring. Ongoing structural reforms as a result of lower tax revenues from the oil sector may also be carefully considered, in particular the impact of those measures in local corporates (e.g. new tax rate of 10% for the repatriation of profits).

**Hugo Moredo Santos**

Vieira de Almeida & Associados –
Sociedade de Advogados, R.L.
Rua Emilio Mbindi, no. 20 – Bairro da Ingombota
Luanda
Angola

Tel: +244 933 627 701
Email: hms@vda.pt
URL: www.vda.pt

Hugo holds a law degree from the University of Lisbon, Faculty of Law, and a master in law from the University of Lisbon, Faculty of Law ("Transparência, OPA obrigatória e imputação de direitos de voto" – "Transparency, Mandatory Bid and Attribution of Voting Rights").

He joined Vieira de Almeida & Associados in 2001 and is currently managing associate of the Banking & Finance practice area. In such capacity he has been involved in several transactions, in the Portuguese and international markets, mainly focused on structured financial deals, including the issue and placement of debt and equity instruments, securitisation and other types of asset-backed transactions and preferential shares. He has also been quite active in public offerings of securities and takeovers, rendering regular advice in capital markets-related matters. Further, he provides legal guidance in aviation finance deals. Since 2014 he is also the Country Manager Angola.

**Rui Madeira**

Angola Capital Partners
Academia BAI – Edifício C
Avenida Pedro de Castro Van-Dunem Loy
1º Andar, Morro Bento, Luanda
Angola

Tel: +244 227 281 000 (ext. 4019)
Email: rui.madeira@angolacapitalpartners.com
URL: www.angolacapitalpartners.com

Rui is an investment manager at Angola Capital Partners focused on private equity investments and divestments in Angolan small and medium enterprises.

He previously worked for the Government of Portugal, as an advisor to the Secretary of State for Finance / Ministry for Finance focused on privatisations and on the creation of a Portuguese development finance institution, as part of the €78 billion financial assistance programme negotiated with the European Commission, the European Central Bank and the International Monetary Fund. He also worked for Deutsche Bank in London advising large private equity funds and corporates in mergers and acquisitions, leverage buyouts and debt and equity issuances, mostly in European markets, as part of the German investment bank leveraged finance and corporate finance divisions. Rui also worked for Espírito Santo Investment Bank in its corporate finance divisions in Portugal, Brazil and Poland.

He has a MBA degree from London Business School, UK (exchange programme at Columbia Business School, US) and a M.Sc. in business administration from Catholic University, Portugal.

**Vieira de Almeida & Associados – Sociedade de Advogados, R.L.**

Vieira de Almeida & Associados – Sociedade de Advogados, R.L. (VdA) is a full practice law firm acting in Portugal, Angola, Mozambique and East Timor. Since 1976, when Vasco Vieira de Almeida founded a small law office, up to the present day, VdA's founding partner's unbending ethics and high professional standards are lived on a day to day basis by all of VdA's 200 plus staff. VdA is proud of the place it reached at the top of legal advising with the support of a team made up of some of the best specialists in each area of business.

Since the firm's first steps, innovation has been a stepping stone for VdA's growth. VdA led some of the most pioneering transactions to take place in the financial and infrastructural sectors in the last decades in Portugal. At VdA, senior partners and junior associates coming from some of the most prestigious national and international schools mingle, discuss and develop together creative legal solutions for complex issues.

Angola Capital Partners

Angola Capital Partners was founded as a joint venture between *Banco Angolano de Investimentos* (BAI) and the Norwegian Investment Fund for Developing Countries (Norfund) to create a leading independent Private Equity firm in Angola. BAI is among Angola's largest private banks with an extensive local network, while Norfund, owned by the Norwegian state, is a leading investment company with a long track record in developing countries.

In 2009, Angola Capital Partners launched the first Angolan dedicated investment fund, *Fundo de Investimento Privado – Angola* (FIPA), domiciled in Luxembourg and supervised by the *Commission de Surveillance du Secteur Financier* (CSSF). With US\$ 39 million of capital commitments dedicated to invest in equity, and other long-term instruments, in private small and medium enterprises in Angola, FIPA is invested across a wide range of industries uncovering value by facilitating new business initiatives and upgrading existing technologies in partnership with strong management teams that enhance performance and deliver superior returns to investors, as well as to Angola's economic and social development.

Other titles in the ICLG series include:

- Alternative Investment Funds
- Aviation Law
- Business Crime
- Cartels & Leniency
- Class & Group Actions
- Competition Litigation
- Construction & Engineering Law
- Copyright
- Corporate Governance
- Corporate Immigration
- Corporate Recovery & Insolvency
- Corporate Tax
- Data Protection
- Employment & Labour Law
- Environment & Climate Change Law
- Franchise
- Gambling
- Insurance & Reinsurance
- International Arbitration
- Lending & Secured Finance
- Litigation & Dispute Resolution
- Merger Control
- Mergers & Acquisitions
- Mining Law
- Oil & Gas Regulation
- Patents
- Pharmaceutical Advertising
- Private Client
- Product Liability
- Project Finance
- Public Procurement
- Real Estate
- Securitisation
- Shipping Law
- Telecoms, Media & Internet
- Trade Marks



59 Tanner Street, London SE1 3PL, United Kingdom
Tel: +44 20 7367 0720 / Fax: +44 20 7407 5255
Email: sales@glgroup.co.uk

www.iclg.co.uk