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ANGOLA

LEGAL FRAMEWORK OF EQUITY SECURITIES

Presidential Legislative Decree no. 1/20 was recently approved, establishing the Legal Framework of Equity Securities, characterised as hybrid securities representing debt contracted by companies of the Public Business Sector.

PRESIDENTIAL LEGISLATIVE DECREE NO. 01/20, OF 6 JANUARY

- Presidential Legislative Decree no. 1/20 applies to public and public domain companies that issue or have issued equity securities.
- According to this Decree, the issue of these securities is dependent on:
 - a) a proposal of the issuing entity; and
 - b) authorisation of the Minister of Finance, subject to the prior consultation of the Angolan Institute for State Asset and Holdings Management (*Instituto de Gestão e Participações de Activos do Estado – “IGAPE”*).
- Among other aspects, Presidential Legislative Decree no. 1/20 establishes the requirements for issuance, information duties and right to information, as well as the rules applicable to the Assembly of Participants.
- In this regard, it should be noted that in the event of the privatisation of public companies, equity securities may be converted into shares and any funds obtained as a result of the issue will be treated as equity, under terms still to be defined by Order of the Minister of Finance.
- Presidential Legislative Decree no. 1/20 entered into force on the date of its publication.