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ANGOLA

NEW REGULATIONS ON CIVIL CONSTRUCTION AND PUBLIC WORKS, WORKS PLANNING AND WORKS INSPECTION ACTIVITIES

By means of Presidential Decree no. 146/20, of 27 May, the Angolan Executive has approved the new Regulations on Civil Construction and Public Works, Works Planning and Works Inspection Activities (the “**Regulations**”). The Regulations apply to all individuals or legal entities engaged in the carrying-out of civil construction and public works, works, works planning and inspection activities.

Aimed at implementing a set of new rules that will make clearer the criteria for the performance of the relevant activities, the Regulations also intend to make the underlying administrative and licensing processes faster.

Despite repealing Presidential Decree no. 63/16, of 29 March, which set the former regime, the Regulations end-up maintaining most of the provisions and principles enriched in the same, although introducing some changes, of which we would like to highlight the following:

- Registration titles and licenses are now granted by Municipal Administrations and Provincial Governments, as follows:
 - Municipal Administrations are responsible for granting registry titles and 1st and 2nd class licenses;
 - Provincial Governments are responsible for granting 3rd and 4th class licenses; and
 - the Civil Constructions and Public Works Regulatory Institute (*Instituto Regulador de Construção Civil e Obras Públicas* or IRCCOP) is responsible for granting licenses follow under the remaining classes.
- Until all the technical, logistical and human conditions are met for the transfer of such powers to Municipal Administrations and Provincial Governments, IRCCOP will continue to be the entity responsible for granting and issuing registration titles and licenses for all the classes;
- Registration titles are now only valid for a 5 years (instead of the 10 years initially provided under Presidential Decree no. 63/16), and shall only be granted to entities that (i) comply with the criteria set in the Regulation and (ii) carry out works not exceeding a maximum amount of AKZ. 35.000.000,00. Entities carrying out works that exceed said cap are required to apply for a license;

- The supporting documentation to be submitted with the relevant application for registration has also been subject to minor changes. For instance, individuals are not longer required to disclose a copy of their Criminal Records;
- There is no longer an extensive list of the situations under which applicants would be considered as not complying with the reputational requirements. The Regulations simply state that an applicant shall not be subject to any judicial or administrative prohibition in order to be considered suitable to carry out civil construction and public works activities;
- While the requirements to obtain the licenses and maintain the qualifications of sole traders or trading companies remain unchanged, there were made small adjustments to the requirements and documentation to be assessed for the renewal of licenses, namely, regarding the time periods to be considered on the analysis of financial stability indicators and the accidents at work;
- Economic and financial capacity is now assessed using only two features, being (i) the overall turnover in executed contracts and (ii) an equity corresponding to a minimum of 5% of the requested class;
- The minimum reference values for the indicators of general liquidity, financial autonomy, solvency and respective classes have been slightly adjusted;
- The Annexes, containing the tables with the (i) categories of works applicable to registration titles, (ii) categories of works applicable to licenses, (iii) minimum personnel and qualifications for each class and category (respectively), and (iv) qualification classes applicable to the activities of civil construction and public works, construction projects and works inspection have undergone some changes. For instance, the minimum number of staff for the civil construction licenses has increased, being now required an health and safety technician for all classes (in addition to other technicians);
- Depending on the penalty applied, accessory penalties may now entail additional effects, such as the prohibition of entering into new construction works' contracts and the shutting down of ongoing construction works;
- The provisions of the Regulations shall apply to all future and pending applications. Applicants with pending applications have 30 days since the entry in force of the new Regulations to amend them accordingly;
- Registry titles and licenses that have already been granted must be replaced within 2 years from the entry in force of the Regulations;
- The Regulations have come into force on 27 May 2020.