

# OIL & GAS

NEW FOREX REGIME FOR  
NON-ASSOCIATED NATURAL  
GAS AND DERIVATIVES

VdA EXPERTISE

April 2021



**Pursuant to the provisions of the Foreign Exchange Law for the Petroleum Sector [approved by Law 2/12, of 13 January 2021 ("FELPS")], the National Bank of Angola ("BNA") has recently published Order 3/2021, of 1 April 2021 ("Order"), which establishes the new foreign exchange regime applicable to the entities engaged in the prospecting, exploration, appraisal, development, production and marketing of non-associated natural gas and its derivatives.**

**The main features of this Order can be outlined as follows:**

### 1. Scope:

The Order applies to: (i) oil companies engaged in non-associated natural gas upstream activities; and (ii) domestic banking institutions.

### 2. Foreign Exchange Transactions – New Rules:

- The sales of non-associated natural gas to non-resident foreign exchange entities must be settled in hard currency, and the proceeds from the sales (exports) must be deposited in a local hard currency denominated bank account;
- The services provided by resident foreign exchange entities in connection with the sale of non-associated natural gas to non-resident foreign exchange resident entities must be invoiced and settled in hard currency;
- The transactions between resident foreign exchange entities related to the sale of non-associated natural gas for should (i) preferably, be settled in Kwanzas; or (ii) by agreement of the parties and provided the buyer is an exporting entity, in hard currency, but resorting exclusively to buyer's own funds kept in a foreign currency denominated bank account domiciled in the country.

### 3. Sale of Hard Currency:

Exporters of non-associated natural gas must (i) sell the hard currency required for the acquisition of goods and services in the domestic market; and (ii) keep in local hard currency denominated bank accounts the amounts required for the settlement of their foreign currency obligations.

The negotiation and sale of hard currency by exporting entities must be pursuant to BNA Instruction 2/2020, of 30 March 2020, and other applicable ancillary forex laws and regulations.

### 4. Capital Operations and Repatriation of Profits and Dividends:

Foreign investors' capital export and import operations and repatriation of profits and dividends, must be made pursuant to the provisions of the FELPS and the ancillary foreign exchange laws and regulations in force from time to time. The settlement of capital export and repatriation of profits and dividends operations must be made by debit of payers' own funds deposited in foreign currency denominated bank accounts domiciled in the country.

### 5. Opening of Overseas Accounts and Financing:

The opening and operation of overseas bank accounts by resident foreign exchange entities is subject to BNA's prior authorization. Opening of overseas debt service *escrow accounts* may also be authorized. Securing of overseas financing is not subject to BNA's prior authorization or licensing, but borrowers are required to submit a complete set of information on the terms and conditions of the projected loans through their domestic banking institutions.

### 6. Registration:

All foreign exchange operations must be recorded with SINOC, pursuant to the applicable foreign exchange laws and regulations.

### 7. Fines and Penalties:

The infringement of the provision of this Order triggers the assessment of fines and penalties provided for in the applicable laws and regulations.

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