

PANORAMIC

# **GAS REGULATION**

Angola



LEXOLOGY

# Gas Regulation

Contributing Editors

**David Tennant and Adam Brown**

Dentons

**Generated on: March 19, 2024**

The information contained in this report is indicative only. Law Business Research is not responsible for any actions (or lack thereof) taken as a result of relying on or in any way using information contained in this report and in no event shall be liable for any damages resulting from reliance on or use of this information. Copyright 2006 - 2024 Law Business Research

# Contents

## Gas Regulation

### DOMESTIC SECTOR OVERVIEW

- State of the market
- Consumption
- Government policy
- Regulatory authorities

### REGULATION OF NATURAL GAS PRODUCTION

- Ownership and organisation
- Regulatory framework
- Unconventional gas production
- Required security and guarantees

### REGULATION OF NATURAL GAS PIPELINE TRANSPORTATION AND STORAGE

- Ownership and infrastructure
- Regulatory framework
- Land rights
- Access
- Interconnection and expansion
- Processing
- Contracts

### REGULATION OF NATURAL GAS DISTRIBUTION

- Ownership
- Regulatory framework
- Access and pricing
- System/service expansion and limitation
- Contracts

### REGULATION OF NATURAL GAS SALES AND TRADING

- Ownership and organisation
- Government oversight
- Trading processes
- Available services and products

### REGULATION OF LNG

- Ownership and organisation
- Regulatory framework
- Pricing

### MERGERS AND COMPETITION

Competition authorities  
Competition standards  
Enforcement  
Merger control  
Price restrictions  
Corporate governance regulations

## **INTERNATIONAL**

Foreign participation  
International agreements  
Cross-border sales and deliveries

## **TRANSACTIONS BETWEEN AFFILIATES**

Restrictions  
Enforcement

## **UPDATE AND TRENDS**

Gas sector-specific regulation  
Other regulatory developments of particular relevance to the gas sector

# Contributors

## Angola

Vieira de Almeida & Associados



---

**João Afonso Fialho**

[jaf@vda.pt](mailto:jaf@vda.pt)

**Ângela Viana**

[axv@vda.pt](mailto:axv@vda.pt)

**Maria Inês Costa**

[mirc@vda.pt](mailto:mirc@vda.pt)

---

## DOMESTIC SECTOR OVERVIEW

### State of the market

Describe the domestic natural gas sector, including the natural gas production, liquefied natural gas (LNG) storage, pipeline transportation, distribution, commodity sales and trading segments and retail sales and usage.

According to the most recent available data, Angola has 27 trillion cubic feet of natural gas reserves but still needs to foster the monetisation of its gas resources, as the country continues to be focused almost exclusively on oil production. As the natural gas sector increasingly positions itself as a vital component of the energy transition, Angola is embarking on a series of comprehensive initiatives to monetise and exploit natural gas.

Angola has an LNG power plant in Soyo, operational since 2012. The Soyo LNG plant is currently the only active gas monetisation facility in the country, processing gas from seven offshore fields, with the expectation of monetising gas from two other fields in the future. It represents one of the most significant single investments in the Angolan oil and gas industry. The Soyo plant is designed to process 1.1 billion cubic feet of natural gas per day and can produce 5.2 million tonnes of LNG annually – plus natural gas, propane, butane and condensate. The Angola LNG plant is the first facility to tap into the country's abundant natural gas resources while reducing gas flaring and greenhouse gas emissions. The use of associated gas as a primary source of natural gas makes the plant unique in the region, as most plants do not use associated gas. As a result, the plant contributes significantly to eliminating gas flaring in Angola and the associated environmental problems.

While the country currently exports approximately 78 per cent of its natural gas production in the form of LNG, the goal is to keep 25 per cent of production in the country by 2030 through related high-value-added industries. The Angolan executive appears to be seriously focused on the achievement of such goal, as according to information disclosed by the Ministry of Mineral Resources, Petroleum and Gas, during the third quarter of 2023, LNG, propane and condensed gas exports have grown 18.94 per cent when compared to the same period in 2022.

Natural gas is also essential to alleviate Angola's fuel shortage while creating new revenue streams for regional gas exports. In September 2021, the national oil company Sonangol completed the upgrade and installation of the gas-filling plant in Cabinda, tripling the plant's filling capacity from 3,000 12-kilogramme gas cylinders daily to 9,000 cylinders. The facility at the Cabinda Ocean Terminal was refurbished between January 2020 and June 2021, increasing its gas storage capacity from 72 cubic metres to 224 cubic metres. These upgrades, combined with an increase in gas production and the modernisation of the cylinder-filling system into an automated system, are expected to increase gas availability in the market by up to 28 per cent, reducing fuel shortages in the country's northern region.

Angola also follows the example of other African countries that are rich in gas and use it for domestic transportation. In November 2021, Sonangol resumed butane gas-fuelled train services from Luanda on the west coast to Malanje in the north after it had been interrupted for more than 30 years. Sonangol also announced plans to build a modern facility in the village of Kinguila in the northwest region with a storage capacity of up to 400 cubic metres of gas to increase gas storage and delivery volumes in Malanje and neighbouring provinces.

In July 2022, Eni and its partners in the Natural Gas Consortium (NGC), Chevron's affiliate in Angola Cabinda Gulf Oil Company Limited (CABGOC), Sonangol P&P, BP and TotalEnergies, together with the announcement from Angola's National Agency for Oil, Gas and Biofuels (ANPG), announced that the final investment decision for the development of the Quiluma and Maboqueiro (Q&M) fields has been taken by the Consortium. This is Angola's first non-associated gas development project through which gas from the Q&M fields will be injected into the onshore Angola LNG processing plant. Production in the Q&M fields is expected to commence in 2026, being estimated at 330 million cubic feet per day. In addition, the NGC is working on the construction of another LNG plant in Soyo, designed to process 400 million cubic feet of gas per day, which will also be connected to the combined cycle plant to generate domestic electricity for domestic use for regional export.

**Law stated - 8 December 2023**

### **Consumption**

**What percentage of the country's energy needs is met directly or indirectly with natural gas and LNG? What percentage of the country's natural gas needs is met through domestic production and imported production?**

Gas consumption in Angola has remained relatively stable since 2001, with the country consuming 32 billion cubic feet in 2021. In 2021, Angola produced about 16.90 gigawatt-hours of electricity, of which 71 per cent came from hydropower, 28 per cent from fossil fuels and 1 per cent from other renewable sources (no updated data for 2022 is yet available).

In July 2022, the Angolan Ministry of Energy and Water announced plans to increase the electricity supply rate from 42.8 per cent to 60 per cent by 2025 through new gas-fired and renewable generation and the expansion of the national distribution grid. Efforts to expand the country's installed power generation capacity include the planned 750-megawatt Soyo II combined-cycle gas turbine power plant, which is currently in the permitting phase and is expected to be operational in 2024. In October 2021, Sonangol launched the second phase of the Falcão natural gas project to increase natural gas processing, storage and distribution capacity. The project includes onshore infrastructure connecting the Angola LNG plant to the existing Soyo I combined cycle power. With the start of the project's second phase, Sonangol's processing capacity is expected to double, and natural gas volumes will increase from 75 million cubic feet to 125 million cubic feet. Work is reportedly progressing well, with the Gas Reception and Distribution Unit already 95 per cent completed.

**Law stated - 8 December 2023**

### **Government policy**

**What is the government's policy for the domestic natural gas sector and which bodies set it?**

The Angolan Constitution vests in the Angolan state all resources of the soil and subsoil, territorial waters, exclusive economic zone and continental shelf. The Petroleum Activities Law, approved by Law 10/04 of 16 November 2004, as amended by Law 5/19 of 18 April

2019, echoes the constitutional principle that all petroleum resources, including all onshore and offshore petroleum resources, belong to the state.

In 2020, the government approved the Angolan Hydrocarbon Exploration Strategy for 2020 to 2025 to incentivise reserve replacement and mitigate the decline of oil and gas production in Angola. This strategy targets the discovery of 40 billion to 57 billion barrels of crude oil and between 17.5 trillion cubic feet and 27 trillion cubic feet of natural gas, for a total of additional resources in the order of 43.06 billion barrels of oil to 61.6 billion barrels of oil equivalent to maintaining national production at over 1 million barrels per day by 2040. This strategy follows the 2018 government initiatives to boost production in the country, with new regulatory frameworks for the development of marginal fields, additional exploration areas and natural gas.

In particular, with regard to the development of natural gas fields, the government adopted a new policy to allow the monetisation of associated and non-associated gas (Presidential Legislative Decree 7/18 of 18 May 2018), which motivated the establishment of the NGC between Eni, Chevron's affiliate in CABGOC, Sonangol P&P, BP and TotalEnergies, together with the ANPG, for the development of the Q&M fields.

The ANPG is responsible for the management, monitoring and promoting of petroleum and gas activities in Angola and acts as the national concessionaire for hydrocarbons.

**Law stated - 8 December 2023**

### **Regulatory authorities**

#### **Which authorities make regulatory policies and decisions in respect of the production, transmission, distribution and supply of natural gas?**

The Ministry of Mineral Resources, Petroleum and Gas (MMRPG) oversees the exploration and production of oil and gas, as well as oil and gas refining, distribution and marketing, and the importation, exportation and conservation of oil, petroleum products and LNG. The MMRPG is also responsible for formulating, implementing and controlling policies relating to geological and mineral activities of oil, gas and biofuels, namely, the prospecting, research, development and production of minerals, as well as the storage, distribution and marketing of these mineral products.

In 2019, the ANPG replaced Sonangol as the national concessionaire and holder of mineral rights for oil and gas exploration and natural gas in Angola. The main role of ANGP, which is under the supervision of the MMRPG, is to regulate, supervise and promote petroleum activities, namely, the exploration, exploitation, development and production of minerals, crude oil and gas, refining and petrochemicals, as well as the storage, distribution and marketing of minerals and oil products.

Also worth noting is the establishment of the Oil Derivatives Regulating Institute (IRDP) in 2018. The IRDP is the Angolan regulatory authority with management, administrative and financial independence responsible for regulating the activities of the oil-derived products sector. The IRDP is responsible, among other things, for defending the rights and interests of:

- consumers, in terms of prices, services and quality of service;



- promoting competition between players in the sector;
- ensuring fairness and transparency in business relations;
- monitoring compliance with public-service obligations;
- performing tasks related to national arbitration; and
- proposing policies to the executive concerning the oil-derived products sector.

The MMRPG, the ANPG and the IRDP are public entities and form part of the country's public administration. As such, any challenge to their decisions must be submitted pursuant to the relevant provisions of the law, notably, each entity's organic statute and the Administrative Procedure Code, approved by Law 31/22 of 30 August 2022.

The Ministry of Finance, the Ministry of Culture, Tourism and the Environment and the Angolan Central Bank also have a degree of oversight and regulation.

**Law stated - 8 December 2023**

## REGULATION OF NATURAL GAS PRODUCTION

### Ownership and organisation

**What is the ownership and organisational structure for production of natural gas (other than LNG)? How does the government derive value from natural gas production?**

Under the Constitution and the Petroleum Activities Law, all natural resources are the property of the state, including all onshore and offshore petroleum reserves. Companies willing to develop exploration and production activities must do so in association with Angola's national concessionaire, National Agency for Oil, Gas and Biofuels (ANPG), which has exclusive rights for the exploration and production (E&P) of natural gas in Angola.

The government derives value from natural gas produced under the terms of the relevant E&P contract and taxation (petroleum production tax, petroleum revenue tax, petroleum transaction tax and surface-area charge).

**Law stated - 8 December 2023**

### Regulatory framework

**Describe the statutory and regulatory framework and any relevant authorisations applicable to natural gas exploration and production.**

The regulatory framework for natural gas exploration and production is primarily established in the Petroleum Activities Law. In addition to the Petroleum Activities Law, the following legal statutes are also noteworthy:

- Law 11/04 of 12 November 2004 (Petroleum Customs Law);
- Law 13/04 of 24 December 2004, as amended by Law 6/19 of 18 April 2019 (Petroleum Activities Tax Law);

- Decree 1/09 of 27 January 2009 (Regulations for Petroleum Operations);
- Law 2/12 of 13 January 2012 (foreign exchange regime for the petroleum sector);
- Presidential Legislative Decree 7/18 of 18 May 2018 (legal and fiscal regime applicable to the activities of prospecting, research, evaluation, development, production and sale of natural gas);
- Presidential Decree 282/20 of 27 October 2020, which approves the Angolan Hydrocarbon Exploration Strategy for 2020 to 2025;
- Joint Executive Decree 331/20 of 16 December 2020 (rules and procedures for determining and changing prices of crude and natural gas derived products), as amended by Joint Executive Decree 81/23 of 1 June 2023; and
- BNA Order 8/22 of 25 March 2022 (foreign-exchange regime for entities engaged in prospecting, research, evaluation, development, production and sale of non-associated gas).

One of the fundamental principles emerging from the Angolan Constitution and the Petroleum Activities Law is that all mineral resources found in the soil and subsoil, inland waters, territorial waters, continental shelf and exclusive economic zone belong to the state.

The ANPG is the holder of oil and gas mining rights, and any entity that wishes to carry out petroleum operations in the country may only do so together with the National Concessionaire under an E&P contract or specific licence issued by the Ministry of Mineral Resources and Petroleum. The Petroleum Activities Law foresees three types of association:

- the incorporation of a joint company;
- a consortium agreement; or
- a production sharing agreement.

Companies may also be retained by the ANPG to carry out E&P operations under a risk services contract.

Reference must also be made to the special legal and fiscal regime established by means of Presidential Legislative Decree 7/18 for the prospecting, research, evaluation, development, production and sale of natural gas in Angola, ultimately aimed at promoting investment in the development of natural gas (associated and non-associated gas projects) and related industries.

**Law stated - 8 December 2023**

### **Unconventional gas production**

**Are there different rules for, or any restrictions on, unconventional natural gas production (including fracking)?**

Angola has not yet established a specific legal framework dealing with rules and restrictions on unconventional natural gas production.

**Law stated - 8 December 2023**

### **Required security and guarantees**

**Are participants required to provide security or any guarantees to be issued with a licence to explore for or to store gas?**

A bank guarantee or parent company guarantee is usually required to ensure the fulfilment of minimum work obligations under the relevant production sharing agreements, risk services contracts or other E&P concession contracts or licences.

**Law stated - 8 December 2023**

## **REGULATION OF NATURAL GAS PIPELINE TRANSPORTATION AND STORAGE**

### **Ownership and infrastructure**

**Describe in general the ownership of natural gas pipeline transportation, and storage infrastructure.**

Transport and storage activities are subject to licensing with the Ministry of Mineral Resources, Petroleum and Gas (MMRPG). Upon expiry of the licence, the assets acquired for transporting and storing natural gas become the state's property. The licensee may be required to remove the facilities and equipment no longer necessary to operate the oil and gas pipelines at its own expense and risk, repair damages caused by its activities and implement environmental protection measures.

Natural gas pipeline transportation and storage infrastructures ancillary to production are regulated under the relevant exploration and production (E&P) contract.

**Law stated - 8 December 2023**

### **Regulatory framework**

**Describe the statutory and regulatory framework and any relevant authorisations applicable to the construction, ownership, operation and interconnection of natural gas transportation pipelines, and storage.**

Law 26/12 of 22 August 2012 approves the regulatory framework for the transportation and storage of crude oil and natural gas, establishing the rules and licensing procedures applicable to these activities, the relevant sanctions system, the different types of transportation of crude oil and natural gas, tariffs, safety and environmental protection rules, and the supervision and control of the transportation and storage of crude oil and natural gas activities.

The construction, ownership, operation and interconnection of natural gas transportation pipelines and storage requires a licence from the MMRPG (prior authorisation and consents for access to and use of land as well as applicable environmental licences must be secured). Transportation and storage installations within a concession area covered by a development plan, as well as the transportation of oil and natural gas to the international market, are not subject to the licensing rules established under Law 26/12.

Natural gas transportation pipelines must also be recorded with the Land Registrar Office.

Law stated - 8 December 2023

### **Land rights**

**How does a company obtain the land rights to construct a natural gas transportation or storage facility? Is the method for obtaining land rights to construct natural gas distribution network infrastructure broadly similar?**

The holder of a natural gas transportation or storage licence has the right to access the necessary areas to implement the activities established by the licence, subject to existing land rights. In the event of existing land rights over the concession, the MMRPG may propose to the executive the expropriation of the land required to implement the natural gas transportation or storage facility. In this case, the government may declare land required for the construction of pipelines to be in the public interest for expropriation and civil easement. In the event of expropriation, land rights holders are entitled to fair compensation.

Law stated - 8 December 2023

### **Access**

**How is access to the natural gas transportation system and storage facilities arranged? How are tolls and tariffs established?**

Pipeline operators are required to transport third-party crude oil on acceptable commercial terms and without discrimination if there is available capacity in the transportation system and the technical and operational integrity of the transportation system is not compromised.

The owners and operators of transport and storage facilities have the right to impose tariffs on the transportation or storage of natural gas. The tariffs are approved by the MMRPG, taking into consideration the need for the owner or operator to recover investment and obtain profits consistent with the risk of the operations.

Law stated - 8 December 2023

### **Interconnection and expansion**

**Can customers, other natural gas suppliers or an authority require a pipeline or storage facilities owner or operator to expand its facilities to accommodate new customers? If so, who bears the costs of interconnection or expansion?**

Expansion of the transport pipeline capacity can only be imposed on the pipeline facilities owner or operator provided that:

- it is technically and economically feasible and compatible with safety standards;
- the interests of the owner and the operator are protected;
-

the new user does not become the owner of all or part of the transportation pipeline without the consent of the owner or operator; and

- the owner or operator is not obliged to finance all or part of the capacity expansion.

The new user shall be fully responsible for the capacity expansion costs, including the equipment necessary to process products with different specifications.

The MMRPG may exempt the pipeline licence holder from this obligation if it can prove that expanding the transport capacity is impossible.

**Law stated - 8 December 2023**

### **Processing**

**Describe any statutory and regulatory requirements applicable to the processing of natural gas to extract liquids and to prepare it for pipeline transportation.**

The processing of natural gas – in the context of natural gas E&P activities – is subject to government approval under the Petroleum Activities Law and the rules of the relevant E&P contract.

**Law stated - 8 December 2023**

### **Contracts**

**Describe the contractual regime for transportation and storage.**

There is no statutory contractual regime for the transportation and storage of natural gas imposed by Angolan law. Any model agreement commonly used in the oil and gas industry (governing reserved capacity, obligations of the parties, quality or specifications of the gas, among other commercial terms and conditions) may be adopted by the parties.

**Law stated - 8 December 2023**

## **REGULATION OF NATURAL GAS DISTRIBUTION**

### **Ownership**

**Describe in general the ownership of natural gas distribution networks.**

The distribution of petroleum products occurs under a free-market system and is subject to licensing. Rules on the ownership of natural gas distribution networks must be regulated under the relevant distribution licence.

**Law stated - 8 December 2023**

### **Regulatory framework**

## **Describe the statutory and regulatory structure and authorisations required to operate a distribution network. To what extent are gas distribution utilities subject to public service obligations?**

In the absence of specific legislation governing the distribution and sale of natural gas (as foreseen in article 1.3 of Presidential Decree 208/19), natural gas distribution is primarily regulated by Law 28/11 of 1 September 2011 (Law on the Refining of Crude Oil, Storage, Transport, Distribution and Marketing of Oil Products) and Presidential Decree 208/19 of 1 July 2019 (Legal Regime applicable to the Refining of Crude Oil).

Natural gas distribution activities are subject to the issuance of a licence and broadly bound by general public service obligations, for example, safety, regularity and quality of supply, consumer protection, satisfaction of health, military and social welfare needs and energy efficiency.

Natural gas distribution networks are also subject to inspections and environmental licensing.

**Law stated - 8 December 2023**

## **Access and pricing**

### **How is access to the natural gas distribution grid organised? Describe any regulation of the prices for distribution services. In which circumstances can a rate or term of service be changed?**

Access to the natural gas distribution grid is organised by the state through the licensing of distribution activities and infrastructures.

The competition authorities shall, on the proposal of the Ministry of Mineral Resources, Petroleum and Gas and after consulting the body responsible for the Oil Derivatives Regulating Institute, establish a regime of tariffs and prices to be applied to the costs of carrying out the activities of the petroleum derivatives sector system.

**Law stated - 8 December 2023**

## **System/service expansion and limitation**

### **May the regulator require a distributor to expand its system to accommodate new customers? May the regulator require the distributor to limit service to existing customers so that new customers can be served?**

The law does not expressly set out specific rules on the expansion and limitation of the distribution system. The government may regulate the specific terms and conditions for the operation of distribution grids or expand or limit service under the relevant distribution licence in accordance with the state energy policies. The government must ensure that the development of distribution networks and infrastructures must identify long-term needs to satisfy demand in the whole territory.

**Law stated - 8 December 2023**

## Contracts

Describe the contractual regime in relation to natural gas distribution.

There is no statutory contractual regime for natural gas distribution imposed by Angolan law.

Law stated - 8 December 2023

## REGULATION OF NATURAL GAS SALES AND TRADING

### Ownership and organisation

What is the ownership and organisational structure for the supply and trading of natural gas?

Supply and trading of natural gas activities are subject to the issuance of a licence and must ensure the protection of consumers and, in particular, access to natural gas, the exercise of the right to information and the quality of the service.

Without prejudice to the exercise of activities in a free and competitive market, public-service obligations shall be defined to be complied with by wholesalers, retailers and operators of petroleum installations, ensuring security, continuity and quality of supply, consumer protection, meeting the needs of priority customers in the areas of health, armed forces and social assistance, and promoting energy efficiency and the rational use of resources and environmental protection.

Law stated - 8 December 2023

### Government oversight

To what extent are natural gas supply and trading activities subject to government oversight? What authorisations are required to engage in wholesale trading of gas?

Natural gas supply and trading activities are subject to government oversight through licensing and regular supervision. Natural gas supply and trading infrastructures may also be subject to inspections and environmental licensing.

Law stated - 8 December 2023

### Trading processes

How are physical and financial trades of natural gas typically completed?

There are no statutory or standard processes, agreements or terms for the supply and trading of natural gas. Any internationally used and accepted forms of supply and trading of natural gas may be adopted by the parties.

Law stated - 8 December 2023

### **Available services and products**

Must wholesale and retail buyers of natural gas purchase a bundled product from a single provider? If not, describe the range of services and products that customers can procure from competing providers.

There are no express rules imposing wholesale and retail buyers of natural gas to purchase a bundled product from a single provider.

Law stated - 8 December 2023

## **REGULATION OF LNG**

### **Ownership and organisation**

What is the ownership and organisational structure for LNG, including liquefaction and export facilities, and receiving and regasification facilities?

The law does not expressly regulate ownership and organisational structures for LNG projects. The specific rules on ownership and organisational structure for each LNG project shall be addressed under a concession agreement to be entered into with the state.

Law stated - 8 December 2023

### **Regulatory framework**

Describe the regulatory framework and any relevant authorisations required to build and operate LNG facilities.

The implementation of an LNG project (LNG facilities' installation and operation) is subject to the negotiation and approval of a concession agreement under the Petroleum Activities Law. The relevant rules for the development of an LNG project shall be addressed under the concession agreement to be entered into with the state.

Law stated - 8 December 2023

### **Pricing**

Describe any regulation of the prices and terms of service in the LNG sector.

No regulations have been established in relation to prices and terms of service in the LNG sector (save for the Angola LNG Plant).

Law stated - 8 December 2023

## **MERGERS AND COMPETITION**



## Competition authorities

### Which government body may prevent or punish anticompetitive or manipulative practices in the natural gas sector?

The Competition Regulatory Authority (ARC) created by Presidential Decree 313/18 of 21 December 2018 is the government body responsible for the enforcement of anticompetitive or manipulative practices in the exercise of economic activities with supervision, regulatory and sanctioning powers. According to the Competition Law (Law 5/18 of 10 May 2018) and the Competition Regulations (Presidential Decree 240/18 of 12 October 2018), the ARC should collaborate with the relevant sectorial regulatory authorities in the enforcement of legislation under the terms foreseen in the Competition Law; in this case, the Ministry of Mineral Resources, Petroleum and Gas (MMRPG) and the Oil Derivatives Regulating Institute, which has the power to supervise the prices of petroleum products traded in Angola.

**Law stated - 8 December 2023**

## Competition standards

### What substantive standards does that government body apply to determine whether conduct is anticompetitive or manipulative?

The Competition Law Regulations prohibit restrictive practices, including:

- anti-competitive agreements;
- the abuse of a dominant position; and
- the abuse of economic dependence.

The Regulations also provide for ex-ante merger control. Horizontal and vertical agreements between undertakings are also prohibited, as are concerted practices and decisions by associations of undertakings that significantly restrict competition in the Angolan market.

**Law stated - 8 December 2023**

## Enforcement

### What authority does the government body have to preclude or remedy anticompetitive or manipulative practices?

Under the Competition Law, a violation of the prior notification obligation can be sanctioned with a fine of between 1 per cent and 5 per cent of the company's annual turnover, and a violation of the standstill obligation can be punished by a fine of between 1 per cent and 10 per cent of the company's annual turnover. It follows that a company that carries out a transaction subject to approval by the ARC without notifying it in advance can be sanctioned with two fines, which can be up to 15 per cent of turnover. If notification is made, but the transaction is carried out before approval, the sanction can only be a fine of up to 10 per cent.

**Law stated - 8 December 2023**

### **Merger control**

**Does any government body have authority to approve or disapprove mergers or other changes in control over businesses in the sector or acquisition of production, transportation or distribution assets?**

Any merger operation entailing the direct or indirect transfer of rights and obligations granted under an E&P contract (upstream) is subject to the approval of the MMRPG (save for an affiliate and provided the assignor remains jointly and severally liable for the duties of the assignee). Said transfers may also be subject to the statutory right of first refusal of Angola's national concessionaire, National Agency for Oil, Gas and Biofuels (ANPG), Sonangol, EP or other Angolan oil companies.

Transfers of rights and obligations granted under a concession or licence for the construction and operation of natural gas transportation, storage or distribution assets (downstream) as a result of a merger operation may also be subject to government approval.

Without prejudice to the above, the Competition Law Regulations establish that concentrations are subject to prior notification whenever one of the following thresholds is met:

- a market share of at least 50 per cent in the domestic market of a specific product or service, or in a substantial part of it, is acquired, created or reinforced;
- a market share equal to or more than 30 per cent but lower than 50 per cent in the domestic market of a specific product or service, or in a substantial part of it, is acquired, created or reinforced, and the individual turnover of at least two of the undertakings involved in the concentration in Angola in the previous financial year is more than 450 million kwanzas, net of taxes directly related to that turnover; or
- the undertakings involved in the concentration reached an aggregate turnover in Angola in the previous financial year is more than 3.5 billion kwanzas, net of taxes directly related to that turnover.

The Competition Regulatory Authority has 120 days to approve or disapprove the transaction.

**Law stated - 8 December 2023**

### **Price restrictions**

**In the purchase of a regulated gas utility, are there any restrictions on the inclusion of the purchase cost in the price of services?**

There are no express statutory restrictions on the inclusion of the purchase cost in the price of services. However, such price must be calculated and assessed in accordance with the mandatory system of controlled prices.

**Law stated - 8 December 2023**

### **Corporate governance regulations**

**Are there any restrictions on the acquisition of shares in gas utilities? Do any corporate governance regulations or rules regarding the transfer of assets apply to gas utilities?**

There are no restrictions in respect of the acquisition of shares in gas utilities nor corporate governance regulations or rules regarding the transfer of gas utilities' assets (save for the general rules of transfer of rights and interests that may be subject to government approval, or third parties consent or right of first refusal).

**Law stated - 8 December 2023**

## **INTERNATIONAL**

### **Foreign participation**

**Are there any special requirements or limitations on foreign companies acquiring interests in any part of the natural gas sector?**

There are no special requirements or limitations on foreign companies acquiring interests in any segment of the natural gas sector.

Without prejudice to the above, it is worth noting that in the upstream sector, Angola's national concessionaire, the National Agency for Oil, Gas and Biofuels (ANPG) has exclusive rights for the exploration and production of natural gas in Angola and, therefore, any foreign or national company that wishes to carry out petroleum operations in the country may only do so in association with the ANPG or under a risk-services contract. It is also worth noting that the ANPG, Sonangol, EP and other Angolan oil companies may have statutory right of first refusal in the award and assignment of participating interests or operatorship.

**Law stated - 8 December 2023**

### **International agreements**

**To what extent is regulatory policy affected by treaties or other multinational agreements?**

Angolan regulatory policy is approved or amended to give effect to the country's commitments under international treaties and other multinational agreements adhered to by Angola.

In the conduct of petroleum operations, concessionaires are statutorily required to consider and abide by internationally accepted standards and good oilfield practices.

**Law stated - 8 December 2023**

### **Cross-border sales and deliveries**

**What rules apply to cross-border sales or deliveries of natural gas?**

There are no specific rules applying to cross-border sales or deliveries of natural gas. One must, nevertheless, take into consideration:

- the legal framework governing the activities relating to transportation, storage and handling of natural gas; and
- the applicable foreign exchange rules established by the National Bank of Angola for the settlement of natural gas sales.

Law stated - 8 December 2023

## TRANSACTIONS BETWEEN AFFILIATES

### Restrictions

What restrictions exist on transactions between a natural gas utility and its affiliates?

There are no special restrictions on transactions between a natural gas utility and its affiliates, without prejudice to the general rules on transfer pricing and control of direct and indirect assignments.

Law stated - 8 December 2023

### Enforcement

Who enforces the affiliate restrictions and what are the sanctions for non-compliance?

Not applicable.

Law stated - 8 December 2023

## UPDATE AND TRENDS

### Gas sector-specific regulation

Describe recent trends and developments in the regulation of the domestic natural gas sector.

As the natural gas sector increasingly positions itself as a vital component of the energy transition – as well as a means to generate electricity, alleviate fuel shortages and diversify income streams – Angola is embarking on a series of comprehensive initiatives to monetise and utilise natural gas. While the country currently exports circa 78 per cent of its natural gas production in liquefied natural gas (LNG), it aims to keep 25 per cent of its production by 2030 through related value-added industries.

To promote the production of natural gas and boost the exploration and development of non-associated gas fields, in 2018, the government launched a series of regulatory changes to the natural gas regulations (including new fiscal and foreign-exchange terms).

At the Angola Oil & Gas 2023 Conference & Exhibition, organised by Energy Capital & Power in Luanda in September 2023, some of the country's biggest gas players featured in a panel discussion under the theme 'Optimizing Angola's Gas Potential', where ongoing projects were discussed, as well as new opportunities unfolding and how monetisation efforts would position the country as a gas-driven economy.

According to Manuel Barros, CEO of Sonangol Gas and Renewable Energies, Sonangol believes in the gas future of Angola and understands that, while initially gas will be used for the generation of electricity in Cabinda, being the domestic market is the country's priority, whatever gas there is in excess, will be channelled to exports. Américo Fernandes, Technical Lead of Natural Gas at Angola's national concessionaire, National Agency for Oil, Gas and Biofuels (ANPG), also highlighted that, on the supply side, the country can use existing facilities such as the LNG plant and installed gas pipelines of more than 500 kilometres, and gas can be used for blue-hydrogen production, a trend in the global market, which can also contribute to creating job opportunities.

**Law stated - 8 December 2023**

**Other regulatory developments of particular relevance to the gas sector**  
Describe any other recent regulatory trends and developments of particular interest to those operating in the domestic natural gas sector.

The urgent need to develop the national economy and its workforce in the oil and gas sector, as well as the incorporation of national raw materials to reduce Angolan imports and promote the increase of domestic production of goods and services, led to the adoption of a new local content legal regime for the Angolan oil and gas sector approved by Presidential Decree 271/20 of 20 October 2020. The ANPG also approved Instruction 6/21 of 4 November 2021, which elaborates on the local content provisions established by Presidential Decree 271/20.

Angola also continues to be invested in adopting strict regulations on public probity, anti-corruption, anti-money laundering and anti-terrorism. In 2022, the National Assembly approved Law 13/22 on Public Seizure, which, among other things, allows the state to recover assets unlawfully used or acquired with resort to public funds.

**Law stated - 8 December 2023**