

**LAW NO. 11/04**  
**OF 12 NOVEMBER 2004**

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The high risk involved in oil operations and the large volume of investments they require justify their benefiting from a different customs system to that in force for other economic activities.

The need to proceed with the standardisation of the customs system applicable to the different oil concessions contained in the respective concession documents, in such a way as to establish not only a system of fair treatment of the organisations investing in the oil sector but also to make it easier for the state authorities to apply the system.

On these terms, under the cover of the provisions of paragraph f) of article 90 of the Constitutional Law, the National Assembly approves the following:

**ARTICLE 1**

**(Object)**

This law establishes the customs system which governs oil operations in the areas under the jurisdiction of the Republic of Angola.

**ARTICLE 2**

**(Scope of application)**

The National Concessionaire, its partners and the organisations which, on their behalf, proceed with the execution of oil operations, are subject to the system laid down in this law.

## ARTICLE 3

### (Definitions)

For the purposes of this law and unless otherwise stated in its own text, the words and expressions used therein have the following meaning and it is right that the definitions in the singular also apply to the plural and vice versa:

- a) *National Concessionaire* - the organisation which holds mining rights pursuant to the Law on Oil Activities;
- b) *Partners of the National Concessionaire* - the organisations which enter into a partnership with the National Concessionaire pursuant to the Law on Oil Activities;
- c) *Mining Rights* - the set of powers awarded to the National Concessionaire with a view to carrying out oil operations in any oil concession;
- d) *Natural gas or gas* - the mixture consisting essentially of methane and other hydrocarbons which are found in an oil deposit in a gaseous state or take on that state when produced under normal pressure and temperature conditions;
- e) *Oil Operations* - the activities of prospecting, exploration, appraisal, development and production of oil, as well as the treatment, transportation and storage of the various types of gas carried out under the cover of the Law on Oil Activities;
- f) *Operator* - the organisation which carries out oil operations in a specific oil concession;
- g) *Oil* - crude oil, natural gas and all other hydrocarbon substances which may be found and extracted or in any other way obtained and collected from the area of an oil concession;
- h) *Crude oil* - a mixture of hydrocarbons from the area of an oil concession which are in a liquid state at the head of the well or in the separator under normal pressure and temperature conditions including distillates and condensates, as well as the liquids extracted from natural gas;
- i) *Goods* - the general term used for the purposes of the customs designation and codification of goods under any custom systems, that is, equipment, machines,

apparatus, instruments, tools, other devices, raw materials and products used in the oil operations, listed in the list appended to this law.

## **ARTICLE 4**

### **(Exemptions on import)**

1. Is exempt from duties and the service tax relating to the general customs fees with the exception of stamp duty, statistical tax of 1/1000 and “*ad valorem*” and other taxes on the provisions of services, associated with the import and export of goods, intended exclusively and directly for carrying out oil operations and which are on the list appended to this law.

2. Other goods intended exclusively and directly for carrying out oil operations may be added to the appended list referred to in the paragraph above on a proposal of the Oil Ministry and after an opinion of the Finance Ministry.

## **ARTICLE 5**

### **(Exclusivity)**

1. A declaration of undertaking on the exclusive application in oil operations, approved by the Oil Ministry, must be submitted to the customs authority at the time of the import of the goods referred to in article 4 of this law.

2. The approval referred to in the paragraph above may be affixed only by an authority of the Oil Ministry whose signature is recognised at the National Customs Department and which also has the duty of supervising the undertaking.

3. Without prejudice to the provisions of the paragraph above, the use of those goods for purposes other than those stipulated and declared constitutes a misappropriation

of rights, stipulated and punishable by the Customs Contencioso (litigation) in force and other applicable legislation.

4. Any deviation from the rule of the exclusive use of imported goods with exemption from customs charges, in Oil Operations, as well as their disposal, must be applied for previously to the Finance Minister and, if the application is deferred, these goods are subject to the payment of all the charges owed, pursuant to the legislation on the general system in force.

## **ARTICLE 6**

### **(Protection of the national market)**

The exemption contained in article 4 of this law is not applicable if the goods referred to in this law exist in Angola, of the same or of similar quality and which are available for sale and delivery in due time, at a price no more than 10% higher than the cost of the imported item before the application of customs charges, but after inclusion of the costs of transportation and insurance, in accordance with the method for assessing the customs value of GATT "WTO".

## **ARTICLE 7**

### **(Import for sale, use or consumption of workers)**

The exemption referred to in article 4 of this law does not apply to goods imported by the National Concessionaire, its partners and organisations which on their behalf proceed to carry out the Oil Operations when they are intended for sale to their workers, their individual or collective use or consumption.

## **ARTICLE 8**

### **(Export of oil)**

The export of oil produced in each oil concession, either in its natural state or after having been processed, provided that the export is carried out pursuant to a contract for purchase and sale and provided that it is properly registered pursuant to the legislation in force, is exempt from duties and the service tax relating to the general customs fees with the exception of stamp duty on customs clearance documents, statistical tax of 1/1000 “*ad valorem*” and other taxes on the provision of services associated with the import and export of goods.

## **ARTICLE 9**

### **(Customs supervision)**

The areas of the oil concessions are considered to be under permanent supervision by Customs, which is why the customs supervision must be permitted free access to all their places, without any type of restrictions, so as to allow it to comply fully with its duties, in particular the sealing and unsealing of storage tanks, the determination of the quantities of oil stored and exported, calculated at the supervision point established by a method approved by the competent authorities, as well as reading temperatures, densities and automatic meters.

## **ARTICLE 10**

### **(Customs inspection)**

The goods contained on the appended list, when imported by the National Concessionaire, its partners and organisations which, on their behalf, proceed with the carrying out of Oil Operations, must be submitted for a check on the quantity, quality, price, respective customs item and calculation of the customs duties to which they would be subject under the general system, in forms to be defined by executive decree of the Finance Minister, having consulted the Oil Ministry.

## **ARTICLE 11**

## **(Temporary import)**

The temporary import of the goods contained in the appended list is permitted with exemptions from the bond And that temporary import and consequent re-export free of customs charges including the tax on the provision of services relating to general customs fees, with the exception of stamp duty on customs clearance documents and other taxes owed for the provision of services associated with the import and export of goods.

## **ARTICLE 12**

### **(Temporary export)**

The temporary export of the goods contained on the appended list with exemption from the bond is permitted when they go abroad for repair, improvement or fixing, as that temporary export and consequent re-import is free of customs charges including the tax on the provision of services relating to general customs fees with the exception of stamp duty on customs clearance documents and other taxes on the provision of services.

## **ARTICLE 13**

### **(Time limits on the temporary import and re-import of goods)**

1. Goods imported temporarily must be re-exported within a maximum period of two years, counted from the date of submission of the application for clearance and that time limit may, in exceptional cases duly substantiated by the Oil Ministry, be extended by order of the Finance Minister.
2. The re-import of goods exported temporarily must be carried out within a period of one year and that period may be extended pursuant to the paragraph above.

## **ARTICLE 14**

### **(Urgent clearance)**

1. In the case of goods which, due to their nature, require urgent clearance, the Angolan customs authorities must authorise their immediate exit, using the appropriate cautionary measures and the importer must complete the respective clearance note within a period of 90 working days.

2. In order to benefit from the urgent clearance system referred to in the paragraph above, the National Concessionaire, its partners and the organisations which proceed with the execution of oil operations on their behalf may provide a bond if the National Customs Department so decides, which covers other customs charge liable for payment, within the scope of this special customs system, as well as any fines and costs of the process resulting from non-compliance with the time limit referred to in the paragraph above and other customs procedures.

## **ARTICLE 15**

### **(Repeal rule)**

1. Everything contained in the decree-laws and concession decrees in force in the part concerning the rules relating to this customs system is repealed.

2. Rights acquired by the concessionaire and its associates resulting from the performance of contracts entered into between the concessionaire and its associates and still in force are unaffected by the repeal referred to in the previous item, except in respect of exemptions relating to the goods referred to in Article 7 of this law.

## **ARTICLE 16**

### **(Rules of interpretation)**

Any doubts and omissions arising out of the interpretation and application of this law are resolved by the National Assembly.

Let it be published.

Seen and approved by the National Assembly, in Luanda, on 10 August 2004.

The President of the National Assembly, *Roberto António Vítor Francisco de Almeida*

Promulgated on 4 October 2004

The President of the Republic, JOSÉ EDUARDO DOS SANTOS

## **Appended list referred to in article 4**

### **(Exemptions on import)**

List of the equipment, machines, apparatus, instruments, utensils, other devices, raw materials and products used in the oil operations which benefit from exemption from customs duties on their import into the Republic of Angola, pursuant to this law:

1. Probes and other complete drilling apparatus and all associated equipment, spare parts necessary for making the drilling apparatus operational and which enables drilling and similar operations to be carried out, materials for appraisal, equipment for exploration, drilling, removal and re-routing, separators, treatment installations, sets of valves, lining piping, production piping, conducting piping, fixed and portable tanks, chemical products, special cements, mud products, infusorial earths, refined oil products, refining equipment, burning equipment, “caroteiros”, safety plugs, wire line equipment, mud log equipment, equipment for well tests, well head equipment, radioactive materials and related equipment.

2. Machines, specific vehicles, equipment and apparatus of all types exclusively intended for oil operations, treatment of crude oil, gas, water and other fluids, as well as their transportation, storage and loading including spare and replacement parts.

3. Machines and apparatus for moving loads, such as derricks, cranes, winches, fork lift trucks, conveyor belts, moving walkways, cables, bridges including spare and replacement parts.

4. Instruments, materials and other items intended for laboratory analysis, spare and replacement parts and collections of minerals, soil and rocks for identification.

5. Instruments, materials and other items intended for the protection and safety of workers, such as alarm apparatus, clothing, safety helmets and boots.

6. Washing and drying equipment materials, disinfectants, insecticides, fungicides, pesticides, parasiticides, raticides and similar.

7. Explosives, detonators, fuses and similar, as well as machines and apparatus for blasting explosives.

8. Instruments and apparatus for analysis, measurement, checking, regulation of fluids, spare and replacement parts.

9. Electrical energy generators, separators, turbines, motors, transformers and other material intended for the production, transportation and use of electrical or other energy, spare and replacement parts.

10. Heavy vehicles, lightweight loading automotive vehicles, all terrain utility vehicles, excavators, loaders, cylindrical stone crushers for road construction, tractors including the respective trailers and similar, spare and replacement parts.

11. Office installations, machines and tools intended to assist and maintain equipment, machine tools and utensils used in the oil operations, their spare and replacement parts.

12. Equipment and apparatus for reconnaissance and topographical, geodesic and geological surveys onshore and at sea, spare and replacement parts.

13. Equipment and instruments for technical design and for photographic, heliographical or other reproduction, spare and replacement parts.

14. Teaching equipment and material intended for technical and professional training.

15. Apparatus and systems for telecommunications, equipment and spare parts, cables and replacement parts, equipment used for their installation, assistance and maintenance.

16. Products, instruments, apparatus and other material intended for fire-fighting, prevention and control of pollution and safety at work.

17. Pumps, motorised pumps and turbo-pumps, for liquids and gases, pipework and respective accessories for connection, cocks, valves and material for their installation and maintenance.

18. Aircraft and vessels exclusively used in the Oil Operations and safety, lighting and signalling material for aerial and maritime navigation, spare and replacement parts.

19. Other equipment and material for functioning of warehouses, motorised wagons for moving goods, pallets, racks and fork lift trucks.

20. Camping materials, such as caravans, tents, tables, camp chairs, exclusively adaptable and used in onshore oil operations.

The President of the National Assembly, *Roberto António Víctor Francisco de Almeida*.

The President of the Republic, JOSÉ EDUARDO DOS SANTOS