

**PRESIDENT OF THE REPUBLIC**  
**PRESIDENTIAL LEGISLATIVE DECREE NO. 3/12**  
**OF 16 MARCH**

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Considering that Law 10/04 of 12 November, on Petroleum Activities, provides in Article 26 that the Executive must adopt measures intended to guarantee, promote, and incentivise the participation in the petroleum sector of companies owned by Angolan citizens and establish the necessary conditions for this purpose, and in Article 31.3, that the national associates of the National Concessionaire enjoy special status of support and special rights and obligations;

It being advantageous to enshrine the regulatory framework of the tax incentives to be granted to Angolan petroleum companies, in accordance with Articles 26 and 31 of Law 10/04 of 12 November, in conjunction with Article 11.3 of Law 13/04 of 24 December and Article 23 of Law 14/03 of 18 July;

The President of the Republic decrees, under Article 125.1 of the Constitution of the Republic of Angola and using the Legislative Authorisation granted by the National Assembly, through Law 9/12 of 29 February, as follows:

**ARTICLE 1**

**(Object)**

This statute establishes the incentives for Angolan petroleum companies in order to guarantee their real and effective participation in the petroleum operations under Law 10/04 of 12 November, the Petroleum Activities Law.

**ARTICLE 2**

**(Definitions)**

The terms and expressions used in this statute shall have, where applicable, the meanings given to them in the Petroleum Activities Law and in the Law on the Taxation of Petroleum Activities, without prejudice to the following definitions:

- a) Petroleum contract - any contract, in the forms of a consortium agreement, contract of services with risk, a commercial company and a production sharing agreement, provided in Article 14.2(c) of Law 10/04 of 12 November;

b) Angolan petroleum company - any private petroleum company or petroleum company with public-sector capital according to the appropriate definitions contained in the following sections;

c) Petroleum company with public-sector capital - any company organised in the form of a public-sector company or in the form of a commercial company with wholly public-sector capital, subscribed exclusively or jointly by the State or by national public-sector companies and institutions in public law;

d) Private petroleum company, any commercial company in Angolan law, incorporated by members who are individuals of Angolan nationality, and who together hold 100% of the share capital of the company and have the object of the performance of petroleum operations.

### **ARTICLE 3**

#### **(Scope)**

This statute applies to Angolan petroleum companies, as defined in Article 2(c) and (d), holding participatory interests in petroleum contracts for the performance of petroleum operations.

### **ARTICLE 4**

#### **(Tax Incentives in Petroleum Contracts)**

1. Angolan petroleum companies which are associates of the National Concessionaire in production sharing agreements will benefit from a 50% reduction in the rate of petroleum revenue tax, taking this to a rate equivalent to the current rate of industrial tax.

2. Angolan petroleum companies associated with the National Concessionaire under other forms of petroleum contracts will benefit from a 65.75% reduction in petroleum revenue tax, taking this to a rate equivalent to the current rate of industrial tax.

3. The granting of incentives provided in the above items will be without prejudice to the cumulative benefit of the incentives that may be granted generally under Article 43 of the Law on Taxation of Petroleum Activities, Law 13/04 of 24 November.

### **ARTICLE 5**

#### **(Exemption from Payment of Signature Bonus)**

Angolan petroleum companies are exempt from the payment of a signature bonus when entering into new petroleum contracts.

## **ARTICLE 6**

### **(Exemption from the Obligation to Finance Subsidiaries of the National Concessionaire)**

Private petroleum companies are exempt from the obligation to share in the financing of the exploration companies of Sonangol Pesquisa e Produção, S.A., established in accordance with any contract or agreement entered into between the National Concessionaire and the contractor group of which they form part.

## **ARTICLE 7**

### **(Exemption from Contributions to Social Projects)**

Angolan petroleum companies are likewise exempt from the payment of contributions to social projects specified in petroleum contracts entered into between the National Concessionaire and its associates.

## **ARTICLE 8**

### **(Final and Transitional Provisions)**

1. The regime of incentives for the development of Angolan petroleum companies set out in this statute is applicable, with respect to Angolan petroleum companies which on its publication date hold participatory interests in current petroleum contracts, from the tax year commencing after its publication.
2. The Angolan petroleum companies affected must make changes to their accounts and manner of submission of their tax returns which are adequate and necessary to make effective the incentives provided in this Presidential Legislative Decree.
3. The companies covered by this statute may not assign all or part of their capital to foreign individuals or legal entities, otherwise the incentives provided here will be forfeited.

## **ARTICLE 9**

### **(Doubts and Lacunae)**

Any doubts and lacunae arising in the interpretation and enforcement of this statute will be resolved by the President of the Republic.

## **ARTICLE 10**

### **(Repealing Norm)**

All legislation contrary to the provisions of this statute, in particular Decree 4/07 of 22 January, is repealed.

## **ARTICLE 11**

### **(Entry into Force)**

This statute will come into force on its publication date.

Considered at the Council of Ministers at Luanda on 12 July 2011.

To be published.

Luanda, 15 March 2012.

The President of the Republic, JOSÉ EDUARDO DOS SANTOS.