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**DIÁRIO DA REPÚBLICA [OFFICIAL GAZETTE]**

**OFFICIAL ORGAN OF THE REPUBLIC OF ANGOLA**

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**SUMMARY**

**President of the Republic**

**Presidential Decree No. 48/11:**

Creates the Oil Fund, designated in brief as FP or the Fund.

**Presidential Decree No. 49/11:**

Approves the Legal Regime for the Luanda-Bengo Special Economic Zone

**Presidential Order No. 25/11:**

Appoints Rodrigo de Sousa Alves dos Santos to the position of Director of the Office for Management of the Development of Tourism of Futungo de Belas and Mussulo.

**PRESIDENT OF THE REPUBLIC**

**Presidential Decree No. 48/11**

**of 9 March**

Whereas, under the terms of the Constitution, the natural, solid, liquid or gaseous resources existing in the soil, social, territorial sea, exclusive economic zone and continental shelf are the property of the State;

Whereas the income generated by the cited resources, namely the oil resources, shall be allocated to constituting the financial reserves of the State, which may be used, on an egalitarian and equitable basis, for the sustainable and harmonious development of the Nation, in accordance with the public interest and on behalf of current and future generations;

Whereas the development of the energy and water sectors is of decisive importance, appearing as a priority within the economic and social development framework of the Republic of Angola;

Considering that the implementation of the Economic and Social Program of the Executive stipulates an expansion of a development policy for structural projects in the energy and water sectors, as well as in the other sectors defined as strategic by the State, having to encourage and promote public and private business activities for the development of the said sectors;

Considering the role of the State as a regulator of the economy and coordinator of harmonious national economic development, pursuant to the Constitution and the law;

Whereas it has proven essential to grant, manage and promote the raising of financial resources in order to promote and support the development within Angola of infrastructure projects of significance of development of the energy and water sectors and other sectors considered as strategic by public and private entities, both Angolan and foreign;

Whereas, for the pursuit of these purposes, it appears essential to locate prestigious and experienced international partners, which also permit the promotion of modern and sustained projects, oriented towards institutional and entrepreneurial development in the Republic of Angola and abroad;

Whereas the stated purposes of the State may be pursued more efficiently if carried out by an autonomous body of the State, albeit subject to its supervision and guidance, created with a view to the principle of specialisation, i.e. especially intended to promote, fund and support the development of projects in the energy and water sectors and in other sectors categorised as strategic country and, in particular, infrastructure projects, such as projects for generation, production, storage, transport, distribution and marketing of energy and water;

Whereas the General State Budget Law, approved by Law No. 26/10 of 28 December 2010, provides that the creation of a strategic financial reserve to finance public investment in basic infrastructure projects;

Considering that in accordance with the General State Budget Law decided to allocate the revenues from the sale of 100,000 barrels of oil per day to an entity included under its indirect administration, which is independent subject to its guidance and supervision, with a view to promoting, financing and supporting the development of projects in the energy and water sectors;

The President of the Republic hereby decrees the following, pursuant to paragraph *d*) of article 120 and No. 1 of the Constitution of the Republic of Angola, together with No. 3 of article 6 of Law No. 26/10 of 28 December 2010:

ARTICLE 1  
(**Nature**)

1. The Oil Fund is hereby created pursuant to the provisions of the General State Budget Law, approved by Law No. 26/10 of 28 December 2010, designated in abbreviated form as FP or the Fund.
2. The Oil Fund is a legal person, equipped with a legal personality, with administrative, financial and property autonomy.
3. The Oil Fund has the aim of promoting, financing and supporting, within the Republic of Angola and abroad, investment in the development of projects in the energy and water sectors and in other sectors categorised as strategic, including, in particular, infrastructure projects, such as projects for generation, production, storage, transport, distribution and marketing of energy and water, as well as holding, operating, maintaining and managing such projects and developing any activities auxiliary, connected or related to the same.
4. The Oil Fund shall be governed by the provisions of this law, by the Management Regulations and by other applicable legislation.
5. This law is a sufficient basis for demonstrating the provisions of previous items for all legal effects, including those of registration, with the competent departments obliged to carry out the actions necessary for regularising the situation, with an exemption from any taxes or fees and through a simple notice from the Chairman of the Board of Directors.
6. The Oil Fund has its headquarters in Luanda, being able to create delegations in other locations within the Country or abroad.

ARTICLE 2  
(**Context**)

The Oil Fund shall develop its activity throughout the national territory and abroad.

ARTICLE 3  
(**Capacity**)

1. The capacity of the Oil Fund shall cover the rights and obligations necessary for pursuing its objectives.
2. The Oil Fund may not carry out activities or actions falling outside its attributions or devote its resources to objectives of those attributed to it.

ARTICLE 4  
(**Attributions**)

1. The Oil Fund may freely determine the means by which it shall pursue its objectives, notably including:

- a) the development of large structural projects;
- b) the design, implementation, ownership, operation, maintenance, insuring and management of projects;
- c) the attribution of credit facilities and financings through the granting of loans to Angolan or foreign entities, whether or not specifically created to develop projects, by the Oil Fund or by other public and private entities, whether Angolan or foreign, in harmony with generally accepted banking principles;
- d) the provisions of the parties of guarantees for the performance of obligations of other legal persons, whether public or private, whether or not specifically created to develop projects, by the Oil Fund or by other public and private entities, whether Angolan or foreign;
- e) the incorporation, subscription of share capital or taking of holdings in the share capital of companies managing holdings in companies or commercial companies, with registered office in the Republic of Angola or outside it;
- f) participation in consortium contracts or other forms of partnerships to be developed in Angola or abroad, with Angolan or foreign public or private entities;
- g) the creation or subscription of holdings in private investment funds, created under Angolan or foreign law;
- h) public companies created pursuant to applicable Angolan law;

- i) the attribution of subsidies and support to Angolan or foreign public or private entities;
- j) the realisation of other financial applications and investments which prove necessary or convenient on account of their profitability for guaranteeing adequate financial resources for the support of investments provided in this law;
- k) the contracting of Angolan or foreign, public or private organisations or entities for the design, construction, operation, maintenance, insuring and/or management of any projects;
- l) the sale, leasing, licensing or granting of rights for any projects to any Angolan or foreign, public or private organisations or entities; and
- m) through any other form which the Board of Directors considers appropriate to pursuing the objectives set forth in this Presidential Decree.

2. The financing, provision of guarantees and attribution of support by the Oil Fund in accordance with the previous item may be supplemented by contributions of the beneficiary, possible partners or from another source, including Angolan or foreign banks or financial institutions, with the Fund being able to collaborate and coordinate its actions with other Angolan or foreign, national or international financial institutions, in systems relating to projects which fall within the context of its objectives.

ARTICLE 5  
(Guidance and supervision)

1. The Oil Fund is subject to the supervision and guidance of the State, with these powers to be exercised by the President of the Republic, with the possibility of delegation to the Ministers of State and other Ministers.
2. The following shall require approval by the President of the Republic:
  - a)* the Investment Policy (including any alterations to the same);
  - b)* the annual and multi-year activity plans, the annual and multi-annual budgets, the annual management report, the annual financial statements and the annual investment strategy;
  - c)* the organic structure, framework and maps of staff
  - d)* the Management Regulations;
  - e)* the Internal Regulations of the Fund; and
  - f)* other actions, for which approval by the President of the Republic is stipulated by law, by this law or by the Management Regulations.
3. The President of the Republic may request reports from the bodies or holders of higher positions in the Oil Fund on the achievement of the objectives of the Fund.
4. The President of the Republic shall be responsible for monitoring the performance of the Fund, in particular with regard to the meeting of the established objectives and the use of the human and material resources made available to it.
5. Without prejudice to the right of recovery of powers at any time, the exercise of the powers of the President of the Republic provided in paragraphs *a)*, *b)* and *d)* of No. 2 may not be delegated.
6. The exercise of the powers cited in paragraphs *c)*, *e)* and *f)* of No. 2 may be delegated at any time to the Minister of State, Head of the Presidential Staff and Ministers.

ARTICLE 6  
(Revenues)

1. The Oil Fund shall be financed by the following revenues:
  - a)* Initial Capital Endowment;
  - b)* Monthly endowment;
  - c)* other endowments, transfers and subsidies deriving from the State Budget or from any public entities;
  - d)* amounts deriving from the issuance of bonds by the Fund or its affiliates;

- e) capital deriving from financings obtained from financial institutions in the national or international lending market;
- f) income generated by the Fund, deriving from the development of any projects under the terms of this law or from other projects of which the Fund is a promoter;
- g) income deriving from the investment or placement of its assets;
- h) income deriving from the disposal, encumbrance or temporary assignment of rights to its assets;
- i) donations, inheritances, legacies or sponsorship contributions allocated to it; and
- j) any other income which may be attributed or assigned to it by law or by legal transaction.

2. The balances which are determined at the end of each financial year shall be carried forward to the following year, under the terms of the current budget execution decree.

## ARTICLE 7 (Endowments)

### 1. Initial Capital Endowment;

a) In accordance with the provisions of the General State Budget Law, approved by Law No. 26/10 of 28 December 2010, by this law, the State attributes to the Fund an initial capital of USD [●], corresponding to the value deriving from the Sale in 2010 by SONANGOL - E.P. of 36,500,000 (thirty six million five hundred thousand) barrels of Oil (the “Initial Capital Endowment”);

**1312**

DIÁRIO DA REPÚBLICA

b) The Initial Capital Endowment shall be paid by SONANGOL - E.P. and collected in the Single Treasury Account (CUT) within 30 days of the Date of Entry into Effect;

c) The Initial Capital Endowment shall be released and transferred to a bank account indicated by the Fund, opened in its name with BPC – Banco de Poupança e Crédito, SARL or with another private, national or foreign financial institution indicated by it, the details of which are notified by the Fund to the President of the Republic and to the Ministry of Finance on a periodic basis (the “Payment Account”), after the data verification of the last of the following conditions: *i)* the approval of the Management Regulations; *ii)* the approval of the Investment Policy; *iii)* after the appointment of the members of the Board of Directors, of the Executive Committee and of the Board of Auditors and the Chairman of the Board of Directors and the Chairman of the Executive Committee, in accordance with the provisions of this law.

### 2. Monthly Endowment:

a) In accordance with the provisions of the General State Budget Law, approved by Law No. 26/10 of 28 December 2010, by this law, the State attributes to the Fund through this Law, effective starting from the Date of Entry into Effect, the right to receive the Revenues deriving from the Sold Monthly Quota for each month (the “Monthly Endowment”), in which:

- i)* “Monthly Quota” - shall mean the product of multiplying the Daily Endowment by the number of days in the Month in question; and
- ii)* “Daily Endowment” - shall mean 100,000 barrels of Oil.

*b)* Without prejudice to the provisions of paragraph *c)* below, starting from the Date of Entry into Effect, the Monthly Endowment shall be paid immediately at the end of each month by SONANGOL - E.P. and collected in the Single Treasury Account (CUT). The Monthly Endowment shall subsequently be paid through Treasury funds, through the presentation by the Oil Fund of quarterly requests and under the terms of the applicable legislation, through a bank transfer or deposit to the Payment Account by the 15<sup>th</sup> day of each Month.

In the event that some of the conditions cited in paragraph *c) i)* to *iii)* of No. 1 are not met at the end of any Month, the Monthly Endowment shall be maintained in the Guarantee Account and shall be released in favour of the Fund at the same time as the Initial Capital Endowment;

*c)* If so requested of the Fund by the Executive Committee or by its Chairman, pursuant to the delegation of powers hereby granted by the President of the Republic, the Minister of Finance must ask SONANGOL-E.P. to instruct the purchasers to pay the proceeds from any sale into a bank account of the State.

The proceeds from the sale which are paid by any purchaser into the State bank account in question under the terms of this paragraph *c)* shall be transferred to the Fund in accordance with the terms of this item and shall be deducted from the Monthly Quota relating to the month in which the Sale was effective;

*d)* If, for any reason, the Revenues from the Sales allocated to the fund in a given Month are less than the Monthly Quota, the amount of the shortfall shall be added to the Monthly Quota of the following Month;

*e)* SONANGOL - E.P. shall deliver to the Ministry of Finance and to the Fund: *i)* on a ten-year basis or for a longer period, an estimate of the value of each annual endowment; *ii)* on an annual basis, an estimate of the value of each Monthly Endowment for the year in question; *iii)* on a monthly basis, and updated estimate of the value of the Monthly Endowment for the following three Months; and *iv)* all of the supporting documentation requested by the Fund with regard to the calculation of the Monthly Endowment and the estimates cited in *i)* to *iii)* above, in each case, in accordance with the terms and conditions agreed between SONANGOL - E.P. and the Fund on a periodic basis.

3. For the purposes of calculation of this law:

*a)* “*Month*” - shall mean the calendar month, with the first Month starting on the Date of Entry into Effect and end on the last day of the calendar month on which the Date of Entry into Effect occurs;

*b)* “*Oil*” - shall mean oil, as defined in No. 15 of article 2 of the Law on Oil Activities approved by Law No. 10/04 of 12 November 2004;

*c)* “*Revenues*” - shall mean the amounts received by or paid to SONANGOL - E.P., with regard to any Sale; and;

d) “*Sale*” - shall mean the sale to SONANGOL - E.P., in the name or as representative of the State of barrels of Oil at market prices, provided that the principles which served as the basis of the calculation of the price of the barrels of Oil in question sold by SONANGOL - E.P. are consistent with the price of sales in the international market.

ARTICLE 8  
**(Recourse to borrowing)**

1. The Oil Fund and any one of its affiliates may draw on bank loans with national or foreign lending institutions, and obtain loans from the public, through the issuance of securities, under the terms and conditions to be defined by the Ministry of Finance, within the limits set annually by the National Assembly.
2. The Oil Fund may provide guarantees on its assets, as defined in article 11, insofar as these proved necessary or appropriate for securing the financing cited in the preceding item or in another way for pursuing the purposes for which the Fund is intended.
3. The Republic of Angola may provide guarantees in favour of the Oil Fund or of any other promoters of projects provided in this law when the project in question so justifies, by its nature, value or the public interest involved, in accordance with the terms of the applicable law.

ARTICLE 9  
**(Bank accounts)**

1. The Oil Fund is authorised to open and operate bank accounts within Angola, in both national and foreign currency.
2. The Oil Fund is hereby granted the right to open and operate bank accounts in foreign currency abroad, including guarantee accounts, for receiving payments and raising funds within the context of pursuing its objectives, for ensuring debt service and for the payment of goods and services to suppliers and service providers domiciled outside of Angola.
3. The Oil Fund shall open and operate bank accounts in national currency with banking institutions domiciled within Angola, for the settlement of goods and services supplied by resident entities.
4. The Oil Fund is hereby granted the right to carry out foreign-exchange operations which prove necessary pursuant to No. 2 of this article, without the prior authorisation of the National Bank of Angola. The Oil Fund shall nevertheless be obliged to notify the foreign exchange operations carried out to the National Bank of Angola, including the opening of an account abroad, within 30 days of its realisation.

5. The Oil Fund's own revenues shall be deposited directly in the bank accounts for which the Oil Fund is the holder.

#### ARTICLE 10 (Expenses)

1. Expenses resulting from charges and liabilities deriving from the exercise of its activity pursuant to article 4 and the application of this Presidential Decree shall constitute expenses of the Oil Fund, namely including the charges and liabilities incurred in association with:

- a)* the development of infrastructure projects
- b)* subscription of the share capital of any company;
- c)* the securing of funds from financial institutions or through the issuance of bonds;
- d)* the financing, provision of guarantees or granting of special support by the Fund;
- e)* the design, construction, ownership, operation, maintenance, financing, insuring and management of any projects to be developed under the terms of this Presidential Decree or the activities and operations of any other undertaking of which the Fund is the promoter;
- f)* the appointment and remuneration of the holders of the senior positions of the Fund; and
- g)* the contracting of employees, employees on assignment, third party service providers and consultants to the Fund.

2. All of the costs and expenses incurred by the Oil Fund shall be duly allocated in accordance with the applicable law.

#### ARTICLE 11 (Assets)

1. The net assets of the Oil Fund consist of all of the assets, rights and obligations acquired and contracted in pursuing its objectives, notably including the revenues stipulated in article 6, any holding or participation interest in any project developed pursuant to the terms of this Presidential Decree or any other undertaking of the Fund and any tangible assets acquired by the Fund, related to the said projects or undertakings.

2. Without prejudice to the terms of the Land Law and respective regulations, the Oil Fund may administer and dispose freely of the assets comprising its net assets, without being subject to the regulations relating to the private domain of the State.

3. The Oil Fund shall maintain an updated inventory of all of its property assets.

4. Without prejudice to the provisions of the applicable law, the Oil Fund may also administer and dispose freely of any assets in the public domain of the State which have been allocated to its activity, being obliged to maintain the respective register updated.

ARTICLE 12  
**(Bodies)**

The following are bodies of the Oil Fund:

- a)* the Board of Directors;
- b)* the Consultative Committee;
- c)* the Board of Auditors.

ARTICLE 13  
**(Board of Directors)**

1. The Board of Directors consists of 5 (five) members, with one Chairman and 4 (four) members, who shall exercise their functions for renewable three-year periods, starting on the date of their appointment.
2. The members of the Board of Directors shall be appointed by Presidential Decree with two of the members appointed at the proposal of the Ministry of Finance.  
At least 3 (three) members of the Board of Directors, including the Chairman, may not hold any public position which competes with the position member of the Board of Directors.
3. The meetings of the Board of Directors shall be called by its Chairman, it being necessary for a majority of its members and its Chairman to be present in order to meet validly. The decisions of the Board of Directors shall be taken by a majority of votes cast by its present members, with the Chairman of the Board of Directors having the deciding vote in the event of a tie.
4. The Board of Directors shall meet at least four times a year, with its meetings to be called by a notification with at least three days' advance notice with regard to the date of the meeting.
5. The regime defined in this Presidential Decree, in the Management Regulations and in subsidiary fashion in the Articles of the Public Manager shall apply to the members of the Board of Directors.

ARTICLE 14  
**(Powers of the Board of Directors)**

1. The Board of Directors is the body which administers the Fund, which is responsible for ensuring its management and carrying out all the actions which prove necessary for the administration of the Fund and the continuation of its attributions.
2. The Board of Directors is notably responsible for the following:

- a) managing all of the transactions and carrying out all of the operations relating to the object of the Fund;
- b) drawing up the annual and multi-year activity plans and submitting them to the President of the Republic and to the Minister of Finance;
- c) drawing up the annual and multi-year budgets and other budget documents and submitting them to the President of the Republic and to the Minister of Finance and to any other public sector bodies, as required by the applicable law;
- d) drawing up the organic structure, framework and maps of staff and the administrative policies of the Oil Fund;
- e) promoting the collection of revenue;
- f) authorising expenditures;
- g) carrying out acts of management and disposal of assets;
- h) deciding on the financial application of revenues;
- i) approving the contracting of loans and the issuance of bonds under the terms and conditions to be defined by the Ministry of Finance, within the limits set annually by the National Assembly;
- j) approving the policy of recourse to credit of the Fund, under the terms and conditions to be defined by the Ministry of Finance, within the limits set annually by the National Assembly;
- k) taking investment decisions regarding any proposed financing programmes, projects and any activities auxiliary, connected or related to the same, after their revision and analysis;
- l) determining the objectives of any project developed pursuant to this Presidential Decree or any undertaking for which the Fund is the promoter and providing guidance on the strategy to be adopted for achieving the stated objectives;
- m) monitoring the implementation of any projects developed pursuant to this law and the activities, operations and performance of any projects for which the Fund is the promoter, evaluating its performance on a regular basis;
- n) inspecting the application of resources and support granted and the observance of the other terms and conditions of the financings granted within the context of this law;
- o) taking adequate measures for guaranteeing the reimbursement of the financing granted, including those of the court;

- p) providing or ensuring the provision of all of the information on investments made and any other information on the activities of the Oil Fund which are requested by the public bodies with powers for the purpose;
- q) drawing up the annual management report and submitting it to the President of the Republic and the Minister of Finance;
- r) approving the annual financial statements and submitting them, together with the opinion of the Board of Auditors, to the President of the Republic and the Minister of Finance;

- s) formulating the Investment Policy and annual investment strategy and submitting them to the President of the Republic and the Minister of Finance;
- t) monitoring the implementation of the Investment Policy by the Chairman of the Board of Directors, the other members of the Board of Directors and any other directors, evaluating their performance on a regular basis;
- u) periodically reviewing the Investment Policy and recommending the respective alterations to the President of the Republic;
- v) formulating and approving the Code of Conduct and submitting it to the President of the Republic;
- w) formulating and approving the policies and regulations on the internal conduct of the activities of the Fund, as is considered necessary for ensuring the proper functioning of the Oil Fund (the “Internal Policies and Regulations”) and submitting them to the approval of the President of the Republic;
- x) approving, signing or drawing up, as representative of the Oil Fund, all contracts and any other documents or instruments, including public instruments and other notarial deeds, necessary for the execution of the provisions of this Presidential Decree, as well as guaranteeing the securing and/or provision of any guarantees which prove necessary or convenient;
- y) contracting and dismissing employees, staff on secondment, third party service providers and consultants representing the Fund with regard to the operations of the Fund and/or the design, construction, ownership, operation, maintenance, financing, insuring and management of any projects, notably including: *i)* commercial negotiations; *ii)* the development and administration of agreements, contracts and purchase orders; *iii)* the securing of financing and management of financial investments; *iv)* project management activities; *v)* office and IT management; *vi)* without prejudice to the terms of Article 24, accounting and management reporting activities; *vii)* the development and administration of systems and controls for managing the implementation of projects, project costs and internal controls;
- z) without prejudice to the provisions of Article 24, granting the terms and conditions for contracting the employees, staff on secondment, third party service providers and consultants cited in the preceding paragraph;
- aa) managing every aspect and analysing the performance of the employees, staff on secondment, third party service providers and consultants cited in paragraph z) above;
- bb) appointing representatives of the Fund, whether temporary or permanent, in companies or other public or private institutions or organisations; and
- cc) exercising any other powers attributed to it by this Presidential Decree and by the Management Regulations;
- dd) assessing any other issues within the context of its powers, pursuant to the terms of this Presidential Decree.

3. The Board of Directors may delegate powers to one or more of its members or to the Executive Committee, with the possibility of subdelegation, for carrying out actions on some of the issues mentioned in the preceding items.

4. The Board of Directors may appoint one or more directors to assist the Chairman of the Board and other executive directors and shall determine their remuneration and service conditions in accordance with the organic structure, staff framework and maps and the administrative policies of the Oil Fund, approved by the President of the Republic.

ARTICLE 15  
(Competence of the Chairman of the Board of Directors)

1. The Chairman of the Board of Directors is responsible for leading and coordinating the executive functions for implementing the Investment Policy of the Fund, for managing his activity and for guaranteeing the legal representation of the Fund with regard to third parties.

2. On the basis of this law, the Chairman of the Board of Directors shall have the following powers and duties:

*a)* proposing the Investment Policy (including any alterations to it), the annual and multi-year activity plans, the annual and multi-year budgets, the annual management report, the annual financial statements and the annual investment strategy, the staff framework and maps, the Management Regulations and Internal Regulations of the Fund, as well as taking all of the initiatives necessary for the proper performance of the attributions of the Oil Fund;

*b)* calling and chairing the meetings of the Board of Directors, orienting their work and ensuring the performance of the respective resolutions;

*c)* ensuring relations with the President of the Republic and with the other public organisations;

*d)* requesting the opinions of the Board of Directors and the Consultative Board;

*e)* exercising the powers delegated to it by the Board of Directors;

*f)* exercising any other powers attributed to it by this Presidential Decree and by the Management Regulations.

3. The Chairman of the Board of Directors may also delegate or subdelegate the power to carry out acts of administration delegated to it to other directors or to any director cited pursuant to No. 4 of article 14, pursuant to No. 1 of this article.

4. The Chairman of the Board of Directors, the executive administrators and the directors shall act in accordance with the Investment Policy and the annual investment strategy.

5. The Chairman of the Board of Directors, the executive administrators and the directors shall perform functions within the Fund on a full-time basis and may not develop any other commercial, industrial or professional activity, whether remunerated or not, during their mandates or assignments.

#### ARTICLE 16 (Consultative Committee)

1. The Consultative Committee is the advisory and consulting body of the Board of Directors, being responsible for issuing a favourable opinion on the Investment Policy, the annual investment strategy and the Internal Policies and Regulations of the Fund, as well as for pronouncing on any other issue which the Board of Directors intends to submit to it.

2. The Consultative Committee consists of the following:

- a)* the Minister of State and Head of the Presidential Staff, who chair the same;
- b)* the Minister of Finance;
- c)* the Minister of Planning;
- d)* the Minister of Oil;
- e)* the Chairman of SONANGOL-E.P.

3. The Chairman of the Board of Directors shall take part in the meetings of the Consultative Committee with guest status.

4. The Minister of State and Head of the Presidential Staff may request that the heads of other administrative bodies of the State indicate their representatives to take part in specific meetings of the Consultative Committee, whenever he considers that their participation is convenient or necessary.

#### ARTICLE 17 (Board of Auditors)

1. The Board of Auditors consists of three members, appointed by the President of the Republic, at the proposal of the Minister of Finance.

2. Of the appointed members, one must leave the chairman and the other the statutory auditor or an accounting expert, or an official auditing company or an accounting firm.

3. The members of the Board of Auditors shall carry out functions for renewable three-year periods.

4. The functions of the members of the Board of Auditors may be exercised on a cumulative basis with other professional functions which do not prove incompatible.

#### ARTICLE 18 (Board of Auditors)

The Board of Auditors shall be responsible for:

- a) ensuring compliance with the legal and regulatory provisions applicable to the Oil Fund;
- b) inspecting, whenever it considers convenient, the state of the treasury and financial situation of the Oil Fund;
- c) issuing an opinion on the balance sheets and annual financial statements of the Oil Fund;
- d) whenever necessary, attending the meetings of the Board of Directors, being able to take part in the discussions, albeit without the right to vote;
- e) bringing any issue to the attention of the Board of Directors and issuing an opinion on any item submitted to it by that body; and
- f) submitting reports for the consideration of the President of the Republic and the Minister of Finance on issues within its scope.

ARTICLE 19  
**(External audit)**

1. The activity of the Oil Fund and its accounts shall be subjected to regular annual audits carried out by independent auditors of recognised suitability and confidence, which shall submit the works executed and the respective results to the President of the Republic in the form which the latter party determines.
2. The external auditors shall be appointed annually by the President of the Republic, who shall set their remuneration.

1<sup>st</sup> SERIES – No. 45 – 9 MARCH 2011

**1317**

3. The external auditors shall be obliged to submit copies of the reports thus drawn up to the Minister of Finance and to the Board of Directors.

ARTICLE 20  
**(Suitability)**

Only persons whose suitability, experience and availability provides guarantees of sound and prudent management may be appointed as members of the Board Of Directors and the Board of Auditors, considering, in particular, the safety and good management of the Oil Fund, in accordance with its objectives.

ARTICLE 21  
**(Remuneration)**

The remuneration of the members of the Board of Directors and the Board of Auditors shall be set in the respective executive decree of the Ministry of Finance.

ARTICLE 22  
**(Liability)**

1. The Chairman of the Board of Directors, the Chairman of the Executive Committee and the other members of the Board of Directors shall be liable on a civil, criminal, disciplinary and financial basis for the actions and omissions which they carry out in exercising their functions, within the terms of the applicable legislation.

2. The financial liability shall be determined by the Court of Auditors, pursuant to the respective legislation.

ARTICLE 23  
**(Services)**

The Fund shall have available administrative services indispensable for the pursuit of its attributions.

ARTICLE 24  
**(Staff)**

1. The staff of the Oil Fund shall be subject to the common legal regime applicable to workers in public companies.

2. Staff not included among the employees of the Oil Fund shall be subject to the regime of individual employment contracts.

3. The recruitment of staff shall be carried out by the Board of Directors pursuant to Article 14, in accordance with the legislation applicable in each case.

4. The Oil Fund shall be permitted to establish supplementary remuneration for its staff, provided that it has revenues of its own which permit this.

5. Unless provided to the contrary in this Presidential Decree, the officials of the State, public institutions and local authorities, as well as workers in any public companies, may be authorised to hold positions and functions in the Oil Fund under an assignment regime, for an unlimited period.

6. The exercise of positions and functions cited in the preceding paragraph shall be carried out without prejudice to any rights, including the benefits of retirement or survival, with such positions or functions being specifically considered for the purposes of calculating time of service, as having been exercised at the location of origin.

7. The officials and workers to whom the preceding items refer may opt at any time for the remuneration provided in their original framework or by the one corresponding to the positions of functions which they shall carry out.

8. Salaries and other charges of officials and workers under an assignment regime shall be responsibility of the entity where they carry out their duties.

ARTICLE 25  
**(Investment Policy)**

1. The Oil Fund shall be managed efficiently, in a diversified, profitable and prudent manner, in accordance with the general investment policy to be drawn up by the Board of Directors and approved by the President of the Republic (the "Investment Policy").

2. The Investment Policy shall include the following strategic elements:

a) the requirement for a definition of the annual investment strategy;

- b) the identification of target markets abroad;
- c) the short-term development prospects of the energy and water sectors in the Republic of Angola and abroad;
- d) the medium and long-term development prospects of the energy and water sectors in the Republic of Angola and abroad;
- e) parameters for the diversification of the portfolio of investments, including, in particular:
  - i) parameters (including limits) for the allocation of investments in the Oil Fund in various sectors of the economy, activities, geographical regions and classes of goods;
  - ii) approval of limits on annual investment instalments for each project or by entity or group of entities;

**1318**

**DIÁRIO DA REPÚBLICA**

*iii)* approval of loans and the Fund's policy on granting credit (including, in particular, criteria for the granting of loans to debtors, total lending limits and exposure limits for a particular debtor).

- f)* parameters and procedures for the selection and evaluation of investment opportunities;
- g)* parameters and procedures for analysing the performance of investments;
- h)* provisions for the coordination of action with Angolan or foreign, national or international financial institutions, which finance each project; and
- i)* parameters for the selection of financial investment instruments of any excess funds of the Oil Fund, which are periodically found to be available.

3. The Oil Fund may make use of derivatives for hedging risks under the terms and conditions which are defined by the Ministry of Finance, within the limits set annually by the National Assembly.

4. The Board of Directors shall periodically revise the Investment Policy and submitting recommendations for altering the same to the President of the Republic.

#### ARTICLE 26

##### **(Accounting and submission of accounts)**

1. The Oil Fund shall use an accounting system which complies with the Official Accounting Plan for the financial system. The financial year of the Fund shall coincide in time with that of the State.

2. The Oil Fund shall organise its accounting in such a way as to reflect faithfully all asset management actions.

3. The Oil Fund shall present to the President of the Republic and to the Ministry of Finance its annual and multi-annual activity plans, annual and multi-annual budgets, annual management report, annual financial statements and annual investment strategy, under the terms set in the applicable legislation.

ARTICLE 27  
**(Publication of accounts)**

Together with the opinion of the Board of Auditors and after approval by the President of the Republic or if appropriate, by the Ministry of Finance, the annual management report on financial statements shall be published in one of the national newspapers with the widest circulation.

ARTICLE 28  
**(State budget)**

The resources provided in this law shall be entered annually through an endowment ascribed to the Oil Fund in the General State Budget.

ARTICLE 29  
**(Code of Conduct)**

1. The Board of Directors shall approve a code of ethical conduct (the “Code of Conduct”) and submitted to the President of the Republic for approval, to which all of the officials, workers and staff working for the Fund or connected to the Fund shall be subject.
2. The holders of higher positions shall be obliged to carry out the stipulations on impediments and conflicts of interest regarding contracts, projects or undertakings drawn up by the Fund under the terms of the Law of Public Probity (Law No. 3/10 of 29 March 2010) and other applicable legislation.

ARTICLE 30  
**(Management Regulations of the Fund)**

1. The Management Regulations of Fund shall be approved by Presidential Decree within 90 days of the Date of Entry into Effect.
2. The Minister of Finance shall be responsible for formalising and carrying out all administrative actions, with a view to the establishment and functioning of the Oil Fund, under the terms which it considers necessary and convenient for the best implementation of the terms of this law.

ARTICLE 31  
**(Tax regime)**

1. The Oil Fund shall benefit, under the terms of the current legislation, from exemptions on taxes, duties and contributions, regardless of their capacity or nature, whether ordinary or extraordinary, national, regional, municipal or local, present or future, stipulated by law and applicable to the State and its services, bodies and institutions, with the tax exemptions regarding any income taxes, asset taxes and stamp duty being notably applicable to it.
2. The tax exemptions from which the Oil Fund shall benefit under the terms of this article may only be revoked or altered in so far as they are replaced by more by more favourable conditions or incentives, in which case, the provisions of the cited law shall automatically be applicable to the Oil Fund.

3. The exemptions provided under the terms of the preceding items extend to the income derived by the Oil Fund from its foreign activities, without prejudice to the taxation to which the Oil Fund may be subject by virtue of the law in effect within the State in which the income is obtained, whether by bilateral or multilateral agreement entered into by Angola.

4. Without prejudice to the provisions of the preceding item, the Oil Fund shall structure its respective activity in such a way as to optimise the tax efficiency of the investments which shall be realised abroad, with a view to permitting that they benefit from tax incentives equivalent to those applicable in the State in question to entities of a similar nature.

ARTICLE 32  
**(Customs regime)**

1. The import and export of goods directly and exclusively allocated to the continuation of the activity of the Fund shall, under the terms of current legislation, benefit from exemption from customs duties, consumption tax, general customs fees and other customs charges, with the exception of the service provision fees associated with the import and export of goods.

2. On importing or exporting the materials and equipment cited in No. 1, a declaration of exclusive commitment to their direct and exclusive application to the activities developed by the Fund must be presented to the customs authority.

ARTICLE 33  
**(Equivalence to the State)**

In exercising its attributions, the Oil Fund shall assume the rights and obligations attributed to the State in the applicable legal and regulatory provisions, namely the Oil Fund shall be exempt from all duties, costs and fees of any nature in the notarial procedures and deeds in which it intervenes.

ARTICLE 34  
**(Stability)**

1. The legal regime applicable to the Oil Fund appearing in this law shall remain stable for the life of the Oil Fund.

2. Any alterations in the current legislation after the Date of Entry into Effect shall not affect the obligations, rights and benefits granted to the Oil Fund, to investors and to any other promoters involved in the projects or activities considered in this law. In the event that any change occurs to the legislation which has an unfavourable effect, whether directly or indirectly, on the cited obligations, rights and benefits, through the competent bodies for the purpose, the State shall adopt the measures which prove necessary for re-establishing the cited obligations, rights and benefits in such a way as to guarantee that the Fund, investors and any other promoters involved in the projects or activities considered in

this law are placed in the same economic situation in which they would find themselves had the change in legislation not occurred.

3. The State undertakes not to expropriate, confiscate or carry out any action which, directly or indirectly, has a negative impact on any of the projects or activities developed pursuant to this law.

ARTICLE 35  
**(Extinction)**

1. The Fund may only be dissolved or liquidated through a legal instrument of the President of the Republic.

2. After the dissolution the liquidation of the Fund, all and any goods held by the Fund shall become the property of the State of the Republic of Angola in accordance with the applicable law.

ARTICLE 36  
**(Doubts and omissions)**

The doubts and emissions resulting from the interpretation and application of this law shall be resolved by the President of the Republic.

ARTICLE 37  
**(Date of entry into effect)**

This law shall enter into effect on the date of its publication.

Assessed in the Council of Ministers in Luanda on 23 February 2011

Publication of this decree is hereby ordered.

Luanda, 28 February 2011.

The President of the Republic, JOSÉ EDUARDO DOS SANTOS