COMISSÃO DO MERCADO DE CAPITAIS
REPÚBLICA DE ANGOLA

THIS DOCUMENT DOES NOT REPLACE THE NEED TO CONSULT THE ORIGINAL ANGOLAN VERSION PUBLISHED IN THE OFFICIAL GAZETTE

SECURITIES CODE

TITLE I
General provisions

CHAPTER I
Scope

ARTICLE 1
(Object and material scope)

1. This Code sets out the legal framework of the securities and derivatives market, setting the rules for supervision and regulation, securities, issuers, public offers of securities, regulated markets and their infrastructure, prospectuses, securities and derivatives investment services and activities, and the sanctions applicable in each case.

2. Where units in a collective investment scheme are concerned, any reference in this Code to the issuer shall be taken as a reference to the collective investment scheme management entity.

3. The Securities Market Supervisory Body (OSMVM) shall lay down, by way of regulation, the terms on which the framework set out by this Code for securities applies to any instruments used for investment in tangible or intangible assets, or rights to such assets, that are not regulated by a specific law, whenever such instruments involve the assumption of duties relating to the recovery, appreciation or profitability of the investment made.

ARTICLE 2
(Definitions)

Without prejudice to any rules specifically set out in this Code and the possibility of legal classification, the following terms have the following meanings:

a) *Intermediaries:* financial institutions that are authorised to provide one or more securities investment services or activities in Angola and that are registered with the OSMVM.

b) *Block:* an account entry that makes a specific right or the ownership of a security temporarily non-transferable, indicating the reason, the period and the quantity of securities covered.

c) *Central counterparty:* an entity which, in a regulated market, acts as counterparty to every buyer and seller, ensures physical settlement of all transactions carried out in that market and nets offsetting contractual obligations.

d) *Pro-forma financial information:* Financial information about an issuer that would apply where a particular scenario occurs.

e) *Derivatives:* (i) options; (ii) futures; (iii) swaps; (iv)forward contracts; and (v) any other instruments or contracts with similar characteristics.

f) *Institutional investor:* an investor who has special skills and experience in securities and derivatives.

g) *Organised over-the-counter (OTC) market:* a regulated market in which the admission to trading of securities isregulated by law, regulations established by the OSMVM and regulations set out by the market management entity.

h) *Exchange:* a regulated market in which the minimum requirements for admission to trading of securities are regulated by law or regulations set out by the OSMVM.

i) *Regulated market:* any multilateral space or system situated or operating in Angola in which interests in securities and derivatives are brought together in an organised way with a view to dealing in such interests.

j) *Public offer:* an offer of securities is considered public if it is made, in whole or in part, to unidentified offerees, the offerees continuing to be considered unidentified even when the offer is made through multiple standardised communications addressed to individually identified offerees.

k) *Collective investment scheme:* a collective investment scheme that pools funds taken from

the public for the purpose of investing those funds collectively, based on the principles of the division of risks and the pursuit of the exclusive interest of the participants, including collective investment schemes regulated by the Legal Framework of Collective Investment Schemes approved by Presidential Legislative Decree No. 7/13 of 11 October.

l) *Person resident or established in Angola:* for the purposes of this Code, a natural person who is habitually resident in Angola, a legal person that has its registered office in Angola, or a subsidiary, branch, agency or representative office of any kind in Angola of a legal person that has its registered office outside Angola.

m) *Prospectus:* a document providing information about a public offer or admission to trading on a regulated market.

n) *Control relationship:* the relationship between a natural or legal person and a company when, regardless of whether the company's registered office or headquarters is in Angola or abroad, such person is able, directly or indirectly, to exercise control over the company. A control relationship exists in any case when a natural or legal person: (i) holds a majority of the voting rights; (ii) is able to exercise a majority of the voting rights; (iii) is able to appoint or remove a majority of the members of the management or supervisory bodies.

o) *Group relationship:* a relationship between two companies that qualifies as a group relationship under the Companies Law, regardless of whether the companies have their registered offices in Angola or abroad.

p) *Public company:* an issuer in the form of a company whose capital is open to investment by the public, specifically through the offer of shares to the public or through admission to trading on a regulated market;

q) *Securities, or Transferable securities:* (i) shares; (ii) bonds; (iii) units in collective investment schemes; (iv) rights detached from the securities referred to in subparagraphs (i) to (iii) above, provided such rights apply to the whole of the issue or series or are specified in the terms and conditions of the issue; (v) other documents representing similar claims, provided they are transferable in the market.

ARTICLE 3
(Geographical scope)

1. Regardless of the law otherwise applicable, the mandatory rules of this Code shall apply to the extent that the situations, activities and acts to which the rules refer have a relevant connection with Angola.

2. The following are considered to have a relevant connection with Angola:

a) Orders addressed to members of regulated markets that are registered with the OSMVM and transactions carried out in such markets;

b) Activities carried out and acts performed in Angola;

c) The dissemination of information accessible in Angola regarding situations, activities or acts that are regulated by Angolan law.

CHAPTER II
Form

ARTICLE 4
(Written form)

The requirement or presumption of "written form", a "written document" or "reduction to writing" stated in this Code in relation to any legal act performed within the scope of freedom of contract or administrative procedure shall be deemed met or confirmed even when the paper medium or the signature is replaced by a different medium or means of identification that guarantees equivalent levels of intelligibility, durability and authenticity.

ARTICLE 5
(Mandatory disclosures)

The OSMVM shall set out, by way of regulation, the media in which each type of mandatory disclosure is to be made, without prejudice to any legal rule that provides otherwise.

ARTICLE 6
(Language)

1. Information published in Angola that may influence the decisions of investors, including, in particular, information about public offers, regulated markets, securities and derivatives investment services and activities, and issuers, must be drawn up in Portuguese or be accompanied by a certified Portuguese translation.

2. Exceptionally, the OSMVM may waive the translation requirement, in whole or in part, if it considers that investors' interests are sufficiently protected.

3. The OSMVM and the management entities of regulated markets, settlement systems, clearing houses, central counterparties and centralised securities systems may require a translation into Portuguese of any document drawn up in a foreign language that is submitted to them within the scope of their functions.

CHAPTER III
Information

ARTICLE 7
(Quality of information)

1. Information about securities and derivatives, issuers, public offers, regulated markets and their infrastructure, and securities and derivatives investment services and activities must be complete, true, current, clear, objective and lawful.

2. The provisions of the previous subparagraph shall apply irrespective of the means by which the information is published, even though it is incorporated in advice, a recommendation, an advertisement or a credit rating report.

3. The criteria for judging whether the information is complete depend on the means of dissemination. In an

advertisement, for example, a reference to another document available to the recipients may be sufficient.

4. Advertising of securities and derivatives and of the activities regulated in this Code is subject to the General Advertising Regulations.

CHAPTER IV
Auditing

ARTICLE 8
(Audit obligation)

1. An audit report or opinion, prepared by an external auditor registered with the OSMVM, is required for the financial information contained in financial statements, feasibility studies, prospectuses and other documents that:

a) Must be submitted to the OSMVM;

b) Must be disclosed in connection with a request for admission to trading in a regulated market; or

c) Relate to collective investment schemes.

2. If the documents referred to in the previous paragraph include forward-looking statements about the business performance or economic and financial situation of the entity concerned, the auditor's report must state an opinion about the assumptions, criteria and consistency of such statements.

3. If the semi-annual or quarterly financial information has been subjected to an audit or limited review, the audit or review report must be included; otherwise, this fact must be stated.

4. The functions set out in the previous paragraphs must be performed by an auditor who:

a) Is registered with the OSMVM;

b) Is not an officer or director of the entity whose information is being audited, although he/she may perform the functions of external auditor under Article 139.

5. The auditor is subject to the provisions of Article 139(4).

ARTICLE 9
(Registration of auditors)

Only firms of accountants and other audit firms authorised to operate in Angola that have the human, material and financial resources required to ensure their good repute, independence and proficiency may be registered as auditors.

ARTICLE 10
(Auditors' liability)

1. The following are jointly and severally liable for any damage caused to issuers or third parties as a result of deficiencies in an auditor's report or opinion:

a) The certified accountants and other persons who signed the report or opinion;

b) The firm of accountants or other audit firm if one or more of its partners signed the audited documents.

2. Auditors shall have sufficient professional liability insurance to ensure compliance with their obligations.

ARTICLE 11
(Regulation)

1. The OSMVM shall prepare the regulations required to implement the provisions of this chapter, especially as regards the following matters:

a) Registration procedure;

b) Requirements regarding the necessary human, material and financial resources;

c) Conduct duties;

d) Rules to protect the auditor's independence against various interested parties.

2. The OSMVM may, by way of regulation, lay down rules, harmonised with international standards, regarding the content, organisation and presentation of the economic, financial and statistical information used in financial reports, as well as the related auditing rules.

3. The OSMVM shall exercise the powers set out in the previous paragraphs after consultation with the Angolan Accountants and Certified Accountants Association (OCPCA).

4. The OSMVM shall work with the National Bank of Angola and the Angolan Insurance Regulation and Supervision Agency to lay down rules that will ensure the compatibility of the information to be provided under paragraph 2 above by intermediaries that are also subject to the supervision of these other authorities.

CHAPTER V
Credit rating

ARTICLE 12
(Credit rating)

1. Credit ratings that are required by law or regulation may only be provided by companies whose corporate purpose includes the issue of credit ratings that are registered with the OSMVM.

2. For the purpose of the previous paragraph, a credit rating is an opinion as to the credit quality of an entity or a security, issued through a rating system.

3. Only credit rating companies that have the human, material and financial resources required to ensure their good repute, independence and proficiency may be registered.

4. Ratings services must be provided in a transparent and impartial manner, ensuring the necessary confidentiality and respecting the prevailing classifications in international use.

5. The OSMVM shall prepare the regulations required to implement the provisions of this chapter, especially as regards the following matters:

a) Registration procedure;

b) Requirements regarding the necessary human, material and financial resources;

c) Conduct duty, including as regards the disclosure of the procedures and methodologies for the assignment of credit ratings, the prevention and management of conflicts of interests, the activities that may be carried out by credit rating companies, subcontracting, the use of third-party credit ratings and how credit ratings are published.

6. The OSMVM may, by way of regulation, set out:

a) The recognition of credit ratings issued by entities that are not registered with the OSMVM;

b) The requirement that any credit rating activity other than the cases specified in paragraph 1 above be registered with the OSMVM.

CHAPTER VI
Investors

ARTICLE 13
(Institutional investors)

1. The following entities are considered institutional investors:

a) Banks;

b) Non-bank financial institutions linked to the capital market and investment;

c) Non-bank financial institutions linked to foreign exchange and credit;

d) Non-bank financial institutions linked to insurance and pensions business;

e) Authorised or regulated foreign financial institutions that are subject to regulations similar to those laid down for the institutions referred to in the preceding subparagraphs;

f) States, central banks and public bodies that manage public debt and supranational and international institutions.

2. For the purposes of Title VIII, persons are considered as institutional investors if they have requested to be treated as such in the manner provided in that Title.

3. The OSMVM may, by way of regulation, classify as institutional investors, or allow to be so classified, other categories of entities that have special skills and experience in relation to financial instruments.

ARTICLE 14
(Class action)

1. Any investor, either individually or through an association of investors with specific interests, has the right to take legal action to seek annulment of unlawful securities and derivatives market acts that are harmful to the public interest or other collective interests.

2. Where a defendant is ordered to pay cash compensation but the compensation is not paid because the limitation period has expired or the holders of the securities cannot be identified, the compensation reverts to the State.

CHAPTER VII
Guarantee funds

ARTICLE 15
(Guarantee funds)

The management entities of regulated markets, settlement systems, clearing houses and central counterparties shall establish guarantee funds, which will be regulated by a special law.

TITLE II
Supervision and Regulation

CHAPTER I
General provisions

ARTICLE 16
(Securities market supervision)

1. Securities market supervision is established in accordance with the bylaws of the OSMVM.

2. The OSMVM, within the scope of its functions:

a) Sets policies with respect to the securities and derivatives market and, in general, the matters regulated in this Code and supplementary legislation;

b) Coordinates the supervision and regulation of the securities and derivatives market where more than one public body has authority.

3. The Head of the Executive Branch or the person to whom the former has delegated authority shall exercise, in relation to the OSMVM, the powers conferred by the OSMVM's bylaws and this Code.

4. If a securities and derivatives market disruption poses a serious threat to the national economy, the Head of the Executive Branch may order the appropriate measures, including, in particular, temporary suspension of regulated markets, certain categories of transactions or the activities of the management entities of regulated markets, settlement systems, clearing houses, central counterparties and centralised securities systems.

ARTICLE 17
(Responsibilities of the OSMVM)

The responsibilities of the OSMVM, apart from those specified in its bylaws, include:

a) Supervision of regulated markets, public offers of securities, clearing and settlement of securities transactions, centralised securities systems and the entities referred to in Article 23;

b) Regulation of the securities and derivatives market, public offers of securities, the activities carried out by the entities under its supervision and other matters provided for in this Code and supplementary legislation.

ARTICLE 18
(Scope of supervision and regulation)

1. The OSMVM shall continuously monitor any links between the activities and entities referred to in the previous Article and activities and entities subject to the supervision and regulation of other financial sector supervisory authorities, including any links resulting from relationships between financial investments.

2. The OSMVM shall continuously monitor any activities and entities that have links with the activities and entities referred to in the previous Article but are not subject to the supervision of other financial sector supervisory authorities.

3. As part of the duties specified in the previous paragraphs, the OSMVM shall:

a) Regularly review the scope of supervision and regulation as laid down in the previous Article;

b) Propose to the Finance Minister and the other financial sector supervisory authorities such legal or regulatory measures to be adopted as may be necessary to protect investors, ensure transparency of the securities and derivatives market and prevent systemic risk.

4. For the purpose of the provisions of the previous paragraphs, the OSMVM shall:

a) Establish contacts with the Angolan Insurance Regulation and Supervision Agency with a view to setting rules for the conduct of business duties of entities that propose to enter into or broker insurance contracts linked to collective investment schemes or to market contracts for individual subscription to open-end pension funds;

b) Establish contacts with the National Bank of Angola and the Angolan Insurance Regulation and Supervision Agency with a view to setting common rules for complex financial investments.

5. The OSMVM may, by way of regulation, lay down reporting obligations in relation to over-the-counter derivatives transactions, regardless of the nature of the underlying asset or whether or not intermediaries are involved.

6. The OSMVM may also lay down the terms and conditions on which the management entities of regulated markets and securities services may act as trade repositories.

ARTICLE 19

(Duty of professional secrecy)

1. The directors, officers and employees of the OSMVM and any persons who provide services to it, whether directly or indirectly, continuously or occasionally, have a duty of professional secrecy in respect of any facts or elements that come to their knowledge while performing their functions or providing their services; in addition, they shall not directly or indirectly reveal or use any information they may have about those facts or circumstances for their own benefit or that of any other person.

2. The duty of secrecy continues to apply even after the persons subject to it cease to perform the functions or provide the services.

3. The facts or elements subject to secrecy may only be revealed if the interested party approves it and advises the OSMVM accordingly, or in other circumstances provided by law.

4. The duty of secrecy does not cover facts or elements the disclosure of which, by the OSMVM, is required or permitted by law.

5. Any persons referred to in paragraph 1 above who reveal secrets that have come to their knowledge by reason of their status, trade, employment, profession or art will be punished on the same terms as apply to breach of secrecy by a public servant.

ARTICLE 20

(Exchange and processing of information)

1. When necessary for the performance of its functions, the OSMVM may exchange information about facts and elements that are subject to the duty of secrecy with the following entities, which likewise are subject to the duty of secrecy:

a) The National Bank of Angola and the Angolan Insurance Regulation and Supervision Agency;

b) Regulated market management entities;

c) The management entities of settlement systems, clearing houses, central counterparties and centralised securities systems;

d) Authorities involved in insolvency, corporate recovery or restructuring proceedings in respect of any of the entities referred to in Article 23(1)(a) and (b);

e) Auditors and their supervisors.

2. The OSMVM may also exchange information with the supervisory authorities of other States and with the entities in those States that perform functions equivalent to those referred to in paragraph 1 above if, and to the extent that, such exchange is necessary for the supervision of the securities and derivatives markets and for the supervision, on an individual or consolidated basis, of intermediaries.

3. Any information received by the OSMVM pursuant to the previous paragraphs may only be used:

a) For assessment of the conditions of access to the activity of an intermediary;

b) For supervision, on an individual or consolidated basis, of the activity of intermediaries and for supervision of the securities and derivatives markets;

c) For the gathering of evidence in proceedings and for the application of sanctions;

d) In relation to appeals lodged against decisions taken by the Finance Minister, the OSMVM, the National Bank of Angola or the Angolan Insurance Regulation and Supervision Agency under the provisions applicable to the entities under their supervision;

e) To comply with legal duties to cooperate with other entities or to carry out cooperation actions.

4. The OSMVM may only disclose information it received from the entities referred to in paragraph 2 of the previous Article to other entities with the express consent of the entities that provided the information.

5. Entities that receive information from the OSMVM pursuant to the previous paragraph are subject to the same duty of secrecy as the OSMVM.

6. Disclosure of information in a summary or aggregate form that does not allow individual identification is permitted.

ARTICLE 21
(Bulletin)

On a regular basis, the OSMVM shall publish a news bulletin, which must specifically contain the following information:

a) The OSMVM's regulations and instructions;

b) Recommendations and general opinions;

c) Authorisation decisions;

d) Registration decisions, where the record is public;

e) Any other decisions for which it is responsible by law and which the Board of Directors considers it appropriate to publish.

CHAPTER II
Supervision

ARTICLE 22
(Principles)

Supervision by the OSMVM must follow the principles below:

a) Investor protection;

b) Efficiency, orderly functioning and transparency of the securities and derivatives markets;

c) Control of information;

d) Prevention of systemic risk;

e) Prevention and repression of actions that are contrary to law or regulation;

f) Independence from any entity, whether under its supervision or not.

ARTICLE 23
(Entities subject to the supervision of the OSMVM)

1. The following entities are subject to the supervision of the OSMVM, as regards their activities in the securities and derivatives market, without prejudice to any powers accorded to other authorities:

a) The management entities of regulated markets, settlement systems, clearing houses, central counterparties and centralised securities systems;

b) Intermediaries, investment consultants and independent financial analysts;

c) Issuers of securities;

d) The institutional investors referred to in Article 13(5)(a) to (e) and the holders of qualifying holdings;

e) Auditors and credit rating companies registered with the OSMVM;

f) Other entities which by law are subject to the supervision of the OSMVM;

g) Other persons whose main or ancillary business is connected with the issue, distribution, trading, registration or deposit of securities and derivatives or, in general, the organisation and functioning of the securities and derivatives markets;

h) Entities subcontracted by the entities referred to in the previous subparagraphs.

2. Persons or entities that carry out cross-border activities are subject to the supervision of the OSMVM if their activities have some relevant connection with regulated markets, transactions, or securities and derivatives that are subject to Angolan law.

3. Entities subject to the supervision of the OSMVM shall cooperate fully with the OSMVM when so requested.

ARTICLE 24
(Supervision procedures)

1. In the exercise of its supervisory responsibilities, among other procedures provided for by law, the OSMVM may:

a) Monitor the activity of entities subject to its supervision and the functioning of the securities and derivatives markets, securities and derivatives settlement systems, clearing houses, central counterparties and centralised securities systems;

b) Supervise compliance with the laws and regulations;

c) Approve any acts and grant any authorisations provided for by law;

d) Keep the records required by law;

e) Conduct investigations into disciplinary matters and punish any infringements that fall within the scope of its responsibility;

f) Give orders and formulate specific recommendations;

g) Disseminate information;

h) Publish studies;

i) Regularly assess and disseminate, after consultation with the relevant stakeholders, the market practices that are acceptable and those that are not, reassessing those practices as required, along with their characteristics and their terms and conditions, in accordance with the principles set forth in Article 22 and the rest of the applicable legal and regulatory framework.

2. The powers referred to in paragraph 1(e) above shall be exercised in relation to any person, even if not included within the scope of Article 23(1).

3. For the purposes of the provisions of paragraph 1(i), the OSMVM shall specifically take into consideration the principles stated in Article 22, the possible effects of the practices in question on market liquidity and efficiency, their transparency and appropriateness to the nature of the markets and the trading procedures adopted, the interaction between different markets at national and international level, and the various risks such practices entail.

ARTICLE 25
(Exercise of supervision)

1. In exercising supervision, the OSMVM shall take all the necessary steps to ensure that the principles referred to in Article 22 are put into effect, safeguarding, as far as possible, the autonomy of the entities under its supervision.

2. In exercising supervision, the OSMVM has the following prerogatives:

a) To demand any elements or information or examine books, records and documents, without the supervised entities concerned being able to invoke professional secrecy;

b) To take evidence from any persons, summoning them for that purpose where necessary;

c) To force the persons responsible for the premises in which a case investigation or any other inquiry is to be conducted to grant its agents access to the facilities they need in order to be able to perform their tasks efficiently and in decent conditions;

d) To call on other persons or entities, including police authorities, to cooperate as necessary or appropriate for the performance of its functions, specifically where it encounters resistance or where the specialised, technical nature of the matters in question so require;

e) To take over the role of the management entities of regulated markets, settlement systems, clearing houses, central counterparties and centralised securities systems when the latter fail to take the measures required to remedy abnormal situations that put the orderly functioning of the market, their own activity or investors' interests at risk;

f) To take over the role of the supervised entities in fulfilling their duty of disclosure;

g) To make the fact that an issuer is failing to perform its duties public.

3. In the situations envisaged in paragraphs 1 and 2(a), (b) and (c), the natural or legal persons in question have a duty not to disclose to clients or third parties either the nature of the action taken or the fact that action has been taken.

4. In appeals against decisions taken by the OSMVM in the exercise of its powers of supervision, it is presumed, until proven otherwise, that suspension of the effects of the decision will cause serious harm to the public interest.

ARTICLE 26
(Continuous supervision)

The OSMVM shall monitor the activity of the entities under its supervision continuously, even when no irregularity is suspected.

ARTICLE 27
(Prudential supervision)

1. The following entities, apart from any others established by law, are subject to the prudential supervision of the OSMVM:

a) The management entities of regulated markets, settlement systems, clearing houses, central counterparties and centralised securities systems;

b) Collective investment schemes.

2. Prudential supervision must be guided by the following principles:

a) Preserve the solvency and liquidity of financial institutions and prevent specific risks;

b) Prevent systemic risks;

c) Ensure the good repute of the members of management bodies, the persons who effectively manage the activity and the holders of qualifying holdings, as laid down by special law or in accordance with the criteria set out in the Financial Institutions Law, mutatis mutandis, as applicable.

3. For the purposes of the preceding paragraph, the entities referred to in paragraph 1 must provide the OSMVM with such information as the OSMVM deems necessary in order to assess their liquidity and solvency, the risks they have incurred (including the level of exposure to different types of financial instruments), the risk management and risk control practices they are or may be required to adopt, and the methodologies used in measuring their assets, particularly those that are not traded on highly liquid and transparent markets.

4. The OSMVM, by way of regulation, shall implement the provisions of the previous paragraphs.

ARTICLE 28
(Inspection)

1. In the exercise of its powers of inspection, the OSMVM shall:

a) Carry out such inspections as it considers necessary of the entities under its supervision;

b) Conduct inquiries into infringements of any kind committed within the scope of the regulated markets or that affect their normal functioning;

c) Carry out the investigations required to ensure compliance with the principles referred to in Article 22, particularly in respect of the transactions described in Article 342.

2. The OSMVM shall report to the competent authorities any infringements that it becomes aware of but that do not fall within the scope of its authority to investigate and sanction.

ARTICLE 29
(Records)

1. The records kept by the OSMVM are intended to be used to monitor the legality and regulatory compliance of the facts or elements subject to registration and to organise the supervision task.

2. The records kept by the OSMVM are public, except where the law provides otherwise.

3. The documents used as the basis for the records are public, except where they contain personal information that is not included in the record or where the record was made in the context of infraction proceedings or investigations which are still in progress or which, for any other reason, are subject to secrecy.

4. The OSMVM shall define, by way of regulation, the terms on which public access to the records and documents referred to in the previous paragraphs is permitted.

5. The OSMVM shall keep a record of the main and ancillary sanctions imposed in infraction proceedings, which is not open to the public.

6. The records kept by the OSMVM may be loaded into and processed in computer applications, subject to the conditions and within the limits imposed by the personal data protection law.

ARTICLE 30
(Supervision of advertising and general contractual clauses)

1. The OSMVM is responsible for verifying compliance with the laws on advertising and general contractual clauses relating to matters regulated in this Code and shall commence infraction proceedings and impose sanctions where appropriate.

2. Under current legislation, where advertising material is considered illegal, the OSMVM may order that:

a) The necessary changes be made to put an end to the illegality;

b) The advertising action be suspended;

c) The responsible party immediately publish an appropriate rectification.

3. No period of suspension of an advertising action may exceed 10 working days.

4. In the event of failure to comply with the order referred to in paragraph 2(c) above, the OSMVM may take the necessary action in lieu of the defaulting party, without prejudice to any applicable sanctions.

ARTICLE 31
(Publication of information)

1. The OSMVM shall set up a computer system for the dissemination of information to the public, which may include, among other things, elements recorded in its register, decisions of public interest and other information reported to or approved by it, notably inside information within the meaning of Article 387, qualifying holdings, financial statements and prospectuses.

2. The prospectuses referred to in the preceding paragraph must be kept accessible for at least one year.

ARTICLE 32
(Publication expenses)

A resolution of the Executive Board of the OSMVM certifying that it has incurred expenses in carrying out disclosures or publications which the law allows it to carry out at the expense of entities under its supervision is an enforceable document.

CHAPTER III
Regulation

ARTICLE 33
(Regulations of the OSMVM)

1. The OSMVM shall draw up regulations on the matters that fall within the scope of its responsibilities and authority.

2. The regulations drawn up by the OSMVM must comply with the principles of legality, necessity, clarity and publication.

3. The regulations of the OSMVM must be published in Series I of the Angolan Official Gazette [*Diário da República*] and come into force on the date stated in the regulations or five days after the date of their publication.

4. Regulations of the OSMVM that address matters concerning a particular regulated market or securities or derivatives traded in such a market must also be published in the bulletin of that market.

5. A regulation of the OSMVM that is intended only to regulate the internal procedures of one or more classes of entities is known as an "instruction" and is not required to be published in the manner described in the previous paragraphs; instead, the addressees must be notified and the instruction comes into force five days after notification or on the date stated in the instruction.

ARTICLE 34
(General recommendations and opinions)

1. The OSMVM may issue general recommendations addressed to one or more classes of entities under its supervision.

2. The OSMVM may issue and publish general opinions on relevant matters that are submitted to it in writing by any of the entities under its supervision or associations of such entities.

ARTICLE 35
(Website)

The OSMVM shall post information about its activity as the securities and derivatives market supervisor and regulator on its website, including information about:

a) Entries made by the OSMVM in its register;

b) Up-to-date text of the laws and regulations concerning the matters regulated by this Code and supplementary legislation;

c) Main decisions of the Board of Directors of the OSMVM;

d) Educational material about the securities and derivatives market.

ARTICLE 36
(Self-regulation)

1. Within the limits set by law and regulation, the management entities of regulated markets, settlement systems, central counterparties, clearing houses and centralised securities systems are free to regulate the activities they manage, subject to the requirement that they register any such regulations with the OSMVM.

2. Any code of ethics approved by a management entity or professional association of intermediaries must be submitted to the OSMVM.

CHAPTER IV
Cooperation

ARTICLE 37
(Principles)

In addition to the principles set out in Article 22, any cooperation by the OSMVM with other entities must follow the principles of reciprocity, respect for professional secrecy and restricted use of information for supervisory purposes.

ARTICLE 38

(Cooperation with other national authorities)

1. In relation to entities that are also subject to the supervision of other authorities, such as the National Bank of Angola and the Angolan Insurance Regulation and Supervision Agency, the OSMVM and these other authorities shall cooperate with one another so as to coordinate the exercise of their respective supervisory and regulatory powers.

2. The cooperation referred to in the previous paragraph must be conducted on a regular basis and may take the form of:

a) The preparation and approval of regulations, where authority is shared between them by law;

b) The carrying out of mutual consultations;

c) The exchange of information, even when subject to professional secrecy;

d) The carrying out of joint inspections;

e) The establishment of agreements and common procedures.

ARTICLE 39

(Cooperation with other national institutions)

1. Public or private entities that have powers of intervention over any of the entities referred to in Article 23 shall cooperate with the OSMVM in the exercise of its supervisory powers.

2. Any agreements entered into pursuant to the provisions of the previous paragraph must be published in the OSMVM bulletin.

ARTICLE 40

(Cooperation with foreign counterparts)

1. In the exercise of its responsibilities, the OSMVM shall cooperate with its counterparts in other States.

2. The OSMVM may enter into bilateral or multilateral cooperation agreements with those counterpart institutions, particularly with a view to:

a) Gathering information about market infringements and other infringements that fall within the scope of the OSMVM's responsibility to investigate;

b) Exchanging the information required for the exercise of their respective supervisory or regulatory functions;

c) Carrying out consultations on problems arising from their respective responsibilities;

d) Training their staff and allowing exchange of experiences within the scope of their responsibilities;

3. The OSMVM shall keep the Ministry of Foreign Affairs informed about all bilateral or multilateral agreements to which it is a party.

4. The agreements referred to in the previous paragraphs may include the participation, in a subordinate capacity, of representatives of counterpart institutions of a foreign State in actions that fall within the OSMVM's remit, where there is a suspicion that the law of that foreign State has been broken.

5. The cooperation described in this Article must be carried out in accordance with the law and the international conventions that bind the Angolan State.

6. The provisions of this Article are applicable, mutatis mutandis, to relationships resulting from the OSMVM's membership of international organisations.

ARTICLE 41

(Provisional remedies in international cooperation)

1. When the OSMVM detects a breach of the duty to report and disclose a qualifying holding, prepare a prospectus for a public offer or listing or disclose periodic information, or a breach of conduct by a regulated market, it may report the incident to the authority of the issuer's home State or, in the case of an infringement committed by a regulated market, to the authority of the State that authorised the market in question.

2. Notwithstanding the provisions of the previous paragraph, the OSMVM may take such measures as it deems appropriate to protect investors and the proper functioning of the markets.

3. For the purposes of the preceding paragraph, the OSMVM may take steps to prevent the regulated market or trading system in question from continuing to provide, in Angola, mechanisms for market access and trading by members established in Angola.

TITLE III

Securities

CHAPTER I

General provisions

SECTION I

Applicable law

ARTICLE 42

(Capacity and form)

An issuer's capacity to issue securities and the form of representation of the securities it issues are governed by the law of the issuer's home country.

ARTICLE 43

(Content)

1. The content of securities is regulated by the law of the issuer's home country unless, where bonds and other debt securities are concerned, the issue register specifies that a different law applies.

2. The content of securities that grant a right to subscribe for, acquire or sell other securities is also subject to the law of the issuer's home country.

ARTICLE 44

(Transfer and guarantees)

The transfer of rights and the establishment of pledges on securities are governed:

a) For securities included in a centralised system, by the law of the State in which the management entity of that system is located;

b) For registered or deposited securities that are not included in a centralised system, by the law of the State in which the establishment in which

the securities are registered or deposited is located;

c) For securities not covered by the previous subparagraphs, by the law of the issuer's home country.

ARTICLE 45
(Material reference)

The designation of a foreign law by effect of the rules of this subsection does not include the international private law rules of the designated law.

SECTION II
Issue

ARTICLE 46
(Ability to issue)

1. Securities may only be issued by legal persons or other subjects that are authorised by law or regulation.

2. The OSMVM may, by way of regulation, establish rules on the ability to issue securities.

ARTICLE 47
(Issue register)

1. The issue of securities that have not been detached from other securities is subject to registration by the issuer.

2. The provisions on the registration of the issue of securities apply to securities issued by entities whose home country law is that of Angola.

ARTICLE 48
(Details to be included in the issue register)

1. The issue register must contain:

a) The particulars of the issuer, specifically its name, registered office address, tax identification number, the Companies Register in which it is registered, and its registration number;

b) Full details of the security, namely, the type of security, any rights (for that type of security) that are specifically included or excluded, the form of representation and the nominal or percentage value;

c) The number of securities included in the issue, the series to which they belong and, in the case of tap issues, the total number of securities issued to date;

d) The amount and date of the projected and completed payments for delivery of the securities;

e) Any changes that have occurred in any of the details referred to in the previous subparagraphs;

f) The date of first registration of ownership or delivery of the certificates and the details of the first holder, as well as, where applicable, the intermediary with which the holder entered into a contract for the registration of the securities;

g) For certificated securities, the certificate number.

2. The changes referred to in paragraph (1)(e) above must be entered in the register within 30 days.

3. The issue register must be replicated, as regards the details referred to in subparagraphs (a), (b) and (c) of the previous paragraph and any changes thereto:

a) In an account held by the issuer with the centralised system management entity, when the securities are included in such system;

b) In an account held by the issuer with the intermediary that provides the book-entry securities registration service in accordance with Article 67.

ARTICLE 49
(Class)

Securities that are issued by the same entity and have the same content form a single class, although they may belong to different issues or series.

SECTION III
Representation

ARTICLE 50
(Forms of representation)

1. Securities are either book-entry securities or certificated securities, depending on whether they are represented by account entries or by paper documents.

2. All the securities that form part of the same issue, even if divided into series, must have the same form of representation, except for the purpose of trading abroad.

3. Securities detached from book-entry and certificated securities that are included in a centralised securities system are represented by separate account entries.

4. Securities detached from other certificated securities are represented by coupons physically detached from the certificated securities from which they arose.

ARTICLE 51
(Prior formalities)

The recording of securities in individualised accounts or the delivery of certificates requires prior completion of the necessary formalities for the creation of each type of security, including Companies Register formalities.

ARTICLE 52
(Conversion decision)

1. Unless prohibited by law or the issuer's bylaws, the issuer may elect to convert securities from one form of representation to another, establishing a reasonable period of not more than one year for this purpose.

2. The conversion decision must be published.

3. The conversion costs must be paid by the issuer.

ARTICLE 53
(Conversion of book-entry securities into certificated securities)

1. Book-entry securities are considered converted into certificated securities when the certificates become available for delivery.

2. The book entries of the converted securities must be invalidated or cancelled, indicating the conversion date.

ARTICLE 54

(Conversion of certificated securities into book-entry securities)

1. Certificated securities are converted into book-entry securities through entry in an account, once the period set by the issuer for delivery of the certificates to be converted has elapsed.

2. The certificated securities to be converted must be delivered to the issuer or deposited with the entity that is to provide the registration service after conversion.

3. Certificates of securities that are not delivered within the period set by the issuer only entitle the holders to request registration in their names.

4. The issuer must ensure that converted securities are invalidated through destruction of the certificate or by any other means which indicate their conversion.

5. Certificated securities that are included in a centralised securities system may be converted by simple notice given by the issuer to the centralised system management entity, which will then invalidate the certificates.

ARTICLE 55

(Reissue and judicial renewal)

1. Deposited book-entry and certificated securities that are lost or destroyed may be reissued based on available backup documents and records.

2. The reissue is done by the entity with which the securities are registered or deposited, with the issuer's cooperation.

3. The proposal to reissue the securities must be announced and notified to each presumed holder and the reissue may only take place after at least 45 days have elapsed since the announcement and notification.

4. After the announcement and notification, any interested party may object to the reissue, requesting renewal of the lost or destroyed securities through a court proceeding ("judicial renewal").

5. When all the certificates in a centralised depository are destroyed without the corresponding book entries having been affected, the certificates are deemed converted into book-entry securities, unless the issuer, within 90 days of notification by the central depository's managing body, requests judicial renewal.

6. The judicial renewal process regulated by Articles 1069 et seq. of the Code of Civil Procedure is also applicable, mutatis mutandis, to the renewal of book-entry securities.

SECTION IV

Forms of securities

ARTICLE 56

(Registered securities and bearer securities)

1. Securities are issued in either registered or bearer form, depending on whether the issuer is able to know the holders' identity at all times.

2. In the absence of a bylaw clause or a decision by the issuer, securities are considered to be in registered form.

ARTICLE 57

(Convertibility)

Absent any provision of law or the bylaws or resulting from any special terms laid down for a particular issue, bearer securities may, on the initiative and expense of the holder, be converted into registered securities, and vice versa.

ARTICLE 58

(Conversion methods)

Conversion is effected:

a) By means of an entry in the individualised registration account for book-entry securities or certificated securities that are included in a centralised system;

b) By replacement of certificated securities or by amendment of their text, done by the issuer.

SECTION V

Standing

ARTICLE 59

(Standing)

1. Anyone who, according to the register or certificate, is the holder of rights attached to securities is legally entitled to exercise the rights attached to those securities.

2. The rights attached to securities, besides those arising from the legal framework that governs each type of security, include the following:

a) Dividends, interest and other income;

b) Voting rights;

c) Rights to subscribe for or acquire securities of the same or a different type.

3. The entitlement to exercise rights that have been detached from a security belongs to the person who, according to the book entry or certificate resulting from the detachment, is the holder of those rights.

ARTICLE 60

(Standing to be sued)

An issuer who, in good faith, delivers any benefit or grants any right to a holder whose title is documented by a book entry or a certificate is released and exempt from liability.

ARTICLE 61

(Co-holders)

Co-holders of a security shall exercise the rights attached to the security through a common representative on the terms laid down for shares in Article 334 of the Companies Law.

ARTICLE 62

(Acquisition from a person with no standing)

1. Lack of legal standing of the seller is not grounds for a challenge to the rights of the purchaser of a security who acted in good faith, provided the acquisition was carried out in accordance with the applicable rules of transfer.

2. The provisions of the previous paragraph are applicable to the holder of any kind of rights of pledge over securities.

SECTION VI
Regulation

ARTICLE 63
(Regulation of the registers kept by issuers and intermediaries)

1. Through Executive Decree and after having consulted the OSMVM, the Finance Minister, by delegation, will regulate:

a) The security issue register to be kept by the issuer, in particular its content and medium;

b) The register of book-entry securities to be kept by the issuer under Article 68, in particular the issuer's duties, the means of conversion of securities and their reissue.

2. The OSMVM is responsible for regulating the register of book-entry securities that follow the rules stated in Article 67.

ARTICLE 64
(Regulation of the centralised securities system)

The OSMVM, after consulting with the relevant management entities, shall draft the regulations required to specify and implement the provisions on book-entry and certificated securities that are included in the centralised securities system, especially with respect to the following aspects:

a) System of accounts and the rules they should follow;

b) Exercise of the rights attached to securities;

c) Information to be provided by participants in the centralised system;

d) Inclusion and exclusion of securities in the system;

e) Conversion of the form of representation;

f) Connection with settlement systems;

g) Security measures to be taken in respect of the register of securities recorded in an electronic medium;

h) Provision of securities registration or deposit services by entities established abroad;

i) Procedures to be adopted in operational dealings between centralised systems operating in Angola and abroad;

j) Terms on which the presumption referred to in Article 78(3) may be rebutted;

k) Terms and conditions for the mandatory opening of individualised registration accounts directly with the centralised system's management entity;

l) Centralised system participants and their duties and rights;

m) The requirement that the management entity's rate and fee schedule be subject to approval by the OSMVM.

CHAPTER II
Book-entry securities

SECTION I
General provisions

SUBSECTION
Registration methods

ARTICLE 65
(Registering entities)

1. An individualised book-entry securities account is:

a) An account included in the centralised system, held with the centralised system's management entity and operated by an intermediary that is a participant in the centralised system, this latter being engaged by the security holder and designated by the intermediary acting as custodian; or

b) An account held with a single intermediary, indicated by the issuer; or

c) An account held with the issuer or an intermediary which represents the issuer.

2. Only investors whose investment originates from countries that are members of the International Capital Market Association are permitted to open accounts with an intermediary that is a participant in the centralised system.

ARTICLE 66
(Inclusion in the centralised system)

The following securities must be included in the centralised system:

a) Book-entry securities that are admitted to trading in a regulated market;

b) Book-entry securities that are distributed by public offer and other securities that belong to the same class.

ARTICLE 67
(Registration with a single intermediary)

1. The following securities must be registered with a single intermediary if they are not included in the centralised system:

a) Book-entry bearer securities;

b) Securities issued jointly by more than one entity;

c) Units in collective investment schemes.

2. The intermediary acting as registrar is indicated by the issuer or the collective investment scheme managing entity, which shall bear the costs of any change of registrar.

3. If the issuer is an intermediary, the registration referred to in this Article is done with a different intermediary.

4. The intermediary takes all the necessary steps to prevent and, with the issuer's cooperation, correct any discrepancy between the number of securities issued (in total and by class) and the number of outstanding securities.

ARTICLE 68

(Registration with the issuer)

1. Book-entry securities issued in registered form that are not included in the centralised system or registered with a single intermediary must be registered with the issuer.

2. Registration with the issuer may be replaced by equivalent registration with an intermediary acting as representative of the issuer.

SUBSECTION II

Registration procedure

ARTICLE 69

(Registration medium)

1. Entries in the register maintained by the centralised system are recorded in an electronic medium and may consist of coded references.

2. Entities that keep a register in an electronic medium must take appropriate security measures for this type of medium, in particular, backup copies stored in a different location from the register.

ARTICLE 70

(Registration ex-officio and on request)

1. Acts in which the management entity has taken part in some way and acts of judicial attachment which are notified to the management entity by the competent authority are registered ex-officio.

2. The following have standing to request registration:

a) The holder of the account in which securities are to be registered or into which securities are to be transferred;

b) The usufructuary, pledgee or holder of any other claim to securities, as regards registration of the claim in question.

ARTICLE 71

(Documentary basis of account entries)

1. Entries and annotations to registration accounts are made on the basis of a written request by the transferor or documents sufficient to prove the fact that is to be registered.

2. When the person requesting the entry or annotation does not deliver a written document and no written document is required in order to validate or prove the fact that is to be registered, the registering entity shall prepare a written note stating the reasons for the account entry.

ARTICLE 72

(Details to be included in individualised registration accounts)

1. For each holder, a separate account must be opened for each class of securities. Besides up-to-date details for the elements mentioned in Article 48(1)(a) and (b), the account must contain:

a) Particulars of the holder and, in the case of co-holders, particulars of their common representative;

b) Debit and credit entries relating to quantities bought and sold, with details of the account in which the entries were made;

c) The balance of securities at any given time;

d) The allocation and payment of dividends, interest and other income;

e) The subscription and acquisition of securities, of the same or a different type, to which the registered securities entitle their holder;

f) Any rights or securities detached from the registered securities and, where applicable, the account in which they are registered;

g) The creation, modification and termination of any usufruct, pledge, attachment or other legal encumbrance of the registered securities;

h) Any block on securities and the cancellation thereof;

i) Any legal actions brought in relation to registered securities or to the registration itself, and related decisions;

j) Full details of the intermediary acting as custodian;

k) Other details required according to the nature and characteristics of the registered securities.

2. The details referred to in the previous paragraph must include the date of entry in the account and abbreviated details of the documents used as the basis for the entry.

3. If the securities were issued by an entity subject to the law of a foreign country, the registration details referred to in Article 48(1)(a) and (b) will be based on a statement by the petitioner, accompanied by the legal opinion referred to in Article 253(1), where required under the terms of this Article.

ARTICLE 73

(Date and priority of entries)

1. Entries made ex-officio are dated with the date of the fact being registered.

2. Entries made at the request of an interested party are dated with the date of submission of the registration request.

3. If more than one entry is made with the same date, the priority of the entries is determined by the recorded time of the fact or submission, according to whether the entry is made ex-officio or at the request of a party.

4. Entries relating to blocked book-entry securities are dated with the date on which the block was lifted.

5. A provisional entry converted into a definitive entry retains the date of the provisional entry.

6. Where an entry is refused, the entry made after a complaint or appeal against the registering entity has been decided in favour of the petitioner is dated with the date of the act that was refused.

ARTICLE 74

(Succession of entries)

Registration of an acquisition of securities or of the creation, modification or termination of a usufruct, pledge or other claim to registered securities requires that the securities be registered in the name of the transferor beforehand.

ARTICLE 75

(Transfer of book-entry securities between accounts)

Book-entry securities may be transferred between accounts belonging to the same or different holders by means

of a debit entry in the source account and a credit entry in the destination account.

ARTICLE 76
(Blocking)

1. Securities may be blocked by means of an account entry, indicating the reason for the block, the duration of the block and the number of securities blocked.

2. During the blocking period, the registering entity is prohibited from transferring the blocked securities.

3. Book-entry securities must be blocked in the following circumstances:

a) When certificates for the exercise of rights attached to the securities have been issued and those rights may only be exercised if the securities are held until the exercise date, in which case the block will continue for the period indicated on the certificates;

b) When a certificate has been issued for use as evidence in an enforcement proceeding in relation to the securities, in which case the block will be maintained until the original of the certificate is returned or a certificate of the court's final decision in the enforcement proceeding is presented;

c) When the securities have been pledged or attached by a court order, for so long as the pledge or attachment remains in force;

d) When the securities are subject to a public offer for sale or, in the case of securities that have already been issued, when they are used as consideration in a public offer of exchange, in which case the block will be maintained until the transaction is settled or the offer is terminated before settlement.

4. Securities may also be blocked:

a) On the holder's initiative, in any event;

b) On the intermediary's initiative, with respect to securities which the intermediary has been ordered to sell on a registered market.

SUBSECTION III
Value and defects of registration

ARTICLE 77
(Initial registration)

1. Book-entry securities are created by entries in individualised accounts held with registering entities.

2. The initial entry in the account is based on the relevant elements of the issue registration provided by the issuer.

3. If the registering entity has already opened subscription accounts, initial registration is made by converting those accounts into individualised registration accounts.

ARTICLE 78
(Value of registration)

1. Registration in an individualised registration account allows the presumption that the corresponding right exists and belongs to the holder of the account, on the precise terms of the account entry.

2. Unless stated otherwise in the account, the co-holders of a book-entry securities account are presumed to have equal shares.

3. When compliance with duties of disclosure, publication or communication of the launch of a tender offer is in dispute, the presumption of ownership resulting from an account entry may be rebutted, for that purpose, before the supervisory authority or at that authority's initiative.

ARTICLE 79
(Priority of rights)

The priority of registered rights to the same securities is determined by the priority of the respective account entries.

ARTICLE 80
(Cancellation of the effects of registration)

1. The effects of registration are cancelled when the account entry expires or is cancelled.

2. An account entry may be cancelled ex-officio or at the request of the interested party.

ARTICLE 81
(Registration refusal)

1. Registration must be refused when:

a) The fact is not subject to registration;

b) The registering entity does not have authority to register the fact;

c) The applicant does not have standing to request registration;

d) The fact to be registered is clearly invalid;

e) The documents submitted are clearly inappropriate;

f) The entry was marked as provisional because of doubts that have not been resolved.

2. When registration does not have to be refused, an entry may be marked as provisional based on insufficient documentation.

3. A provisional entry expires after 30 days if the reason for marking it as provisional is not resolved within that time.

ARTICLE 82
(Proof of registration)

1. Registration is evidenced by a certificate issued by the registering entity.

2. The certificate proves the existence of the registration of ownership of the securities in question and of any usufruct, pledge or other claim specified in the certificate, as of the date on which the certificate was issued or for the period stated in the certificate.

3. A certificate may be requested by any person who has standing to request registration.

4. Court recognised creditors of any holder of securities may request a certificate confirming or denying the existence of any encumbrance of that holder's securities.

5. The certificate must not omit any information that is relevant to an understanding of the nature of any claims to the securities and must contain at least the individualised registration account details specified in Article 48(1)(a) and (b) and Article 72(1)(a), (c), (g), (h), (i) and (j).

ARTICLE 83
(Correction and challenge of registration acts)

1. Registrations may be corrected by the registering entity ex-officio or at the request of the interested parties.

2. A correction has retroactive effects to the date of the corrected registration, without prejudice to the rights of third parties acting in good faith.

3. A registration act or a refusal of registration may be challenged before the ordinary courts up to 90 days after the challenger has knowledge of the relevant fact, provided no more than three years have elapsed since the registration date.

SUBSECTION IV
Transfer, establishment and exercise of rights

ARTICLE 84
(Transfer)

1. Book-entry securities are transferred by registration in the purchaser's account.

2. The purchase of book-entry securities in a regulated market entitles the buyer, from the moment of purchase and regardless of registration, to sell those securities in that market.

ARTICLE 85
(Pledge)

1. A pledge on securities is established by an entry in the holder's account, indicating the number of securities pledged, the obligation secured and the identity of the beneficiary.

2. A pledge may be established by an entry in the pledgee's account when the pledgee has been assigned the voting right.

3. The registering entity with which the account containing the pledged securities is held may not transfer those securities to an account at another registering entity without prior notice to the pledgee.

4. Unless agreed otherwise, the rights attached to pledged securities must be exercised by the owner of the pledged securities.

5. The provisions of paragraphs 1 to 3 apply, mutatis mutandis, to the creation of usufruct or any other claim to the securities.

ARTICLE 86
(Attachment)

Book-entry securities may be attached or seized by a court by way of notice to the registering entity that the securities are to be held at the court's disposal.

ARTICLE 87
(Exercise of rights)

If the rights attached to securities are not exercised by the registering entity, they may be exercised by presenting the certificates referred to in Article 82.

ARTICLE 88
(Enforceability)

A certificate issued by a registering entity in relation to book-entry securities is enforceable if it states the purpose for which it was issued, if it was issued for an unlimited period and if the signature of the registering entity's representative and the representative's power of attorney are authenticated by a notary.

SUBSECTION V
Duties of registering entities

ARTICLE 89
(Provision of information)

1. The registering entities of book-entry securities shall provide any information, in the manner found to be most appropriate in each situation that may be requested by:

a) Security holders, regarding details recorded in the accounts held in their name;

b) Holders of usufruct, pledge and other claims to registered securities, in relation to their respective rights;

c) Issuers, regarding details recorded in registered securities accounts.

2. The duty to provide information covers the details recorded in the documents that are the basis for the account entries.

3. If the securities are included in a centralised system, issuers may address their requests for information to the centralised system's management entity, which will then forward the requests to each of the registering entities.

4. On its own initiative, the registering entity must send to each holder of registered securities:

a) The account statement it must send under the OSMVM regulations;

b) The information required for timely compliance with tax obligations.

ARTICLE 90
(Access to information)

Besides the persons entitled by law or expressly authorised by the holder, the following must also have access to information about the facts and claims recorded in the account entries and the documents on which those entries are based:

a) The OSMVM and the National Bank of Angola, while performing their functions;

b) Through the OSMVM, the supervisory authorities of other States, on the terms laid down in the OSMVM's bylaws;

c) Intermediaries acting as custodians and intermediaries who have received orders to dispose of registered securities.

ARTICLE 91
(Civil liability)

1. The registering entities of book-entry securities are liable for any damage caused to holders of rights over those securities or to third parties as a result of omission, irregularity, error, insufficiency or delay in the creation or destruction of book entries, unless the injured parties are proven to bear responsibility.

2. Registering entities have the right of recourse against the management entity of the centralised system for the compensation due under the preceding paragraph if the management entity can be held responsible for the facts on which the liability is based.

3. Wherever possible, compensation is set in securities of the same class as those to which the account entry refers.

4. The intermediary acting as custodian bears sole responsibility to represent the security holders before the centralised system management body for the purpose of performing any acts in relation to the securities, strictly following the rules and procedures laid down by the centralised system management entity.

SECTION II
Centralised securities system

ARTICLE 92
(Structure and functions of the centralised system)

1. Centralised securities systems consist of interconnected groups of accounts through which the creation and transfer of securities is processed and the number of outstanding securities and any rights established over those securities are monitored.

2. Centralised securities systems may only be managed by entities that meet the requirements laid down by specific legislation.

3. The provisions of this section do not apply to centralised systems managed directly by the National Bank of Angola.

4. The intermediary acting as custodian bears sole responsibility to represent the security holders before the centralised system management entity for the purpose of performing any acts in relation to the securities, strictly following the rules and procedures laid down by the centralised system management entity.

ARTICLE 93
(Operating rules)

1. The operating rules of a centralised system must be laid down by its management entity and are subject to registration.

2. The OSMVM will refuse to register such rules or will demand amendments if it considers the rules insufficient or contrary to law or regulation.

3. Apart from other matters required by law or regulation, the centralised system operating rules must include at least the following:

a) The procedures for the handling of events that affect the securities;

b) The procedures adopted for performing reconciliations and the frequency of reconciliations;

c) The rights and obligations of the centralised system management entity and other participants, with the possibility of requiring minimum clauses to be included in service agreements;

d) The procedures and penalties applicable in the event of breach of duties and obligations;

e) The rules and procedures for the collection and verification, by the intermediary acting as custodian, of the documentation used as the basis for account entries and other acts in relation to the securities and, where applicable, for the sending of such documentation to the centralised system management entity;

f) The rules and mechanisms required to ensure that the information recorded in the individualised registration accounts is available to the security holders at all times through a website.

ARTICLE 94
(Inclusion and exclusion of securities)

1. Inclusion in a centralised system covers all securities of the same class, must be requested by the issuer and is carried out through registration in an account opened with the centralised system.

2. Securities that are not required to be included in a centralised system may be excluded at the issuer's request.

ARTICLE 95
(Accounts included in the centralised system)

1. The centralised system is made up of at least the following accounts:

a) Issue accounts kept by the issuer in accordance with Article 48(1);

b) Individualised registration accounts held with the centralised system management entity by intermediaries acting as custodians that are participants of the centralised system;

c) Issue control accounts held with the centralised system management entity by each issuer in accordance with Article 48(3)(a);

d) Control accounts of individualised registration accounts held with the centralised system management entity by intermediaries.

2. If the securities were issued by an entity subject to foreign law, the issue account referred to in paragraph (1)(a) above may be held with an intermediary authorised to conduct business in Angola or be replaced by information provided by another centralised system with which there is sufficient coordination.

3. The OSMVM shall specify the situations in which individualised registration accounts must be held directly with the centralised system management entity, without the intervention of intermediaries.

4. Specific sub-accounts must be opened with the centralised system management entity for pledged or non-transferable securities or securities which, for whatever reason, do not meet the requirements to be negotiable on regulated markets.

ARTICLE 96
(Control of outstanding securities)

1. The centralised system management entity shall take the necessary steps to prevent and correct any discrepancy between the number of securities issued (in total and by class) and the number of outstanding securities.

2. If the accounts referred to in paragraph (1) of the previous Article contain only part of the class, control over the entire class must be accomplished through appropriate coordination with other centralised systems.

ARTICLE 97
(Information to be provided to the issuer)

The centralised system management entity shall provide the issuer with information about:

a) The conversion of book-entry securities into certificated securities or of certificated securities into book-entry securities;

b) The information required for the exercise of the ownership rights attached to the registered securities and for the monitoring by the issuer of the exercise of such rights.

ARTICLE 98
(Civil liability)

1. The centralised system management entity is liable for any damage caused to intermediaries and issuers as a result of omission, irregularity, error, insufficiency or delay in creating the account entries it is required to make and in transferring the information it is required to provide, unless the injured parties are proven to bear responsibility.

2. The centralised system management entity has the right of recourse against intermediaries for compensation paid to issuers and against issuers for compensation paid to intermediaries if the intermediaries or the issuers can be held responsible for the facts that give rise to the liability.

CHAPTER III
Certificated securities

SECTION
Certificates

ARTICLE 99
(Issue and delivery of certificates)

The issue and delivery of certificates to the first holder is the responsibility of the issuer, which shall also bear the associated expenses.

ARTICLE 100
(Scrips)

Until the certificates are issued, title to the securities may be evidenced through scrips provided by the issuer or the intermediary placing the issue.

ARTICLE 101
(Details of certificates)

1. Securities certificates must state, in addition to the details specified in Article 48(1)(a) and (b), the following:

a) Certificate number, except for bearer securities;

b) Number of rights represented by the certificate and, where applicable, their aggregate nominal value;

c) Details of the holder, in the case of registered securities.

2. The certificates must be signed and sealed by a member of the issuer's management body.

3. Amendments to the details stated on the certificate may be made by issuing a replacement certificate or, provided the amendment is signed as indicated in the previous paragraph, in the text of the certificate.

ARTICLE 102
(Sub-division and consolidation of certificates)

A certificate may represent one or more units of securities of the same class and the holder may request the sub-division or consolidation of certificates, bearing the expenses arising therefrom.

SECTION II
Deposit

ARTICLE 103
(Methods of deposit)

1. Certificated securities may be deposited:

a) With an authorised intermediary, on the holder's initiative;

b) With a centralised system, where required by law or on the issuer's initiative.

2. Certificated securities must necessarily be deposited:

a) With a centralised system, when they are distributed through a public offer and other securities of the same class are admitted to trading on a regulated market;

b) With an intermediary or with a centralised system when the entire issue or series is represented by a global certificate.

3. The depository shall keep separate registration accounts for each holder.

4. Registered certificates deposited with an intermediary retain their certificate number.

5. The securities referred to in paragraph 2(b), when they are not included in a centralised system, are subject to the same rules as book-entry securities registered with a single intermediary.

ARTICLE 104
(Ownership of deposited securities)

1. Ownership of deposited securities shall not be transferred to the depository, nor may the depository use deposited securities for any purposes other than those specified in the deposit contract.

2. If a depository goes bankrupt, deposited securities may not be included in the bankrupt's estate, the holders having the right to demand that the securities be kept separate and returned to them.

SECTION III
Transfer, establishment and exercise of rights

ARTICLE 105
(Transfer of certificated bearer securities)

1. Certificated bearer securities are transferred by delivery of the security to the acquirer or to the depository appointed by the acquirer.

2. If the securities are already deposited with the depository appointed by the acquirer, the transfer is carried out through registration in the acquirer's account, with effect from the date of the registration request.

3. In the case of transfer upon death, the registration referred to in the previous paragraph is based on the documents proving the right to succession.

ARTICLE 106
(Transfer of certificated registered securities)

1. Certificated registered securities are transferred by a declaration of transfer to the transferee, written on the certificate, followed by registration with the issuer or with an intermediary representing the issuer.

2. The declaration of an inter vivos transfer is made:

a) In the case of deposited securities not included in a centralised system, by the depository, which shall also record the appropriate entry in the transferee's account;

b) When securities are transferred as a result of a court decision or forced sale, by the competent court officer;

c) In any other situation, by the transferor.

3. A declaration of transfer on the death of the holder is made:

a) If the estate has been divided by court decision, as described in subparagraph (b) of the previous paragraph;

b) In all other cases, by the administrator or by the notary who executed the deed of the estate distribution.

4. Any of the entities referred to in paragraphs 2 and 3 above is entitled to request registration with the issuer.

5. The transfer is effective from the date of the request for registration with the issuer.

6. For registered securities, registration with the issuer is free of charge.

7. The issuer must not, for whatever purpose, blame the interested party for failing to carry out a registration that should have been carried out as per the previous paragraphs.

ARTICLE 107
(Usufruct and pledge)

The creation, modification or termination of any usufruct, pledge or other encumbrance of certificated securities must follow the procedures laid down for the transfer of securities ownership.

ARTICLE 108
(Exercise of rights)

1. Rights attached to certificated bearer securities may only be exercised by a person who possesses the relevant certificate or a receipt issued by the depository, in accordance with Article 82(2).

2. The rights attached to registered securities that are not included in a centralised system may be exercised in accordance with the records kept in the issuer's register.

3. Certificated securities may have coupons for the exercise of rights attached to the securities.

SECTION IV
Certificated securities in a centralised system

ARTICLE 109
(Applicable framework)

Certificated securities included in a centralised system are subject to the rules provided for book-entry securities included in a centralised system.

ARTICLE 110
(Integration in a centralised system)

1. Once certificates have been deposited in the centralised system, the securities must be registered in an account, indicating on the certificates that they have been included in a centralised system and the date of such inclusion.

2. The centralised system management entity may deliver the deposited securities into the custody of an intermediary authorised to receive them, while maintaining all its duties and responsibilities to the depositor.

ARTICLE 111
(Exclusion from the centralised system)

Certificated securities may only be excluded from the centralised system once the system's management entity has assured itself that the certificates reflect the details recorded in the central register, recording those details on the certificates together with the date of exclusion.

TITLE IV
Issuers

CHAPTER I
Issuing companies

SECTION I
General provisions

ARTICLE 112
(Public company)

1. The following are considered public companies:

a) A company that has issued shares or other securities that entitle to subscribe for or acquire shares that are or have been admitted to trading on a regulated market;

b) A company that has been incorporated through an initial public offer for subscription addressed specifically to persons resident or established in Angola;

c) A company that has issued shares or other securities that confer the right to subscribe for or acquire shares that have been the object of a public offer for subscription addressed specifically to persons resident or established in Angola;

d) A company that has issued shares or other securities that confer the right to subscribe for or acquire shares that have been sold in a public offer for sale or exchange in an amount equal to more than 10% of the equity capital addressed specifically to persons resident or established in Angola;

e) A company resulting from the demerger of a public company, or one that, as a result of a merger, includes all or part of the assets and liabilities of such a company.

2. The bylaws may establish that any public offer for sale or exchange of registered shares that makes ownership of the company's equity capital open to the public in accordance with subparagraph (d) of the previous paragraph requires a resolution of the General Meeting.

ARTICLE 113
(Details published in external acts)

A company's status as a public company must be mentioned in the "external acts" indicated in Article 172 of the Companies Law.

ARTICLE 114
(Equal treatment)

A public company shall ensure equal treatment of the holders of securities it has issued that belong to the same class.

ARTICLE 115
(Regulation)

The OSMVM may, by way of regulation, cause other companies to be subject to the rules set out in this Code for public companies and other issuers in general, taking into account, in particular, how widely the securities they issue are held.

SECTION II
Loss of public company status

ARTICLE 116
(Requirements)

1. A company loses its status as a public company when:

a) Through a general tender offer, a shareholder either directly or by application of Article 122(1) has a holding of 90% or more of the voting rights corresponding to the equity capital once the results of the offer have been confirmed;

b) By a resolution passed in a General Meeting of the company by a majority of shareholders representing no less than 90% of the company's equity capital or in meetings of the holders of special shares and other securities that confer the right to subscribe for or acquire shares by a majority representing no less than 90% of the securities concerned.

2. Loss of public company status may be requested from the OSMVM by the company and, in the case of subparagraph (a) of the previous paragraph, also by the offeror.

3. In the case of paragraph 1(b) above, the company shall indicate a shareholder who undertakes:

a) To acquire, within three months of OSMVM approval, the securities owned, at that date, by the persons who did not vote in favour of any of the meeting resolutions;

b) To secure the obligation referred to in the previous subparagraph by means of a bank guarantee or a cash deposit with a bank.

4. The consideration for the acquisition referred to in paragraph 3 must be calculated in accordance with Article 213.

ARTICLE 117
(Publication of the decision)

1. The decision to request the loss of public company status and the OSMVM decision must be published, at the initiative and expense of the person making the request, in the bulletin of the regulated market in which the securities are or have been admitted to trading, by one of the means specified in Article 5.

2. In the case described in paragraph 1(b) of the previous Article, the public notice must state the terms of acquisition of the securities and must be repeated at the end of the first and second month of the period for the exercise of the right to sell.

ARTICLE 118
(Effects)

1. Loss of public company status is effective from the date of the announcement of OSMVM approval.

2. A declaration of loss of public company status entails immediate exclusion of the company's shares, and any securities that confer the right to subscribe for or acquire shares, from trading on the regulated market, and no readmission can take place for a period of one year.

SECTION III
Qualifying holdings

ARTICLE 119
(Duties of disclosure)

1. Any person whose holding in a public company reaches or exceeds 5%, 10%, 15%, 20%, 25%, one third, one half, two thirds or 90% of the voting rights corresponding to a company's equity capital, and any person whose holding falls below any of those thresholds shall, within three business days of the occurrence of such event, disclose the event to the OSMVM and to the investee.

2. For the purposes of the previous paragraph, voting rights must be calculated on the basis of all the shares with voting rights, regardless of whether the exercise of those rights has been suspended or not.

3. The disclosure made pursuant to paragraph 1 must include:

a) An indication of the specific legal event that resulted in the change in the number of voting rights held, the date on which the holding reached, exceeded or fell below the relevant threshold stated in paragraph 1 and, where applicable, the number of shares bought or sold and the trade execution venue;

b) The percent of voting rights attributable to the holder of the qualifying holding, the corresponding percent of equity capital and number of shares and also, where applicable, a breakdown of the holding by class of shares;

c) A description of the situations that determine the allocation to the holder of voting rights attached to securities belonging to third parties and the whole chain of entities to which the qualifying holding is allocated in accordance with Article 122(1), regardless of the law to which those entities are subject;

d) Where the 15%, 20% or 25% thresholds are exceeded, a description of the manner of financing of the acquisition, a statement as to the acquirer's intention (or lack of it) to make further acquisitions or acquire control of the company, and a description of the acquirer's proposed strategy with respect to the company.

4. If the duty of disclosure is incumbent upon more than one holder, a single disclosure may be made, which exempts the holders from the duty of disclosure to the extent that the disclosure is considered made.

5. The holder of a qualifying holding shall provide the OSMVM, at the latter's request, with information about the source of the funds used in the acquisition or expansion of the holding.

6. The duties set out in this Article do not apply to holdings resulting from transactions involving the National Bank of Angola acting in its capacity as monetary authority, within the scope of a guarantee, a repurchase agreement or a similar liquidity agreement authorised for monetary policy reasons or within the scope of a payment system, provided the transactions are carried out within a short period of time and the voting rights attached to the shares in question are not exercised.

7. If, within six months of the disclosure made pursuant to paragraph 1, the intentions reported under paragraph 3(d) change, the holder shall make a new disclosure, in accordance with the previous paragraphs.

ARTICLE 120
(Non-transparent qualifying holding)

1. If, with respect to a qualifying holding in a public company, the disclosures required under Article 119 are not made or do not meet the requirements of paragraph 2 of that Article or if there are reasonable doubts as to the identity of the persons to whom voting rights are to be allocated under Article 122(1) or of proper compliance with the duty of disclosure, the OSMVM shall give the interested parties, the management and supervisory bodies and the chairman of the Board of the General Meeting of the company in question notice of this fact.

2. From the date of notice, the interested parties have 30 days in which to present evidence that clarifies the issues raised in the OSMVM notice or to take measures that ensure transparency regarding ownership of the qualifying holding.

3. If the evidence provided or the measures taken by the interested parties fail to resolve the situation, the OSMVM shall inform the market of the lack of transparency regarding ownership of the qualifying holding in question.

4. From the moment of notification to the market by the OSMVM pursuant to the previous paragraph, the exercise of voting and ownership rights attached to the qualifying holding in question are immediately and automatically suspended, except for any preferential subscription right in a capital increase, until the OSMVM informs the market and the entities referred to in paragraph 1 that ownership of the qualifying holding is considered transparent.

5. The ownership rights referred to in the preceding paragraph allocated to the qualifying holding in question must be deposited in a special account opened at a bank and may not be transferred out of that account during the period of suspension.

6. Before taking the measures set out in paragraphs 1, 3 and 4, the OSMVM shall inform the National Bank of Angola and the Angolan Insurance Regulation and Supervision Agency whenever entities subject to their supervision are involved.

ARTICLE 121
(Publication)

1. The investee shall immediately publish all the information received pursuant to Article 119 by the means stipulated, by way of regulation, by the OSMVM.

2. The investee and the members of its corporate bodies, as well as the management entities of the regulated markets in which the shares or other securities that confer the right to subscribe for or acquire shares are admitted to trading, shall notify the OSMVM if they have any knowledge or reasonable suspicion of a breach of the duty of disclosure provided in Article 119.

3. The duty of disclosure may be met by a company with which the investee company is in a control or group relationship.

ARTICLE 122
(Allocation of voting rights)

1. In calculating a qualifying holding, the voting rights to be considered include, in addition to those attached to shares of which the shareholder in question has ownership or usufruct, any voting rights:

a) Held by third parties in their own name but on behalf of the shareholder;

b) Held by a company with which the shareholder is in a control or group relationship;

c) Held by holders of voting rights with which the shareholder has entered into a voting agreement, unless the shareholder is bound under that same agreement to follow instructions from a third party;

d) Held, if the shareholder is a company, by members of that company's management and supervisory bodies;

e) Which the shareholder acquires under an agreement entered into with their holders;

f) Attached to shares held as collateral by, or managed by or deposited with, the shareholder if the relevant voting rights have been allocated to it;

g) Held by holders of voting rights who have granted the shareholder discretionary powers to exercise those rights;

h) Held by persons who have entered into an agreement with the shareholder aimed at acquiring control, or preventing a change of control, of the investee company or otherwise serving as an instrument for concerted exercise of influence over the investee company;

i) Allocatable to any of the persons referred to in the previous subparagraphs by application, adapted as necessary, of a criterion stated in any of the other subparagraphs.

2. The holders of securities that give rise to voting rights allocatable to the holder of a qualifying holding shall provide the latter with the necessary information for the purposes of Article 119.

3. For the purposes of paragraph 1(h), an agreement regarding the transferability of the shares representing an investee's equity capital is presumed to be an instrument for concerted exercise of influence.

4. The presumption referred to in the preceding paragraph may be rebutted before the OSMVM by producing evidence that the relationship established with the shareholder does not entail any effective or potential influence over the investee company.

ARTICLE 123
(Shareholders' agreements)

1. A shareholders' agreement aimed at acquiring, maintaining or reinforcing a qualifying holding in a public company or ensuring or preventing the success of a tender offer must be disclosed to the OSMVM by any of the parties to the agreement within three days of its conclusion.

2. The OSMVM may require full or partial publication of the agreement, depending on the extent to which the agreement is relevant to control over the company.

3. Corporate resolutions adopted on the basis of votes exercised pursuant to agreements that were not disclosed or published as provided in the previous paragraphs may be voided, unless proof that the resolution would have been adopted without those votes is produced.

ARTICLE 124
(Holdings of public companies)

As provided in Article 119, public companies shall disclose any holdings in companies headquartered outside Angola.

ARTICLE 125
(Transactions with holders of qualifying holdings)

1. Without prejudice to the provisions of Article 36 of the Companies Law, any transactions to be entered into, directly or through an intermediary, between a holder of a qualifying holding and the company, or companies with which the company is in a control or group relationship, must be in writing, subject to a prior resolution by the management body and subject to a prior favourable opinion of the supervisory body, or else be void.

2. The provisions of the previous paragraph do not apply to transactions that are part of the company's ordinary course of business, provided no special benefit is granted to the holder of the qualifying holding.

ARTICLE 126
(Non-application of duties of disclosure)

1. The OSMVM may, by way of regulation, establish that the duties of disclosure under Article 119 do not apply for:

a) Holdings resulting from clearing and settlement operations within the scope of the usual, short-term settlement cycle;

b) The holdings of an intermediary acting as market marker that reach, exceed or fall below the 5% threshold of the voting rights attached to the equity capital, provided the intermediary is not involved in the management of the issuer in question and does not influence it by acquiring those shares or supporting their price.

2. The OSMVM may, by way of regulation, lay down exemptions from the allocation of voting rights in relation to shares held by collective investment schemes, pension funds and portfolios.

SECTION IV
General Meeting

ARTICLE 127
(Notice and preparatory information for the General Meeting)

1. Apart from the items specified in Article 397 of the Companies Law, the notice of the General Meeting of a public company must contain:

a) Information about the procedures to be followed by shareholders in order to exercise the right to add items to the agenda, table draft resolutions and receive information at the General Meeting, as well as the deadlines for the exercise of such rights;

b) Details of where and how to obtain the full text of the documents and draft resolutions to be presented to the General Meeting.

2. Without prejudice to the provisions of Article 321 of the Companies Law, a public company shall provide its shareholders, at the company's headquarters and on the corporate website, from the date of publication of the notice, with the following items:

a) The items referred to in Article 321(1) of the Companies Law;

b) The notice of General Meeting;

c) The total number of shares and voting rights as at the date of publication of the notice, showing, where applicable, separate totals for each class of shares;

d) Forms for the appointment of proxies and for postal voting, where the latter is so allowed by the company's bylaws;

e) Other documents to be submitted to the General Meeting.

3. Where for technical reasons the forms mentioned in subparagraph (d) of the previous paragraph above cannot be made available on the corporate website, the company shall send them, free of charge, to any shareholder who so requests.

4. The items referred to in paragraph 2 must remain available on the website for five years.

ARTICLE 128
(Postal vote)

1. In the General Meeting of a public company, the right to vote on matters stated in the notice of General Meeting may be exercised by regular post or by email.

2. The provisions of the previous paragraph may be overridden by the company's bylaws, except as regards amendments to the bylaws and the election of members of the corporate bodies.

3. The company shall check the authenticity of postal votes and protect their confidentiality until the time of the vote.

4. Unless provided otherwise in the bylaws, postal votes are treated as negative votes in relation to draft resolutions that were tabled after the vote was cast.

ARTICLE 129
(Proxies)

1. The bylaws of a public company may not prohibit a shareholder from appointing a proxy for a General Meeting, whoever the person acting as proxy may be, nor to limit the number of shareholders for whom any one person may act as proxy.

2. A proxy solicitation for the General Meeting of a public company that is addressed to more than five shareholders or that uses one of the means of contact with the public referred to in Articles 2(j) and 154(b) of the Companies Law must contain, in addition to the items referred to in Article 401(3) of the Companies Law, the following:

a) The voting rights allocatable to the proxy solicitor, in accordance with Article 122(1);

b) The reasons for voting the way the proxy solicitor intends to vote.

3. The proxy solicitation form must be sent to the OSMVM up to five days before it is sent to voting rights holders.

4. The proxy solicitor shall provide the voting rights holders with all relevant information they request.

ARTICLE 130
(Attending the General Meeting)

1. Attending the General Meeting to exercise voting rights attached to shares admitted to trading on a regulated market is regulated by the provisions of the following paragraphs, without prejudice to any other requirements of law and the corporate bylaws.

2. Any person who, at the registration date, is entitled by law and the bylaws to exercise at least one vote, according to the information recorded in the individualised registration account kept by the intermediary, has the right to attend and to speak and vote at the General Meeting.

3. For the purposes of the previous paragraph, the registration date is 18:00 on the sixth day before the day of the General Meeting.

4. A shareholder who has completed the procedures for attending a General Meeting may transfer the shares at any time after the registration date and still exercise the voting rights in accordance with the completed procedure.

5. The OSMVM shall establish, by way of regulation, the procedures for notification of the intention to attend the General Meeting and the notices to be issued by the intermediary to the chairman of the Board of the General Meeting, either directly or through the centralised system management entity.

6. The provisions of the previous paragraphs apply to all other public companies with respect to shares with voting rights that are included in a centralised system unless the bylaws provide otherwise.

ARTICLE 131
(Arbitration)

1. The bylaws may lay down that legal disputes between a public company, on the one hand, and its shareholders and other security holders, on the other, or between a public company and the members of the management body, the members of the supervisory body and the auditor must be resolved exclusively through national or international arbitration, carried out in accordance with the applicable law.

2. The OSMVM may lay down such regulations as are necessary to implement the provisions of the previous paragraph, namely as regards effectiveness of decisions and bylaw amendments.

ARTICLE 132
(Suspension of a corporate resolution)

1. A petition for a court order suspending a corporate resolution adopted by a public company may only be filed by shareholders who, individually or jointly, hold shares representing at least 0.5% of the voting rights.

2. Any shareholder may, however, call on the management body, in writing, to abstain from implementing a resolution the shareholder considers invalid, stating the defects of the resolution.

3. If a resolution is declared void or rendered invalid, any members of the management body who proceed to implement the resolution without taking the request submitted in accordance with the previous paragraph into consideration are liable for any damage caused, without their liability towards the company being excluded by the provisions of Article 77(4) of the Companies Law.

ARTICLE 133
(Equity capital increase)

1. Shares issued by a public company or by a company that becomes a public company as a result of the share issue are not fungible with the remaining shares of the same class:

a) For a period of 30 days from the capital increase resolution; or

b) Until the court decision on any action filed within that period to have the corporate resolution declared void or invalid becomes final.

2. A petition to have a capital increase resolution adopted by a public company or by a company that becomes a public company as a result of the share issue declared null and void may only be filed by shareholders who, alone or jointly, own shares representing at least 1% of the voting rights.

ARTICLE 134
(Annulment of a capital increase resolution)

1. If an equity capital increase resolution of a public company is declared null void by a court, the new shares, if they have been admitted to trading on a regulated market, are withdrawn.

2. The amount owed as consideration for the withdrawn shares is the actual value of the shares, as determined, at the company's expense, by an independent auditor registered with and appointed by the OSMVM.

3. Creditors whose rights accrued before the annulment of the resolution was registered may, within a period of six

months from the registration date, demand in writing that the company provide adequate guarantees for performance of any outstanding obligations.

4. Consideration for the cancelled shares is only payable, after the period referred to in the previous paragraph has elapsed, once any creditors who presented claims to the company in that period have been paid or given guarantees.

SECTION V

Governance and supervision

SUBSECTION I

Internal control

ARTICLE 135

(Internal control systems)

1. The management body of a public company shall establish and maintain such internal control systems as will allow it, given the size of the company and the nature of its activity, to exercise proper control over the accounting and financial reporting processes, the company's operations, the risks to which it is exposed and its compliance with the laws and regulations applicable to it.

2. The OSMVM may, by way of regulation, impose a duty on public companies of a particular size or that are issuers of securities admitted to trading on a regulated market to maintain an independent internal audit or control service.

SUBSECTION II

Governance

ARTICLE 136

(Management body)

1. Governance of a public company must be exercised by a Board of Directors made up of an odd number of at least three members.

2. The bylaws of a public company may not prohibit persons who are not shareholders from being appointed or elected to the management body.

3. The security deposit provided by a director of a public company may not be less than AOA 30,000,000.00.

4. The security deposit set forth in the previous paragraph may be replaced by an insurance contract for the benefit of the holders of indemnities, the expenses of such insurance being payable by the company only to the extent of the amount by which the indemnity exceeds the minimum specified in the previous paragraph.

SUBSECTION III

Supervision and external audit

ARTICLE 137

(Composition of the supervisory body)

1. A public company must be supervised by a Supervisory Board.

2. The supervisory body of a public company must be made up of a majority of independent members, who must include at least one certified accountant or accountant.

3. An independent person is one who is not associated with any specific interest group in the company and who is not in any circumstance that is likely to affect his/her independence of analysis or decision, such as, in particular:

a) Being the holder, or acting in the name or on behalf of a holder, of a qualifying holding of 5% or more of the company's capital;

b) Having been re-elected for more than two terms, with or without interruption.

4. The OSMVM shall lay down, by way of regulation, additional rules aimed at ensuring the independence of the members of the supervisory body referred to in paragraph 2.

ARTICLE 138

(Powers and duties of the supervisory body)

1. Without prejudice to the provisions of Article 441 of the Companies Law, the supervisory body of a public company has the following powers and duties:

a) Supervise the effectiveness of the internal control systems;

b) Receive reports of irregularities submitted by shareholders, employees and others;

c) Engage the services of experts to assist one or more of its members in the performance of their functions, taking the importance of the assigned tasks and the company's economic situation into account in engaging and setting the remuneration of such experts;

d) Audit the process of preparation and publication of financial information;

e) Propose the external auditor to the General Meeting for appointment;

f) Oversee the external audit of the company's annual report and accounts;

g) Oversee the independence of the external auditor;

h) Issue a prior opinion about any proposed transaction to be entered into, directly or through an intermediary, between holders of qualifying holdings and the company or other companies that are in a control or group relationship with it, without prejudice to the provisions of Article 36 of Law no. 1/04 of 13th February - the Companies Law.

ARTICLE 139

(External auditor)

1. The General Meeting, at the proposal of the supervisory body, shall appoint an auditor registered with the OSMVM to audit the company's accounts.

2. The appointment must be for periods of no more than four years.

3. In addition to the powers and duties conferred on it by law and the OSMVM regulations, the external auditor shall:

a) Check that the books of account, accounting records and supporting documents are in order;

b) Check, where it considers it necessary and in the manner it considers appropriate, the cash holdings and the inventories of any kind of goods or securities held as collateral, as a deposit or on any other account;

c) Check the accuracy of the balance sheet and income statement;

d) Check whether the accounting policies and measurement criteria adopted by the company result in a fair assessment of its assets and liabilities and its results.

4. Without prejudice to the rules laid down by law for the exercise of the accounting profession, the external auditor is subject to the provisions of Article 434 of the Companies Law.

5. The OSMVM shall lay down, by way of regulation, additional rules aimed at protecting the independence of the external auditor against other interested parties.

CHAPTER II
State-owned enterprises

ARTICLE 140
(State-owned enterprises)

The OSMVM may lay down, by way of regulation that state-owned enterprises are subject to the provisions of Articles 125 and 135 to 139 if the securities issued by such enterprises are widely held or have been offered to the public or listed on a regulated market, to which end it shall adapt the applicable rules as necessary.

CHAPTER III
Issuers of securities admitted to trading

ARTICLE 141
(General rules)

1. Issuers of securities admitted to trading on a regulated market shall submit to the OSMVM the documents and information referred to in the following provisions before they are made public unless a different time limit is specified.

2. Whenever persons who have requested the admission to trading of securities without the consent of the issuer publish the information referred to in the following provisions, they shall at the same time submit it to the OSMVM.

3. The OSMVM may publish, at the expense of the entities that have the obligation to publish it, any information that is required to be published if those entities refuse to follow the orders given to them by the OSMVM in accordance with the law.

4. The duties provided in this chapter do not apply to issuers that would be subject to the provisions of this chapter only by virtue of the issue of debt securities with a maturity of less than one year.

5. The provisions of Articles 142 to 144, Article 145(4), Articles 146 to 148, Article 149(1)(b), (d), (f) and (g) and Article 149(2) do not apply to the State, nor to the National Bank of Angola.

ARTICLE 142
(Annual report and accounts)

1. Issuers of securities admitted to trading on a regulated market shall disclose, as soon as possible and no later than 30 days after their approval:

a) The management report, the annual accounts and other financial statements required by law or regulation;

b) The external auditor's report;

c) Statements by the members of the issuer's management body, whose names and functions must be clearly indicated, stating that to the best of their knowledge the information specified in subparagraph (a) has been prepared in accordance with applicable accounting standards, so as to give a true and fair view of the assets and liabilities, financial position and results of operations of the issuer and any companies included in the perimeter of consolidation, and that the management report presents fairly the business activity, performance and position of the issuer and any companies included in the perimeter of consolidation and contains a description of the main risks and uncertainties they face.

2. The report referred to in paragraph 1(b) must be published in full and include an opinion on the forecasts regarding the performance of the businesses and the economic and financial situation contained in the documents referred to in paragraph 1(a).

3. Where required by law or regulation, the documents referred to in paragraph 1 must be prepared on an individual and consolidated basis.

4. If a company's annual report and accounts do not give a true and fair view of its assets and liabilities, financial position and results of operations, the OSMVM may order supplementary information to be disclosed.

5. The documents comprising the annual report and accounts must be submitted to the OSMVM and to the regulated market management company once they have been made available to the shareholders.

ARTICLE 143
(Semi-annual information)

1. Issuers of shares and debt securities admitted to trading on a regulated market shall disclose, within two months of the end of the first half of the financial year, in respect of the activity for that period:

a) The condensed financial statements;

b) An interim management report;

c) Statements by the members of the issuer's management body, whose names and functions must be clearly indicated, stating that to the best of their knowledge the information specified in subparagraph (a) has been prepared in accordance with applicable accounting standards, so as to give a true and fair view of the assets and liabilities, financial position and results of operations of the issuer and any companies included in the perimeter of consolidation, and that the interim management report presents the information required under paragraph 2.

2. The interim management report must contain at least an account of any important events that occurred during the reporting period and their impact on the financial statements, together with a description of the main risks and uncertainties for the following six months.

3. Where required by law or regulation, the documents referred to in paragraph 1 must be prepared on an individual and consolidated basis.

ARTICLE 144
(Quarterly information)

The OSMVM shall lay down, by way of regulation, the scope and other details of the obligation to provide quarterly information.

ARTICLE 145
(Annual information about corporate governance)

1. Issuers of shares admitted to trading on a regulated market shall disclose, in a chapter of the annual management report prepared specifically for this purpose or in an appendix to that report, a detailed report on the corporate governance structure and practices, containing the items of information specified, by way of regulation, by the OSMVM.

2. Issuers of shares admitted to trading on a regulated market shall disclose the information on the corporate governance structure and practices on the terms specified in the OSMVM regulations.

3. The management body of an issuer of shares admitted to trading on a regulated market shall submit annually to the General Meeting a report explaining the matters referred to in paragraph 1.

4. Companies whose securities other than shares are admitted to trading on a regulated market shall disclose annually, by way of regulation, the corporate governance information specified by the OSMVM.

ARTICLE 146
(Inside information)

1. Issuers that have securities admitted to trading on a regulated market or that have requested admission to such a market shall disclose immediately:

a) Any information that is directly related to them or the securities issued by them that is of a precise nature, that has not been made public and that if it were made public would be likely to significantly influence the price of those securities or the underlying instruments or related derivatives;

b) Any change in information made public in accordance with the previous subparagraph, using for that purpose the same means of publication.

1. For the purposes of this Code, inside information includes information – about events or circumstances that have occurred, are occurring or can reasonably be expected to occur, regardless of the extent to which they have been formally recorded – which, because it is likely to affect the market price of securities, is the kind of information any reasonable investor who was aware of it would be likely to use as the whole or part of the basis of his/her investment decisions.

2. Issuers shall ensure that any disclosure of inside information is made simultaneously to the different categories of investors and in the regulated markets in which their securities are admitted to trading or to which application has been made for admission to trading.

3. Without prejudice to any criminal liability that might arise, any person that holds information of the kind referred to in paragraphs 1 and 2 above shall not, in any way, transfer it beyond the normal scope of the person's functions or use it before it is made public.

4. The prohibition stated in the previous paragraph does not apply to transactions in own shares entered into under repurchase programmes carried out on the terms permitted by law or regulation.

5. Issuers and persons acting in their name or on their behalf shall prepare and keep strictly up to date a list of those of their workers or employees, whether under employment contract or on any other basis, who have regular or occasional access to inside information, notifying these persons of the inclusion of their names in the list and the legal consequences of unlawful disclosure or use of inside information.

6. The list provided for in the previous paragraph must contain the details of the persons, the reasons for which they are included in the list and the date on which the list was established and any relevant update, and must be kept by issuers for five years from the last update and sent to the OSMVM immediately upon request.

ARTICLE 147
(Delayed disclosure)

1. The issuers referred to in paragraph 1 of Article 146 may delay disclosure to the public of inside information provided all the following conditions are met:

a) Immediate disclosure is likely to be detrimental to their legitimate interests;

b) Any delay in disclosing information is unlikely to mislead the public;

c) The issuer is able to ensure the confidentiality of that information.

2. Immediate disclosure of inside information is likely to be detrimental to the issuer's legitimate interests where:

a) The information relates to decisions taken or contracts entered into by the management body of an issuer which need the approval of another body of the issuer in order to become effective and disclosure before approval, even if accompanied by an announcement that approval is pending, would jeopardise the correct assessment of the information by the public; and

b) The issuer is conducting negotiations and related business, where the outcome or normal course of such negotiations would likely be jeopardised by immediate public disclosure.

3. Where the issuer's financial viability is in danger but the issuer is not in a situation of insolvency, disclosure of inside information may be delayed for a limited period and only if it would be seriously detrimental to the interests of existing and potential shareholders by jeopardising the completion of the negotiations designed to ensure the issuer's financial recovery;

4. To ensure the confidentiality and prevent unlawful use of information the disclosure of which has been delayed, the issuer shall adopt at least the following measures:

a) Restrict access to the information to persons who need it to perform their functions;

b) Ensure that the persons who have access to the information know that it is inside information and are aware of the related duties and

prohibitions and the sanctions for unlawful disclosure or use;

c) Take the necessary steps to disclose the information to the public as soon as possible when confidentiality is no longer ensured.

5. If an issuer or a person acting in the issuer's name or on its behalf, in the normal exercise of its activity, profession or functions, discloses inside information to a third party that is not bound by a duty of confidentiality, such information must be made public simultaneously, if the disclosure was intentional, or as soon as possible, if the disclosure was unintentional.

ARTICLE 148
(Reporting of transactions)

1. Persons discharging managerial responsibilities in an issuer of securities admitted to trading on a regulated market, as well as persons closely associated with them, shall notify the OSMVM within five working days of every transaction executed on their own account, for the account of third parties or by third parties on their own account relating to shares of that issuer or securities or derivatives linked to those shares.

2. For the purpose of paragraph 1, "person discharging managerial responsibilities" means a member of the issuer's management or supervisory body, or a senior executive who is not a member of those bodies, who has regular access to inside information and power to take managerial decisions affecting the issuer's management and business strategy.

3. For the purpose of paragraph 1, "person closely associated" means:

a) a spouse or a partner considered to be equivalent to a spouse, a dependent child, or a relative who has shared the same household for at least one year;

b) a legal person who is directly or indirectly controlled by a person discharging managerial responsibilities, is set up for the benefit of such a person, or in which such a person also discharges managerial responsibilities.

ARTICLE 149
(Other information)

1. The issuers of securities admitted to trading on a regulated market shall inform the public as soon as possible of the following:

a) Notice of General Meeting of holders of listed securities, items included on the agenda and draft resolutions tabled;

b) Any change, allotment, payment or exercise of any rights attached to securities admitted to trading or the shares to which those securities entitle their holders, including an indication of the applicable procedures and the financial institution through which shareholders may exercise their rights as holders;

c) Any change of bondholder rights resulting, in particular, from changes to the terms of the loan or the interest rate;

d) Any issue of shares or bonds, indicating any privileges or guarantees attaching to them, including information about allotment, subscription, cancellation, conversion, exchange and repayment procedures;

e) Any amendment to the details required for the admission to trading of the securities;

f) Any purchase or sale of own shares whenever, as a result, the percentage of own shares held rises above or falls below the thresholds of 5% and 10%;

g) Any resolution by the General Meeting concerning the financial statements

2. The issuers of securities admitted to trading on a regulated market shall send to the OSMVM and the regulated market management entity:

a) Any proposed amendment to the bylaws, until the date the competent body is scheduled to meet to approve such amendment;

b) An extract from the minutes containing the resolution on the bylaw amendment, within 15 days of the resolution.

3. Issuers of securities admitted to trading on a regulated market shall disclose the total number of voting rights and the equity capital at the end of each calendar month in which that total number increased or decreased.

ARTICLE 150
(Waiver of disclosure requirements)

1. Except for the provisions of Articles 142 to 145, the OSMVM may waive the disclosure requirements set out in this chapter if disclosure would be contrary to the public interest or would be seriously detrimental to the issuer, provided the lack of disclosure would not be likely to mislead the public about facts and circumstances essential to assess securities.

2. A disclosure waiver is considered granted if the OSMVM does not notify a decision within 15 days of receipt of the waiver request.

ARTICLE 151
(Regulation)

The OSMVM, by way of regulation, shall specify:

a) The content of the annual information about corporate governance;

b) The obligation to submit to the OSMVM or the regulated market management entity or to disclose other information in addition to that referred to in this title;

c) The manner and time limit for submitting or disclosing information, as well as the period for which the information must be kept publicly available;

d) The terms of the information referred to in the previous provisions when the issuers are not companies or are subject to their own foreign law;

e) The documents to be submitted in order to comply with the provisions of Articles 142 and 143;

f) The adaptations to be made when the requirements of Article 143(1)(a) and (b) are in disaccord with the issuer's activity;

g) The semi-annual information to be reported where the first financial year of companies that adopt a financial year other than the calendar year is greater than 12 months;

h) The content and time limit for the publication of quarterly information;

i) The manner in which information on the transactions specified in Article 148 is to be disclosed and made accessible, in particular the possibility that it be disclosed in aggregate form, based on a specified amount and time period.

ARTICLE 152
(Civil liability)

Liability for the content of information made public by issuers in accordance with the previous Articles is governed, mutatis mutandis, by the provisions on liability for the prospectus.

TITLE V
Public offers

CHAPTER I
Common provisions

SECTION I
General principles

ARTICLE 153
(Applicable law)

1. The provisions of this title and supplementary regulations apply, without prejudice to the provisions of Article 155(3) and (4), to public offers addressed specifically to persons resident or established in Angola, whatever the law of the home country of the offeror and the issuer or the law applicable to the securities offered.

2. The provisions of Article 205 and Section II of Chapter III apply only to tender offers for securities issued by companies whose home country law is Angolan law.

ARTICLE 154
(Public offer)

In addition to the provisions of Article 2(j), an offer is also considered public if:

a) It is addressed to all the shareholders of a public company, even if the company's equity capital is represented by registered shares;

b) It is wholly or partially preceded or accompanied by canvassing or surveys of the investment intentions of unidentified offerees or promotional advertising;

c) It is addressed to at least 150 persons who are non-institutional investors resident or established in Angola.

ARTICLE 155
(Private offers)

1. Without prejudice to the provisions of paragraph 2 below, offers of securities that are not public offers are considered private offers.

2. The following are always considered to be private offers:

a) Offers of securities addressed exclusively to institutional investors;

b) Subscription offers addressed by non-public companies to all their shareholders, except for the case specified in subparagraph (b) of Article 154.

3. Private offers made by public companies and issuers of securities admitted to trading on a regulated market must be notified, after the event, to the OSMVM for statistical purposes.

4. The OSMVM may, by way of regulation, determine that:

a) Private offers in relation to securities of the kinds referred to in Article 2(q)(v) are subject to the rules of this title, unless when they are made by intermediaries in relation to securities they themselves have issued;

b) Private offers and public offers for which the publication of a prospectus is not required are subject to reporting obligations.

ARTICLE 156
(Scope)

1. The following are excluded from the scope of this title:

a) Public offers for distribution of securities issued by the State or that are backed by an unconditional and irrevocable State guarantee;

b) Public offers of securities issued by the National Bank of Angola;

c) Offers of securities issued by an open-end collective investment scheme, made by the issuer or on the issuer's behalf;

d) Offers in a regulated market that are presented exclusively through the market's own media, including for trading in that market, and that are not accompanied or preceded by canvassing or surveys of the investment intentions of unidentified offerees or promotional advertising;

e) Public offers for subscription of shares issued to replace shares of the same class already issued, if the issue of such shares does not involve any increase in the issued capital;

f) Public offers of debt securities issued for a maturity of less than one year or cash bonds.

2. Public offers of shares issued by collective investment companies are subject to the same rules as public offers of units.

ARTICLE 157
(Equal treatment)

1. The conditions under which public offers are made must ensure equal treatment for all offerees, without prejudice to the possibility provided for in Article 170(2).

2. If the total number of securities recorded in the acceptance forms completed by the offerees is greater than the number of securities offered, the securities are allocated

in proportion to the requested amounts, unless a different criterion is stipulated by law or the OSMVM does not object.

3. Where this Code does not require the preparation of a prospectus, material information provided by an issuer or offeror to offerees, including information disclosed in meetings related to offers of securities, must be disclosed to all offerees.

4. Where a prospectus is required to be published, the information referred to in the preceding paragraph must be included in the prospectus or an addendum to it.

ARTICLE 158
(Mandatory intermediation)

1. Public offers of securities in which a prospectus is required must be made through an intermediary, which shall provide at least the following services:

a) Assistance and placement, in public offers for distribution;

b) Assistance from the preliminary announcement and receipt of the acceptance forms, in tender offers.

2. The functions mentioned in the previous paragraph may be performed by the offeror when the offeror is an intermediary and is authorised to perform such functions.

ARTICLE 159
(Regulation)

The OSMVM shall prepare the necessary regulations to implement the provisions of this title, namely as regards the following:

a) Minimum number of securities that may be offered to the public;

b) Place of publication of the results of a public offer;

c) Over-allotment option ("Greenshoe");

d) Survey of investment intentions, especially as regards the contents and disclosure of the preliminary announcement and prospectus;

e) Requirements to be met by the securities offered as consideration in a tender offer;

f) Disclosure duties of persons who benefit from an exemption from the obligation to launch a tender offer;

g) Disclosure duties for the distribution by public offer of the securities referred to in Article 2(q)(v).

ARTICLE 160
(Cooperation)

The OSMVM shall specify forms of cooperation with foreign competent authorities for the exchange of information that is needed for the supervision of public offers made in Angola and abroad.

SECTION II
Registration and advertising

ARTICLE 161
(Prior registration and permitted purpose)

1. Every public offer is subject to prior registration with the OSMVM.

2. The securities referred to in Article 2(q)(v) may only be subject to a public offer for distribution if the minimum investment amount per offeree and instrument is greater than the amount specified, by way of regulation, by the OSMVM.

ARTICLE 162
(Documentation of registration request)

1. A request for registration of a public offer must be supported by the following documents:

a) A copy of the offer resolution adopted by the offeror's competent bodies and of the required management decisions;

b) A copy of the bylaws of the issuer of the securities that are subject to the offer;

c) A copy of the offeror's bylaws;

d) An up-to-date certificate of the issuer's company registration;

e) An up-to-date certificate of the offeror's company registration;

f) A copy of the issuer's management reports and accounts, the opinions of the supervisory bodies and other financial statements of the issuer required by law or regulation for the last three financial years;

g) A copy of the offeror's management reports and accounts, the opinions of the supervisory bodies and other financial statements of the offeror required by law or regulation for the last financial year;

h) An auditor's report or opinion prepared in accordance with Articles 8 and 9;

i) The identification code of the securities that are subject to the offer;

j) A copy of the agreement entered into with the intermediary assisting in the offer, if any;

k) A copy of the placement agreement and the placement group agreement, if any;

l) A copy of the market promotion contract, stabilisation contract and greenshoe contract, if any;

m) A draft of the prospectus, where required;

n) The feasibility study, where required;

o) Pro-forma financial information, where required;

p) A draft of the offer announcement, where required;

q) Expert reports, where required.

2. Attachment of documents may be replaced by a note indicating that up-to-date copies of the documents are already in the possession of the OSMVM.

3. The OSMVM may ask the offeror, the issuer or any other person who is in one of the situations specified in Article 122(1) in relation to the offeror or the issuer to provide any supplementary information that is necessary in order to assess the registration request.

ARTICLE 163
(Legality of the public offer)

1. The offeror shall ensure that the public offer complies with applicable laws and regulations.

2. If the public offer is in respect of securities issued or to be issued by an entity whose home country law is a foreign law or which are subject to a foreign law, the OSMVM may demand a legal opinion, to be reported in the prospectus, prepared by a qualified professional, attesting that the issuer is legally incorporated and operating and that the securities were or will be issued in accordance with the applicable law.

ARTICLE 164
(Decision of the OSMVM)

1. Acceptance or refusal of registration must be notified to the offeror:

a) Within eight (8) days, in a tender offer;

b) Within thirty (30) days, in a public offer for distribution.

2. The periods specified in the previous paragraph are to be counted from the date of receipt of the registration request or of the supplementary information requested from the offeror or third parties.

3. The need for supplementary information must be notified to the offeror giving reasons.

4. Failure to notify a decision within the time specified in paragraph 1 entails a tacit refusal of the request.

5. Registration is based on criteria of legality and does not entail any warranty as to the content of the information, the economic or financial situation of the offeror or the issuer, the feasibility of the offer or the quality of the securities.

6. Registration of a tender offer implies approval of the offer prospectus and is based on criteria of legality.

ARTICLE 165
(Refusal of registration)

1. Registration of a public offer may only be refused when:

a) Any of the documents supporting the request is false or does not meet the legal or regulatory requirements;

b) The public offer is illegal or fraudulent.

2. Before refusing registration, the OSMVM shall notify the offeror, so that it may, within a reasonable period, make good any remediable defects.

ARTICLE 166
(Expiry of registration)

Registration expires if the neither the offer announcement nor the prospectus are published:

a) In a public offer for distribution, within six (6) months of the date of the most recent annual report on which the registration was based;

b) In a tender offer, within eight (8) days of the notice of registration.

ARTICLE 167
(Advertising)

1. Advertising of a public offer, by any of the parties involved, must adhere to the principles stated in Article 7.

2. Advertising by the offeror or entities related to it must:

a) Refer to the existence or future availability of a prospectus and state the methods of obtaining it;

b) Be consistent with the content of the prospectus.

3. Advertising of tender offers by the offeree or entities related to it must be consistent with the content of the documents that such entities are required to submit by law.

4. All advertising material relating to the public offer is subject to prior approval by the OSMVM.

5. Civil liability for the content of the information disclosed in advertising actions is subject, mutatis mutandis, to the provisions of Articles 301 et seq.

ARTICLE 168
(Pre-registration advertising)

If after a preliminary examination of the request the OSMVM considers that registration of the public offer is viable, it may authorise advertising before registration is granted, provided this is not expected to cause disruption for the offerees or for the market.

SECTION III
Launch and execution

ARTICLE 169
(Offer announcement)

1. The offer announcement must contain the information needed for the formation of the contracts to which the offer refers, including, in particular:

a) Full details and registered office address of the offeror, the issuer and any intermediaries assisting in or underwriting and distributing the offer;

b) Characteristics and number of the securities subject to the offer;

c) Type of offer;

d) Capacity in which the intermediaries are acting in the offer;

e) Price and overall amount of the public offer, or upper and lower price limits, nature and payment terms;

f) Offer period;

g) Allotment criteria;

h) Conditions precedent to the effectiveness of the public offer;

i) Places from which the prospectus is available;

j) Entity responsible for determining and disclosing the result of the public offer.

2. The announcement of a public offer for distribution must also make reference to the greenshoe option, if any.

3. The offer announcement must be published at the same time as the prospectus is distributed.

ARTICLE 170
(Content of a public offer)

1. The content of a public offer may only be amended in the cases provided for in Articles 174, 195, 207 and 210.

2. A public offer has a single price, although different prices for different classes of securities or offerees are possible, provided they are determined in objective terms and reflect the offeror's legitimate interests.

3. A public offer may only be subject to conditions that reflect a legitimate interest of the offeror and do not affect the normal functioning of the market.

4. A public offer must not be subject to conditions the checking of which depends on the offeror.

ARTICLE 171
(Public offer period)

1. The duration of a public offer must be determined in accordance with the characteristics of the offer, the protection of the offerees' and issuer's interests and the market's operating requirements.

2. The public offer period may only start after the offer announcement and the prospectus have been published.

ARTICLE 172
(Acceptances)

1. An acceptance of a public offer by a offeree consists of an instruction to an intermediary.

2. An acceptance may be revoked, by notice to the intermediary that received it, up to five (5) days before the end of the public offer period or within a shorter period if specified in the offer documents.

ARTICLE 173
(Determination and disclosure of the result of the public offer)

1. At the end of the public offer period, the results of the offer must be determined and published immediately:

a) By an intermediary that collects all the acceptances; or

b) In a special session of the regulated market.

2. In the case of a public offer for distribution, parallel to the disclosure of the results, the intermediary or the regulated market management entity shall disclose whether a request has been submitted for the admission to trading of the securities that are subject to the offer.

3. The amendment must be disclosed immediately by the same means as were used to publish the prospectus or, if no prospectus was required, by the means of publication determined, by way of regulation, by the OSMVM.

SECTION IV
Contingencies

ARTICLE 174
(Change in circumstances)

If an unforeseen material change in the circumstances that motivated the decision to launch the offer compounds the risks inherent in the offer in a way that can be demonstrated to the offerees, the offeror may, within a reasonable period and subject to authorisation by the OSMVM, amend or revoke the offer.

ARTICLE 175
(Amendment of a public offer)

1. Amendment of a public offer is grounds for an extension of the offer period, to be decided by the OSMVM on its own initiative or at the offeror's request.

2. An acceptance of an offer prior to any amendment is considered effective for the amended offer.

3. Any amendment must be disclosed immediately by the same means as were used to publish the offer announcement.

ARTICLE 176
(Revocation of a public offer)

1. A public offer may only be revoked in accordance with Article 174.

2. The revocation must be disclosed immediately, by the same means as were used to publish the offer announcement.

ARTICLE 177
(Withdrawing and forbidding a public offer)

1. The OSMVM shall, as the case may be, order the withdrawal of a public offer or forbid its launch if it considers the offer is tainted by any irremediable breach of law or regulation.

2. A decision to withdraw or forbid a public offer must be disclosed, at the offeror's expense, by the same means as were used to publish the offer announcement.

ARTICLE 178
(Effects of revocation and withdrawal)

If a public offer is revoked or withdrawn, the offer itself and any acceptances given before or after the revocation or withdrawal become null and void; in this case, whatever was delivered must be refunded.

ARTICLE 179
(Suspension of an offer)

1. The OSMVM shall suspend a public offer when it detects a remediable breach of law or regulation.

2. When the circumstances referred to in Article 297 are found to apply, the offeror shall suspend the public offer until an addendum or amendment to the prospectus has been published.

3. Suspension of a public offer entitles offerees to withdraw their acceptances up to the fifth day after the suspension, with a right to refund of whatever has been delivered.

4. Each period of suspension of a public offer may not exceed twenty (20) working days.

5. If at the end of the period referred to in the previous paragraph the defects that resulted in the suspension have not been remedied, the OSMVM shall order the withdrawal of the public offer.

CHAPTER II
Public offer for distribution

SECTION I
General provisions

ARTICLE 180
(Viability study)

A request for registration of a public offer for distribution must be supported by a study of the economic and financial viability of the issuer when:

a) The offer is for the purpose of the incorporation of a company through a call for public subscriptions;

b) The issuer has been carrying on its activity for less than two (2) years;

c) The issuer has reported losses in its individual or consolidated accounts in at least two (2) of the last three (3) financial years;

d) The setting of the price for the offer is based mostly on projections of the issuer's future profitability.

ARTICLE 181
(Over-allotment option or "Greenshoe")

1. The number of securities to be allotted in a public offer may be increased, with no change to the price, up to an amount specified in the offer announcement and prospectus, which must not exceed 15% of the initial number.

2. The greenshoe must be exercised during the offer period or in the following thirty (30) days.

ARTICLE 182
(Omission of final information)

1. Where the final offer price and number of securities to be offered to the public cannot be included, this information may be omitted from the prospectus if:

a) The criteria or conditions according to which the offer price and number of securities are to be determined and, in the case of the price, the maximum price are disclosed in the prospectus; or

b) Acceptance of the offer to purchase or subscribe for securities may be revoked during a period of no less than two (2) business days after the date of notification of the final offer price and the number of securities being offered.

2. The final price or interest rate must be published in the same manner as the offer announcement and reported to the OSMVM once it has been set.

ARTICLE 183
(Price stabilisation)

Stabilisation contracts may only be entered into from the date of announcement of the public offer for distribution until thirty (30) days after the result has been determined.

ARTICLE 184
(Incomplete distribution)

If the total number of securities taken up in the offer is less than the number offered, the offer is effective in respect of the securities taken up, unless any provision of law or the offer terms state otherwise.

ARTICLE 185
(Disclosure of information)

1. Until the information about an offer is made public, the issuer, the offeror, the intermediaries involved in a definitively decided or proposed public offer for distribution and any persons who are in one of the situations specified in Article 122(1) in relation to any of the former shall:

a) Limit the disclosure of information about the offer to that required in order to achieve the offer's objectives, calling the offerees' attention to the fact that such information is restricted;

b) Limit the use of restricted information to purposes related to the preparation of the offer.

2. Any of the entities referred to in the previous paragraph that publishes information about the issuer or the offer after the offer is made public shall:

a) Comply with the principles to which the quality of information must conform;

b) Ensure that any information provided is consistent with that contained in the prospectus;

c) Make clear its ties with the issuer or its interest in the offer.

ARTICLE 186
(Failure of admission to trading)

1. When a public offer for distribution is accompanied by an assurance that the securities being offered are intended to be admitted to trading on a regulated market, offerees may terminate the purchase agreement if:

a) Application for admission to trading has not been made by the time the result of the offer is determined; or

b) Admission is refused based on any default on the part of the issuer, the offeror, the intermediary or any persons who are in one of the situations specified in Article 122(1) in relation to any of the former.

2. Notice of termination may be given to the issuer within sixty (60) days of the refusal of admission to a regulated market or disclosure of the result of the offer if an application for admission has not been filed within that period.

3. The issuer shall refund any amounts received within thirty (30) days of receipt of notice of termination.

ARTICLE 187
(Special reports and accounts)

If at the date of the request for registration of a public offer for distribution more than nine (9) months have passed since the end of the last financial year to which the submitted annual accounts relate, a potential offeror that is exempted from the obligation to file semi-annual reports or that has not met this obligation, shall file special reports and accounts, organised in the manner prescribed for the annual report and accounts, as of a date no earlier than the end of the first half of the current financial year.

SECTION II
Surveys of investment intentions

ARTICLE 188
(Surveys of investment intentions)

1. Surveys of the general public to elicit investment intentions for the purpose of assessing the feasibility of a public offer for distribution are allowed.

2. Surveys of investment intentions may only be carried out after a preliminary prospectus has been published and must be administered to unidentified offerees in terms that allow them to express their opinions on equal terms.

3. Although the investment intentions stated in such a survey may not be used as a means of entering into contracts, they may grant the survey respondents more favourable terms in a future offer.

ARTICLE 189
(Registration)

1. Surveys of investment intentions must be registered with the OSMVM.

2. The request for registration must be supported by the documents referred to in Article 162(1)(a) to (g), attaching drafts of the preliminary offer announcement and prospectus.

ARTICLE 190
(Responsibility for the prospectus)

Responsibility for the content of the preliminary prospectus is subject, mutatis mutandis, to the provisions of Articles 301 et seq.

ARTICLE 191
(Advertising)

Advertising is permitted, subject to compliance with the provisions of Articles 167 and 168.

SECTION III
Public offers for subscription

ARTICLE 192
(Public offer for subscription for the incorporation of a company)

Besides any other documents that may be required, a request for registration of a public offer for subscription for the incorporation of a company must be supported by the following:

a) Details of the promoters;

b) Documentary evidence of subscription of the minimum equity capital by the promoters;

c) A copy of the draft Articles of incorporation;

d) A certificate of provisional company registration.

ARTICLE 193
(Successive offers and offers in series)

Another offer for subscription of securities of the same kind as those offered in a previous offer or an offer of a new series of such securities may only be launched if the subscription price of the previous issue or series has been paid in full or any non-paying subscribers have been declared in default and the formalities associated with the previous issue or series have been completed.

SECTION IV
Public offers for sale

ARTICLE 194
(Blocking of securities)

A request for registration of the prospectus for a public offer for sale must be supported by a certificate showing that the securities being offered have been blocked.

ARTICLE 195
(Revision of an offer)

1. An offeror may reduce the price initially announced by at least 2%.

2. Any revision of an offer is subject to the provisions of Article 175.

CHAPTER III
Tender offers

SECTION I
Common provisions

ARTICLE 196
(Object of the offer)

1. A tender offer is addressed to all the holders of the securities targeted by the offer.

2. If the tender offer is not aimed at acquiring all the shares of the target company and all the securities issued by the target company that confer the right to subscribe for or acquire shares of that company, neither the offeror nor any other person who is in one of the situations specified in Article 122(1) in relation to the offeror is allowed to accept the offer.

3. The rules on the preliminary announcement, the obligation to disclose transactions carried out, the duties of the issuer, competing tender offers and mandatory tender offers do not apply to tender offers made only for securities other than shares or securities that confer the right to subscribe for or acquire shares.

ARTICLE 197
(Secrecy)

1. The offeror, the target company, their shareholders, the members of their corporate bodies and all those who provide services to them on a continuous or occasional basis shall maintain secrecy regarding the preparation of the offer until the preliminary announcement is published.

2. If rumours start to circulate that an offer is being prepared or is going to be launched or if significant or unusual changes are observed in the market price of the securities, the OSMVM may call on the persons it considers to be involved to issue a statement clarifying their intentions and may require that the statement be published.

3. Unless the OSMVM has granted authorisation in order to protect the interests of the target company or the offerees, neither a person who has denied any intention of launching an offer nor any person who is in one of the situations specified in Article 122(1) in relation to such a person may launch, in the six (6) months following the clarification referred to in the previous paragraph, whether directly or through or for the account of a third party, a tender offer for securities that belong to same class as those that were the subject of the clarification or that confer the right to

subscribe for or acquire such securities or place itself in a situation that forces it to launch such an offer.

ARTICLE 198
(Publication of the preliminary announcement)

1. Once the decision to launch a tender offer has been taken, the offeror shall send the preliminary announcement to the OSMVM, the target company and the management entities of the regulated markets on which the securities targeted by the offer or offered as consideration are admitted to trading and immediately afterwards publish it.

2. Upon publication of the preliminary announcement the offeror shall:

a) Launch the offer on terms no less favourable to the offerees than those stated in the announcement;

b) Request registration of the offer within a period of twenty (20) days, which in the case of exchange offers may be extended by the OSMVM to up to sixty (60) days;

c) Inform the representatives of its employees or, if there are no representatives, the employees themselves of the content of the offer documents as soon as those documents are made public.

ARTICLE 199
(Content of the preliminary announcement)

1 The preliminary announcement must contain:

a) The name, corporate name or trading name of the offeror and the address of its registered office or headquarters;

b) The trading name and registered office address of the target company;

c) The securities targeted by the offer;

d) The consideration offered;

e) The intermediary engaged to assist in the offer, if one has already been engaged;

f) The percentage of voting rights in the target company held by the offeror and any persons who are in one of the situations specified in Article 122 in relation to the offeror, calculated, mutatis mutandis, as specified in this Article;

g) A summary statement of the offeror's objectives, namely as regards the continuation or modification of the business activity of the target company and of the offeror, insofar as it is affected by the offer, and likewise of any companies that are in a group or control relationship with the offeror or the target company;

h) The status of the offeror in respect of the matters referred to in Article 205.

2. Any upper or lower limit on the number of securities to be acquired and any condition imposed on the offer are only effective if they are stated in the preliminary announcement.

ARTICLE 200
(Consideration)

1. The consideration may be in cash or securities (already issued or to be issued) or mixed.

2. If the consideration is in cash, the offeror shall deposit the total amount in a bank or present a sufficient bank guarantee prior to registering the offer.

3. If the consideration is in securities, the securities must have the necessary liquidity and be easy to assess.

ARTICLE 201
(Public exchange offer)

1. Securities offered as consideration that have already been issued must be registered or deposited and held to the order of the offeror in a centralised system or with an intermediary and blocked.

2. The preliminary announcement and launch announcement of a tender offer in which the consideration offered consists of securities that are not issued by the offeror must also include the details specified in Article 199 in respect of the issuer of those securities and any securities issued or to be issued by it.

ARTICLE 202
(Registration of the tender offer)

Besides the documents specified in Article 162, a tender offer registration request made to the OSMVM must be supported by documents evidencing the following facts:

a) Submission of the preliminary announcement, draft offer announcement and draft prospectus to the target company and the management entities of the regulated markets on which the securities are admitted to trading;

b) Deposit of the consideration in cash or issue of a bank guarantee securing payment thereof;

c) Blocking of any securities already issued that are to be offered as consideration and of any securities of the kind referred to in Article 196(2).

ARTICLE 203
(Transactions during the offer)

1. From the time the preliminary announcement is published until the time the result of the offer is determined, the offeror and any persons who are in one of the situations specified in Article 122 in relation to the offeror:

a) Shall not deal outside the regulated markets in securities of the same class as those targeted by the offer or as those offered as consideration, unless so authorised by the OSMVM after hearing the opinion of the target company;

b) Shall report to the OSMVM daily any transactions entered into by each one of them in securities issued by the target company or of the same class as those offered as consideration.

2. Any acquisitions of securities of the same class as those targeted by the offer or as those offered as consideration made after the preliminary announcement has been published must be taken into account in the calculation of the minimum number of securities the offeror intends to acquire.

3. If the acquisitions referred to in the previous paragraph occur:

a) In the context of a voluntary tender offer, the OSMVM may order a review of the consideration if the consideration for those acquisitions does not appear to be equitable;

b) In the context of a mandatory tender offer, the offeror shall increase the consideration to a price not lower than the highest price paid for the securities thus acquired.

ARTICLE 204

(Duties of the target company)

1. Within eight (8) days of receipt of the draft prospectus and draft offer announcement and within five (5) days of any amendment to said draft prospectus or announcement or of publication of any addendum to the offer documents, the management body of the target company shall send to the offeror and to the OSMVM and make public a report drawn up in accordance with Article 7 setting out the reasons for and terms of the offer.

2. The report referred to in the previous paragraph must contain a reasoned, independent opinion on at least the following:

a) The type and amount of the consideration offered;

b) The offeror's strategic plans for the target company;

c) The impacts of the offer on the interests of the target company, in general, and on the interests of its employees and their conditions of employment and the locations of the company's places of business, in particular;

d) The intentions, as regards acceptance of the offer, of any members of the offeror's management body who are also shareholders of the target company.

3. The report must contain information on any votes cast against the management body resolution that approved the report.

4. If before the start of the offer the management body receives from the employees, either directly or through their representatives, an opinion regarding the likely impacts of the offer on employment, that opinion must be published as an appendix to the report prepared by the management body.

5. From the time the preliminary announcement is published until the time the result of the offer is determined, the management body of the target company shall:

a) Report daily to the OSMVM on transactions in securities issued by the target company entered into by members of the management body or persons who are in one of the situations specified in Article 122(1) in relation to the target company;

b) Provide all the information requested by the OSMVM within the scope of its supervisory functions;

c) Inform the representatives of its employees or, if there are no representatives, the employees themselves of the content of the offer documents and the report prepared by it, as soon as they are made public;

d) Act in good faith, namely as regards accuracy of information and honesty of conduct.

ARTICLE 205

(Limitation of the powers of the target company)

1. From the moment it becomes aware of the decision to launch a tender offer for more than one third of the securities of the class concerned until the result of the offer is determined or the offer is terminated at an earlier stage, the management body of the target company shall not perform any act likely to materially change the target company's net assets that is not part of the ordinary course of the company's business and that could significantly affect the objectives announced by the offeror.

2. For the purposes of the previous paragraph:

a) The target company's having received the preliminary announcement is deemed equivalent to its becoming aware of the launch of the offer;

b) The issue of shares or other securities conferring the right to subscribe for or acquire shares and the entering into contracts for the disposal of substantial packages of corporate assets are considered material changes in the target company's net assets;

c) The limitation extends to acts aimed at executing decisions taken before the period referred to in the previous paragraph that have not yet been executed, whether partly or completely.

3. The following are excluded from the provisions of the previous paragraphs:

a) Acts resulting from compliance with obligations entered into before it was known that the offer was to be launched;

b) Acts authorised by a General Meeting called exclusively for that purpose during the period referred to in paragraph 1;

c) Acts aimed at finding competing offerors.

4. During the period referred to in paragraph 1, resolutions of the General Meeting adopted under subparagraph (b) of the previous paragraph and resolutions on early distribution of dividends and other income require the same majority as is required for amending the bylaws.

5. The offeror is responsible for any damage caused by the decision to launch a tender offer taken with the main objective of placing the target company in the situation provided for in this Article.

6. The rules set out in this Article do not apply to tender offers led by offeror companies which are not subject to equivalent rules or which are controlled by a company that is not subject to equivalent rules.

ARTICLE 206

(Offer period)

1. The offer period may last between two (2) and ten (10) weeks.

2. The OSMVM, on its own initiative or at the request of the offeror, may extend the offer period in the event of a revision of the offer or the launch of a competing offer or when required to protect the offerees' interests.

ARTICLE 207
(Revision of an offer)

1. The offeror may revise the form and amount of the consideration up to five (5) days before the end of the offer period.

2. The revised offer must not contain any terms that make it less favourable and the amount of the consideration must be at least 2% greater than it was in the previous offer.

3. Any revision of an offer is subject to the provisions of Article 175.

ARTICLE 208
(Competing offer)

1. From the moment the preliminary announcement of a tender offer for securities admitted to trading on a regulated market is published, any other tender offer for securities of the same class may only be made through a competing offer launched in accordance with the terms of this Article.

2. Competing offers are subject to the general rules applicable to tender offers, with the changes set out in this Article and in Articles 209 and 210.

3. A competing offer may not be launched by persons who are in one of the situations specified in Article 122(1) in relation to the initial offeror or a previous competing offeror, unless the OSMVM has granted authorisation in order to protect the interests of the target company or the offerees.

4. Competing offers may not be for a smaller number of securities than were targeted in the initial offer.

5. The consideration offered in a competing offer must be at least 2% greater in value than that of the preceding offer and must not contain conditions that make the offer less favourable.

6. The effectiveness of a competing offer must not be conditional on a higher percentage of acceptances by holders of securities or voting rights than was specified in the initial offer or a previous competing offer, unless for the purposes of the previous paragraph that percentage is justified on the basis of the voting rights in the target company already held by the offeror and any persons who are in one of the situations specified in Article 122(1) in relation to the offeror.

7. The target company shall ensure equal treatment of all offerors as regards the information provided to them.

ARTICLE 209
(Process of competing offers)

1. A competing offer may be launched no later than the fifth (5^{th}) day before the day on which the initial offer period ends.

2. Publication of a preliminary announcement at a time that makes it impossible to comply with the time limit referred to in the previous paragraph is not allowed.

3. Given timely launch of a competing offer, the offer periods must match and each competing offer must meet the minimum period specified in Article 206(1).

4. The OSMVM shall refuse a request for registration of a competing offer if, based on the date of submission of the request for registration and an examination of that request, it finds that a decision cannot be made in time to allow timely launch of the offer, in accordance with the provisions of paragraph 1.

5. Where the preliminary announcement of a competing offer is published after registration of the initial offer or previous competing offers, the time limits specified in Article 198(2)(b) and Article 204(1) are reduced to eight (8) days and four (4) days, respectively.

6. Where there are competing offers, acceptances may be revoked up to the last day of the acceptance period.

ARTICLE 210
(Rights of previous offerors)

1. The launch of a competing offer and the revision of a competing offer entitle any offeror to review the terms of its offer, irrespective of whether or not it has already done so under Article 207.

2. An offeror intending to exercise the right referred to in the previous paragraph shall notify the OSMVM of its decision and shall publish an announcement within four (4) business days of the launch of the competing offer or revision of the offer. If no such announcement is published, it is assumed that the offeror maintains the terms of its offer.

3. The revision of a competing offer is subject to the provisions of Article 208(5).

4. The launch of a competing offer is grounds for revocation of a voluntary offer, in accordance with Article 174.

5. The revocation decision must be published as soon as it is made and, in any case, no later than four (4) days after the launch of the competing offer.

ARTICLE 211
(Succession of offers)

Unless the OSMVM has granted authorisation in order to protect the interests of the target company or the offerees, neither the offeror nor any person who is in one of the situations specified in Article 122(1) in relation to the offeror may launch, in the twelve (12) months following publication of the result of the offer, whether directly or through or for the account of a third party, a tender offer for securities that belong to the same class as those targeted by the offer or that confer the right to subscribe for or acquire such securities or place itself in a situation that forces it to launch such an offer.

SECTION II
Mandatory tender offer

ARTICLE 212
(Obligation to launch a tender offer)

1. A person whose interest, held directly or in accordance with Article 122(1), in shares carrying one third or half of the voting rights of a public company shall immediately launch a tender offer for all the shares and other securities issued by the company that confer the right to subscribe for or acquire shares, with the option to appoint an agent.

2. A mandatory offer is not required when, although the threshold of one third of the voting rights is exceeded, the person that would otherwise be forced to extend the offer is able to prove to the OSMVM that it does not have control

over the target company and is not in a group relationship with it.

3. A person who provides the proof referred to in the previous paragraph shall:

a) Report to the OSMVM any change in the percentage of voting rights held that results in an increase of more than one percentage point in relation to the percentage last reported; and

b) Launch a general tender offer as soon as it acquires a position that allows it to exercise dominant influence over the target company.

4. The threshold of one third (1/3) referred to in paragraph 1 may be removed by the bylaws of public companies that do not have shares or securities that confer the right to subscribe for or acquire shares that are traded on a regulated market.

5. The restriction of voting rights provided for in Article 216 is irrelevant for the purposes of this Article.

ARTICLE 213
(Consideration)

1. The consideration for a mandatory tender offer must not be less than the higher of the following:

a) The highest price paid by the offeror or any persons who are in one of the situations specified in Article 122(1) in relation to the offeror for the acquisition of securities of the same class in the six (6) months immediately preceding the date of publication of the preliminary offer announcement;

b) The weighted average price of those securities in a regulated market over the same period.

2. If the consideration cannot be calculated by reference to the criteria stated in paragraph 1 or if the OSMVM believes that the consideration, in cash or securities, proposed by the offeror is not properly justified or is unfair (because it is insufficient or excessive), the minimum consideration must be calculated, at the offeror's expense, by an independent auditor appointed by the OSMVM.

3. The consideration, in cash or securities, proposed by the offeror is presumed to be unfair in the following circumstances:

a) If the highest price was set by agreement between the purchaser and the seller through private negotiation;

b) If the securities in question are illiquid by the standards of the regulated market on which they are admitted to trading;

c) If the amount of the consideration was determined on the basis of the market price of the securities in question and that market price or the regulated market on which the securities are admitted to trading has been affected by exceptional events.

4. The decision of the OSMVM as to the appointment of an independent auditor to determine the minimum amount of consideration and the amount eventually determined by such independent auditor must be disclosed immediately.

5. If the consideration is in securities,

a) the offeror shall present equivalent consideration in cash if any of the following situations apply: The securities offered as consideration are of a different kind from the securities targeted by the offer;

b) The securities offered as consideration do not have proven liquidity;

c) The securities offered as consideration are not admitted to trading on a regulated market or are not of the same class as securities already admitted to trading on a regulated market or for which admission to trading will be requested;

d) In the six (6) months preceding the preliminary announcement until the closure of the offer, the offeror or any persons who are in one of the situations specified in Article 122(1) in relation to the offeror have acquired, against payment in cash, securities of the same class as those targeted by the offer.

ARTICLE 214
(Derogations)

1. The provisions of Article 212 do not apply when the voting rights threshold specified in that Article is exceeded as a result of:

a) The acquisition of securities through a tender offer for all the securities referred to in Article 212 issued by the target company, without any restriction as to the maximum number or percentage of securities to be acquired and with the requirements stated in the previous Article being met;

b) The execution of a financial restructuring plan under one of the methods of recovery or restructuring provided for by law;

c) A merger, if the resolution of the General Meeting of the company that issued the securities targeted by the offer expressly states that the merger will give rise to an obligation to launch a tender offer.

2. Any derogation of the obligation to launch an offer must be confirmed by a statement issued by the OSMVM, which must be requested and immediately disclosed by the interested party.

ARTICLE 215
(Suspension of the obligation)

1. The obligation to launch a tender offer is suspended if, immediately upon occurrence of the situation that gives rise to the obligation, the person that has the obligation undertakes, in a written notice to the OSMVM, to put an end to that situation within the following one hundred and twenty (120) days.

2. Within that period the interested party shall put an end to sufficient situations to bring the proportion of voting rights assigned to it below the thresholds referred to in Article 212 and shall not dispose of securities to any persons who are or were, in the six (6) months before the obligation to launch an offer arose, in one of the situations specified in Article 122(1) in relation to it.

3. During the suspension period, the exercise of voting rights is restricted in accordance with Article 216(1), (3) and (4).

ARTICLE 216
(Restriction of rights)

1. Failure to comply with the obligation to launch a tender offer is grounds for the immediate restriction of rights to vote and dividends in respect of any shares which:

a) Exceed the threshold above which the launch of an offer becomes mandatory;

b) Have been acquired through the exercise of rights attached to the shares to which the previous subparagraph refers or to other securities that confer the right to subscribe for or acquire such shares;

2. The restriction is effective for five (5) years, ending:

a) Completely, when the preliminary announcement of a tender offer for consideration not less than would be required if the obligation had been complied with at the proper time is published;

b) In relation to each of the shares referred to in the previous paragraph, when those shares are sold to any person who is not in one of the situations specified in Article 122(1).

3. The restriction covers, first, shares held directly by the person who has the obligation to launch an offer and, after that, to the extent necessary, shares held by the persons indicated in Article 122(1), in the order of the relevant subparagraphs, and, in relation to persons referred to in the same subparagraph, in proportion to the shares held by each one.

4. Shareholder resolutions that would not have been approved without the restricted votes may be declared null and void.

5. Dividends that have been restricted revert to the company.

ARTICLE 217
(Civil liability)

A person who contravenes the requirements is liable for any damage caused to the holders of securities for which a tender offer should have been launched.

SECTION III
Acquisition aimed at obtaining total control

ARTICLE 218
(Right of squeeze-out)

1. A person who, after a general tender offer targeted at a public company whose home country law is the law of Angola, once the result of the offer has been determined, holds shares, either directly or under Article 122(1), representing 90% or more of the capital carrying voting rights may, in the following three (3) months, acquire the remaining shares at a fair consideration, in cash, calculated in accordance with Article 213.

2. If as a result of the acceptance of a general voluntary tender offer an offeror acquires 90% or more of the shares representing the capital carrying voting rights covered by the offer, the consideration for the offer is presumed to be fair consideration for the acquisition of the remaining shares.

3. A controlling shareholder who decides to exercise a right of squeeze-out shall immediately publish a preliminary announcement and send it to the OSMVM for registration.

4. The content of the preliminary announcement is subject to the provisions of Article 199(1)(a) to (e), mutatis mutandis.

5. Publication of the preliminary announcement places an obligation on the controlling shareholder to deposit the consideration in a credit institution to be held to the order of the holders of the remaining shares.

ARTICLE 219
(Effects)

1. The acquisition is effective from the moment the interested party makes public the registration with the OSMVM.

2. The OSMVM shall send the necessary information for the transfer of shares between accounts to the centralised system management entity or the registering entity of the shares.

3. If the shares are in certificated form and are not included in a centralised system, the company may issue new certificates to represent the acquired shares, the old certificates being held merely as evidence of the right to receive the consideration.

4. For the company, the acquisition results in the immediate loss of public company status and exclusion of the company's shares and any securities conferring rights to shares from trading on a regulated market, readmission being prohibited for a period of one (1) year.

ARTICLE 220
(Right of sell-out)

1. Within three (3) months of the determination of the result of a tender offer of the kind referred to in Article 218(1) each of the holders of the remaining shares may exercise the right of sell-out by written notice to the controlling shareholder, calling on the controlling shareholder to make a proposal for the acquisition of that holder's shares within eight (8) days.

2. If a proposal of the kind referred to in the previous paragraph is not made or if the proposal is considered unsatisfactory, any holder of remaining shares may exercise the right of sell-out by submitting a statement to the OSMVM, accompanied by:

a) A document certifying that the shares to be sold are deposited or blocked;

b) A statement of the consideration, calculated in accordance with Article 218(1) and (2).

3. Once the OSMVM has checked that the sell-out requirements are met, the sale is effective from the moment the OSMVM notifies the controlling shareholder.

4. The certificate of notification is an enforceable document.

ARTICLE 221
(Equal treatment)

In acquisitions to obtain total control, steps must be taken to ensure equal treatment of the holders of shares of the same class, namely as regards the setting of the consideration.

TITLE VI

Regulated markets

CHAPTER I

General provisions

ARTICLE 222

(Authorisation and registration of regulated markets)

1. The regulated markets consist of exchanges and organised over-the-counter markets.

2. The establishment, registration and termination of a regulated market requires the authorisation of the OSMVM.

ARTICLE 223

(Market rules and codes of professional ethics)

1. The management entity of each regulated market shall prepare and publish the necessary rules to ensure the smooth functioning of the market; such rules must be transparent, non-discriminatory and based on objective criteria, within the limits set by the OSMVM's provisions concerning:

a) The requirements for admission to trading and the admission procedure;

b) Admission to membership;

c) Transactions and offers;

d) Trading and order execution; and

e) Members' obligations.

2. The market rules and any amendments thereto must be registered with the OSMVM.

3. Market rules are effective from the moment they are registered with the OSMVM and apply to the market management entity, market members, issuers and investors.

4. The OSMVM shall refuse to register, or shall impose amendments on, any market rules it considers inappropriate, insufficient or contrary to law or regulation.

5. Any code of professional ethics approved by a market management entity applies to the members of the management entity's corporate bodies and employees and the members of the market.

6. Market rules may lay down that legal disputes between issuers, members of their management and supervisory bodies, investors, intermediaries and the market management entity must be resolved through national or international arbitration, conducted in accordance with the law on voluntary arbitration, and may also require that issuers' bylaws and the terms of securities lay down a similar commitment clause.

7. The OSMVM may lay down the regulations it considers necessary to implement the provisions of the previous paragraph, especially as regards the effectiveness of decisions and bylaw amendments.

ARTICLE 224

(Information to the public)

1. The management entity of a regulated market shall provide the public with information about:

a) The securities and derivatives admitted to trading;

b) The transactions carried out and relevant prices;

c) The management entity's schedule of fees.

2. The content, means of publication and frequency of the information to be provided to the public must be appropriate to the characteristics of each market, the sophistication of the investors and the composition of the various interests involved.

3. The OSMVM may require that the information rules be amended if it finds them insufficient to protect investors.

ARTICLE 225

(Members)

1. Trading on a regulated market is carried out through the market's members.

2. Only the following may be admitted as members of a regulated market:

a) Brokerage firms and distributors;

b) Other intermediaries whose corporate object allows them to be admitted as members.

3. The persons referred to in the previous paragraph may only be admitted as members of a regulated market if they are participants in the settlement system for transactions carried out on that market or have entered into an contract with a settlement system participant for that purpose.

4. The admission of members to a regulated market is the responsibility of the market's management entity in accordance with the principles of lawfulness, equality and respect for the rules of sound and fair competition.

5. A member's activity on a regulated market may consist of the mere registration of transactions.

ARTICLE 226

(Object of transactions)

1. Transactions carried out on a regulated market may have as their object:

a) Fungible securities admitted to trading on that market that are freely transferable, fully paid up and free of any pledge or any other encumbrance;

b) Derivatives the structure of which allows orderly price formation.

2. For the purposes of trading on the market, fungible securities are securities that belong to the same class, have the same form of representation, are objectively subject to the same tax regime and have not given rise to any separately transferable rights.

ARTICLE 227

(Transactions)

1. The management entity of each regulated market shall set out the range of transactions that may be carried out on that market.

2. Transactions in derivatives must be carried out in accordance with the general contractual clauses prepared by the management entity, which standardise the purpose, quantity, term, frequency of marking to market, and method of settlement.

3. The general contractual clauses referred to in the previous paragraph are subject to:

a) Prior notification to the OSMVM;

b) Approval by the National Bank of Angola, if the underlying asset is a foreign exchange or money market instrument.

4. Market transactions in commodity derivatives require authorisation on the terms to be stipulated in a joint Executive Decree of the Minister responsible for finance and the Minister responsible for the industry in question, after considering the opinion of the OSMVM and the National Bank of Angola.

5. The market management entity shall adopt effective procedures to allow efficient and timely clearing and settlement of transactions carried out through its systems and shall clearly inform market members of their responsibilities for transaction settlement.

ARTICLE 228
(Admission to trading)

1. Admission to trading on a regulated market depends on the decision of the market management entity at the request of the issuer.

2. At the time of applying for admission, an issuer of securities admitted to trading shall appoint a representative with sufficient power of attorney to conduct relations with the market and the OSMVM.

ARTICLE 229
(Suspension of trading)

A market management entity shall suspend the trading of securities or derivatives in relation to which:

a) The requirements for admission cease to be met or a material breach of other market rules occurs, provided the defect can be remedied;

b) Circumstances arise that are reasonably likely to disrupt orderly trading;

c) When the situation of the issuer is such that trading is unequivocally harmful to investors' interests.

ARTICLE 230
(Exclusion from trading)

1. A market management entity shall exclude from trading any securities or derivatives in relation to which:

a) The requirements for admission cease to be met or a material breach of other market rules occurs, if the breach is irremediable;

b) Breaches that were grounds for suspension have not been remedied.

2. The exclusion of securities or derivatives whose admission to trading is a condition for the admission of other securities entails the exclusion of the latter.

ARTICLE 231
(Powers of the OSMVM)

The OSMVM may:

a) Order a market management entity to suspend or exclude securities and derivatives from trading when said entity has failed to do so at the proper time;

b) Extend the suspension or exclusion to all the markets on which securities and derivatives of the same class are traded.

ARTICLE 232
(Effects of suspension and exclusion)

1. A suspension or exclusion decision is effective immediately.

2. A suspension must be maintained for the time strictly necessary to remedy the situation that gave rise to it.

3. Suspension from trading does not exempt the issuer from its reporting obligations.

4. When the urgency of the decision presents no obstacle, the market management entity shall notify the issuer and call on it to submit an opinion on the suspension or exclusion within a time limit set for that purpose.

5. The final suspension or exclusion decision must be notified to the OSMVM by the market management entity, which shall publicly announce its decision and notify the issuer and the management entities of other markets on which securities or derivatives are traded or are used as the underlying asset of derivatives.

ARTICLE 233
(Off-market transactions)

1. Except for paragraph 2, the provisions of this title do not apply to transactions in securities and derivatives entered into outside the regulated markets.

2. Off-market transactions in securities and derivatives admitted to trading on a regulated market must be notified to the management entity of the market on which the securities and derivatives are admitted to trading.

ARTICLE 234
(Supervision)

1. The management entity shall adopt effective mechanisms and procedures to oversee compliance by members with the market rules and monitor the transactions carried out, so as to detect any contraventions of those rules, abnormal trading conditions or behaviour likely to jeopardise the orderly functioning, transparency and credibility of the market.

2. The management entity shall notify the OSMVM immediately if any of the situations referred to in the previous paragraph arise, providing all the necessary information for the investigation, as well as any material breaches of the market rules.

ARTICLE 235
(Regulation)

1. The OSMVM shall prepare the necessary regulations to implement the provisions of this title, namely as regards the following:

a) Registration of management entities, the markets they manage and the rules of each market;

b) Prudential rules to which market management entities are subject;

c) Information to be provided to the OSMVM by market management entities;

d) Information to be provided to the public by market management entities and the issuers of securities admitted to trading, namely as regards the content of the information and how and when it must be provided or published;

e) Suspension and exclusion of securities and derivatives from trading;

f) Publication of the fees charged by market management entities;

g) The notification referred to in Article 233(2);

h) Limits on the liabilities that may be taken on by the management entities of markets in which forward contracts are traded and limits on the positions in forward contracts that may be taken by each investor, on its own account or in association with others.

2. The OSMVM, at the proposal or after hearing the opinion of the management entity of the market in question, shall establish, by way of regulation:

a) Requirements for the admission to trading of securities and derivatives and the admission procedure, and criteria for the waiver of the prospectus requirement;

b) The requirement that market management entities put in place information systems that are accessible to the public, containing up-to-date information on each issuer of securities admitted to trading;

c) Rules for each type of exchange transaction;

d) Rules on offers;

e) Terms for the posting, monitoring and out-of-court enforcement of the collateral to be provided in forward transactions;

f) Mandatory disclosures in the market bulletin.

3. The regulations of the OSMVM do not affect the power granted to the management entities under Article 223 to draw up market rules, within the limits of applicable laws and regulations.

CHAPTER II
Exchanges

SECTION
Exchanges in general

ARTICLE 236
(Notion)

Regulated markets that follow the provisions of this Chapter II are deemed to be exchanges.

ARTICLE 237
(Differentiated exchanges and segments)

1. Various markets may coexist in the same exchange, each with its own features as regards the transactions carried out on it, the securities and derivatives traded and the entities that issue them.

2. Each exchange may create the segments it deems necessary, taking into account in particular the nature of the securities and derivatives to be traded, the trading system and the quantities to be exchanged.

ARTICLE 238
(Agreements between exchanges)

1. The management entities of exchanges located or operating in Angola shall establish, by agreement among themselves, the necessary informational or operational connection systems to ensure smooth functioning of the markets they manage and to serve investors' interests, without prejudice to the powers and duties of public bodies and services in matters of information and communication technologies.

2. The management entities of exchanges located or operating in Angola may enter into agreements with their counterparts in other States to ensure that:

a) The securities and derivatives admitted to trading in each State may be traded in the others;

b) The members of each exchange may operate in the others.

3. The agreements referred to in the previous paragraphs must be registered with the OSMVM, which in the case of paragraph 2 may refuse to register an agreement if the exchange located or operating in a foreign State does not impose the same level of requirements as the exchange located or operating in Angola as to the admission of securities and derivatives to trading, the information to be provided to the public and other aspects of investor protection.

ARTICLE 239
(Membership of an exchange)

1. In addition to the requirements specified in Article 225, admission as a member and continued membership of an exchange depend on compliance with the conditions set by the exchange management entity arising from:

a) The establishment and administration of the exchange;

b) The rules regarding transactions on the exchange;

c) The professional standards required of the staff of entities operating on the exchange;

d) The rules and procedures for the clearing and settlement of transactions carried out on the exchange.

2. The management entity of an exchange may not set an upper limit to the number of its members.

3. Membership of an exchange does not depend on ownership of an interest in the capital of the exchange management company.

4. The management entity shall provide the OSMVM with a list of its members, submitting an updated list at the intervals stipulated by a regulation of the OSMVM.

ARTICLE 240
(Functions of the members of an exchange)

1. Members of an exchange who only perform trading functions may only be admitted after they have entered into an contract with one or more members who guarantee settlement of any transactions carried out by them.

2. Only participants in the settlement system used by the exchange that are authorised to deal on own account may be settling members.

ARTICLE 241
(Duties of the members of an exchange)

1. Apart from complying with the duties associated with the provision and performance of their securities and

derivatives investment services and activities, the members of an exchange shall:

a) Comply with decisions of the internal bodies of the exchange management entity taken in accordance with the laws and regulations applicable to the exchange in which the members operate;

b) Provide the exchange management entity with the information needed for sound management of the markets, even if the information is subject to professional secrecy.

2. Each member of the exchange shall appoint a member of its management body, or a representative with sufficient power of attorney, to conduct relations directly with the exchange management entity and the OSMVM.

ARTICLE 242
(Trading sessions)

1. Exchanges operate in public sessions, which can be ordinary or special.

2. Ordinary sessions take place during the hours and on the days specified by the exchange management entity for current trading of the securities and derivatives admitted to trading.

3. Special sessions are held in compliance with a court decision or by decision of the exchange management entity at the request of the interested parties.

4. Special sessions follow the rules set by the exchange management entity and the securities and derivatives traded in such sessions may or may not be admitted to trading in ordinary sessions.

SECTION II
Exchange trading

ARTICLE 243
(Trading systems)

1. Exchange trading takes place through trading systems managed by the exchange management entity.

2. The trading systems adopted must ensure correct pricing of the securities and derivatives traded and the liquidity of the market, facilitating transparency of trades and the largest possible volume of trades.

3. Trades in securities and derivatives admitted to trading that are entered into directly between interested parties who are registered with the exchange through one of its members may be treated as equivalent to exchange trades, under the rules approved by the exchange management entity.

ARTICLE 244
(Offers)

1. To ensure that the orders they have accepted are properly executed, members of an exchange shall enter offers into the trading system according to the most appropriate method and at the most appropriate time.

2. Offers resulting from dealing on own account or from the execution of market making or price stabilisation contracts may be subject to special rules as regards the manner of publication, variation of prices and completion of transactions.

ARTICLE 245
(Information about prices and quantities)

1. The exchange management entity shall make available to the public the following information about the transactions carried out in each session:

a) The price of each transaction, immediately after it has been set;

b) The minimum, maximum and average weighted price recorded during the session;

c) The number of trades;

d) The reference price referred to in Article 247, calculated in accordance with the market rules.

2. During ordinary sessions, the exchange management entity shall make public, in the places it shall determine, continuous information about the transactions executed.

3. If the prices are not expressed in domestic currency, the information must make it clear what currency is used.

4. The OSMVM may waive the duty to publish referred to in the previous paragraphs, depending on the type of market and the type and quantity of the offers in question.

ARTICLE 246
(Information to be published by an exchange management entity)

An exchange management entity shall publish:

a) A bulletin on the days on which ordinary sessions take place;

b) Statistical information about the markets it manages, without prejudice to any secrecy requirements;

c) The updated text of the rules governing the management entity, the markets it manages and the transactions carried out thereon.

ARTICLE 247
(Quoted price)

1. Any reference in law or a contract to a quoted price on a certain date is to be construed as the reference price set by the management entity of the spot exchange.

2. The exchange management entity shall publish the reference price, calculated in accordance with the market rules, for the transactions executed in each session.

3. Where the securities in question are admitted to trading on more than one exchange, the price to be published for the purposes of the previous paragraph is the price set in the exchange located or operating in Angola that in the OSMVM's regulations is considered the most representative.

ARTICLE 248
(Attached rights)

1. When securities are sold, the property rights attached to those securities belong to the buyer as from the date of the transaction.

2. In addition to the formed price, the buyer shall pay the seller any interest and other certain income for the period from the last maturity date until the transaction settlement date.

3. The provisions of the preceding paragraphs do not preclude the application of other rules for allocating the rights attached to securities, provided those rules are clearly disclosed in advance, in accordance with the market rules.

SECTION III

Admission to trading on an exchange

SUBSECTION I

Requirements and effects of admission

ARTICLE 249

(General requirements)

1. Only securities that are exchange-tradable, that conform in content and form of representation with applicable law and that in all other respects have been issued in compliance with the issuer's home country law may be admitted to trading.

2. The issuer shall meet the following requirements:

a) Being established and operating in conformity with the law of its home country;

b) Having carried out its activity for at least three years;

c) Having filed the management reports and annual accounts required by law for the three years before applying for admission;

d) Giving evidence that it is in a financial and economic position compatible with the nature of the securities to be admitted and the exchange to which admission is requested.

3. The application for admission must:

a) State the means by which the issuer intends to provide information to the public;

b) Give details of the participant in a settlement system accepted by the management entity through which the property rights attached to the securities to be admitted and any other amounts owed are to be paid;

c) Attach an admission prospectus approved by the OSMVM, where required.

4. If the issuing company is the result of a merger or demerger, the requirements referred to in paragraph 2(b) and (c) are deemed to be met if they are met by either of the merged companies or by the demerged company.

5. The management entity shall have effective mechanisms to:

a) Determine whether the issuers of securities admitted to trading on the regulated market comply with applicable reporting obligations;

b) Give market members access to the information disclosed to the public by issuers;

c) Regularly determine whether the securities admitted to trading on the market continue to meet the admission requirements.

ARTICLE 250

(Admission of shares to trading)

1. No shares may be admitted to trading unless:

a) They are sufficiently widely held; and

b) The issuer's market capitalisation is expected to be not less than that required under the regulations of the OSMVM.

2. Within ninety (90) days of issue, the issuer shall request the admission to trading of any shares belonging to the same class as shares already admitted, in which case:

a) The extent to which the shares are sufficiently widely held must be assessed in relation to all the shares admitted to trading;

b) The provisions of paragraph 1(b) do not apply.

3. Shares may be admitted to trading once the Articles of incorporation or deed of capital increase is finally registered in the Companies Register [*Registo Comercial*], even if it has not yet been published.

ARTICLE 251

(Admission of bonds to trading)

1. Only bonds of an issue or of one of its series in the amount of not less than AOA 60,000,000.00 may be admitted to trading.

2. The admission to trading of bonds convertible into shares or carrying a right to subscribe for shares depends on the prior or simultaneous admission of the shares to which they confer a right or shares belonging to the same class.

3. The requirement of the preceding paragraph may be waived by the OSMVM if the issuer's home country law permits it and the issuer demonstrates that the bondholders have the necessary information to form a reasonable judgement as to the value of the shares into which the bonds are convertible.

4. The provisions of Article 249(2)(b), (c) and (d) do not apply to the admission of bonds:

a) Representing Angolan public debt;

b) Jointly and unconditionally guaranteed by the State.

5. The provisions of Article 249(2)(a) do not apply to the entities referred to in subparagraphs (a) and (b).

6. When considered necessary for the protection of investors, the OSMVM may, by way of regulation, require a credit rating from a rating agency registered with the OSMVM for entities that request the admission of bonds to trading.

ARTICLE 252

(Admission of other securities and derivatives to trading)

The admission to trading of securities other than those referred to in Articles 250 and 251 and of derivatives depends on compliance with requirements to be laid down in regulations of the OSMVM.

ARTICLE 253

(Special provisions on the admission of securities subject to foreign law)

1. Where the securities to be admitted to trading are subject to foreign law, the issuer shall submit a legal opinion certifying compliance with the requirements of Article 249(1) and (2)(a).

2. Where the law of the State to which the securities to be admitted to trading are subject does not allow the securities to be admitted to trading directly on a market located or operating outside that State or where the admission of such securities appears to entail operational difficulties,

certificates of registration or depositary receipts of the securities may be admitted to trading on regulated markets located or operating in Angola.

ARTICLE 254
(Effects of admission to trading)

1. The admission of securities that have been subject to a public offer is effective only after the offer has been closed.

2. A management entity may authorise trading in securities issued or yet to be issued that are subject to a public offer for distribution and of an associated application for admission to trading for a short period before admission to the market, provided the trades are subject to the condition that the admission becomes effective.

3. Admission to trading covers all securities of the same class.

4. Shares of the same class as shares for which admission to trading has been requested that are part of packages used to maintain control of the company are exempt from the provisions of the preceding paragraph, provided the exemption is not detrimental to the interests of other holders of the shares for which admission to trading has been requested and the applicant discloses information to the market about the reason for non-admission and the number of shares concerned.

SUBSECTION II
Admission procedure

ARTICLE 255
(Application for admission)

1. The application for admission to trading, supported with the necessary information to show compliance with requirements, must be submitted to the management entity of the exchange on which the securities are to be traded:

a) By the issuer;

b) By the holders of at least 10% of the issued securities belonging to the same class, if the issuer is already a public company;

c) By the National Treasury or an entity acting on behalf of the National Treasury, if the securities to be admitted are bonds issued by the State.

2. The exchange management entity shall submit to the OSMVM a copy of the application for admission, together with the documents required for approval of the prospectus or waiver of the prospectus requirement.

3. An application for admission to trading may be submitted before all the necessary requirements are met, provided the issuer specifies how and when they will be met.

ARTICLE 256
(Admission decision)

1. The management entity shall decide on acceptance or refusal of the admission of securities to trading within 90 days of submission of the application and shall immediately notify the applicant of its decision.

2. The admission decision does not entail any warranty as to the content of the information, the issuer's economic or financial situation, the viability of the issuer or the quality of the securities admitted.

3. The exchange management entity shall publish its admission decision and report it to the OSMVM, giving details of the securities admitted, their characteristics and the means of accessing the prospectus.

ARTICLE 257
(Refusal of admission)

1. Admission to trading may only be refused if:

a) The requirements of the law, regulations or market rules are not met;

b) The issuer has not complied with its obligations in other markets on which the securities are admitted to trading, whether located or operating in Angola or abroad;

c) Admission is not in the investors' interests, in view of the issuer's situation.

2. The management entity shall notify and call upon the applicant to amend any remediable defects within a reasonable period.

3. Admission is deemed to have been refused if the applicant is not notified of a decision within 90 days of the application for admission.

CHAPTER III
Organised over-the-counter markets

ARTICLE 258
(Governing rules)

1. Organised over-the-counter markets are subject to all the provisions applicable to exchanges set out in Chapter II of this Title VI, with the adaptations indicated in this Chapter III.

2. Organised over-the-counter markets are not subject to the requirements set out in Article 249(2)(b) and (c), Article 250(1) and Article 251(1).

3. The OSMVM may, by way of regulation, set out that:

a) Various other requirements applicable to exchanges regarding admission, prospectuses, information and market infrastructure do not apply to organised over-the-counter markets, or apply on different terms, provided investor protection and the orderly functioning of such markets is assured;

b) Other documents representing similar claims that are not transferable or that are not derivatives may be admitted to trading on organised over-the-counter markets, subject to the rules set out by this Code;

c) Persons other than intermediaries may be admitted as members of an organised over-the-counter market.

4. An organised over-the-counter market may operate for the purpose of registering transactions entered into previously, as laid down by way of regulation by the OSMVM.

CHAPTER IV
Market Infrastructure

SECTION I
Central counterparty

ARTICLE 259
(Scope)

1. The provisions of this section apply to all transactions in which an entity has taken up the position of central counterparty.

2. When an entity takes up the position of central counterparty in a transaction, the transaction is effective only after it has been registered.

3. The use of a central counterparty is mandatory for trading in derivatives on a regulated market.

ARTICLE 260
(Transaction management)

1. The central counterparty shall ensure the orderly management of transactions, in particular:

a) The registration of positions;

b) The management of any collateral provided, including the posting, strengthening, reduction and release of collateral;

c) Adjustments to emerging gains and losses on registered transactions.

2. When market protection so requires, the central counterparty may, namely:

a) Require a clearing member to take the necessary steps to reduce its risk exposure, namely by closing positions;

b) Promote the transfer of positions to other clearing members;

c) Set reference prices differently from the way set out in the rules.

3. An open position in derivatives may be closed out, before the maturity of the contract, through the opening of an opposite position.

4. Clearing members are responsible to the central counterparty for compliance with the obligations resulting from transactions entered into by them, on their own account or for the account of trading members for whom they perform the clearing function.

ARTICLE 261
(Risk minimisation)

1. It is the responsibility of the central counterparty to take the necessary measures to minimise risk and protect the clearing system and the markets, assessing its exposure level at least once a year.

2. For the purposes of the previous paragraph, the central counterparty:

a) Shall adopt secure risk management and monitoring systems;

b) Shall put in place the procedures required to deal with errors and breaches by its members;

c) May create funds whose ultimate purpose is to spread losses among all the clearing members.

3. The central counterparty shall identify the sources of operational risk and shall minimise them by putting in place the necessary systems, controls and procedures and, in particular, by developing contingency plans.

ARTICLE 262
(Margin and other collateral)

1. The risk exposure of the central counterparty and its members must be covered by collateral, referred to as margin, and other collateral, except where, based on the nature of the transaction, the margin requirement is waived, in the cases and on the terms to be specified by the OSMVM by mean of regulation.

2. The central counterparty shall set margin and other collateral requirements for members on the basis of risk parameters, which must be reviewed regularly.

3. Clearing members are responsible for the posting, strengthening or substitution of collateral.

4. Collateral must be provided in the form of:

a) A pledge of securities with low risk and high liquidity, free of any encumbrance, or of cash held in an account at an authorised institution;

b) A bank guarantee.

5. Assets received as collateral may not be reused as collateral.

6. Clearing members shall adopt procedures and measures to properly cover risk exposure and shall require clients and trading members for whom they perform clearing functions to post margin and other collateral, in accordance with the contracts they have entered into.

ARTICLE 263
(Collateral contracts)

1. The collateral contracts referred to in paragraph 4(a) of the Article 262 above are subject to the provisions of this Article and the following Article.

2. The object of the collateral contract must be delivered, transferred or registered to, or be in the possession or under the control of, the central counterparty or a person acting on its behalf, including joint ownership or joint control with the owner.

3. The parties may agree on early maturity of the central counterparty's obligation to return collateral and allow that obligation to be met through netting, on the occurrence of an event that triggers enforcement, including any breach of the contract or any event the parties consider to have an effect equivalent to that of a breach.

4. The early maturity and netting provided for in the previous paragraph apply regardless of:

a) The commencement or continuation of liquidation or insolvency proceedings by or against the parties to the collateral contract;

b) The adoption of restructuring measures in relation to the parties to the collateral contract;

c) The assignment, attachment or other judicial acts or any disposal of rights in respect of the parties to the collateral contract.

5. Collateral contracts and posted collateral may not be terminated on the grounds that the contract was entered into or the collateral was posted:

a) On the day of commencement of liquidation or insolvency proceedings or of the adoption of restructuring measures, before the court order, sentence or equivalent decision was issued;

b) In a certain prior period defined by reference to:

i. The commencement of liquidation or insolvency proceedings or the adoption of restructuring measures; or

ii. The adoption of any other measure or the occurrence of any other event in the course of such proceedings or measures.

6. The following acts may not be declared void or null when performed in the period referred to in the previous paragraph:

a) The posting of new collateral in the event of a change in the amount of the secured obligations or the posting of additional collateral in the event of a change in the value of financial collateral;

b) The substitution of the collateral with an equivalent object.

7. Where a liquidation or insolvency proceeding has been commenced or is continuing or restructuring measures have been adopted in relation to the parties to a collateral contract, the collateral contract is effective under the conditions and on the terms agreed by the parties.

8. A collateral contract entered into and any collateral provided after the commencement of liquidation or insolvency proceedings or the adoption of restructuring measures in relation to the collateral provider are effective vis-à-vis third parties if the central counterparty is able to prove that it did not have, nor should have had, any knowledge of the commencement of those proceedings or the adoption of those measures.

ARTICLE 264
(Enforcement)

1. Enforcement of collateral by the central counterparty is not subject to any formality, namely prior notice to the collateral provider of the intention to enforce collateral.

2. The central counterparty may, directly or through an intermediary, enforce its security interest in securities, acquiring title to the securities, through sale or appropriation, whether offsetting their value or applying them in settlement of the secured obligations.

3. The collateral contract must set out precise rules on valuation of the securities for enforcement purposes.

4. The central counterparty shall return the difference between the value of the securities and the amount of the secured obligations to the collateral provider.

ARTICLE 265
(Asset segregation)

The central counterparty shall adopt an account structure that allows proper segregation of the financial instruments belonging to its members and those belonging to its members' clients.

ARTICLE 266
(Participants)

1. The central counterparty shall set conditions of access for clearing members and the obligations incumbent upon them, so as to ensure high levels of solvency and risk limitation, namely requiring that clearing members have sufficient financial resources and strong operational capacity.

2. The central counterparty shall regularly monitor members' compliance with the access requirements, adopting the procedures required for that purpose.

ARTICLE 267
(Central counterparty rules)

1. The central counterparty shall approve transparent, non-discriminatory rules, based on objective criteria, that ensure proper performance of their functions, namely as regards the matters referred to in Articles 260, 262, 265 and 266.

2. The rules referred to in the previous paragraph must be registered with the OSMVM, so that it may assess whether they are sufficient, appropriate and lawful.

3. Once they have been registered with the OSMVM, the central counterparty shall publish the rules it has adopted, which come into force on the date of publication or the date specified in such rules.

SECTION II
Settlement systems

SUBSECTION I
General provisions

ARTICLE 268
(Scope)

1. Securities and derivatives settlement systems are set up by a written agreement that sets out common rules and standard procedures for the execution of orders for the transfer of securities or their detached rights or derivatives between participants.

2. The agreement must be signed by three or more participants, excluding special participants.

3. Cash transfers associated with transfers of securities and derivatives or attached rights and collateral for transactions in securities and derivatives are an integral part of settlement systems.

ARTICLE 269
(Participants)

1. The following entities may be participants in a settlement system, regardless of whether or not they are members of the system's management entity:

a) Banks and non-bank financial institutions linked to the capital market and investment that are authorised to operate in Angola;

b) State-owned entities and companies that have the benefit of State guarantees;

c) The National Bank of Angola.

d) Indirect participation occurs when a financial institution, central counterparty, settlement agent, clearing house or system operator enters into a contractual relationship with a participant who executes transfer orders in a system and that contractual relationship allows the indirect participant to execute transfer orders through the system.

2. Apart from the provisions of the previous paragraph, indirect participation is only allowed if the system operator knows the indirect participant.

3. The contractual relationship referred to in the previous paragraph must be reported to the system operator, in accordance with the operator's rules, for the indirect participant to be able to execute transfer orders through that system.

4. The responsibility for entering transfer orders into the system remains with the participant.

ARTICLE 270
(Special participants)

1. The following are also considered settlement system participants:

a) Clearing houses, whose function is to calculate the system participants' net positions;

b) Central counterparties, who act as the system participants' exclusive counterparty for the transfer orders placed by them;

c) Settlement agents, who provide participants and the central counterparty, or just the central counterparty, with settlement accounts through which transfer orders issued within the system may be executed and who may extend credit for settlement purposes.

2. The following may act as clearing houses:

a) Banks authorised to operate in Angola;

b) Regulated market and settlement system management entities;

c) Clearing house and central counterparty management entities.

3. The following may act as central counterparties:

a) Banks authorised to operate in Angola;

b) Settlement system management entities;

c) Clearing house and central counterparty management entities.

4. The following may perform the functions of settlement agents:

a) Banks authorised to operate in Angola;

b) Centralised securities systems.

5. According to the system's rules, a participant may act exclusively as a central counterparty, a settlement agent or a clearing house or it may perform all or part of these functions.

6. The National Bank of Angola may perform the functions referred to in the previous paragraphs.

ARTICLE 271
(System rules)

1. The organisation, functioning and operational procedures of each settlement system consist of:

a) The incorporation agreement and any amendments thereto approved by all the participants; and

b) The rules approved by the management entity.

2. The rules referred to in the previous paragraph must be registered with the OSMVM, so that it may check that they are sufficient, appropriate and lawful.

3. Once such rules have been registered with the OSMVM, the settlement system management entity shall publish the rules it has adopted, which come into force on the date of publication or the date specified such rules.

ARTICLE 272
(Right to information)

Any person with a legitimate interest may call on each of the participants referred to in Article 269 to provide information about the settlement systems in which it participates and the key rules of operation of those systems.

ARTICLE 273
(Recognition)

1. Settlement systems, except for those managed by the National Bank of Angola, are recognised through registration with the OSMVM.

2. The National Bank of Angola, by way of regulation, shall designate the securities settlement systems that are managed by it, notifying the OSMVM.

ARTICLE 274
(Registration)

1. A settlement system may only be registered with the OSMVM if it meets all the following requirements:

a) It has at least one participant headquartered in Angola;

b) Its management company, if any, has its effective headquarters in Angola;

c) It is subject to Angolan law by virtue of an express clause of its incorporation agreement;

d) It has adopted rules compatible with this Code and the regulations of the OSMVM and the National Bank of Angola.

2. The register must contain the following up-to-date information:

a) The agreement between the participants;

b) The details of the participants in the system;

c) Details of the management entity, if there is one, including its bylaws and details of the members of its governing bodies and the holders of qualifying holdings;

d) The rules approved by the management entity.

3. The registration process, including refusal or cancellation of registration, is subject to the rules provided for the registration of regulated market management entities, mutatis mutandis.

ARTICLE 275
(Regulation)

1. The OSMVM shall prepare the regulations needed to implement the following matters:

a) The recognition and registration of settlement systems;

b) The security rules to be adopted by the system;

c) The collateral to be provided to the central counterparty;

d) The management, prudential and accounting rules required to ensure asset segregation.

2. With respect to the systems used in the settlement of regulated market transactions, the OSMVM, at the proposal or after hearing the opinion of the management entity of the

systems in question, shall lay down or specify, by way of regulation:

a) The time limits within which settlement must be effected;

b) The procedures to be adopted in the event of failure to settle by participants;

c) The order in which transactions are to be cleared and settled;

d) The registration of transactions carried out through the system and the keeping of accounting records.

3. The National Bank of Angola regulates the securities settlement systems managed by it.

SUBSECTION II
Transactions

DIVISION I
General provisions

ARTICLE 276
(Transfer orders)

1. Transfer orders are entered into the system by the participants or, where so authorised, by the management entity of the regulated market on which the securities and derivatives were traded or by the entity that acts as clearing house and central counterparty for transactions carried out on that market.

2. Transfer orders are irrevocable, effective between the participants and enforceable against third parties from the moment they are entered in the system.

3. The moment and manner of entry of orders into the system are determined in accordance with the system's rules.

ARTICLE 277
(Methods of execution)

Execution of transfer orders consists of placing at the disposal of the beneficiary, in an account opened with a settlement agent:

a) The gross amount shown in each transfer order; or

b) The net balance obtained through bilateral or multilateral netting.

ARTICLE 278
(Clearing)

Clearing carried out within the context of the settlement system is final and is carried out by the system itself or by a system participant that performs the functions of a clearing house.

ARTICLE 279
(Invalidity of underlying trades)

Invalidity or lack of legal effect of the legal acts underlying transfer orders and cleared obligations does not affect the irrevocability of such orders nor the finality of clearing.

DIVISION II
Settlement of trades on regulated markets

ARTICLE 280
(Principles)

The settlement of transactions on regulated markets must be organised in accordance with the principles of efficiency, reduction of systemic risk, and simultaneous delivery of and payment in securities and derivatives and cash.

ARTICLE 281
(Obligations of participants)

1. Participants shall make available to the settlement system, within the time specified in the system rules, the securities or cash needed in order to settle transactions.

2. The obligation referred to in the preceding paragraph is incumbent on the participant that entered the transfer order in the system or that has been appointed by the management entity of the regulated market on which the transactions to be settled were carried out or by the entity that performs the functions of clearing house and central counterparty for those transactions.

3. The participant appointed to settle a transaction may, in turn, appoint another system participant to settle the transaction but is not released from its obligation if that other participant refuses the appointment.

4. The refusal of an appointment has no legal effect if it is excluded under a contract entered into between the participants and disclosed to the system.

ARTICLE 282
(Breach)

1. Failure to comply with the obligations referred to in the previous Article within the specified time is a definitive breach of obligations.

2. As soon as a breach has been identified, the system management entity shall immediately activate the substitution procedures required to ensure that the transaction is settled.

3. The substitution procedures must be described in the system rules and must include at least the following:

a) Loan of securities to be delivered in settlement;

b) Repurchase of securities that have not been delivered;

c) Resale of securities that have not been paid for.

4. In cases where there is a central counterparty:

a) The central counterparty is responsible for activating the required substitution procedures;

b) The substitution procedures must be described in the central counterparty rules and are not required to include those referred to in subparagraphs (a) to (c) of the previous paragraph.

5. The substitution procedures are not activated when a creditor declares, in good time, that it is no longer interested in settlement, unless provided otherwise by a rule approved by the system management entity or, where applicable, the central counterparty.

6. The rules referred to in the preceding paragraph must ensure that the chosen substitution mechanisms allow delivery of the securities and derivatives to the creditor within a reasonable time.

ARTICLE 283
(Connections with other systems and institutions)

1. The systems used for the settlement of transactions on a regulated market shall establish the necessary links to allow transactions to be settled, creating a network with:

a) The management bodies of the regulated markets on which the transactions to be settled are carried out;

b) The entities that act as clearing houses or central counterparties;

c) The management entities of centralised securities systems;

d) The National Bank of Angola or banks, if the system management entity is not authorised to take cash deposits;

e) Other settlement systems.

2. The connection agreements must be reported in advance to the OSMVM.

ARTICLE 284
(Civil liability)

Except in the event of force majeure, each participant is liable for any damage caused by non-compliance with its obligations and for the cost of substitution procedures.

SUBSECTION III
Insolvency of participants

ARTICLE 285
(Transfer orders and clearing)

1. The commencement of liquidation or insolvency proceedings or the adoption of restructuring measures in relation to a participant does not have retroactive effects on the rights and obligations arising from or associated with its participation in the system.

2. The commencement of proceedings or adoption of measures referred to in the previous paragraph does not affect the irrevocability of transfer orders or their enforceability against third parties or the finality of clearing, provided the orders have been entered in the system:

a) Before the proceedings are commenced or the measures are adopted;

b) After the proceedings are commenced or the measures are adopted, if the orders were executed on the day they were entered in the system and the clearing house, settlement agent or central counterparty is able to prove that it did not know, and was not required to know, about the commencement of the proceedings or the adoption of the measures.

3. The proceedings and measures referred to in this chapter are deemed to have commenced and to have been adopted, respectively, when the competent authority issues the decision ordering liquidation or insolvency or the decision to adopt restructuring measures or an equivalent decision.

4. In interoperable systems, the moment of entry of orders into the system is set by each system and all the operators of the same system shall ensure proper coordination of that interoperable system.

5. In interoperable systems, the rules of each system regarding the moment of entry of transfer orders are not affected by the rules of any other systems with which it is interoperable, unless the rules of all the systems taking part in the interoperable systems concerned explicitly so provide.

6. The non-retroactive effect of liquidation or insolvency proceedings or restructuring measures affecting the collateral provider provided for in this section applies to the rights and duties of participants in interoperable systems and interoperable system operators who are not participants.

ARTICLE 286
(Collateral)

1. The collateral securing obligations arising from the functioning of a settlement system is not affected by the commencement of liquidation or insolvency proceedings or the restructuring of the collateral provider and only the balance remaining after all secured obligations have been met reverts to the estate for distribution to creditors in insolvency or restructuring.

2. For the purposes of this Article, pledges and rights under repurchase contracts and other similar contracts are deemed to be collateral.

3. The collateral securing obligations arising from the operation of a settlement system is subject to the provisions of Articles 263 and 264.

ARTICLE 287
(Applicable law)

Once liquidation or insolvency proceedings have been commenced or restructuring measures have been adopted in relation to a participant, the rights and obligations arising from or associated with its participation are governed by the law applicable to the system.

ARTICLE 288
(Notices)

1. The decision to commence liquidation or insolvency proceedings or to adopt restructuring measures in relation to a participant must be notified immediately to the OSMVM and the National Bank of Angola by the court or administrative authority that issued the decision.

2. The OSMVM and the National Bank of Angola shall immediately notify the management entities of the settlement systems registered with them of the decisions referred to in the previous paragraph and of any similar decision notified to them by a foreign State.

SUBSECTION IV
Management

ARTICLE 289
(Governing rules)

1. The systems used for the settlement of transactions on a regulated market may only be managed by a company that meets the requirements laid down by special law.

2. All other settlement systems, except for those managed by the National Bank of Angola, may also be managed by the participants.

ARTICLE 290
(Civil liability)

1. The settlement system management entity is liable to participants in the same way the management entity of a centralised securities system is liable to intermediaries under Article 98.

2. Where a system is managed directly by the participants, these participants are jointly and severally liable for any damage for which the managing entity would otherwise be liable.

TITLE VII
Prospectuses

CHAPTER I
General provisions

SECTION I
General principles and rules

ARTICLE 291
(General principles)

1. The prospectus must contain complete, true, up-to-date, clear, objective and lawful information that will enable investors to make informed judgements about the securities and any rights attached thereto and the specific characteristics, assets and liabilities, economic and financial position and business performance forecasts of the issuer and any guarantor and, in the case of a prospectus for a public offer, about the public offer.

2. The forecasts of the issuer's business performance and profit and of the price performance of the securities must:

a) Be clear and objective;

b) Be based on information of the kind referred to in the previous paragraph and disclosed in the prospectus;

c) Be supported by an auditor's opinion on the assumptions, the criteria used and their consistency with the forecasts.

ARTICLE 292
(Incorporation by reference)

1. Information may be incorporated in the prospectus by reference to documents published previously or simultaneously that have been approved by or filed with the OSMVM in compliance with the disclosure duties of issuers and holders of qualifying holdings in public companies.

2. When information is incorporated by reference, the prospectus must include a list of references or details of how and where that information can be obtained.

3. If a document that is incorporated by reference contains information that has undergone significant changes, this fact must be stated in the prospectus, clearly indicating the change and providing up-to-date information.

4. When incorporating information by reference, all the necessary measures must be taken in order not to jeopardise investor protection as regards the intelligibility and accessibility of that information.

5. The summary of the prospectus must not contain information incorporated by reference.

ARTICLE 293
(Summary of the prospectus)

1. The prospectus must include a summary that sets out briefly and in non-technical language the key features of the securities, the issuer and, where applicable, the offer.

2. The summary must refer to the framework laid down in Article 301(4) and must contain a warning that:

a) It is an introduction to the prospectus;

b) Any decision to invest in the securities needs to be based on the information of the prospectus as a whole.

3. The summary of the prospectus may not contain positive forecasts of the issuer's business performance or economic and financial situation, on the terms to be set out in a regulation of the OSMVM.

ARTICLE 294
(Adaptation of the prospectus in special cases)

The prospectus content must be adapted, to the extent necessary for the purposes of Article 291, to the legal form or particular characteristics of the issuer and the nature and characteristics of the securities covered by the public offer.

ARTICLE 295
(Publication of the prospectus)

1. A prospectus may only be published after it has been approved by the OSMVM and the published text and format must be identical to the version that was approved.

2. The final version of the prospectus must be sent to the OSMVM.

3. The prospectus for a public offer must be made available to the public within a reasonable period before the offer, depending on the characteristics of the public offer and the investors to whom it is targeted, and must be published:

a) In the case of a public offer for distribution preceded by a rights trading period, no later than the business day before the first day of the rights trading period;

b) In all other public offers for distribution, no later than the start of the public offer in question.

4. An admission prospectus must be published before the securities are admitted to trading.

ARTICLE 296
(Waiver of the requirement to include matters in the prospectus)

At the request of the issuer, the offeror or the admission applicant, the OSMVM may waive the requirement to include certain information in the prospectus if:

a) The disclosure of such information is contrary to the public interest;

b) The disclosure of such information is likely to cause serious harm to the issuer, provided non-disclosure is not likely to mislead the public with regard to facts and circumstances that are essential for an informed assessment of the issuer, the offeror, the guarantor, if any, or the admission applicant, or of the rights attached to the securities to which the prospectus refers;

c) Such information is of minor importance to the offer or admission and is not likely to influence the assessment of the financial position and prospects of the issuer, the offeror or the guarantor, if any.

ARTICLE 297
(Addendum and amendment of the prospectus)

1. If between the date of approval of the prospectus and the end of the period for the public offer or admission to trading any deficiency is detected in the prospectus or any new event occurs or any earlier event that was not taken into account in the prospectus becomes known that is relevant for investors' decisions, the OSMVM must be called upon immediately to approve an addendum to or an amendment of the prospectus.

2. The prospectus addendum or amendment must be approved within seven business days of the request and must be published in accordance with Article 295.

3. In the case of a prospectus for a public offer, investors who have already submitted acceptances before an addendum or amendment is published are entitled to revoke their acceptance within a period of not less than two business days after the addendum or amendment is published.

ARTICLE 298
(Base prospectus)

1. Issuers may submit a base prospectus containing information about their economic and financial situation to the OSMVM each year as a partial replacement for the prospectus required in the last admission to trading or public offer for distribution of securities.

2. The base prospectus must be supplemented, where necessary, with up-to-date information on the issuer and the securities to be offered to the public, through an addendum.

ARTICLE 299
(Issuer's duty of cooperation)

The issuer of securities distributed in a public offer for sale or to be admitted to trading shall provide the offeror or admission applicant, at the latter's expense, with the information and documents needed for the preparation of the prospectus.

ARTICLE 300
(Regulation)

The OSMVM shall prepare the necessary regulations to implement the provisions of this title, namely as regards the following:

a) Manner and place of publication of the prospectus;

b) Standard format for prospectuses;

c) Content and manner of publication of the information referred to in Article 307(3);

d) Any supplementary information that is required to enable investors and their financial advisers to make sound judgements as to the characteristics of the securities and the rights attached thereto and the assets and liabilities and economic and financial position of the issuer, namely when the securities have special characteristics or are issued under special conditions;

e) Any particular features of the prospectus for admission to trading of securities other than shares or bonds;

f) Any matters, in the cases referred to in Articles 314 and 315, where the requirement of inclusion in the prospectus cannot be waived.

SECTION II
Responsibility for the prospectus

ARTICLE 301
(Scope)

1. The following are responsible for any damage caused by non-conformity of the content of a prospectus with the provisions of Article 291, unless they are able to prove themselves not at fault:

a) The issuer;

b) The members of the issuer's management body;

c) The guarantor, if any;

d) The members of the guarantor's management body;

e) The members of the issuer's supervisory body, the accounting firms, the certified accountants and any other persons who audited or in any other way reviewed the accounting documents on which the prospectus is based;

f) Any other persons who agree to be named in the prospectus as responsible for any information, forecast or study included therein.

2. The following are also responsible for any damage caused by non-conformity of the content of the prospectus for a public offer with the provisions of Article 291, unless they are able to prove themselves not at fault:

a) The offeror;

b) The members of the offeror's management body;

c) The promoters, in the case of an offer for subscription for the incorporation of a company;

d) The intermediaries assisting in the offer.

3. The following are also responsible for any damage caused by non-conformity of the content of a prospectus for admission to trading with the provisions of Article 291, unless they are able to prove themselves not at fault:

a) The admission applicant;

b) The members of the management body of the admission applicant.

4. Fault is judged in accordance with high standards of professional diligence.

5. Responsibility is excluded if any of the persons referred to in paragraphs 1, 2 and 3 above is able to prove that the person to whom the prospectus was addressed knew, or should have known, about the deficiency of the prospectus content at the date of issue of the contractual statement or at a time when revocation was still possible.

6. Responsibility is also excluded if the damage referred to in paragraphs 1, 2 and 3 above arises solely from the

prospectus summary, unless such summary contains misleading, inaccurate or inconsistent statements when read together with the other documents that make up the prospectus.

ARTICLE 302
(Objective responsibility)

The following are responsible regardless of whether or not they are at fault:

a) The issuer, if any of the persons referred to in paragraph 1(b) and (e) or paragraph 2(f) of the previous Article is responsible;

b) The guarantor, if any of the persons referred to in paragraph 1(d) of the previous Article is responsible;

c) The offeror, if any of the persons referred to in paragraph 1(f) and paragraph 2(b) and (d) of the previous Article is responsible;

d) The admission applicant, if any of the persons referred to in paragraph 1(f) and paragraph 2(b) of the previous Article is responsible;

e) The leader of the placement consortium, if one of the consortium members is responsible under paragraph 2(d) of the previous Article.

ARTICLE 303
(Joint and several responsibility)

If more than one person is responsible for the damage caused, their liability is joint and several.

ARTICLE 304
(Compensation for damage)

1. Compensation must place the injured party in the exact situation it would be in if at the time of acquisition or disposal of the securities the content of the prospectus had been in conformity with the provisions of Article 291.

2. The amount of the compensation must be reduced to the extent that the persons responsible are able to prove that the damage is also attributable to causes other than deficiencies of the information or forecasts contained in the prospectus.

ARTICLE 305
(Expiry of the right to compensation)

1. A claim for compensation under the preceding Articles must be filed within six months of becoming aware that the prospectus content has deficiencies.

2. The right to compensation under the preceding Articles ceases after two years:

a) In the case of a prospectus for a public offer, from the date of publication of the result of the offer;

b) In the case of an admission prospectus, from the date of publication of the prospectus.

ARTICLE 306
(Legally binding)

The rules set out in this division may not be ruled out or modified by any legal act.

CHAPTER II
Prospectus for a Public Offer

SECTION I
Obligation to publish a prospectus

ARTICLE 307
(Obligation to publish a prospectus for a public offer)

1. A prospectus must be published for any public offer of securities that is subject to the provisions of Title V of this Code.

2. The provisions of the previous paragraph do not apply to:

a) Public offers of securities attributable, on the occasion of a merger, to at least 150 shareholders that are not institutional investors, provided a document containing information the OSMVM considers equivalent to that of a prospectus is available at least 15 days before the General Meeting;

b) Payments of dividends in the form of shares of the same class as the shares in respect of which such dividends are paid, provided a document containing information on the number and nature of the shares and the reasons for and details of the offer is available;

c) Public offers for the distribution of securities to current or former members of management bodies or employees by the employer when it has securities admitted to trading on a regulated market or by a company controlled by the employer, provided a document containing information about the number and nature of the securities and the reasons for and details of the offer is available;

d) Public offers for sale of securities admitted to trading on a regulated market, provided the admission prospectus is up-to-date.

3. In the cases referred to in the previous paragraph and in Article 156(a), (b) and (f), the issuer has the right to prepare a prospectus, which will be subject to the rules of this Code.

4. Except as provided in the preceding paragraph, in public offers in which a prospectus is not required the information referred to in paragraph 2 must be submitted to the OSMVM before the launch of the offer or the events envisaged in the offer.

SECTION II
Content

ARTICLE 308
(Common content of the prospectus for a public offer)

The prospectus for a public offer must include the information as follows:

a) Full details and registered office address of the offeror, the issuer and any intermediaries assisting in or underwriting and distributing the offer;

b) Characteristics and number of the securities subject to the offer;

c) Type of offer;

d) Capacity in which the intermediaries are acting in the offer;

e) Price and overall amount of the public offer, or upper and lower price limits, nature and payment terms;

f) Offer period;

g) Allotment criteria;

h) Enforcement conditions of the public offer;

i) Places from which the prospectus is available;

j) Entity responsible for determining and publishing the result of the public offer;

k) The registration number of the public offer;

l) The persons who, under Article 301, are responsible for the content of the prospectus;

m) The objectives of the public offer;

n) The issuer and its activity;

o) The offeror and its activity;

p) The issuer's corporate governance structure;

q) The composition of the governing bodies of the issuer and the offeror;

r) The intermediaries that make up the selling group, if any.

ARTICLE 309

(Content of the prospectus for a public offer for distribution)

1. The prospectus for a public offer for distribution must also include information about:

a) The assets and liabilities, the financial situation and the results of the issuer and its performance over the last three financial years or the years the issuer has been in operation;

b) The conclusions of the auditor's report or opinion, prepared in accordance with Articles 8 and 9;

c) The outlook for the issuer's businesses for at least the current year, to the extent relevant to an assessment of the investment;

d) The viability study, in the cases specified in Article 180;

e) The rules for incomplete distribution, if different from those set out in Article 184;

f) Whether the securities are intended to be admitted to trading on a regulated market;

g) The market making and price stabilisation contracts and the greenshoe option, if any.

2. If the public offer covers securities that are already admitted or that are expected to be admitted to trading on a regulated market, a single prospectus that meets the requirements for both purposes may be approved and used.

3. If the public offer covers securities guaranteed by third parties, the information specified in subparagraphs (o) to (q) of the previous Article and paragraph 1(a) and (c) must also be provided in respect of the guarantor.

4. If the public offer is in respect of securities that confer the right to subscribe for or acquire other securities, information must also be provided about those other securities, their issuer, the conditions for exercise of the right and how said conditions may be affected by relevant changes in the securities that serve as underlying asset.

5. The prospectus for a public offer for distribution must also include statements by the persons who, under Article 301, are responsible for its content, affirming that to the best of their knowledge the information contained in the prospectus is in accordance with the facts and no information has been omitted that is likely to affect its import.

ARTICLE 310

(Content of the prospectus for a tender offer)

1. The prospectus for a tender offer must also include information about:

a) The consideration offered and its justification;

b) The minimum and maximum number of securities the offeror intends to acquire;

c) The percentage of voting rights the offeror is able to exercise in the target company, in accordance with Article 122(1);

d) The percentage of voting rights the target company is able to exercise in the offeror company, in accordance with Article 122(1);

e) Any persons who, to their knowledge, are in any of the situations specified in Article 122(1) in relation to the offeror;

f) Any securities of the same class as those targeted by the public offer that were acquired in the previous six months by the offeror or any persons who are in one of the situations specified in Article 122(1) in relation to the offeror, indicating the acquisition dates, quantity and counterparties;

g) The offeror's intentions as regards the continuation or modification of the business activity of the target company, the offeror (insofar as it is affected by the offer) and any companies that are in a group or control relationship with the offeror or the target company, as regards the continued employment and conditions of employment of the employees and managers of the abovementioned entities (in particular any repercussions for the places in which the business activities take place), as regards maintenance of the public company status of the target company and as regards continued trading on a regulated market of the securities that are covered by the offer;

h) The possible implications of the success of the offer for the offeror's financial situation and any facilities used to finance the offer;

i) Any shareholders' agreements entered into by the offeror or any of the persons referred to in Article 122(1) that impact significantly on the target company;

j) Any agreements entered into between the offeror or any of the persons referred to in Article 122(1) and the members of the target company's corporate bodies, including any special advantages granted to them;

k) The method of payment of the consideration when the securities that are covered by the offer are also listed on a regulated market located or operating abroad;

l) The national law that will govern contracts concluded between the offeror and the holders of the target company's securities as a result of acceptance of the offer and the competent courts for resolving any disputes arising from those contracts;

m) Any expenses to be borne by the offerees.

2. If the consideration consists of securities already issued or to be issued, the prospectus must include all the information that would be required if the securities were offered in a public offer for sale or subscription.

CHAPTER III

Admission prospectus

ARTICLE 311

(Obligation to publish an admission prospectus)

1. Before securities are admitted to trading, the applicant must publish a prospectus approved by the OSMVM.

2. A prospectus is not required for the admission of:

a) The bonds referred to in Article 251(4)(a) and (b);

b) Shares resulting from a capital increase through capitalisation of reserves, when the company already has shares of the same class admitted to trading.

ARTICLE 312

(Content of an admission prospectus)

1. An admission prospectus must include information about:

a) Full details and registered office address of the issuer;

b) Characteristics and number of the securities to be admitted;

c) Places from which the prospectus is available;

d) The persons who, under Article 301, are responsible for the content of the prospectus;

e) The issuer and its activity;

f) The issuer's corporate governance structure;

g) The composition of the issuer's corporate bodies;

h) The assets and liabilities, the financial situation and the results of the issuer and its performance over the last three financial years or the years the issuer has been in operation;

i) The conclusions of the auditor's report or opinion, prepared in accordance with Articles 8 and 9;

j) The outlook for the issuer's businesses for at least the current year, to the extent relevant to an assessment of the investment;

k) The viability study, in the cases specified in Article 180;

l) The market making and price stabilisation contracts, if any.

2. If the application for admission is in respect of securities that are subject to registration with the OSMVM, a single prospectus that meets the requirements for both purposes may be approved and used.

3. If the application for admission is in respect of securities guaranteed by third parties, the information specified in subparagraphs (e) to (g) of the previous Article and paragraph 1(h) and (j) must also be provided in respect of the guarantor.

4. If the application for admission is in respect of securities that confer the right to subscribe for or acquire other securities, information must also be provided about those other securities, their issuer, the conditions for exercise of the right and how said conditions may be affected by material changes in the securities that serve as underlying asset.

5. The admission prospectus must also include statements by the persons who, under Article 301, are responsible for its content, affirming that to the best of their knowledge the information contained in the prospectus is in accordance with the facts and no information has been omitted that is likely to affect its import.

ARTICLE 313

(General criterion for waiver of admission prospectus requirement)

A waiver of the admission prospectus requirement by the OSMVM, in the cases specified in the following Articles, may only be granted if, and to the extent that, investors have sufficient information to make a sound judgement about the securities whose admission to trading is requested.

ARTICLE 314

(Total or partial waiver of the admission prospectus requirement)

The OSMVM may waive the requirement to publish an admission prospectus or to include certain information in the prospectus when an application is made for the admission to trading of:

a) Shares offered, allotted or to be allotted free of charge to existing shareholders and dividends paid out in the form of shares of the same class as the shares in respect of which the dividends are paid, provided those shares are of the same class as the shares already admitted to trading on the same regulated market and a document containing information about the number and nature of the shares and the reasons for and details of the offer is available;

b) Securities offered, allotted or to be allotted to current or former members of the management bodies or employees by the employer or by a company controlled by the employer, provided the securities are of the same class as the securities already admitted to trading on the same regulated market and a document containing information about the number and nature of the securities and the reasons for and details of the offer is available;

c) Shares issued in replacement of other shares issued by the same company that are admitted to trading on the same exchange, provided the issue of those shares does not involve an increase in capital;

d) Shares representing, over a 12-month period, less than 10% of the number of shares of the same class already admitted to trading on the same regulated market;

e) Securities already admitted to trading on another exchange located or operating in Angola;

f) Securities distributed through a public offer for subscription or exchange or issued after a merger or demerger or a total or partial transfer of assets and liabilities, or as consideration for in-kind contributions, provided in all cases that a prospectus has been published in Angola in the 12 months before the application for admission.

ARTICLE 315

(Partial waiver of the admission prospectus requirement)

The OSMVM may waive the requirement to include certain matters in the admission prospectus, in addition to the cases provided for in the previous Article, when an application is made for the admission to trading of:

a) Shares issued with preferential rights for shareholders of the issuing company, provided the remaining shares are already admitted to trading on the same exchange;

b) Shares resulting from the conversion of bonds or the exercise of subscription or purchase rights, provided the remaining shares are already admitted to trading on the same exchange;

c) Bonds and other debt securities jointly and unconditionally guaranteed by the State;

d) Securities that confer the right to subscribe for or acquire shares issued with preferential rights for shareholders, provided shares of the company are already admitted to trading on the same market;

e) Bonds and other debt securities which, due to their characteristics, are normally acquired and traded almost exclusively by a limited number of institutional investors;

f) Bonds that are issued in a continuous or repeated manner by credit institutions or other financial institutions;

g) Shares allotted to the employees of the issuing company, if shares of the same class are already admitted to trading on the same exchange;

h) Securities issued by financial institutions, collective investment schemes whose units are exchange-tradable or companies engaged exclusively in the securities management business.

TITLE VIII

Investment Services and Activities

CHAPTER I

General provisions

ARTICLE 316

(Investment services and activities)

1. Securities and derivatives investment services and activities include the following:

a) Receiving and transmitting orders on behalf of clients;

b) Executing orders on behalf of clients;

c) Managing portfolios on behalf of clients;

d) Investment consulting, including the preparation of studies, financial analyses and other general recommendations;

e) Underwriting and placing public offers for distribution on a firm commitment or best efforts basis;

f) (f) Assisting in public offers of securities;

g) Dealing on own account, including derivatives trading as a professional activity;

h) Securities and derivatives registration and deposit, and custody-related services such as cash and collateral management;

i) The granting of credit, including securities lending, exclusively for the purpose of carrying out transactions in securities and derivatives in which the lender is involved;

j) Consulting on capital structure, industrial strategy and related matters, as well as on mergers and acquisitions;

k) Foreign exchange services and hire of safes exclusively for use in providing investment services.

2. The activity of receiving and transmitting orders on behalf of clients includes bringing together two or more investors with a view to concluding a transaction.

ARTICLE 317

(Professional basis)

1. Only intermediaries may provide securities and derivatives investment services and activities on a professional basis, except as provided in this title with respect to the provision of investment consulting and financial analysis services by independent consultants and analysts.

2. The provision of the previous paragraph does not apply to:

a) The National Bank of Angola, the State and other state-owned entities involved in the management of public debt and State reserves;

b) Persons who provide investment services exclusively to their controlling company, a subsidiary thereof or their own subsidiary;

c) Persons who provide investment advice as an ordinary complementary service (one that is not

remunerated separately) of a profession other than the provision of investment services;

d) Persons whose only investment activity is dealing on own account, provided they are not:

e) Market makers; or

f) Entities that deal on own account outside a regulated market on an organised, frequent and systematic basis, providing a system that is accessible to third parties in order to trade with them;

g) (e) Persons who provide, as their main activity, any of the services listed in Article 316(1)(j), provided they are not part of a group whose main activity is the provision of investment or banking services;

3. The terms on which services and activities related to commodity derivatives are subject to this title will be set out in a specific law by the Head of the Executive Branch, after considering the opinion of the OSMVM and the National Bank of Angola.

4. The management of collective investment schemes and the performance of the functions of a depositary for such schemes are deemed equivalent to securities and derivatives investment services and activities, although the management of collective investment schemes subject to the Collective Investment Scheme Framework approved by Presidential Legislative Decree No. 7/13 of 11 October is not subject to the provisions of Articles 334, 343 to 347 and 349 to 352.

ARTICLE 318
(Investment consulting)

1. Investment consulting is the provision of personalised advice to a client, in the client's capacity as actual or potential investor, either at the client's request or on the consultant's initiative, in relation to transactions in securities or derivatives.

2. For the purposes of the previous paragraph, a recommendation given to a person, in that person's capacity as an actual or potential investor, that is presented as being appropriate for that person or based on consideration of that person's circumstances, with a view to the making of an investment decision, constitutes personalised advice.

3. An investment recommendation does not constitute personalised advice if it is given exclusively through distribution channels or to the public.

4. Investment consulting services may be provided by:

a) An intermediary authorised to provide such services;

b) An investment consultant, in relation to securities.

5. Investment consultants may also provide the service of receiving and transmitting orders in respect of securities, provided that:

a) The orders are transmitted to intermediaries;

b) They do not hold funds or securities belonging to clients.

6. Investment consultants are subject to the general rules for securities and derivatives investment services and activities, mutatis mutandis.

ARTICLE 319
(Financial analysis for investment)

1. Financial analysis for investment in securities and derivatives consists of the issue of investment recommendations, for distribution through distribution channels or to the public, in which, directly or indirectly, an investment or divestment recommendation or suggestion is given in relation to an issuer or to securities or derivatives.

2. Financial analysis may be provided by:

a) An intermediary authorised to provide this service;

b) An independent financial analyst.

3. Independent financial analysts are subject to the general rules for securities and derivatives investment services and activities, mutatis mutandis.

4. The OSMVM shall lay down, by way of regulation, rules for the publication of third-party investment recommendations by persons that are not intermediaries or independent financial analysts.

CHAPTER II
Promotion of Investment Services and Activities

ARTICLE 320
(Advertising and canvassing)

Advertising and canvassing with a view to the conclusion of financial intermediation contracts or the gathering of information on actual or potential clients may only be carried out by:

a) An intermediary authorised to carry out the activity in question;

b) An intermediary's correspondent.

CHAPTER III
Registration

ARTICLE 321
(Requirements for providing the service or activity)

The provision of any securities and derivatives investment service or activity on a professional basis requires:

a) Authorisation granted by the competent authority;

b) Prior registration with the OSMVM.

ARTICLE 322
(Purpose of registration)

The purpose of registration with the OSMVM is to ensure that a prior control is carried out to determine whether the requirements for the provision of each securities and derivatives investment service and activity are met and to make it easier to set up the supervision task.

ARTICLE 323
(Details subject to registration)

1. An intermediary's registration record must contain:

a) The details required by law for the registration of financial institutions;

b) Each of the securities and derivatives investment services and activities provided by the intermediary.

2. Any sanctions or extraordinary judicial actions taken against the intermediary or other persons recorded in the

register and any suspension or cancellation of a registration must be added to the register.

ARTICLE 324
(Registration procedure)

1. The registration request must:

a) Set out the details to be registered and be supported by the necessary documents for registration;

b) Be accompanied by the documents required to prove that the intermediary has the necessary human, material and technical resources to carry out the activity in question.

2. The OSMVM may carry out an inspection to verify the existence of the resources referred to in the previous paragraph.

3. An intermediary may only be registered after the competent authority has issued a notice certifying that the intermediary is authorised to carry out the required activities.

4. The person requesting registration is not required to submit documents that are already in the possession of the OSMVM or that the OSMVM can obtain from official publications or from the national authority that granted the authorisation or to which the authorisation was notified, although said person must indicate where such documents can be obtained.

5. Any insufficiencies or irregularities in a registration request or supporting documentation may be remedied within the period specified by the OSMVM.

ARTICLE 325
(Registration procedure)

Registration is considered to have been refused if the OSMVM does not complete the registration within 60 days:

a) Of the notice of authorisation;

b) Of the date of receipt of the registration request or any supplementary information that was requested.

ARTICLE 326
(Refusal of registration)

1. Registration is refused if an intermediary:

a) Is not authorised to carry out the activity or provide the service to be registered;

b) Is unable to prove that it has the necessary skills and resources to carry out the activities efficiently and securely;

c) Has made false statements;

d) Fails to cure any insufficiencies and irregularities within the time specified by the OSMVM.

2. A registration refusal may be total or partial.

ARTICLE 327
(Consultants and analysts)

1. The provision of securities and derivatives investment consulting and financial analysis services as an independent consultant or financial analyst requires prior registration with the OSMVM.

2. Registration is granted only to natural persons of good repute who have high levels of proven professional qualifications and skills for performing the activity and sufficient material resources – including, in the case of investment consulting, professional liability insurance – and legal persons that meet the same requirements.

3. Where registration is granted to a legal person:

a) Reputation and sufficiency of material resources are assessed in relation to the legal person, the members of its management body and the employees that perform the activity;

b) Professional qualifications and expertise are assessed in relation to the employees that perform the activity;

c) In the case of registration of an investment consulting activity, professional liability insurance is required for each employee that performs the activity.

4. The minimum conditions of the professional liability insurance stipulated in the previous paragraphs are set by a regulation of the Angolan Insurance Regulation and Supervision Agency, after considering the opinion of the OSMVM.

ARTICLE 328
(Suspension of registration)

When an intermediary ceases to have the resources required to be able to provide an intermediation activity efficiently and securely, the OSMVM may suspend its registration for a period of no more than 60 days.

ARTICLE 329
(Cancellation of registration)

1. The following are grounds for cancellation of registration by the OSMVM:

a) The existence of a circumstance that would be an obstacle to registration, if that circumstance is not remedied within a period set by the OSMVM;

b) The revocation or expiry of the authorisation;

c) The cessation of the activity or a discrepancy between the authorised activity and the activity actually carried out.

2. A cancellation decision that is not based on the authorisation revocation or expiry must be preceded by a favourable opinion of the National Bank of Angola, to be issued within 15 days in respect of intermediaries whose establishment requires the authorisation of the National Bank of Angola.

3. Cancellation decisions must be notified to the National Bank of Angola.

CHAPTER IV
Setting-up and performance

SECTION I
General provisions

ARTICLE 330
(Principles)

1. Intermediaries shall carry out their activity so as to protect the legitimate interests of their clients and the efficiency of the market.

2. In their relations with other market participants, intermediaries shall act in good faith and in conformity with high standards of diligence, loyalty and transparency.

3. To the extent necessary in order to comply with its duties when providing its services, an intermediary shall assess the client's knowledge and experience of the particular type of financial instrument or service offered or sought and, where applicable, the client's financial situation and investment objectives.

4. Intermediaries have a duty of professional secrecy, as specified for bank secrecy, without prejudice to the exceptions provided by law, namely compliance with the provisions of Article 392.

5. These principles and the duties referred to in the following Articles are applicable to the members of the management body and the persons responsible for the day-to-day management of the intermediary or correspondent and any employees of the intermediary, correspondent or subcontracted entities who are involved in the performance or supervision of securities and derivatives investment services and activities or operational functions that are essential for the provision of services on a continuous basis with the necessary quality and efficiency.

ARTICLE 331
(Civil liability)

1. Intermediaries shall pay compensation for any damage caused to a person as a result of a breach of the duties regarding the setting-up and performance of their activity imposed on them by any law or regulation issued by a public authority.

2. An intermediary is considered to be liable when damage is caused within the scope of contractual or pre-contractual relationships and whenever it results from non-compliance with disclosure duties.

3. Without prejudice to the supervisory body's functions, the members of an intermediary's management body are responsible for ensuring performance of the duties specified in this Code.

ARTICLE 332
(Codes of conduct)

Any codes of conduct approved by professional associations of intermediaries must be notified to the OSMVM within 15 days.

ARTICLE 333
(Reporting duty of auditors)

1. An auditor that provides auditing services to an intermediary or a company that is in a control or group relationship with an intermediary or that directly or indirectly holds 20% or more of the voting rights or capital of an intermediary shall immediately report to the OSMVM any facts in respect of that intermediary or company that come to its knowledge in the performance of its duties if those facts are liable to:

a) Be a crime or infraction under the terms of authorisation of the intermediary or under the regulations governing securities and derivatives investment services and activities;

b) Affect the intermediary's ability to carry on performing its activity;

c) Justify a refusal to audit the accounts or the issue of a qualified opinion.

2. The reporting duty under this Article prevails over any legal or contractual restrictions on disclosure, and good faith compliance with that duty does not create any liability for the parties involved.

3. If the facts referred to in paragraph 1 qualify as inside information within the meaning of Article 146, the OSMVM and the National Bank of Angola shall coordinate their actions, so as to achieve an appropriate balance between their respective supervisory objectives.

4. The auditors referred to in paragraph 1 shall submit a report to the OSMVM each year attesting to the appropriateness of the procedures and measures, adopted by the intermediary to ensure the performance of its duties with respect to the safeguarding of its clients' assets.

SECTION II
Safeguarding of client assets

ARTICLE 334
(Asset segregation)

1. In all its transactions and in its accounting and transaction records, an intermediary shall ensure that a clear distinction is kept between its own assets and any assets belonging to each of its clients.

2. The commencement of insolvency or liquidation proceedings or the adoption of restructuring measures in relation to an intermediary has no effect on transactions entered into by the intermediary on behalf of its clients.

3. An intermediary shall not dispose of, or exercise the rights attached to, a client's securities or derivatives, whether for its own benefit or for the benefit of a third party, without the holder's consent.

4. Non-bank financial institutions linked to the capital market and investment shall not use cash received from clients for their own benefit or for the benefit of a third party.

5. An intermediary shall immediately report to the OSMVM any fact liable to affect the security of clients' assets or to generate risk for other intermediaries or for the market.

6. An intermediary shall ensure that clients' securities and derivatives are at all times registered and deposited directly in accounts held in the clients' names at the intermediary or at another intermediary that is authorised in Angola.

SECTION III
Record keeping

ARTICLE 335
(Accounts and records)

1. An intermediary's accounts must record each client's daily credit or debit balance in cash and in securities and derivatives.

2. An intermediary shall keep a sequential daily record of the transactions it carries out, on its own account and on behalf of each of its clients, showing the movements of securities and derivatives and cash.

ARTICLE 336
(Client record)

An intermediary shall keep a client record containing up-to-date information about both parties' rights and duties under financial intermediation contracts, based on the relevant supporting documents.

SECTION IV
Conflicts of interest and personal transactions

ARTICLE 337
(General principles)

1. An intermediary shall organise itself so as to detect possible conflicts of interest and shall take steps to avoid or minimise them.

2. If a conflict of interest arises, an intermediary shall take steps to ensure that its clients receive transparent and equitable treatment.

3. An intermediary shall put its client's interests before its own and before those of any companies with which it is in a control or group relationship, those of the members of its corporate bodies, those of its correspondents and those of the employees of either.

4. Whenever an intermediary enters into a transaction in order to fulfil a client's order, it shall deliver the securities and derivatives to its client at the same price for which it acquired them.

ARTICLE 338
(Conflict of interest policy)

1. An intermediary shall adopt a conflict of interest policy, in writing, that is appropriate to its size and organisation and to the nature, scale and complexity of its activities.

2. If an intermediary is part of a group of companies, the policy must also take into consideration any circumstances that are or should be known to the group and that are liable to create a conflict of interest arising from the structure and commercial activities of other companies in the group.

3. If any of the procedures and measures set out in the conflict of interest policy or adopted by an intermediary fail to ensure the required level of independence, the OSMVM may require an intermediary to take such alternative or additional measures as the OSMVM considers necessary and appropriate for that purpose.

ARTICLE 339
(Registration of activities)

1. An intermediary shall keep and regularly update records of all the types of securities and derivatives investment services and activities provided by it or on its behalf that have given rise – or, in the case of activities in progress, are liable to give rise – to a conflict of interest that is likely to affect the interests of one or more clients.

2. An intermediary that provides services in relation to public offers or that entail having knowledge of inside information shall draw up lists of the persons who have had access to such information.

ARTICLE 340
(Transactions carried out by relevant persons)

1. An intermediary shall adopt the procedures required to prevent any of the persons referred to in Article 330(5) who is involved in activities liable to give rise to conflicts of interest or who has access to inside information or other confidential information from entering into a personal transaction in securities and derivatives or from advising or requesting others to enter into such a transaction:

a) In breach of Article 146(4) and Article 387;

b) That entails unlawful use or improper disclosure of confidential information;

c) In breach of any duty of the intermediary specified in this Code.

2. The procedures adopted by an intermediary must ensure, in particular, that:

a) All the persons referred to in Article 330(5) and covered by paragraph 1 are informed of the restrictions and procedures regarding personal transactions;

b) The intermediary is immediately informed of any personal transaction that is carried out:

c) A record is kept of every personal transaction, including an indication of any related authorisation or prohibition.

SECTION V
Market protection

ARTICLE 341
(Churning)

1. An intermediary shall refrain from encouraging its clients to enter into repeated transactions in securities and derivatives or from doing so on its clients' behalf ("churning") when the main purpose of the transactions is to generate commissions or any other purpose contrary to the clients' interest.

2. The transactions referred to in the previous paragraph include the granting of credit for carrying out transactions.

3. Apart from any civil or criminal liability that may be incurred, no commission, interest or other fees are payable on the transactions referred to in the previous paragraphs.

ARTICLE 342
(Market protection)

1. Intermediaries and other market members shall behave with the utmost integrity, refraining from entering into transactions or taking other actions liable to jeopardise the orderly functioning, transparency and credibility of the market.

2. The following actions in particular are liable to jeopardise the orderly functioning, transparency and credibility of the market:

a) Execution of buy and sell orders allocated to the same portfolio;

b) The apparent, simulated or artificial transfer of securities and derivatives between portfolios;

c) The execution of orders aimed at evading or significantly limiting the effects of an auction, pro

rata distribution or other form of allocation of securities and derivatives;

d) The execution of market-making transactions that have not been notified in advance to the OSMVM or of price stabilisation transactions that are not carried out as permitted by law.

3. The entities referred to in paragraph 1 shall also analyse orders and transactions with special care and diligence, especially those that could lead to the following situations:

a) The execution of orders or transactions by principals who have a significant buy or sell position or a position that represents a significant proportion of the daily volume traded of a particular security or derivative, which therefore are likely to give rise to significant changes in the price of that security or derivative or of underlying securities or instruments or derivatives related to them;

b) The execution of orders or transactions concentrated in a short time period during the trading session which are likely to give rise to significant changes in the prices of securities or derivatives or of underlying securities or instruments or derivatives related to them, which subsequently are reversed;

c) The execution of orders or transactions at sensitive times, when reference and settlement prices or other prices with particular calculation times are determined, which are likely to give rise to changes in those prices or calculations;

d) The execution of orders that change the normal characteristics of the order book for certain securities or derivatives and the cancellation of such orders before they are executed;

e) The execution of orders or transactions preceded or followed by dissemination of false, incomplete, exaggerated, biased or misleading information by the principals, the economic beneficiaries of the transactions or persons related to them;

f) The execution of orders or transactions preceded or followed by the preparation or dissemination of research or investment recommendations containing false, incomplete, exaggerated, biased or misleading information, or information manifestly influenced by material interest, when the principals, the economic beneficiaries of the transactions or persons related to them were involved in the preparation or dissemination of that research or those investment recommendations.

SECTION VI
Information to be provided to investors

SUBSECTION I
Investor classification

ARTICLE 343
(General provisions)

1. An intermediary shall set out in writing an internal policy that allows it to determine at all times the category of each client, as a non-institutional or institutional investor, and shall adopt the procedures required to implement that policy.

2. An intermediary may, on its own initiative, treat any institutional investor as a non-institutional investor.

ARTICLE 344
(Treatment as a non-institutional investor)

1. For an institutional investor to be treated as a non-institutional investor there must be a written agreement between the intermediary and the client who requested such treatment, clearly setting out the scope of the agreement and specifying the services, securities, derivatives and transactions to which it applies.

2. If the agreement does not specify the items referred to in the previous paragraph, it is deemed to cover all the services, securities, derivatives and transactions entered into.

3. The client may terminate the agreement referred to in paragraph 1 at any time by notice in writing.

ARTICLE 345
(Treatment as an institutional investor)

1. A non-institutional investor may request that an intermediary treat it as an institutional investor.

2. Acceptance of a request made pursuant to the previous paragraph will depend on the assessment, to be performed by the intermediary, of whether the client's knowledge and experience is sufficient to allow the client to make its own investment decisions and to understand the risks they entail, given the nature of the services, securities, derivatives and transactions the investor is interested in, and is subject to registration with the OSMVM and the other rules laid down by the OSMVM by way of regulations.

ARTICLE 346
(Responsibility and appropriateness of classification)

1. A client who has requested to be treated as an institutional investor has the responsibility to keep the intermediary informed of any changes that may affect its current classification.

2. If an intermediary finds that a client no longer meets the requirements set out in the previous Article, it shall inform the client that if the requirements are not met within a specified period, the client will be treated as a non-institutional investor.

ARTICLE 347
(Institutional investors)

An intermediary is not required to comply with the duties set out in Articles 348 to 352, 356 to 359 and 365 to 369 when providing one or more of the services and activities specified in Article 316(1)(a), (b) and (g), whenever the services and activities are in relation to transactions between the intermediary and an institutional investor or the provision of services related to such transactions.

SUBSECTION II
General principles

ARTICLE 348
(Duties to provide information)

1. An intermediary shall provide all the information about the services it offers, the services it is asked to provide and those it actually provides that are needed for the purpose of informed and reasoned decision making, including, in particular, information about:

a) The intermediary and the services it provides;

b) The client classification and, where applicable, the client's right to request different treatment and any

limitation to the level of protection a change of treatment entails;

c) The source and nature of any interest the intermediary or any person acting on its behalf may have in the service to be provided, whenever the organisational measures adopted by the intermediary pursuant to Articles 337 et seq. are insufficient to provide reasonable assurance that any risk of harm to the clients' interests will be avoided;

d) The securities and derivatives and proposed investment strategies;

e) Any specific risks involved in the transactions to be carried out;

f) Its order execution policy and, where applicable, the possibility of executing clients' orders outside a regulated market;

g) Whether or not the services to be provided are covered by a guarantee fund or similar protection scheme;

h) The cost of the service to be provided.

2. The less the client's knowledge and experience, the greater the extent and depth of the information to be provided.

3. The fact that information is included in advice given, in any capacity, or in promotional or advertising messages does not exempt an intermediary from the obligation to comply with the requirements and rules applicable to information in general.

SECTION VII
Unlawful benefit

ARTICLE 349
(General prohibition and duty of disclosure)

1. An intermediary shall not offer to, or receive from, third parties any remuneration, commission or non-monetary benefit in relation to the provision of a securities and derivatives investment service or activity to a client, unless that payment or benefit enhances the quality of the service provided to the client and does not impair compliance with the duty to act in the client's best interest.

2. The provisions of the previous paragraph excludes the payment of appropriate remuneration, such as custody costs, settlement and exchange fees, regulatory levies or legal fees, that enables or is necessary for the provision of the securities and derivatives investment service or activity.

3. Before providing the securities and derivatives investment service or activity, the intermediary shall inform the client of the existence of the remuneration, commission or non-monetary benefit referred to in the previous paragraphs, which may be done in summary form, although additional information must be provided at the client's request.

SECTION VIII
Assessment of suitability

ARTICLE 350
(General principle)

1. An intermediary shall request from the client, and from any client representative who may influence the investment decision or the decision to use the service, information about their investment knowledge and experience with respect to the type of security or derivative or the service requested, in order to be able to assess whether the customer understands the risks involved.

2. If based on the information gathered pursuant to the previous paragraph and its own knowledge of the securities, instruments and services in question the intermediary concludes that the requested transaction is not suitable for the client, it shall notify the client of its conclusion in writing.

3. If a client refuses to supply the information referred to in paragraph 1 or fails to supply sufficient information, the intermediary shall warn the client, in writing, that without the required information it cannot determine whether the requested transaction is suitable for the client in its circumstances.

4. The warnings referred to in paragraphs 2 and 3 may be given in a standard form.

5. The intermediary shall carefully inform itself about the securities and derivatives in question.

6. Whenever an intermediary provides an investment service to an institutional investor, it is assumed, for the purpose of the suitability assessment, that the client has the necessary experience and knowledge of any securities and derivatives, transactions and services for which it is classified as an institutional investor.

ARTICLE 351
(Portfolio management and investment consulting)

1. When providing portfolio management or investment consulting services, an intermediary shall obtain from the investor, besides the information referred to in paragraph 1 of the previous Article, information regarding the investor's financial situation and investment objectives.

2. If an intermediary does not obtain the information needed for the transaction in question, it shall not recommend the transaction to the client.

3. When providing investment consulting services to an institutional investor, an intermediary may assume, for the purpose of the suitability assessment, that the investor is financially able to bear the risk of any loss resulting from the investment.

4. The provisions of the previous paragraph do not apply to clients who are treated as institutional investors at their request.

ARTICLE 352
(Provision of information)

1. An intermediary shall not offer incentives to a client not to provide the information required under the previous Article.

2. An intermediary may rely on the information provided by clients unless it knows, or is in a position to know, that the information is out of date, inaccurate or incomplete.

3. An intermediary which receives instructions from another intermediary to provide investment services on behalf of a client of that other intermediary may rely on:

a) The information on the client conveyed to it by the financial intermediary from which it received the instructions;

b) The recommendations on the service or transaction that were given to the client by the other intermediary.

4. An intermediary that transmits instructions to another financial intermediary shall ensure that the information it conveys about the client is sufficient and accurate and that the recommendations or advice it has provided to the client about the service or transaction is appropriate.

SECTION IX
Regulation

ARTICLE 353
(Organisation of intermediaries and activities)

1. The OSMVM shall prepare the regulations needed in order to implement the provisions of this title with respect to the organisation of intermediaries, especially as regards the following:

a) The registration process for securities and derivatives investment services and activities;

b) Notification of the compliance officer to the OSMVM;

c) The human, material and technical resource requirements for providing each intermediation activity;

d) Recording of transactions and reporting to the OSMVM for the purpose of control and supervision of the various activities;

e) The opening, operation, use and control of the accounts in which the cash delivered to non-bank financial institutions linked to the capital market and investment by their clients, or by third parties on their clients' behalf, is deposited;

f) The minimum record and documentation keeping requirements;

g) The organisational measures to be adopted by intermediaries that provide more than one securities and derivatives investment service or activity, taking the nature, scale and risk of the intermediary into account;

h) The functions that must be segregated, in particular those which, because they are managed or performed by the same person, may give rise to errors that are difficult to detect and those which may expose the intermediary or its clients to excessive risk;

i) Procedures for handling investor complaints;

j) The duties of intermediaries as regards the safeguarding of client assets, including record keeping and accounting, the minimisation of risks of loss or decrease in value, the measures to be adopted where restrictions apply under foreign law, the registration or deposit of client securities and derivatives in one or more accounts held at a third party, the use of client securities and derivatives, the treatment of clients' cash, and the operation of clients' accounts;

k) The duties of intermediaries as regards subcontracting, in particular the possibility and terms of any outsourcing of portfolio management services to entities located in other countries;

l) The conflict of interest policy;

m) The definition of operational staff;

n) The minimum requirements a non-institutional investor must meet in order to be treated as an institutional investor;

o) The procedure to be adopted for treating a non-institutional investor as an institutional investor;

p) The information to be provided by intermediaries under the duties to provide information to investors, the content of the information, and how and when it is to be provided;

q) (q) The information to be obtained by intermediaries for the purpose of assessing the suitability of transactions;

r) The terms on which the duty to make a suitability assessment applies when providing order reception and transmission or order execution services to a client;

s) The internal policies and procedures of intermediaries with regard to investor classification and the assessment criteria for classification purposes;

t) The content of the report to be prepared by the auditor on the safeguarding of client assets;

u) The terms on which intermediaries are required to provide the OSMVM with information about the policies and procedures they have adopted to ensure compliance with their duties regarding their internal organisation and the exercise of their activity.

2. The National Bank of Angola must be consulted on the matters referred to in subparagraphs (c), (g), (j), (k), (l) and (t).

ARTICLE 354
(Financial analysis)

The OSMVM shall draw up the regulations required to implement the provisions of this title regarding the exercise of the financial analysis activity, namely as regards the following:

a) The content of investment recommendations;

b) The information to be disclosed in conjunction with investment recommendations;

c) The dissemination of investment recommendations prepared by third parties;

d) The information required to prove that the requirements for registration and exercise of the activity are met;

e) The frequency and content of the information to be provided by financial analysts to the OSMVM.

ARTICLE 355
(Correspondents)

The OSMVM shall draw up the necessary regulations to govern the exercise of the activity by a correspondent, as regards compliance with the provisions of this Code.

CHAPTER V
Intermediation contracts

SECTION I
General rules

ARTICLE 356
(Contracts with non-institutional investors)

1. Financial intermediation contracts for the services specified in Article 316(1)(a) to (c), (e), (h) and (i) and entered into with non-institutional investors must be in writing and only such investors may bring an action for nullity on the grounds of non-compliance.

2. Financial intermediation contracts may be based on standard contractual clauses.

3. Financial intermediation contracts are subject to the general rules for standard contractual clauses, non-institutional investors being comparable to consumers for that purpose.

4. The standard clauses for the services specified in Article 316(1)(c), (h) and (i) must be notified to the OSMVM in advance.

5. In intermediation contracts entered into with non-institutional investors for the execution of transactions in Angola, application of the applicable national law must not deprive the investor of the protection granted by the provisions of this chapter and Chapter VI on information, conflicts of interest and asset segregation.

ARTICLE 357
(Minimum content of contracts)

1. A financial intermediation contract entered into with a non-institutional investor must contain at least the following:

a) Full details of the parties, address and contact telephone numbers;

b) An indication of whether the intermediary is authorised to provide the securities and derivatives investment service or activity and the registration number assigned to it by the supervisory authority;

c) A general description of the services to be provided and details of the securities and derivatives that are covered by the services to be provided;

d) An indication of the rights and duties of the parties, namely the legal rights and duties, and the manner of compliance, as well as the consequences of breach of contract by any party;

e) An indication of the law applicable to the contract;

f) (f) Information on how to use the intermediary's complaints handling service, if any, and on the possibility of filing a complaint with the supervisory body.

2. The information referred to in subparagraph (a) of the preceding paragraph may be received from other intermediaries that provide services to the client, with the prior authorisation of that client and without prejudice to the duty of professional secrecy stated in Article 330(4).

ARTICLE 358
(Contracts entered into outside the intermediary's establishment)

1. An order to trade given, or a portfolio management contract entered into, by a non-institutional investor with an intermediary outside the intermediary's establishment, without a previous client relationship and not at the investor's request, is only effective three working days after the order was given or the contract was entered into by the investor.

2. Within that period, the investor may notify the intermediary of its wish to cancel the order or contract.

3. A previous client relationship exists when:

a) A portfolio management contract has been entered into between the intermediary and the investor;

b) The intermediary is a frequent recipient of orders given by the investor;

c) The intermediary is responsible for the registration, or has custody, of securities and derivatives belonging to the investor.

4. The contact with the intermediary is assumed not to have been at the investor's request when no previous client relationship exists between the intermediary and the investor.

5. An investment adviser may not contact non-institutional investors who have not asked to be contacted.

ARTICLE 359
(Duties to provide information)

The OSMVM shall lay down, by way of regulation, the intermediary's duties to provide information to clients in relation to the intermediation contract.

ARTICLE 360
(Contractual liability)

1. Any clause which excludes the liability of an intermediary for acts performed by its representative or agent is null and void.

2. Except in cases of wilful misconduct or gross fault, an intermediary ceases to be liable for transactions in which it acted as intermediary two years after the date on which the client first knew that the transaction was concluded and on what terms.

SECTION II
Orders

ARTICLE 361
(Reception)

On receiving an order to trade in securities or derivatives, an intermediary shall:

a) Verify the ordering party's legal status;

b) Take the necessary steps to establish beyond any doubt the time of reception of the order.

ARTICLE 362
(Acceptance and rejection)

1. An intermediary shall reject an order when:

a) The ordering party does not provide all the necessary information for proper execution;

b) The transaction is clearly against the interests of the ordering party, unless the person confirms the order in writing;

c) The intermediary is not in a position to provide the ordering party with all the information required for order execution;

d) The ordering party does not provide the guarantee required by law in order to carry out the transaction;

e) The ordering party is not allowed to accept a public offer.

2. An intermediary may refuse to accept an order if the ordering party:

a) Does not provide proof of the availability of the securities or derivatives to be sold;

b) Has not ordered a block on the securities or derivatives to be sold, when required by the intermediary;

c) Does not deliver the amount needed to settle the transaction;

d) Does not confirm the order in writing, when so requested.

3. Except in the cases referred to in the previous subparagraphs, an intermediary may not reject an order placed by a person with whom it has a previous client relationship.

4. The rejection of an order must be notified immediately to the ordering party.

ARTICLE 363
(Form)

1. Orders may be given orally or in writing.

2. Orders given orally must be put in writing by the recipient and, if given in person, endorsed by the ordering party.

3. Instead of putting orders in writing, an intermediary may use the records of order entry in the trading system.

ARTICLE 364
(Validity period)

1. An order is valid for the period specified by the ordering party, which may not exceed one year, counting from the day following the date of reception of the order by the intermediary.

2. An intermediary may set periods shorter than the maximum period specified in the previous paragraph, informing its clients of the validity periods it applies, which may vary according to the market in which an order is to be executed or the type of security or derivative to be traded.

3. If the ordering party does not specify a period of validity, orders are valid until the end of the day on which they are given.

ARTICLE 365
(Handling of client orders)

1. When an intermediary is unable to execute an order, it shall transmit the order to another intermediary that is able to execute it.

2. Transmission must be immediate and must respect the priority of reception, unless indicated otherwise by the ordering party.

3. An intermediary shall ensure the traceability of orders up to the moment of transmission or execution.

4. In executing orders, an intermediary shall:

a) Register the orders and execute them sequentially and promptly, unless the characteristics of the order or the prevailing market conditions make it impossible for the intermediary to execute the orders or safeguard the client's interests.

b) Immediately inform non-institutional investors about any specific difficulty in executing their orders.

ARTICLE 366
(Order aggregation and allocation of transactions)

1. A financial intermediary that intends to aggregate the orders of several clients or transactions for own account in a single order shall:

a) Ensure that the aggregation does not work overall to the disadvantage of any ordering party;

b) Previously disclose to each client whose order is to be aggregated that the effect of aggregation may work to its disadvantage in relation to a particular order;

2. An ordering party may oppose the aggregation of its order.

3. An intermediary shall adopt a policy for the allocation of client orders and transactions for own account that provides for fair allocation, indicating in particular:

a) How the volume and price of orders and transactions for own account determines allocations;

b) Procedures designed to prevent the reallocation, that could be detrimental to the client, of transactions for own account which are executed in combination with client orders.

4. The order allocation policy must be applied even if the aggregated order is only partially executed.

ARTICLE 367
(Allocation of transactions for own account)

1. An intermediary that has aggregated transactions for own account with one or more client orders shall not allocate the related trades in a way that is detrimental to a client.

2. Without prejudice to the provisions of the following paragraph, where an intermediary aggregates a client order with a transaction for own account and the aggregated order is partially executed, it shall allocate the related trades to the client in priority to itself.

3. Where an intermediary is able to demonstrate on reasonable grounds that without the combination it would not have been able to execute the order on such advantageous terms or at all, it may allocate the transaction for own account proportionally.

ARTICLE 368
(Cancellation and modification)

1. Orders may be cancelled or modified, provided notice of cancellation or modification is given to the executing party before execution.

2. A modification of an order to be executed on a regulated market must be treated as a new order.

ARTICLE 369
(Best execution)

1. Orders must be executed on the terms and at the time indicated by the ordering party.

2. In the absence of specific instructions from the ordering party, an intermediary shall take all reasonable steps when executing orders to obtain the best possible result for its clients, as regards price, costs, speed, likelihood of execution and settlement, size, nature and any other relevant factor.

3. The provisions of the preceding paragraph cover the execution of transactions on behalf of clients.

4. An intermediary shall adopt an order execution policy that:

a) Allows it to obtain the best possible result and at least includes the markets and other authorised forms of trading that allow the intermediary to obtain that result on a consistent basis;

b) In relation to each type of security and derivative, includes information about the markets and other authorised forms of trading and the factors affecting the choice of market.

5. An intermediary shall provide information to the client on its execution policy and may not provide any services before the client has given its consent to that policy.

6. Before executing client orders outside a regulated market, an intermediary shall obtain its clients' express consent, either in the form of a general agreement or in respect of individual transactions.

7. An intermediary shall demonstrate to a client, at the client's request, that it has executed the client's orders in accordance with the execution policy conveyed to the client.

8. Orders may be partially executed, unless indicated otherwise by the ordering party.

ARTICLE 370
(Responsibility to ordering parties)

1. Intermediaries are responsible to ordering parties:

a) For delivery of securities or derivatives acquired and for payment of the price of securities or derivatives sold;

b) For the authenticity, validity and compliance of securities or derivatives acquired;

c) For the absence of defects or legal encumbrances of securities and derivatives acquired.

2. When an order is to be executed in a regulated market, any contractual clause that is contrary to the provisions of the preceding paragraph is null and void.

SECTION III
Portfolio management

ARTICLE 371
(Scope)

1. Under an contract for the management of an individualised portfolio of securities and derivatives, the intermediary undertakes to:

a) Take every action conducive to the appreciation of the portfolio;

b) Exercise all the rights attached to the securities and derivatives included in the portfolio. 2. The provisions of this title apply to the management of securities and derivatives, even if the portfolio also includes other kinds of assets.

ARTICLE 372
(Binding orders)

1. Even if not provided for in the portfolio management contract, a client may give the portfolio manager binding orders regarding the transactions to be carried out.

2. The provisions of the preceding paragraph do not apply to contracts that guarantee a minimum portfolio return.

SECTION IV
Assistance and placement

ARTICLE 373
(Assistance)

1. contracts for the provision of technical, economic and financial assistance in a public offer cover the provision of the services needed in order to prepare, launch and execute the offer.

2. The following assistance services may only be provided by an intermediary:

a) Drafting of the prospectus and offer announcement;

b) Preparation and filing of the registration request with the OSMVM;

c) Assessment of acceptances, except in the cases referred to in Article 173(1)(b).

3. The intermediary responsible for providing assistance in a public offer shall advise the offeror on the terms of the offer, particularly as regards timing and price, and ensure compliance with laws and regulations, namely as regards the quality of the information transmitted.

ARTICLE 374
(Placement)

1. Under a placement contract, an intermediary undertakes to use its best efforts to ensure the distribution of the securities within the scope of the public offer, including the reception of subscription or acquisition orders.

2. The placement contract may be entered into with a different intermediary from the one that provides assistance in the offer.

ARTICLE 375
(Underwriting)

1. Under an underwriting contract, an intermediary acquires the securities within the scope of the public offer for distribution and undertakes to place them for its own account and risk on the terms and within the period agreed with the issuer or seller.

2. The underwriter shall transfer any rights attached to the securities that were created after the date of the underwriting contract to the final acquirers.

3. Underwriting does not affect preferential subscription or acquisition rights and the underwriter shall notify holders with respect to the exercise of those rights on the same terms as would apply without the underwriting.

ARTICLE 376
(Placement guarantee)

In a placement contract, an intermediary may undertake to acquire, for itself or for another party, all or part of the securities not subscribed for or acquired by the offerees.

ARTICLE 377
(Assistance or placement consortium)

1. A consortium contract between intermediaries for the provision of assistance or placement services must have the agreement of the offeror and must expressly indicate the head of the consortium, the quantity of securities to be placed by each intermediary and the rules governing relations between its members.

2. The head of the consortium is responsible for organising the consortium's constitution and structure and representing its members before the offeror.

ARTICLE 378
(Surveys of investment intentions)

Contracts entered into for the purpose of conducting the surveys of investment intentions referred to in Articles 188 et seq. are governed by Articles 373 and 374, mutatis mutandis.

SECTION V
Registration and deposit

ARTICLE 379
(Contract and conduct of business duties)

1. The contract for the provision of registration and depositary services must set out the rules for the exercise of rights attached to registered or deposited securities or derivatives.

2. In providing financial instrument registration and depositary services an intermediary shall:

a) Take all the necessary steps to identify the owner of securities and derivatives and to ensure their integrity;

b) Ensure the safekeeping and orderly transfer of securities and derivatives, in accordance with client instructions, and proper processing of related events, by implementing electronic and documentary execution and control systems;

c) Ensure that the necessary steps are taken to register the securities and derivatives, completing any formalities that may be required, including with the centralised system management entities;

d) Perform a daily reconciliation of positions between those held in the accounts and those in the centralised system, ensuring that the securities and derivatives and any rights arising from them are registered in the investor's name with the centralised system, where applicable;

e) Take the necessary action in relation to the centralised system to effect transfers of securities and derivatives included in such a system;

f) (f) Refrain from disposing of any financial instruments included in the centralised system outside of that system, except on the instruction of the system management entity.

CHAPTER VI
Dealing on own account

ARTICLE 380
(Acting as counterparty to a client)

1. An intermediary authorised to deal on own account may enter into contracts as counterparty to a client, provided the client has authorised or confirmed the transaction in writing.

2. The authorisation or confirmation referred to in the preceding paragraph is not required when the other party is an institutional investor or the transactions must be carried out on a regulated market through centralised trading systems.

ARTICLE 381
(Conflict of interests)

1. An intermediary shall refrain from:

a) Acquiring securities and derivatives for its own account when it has clients who have requested the same securities and derivatives at the same or a higher price;

b) Disposing of securities or derivatives of which it is the holder instead of securities or derivatives it has been ordered by its clients to dispose of at the same or a lower price.

2. Transactions carried out in contravention of the provisions of the previous paragraph have no effect in relation to the client unless they are ratified by the client within eight days of notification by the intermediary.

ARTICLE 382
(Market making)

1. Market making transactions are intended to create the conditions for regular buying and selling in a market of a certain class of securities or derivatives, thus increasing liquidity.

2. Market making transactions must be preceded by an contract between the market management entity and the intermediary.

3. When laws, regulations or market rules so provide, the contract referred to in the previous paragraph may be entered into with the issuer of the securities in which trading is to be fostered.

4. The contracts referred to in paragraphs 2 and 3 or the provisions of such contracts, if any, must be previously reported to the OSMVM.

ARTICLE 383
(Price stabilisation)

Transactions liable to have a stabilising effect on the prices of a particular class of securities are only permitted when all the following requirements are met:

a) They are preceded by an contract entered into within the scope of a public offer for distribution, as provided in Article 183, between the offeror and an intermediary authorised to deal on own account;

b) Their sole purpose is to reduce excessive fluctuations in prices;

c) They have been approved by the OSMVM.

ARTICLE 384
(Securities lending)

1. Title to securities that have been loaned is transferred to the borrower, unless the lending contract provides otherwise.

2. Securities lending to settle regulated market trades is not considered a securities and derivatives investment service or activity when carried out by the market or settlement system management entity or the central counterparty used by the latter.

ARTICLE 385
(Information to be provided to the OSMVM)

An intermediary authorised to deal on own account shall report to the OSMVM the assets held by it or any company controlled by it.

ARTICLE 386
(Regulation)

1. The OSMVM shall prepare the regulations needed in order to implement the provisions of this title with respect to intermediation contracts, especially as regards the following issues:

a) Best execution criteria;

b) Content and assessment of the execution policy;

c) Information about the execution policy to be provided to non-institutional investors;

d) Transmission for best execution.

2. As regards market making transactions, the OSMVM shall lay down, by way of regulation, the rules that apply, the information that must be reported to it and the information that must be disclosed to the market.

3. As regards securities lending, the OSMVM shall specify, by way of regulation, taking the opinion of the National Bank of Angola into account:

a) The limits in terms of the duration of the loan and the quantity of securities lent;

b) The obligation to provide guarantees for transactions carried out outside the regulated market;

c) The rules on registration of lent securities and the accounting for lending transactions;

d) The information to be provided by intermediaries to the OSMVM and to the market.

4. The OSMVM shall define, by way of regulation, the content and the manner in which the information specified in Article 385 is to be provided.

TITLE IX
Crimes and Infractions

CHAPTER I
Crimes

SECTION I
Crimes against the securities and derivatives market

ARTICLE 387
(Inside information)

1. Any person who possesses inside information by virtue of his/her membership of the management or supervisory body of an issuer, his/her holding in the capital of an issuer, the work or service he/she provides on a continuous or occasional basis to an issuer or another entity, or his/her profession or public duty or who has obtained such information unlawfully and transmits it to someone outside the normal scope of his/her functions or, on the basis of that information, trades or advises another person to trade in, or places an order for the subscription, acquisition, sale or exchange of, securities or derivatives, whether directly or indirectly, for him/herself or for others, may be punished with up to five years' imprisonment or a fine of up to 300 days.

2. Any person not covered by the previous paragraph who, having knowledge of inside information, transmits it to another person or, on the basis of that information, trades or advises another person to trade in, or places an order for the subscription, acquisition, sale or exchange of, securities or derivatives, whether directly or indirectly, for himself or for others, may be punished with up to four years' imprisonment or a fine of up to 240 days.

3. Inside information means information of a precise nature relating directly or indirectly to an issuer or to securities or derivatives which has not been made public and which, if it were made public, would be likely to significantly influence their market price

4. In relation to commodity derivatives, inside information means information of a precise nature relating directly or indirectly to one or more such derivatives which has not been made public and which users of the markets on which such derivatives are traded would expect or be entitled to receive in accordance with accepted market practice or disclosure requirements in those markets.

5. The provisions of this Article do not apply when the transactions are carried out by the State, the National Bank of Angola or any other body appointed by the State, for reasons of monetary, foreign exchange or public debt management policy.

6. If the transactions referred to in paragraphs 1 and 2 involve the portfolio of a third party, be it a natural or a legal person, who has not been charged, the Public Prosecution Service shall issue a certificate and commence criminal proceedings, as provided in the Criminal Procedure Code, to recover the proceeds of the crime or repair the damage.

ARTICLE 388
(Market manipulation)

1. Any person who disseminates false, incomplete, exaggerated or biased information, carries out fictitious transactions or engages in other fraudulent practices that are likely to artificially change the orderly functioning of the securities and derivatives market, even if out of negligence, may be punished with up to five years' imprisonment or a fine of up to 300 days.

2. In particular, a practice is considered likely to artificially change the orderly functioning of the market if it is liable to change pricing conditions, normal bid and ask prices for securities and derivatives, or the normal offer and acceptance terms of a public offer.

3. Members of the management body and persons responsible for the management or supervision of areas of activity of an intermediary who, knowing that practices of the

kind described in paragraph 1 are being carried out in the course of their duties by persons directly under their management or supervision, do not immediately put an end to such practices may be punished with up to four years' imprisonment or a fine of up to 240 days, unless more serious punishment is applicable under a different legal provision.

4. If the practices described in paragraphs 1 and 3 involve the portfolio of a third party, be it a natural or a legal person, who has not been charged, that person may be prosecuted in criminal proceedings, in accordance with the Criminal Procedure Code, to recover the proceeds of the crime or repair the damage.

5. The provisions of this Article do not apply to transactions carried out by the State, the National Bank of Angola or any other body appointed by the State, for reasons of monetary, foreign exchange or public debt management policy, nor to price stabilisation transactions, when carried out in accordance with the law.

ARTICLE 389
(Additional penalties)

The crimes specified in the previous Articles may be subject to the following additional penalties:

a) Prohibition, for a period of no more than five years, from exercising the profession or activity with which the crime is related, including disqualification from holding an administration, management, leadership or supervisory post and, in general, from acting as a representative of any intermediary, within the scope of some or all intermediation activities.

b) Publication of the judgement, at the expense of the defendant [*arguido*], in places suitable for the purpose of general crime prevention and protection of the securities and derivatives market.

ARTICLE 390
(Seizure and forfeiture of the proceeds of the crime)

1. Where an offence generates temporary or lasting economic benefits, including interest, gain or other economic benefits, for a defendant or for a person on whose behalf the defendant trades, those benefits may be seized during the proceedings or may at least be declared forfeited in the relevant judgement, as provided in the following paragraphs.

2. The economic benefits generated by an unlawful act include any capital gains realised and any expenses or losses avoided as a result of such act, regardless of how the defendant used those benefits or whether he/she subsequently lost them.

3. The amount seized pursuant to the previous paragraphs must be used to compensate the injured parties who have filed claims in the criminal proceedings and any remaining amount must be declared forfeited and awarded to the investors' compensation system or, if such a system has not been created, to the OSMVM.

4. In criminal proceedings for insider trading and market manipulation, the security deposit provided for in Articles 271 to 281 of the Criminal Procedure Code applies, without prejudice to application of the measures to combat organised economic and financial crime provided for in relevant legislation.

SECTION II
Crime of disobedience

ARTICLE 391
(Disobedience)

1. Any person who refuses to follow, or in any way creates obstacles to the execution of, the orders or legitimate instructions of the OSMVM, issued within the scope of its supervisory functions, is liable to the penalty prescribed for criminal disobedience under criminal law.

2. Any person who does not comply with, or hinders or evades execution of, any additional sanctions or provisional remedies imposed in proceedings for an infraction is liable to the same penalty.

SECTION III
Procedural provisions

ARTICLE 392
(Notice of crime)

1. Notice of crimes against the securities market is obtained through the OSMVM's own discovery, through the work of the competent authorities or from reports.

2. Intermediaries, judges, public prosecutors, police authorities or public servants who, while performing their activity or duties, acquire knowledge of facts that may be classified as crimes against the securities market shall immediately inform the Board of Directors of the OSMVM.

3. The reports referred to in paragraph 1 may be filed by any means appropriate for that purpose and must be confirmed in writing at the OSMVM's request where not initially submitted in writing.

4. A report filed by an intermediary must state the reasons for the suspicion and give precise and thorough details of the transactions in question, the orders given, the principals and any other persons involved, the types of trades, the portfolios involved, the economic beneficiaries of the transactions, the markets in question and any other relevant information, as well as the position of the person making the report and his/her relationship with the intermediary.

5. Any person who files a report with the OSMVM pursuant to this Article is forbidden from revealing this fact or any other information about the report to clients or third parties and may not be held responsible for compliance with this duty of secrecy or for any report filed in good faith.

6. Neither the identity of the person who files the report or provides the information covered in this Article nor the organisation for which the person works may be disclosed, except if a breach of the secrecy rule is ordered by a court or in the cases provided for by law.

ARTICLE 393
(Preliminary investigation)

1. Once it has learned of an act that may be classified as a crime against the securities market, the Board of Directors of the OSMVM may order the opening of preliminary investigations.

2. Preliminary investigations comprise all the steps that must be taken in order to determine whether a crime has been committed against the market.

3. Preliminary investigations do not impair or suspend the supervisory powers of the OSMVM.

ARTICLE 394
(Powers)

The investigation will be initiated and led by the Board of Directors of the OSMVM, without prejudice to the rules governing the distribution of powers and general delegation of authority within each department.

ARTICLE 395
(Prerogatives of the OSMVM)

1. For the purpose of the provisions of the previous Articles, the OSMVM, without prejudice to the provisions of the laws governing body searches, searches and seizures, may submit a request:

a) To any person or entity, for any clarifications, information, documents, objects and other items that are needed in order to confirm or eliminate the suspicion of a crime against the securities market;

b) For the cooperation of any authority, police department or criminal police service;

c) To the public prosecutor or court of competent jurisdiction, for the search and seizure, freezing and inspection of any documents (in any medium), assets or objects related to possible crimes against the securities market or for the sealing of objects not seized in the facilities of persons and entities subject to its supervision, to the extent that those documents, assets or objects are needed in order to ascertain whether or not a crime has been committed;

d) To the court that has jurisdiction to authorise fixed or mobile telecommunications service providers and internet service providers, for records of telephone calls and data transmissions.

2. In case of urgency or where delay poses a danger, the OSMVM may take the steps referred to in subparagraph (c), except for searches and seizures in lawyers' offices, including the seizure and freezing of assets, regardless of the place or institution in which those assets are located.

3. In the case provided for in the previous paragraph, any action taken has no effect unless submitted to the approval of the Public Prosecution Service or the court of competent jurisdiction, as the case may be, within 48 hours.

4. Authorisation to obtain the records referred to in paragraph 1(d) must be granted within 5 days.

5. Authorisation to obtain the requested records is deemed to be granted if the authorisation is not refused by the court of competent jurisdiction within the time specified in the previous paragraph.

ARTICLE 396
(Termination of an investigation)

1. On conclusion of a preliminary investigation, if there is a suspicion that a crime has been committed, the Board of Directors of the OSMVM shall refer the relevant information to the public prosecutor.

2. The OSMVM shall cooperate in the criminal investigation, on its own initiative or at the prosecutor's request, who will set the scope, extension and limits of the cooperation, as civil party, declarant, expert witness or adviser, without limit, in accordance with the Criminal Procedure Code.

ARTICLE 397
(Duty to notify)

Decisions taken in the course of proceedings for crimes against the market must be reported to the Board of Directors of the OSMVM.

CHAPTER II
Infractions

SECTION I
General provisions

ARTICLE 398
(Scope)

1. For the purposes of this Code, an infraction is any unlawful, blameworthy act that qualifies as an infraction under this chapter and that carries a fine.

2. Any act described and declared liable to a fine by this Code and by the laws and regulations applicable, prior to the moment of the act, to entities that operate in the securities and derivatives market is punishable as an infraction.

ARTICLE 399
(Application over time)

1. The punishment of an infraction is determined by the law in force at the time the unlawful act is committed or the conditions for the existence of the infraction are met.

2. If the law in force at the time the act is committed is subsequently amended, the more favourable law must be applied to the defendant, unless the latter has already been sentenced by a court and the judgement has become final.

ARTICLE 400
(Application in space)

Unless an international treaty or convention provides otherwise, the rules of this Code are applicable to acts committed:

a) In Angola, regardless of the nationality of the agent;

b) In a foreign country, by legal persons that have their registered office in Angola and act in the foreign country through branches or by individuals who are in one of the situations specified in Article 403(1) in relation to such legal persons;

c) Aboard ships or aircraft registered in Angola.

ARTICLE 401
(Time of the act)

An act is considered to be committed at the moment when the agent acted or, if by omission, should have acted, regardless of the moment when the outcome associated with the infraction (as statutorily defined) occurred.

ARTICLE 402
(Place of the act)

An act is considered to have been committed in the place in which the agent acted or, if by omission, should have acted, whether entirely or partially or as co-participant, and in the place in which the outcome associated with the infraction occurred.

ARTICLE 403
(Responsibility)

1. Natural persons, legal persons (regardless of whether lawfully incorporated or not), companies and associations

lacking legal personality may be held responsible for the infractions provided for in this Code.

2. A legal person or equivalent entity as described in the previous paragraph bears responsibility for an infraction under this Code when the act in question was committed by members of its corporate bodies, senior managers, agents, representatives or employees, in the performance of their duties or in the name or on behalf of the legal person or entity.

3. A legal person is free of responsibility when the agent acts against the legal person's express orders or instructions.

4. The members of the management bodies of legal persons and equivalent entities and the persons responsible for the management or supervision of areas of activity in which an infraction is committed are liable to the same sanction as is prescribed for the offender, with a special reduction, if despite knowing or having a duty to know about the infraction, they fail to take the necessary steps to put an end to it promptly, unless a more serious sanction is applicable under a different legal provision.

5. The responsibility of legal persons and equivalent entities does not exclude the individual responsibility of their agents.

6. Legal persons and associations with no legal personality must be represented in the proceedings by their legal representative, in accordance with the law or their bylaws.

ARTICLE 404
(Personal factors)

1. The individual responsibility of an agent is unaffected by the fact that the infraction in question requires certain personal factors and those factors are found only in the legal person or equivalent entity or in one of the agents involved, nor by the fact that, although the statutory definition of the infraction requires that the agent have acted in his own interest, the agent has acted in the interest of another person.

2. The provisions of the previous paragraph apply even if the legal act that is the basis of the agent's actions on behalf of another person is invalid or ineffective.

ARTICLE 405
(Co-participation)

1. If several agents participate in an infraction, each bears responsibility, even though the unlawfulness, or degree of unlawfulness, of the act depends on certain special qualities or relationships of the agent and those qualities or relationships exist in only one of the co-participants.

2. Each co-participant must be punished according to his/her fault, regardless of the punishment or degree of fault of the other co-participants.

3. An accomplice is liable to the same fine as is prescribed for the offender, with a special reduction.

ARTICLE 406
(Wilful misconduct and acts of negligence)

1. The infractions provided for in this Code are punishable either as wilful misconduct or as acts of negligence, in accordance with the law.

2. An act of negligence is punishable with half the maximum and minimum fine for the infraction in question.

3. Where the sanction imposed on a natural person is reduced in accordance with the previous paragraphs, the punishment applicable to a legal person must be graduated accordingly.

ARTICLE 407
(Attempted infraction)

1. An attempted infraction occurs when an agent performs acts of execution of an infraction that he/she has decided to commit, but the infraction is not consummated.

2. For the purposes of the preceding paragraph, the following are acts of execution:

a) Acts that match one of the elements that constitute a type of infraction;

b) Acts that are liable to produce the outcome associated with the infraction;

c) Acts which, in common experience and absent unforeseeable circumstances, are generally expected to be followed by acts of the kinds referred to in the previous subparagraphs.

3. An attempted infraction is punishable with one-third of the maximum and minimum fine for the infraction in question.

4. An attempted infraction is not punishable when the agent voluntarily desists from executing, or prevents consummation of, the infraction or, despite consummation, prevents the realisation of the outcome associated with the infraction.

5. If either consummation or the realisation of the result are prevented by an act unrelated to the agent's conduct, the attempt is not punishable if the agent has made efforts to prevent one or the other.

6. In the case of co-participation, a co-participant in an attempted infraction is not punishable if he voluntarily prevents either consummation or the realisation of the result or makes a serious effort to prevent one or the other, even when the other co-participants continue with the execution of the infraction or consummate it.

7. Where the sanction imposed on a natural person is reduced, as provided in the previous paragraphs, the punishment applicable to a legal person must be graduated accordingly.

ARTICLE 408
(Making good an omission of duty)

Where an infraction results from omission of a duty, the payment of a fine or the acceptance of an additional sanction does not absolve the offender of the obligation to perform the duty, where still possible, and that obligation may be enforced by the OSMVM through an injunction to that effect.

ARTICLE 409
(Concurrence of offences)

1. If the same act simultaneously constitutes a crime and an infraction, the defendant will be held responsible for both offences and separate proceedings will be taken to be decided by the competent authorities, without prejudice to the provisions of the following paragraph.

2. In the situations provided for in Article 431(1)(h), when an act likely to constitute both a crime and an infraction is imputable to the same agent under the same imputation of

intent, only the criminal proceedings are required to be conducted.

ARTICLE 410
(Concurrence of infractions)

1. An agent who has committed several infractions is punished with a fine of up to the sum of the fines specifically applied to each of the concurrent infractions.

2. The applicable fine may not be more than double the maximum amount of the fine for the concurrent infraction that carries the largest fine.

3. The applicable fine may not be less than the largest of the fines specifically applied to the various infractions.

ARTICLE 411
(Statutory time limit)

1. The statutory time limit for proceedings against persons responsible for the infractions provided for in this Code is ten (10) years.

2. The statutory time limit for fines is ten (10) years, counting from the last day of the period for filing a legal challenge to the decision that results in the imposition of the fine or the day on which that court decision becomes final.

3. The statutory time limit for additional sanctions is the same, counting from the date of the final court decision.

ARTICLE 412
(Suspension of the statutory time limit)

1. Apart from in the cases specifically provided for by law, the statutory time limit for proceedings for infractions may be suspended for the time in which the proceedings:

a) Cannot legally commence or continue due to lack of legal authorisation;

b) Are pending, from the time the case is sent to the Public Prosecution Service until it is returned to the OSMVM, in accordance with Article 460;

c) Are pending, from the time of notification of the court order announcing the preliminary examination of an appeal against the OSMVM decision that applied the sanction until the final decision on the appeal.

2. In the cases provided for in subparagraphs (b) and (c) of the previous paragraph, the suspension may not exceed five months.

3. The statutory time limit for a sanction may be suspended for the time in which:

a) By force of law, execution of the sanction cannot commence or proceed;

b) Execution is interrupted;

c) A payment plan is granted.

ARTICLE 413
(Interruption of the statutory time limit)

1. The statutory time limit for proceedings for infractions may be interrupted:

a) When the defendant is notified of any court order, decision or measure taken against him or is given any notice;

b) When any evidence gathering is carried out, particularly inspections or searches, or help is requested from the police authorities or any government authority;

c) When the defendant is notified of his/her right to a hearing or makes any statements in the exercise of that right;

d) When the OSMVM decides that a sanction is to be applied.

2. The statutory time limit for a sanction is interrupted when the sanction is enforced.

3. Where there are concurrent offences, the interruption of the statutory time limit for criminal proceedings entails the interruption of the time limit for proceedings for infractions.

4. The statutory time limit for proceedings and for sanctions expires in all cases when, exception made to suspension time, one and a half times the total time limit has elapsed.

ARTICLE 414
(Subsidiary law)

1. In all matters in which this Code does not provide otherwise, the rules of the Penal Code, the Criminal Procedure Code and other applicable legislation as regards the establishment of the procedure for infractions apply.

2. The Administrative Infractions Law does not apply even on a subsidiary basis.

SECTION II
Applicable sanctions and types of infractions

SUBSECTION I
Applicable sanctions and types of infractions

ARTICLE 415 (*)
(Main sanctions)

1. The following fines are applicable to the infractions provided for in this Code:

a) From 10 560 001, 00 AOA to 392 480 000, 00 AOA for infractions classified as very serious;

b) From 3 520 001, 00 AOA to 10 560 000, 00 AOA for infractions classified as serious;

c) From 352 000, 00 AOA to 3 520 000, 00 AOA for infractions classified as less serious;

d) The sums set out in the preceding sub-paragraphs shall be calculated on the basis of specific limits, so as to prevent the adoption of discretionary decisions.

2. Without prejudice to the provisions of Article 416(1)(a), if double the amount of the economic benefit exceeds the maximum amount of the applicable fine, the fine will be raised to that higher amount.

3. The infractions provided for in the following section involve both the violation of duties set out in this Code and the violation of duties set out in its implementing regulations, the regulations issued by the OSMVM and regulations relating, among other things, to the following matters:

a) Securities, derivatives, public and private offers of securities, regulated markets, centralised securities systems, settlement and clearing systems, central counterparties, securities and derivatives investment

services and activities, loan securitisation, venture capital and entities authorised to manage venture capital funds;

b) The management entities of regulated markets, centralised securities systems, clearing houses, settlement systems, clearing houses and central counterparties and the management companies of holdings in such entities.

c) If a law or regulation requires that a duty be performed within a set period of time, a breach is deemed to occur when that period of time expires.

d) Information that has not been disclosed through the appropriate medium is deemed not to have been disclosed.

e) Where a law or regulation of the OSMVM changes the conditions or terms of performance of a duty stated in an earlier law or regulation, the earlier law applies to acts that took place while it was in effect and the new law applies to subsequent acts, unless the nature of the act requires that the most favourable law be applied.

(*) Text as amended by Law No. 9/20 of 16 April.

ARTICLE 416
(Additional sanctions)

1. The following sanctions may be applied, in addition to any fines, to the persons responsible for an infraction:

a) Seizure and loss of the object of the infraction, including any proceeds obtained by the offender through committing the infraction;

b) Temporary disqualification of the offender from exercising the profession or activity in which the infraction was committed;

c) Disqualification from holding an administration, management, leadership or supervisory post and, in general, from acting as a representative of any intermediary within the scope of some or all intermediation activities in securities and derivatives;

d) Suspension of the authorisation or registration needed to carry out intermediation activities;

e) Revocation of the authorisation or cancellation of the registration needed to carry out intermediation activities;

f) Forfeiture of the right to an allowance, benefit or special status granted by public bodies or services;

g) Publication by the OSMVM, at the offender's expense and in places suitable for the purpose of general crime prevention and protection of the capital markets, of the sanction imposed for committing the infraction.

2. The duration of sanctions referred to in subparagraphs (b), (c) and (d) of the previous paragraph may not exceed five years, counting from the final decision imposing the sanction.

3. The publication referred to in paragraph 1(g) may be of the full text of the judgement or of an extract, as decided by the OSMVM.

ARTICLE 417
(Grounds for the application of additional sanctions)

1. The sanction referred to in paragraph 1(a) of the previous Article may only be imposed when the object served, or was intended to serve, for the commission of an infraction or was produced by an infraction.

2. The sanction referred to in paragraph 1(a) of the previous Article may only be imposed if the agent committed the infraction with flagrant and serious abuse of the position he/she holds or with clear and serious breach of the duties of that position.

3. The sanctions referred to in paragraph 1(d) and (e) of the previous Article may only be imposed when the infraction was committed while carrying out or as a result of the activity to which the authorisation refers.

4. The sanction referred to in paragraph 1(f) of the previous Article may only be imposed when the infraction was committed while carrying out or as a result of the activity for which the allowance is granted.

ARTICLE 418
(Seizure of objects)

1. Without prejudice to the provisions of Article 395, objects that served, or were intended to serve, for the commission of an infraction or that were produced by an infraction and any other objects liable to serve as evidence may be provisionally seized by the OSMVM.

2. Such objects must be returned once the seizure is no longer required for the purpose of evidence, unless they are to be declared forfeited.

3. In all cases, objects are returned when the decision imposing the sanction becomes final, unless they have been declared forfeited.

4. The OSMVM shall notify the seizure decision to the holders of rights affected by the decision.

ARTICLE 419
(Forfeiture of objects)

1. Objects that served, or were intended to serve, for an infraction to be committed or that were produced by an infraction may be declared forfeited when there is a serious risk of their being used to commit a crime or another infraction.

2. When, due to the agent's intentional action, the forfeiture of objects which at the time of the act belonged to the agent has become wholly or partly unenforceable, a sum of money equal to the value of the objects may be declared forfeited.

3. The transfer of ownership to the OSMVM or the State is effective when the forfeiture decision becomes final.

4. Objects or the relevant sum of money may be forfeited even if no proceedings can be brought against the agent or if the agent is not fined.

5. Objects belonging to a third party may only be forfeited:

a) When their owners contributed knowingly to their use or production or took advantages from the act;

b) When the objects were acquired, under any title, after the act had been committed, and the acquirers knew the source of the objects.

ARTICLE 420
(Criteria for imposing sanctions)

1. Sanctions are determined on the basis of the specific unlawfulness of the act, the agent's fault, the benefits obtained and the need for prevention, taking into account also whether the agent is a natural or legal person.

2. In determining the specific unlawfulness of the act and the fault of legal persons and equivalent entities, the following circumstances, among others, must be taken into consideration:

a) The danger or damage caused to investors or to the securities and derivatives market;

b) Whether the infraction is occasional or repeated;

c) Whether there were acts of concealment aimed at hindering discovery of the infraction;

d) Whether the agent, on its own initiative, took steps to repair the damage or prevent the dangers caused by the infraction.

3. In determining the specific unlawfulness of the act and fault of a natural person, the following circumstances, in addition to those referred to in the previous paragraph, must be taken into consideration:

a) The natural person's responsibilities, functions and scope of action in the legal person in question;

b) The natural person's intention to obtain an unlawful benefit, whether for himself or for another person, or to cause damage;

c) Any special duty not to commit the infraction.

4. In determining the applicable sanction, the agent's financial situation and previous conduct must also be taken into account.

ARTICLE 421
(Special reduction of a sanction)

1. A sanction may be specially reduced when circumstances before, during or after the commission of the infraction significantly diminish the unlawfulness of the act, the agent's fault or the need for the sanction.

2. For the purpose of the provisions of the previous paragraph, the following circumstances, among others, may be taken into consideration:

a) The agent's having acted under the influence of a serious threat or under the dominance of a person on whom he/she depends or to whom he/she owes obedience;

b) The agent's having shown, through his/her actions, sincere remorse, especially by repairing the damage caused to the extent possible;

c) The agent's having maintained good conduct for an extended period since the infraction was committed.

3. A circumstance which, on its own or together with other circumstances, is grounds for a reduction of a sanction under this Article may only be taken in account once.

4. Whenever there are grounds for a special reduction of a sanction, the maximum amount for that sanction is reduced by one-third and the minimum amount, to 12 UCFs.

5. A specially reduced sanction that has been specifically set may be substituted, or suspended, in accordance with the general rules.

ARTICLE 422
(Waiver of a sanction)

In the case of a less serious infraction, a defendant may be declared at fault without a sanction being applied if:

a) The unlawfulness of the act and the agent's fault are minimal;

b) The damage has been remedied;

c) A waiver of the sanction is not precluded by reasons of prevention.

ARTICLE 423
(Recidivism)

1. Any person who, on his/her own or through any form of co-participation, commits an infraction under this Code after having been sanctioned for the commission of a very serious infraction will be punished as a repeat offender if, depending on the circumstances of the case, the agent is to blame for the fact that the previous sanction or sanctions did not serve as sufficient warning against committing the infraction.

2. A previous infraction for which an agent was sanctioned will not be taken into account in classifying a person as a repeat offender if more than five years have elapsed between the previous infraction and the subsequent infraction.

3. Expiry of the statutory time limit for sanctions, an amnesty or a general or individual pardon is no obstacle to an agent's being registered as a repeat offender.

4. The minimum amount of the fine applicable to an infraction is increased by one-third in case of recidivism, while the maximum amount remains unchanged. The increased amount of the fine may not exceed the largest fine imposed in previous sanctions.

ARTICLE 424

(Decision imposing a sanction)

1. A decision that imposes a fine or additional sanction must contain:

a) The details of the defendant(s);

b) A description of the acts attributed to the defendant(s), indicating the evidence obtained;

c) An indication of the rules under which the acts are punished and the reasoning for such decision;

d) The fine and any additional sanctions.

2. The decision must also state that the sentence becomes final and enforceable unless it is challenged in court in accordance with Article 457.

3. The decision must also contain:

a) An order to pay the fine within ten days of the decision becoming final;

b) An indication that if payment cannot be made on time, this fact must be reported to the OSMVM in writing.

ARTICLE 425

(Right to hearing and defence)

1. No fine or additional sanction may be imposed without the defendant having been granted the opportunity to be heard, within a 15-day period, about the infraction he/she allegedly committed and the sanction or sanctions he/she may incur.

2. The OSMVM may extend the period when duly justified by the defendant.

ARTICLE 426

(Voluntary payment)

1. Voluntary payment of a fine is permitted at any stage of the proceedings prior to the decision and the settlement must be for at least the minimum amount, without prejudice to any costs that may be payable.

2. Voluntary payment of a fine does not exclude the possibility of additional sanctions being imposed.

SUBSECTION

Types of infractions

ARTICLE 427

(Infractions relating to information)

1. The following constitute very serious infractions:

a) The communication or disclosure by any person or entity, through any medium, of information which is not complete, true, up-to-date, clear, objective and lawful;

b) The failure to send information to the information dissemination system set up by the OSMVM;

c) The provision to the OSMVM of information that is not complete, true, up-to-date, clear, objective and lawful or the failure to provide information;

d) The provision by any person or entity that provides securities and derivatives services and activities of information to clients, through any medium, that is not complete, true, up-to-date, clear, objective and lawful.

2. Subparagraph (a) of the previous paragraph includes the provision of information to its clients by any entity that provides securities and derivatives services and activities.

3. The following constitute serious infractions:

a) The submission to supervisory bodies and the entities referred to in 415(3)(b) of information that breaches the conditions laid down in paragraph 1;

b) The failure to submit all or some of the required documents or information to the OSMVM and the regulated market management entity;

c) The publication or disclosure of information that is not accompanied by a report or opinion drawn up by an auditor registered with the OSMVM or the failure to state that the information is unaudited, when laws or regulations so require;

d) Breach of the rules on the information contained in investment recommendations and any related conflicts of interest.

4. The following constitute les serious infractions:

a) The publication of information not written in Portuguese or failure to include a translation into Portuguese, where required;

b) The dissemination of advertising messages that are not identified as such, that do not have the OSMVM's approval, where required, that do not refer to the prospectus and that do not publicise the preliminary prospectus when surveying investment intentions.

ARTICLE 428

(Infractions relating to issuers)

1. The following constitute very serious infractions:

a) Failure to report or disclose a qualifying holding in a public company that reaches or exceeds the limits specified in Article 119(1);

b) The non-disclosure of required information by the issuers of securities traded on a regulated market.

2. The following constitute serious infractions:

a) Failure to report to the OSMVM any shareholders' agreements relating to the exercise of corporate rights in a public company in accordance with Article 123;

b) Failure to authenticate postal votes and protect their confidentiality.

3. The following constitute less serious infractions:

a) Failure to mention public company status in external acts;

b) Failure to report to the OSMVM any evidence of breach of the reporting obligation under Article 121.

c) Failure by holders of securities that have attached to them voting rights attributable to the holder of a qualifying holding in a public company to provide the information specified in Article 122;

d) Failure to make voting forms available to the holders of voting rights;

e) Failure to include in the notice of General Meeting a statement that proxy forms are available or an indication of how to obtain one;

f) Failure to include the required information in a proxy solicitation for the General Meeting of a public company;

g) Failure to submit to the OSMVM the standard form of proxy solicitation for the General Meeting of a public company;

h) Failure by a proxy solicitor to provide information to the holders of voting rights when soliciting proxies for the General Meeting of a public company;

i) Failure to perform the duties arising from the loss of public company status.

ARTICLE 429

(Infractions relating to securities)

1. The following constitute very serious infractions:

a) The issuance of securities by a person who is not legally authorised to do so;

b) The execution of securities transactions that encourage the transfer of ownership of securities or the placing of issues without following the basic conditions laid down by law or regulation;

c) Failure to cancel certificated securities that have been converted into book-entry securities;

d) Failure to take measures to prevent or correct discrepancies between the number of securities issued and the number outstanding;

e) Failure by registering entities to take the measures required to ensure that book entries are secure and securities accounts are segregated;

f) Failure to keep individualised records of book-entry or certificated securities included in a centralised system without the required details or sufficient documentation;

g) Failure to block securities when required by law or so requested by security holders;

h) Failure to make an annotation on securities certificates indicating that they have been included in a centralised system or to update the annotation when they are excluded from the system;

i) The transfer of blocked securities;

j) The cancellation of book entries or the destruction of deposited certificates, except in the cases provided for by law or regulation;

k) The creation, maintenance, management, suspension or closure of a centralised securities system, except in the cases and as provided by law or regulation;

l) The admission of securities to trading without proper verification of compliance with the requirements set out in the law or in regulations;

m) Arbitrary exclusion of securities from trading without any of the grounds for exclusion stated in the law or in regulations being met.

2. The following constitute serious infractions:

a) The registration of book-entry securities or the deposit of certificated securities with an entity or in a centralised system other than those permitted or required by law or regulation;

b) The refusal by a registering entity, depository or centralised system management entity to provide information to persons who are entitled to request it or the failure to send information within the time limit specified by law or agreed with the interested party.

3. The acts referred to in the preceding paragraphs constitute less serious infractions when they relate to securities issued by private companies or securities not admitted to trading on a regulated market.

ARTICLE 430

(Infractions relating to offers)

1. The following constitute very serious infractions:

a) The execution of a public offer without having registered it with the OSMVM;

b) The publication of a public offer for distribution, whether decided or proposed, and the acceptance of subscription or purchase orders before publication of the prospectus or, in the case of a tender offer, before publication of the offer announcement;

c) The publication of a prospectus or any addenda or amendments to a base prospectus without prior approval;

d) The disclosure of non-public information about a decided or planned public offer for distribution;

e) The creation or modification of accounts, book entries or fictitious documents that are liable to change the rules for the allocation of securities;

f) Failure to disclose the approval of bylaw amendments aimed at effecting a voluntary suspension of transfer restrictions, voting rights and rights to appoint and remove members of corporate bodies.

2. Breach of any of the following duties constitutes a very serious infraction:

a) Duty of equal treatment and to comply with the rules of pro rata allocation;

b) Duty to publish the results of an offer or of an application for admission to trading of the securities that are covered by an offer;

c) Duty to publish a prospectus, base prospectus, any addenda or amendments thereto or the final terms of an offer;

d) (d) Duty to include complete, accurate, up-to-date, clear, objective and lawful information in the prospectus, base prospectus, any addenda and amendments thereto or the final terms of an offer, in accordance with the standard forms approved by law or regulation;

e) (e) Duty of secrecy with respect to the preparation of a tender offer;

f) (f) Duty to publish a preliminary announcement of a tender offer;

g) Duty to request registration of a tender offer and to launch the offer once the preliminary announcement has been published;

h) Duty to launch a mandatory tender offer;

i) Duty to report to the OSMVM any increase of more than 1% in the voting rights held by a person who, holding more than one-third of the voting rights in a public company, has proven that it does not exercise control and is not in a group relationship with that company;

j) Duty relating to the execution of transactions during a tender offer;

k) Duty to increase the consideration to a price not less than the highest price paid for the securities acquired in a transaction carried out during a mandatory tender offer.

3. A serious infraction is committed if a public offer is carried out:

a) Without the involvement of an intermediary or competent institution as defined by law or regulation, in the cases where such involvement is mandatory;

b) In breach of the rules for the change, revision, suspension, withdrawal or revocation of an offer.

4. The following constitute serious infractions:

a) Surveys investment intentions without the preliminary prospectus having been approved by the OSMVM or before the preliminary prospectus are published;

b) Breach of the issuer's duty to cooperate in a public offer for sale;

c) Failure to submit the preliminary announcement to the OSMVM, the target company or the regulated market management entities;

d) Breach by the target company in a tender offer of the duty to publish a report on the offer and to submit it to the OSMVM and the offeror;

e) Breach of the duty to report to the OSMVM any transactions entered into in the securities that are covered by a tender offer;

f) Breach of the duty to inform the employees' representatives, if any, or otherwise the employees themselves about the content of the offer documents and the report the issuer has prepared, and of the duty to publish the opinion prepared by the employees on the effects of the offer on employment;

g) Breach of the duty to include in the prospectus a list of the information incorporated by reference when such information is contained in the prospectus;

h) Breach by the offeror or by any person who is in one of the situations specified for the attribution of voting rights specified by law or regulation of the prohibition of dealing outside the regulated markets in securities of the same class as those covered by the offer or as those offered as consideration, without the prior authorisation of the OSMVM;

i) Breach by the offeror or by any person who is in one of the situations specified for the attribution of voting rights of the duty to report transactions entered into during a tender offer to the OSMVM;

j) Breach by the offeror of the duty to inform the employees' representatives, if any, or otherwise the employees themselves of the content of the offer documents.

5. Failure to report a private offer for distribution to the OSMVM constitutes a less serious infraction.

ARTICLE 431

(Infractions relating to the markets)

1. The following constitute very serious infractions:

a) The creation, maintenance in operation or management of regulated markets or other organised markets or the suspension or cessation of their activity other than in the cases and in the manner prescribed by law or regulation;

b) The operation of regulated markets in accordance with rules that have not been registered with the OSMVM or that have not been published;

c) The failure by regulated market management entities to provide the public with the information they must provide;

d) The admission of members by a regulated market management entity without the legal or regulatory requirements being met;

e) Failure to publish information on the trading sessions of regulated markets;

f) The admission of securities or derivatives to trading on a regulated market in breach of legal and regulatory requirements;

g) Failure to publish an admission prospectus, any addenda or amendments thereto or any information needed to update the prospectus, or publication thereof without the prior approval of the competent entity;

h) Breach of the rules on inside information, except where the breach constitutes a crime.

2. Breach of any of the following duties constitutes a serious infraction:

a) Duty of the issuers of securities admitted to trading to send to the regulated market management entity the information needed in order to inform the public;

b) Duty to establish informational links with other regulated markets;

c) Duty of market members to provide the regulated market management entity with the necessary information for proper management of the market;

d) Duty to apply for the admission to trading on a regulated market of securities of the same class as those already admitted;

e) Duty of the issuers of securities admitted to trading on a regulated market or of a person who has requested the admission of securities to trading on a regulated market without the issuer's consent to submit to the OSMVM the information required by law or regulation;

f) (j) Duty to keep information available to the public for a certain period, when required by law.

3. The following constitute less serious infractions:

a) Failure by an entity holding securities admitted to trading on a regulated market to appoint a person to be responsible for relations with the market and with the OSMVM;

b) Failure by a market member to appoint a person to represent it before the regulated market management entity and the OSMVM.

ARTICLE 432

(Infractions relating to trading)

1. The following constitute very serious infractions:

a) Trading in a regulated market in securities or derivatives that are not admitted to trading in that market or that are suspended or excluded from trading;

b) Trading that is not permitted or on terms that are not permitted;

c) Trading without providing proper guarantees.

2. The following constitute serious infractions:

a) Trading without the intervention of an intermediary or authorised entity, as defined by law or regulation, when such intervention is required;

b) Trading on a regulated market on the basis of standard clauses that have not been approved or reported in advance, when so required;

c) Trading by members of the administration, management or supervisory bodies of intermediaries or of the management entities of regulated markets, settlement systems, clearing houses, central counterparties or centralised securities systems, or by employees thereof, if such trading is prohibited to them;

d) Breach of the duty to report transactions in securities admitted to trading on a regulated market to the OSMVM.

ARTICLE 433

(Infractions relating to central counterparties and settlement systems)

1. The following constitute very serious infractions:

a) The creation, maintenance in operation, performance of the functions or management of a clearing house, central counterparty or settlement system, or the suspension or cessation of its activity, other than the cases and in the manner prescribed by law or regulation, especially by an entity that is not authorised for that purpose;

b) The admission of participants by a system management entity without the legal or regulatory requirements being met;

c) The operation of a clearing house, central counterparty or settlement system in accordance with rules that have not been registered with the OSMVM or that have not been published;

d) Trading in securities or derivatives without using a central counterparty when so required;

e) The settling of transactions carried out on a regulated market in breach of the principles set out in the law or regulations;

f) Failure to make timely delivery of securities or derivatives or cash to settle transactions;

g) Breach by the entity acting as clearing house and central counterparty of the duty to take the necessary steps to protect the market, minimise risks and protect the clearing system.

2. Breach of any of the following duties by the entity that acts as clearing house and central counterparty constitutes a serious infraction:

a) Duty to identify and minimise sources of operational risk;

b) Duty to check that clearing members meet the access requirements;

c) Duty to adopt a structure of accounts that ensures segregation between the assets belonging to clearing members and those belonging to the members' clients.

ARTICLE 434

(Infractions relating to intermediation activities and services)

1. The performance of acts or the exercise of financial intermediation activities without proper authorisation or registration, or outside the scope of authorisation or registration, constitutes a very serious offence.

2. Breach by entities authorised to provide securities and derivatives investment services and activities of any of the following duties constitutes a very serious infraction:

a) Duty to keep and update transaction records;

b) Duty to comply with the rules on conflicts of interest;

c) Duty not to carry out transactions considered as churning;

d) Duty to assess whether the ordering parties are legitimate and to take the necessary steps to establish the time of order reception;

e) Duty to record orally received orders in writing or on a recording medium;

f) Duty to follow the rules of priority for the transmission and execution of orders in the market;

g) Duty to provide clients with the necessary information;

h) Duty not to conclude contracts in which the client is a counterparty without the client's authorisation or confirmation;

i) Duty to disclose orders that cannot be executed immediately;

j) Duty to follow the rules on order aggregation and the allocation of transactions;

k) Duty not to execute orders outside a regulated market without the client's consent;

l) Duty to adopt an order execution policy or to assess the order execution policy as often as required by law;

m) Duty to follow the requirement that financial intermediation contracts be in writing, where applicable;

n) Duty to follow the rules on the assessment of the suitability of the proposed transaction, given the client's profile.

3. Breach by an intermediary of any of the following duties constitutes a serious infraction:

a) Duty to keep documents for the period required by law;

b) Duty to accept orders;

c) Duty to refuse orders;

d) Duty to report to the OSMVM the general contractual clauses it uses in its client contracts, where required;

e) Duty to respect the rules on outsourcing;

f) Duty to keep client records;

g) Duty to respect the rules on investor classification.

ARTICLE 435

(Infractions related to professional duties)

Breach of any of the following duties constitutes a very serious infraction:

a) Duty of professional secrecy;

b) Duty to segregate assets;

c) Duty not to use securities or derivatives or cash except as provided by law or regulation;

d) Duty to protect the market.

ARTICLE 436

(Infractions relating to orders of the OSMVM)

1. Failure to follow legitimate orders or instructions given by the OSMVM in writing constitutes a serious infraction.

2. If upon failure to comply with legitimate orders or instructions as described in paragraph 1, the OSMVM gives the subject notice to comply with the order or instruction and the subject fails to comply, the fine for very serious infractions applies, provided the notice given by the OSMVM expressly states that this sanction will be applied to the infraction.

ARTICLE 437

(Other infractions)

Breach of any duties that are not described in the previous Articles but that are provided for in this Code or in the other legislation referred to in Article 415(3) constitutes:

a) A less serious infraction;

b) A serious infraction, when committed by an intermediary or one of the entities referred to in Article 415(3)(b) in the performance of its activities;

c) A very serious infraction, when it entails a breach of the duty of secrecy with regard to the supervisory activity of the OSMVM.

SECTION III

Procedural provisions

ARTICLE 438

(Powers)

1. The power to start proceedings for infractions and to impose fines, additional sanctions and the provisional remedies provided for in this Code belongs to the Board of Directors of the OSMVM, although this power may be delegated as permitted by the law.

2. As provided in the previous paragraph, the OSMVM may delegate powers to investigate and sanction infractions committed by market members to the regulated market management entities.

3. The OSMVM may request the delivery, or order the seizure, freezing or inspection, of any documents, assets or items related to the commission of an infraction, regardless of their nature and medium, seal items not seized in the facilities of persons or entities subject to its supervision, or seek clarification and information from any person or entity, to the extent they are found to be necessary for the inquiries or the investigation of proceedings for which said person or entity is responsible.

4. In imposing fines and additional sanctions, the OSMVM has the same rights and the same duties as the entities with power to conduct criminal proceedings, unless this Code provides otherwise.

ARTICLE 439

(Competent authorities in criminal proceedings)

1. When both a crime and an infraction have been committed, or when, by the same act, a person is charged with both a crime and an infraction, the infraction must be prosecuted by the authorities responsible for conducting criminal proceedings.

2. If proceedings are pending before the OSMVM, the record of proceedings must be referred to the competent authority pursuant to the previous paragraph.

3. When, in the circumstances envisaged in paragraphs 1 and 2, the Public Prosecution Service closes a criminal proceeding but considers that responsibility for the infraction remains, it shall refer the case to the OSMVM.

4. The Public Prosecution Service's decision as to whether or not an act is to be prosecuted as a crime is binding on the OSMVM.

5. When the Public Prosecution Service accuses a defendant of a crime, the accusation also covers any infraction.

6. In the case referred to in paragraph 1, the decision to impose a fine or any additional sanctions belongs to the court of competent jurisdiction.

7. If a case is to be decided by the authorities responsible for conducting criminal proceedings:

a) The OSMVM must cooperate fully;

b) The OSMVM may consult the record of proceedings and examine any objects seized, which will be sent for examination on its request;

c) The charge in respect of any infraction must be notified to the OSMVM;

d) The OSMVM is entitled to be heard by the Public Prosecution Service if the latter closes the proceedings.

ARTICLE 440

(Proceedings for infraction and criminal proceedings)

1. The court is not bound by the classification of an act as an infraction but may, ex-officio or at the request of the Public Prosecution Service, convert a proceeding into a criminal proceeding.

2. The conversion of a proceeding entails the interruption of that proceeding and the commencement of preparatory investigations, taking advantage, as far as possible, of any evidence gathered so far.

3. The court may reclassify an offence that was classified as a crime as an infraction.

4. If the court only accepts the charge as an infraction, the proceeding will follow the rules set out in this Code.

5. If a proceeding concerns both crimes and infractions, in that some of the offences can only be treated as infractions, the infractions will be subject to the provisions of Article 418(4), Article 424(1) and (3), Article 439(7)(b) and Article 467.

6. When, in the cases provided for in the previous paragraph, appeals are lodged simultaneously in relation to an infraction and a crime, said appeals will be heard together.

7. The appeal will be heard in accordance with the Criminal Procedure Code and the appeal relating to the infraction will not be subject to the provisions of Article 471.

ARTICLE 441
(Referral of proceedings to the Public Prosecution Service)

1. The OSMVM shall refer a proceeding to the Public Prosecution Service whenever it considers that the infraction constitutes a crime.

2. If the Public Prosecution Service considers that there is no criminal liability, it will return the proceeding to the OSMVM.

ARTICLE 442
(Initiation and pre-trial investigation)

1. Proceedings may be initiated ex-officio, through reporting by the police or supervisory authorities or through an individual's complaint.

2. The OSMVM shall conduct the investigations and examination of the case until the proceedings are closed or a sanction is imposed.

3. The OSMVM may entrust all or part of the investigations and examination of the case to the police authorities and may also request the assistance of other authorities or public services.

4. Unless provided otherwise by this Code, the police authorities have rights and duties equivalent to those they have in criminal matters.

5. The police authorities and supervisory agents shall immediately refer the infraction report and the evidence gathered to the OSMVM and shall take the necessary measures to prevent evidence from disappearing.

6. Statements made orally to the OSMVM or to the authorities referred to in paragraph 3 may be documented through audio or audio-visual recording, although the use of stenographers, steno typists or other appropriate technical means to ensure that the statements are reproduced in full is also permitted, subject to the following requirements:

a) The start and end points of the recording of each statement must be specified in the record of proceedings;

b) The transcription must be done in the shortest time possible and must be certified by the entity that presides over the taking of the statement, before the record of proceedings is signed;

c) A copy of the statement must be delivered within 48 hours to any interested party that requests one and supplies the necessary copy medium.

ARTICLE 443
(Duty to notify)

The authority responsible for imposing additional sanctions that consist of revocation of authorisation or cancellation of registration, if it is not also the entity responsible for implementing the revocation or cancellation, shall notify the latter of the crime or infraction in question, its specific circumstances, the sanctions imposed and the stage of the proceedings.

ARTICLE 444
(Lay witnesses and expert witnesses)

1. Lay witnesses and expert witnesses must abide by any summons to appear and give witness on the subject matter of the proceedings made by OSMVM.

2. Lay witnesses and expert witnesses that fail to appear at the appointed time and place for the taking of evidence in the proceedings and fail to give a satisfactory reason for their absence either on the day of the hearing or in the following five working days may be penalised by the OSMVM with a monetary sanction of between 150 UCFs and 1,150 UCFs, and may be required to make good any damage caused by their failure to appear.

3. Payment must be made within ten (10) days of notice of the sanction or else may be subject to enforced payment.

4. Lay witnesses will not be required to take an oath.

ARTICLE 445
(Defence attorney)

1. The defendant in proceedings for an infraction has the right to be assisted by a lawyer, who may be chosen at any stage of the proceedings.

2. The OSMVM shall appoint a lawyer to represent the defendant, ex-officio or at the defendant's request, whenever the circumstances of the case make it necessary or appropriate for the defendant to be represented.

3. A decision of the OSMVM turning down a request to appoint a defence lawyer may be appealed to the court.

ARTICLE 446
(Trial in absentia)

Failure of the defendant to appear does not prevent the infraction proceedings from continuing.

ARTICLE 447
(Duty to notify)

1. All the decisions, reports and other measures taken by the OSMVM must be reported to the persons to whom they are addressed.

2. Where a measure is open to challenge within a time limit, the report must take the form of a notice, which must contain the necessary information regarding admissibility, time limit and means of exercise of the challenge.

ARTICLE 448
(Notices)

1. Notices in proceedings for an infraction may be given by registered mail with return receipt requested, in person by an OSMVM employee at the headquarters or registered office of the addressee and its legal representatives or, if required, through the police authorities.

2. Notice to the defendant of the procedural act in which he/she is charged with an infraction or of the decision to impose a sanction, additional sanction or precautionary measure must be given as specified in the previous paragraph or, if the defendant is not found or refuses to accept the notice, by an announcement published in one of the local newspapers in the place of the defendant's headquarters or last known place of residence in the country or, if there is no

newspaper or if the defendant does not have headquarters or is not resident in the country, in a national daily newspaper.

3. If notice must be given to several persons, the time limit for the filing of a challenge does not start until the last person has been notified.

ARTICLE 449
(Provisional remedies)

1. When found to be necessary for the investigations in proceedings or to protect the securities and derivatives market or safeguard the interests of investors, the OSMVM may order that one of the following measures be adopted:

a) Preventive suspension of one or more of the activities or functions exercised by the defendant;

b) Restriction of the performance of those functions or activities by making their performance conditional upon compliance with duties to provide information;

c) Seizure or freezing of assets, regardless of the place or institution in which the assets are located.

2. The order referred to in the previous paragraph is effective as appropriate:

a) Until revoked by the OSMVM or a judicial decision;

b) Until an additional sanction equivalent to the measures provided for in the previous paragraph comes into force.

3. A preventive suspension order may be published by the OSMVM.

4. When total suspension of the activities or functions performed by the defendant is ordered pursuant to paragraph 1 and the defendant is sentenced, in the same proceedings, to an additional sanction that consists of prohibition or disqualification from performing the same activities or functions, the period of preventive suspension will be deducted in full from the term of the additional sanction.

ARTICLE 450
(Caution procedure)

1. When an infraction consists of a remediable breach that does not cause losses to investors or to the securities and derivatives market, the OSMVM may caution the offender, calling on him/her to remedy such breach.

2. If the offender fails to remedy such breach within the specified time, the proceeding for infraction will continue to run its course.

3. If the breach is remedied, the proceeding will be closed and the caution becomes the final decision against the defendant, so that no further proceeding for infraction may be brought for the same act.

4. The caution referred to in this Article must always be placed on record.

ARTICLE 451
(Negotiated proceedings)

1. Where justified by the less serious nature of an infraction and the reduced fault of the agent, the OSMVM, before bringing a formal charge, may notify the defendant of its decision to issue a reprimand or impose a fine of not more than three times the theoretical minimum amount for the infraction in question.

2. The defendant may also be ordered to conform to the legally required conduct within the time set by the OSMVM for that purpose.

3. The decision referred to in paragraph 1 must be in writing and must contain the details of the defendant, a brief description of the alleged infraction, references to the legal provisions that have been breached and the reprimand or an indication of the fine imposed in this case.

4. The defendant must be notified of the decision and informed of his/her right to reject it, within five days, and of the consequence stated in the following paragraph.

5. If the defendant rejects the decision or does not respond within the specified period or if any supplementary information is requested, the provisions of paragraph 2 are breached or the fine is not paid within ten (10) days of the notice referred to in the previous paragraph, the proceedings for infraction will immediately resume and the decision referred to in paragraphs 1 and 3 will be of no effect.

6. If the defendant has complied with the provisions of paragraph 2 and has paid the fine imposed on him, the decision becomes final as a decision against the defendant and no further proceedings for infraction may be brought for the same act.

7. As regards negotiated proceedings, no internal administrative appeal can be lodged.

ARTICLE 452
(Suspension of a decision against a defendant)

1. The OSMVM may entirely or partly suspend execution of a decision against a defendant.

2. Suspension may be conditional upon compliance with certain obligations, namely those considered required to remedy unlawful situations, repair damage or prevent dangers to the securities and derivatives markets or to investors.

3. The suspension period is set at between two and five years, counting from the date on which the time limit for the filing of a legal challenge to the OSMVM's decision against the defendant expires.

4. Suspension does not cover costs.

5. If the suspension period expires without the defendant having committed any crime or infraction under this Code and or having breached the obligations imposed on him, the sentence will be of no effect, except for the purpose of criminal records; otherwise the sentence will be enforced.

ARTICLE 453
(Civil and criminal liability)

1. Any administrative sanctions imposed by the OSMVM are independent of any civil or criminal liability.

2. Offenders have a duty to compensate the injured parties for any damage or losses resulting from the offenders' acts or omissions and are liable under criminal law for any acts that qualify as crimes.

ARTICLE 454
(Imposition of sanctions by market management entities)

1. Regulated market management entities have the power to commence proceedings for infractions and to impose appropriate sanctions on intermediaries that operate in their markets, on the terms to be specified by the OSMVM.

2. When an exchange management entity commences proceedings for infraction, it must immediately notify the OSMVM.

3. An appeal against a market management entity's decision to commence proceedings or against its final decision may be lodged with the OSMVM within 30 working days of notification of the decision.

4. The power indicated in the previous paragraph does not exclude or limit the power of the OSMVM to launch investigations or impose sanctions on intermediaries.

ARTICLE 455
(Court intervention)

1. In the exercise of the supervisory powers conferred on it by law and expressly stating its reasons, the OSMVM may apply to the civil court judge to order the entity concerned to deliver the required information regarding the person under investigation in a given institution.

2. The judge shall respond to the request within five working days and shall order the entity to provide the OSMVM with the requested information within two days.

ARTICLE 456
(Disclosure of decisions)

1. Once the time limit for legal challenges has expired, OSMVM's decision sentencing an agent for the commission of one or re serious or very serious infractions must be published through the lication system set up by the OSMVM, in the form of an extract prepared the OSMVM or in full, even if a legal challenge has been filed, in which e it must be expressly stated that the decision has been challenged.

2. A judicial decision that confirms, alters or revokes a ision against the defendant by the OSMVM or a lower court must be fied to the OSMVM immediately and published in accordance with the vious paragraph.

3. The provisions of the previous paragraphs may be ved in summary proceedings when the sanction is suspended or when the awfulness of the act and the agent's fault are minimal, or when the MVM considers that publication of the decision could be contrary to the estors' interests, could seriously adversely affect the securities and ivatives market or could cause specific damage to persons or entities olved, being manifestly disproportionate to the seriousness of the alleged .

4. Judicial decisions concerning crimes against the rket must be published by the OSMVM in accordance with paragraphs 1 2 even if the decision has not yet become final, in which case this umstance must be expressly stated.

SECTION IV
Appeals and court proceedings

ARTICLE 457
(Appeals against decisions)

1. Decisions, orders and other measures taken by the OSMVM in the course of proceedings are open to legal challenge by the defendant or the person against whom they are directed.

2. The provisions of the previous paragraph do not apply to measures intended only to prepare the final decision to close proceedings or impose a fine, without conflicting with the rights or interests of persons.

ARTICLE 458
(Form and time limit for appeals)

1. An appeal may be lodged by the defendant or by his/her legal representative.

2. An appeal must be lodged in writing and submitted to the OSMVM within twenty days of notice of the decision to the defendant and must consist of pleadings and findings.

3. The time limit for challenging an OSMVM decision is suspended on Saturdays, Sundays and public holidays.

4. If the last day of the time limit (during the normal extension of that time limit) falls on a day during which an appeal cannot be lodged, said last day must be moved to the next following working day.

5. OSMVM interlocutory decisions that affect the rights of persons, especially decisions concerning provisional remedies, whether probative or not, may be challenged immediately.

ARTICLE 459
(Competent court)

1. The court in whose territorial jurisdiction an infraction was committed is competent to hear and decide on an appeal in accordance with the law.

2. If an infraction was not consummated, the competent court is the one in whose territorial jurisdiction the last act of execution or, if preparatory acts are punishable, the last act of preparation was committed.

ARTICLE 460

(Referral of proceedings to the Public Prosecution Service)

1. On receiving a challenge to one of its decisions, the OSMVM may:

a) Amend its decision, notifying the appellant accordingly; or

b) Refer the proceedings to the Public Prosecution Service, attaching pleadings if it so decides.

2. The Public Prosecution Service will return the proceedings to the judge.

3. Until the proceedings are referred, the OSMVM may revoke the decision to impose a sanction.

ARTICLE 461
(Dismissal)

1. The judge shall dismiss, by means of a court order, any appeal that is lodged after the time limit has expired or that does not meet the formal requirements.

2. Any order of dismissal may be challenged immediately.

ARTICLE 462
(Judicial decision)

Upon receipt of the record of an appeal against decisions, orders or other measures taken by the OSMVM, the challenge will be assessed and either allowed to proceed or else dismissed by the court of competent jurisdiction in accordance with the law.

ARTICLE 463
(Hearing)

In allowing an appeal to proceed, the judge must set a date for the hearing.

ARTICLE 464
(Participation of the defendant in the hearing)

1. The defendant is not obliged the attend the hearing, unless the judge considers the defendant's presence necessary in order to clarify the events.

2. In cases in which the judge does not order the defendant to be present, the latter may appoint a lawyer to represent him/her, with a written power of attorney.

3. The court may request that the defendant be heard by another court, notifying this request to the Public Prosecution Service and the defence lawyer, the record of this request being read out in the hearing.

ARTICLE 465
(Trial in absentia)

1. In cases in which the defendant is absent and is not represented by a lawyer, any statements gathered from the defendant during the proceedings will be taken into consideration or it will be stated in the record that the defendant never made any statement about the subject matter of the proceedings, despite having been granted the opportunity to do so, and the court will carry out the relevant trial.

2. If the court considers it necessary, however, it may set a date for another hearing.

ARTICLE 466
(Involvement of the Public Prosecution Service)

The Public Prosecution Service must be present at the court hearing.

ARTICLE 467
(Involvement of the OSMVM)

1. The OSMVM may present any items or information it deems appropriate or relevant to the decision and submit evidence.

2. The OSMVM may take part in the hearing through a representative appointed for that purpose.

3. The same rules will apply, mutatis mutandis, to cases in which the judge decides to close the proceedings.

4. In accordance with the provisions of paragraph 1, the court shall notify the OSMVM of the date of the hearing.

5. The court shall also notify the OSMVM of the sentence and any other final decisions.

6. The OSMVM is entitled to lodge an independent appeal against decisions with respect to legal challenges that can be appealed and to respond to any appeals that have been lodged against its decisions.

ARTICLE 468
(Evidence)

1. The judge is responsible for determining the scope of the evidence to be produced.

2. The Public Prosecution Service is responsible for seeking evidence of all the facts it considers relevant to the decision.

3. If a court hearing is held, the court shall make its decision on the basis of the evidence presented at the hearing and the evidence produced during the administrative phase of the proceedings for infraction.

4. Once all the evidence has been produced, the judge shall grant the right to speak, in succession, to the Public Prosecution Service, the OSMVM and the defendant, so that they may present oral pleadings setting out the findings of fact and of law they have drawn from the evidence provided, which may not exceed, for each speaker, one hour.

ARTICLE 469
(Charges dropped)

The Public Prosecution Service may drop a charge, with the consent of the defendant and the OSMVM, at any time before sentence is passed at first instance or a decision is issued pursuant to Article 462.

ARTICLE 470
(Appeals dropped)

1. An appeal may be dropped until sentence is passed at first instance or a decision is issued pursuant to Article 462.

2. Once a court hearing has started, an appeal may only be dropped by agreement of the Public Prosecution Service and the OSMVM.

ARTICLE 471
(Challengeable judicial decisions)

1. A judicial decision issued pursuant to Article 462 may be challenged if:

a) The defendant was fined more than 35,000 UCFs;

b) Additional sanctions have been imposed on the defendant;

c) The defendant was acquitted or the proceedings were closed in cases in which the administrative authority imposed a fine of more than 35,000 UCFs or in which such a fine was demanded by the Public Prosecution Service;

d) The legal challenge was rejected.

2. Apart from the cases stated in the previous paragraph, the court of appeal, at the request of the defendant or the Public Prosecution Service, may accept an appeal against a sentence it is clearly required to improve the application of the law or promote consistency of case law.

3. If the appealed decision relates to various offences or various defendants and the requirements are met only in respect of some of the offences or some of the defendants, the appeal must be heard with those limits.

ARTICLE 472
(Rules governing appeals)

1. An appeal must be lodged within ten days of the decision or of notification of the decision to the defendant if the decision was issued without the latter being present.

2. In the cases referred to in paragraph 2 of the previous Article, the request must remain attached to the appeal, preceding it.

3. In these cases, the decision about the request is a preliminary issue, which must be resolved by a reasoned order of the court, rejection of the request being equivalent to dropping the appeal.

4. The appeal will follow the procedure for appeals in criminal proceedings, taking the special considerations arising from this Code into account.

ARTICLE 473

(Scope and effects of an appeal)

1. Unless this Code provides otherwise, the court of appeal shall only consider points of law and its decisions are not open to appeal.

2. The decision on an appeal may:

a) Change the decision of the lower court, without being bound in any way by the terms or substance of the appealed decision;

b) Declare the contested decision invalid and send the proceedings back to the lower court.

SECTION V

Final OSMVM or judicial decision and review

ARTICLE 474

(Scope of final OSMVM or judicial decision)

1. When a decision of the OSMVM or a judicial decision as to whether an act constitutes an infraction or a crime becomes final, any reassessment of the act as an infraction is precluded.

2. When a judicial decision considers an act an infraction, any reassessment of the act as a crime is likewise precluded.

ARTICLE 475

(Admissibility of review)

1. Any review of a final decision of the OSMVM or of a court in relation to an infraction is subject to the provisions of Articles 673 et seq. of the Criminal Procedure Code, unless this Code provides otherwise.

2. A review of a case in the defendant's favour on the basis of new facts or new evidence will not be admissible when:

a) The defendant was only sentenced to a fine not exceeding the minimum amount set for a less serious infraction;

b) Five years or more have passed since the decision to be reviewed became final.

3. A review against the defendant will only be admissible if it is for the purpose of charging the defendant with a crime.

ARTICLE 476

(Rules governing review proceedings)

1. OSMVM decisions may only be reviewed by the court that has the authority to hear legal challenges.

2. A request for a review may be filed by the defendant, the OSMVM or the Public Prosecution Service.

3. The OSMVM shall send the record of proceedings to the representative of the Public Prosecution Service before the competent court.

4. The review of a judicial decision must be conducted by the court of appeal, subject to the provisions of Article 676 of the Criminal Procedure Code.

ARTICLE 477

(Lapse of a sanction as a result of a decision in criminal proceedings)

1. An OSMVM decision imposing a fine or an additional sanction lapses when the defendant is convicted for the same act in criminal proceedings.

2. A final decision in criminal proceedings which does not convict the defendant and thus prevents any fine or additional sanction from being imposed has the same effect.

3. Any pecuniary sums paid as fines must be applied, in order of priority, to payment of the fine and the court costs or, where applicable, refunded.

4. The effects referred to in paragraphs 1, 2 and 3 must be placed on record in the sentence or other decisions referred to in paragraphs 1 and 2.

SECTION VI

Enforcement

ARTICLE 478

(Payment of fines)

1. A fine must be paid within ten (10) days of the date on which the decision becomes final and may not be increased by any additional amounts.

2. Payment must be made against a receipt, a copy of which must be delivered to the OSMVM or to the court that issued the decision.

3. If a partial payment is made, the amount paid must be applied first to the fine and then to the costs, unless the defendant indicates otherwise.

4.Where a defendant's financial conditions justify such treatment, the OSMVM or the Court may authorise payment of the fine over a period of not more than one year.

5. The OSMVM or the Court may also authorise payment in instalments, the last of which may not extend beyond two years after the decision became final, the full amount of the fine becoming immediately due and payable upon non-payment of any one instalment.

6. Within the limits specified in paragraphs 4 and 5 and when justified by supervening circumstances, the time limits and payment schedule established initially may be changed.

ARTICLE 479

(Enforcement)

1. Failure to pay a fine in accordance with the provisions of the Article 478 above is grounds for enforcement, the petition for enforcement being submitted to the competent court in accordance with Article 459, unless the decision to be enforced was issued by the court of appeal, in which case the petition for enforcement may also be submitted to the lower court of the defendant's home address.

2. The petition for enforcement must be submitted by the representative of the Public Prosecution Service before the competent court and the provisions of the Criminal Procedure Code on the enforcement of fines will apply, mutatis mutandis.

3. When enforcement is based on an OSMVM decision, the OSMVM shall submit the record of proceedings to the representative of the Public Prosecution Service responsible for securing enforcement.

4. The provisions of this Article apply, mutatis mutandis, to additional sanctions, except as regards the manner of enforcement, for which the OSMVM or the Court must issue the necessary orders.

ARTICLE 480
(Extinction and suspension of enforcement)

1. The enforcement of fines and additional sanctions is extinguished upon the defendant's death or dissolution and liquidation.

2. The enforcement of an OSMVM decision must be suspended when charges are brought in criminal proceedings for the same act.

3. When, as provided in Article 477(1) and (2), a decision has been issued in criminal proceedings that is incompatible with the imposition of a fine or additional sanction by an administrative authority, the court of enforcement, either ex-officio or at the request of the Public Prosecution Service or the defendant, shall declare that fine or sanction cancelled.

ARTICLE 481
(Procedures)

1. The court petitioned for enforcement is responsible for deciding on all incidents and matters raised in the enforcement, most notably:

a) The admissibility of the enforcement;

b) Any decisions taken by the OSMVM regarding payment plans;

c) Any suspension of enforcement in accordance with the previous Article.

2. The decisions referred to in paragraph 1 may be made without any need for an oral hearing, both the defendant and the Public Prosecution Service having the possibility of arguing their claims in writing.

SECTION VII
Costs

ARTICLE 482
(Costs)

1. OSMVM decisions on the subject matter of proceedings must set the amount of the costs and determine who must bear them.

2. In general, the costs will include the judicial fee, the fees of court-appointed lawyers, the fees payable to expert witnesses and any other expenses resulting from the proceedings.

3. Among other things, the costs must cover any expenses incurred in:

a) Travel by court-appointed lawyers and expert witnesses;

b) Telephone, telegraph and postal communications, especially for notifications;

c) Transport of seized goods;

d) Compensation of lay witnesses.

4. The costs must be borne by the defendant in cases where a fine or additional sanction is imposed, a legal challenge is dropped or rejected or a sentence against the defendant is appealed.

5. In other cases, the costs must be borne by the public purse.

6. In general, the defendant may challenge in court against the OSMVM's decision on costs, provided the challenge is lodged within ten (10) days of the date on which the decision to be challenged became known.

7. A lower court's decision may only be appealed to the court of appeal if the amount exceeds the authority of the lower court.

8. In all matter not regulated by this Code, the rules on costs in criminal proceedings apply.

ARTICLE 483
(Judicial fee)

1. No judicial fee is payable for proceedings for infractions before the OSMVM.

2. A legal challenge of any OSMVM decision is also exempt from any judicial fee.

3. A judicial fee is payable for all judicial decisions against the defendant.

4. The amount of the judicial fee must be set based on the offender's financial situation and the complexity of the proceedings.

ARTICLE 484
(Use of the proceeds of fines)

1. 10% of the proceeds of fines imposed for infractions resulting from breach of the rules of this Code revert to the State through the National Treasury's Single Account.

2. For the purposes of the previous paragraph, the remaining amount of the proceeds of the fines reverts to the OSMVM's budget.

The President of the National Assembly, Fernando da Piedade Dias dos Santos.

The President of the Republic, José Eduardo dos Santos.