

FINANCIAL INSTITUTIONS LAW

CHAPTER I GENERAL PROVISIONS

Article 1° (Subject)

- 1- This Law regulates the process of establishing, exercising activities, supervision, intervention and the sanctions regime of financial institutions.
- 2- The financial institutions which are public companies subject to the norms of this Law, without prejudice to the Law on the Foundations of the Public Sector.
- 3- The banking and non-banking financial institutions of a corporate nature, belonging to the Public Business Sector, are not subject to prior supervision of the Court of Auditors, nor to regular supervision regarding their operational performance.

Article 2° (Definitions)

For the effects of this Law, the following are understood as:

- 1- *«Agency»*: establishment in the Country of a banking or non-banking financial institution based in Angola which is devoid of legal personality and directly carries out, completely or partially, operations inherent to its business, or the additional establishment of a branch, in the Country, of banking or non-banking financial institution based abroad;
- 2- *«Ultimate beneficial owner»*, The entity with real economic interest in holding the asset, in having final control, or in the execution of an operation;
- 3- *«Foreign exchange offices»*, non-banking financial institutions whose main business consists of buying and selling foreign currency and traveller's checks, as per their own regulations;
- 4- *«Credit cooperative»*, non-banking financial institutions authorised for taking deposits and other reimbursable funds from their members and conducting credit operations with them, as per their own regulations;
- 5- *«Credit»*, an act whereby a banking or non-banking financial institution, acting in return for payment, places or commits to placing funds at the disposal of an individual or collective person, against a promise of returning said funds by the due date, or hires, in its own interest, a subscription bond, such as a guarantee;

- 6- «*Dependency*», a supplementary establishment of an Agency based in the same location;
- 7- «*Deposit*», a contract whereby an entity (depositor) entrusts money to a banking financial institution (deposit taker), which receives the right to use said funds in its business and assumes the responsibility of repaying this amount, with or without interest, on the agreed date;
- 8- «*Subsidiary*», a legal person for which another legal entity, known as the parent company, is in a position of dominion, considering that a subsidiary branch of a subsidiary is likewise the subsidiary of the parent company on which both depend;
- 9- «*Company name*», name adopted by a financial institution, suggesting the nature of its activities;
- 10- «*Business group*», a grouping of financial institutions, both banks or not, and non-financial companies, where there is a relation of dominion of one financial institution with the others;
- 11- «*Financial group*», grouping of resident and non-resident companies, which are banking and non-banking financial institutions, with the exception of financial institutions linked to insurance and social security activities, where there is a relation of dominion between a parent company supervised by the National Bank of Angola with other participant companies;
- 12- «*Financial institutions*», public or private companies whose activities are conducted as banking or non-banking financial institutions, under the terms of this Law;
- 13- «*Banking financial institutions*», banks, companies whose main activity consist of receiving deposits or other reimbursable funds from the public, in order to use them in their own name, for lending, in line with Article 6º of this Law;
- 14- «*Non-banking financial institutions*», companies which are not banking financial institutions, whose main activities consist of one or more activities mentioned in points b) to g), i), j, k), l), m) and o) of nº 1 Article 6º and other activities defined by Law;
- 15- «*Microfinance institutions*»: banking financial institutions whose main objective is the taking of small deposits and microcredit lending, as regulated in their specific legislation;
- 16- «*Microcredit*», a low value loan for small entrepreneurs, to be defined by regulations;
- 17- «*Non-resident*», individual and legal persons qualified as such, under the terms of the Foreign Exchange Law;

- 18- «*Supervision agencies*», entities which, by Law, supervise and exercise oversight, monitoring and control of the financial system, especially in the areas of currency and credit, the competence of the National Bank of Angola, insurance and social security, the competence of the Angolan Agency of Regulation and Supervision of Insurance and the area of the securities and investment markets, the competence of the Securities Supervision Agency;
- 19- «*Related parties*», holders of qualified holdings, entities which are directly or indirectly in a dominion relation or in a group relation, members of management and supervisory bodies of financial institutions and their spouses, offspring or parents up to the second degree in a straight line, considered the ultimate beneficiaries of the transactions or assets;
- 20- «*Qualified holdings*», possession of a company, both direct or indirect, in a share of at least 10% of the capital or voting rights in the company owned, or any other situation which enables exercising significant influence in the management of the owned company. For the effects of this definition and the calculation of voting rights the provisions of Article 3º of this Law are applicable;
- 21- «*Position of dominion*», a situation in which the financial institution operates, influencing the financial or foreign exchange market, regardless of the reaction of its competitors or clients;
- 22- «*Relation of dominion*», a relation between an individual or legal entity and a company, where:
- a) One of the following situations occurs:
- i. The person in question controls the majority of votes;
 - ii. Is a shareholder of the company and has the right of appointing and dismissing over half of the members of management or the supervisory body;
 - iii. Can exercise dominant influence over the company due to the contract or clauses of the bylaws;
 - iv. Is a shareholder and sole controller of the company, by virtue of an agreement with other shareholders, with the majority of votes;
 - v. Has a share of 20% or more of the company equity, based on which he exercises a dominant influence or both are placed under single management.
- b) Likewise, for the effects of applying nº i, ii and iv of the prior point, it is considered that:

- i. That the voting rights for appointing or dismissing a member of the board are equivalent to voting rights of any company dependent on the dominant company or a company in the same group as the said entity, as well as any other person acting not in his own name, but on behalf of the dominator any other of the mentioned companies;
- ii. The rights stated in the point above are deducted rights relating to the shares held by an individual person who is relative to the shares held in guarantee, upon which, in this last case, such rights are exercised in conformity with the instructions received, or the share ownership shall be passed over to the current business owner as loans and the voting rights shall be exercised in the interests of the loan guaranteeing party;
- iii. For the effects of applying nº i and ii of point 1, the total voting rights in the equity of the subsidiary company should have deducted from them the voting rights relating to the stake held by this company, by a subsidiary or person in his own name, on behalf of any of these companies.

23- «*Residents*»: individual and legal entities qualified as such, under the terms of the Foreign Exchange Law;

24- «*Companies in group relations*», companies linked to one another under the terms characterised in the Law on Commercial Companies, regardless of whether the respective headquarters are located in the Country or aboard;

25- «*Stock brokers*», financial institutions whose main activities are the receipt and transmission for third parties and conducting order from third parties on regulated or non-regulated markets, the management of discretionary portfolios and collective investment vehicles, investment consulting, registration, deposits and safekeeping services, unsecured placements on the public market;

26- «*Financial leasing (factoring) companies*», non-banking financial institutions whose main objective is executing financial leasing, whereby one party (assignee or factor) acquires for the other (adherent) short-term loans, resulting from the sale of products or provision of services to a third person (debtor), under the terms allowed by Law;

27- «*Credit guarantee companies*», non-banking financial institutions whose main objective is carrying out restricted financial operations activities and provision of related services, in benefit of national companies;

28- «*Investment companies*», non-banking financial institutions which configure collective investment vehicles in a corporate form and whose objective is investing securities, real estate and other assets, under the terms allowed by Law.

- 29- *«leasing companies»*, non-banking financial institutions whose main objective is conducting contracts wherein the lessor agrees, in exchange for remuneration, to cede to the lessee the temporary use of an object, movable or immovable, acquire or built by indication of the lessee, under the terms which shall be allowed by Law;
- 30- *«Security distribution companies»*, financial institutions whose main objective is the receipt and transmission of orders from third parties, the execution of said orders in regulated or unregulated markets, trading for their own portfolio, registration, deposits and safekeeping and help in IPOs and capital structure, industrial strategy consulting, together with consulting on mergers and acquisitions, secured placements in public offerings, underwriting and guaranteed placement in public offers, granting loans, including mortgages;
- 31- *«Collective investment vehicle managers»*, non-banking financial institutions whose business purpose is the professional management of one or more collective investment vehicles, and the trading of shares in these and providing investment consulting under the terms permitted by law Law;
- 32- *«Asset management companies»*, non-banking financial institutions whose exclusive objective, in addition to investment consulting services, is carrying out discretionary management of asset portfolios of third parties, under the terms permitted by Law.
- 33- *«Foreign exchange market intermediaries»*, non-banking financial institutions whose main objective is intermediation in the foreign exchange market for third parties and providing related services, under the terms permitted by Law;
- 34- *«Payment service providers»*: non-banking financial institutions authorised to provide payment services, under the terms of the Law on the Angolan Payment System and complementary legislation;
- 35- *«Payment and compensation system operators or clearing houses»*, non-banking financial institutions whose main objective is managing the infrastructure or the procedures of the central subsystems or clearing house, under the terms permitted by Law;
- 36- *«Branch»*, main establishment, in Angola, of a banking or non-banking financial institution based abroad, or main office aboard of a banking or non-banking financial institution based in Angola, devoid of legal personality conducting directly, completely or partially, operations inherent to its business.

Article 3° **(Attribution of voting rights)**

- 1- For the effects of the provision from nº 20 of Article 2º of this law, in the calculation of the qualified agreed, part from the attached shares that the shareholder is an owner or user of, also voting rights are considered:

- a) Held by third parties in their name, but for the benefit of the shareholder;
 - b) Held by a company with which the shareholder has a dominion or group relation;
 - c) Held by voting right owners with whom the shareholder has signed an agreement for their exercise, unless, under the same agreement, these are linked to follow the instructions of a third party;
 - d) Held, if the shareholder is a company, by members of its management and supervision bodies;
 - e) That the shareholder is to acquire, by virtue of an agreement signed with their respective owners;
 - f) Inherent to the shares held in guarantee by the shareholder or managed or deposited with him, if the voting rights have been attributed to him;
 - g) Held by voting rights owners who have conferred on the shareholder discretionary powers for their execution;
 - h) Held by persons who have signed an agreement with the shareholder, aimed at acquiring dominion over the company or impede the change of dominion or which, in another way, constitutes an element of exercise of influence over the company in question;
 - i) Attributable to any of the persons referred to in the prior paragraphs by application, with due adaptations, of the criteria of any other paragraph.
- 2- Agreements on the transfer of shares representative of the company in question and its equity shall be considered instruments of concerted influence exercise.
 - 3- The assumption from the above point may be rebutted by evidence presented to the competent supervisory body that the relation established with the shareholder is independent of effective or potential influence on the company in question.

Article 4° **(Types of financial institutions)**

- 1- For the effects of this Law, the financial institutions are classified as banking financial institutions and non-banking financial institutions.
- 2- Banking financial institutions are banks and microfinance institutions.
- 3- Non-banking financial institutions are those mentioned in Article 7° of this Law.

- 4- The National Bank of Angola may establish different typologies of banking financial institutions.

Article 5°
(Legal regime)

- 1- Banking and non-banking financial institutions referred to in n.º 1 of Article 7.º are regulated by this Law and, subsidiarity, by the Law on Commercial Companies and other applicable norms.
- 2- Non-banking financial institutions referred to in points 2 and 3 of Article 7º are governed by their own law and, subsidiarity, by this Law, the Law on Commercial Companies and other applicable norms.

Article 6°
(Activities of banking financial institutions)

- 1- The banking financial institutions may conduct the following operations:
- a) Receive from the public deposits or other reimbursable funds;
 - b) Commitments, both as leasing, financial leasing or factoring;
 - c) Payment services;
 - d) Issuing and managing other payment methods, not included in the above point, such as physical cheques, traveller's cheques on paper and credit cards;
 - e) Conducting securities and derivatives investment services and activities, under the terms allowed by security distribution companies;
 - f) Acting in the interbank markets;
 - g) Consulting companies as per capital structure, corporate strategy and linked issues, both as consulting and mergers and acquisitions services;
 - h) Transactions on precious stones and metals, under the terms established by the foreign exchange legislation;
 - i) Acquiring shares in the equity of companies;
 - j) Insurance intermediation;
 - k) Providing commercial information;
 - l) Rental of safes and storage;

- m) Leasing of movable property, under the terms permitted for leasing companies;
 - n) Issuing electronic currency;
 - o) Other analogous operations not prohibited by law.
- 2- It is the competence of the National Bank of Angola to define the terms and conditions of conducting the operations listed in the above point, without prejudice to the competence of the Securities Supervision Agency and the Angolan Agency of Regulation and Supervision of Insurance as per their respective competence in points e) and j), both from the above point.

Article 7°
(Types of non-banking financial institutions)

- 1- Non-banking financial institutions are those linked to currency and credit, subject to the jurisdiction of the National Bank of Angola, as listed below:
- a) Foreign exchange houses;
 - b) Credit cooperatives;
 - c) Financial leasing companies;
 - d) Leasing companies;
 - e) Monetary and foreign exchange intermediaries;
 - f) Microcredit companies;
 - g) Payment services providers;
 - h) Operators of payment, compensation or clearing house systems, under the terms of the Law on the Payment System of Angola;
 - i) Credit guarantee companies;
 - j) Other companies guaranteed as such by law.
- 2- Non-banking financial institutions linked to insurance and social security activities are subject to the jurisdiction of the Angolan Agency of Regulation and Supervision of Insurance, namely the following:
- a) Insurance and reinsurance companies;
 - b) Pension funds and their managing companies;
 - c) Other companies qualified as such by law.
- 3- Non-banking financial institutions linked to the capital and investment markets, subject to the jurisdiction of the Securities Supervision Agency, namely the following:
- a) Stockbrokers;
 - b) Distributors of securities;
 - c) Investment companies;
 - d) Asset management companies;
 - e) Other companies qualified as such by law.

- 4- Except for the provision of nº 1 of Article 9º of this Law, credit cooperatives may take deposits from their members and perform credit operations with them, as per their own approved regulations.

Article 8º
(Activity of non-banking financial institutions)

- 1- Non-banking financial institutions only may conduct operations allowed by legal norms and regulations governing the respective activity.
- 2- It is the competence of the National Bank of Angola to regulate the activities of non-banking financial institutions listed in nº 1 of Article 7º of this Law.
- 3- It is the competence of the Angolan Agency of Regulation and Supervision of Insurance to regulate the activities of non-banking financial institutions listed in nº 2 of Article 7º of this Law.
- 4- It is the competence of the Securities Supervision Agency to regulate and supervise the activities of non-banking financial institutions, listed in nº 3 of Article 7º, as well as the products and provision of services and investment activities in securities and derivatives by any financial institutions.

Article 9º
(Principle of exclusivity)

- 1- The activity of receiving deposits or other reimbursable funds from the public, for the use in their own name and execute the function of intermediary for payment operations, may only be conducted by banking financial institutions.
- 2- Without prejudice to the activities allowed for the banking financial institutions and the provisions of special legislation, only non-banking financial institutions may exercise, with professional capacity, the activities referred to in points b) a g), i), j), k), l), m) and o) of nº 1 of Article 6º of this Law.
- 3- The provisions of nº 1 if this Article does not prevent insurers, with regard to capitalisation transactions, receive public reimbursable funds, under the terms of legal dispositions and applicable regulations.
- 4- The provisions of points 1 and 2 of this Article do not prevent the State from creating funds, public institutes and other legal entities, with a legal personality and administrative and financial autonomy, in order to receive from the public deposits and other reimbursable funds, provided that such activities are provided for in legislation which creates them, observing the provisions of this Law.

Article 10°
(Reimbursable funds and credit facilities)

- 1- For the effects of this Law, amounts obtained from the issuing of bonds are not considered reimbursable funds received from the public, under the terms and limitations of the Law on Commercial Companies, for entities not regulated by this Law.
- 2- For the effects of the provisions of this Law, the following are not considered credit facilities:
 - a) Supplies and other loans and advances between a company not characterised as a financial institution under the terms of this Law and its respective shareholders or partners;
 - b) Loans from companies to their workers, for social order reasons;
 - c) Delayed or advance payments agreed between parties, in goods acquisition or service contracts;
 - d) Treasury operations, if legally allowed, between companies in a dominion or group relation;
 - e) Issuance of passwords or cards for the payment of goods and services provided by the issuing company.

Article 11°
(Qualified entities)

- 1- Banking financial institutions are considered qualified to exercise the respective activities referred to by this Law, complying with the provisions of articles 15º to 63º.
- 2- Non-banking financial institutions are considered qualified to exercise the respective activities if complying with the provisions of articles 103.º to 120.º, without prejudice to the compliance of additional procedures required by special law regulating each of the cause activities.

Article 12°
(Truthful company name)

- 1- Only entities qualified as financial institutions may include in the business name or use in the exercise of their activity expressions suggesting activities proper to banking financial institutions or non-banking financial institutions, namely “bank”, “banking”, “credit”, “deposit”, “leasing”, “financial leasing”, “stockbrokers or distributors” or other similar expressions specifying their activities.

- 2- The business name of the financial institutions should, by mandatory nature, include a designation identifying the type of financial institution, under the terms of this Law.
- 3- The name of the type of financial institution referred to by the prior point cannot mislead the public as per the sphere of operations the institution is authorised to conduct.

Article 13°
(Acquisition and property of real estate)

- 1- Without prejudice to the provision of special laws and other limits imposed by the competent supervision body, financial institutions cannot acquire real estate which are not indispensable to their business purposes, facilities and functioning, except for financial institutions authorised to conduct credit facilities, in the case of acquisition and reimbursement for credit, in which case the property must be sold in a period of 2 (two) years.
- 2- For the effects of the prior point, the supervisory body determines the norms, namely accounting norms, that the financial institution has to observe in the acquisition of real estate.
- 3- Non-banking financial institutions listed in nº 2 of Article 7º are not subject to the restrictions from nº 1 of this Article, rather being subject to determinations issued by the Angolan Agency of Regulation and Supervision of Insurance.

CHAPTER II
AUTHORISATION OF BANKING FINANCIAL INSTITUTIONS BASED IN ANGOLA

SECTION I
GENERAL PRINCIPLES

Article 14°
(Sphere of application)

The provisions of this Chapter are applied to the authorisation of banking financial institutions based in Angola.

Article 15°
(General requirements)

Banking financial institutions based in Angola should meet the following requirements:

- a) Have an exclusive objective of exercising legally allowed activities, under the terms of Article 6º of this Law;

- b) Adopting the form of a public limited company;
- c) Raise equity not less than the legal minimum;
- d) Have equity represented by shares;
- e) Provide solid structures of corporate governance, including a clear organisational structure, with well-defined, transparent and coherent lines of reporting;;
- f) Organising efficient processes of identifying, managing, controlling and communicating the risk they are or may be exposed to;
- g) Have adequate mechanisms of internal control, including sound administrative and accounting procedures;
- h) Having remuneration policies and practices permitting and coherent with prudent risk management.

Article 16° (Equity and its increases)

- 1- It is the competence of the National Bank of Angola to establish, by Notification, the minimum equity of banking financial institutions and the way in which this may be raised.
- 2- On the date of incorporation, the minimum equity of banking financial institutions should be fully subscribed and paid.
- 3- In the act of capital subscription, if this exceeds the minimum equity, and in its increases, the payment of at least 50% of the amount exceeding the minimum equity is required. The remainder of this amount, both initial or increased, should be fully paid within 6 (six) months from the incorporation of the banking financial institution or from the capital increase subscription date.
- 4- The amounts received from subscribing shareholders are deposited with the National Bank of Angola within 5 (five) business days, counting from the receipt date, by the National Bank of Angola, of the incorporation authorisation request for the banking financial institution, with these remaining unavailable until the end of the respective process of authorisation.
- 5- For the effects of the prior point, the National Bank of Angola may establish, by Notification, the terms and conditions of the subscriptions referred to in points 2 and 3 of this Article, when these are made with securities issued by the National Treasury or the National Bank of Angola.

- 6- Equity increases may come from inclusion of reserves or new cash inflow, according to the terms and conditions to be defined by the National Bank of Angola.
- 7- The National Bank of Angola does not authorise transactions of batches of shares, individually or collectively, which represent a qualified share in a financial institution.
- 8- Regardless of the provisions of nº 2º of Article 7º of this Law, it is the competence of the National Bank of Angola to define the share of equity of banking financial institutions to be traded on the stock market.
- 9- Without prejudice to the provisions of the Law on Commercial Companies, it is the competence of the National Bank of Angola to establish, by Notification, specific norms relative to the subscription and acquisition of own shares of the banking financial institutions.

Article 17º
(Composition of the management and supervisory bodies)

- 1- The management body of banking financial institutions is made up of an odd number of members established by company bylaws, with a minimum of 3 (three) directors.
- 2- The current management of the banking financial institution is entrusted to, at least, two members of the management board who should be resident in the national territory.
- 3- For the effects of this Law, the managers may or may not be shareholders, also being natural persons with full legal capacities.
- 4- If a legal entity were to be designated to be part of a banking financial institution's management board, a natural person who shall exercise the position in his own name should be named, and the legal entity should be solidarily responsible with said natural person for his acts.
- 5- The supervisory body of the banking financial institutions may be made up of a Supervisory Board, established by the bylaws of the company, or by a single supervisor, except for the provisions of the Law on Commercial Companies.

SECTION II
AUTHORISATION PROCEDURE

Article 18º
(Authorisation)

- 1- The establishment of financial banking institutions requires authorisation to be issued by the National Bank of Angola (Banco Nacional de Angola).

- 2- Without prejudice to the requirements established herein, the National Bank of Angola shall lay down criteria and procedures for establishing financial banking institutions.
- 3- The establishment of financial banking institution subsidiaries with their headquarters and effective administration in a foreign country, or which have a controlling relationship with foreign or non-resident entities, shall require authorisation to be issued by the Leader of the Executive Branch, via favourable opinion from the National Bank of Angola.
- 4- The institutions described in the previous paragraph are equivalent to the other financial banking institutions established with headquarters in Angola, for the purpose of authorising their establishment, and cannot benefit from more favourable arrangements.

Article 19º (Completing Applications)

- 1- The application for authorising the financial banking institution shall be completed and delivered to the National Bank of Angola with the following elements:
 - a) Draft by-laws, expressly indicating the type of operations to be performed, pursuant to the terms of Article 6º of this Law;
 - b) Detailed information on the sound financial standing, which demonstrates the economic and financial capacity of the founding shareholders in relation to the investment proposed and possible support for the financial institution with additional funds, if necessary;
 - c) Economic and financial feasibility study designed for at least the first five (5) years of activity, including the programme of activities, geographical location, the corporate governance model, the financial institution operation model, including risk management, operational structure and controls to be implemented, and provisional financial statements and demonstration of compliance with the legal and regulatory framework applicable to financial banking institutions;
 - d) Identification of the founding shareholders, indicating the capital to be subscribed for each founding shareholder;
 - e) Reasoned submission on the suitability of the shareholder structure;
 - f) Submission of proof of a deposit corresponding to 5% of the minimum share capital. This deposit may be replaced by a bank guarantee accepted by the National Bank of Angola;
 - g) Supporting document showing the suitability of the founding shareholders, including the last beneficial owners, if they are liable to directly or indirectly exert significant influence on the institution's activities;

- h) Supporting document showing the funds used in the operation.
 - i) Identification and detailed information about the management and supervisory bodies to be appointed, including proof of the requirements set forth in Articles 31º and 32º, and the respective statements of acceptance, even if subject to the establishment of the financial banking institution;
 - j) Supporting document showing no-objection to establishing the institution from the parent company supervisor, for authorisation applications from a subsidiary of a foreign institution.
- 2- The following information must be submitted for founding shareholders that are legal persons with major holdings in the institution to be established:
- a) By-laws and list of management board members;
 - b) Balance sheet and accounts for the last 3 (three) years;
 - c) List of partners with major holdings as legal persons;
 - d) List of companies in whose capital the shareholding legal persons have major holdings, and an explanatory statement of the group structure they belong to.
- 3- Submission of the elements described in the previous point may be exempted when the National Bank of Angola states it already has knowledge thereof.
- 4- The National Bank of Angola may request further information from applicants, and undertake the enquiries deemed necessary.

Article 20º
(Intervention of other supervisory bodies)

- 1- When authorising the establishment of a subsidiary of a financial banking institution based abroad, the National Bank of Angola, before ruling on the authorisation application, must request information from the supervisory body of the country of origin.
- 2- If the requested information is not provided within 30 (thirty) days, it shall be considered that there is no information to be provided, with the National Bank of Angola being able to withdraw the information request or rule on the authorisation application.

Article 21º
(Decision)

- 1- The decision must be communicated to the interested parties within 6 (six) months of receiving the application or, where appropriate, from the date the additional information requested from the applicants is received, but never more than 12 (twelve) months after the initial application delivery date.
- 2- When necessary, the authorisation decision may impose conditions to be met or specific limits of a prudential nature.
- 3- Absence of notification under the terms referred to above shall lead to the assumption of tacit refusal of the application.
- 4- The financial banking institutions must notify the National Bank of Angola as soon as one of these becomes aware of the facts referred to in n.º 3 of Article 31º of this Law, which are incompatible with the decision and concern any of the founding shareholders.

Article 22º (Refusal of Authorisation)

- 1- The authorisation shall be refused whenever:
 - a) The authorisation application to establish an institution has not been completed with all the necessary information and documents;
 - b) The completed application contains inaccuracies and falsehoods;
 - c) The institution to be established does not meet the provisions of Article 15º of this Law;
 - d) The National Bank of Angola considers that, in relation to one of the persons with major holdings, evidence has not been provided for one of the circumstances contained in n.º 2 of Article 25º of this Law;
 - e) The institution to be established does not have the technical means and financial resources necessary for the type and volume of operations it intends to perform;
 - f) The members of the management and supervisory bodies do not meet the requirements set forth in n.º 1 of Article 31º and 32 of this Law;
 - g) The existence of problems in the supervision of the institution to be authorised are possible, specifically resulting from the fact that the proposed shareholders directly or indirectly, or entities related to these, also have holdings in financial institutions authorised abroad;
 - h) The legal, management, operational and ownership structures of the financial banking institution to be established prevent individual or consolidated supervision, and the application of corrective measures.

- 2- If the application is improperly completed, the National Bank of Angola, before refusing authorisation, shall notify the applicants so that, within the established deadline, they may remedy the shortcomings detected.

Article 23º
(Expiry of Authorisation)

- 1- Authorisation shall expire if the applicants expressly renounce it, if the institution is not established within 3 (three) months of the date of said authorisation, or if the activity does not begin within 12 (twelve) months of this date.
- 2- Under exceptional circumstances, at the request of the institution and duly substantiated, the National Bank of Angola may extend, for a single term, the activity commencement deadline by up to 6 (six) months.
- 3- The authorisation shall expire even if the institution is dissolved, without prejudice to the execution of the actions necessary for the respective liquidation.

Article 24º
(Qualifying holdings)

- 1- Financial banking institutions, in which a natural or legal person directly or indirectly proposes to gain a qualifying holding, must first send an authorisation application to the National Bank of Angola, under the terms laid down by said Bank.
- 2- The provision established in the previous paragraph also applies to persons already having a qualifying holding and proposing to increase said holding so it reaches or exceeds any of the 20%, 33% or 50% limits, or the institution in question becomes its subsidiary.
- 3- The provision established in paragraph 1 also applies to any person holding a major stake and exercising significant influence through an agreement, contract, by-laws clause or any other legal instrument, based upon, among other exceptional circumstances, the following:
 - a) Appointment or removal of members of the governing bodies;
 - b) Involvement in the decision-making of members of the governing bodies that influence the soundness and strength of the financial institution;
 - c) Involvement in the decision-making concerning the definition of strategy, operations or organisational and operational management of the financial institution;
 - d) Attributable to any of the persons referred to in the previous points through application mutatis mutandis of criteria of any of the other paragraphs.

- 4- The National Bank of Angola opposes any cooperation among participants where there is evidence that this has a negative impact on the soundness and strength of the financial institution or the Angolan financial system.
- 5- The National Bank of Angola shall establish, through notification, the elements and information that must accompany the authorisation application set forth in points 1 and 2 of this Article.

Article 25º
(Acquisition or increase of qualifying holding)

- 1- The National Bank of Angola shall oppose the project within a maximum of 30 (thirty) days after submission of the authorisation application to acquire or increase a qualifying holding, pursuant to the previous Article, or after receipt of any additional information requested, if it has evidence that the person in question does not meet the conditions that ensure sound and prudent management of the financial banking institution.
- 2- The authorisation application for the project to acquire or increase a qualifying holding, pursuant to the previous Article, must meet the elements necessary to prove the person in question meets the conditions that ensure sound and prudent management of the financial banking institution, namely:
 - a) Lawfulness of the source of the funds used to acquire the holding;
 - b) Feasibility of adequate supervision, considering the structure and characteristics of the economic group the financial banking institution belongs to;
 - c) Compliance of the conditions necessary for restructuring the financial banking institution, which have been previously established by the National Bank of Angola;
 - d) Suitability of the proposed stake holders, pursuant to Article 31º of this Law;
 - e) Suitability and professional qualification of the members of the financial banking institution management body to be appointed as a result of the proposed acquisition;
 - f) Identification of the last beneficial owner.
- 3- If the interested party is a foreign financial banking institution or the parent company of a foreign financial banking institution, and if, pursuant to the proposed operation, consequently becomes a subsidiary, the National Bank of Angola, for project assessment, must submit an opinion to the supervisory authorities of the country of origin.

- 4- Without prejudice to the provisions of the following point, when the National Bank of Angola does not oppose the application within the term mentioned in nº 1, the proposed operation must be undertaken within 3 (three) months, after which a new communication must be submitted.
- 5- The acquisition or increase of qualifying holdings involving non-residents shall always require express authorisation from the National Bank of Angola.
- 6- The term established in nº 1 may be extended for an equal period if supervening facts exist, or if the National Bank of Angola believes the acquisition or increase of qualifying holdings is particularly complex.
- 7- Without prejudice to the provisions of nº 2, provided that the acquisition of the proposed holding results in the establishment of a controlling relationship, the application must be completed and delivered with the elements laid down in Article 19º, except the elements mentioned in paragraphs f), g) and h) of said Article of this Law.
- 8- The financial banking institutions must notify the National Bank of Angola when they become aware of the facts referred to in n.º 3 of Article 31º of this Law, which are incompatible with the authorisation ruling and concern the owner of the qualifying holding.

Article 26º
(Suspension of voting rights)

- 1- Without prejudice to applicable sanctions, the establishment or increase of the qualifying holding without the interested party having submitted the application set forth in Article 24º, or applications opposed by the National Bank of Angola, shall result in the suspension of voting rights on behalf of the party exceeding the lower limit surpassed.
- 2- When aware of any of the facts referred to in the previous point, the National Bank of Angola shall make this known and disqualify the management body of the financial banking institution.
- 3- The management body of the financial institution to receive the communication referred to in the previous point, or which has become aware of the facts by other means, must submit this information to the shareholders meeting.
- 4- Decisions where a shareholder suspended pursuant to the terms of nº 1 has exercised voting rights are invalid, unless it can be proven that the decision would have been taken and would have been identical even if these rights had not been exercised.
- 5- The invalidity may be challenged in general terms, or by the National Bank of Angola.

- 6- If the exercise of the voting rights subject to suspension has been a determining factor in the election of the management and supervisory bodies, the National Bank of Angola must, during the action for annulment of the respective decision, refuse the respective records.

Article 27º **(Termination of suspension)**

In the event of non-compliance of the provisions laid down in n.º 1 and 2 of Article 26º, the suspension shall end if the interested party subsequently submits the absent authorisation application and the National Bank of Angola does not oppose it.

Article 28º **(Holding reduction)**

- 1- Natural or legal persons intending to dispose of a qualifying holding in a credit institution, or reduce it so that the percentage of voting rights or capital owned is lower than any of the 20%, 33% or 50% thresholds, or so that the institution is no longer a subsidiary, must first notify the National Bank of Angola and state the new size of its stake.
- 2- If a reduction of a holding to less than 5% of the capital or the voting rights of the institution in question is established, the National Bank of Angola shall notify the stakeholder within 30 (thirty) days of whether it considers the resulting holding to be qualified.

Article 29º **(Revocation of authorisation)**

- 1- The financial banking institution's authorisation may be revoked based on the following grounds, as well as other legally established reasons:
 - a) It was obtained using false declarations or other unlawful measures, irrespective of the applicable criminal penalties;
 - b) Any of the requirements laid down in Article 15º of this Law are no longer met;
 - c) The financial banking institution's activity does not correspond to the authorised statutory purpose;
 - d) The institution ceases activity;
 - e) The institution can no longer honour its commitments, namely concerning the security of the funds entrusted to it;

- f) If the institution contravenes the laws and regulations governing its activity or fails to comply with the determinations of the National Bank of Angola, placing at risk the interests of depositors and other creditors, or the normal operating conditions of the money, financial or currency markets.
- 2- The revocation of authorisation shall entail the dissolution and liquidation of the institution.
- 3- The National Bank of Angola must notify the Angolan Securities Market Supervisory Body or the Angolan Insurance Regulation and Supervision Agency of the revocation of the authorisation granted to financial banking institutions whose purpose includes an activity regulated by these entities.

Article 30º
(Competence and form of revocation)

- 1- The revocation of authorisation is within the competence of the National Bank of Angola.
- 2- Authorisations for the financial banking institutions referred to in n.º 2 of Article 29 are excluded, and their competence is attributed to the Leader of the Executive Branch, via favourable opinion from the National Bank of Angola.
- 3- The revocation decision must be reasoned and notified to the financial banking institution within a maximum of 10 (ten) working days.
- 4- The National Bank of Angola must publish the revocation decision referred in this Article within 10 (ten) working days, from the date of receipt by the institution in question.
- 5- Appeals filed against the revocation decision shall have devolutive effects.

SECTION III
MANAGEMENT AND SUPERVISION

Article 31º
(Good Standing)

- 1- Members of the management and supervisory bodies, and persons holding managerial positions or similar, must comply with “fit and proper” and availability criteria, which provide guarantees for the sound and prudent management of the financial banking institution, specifically taking the security of the funds entrusted to the institution into consideration.

- 2- When assessing good standing, the manner in which the person normally manages his business or practises the profession must be taken into consideration, particularly the areas that show an inability to make decisions in a careful and scrupulous manner, or a tendency to not meet obligations in a timely manner, or to behave in a way that is incompatible with preserving confidence in the market.
- 3- Among other exceptional circumstances, persons shall be considered not “fit and proper” when they have been:
 - a) Declared, by national or foreign judgement, bankrupt or insolvent or responsible for the bankruptcy or insolvency of a company the person controls, or which the person has been an administrator, director or manager of;
 - b) Sentenced, in Angola or abroad, for crimes of malicious bankruptcy, bankruptcy attributable to negligence, counterfeiting, theft, robbery, fraud, extortion, abuse of trust, usury, stock exchange infringements and the issue of bouncing cheques or false declarations and other economic crimes laid down in special legislation;
 - c) Sanctioned, in Angola or abroad, for the committing infractions of the legal rules or regulations governing financial banking institution activity, non-banking financial institution activity, the insurance sector and the securities market, when the seriousness or repetition of these offences so justifies.
- 4- For the purposes of the provisions of this Article, the National Bank of Angola must exchange information with the Angolan Securities Market Supervisory Body or the Angolan Insurance Regulation and Supervision Agency.
- 5- The National Bank of Angola shall establish, by Notice, the managerial functions related to the financial banking institutions for the purposes of No 1 of this Article.

Article 32º **(Professional Experience)**

- 1- The management body members responsible for ensuring the day-to-day management of the financial banking institutions, the supervisory body members, and the persons holding managerial positions or similar, must have suitable experience for the performance of these functions.
- 2- It is assumed that the person in question has adequate experience when he has held positions in the financial sector, with recognised experience in economic, legal or managerial matters.
- 3- Verification of meeting this requirement for adequate experience may be subject to a prior consultation process.

- 4- The duration of the prior experience and the nature and degree of responsibility of the functions previously exercised must be consistent with the characteristics and size of the financial banking institution in question.

Article 33º
(Lack of requirements)

- 1- If, for any reason, the legal or statutory requirements for the normal operation of the management or supervisory bodies are no longer met, or the required managerial positions or similar are no longer filled, the National Bank of Angola shall establish the deadline for regularising this situation.
- 2- If the situation is not regularised within the period established in the previous paragraph, authorisation may be revoked pursuant to Article 29º of this Law.

Article 34º
(Accumulation of positions and functions)

- 1- Members of the management bodies of the financial banking institutions cannot cumulatively hold managerial positions or perform roles in other financial banking or non-banking institutions.
- 2- The provision of the previous paragraph shall not apply to the cumulative exercise of managerial positions or to the performance of functions in other financial banking or non-banking institutions with which the institution in question has a group relationship.
- 3- The National Bank of Angola may also oppose said members from exercising these functions if it understands that the accumulation is liable to prejudice the exercise of the functions that the interested party already performs, specifically where serious risks of conflicts of interest exist, or for persons responsible for the day-to-day management of the institution, where evidence exists of significant drawbacks concerning their availability for the position, and may also decide to discontinue the latest mandate registered.
- 4- Members of the financial banking institution's management bodies intending to perform managerial positions in companies other than those mentioned above, must, with at least 15 (fifteen) working days' notice, communicate their intention to the National Bank of Angola, which may oppose this move if it understands that the accumulation is liable to prejudice the exercise of functions in the financial banking institution, and may also decide to discontinue the latest mandate registered.
- 5- The absence of the registration communication set forth in the previous paragraph is based on the cancellation of the registration set forth in Article 60º of this Law.

SECTION IV STATUTORY AMENDMENTS

Article 35º (General by-law amendments)

- 1- Amendments to financial banking institutions' by-laws are subject to prior authorisation from the National Bank of Angola.
- 2- Amendments to the purpose involving a change in the type of the financial banking institutions are subject to the framework set out in Sections I and II of this Chapter.

Article 36º (Voluntary dissolution)

Any project for the dissolution of a financial banking institution must be notified to the National Bank of Angola at least 90 (ninety) days prior to its execution date.

Article 37º (Merger and spin-off)

- 1- The framework set out in Sections I and II of this Chapter applies to the merger and spin-off of the financial banking institutions.
- 2- The merger, spin-off, amendment of the by-laws and expiry of the financial banking institutions referred to in n.º 3 of Article 18º of this Law falls within the jurisdiction of the Leader of the Executive Branch, via favourable opinion from the National Bank of Angola.
- 3- The provision of this Article shall be without prejudice to the completion of the formalities inherent to the establishment of these institutions, in accordance with the requirements set forth in Article 15º of this Law.

SECTION V BANKING REPRESENTATIVE

Article 38º (Banking Representative)

- 1- The hiring of a natural or legal person to represent or provide services associated with the financial banking institution's activity in installations not belonging to said institution, who is not part of the institution's organisational structure or does not have

a controlling or group relationship with the institution, may be undertaken only pursuant to the terms established by the National Bank of Angola, by means of a Notice.

2- The financial banking institution shall:

- a) Answer for any acts or omissions of the representative in the exercise of the duties allocated to him;
- b) Must monitor and supervise the activity undertaken by the representative, who is subject to the institution's internal procedures;
- c) Must take the necessary measures to ensure that the exercise of activities by the representative other than those contracted by the financial banking institution does not have a negative impact on the latter.

CHAPTER III FOREIGN ACTIVITY

Article 39º (Branches and subsidiaries)

- 1- Financial banking institutions based in Angola intending to establish branches or subsidiaries abroad must first notify the National Bank of Angola of this fact, specifying the following elements:
 - a) Country where they propose to establish a branch or subsidiary;
 - b) Activities programme, which specifically indicates the type of operations to be undertaken and the subsidiary's organisational structure;
 - c) Identification of the branch and subsidiary managers;
 - d) Address of the branch or subsidiary in the host country.
- 2- The day-to-day management of the subsidiary must be entrusted to at least two managers, subject to all the good standing and experience requirements needed for members of the financial banking institution management bodies, pursuant to the provisions laid down in Articles 31º and 32º of this Law.

Article 40º (Assessment by the National Bank of Angola)

- 1- Within 90 (ninety) days of receipt of the information referred to in the previous Article, the National Bank of Angola must notify the supervisory authority in the host country of this information, certify that the proposed operations are included in the authorisation, and inform the institution in question of this.

- 2- For the purposes of the provision laid down in the previous point, the National Bank of Angola must also provide notification of the amount of equity capital and the solvency ratio.
- 3- The National Bank of Angola may refuse the proposal to establish branches or subsidiaries abroad pursuant to the grounds provided in Article 22º of this Law, in which case the notification described in nº 1 of this Article shall not be issued.
- 4- The decision to refuse the proposal must be reasoned and notified to the institution in question within the period referred to in nº 1 of this Article.
- 5- If the National Bank of Angola does not notify the supervisory authority in the host country within the period referred to in nº 1 of this Article, it shall be assumed that the proposal to establish a foreign branch or subsidiary has been rejected.

Article 41º
(Changes to the elements communicated)

- 1- If any of the elements referred to in points b), c), d) of nº 1 of Article 39º are amended, the institution must notify the National Bank of Angola (Banco Nacional de Angola) in writing.
- 2- The provisions of Article 40º shall apply, with the deadline being reduced to 30 (thirty) days in this event.

Article 42º
(Representative Office)

- 1- The National Bank of Angola shall authorise and define the terms and conditions for establishing the representative offices of financial banking institutions based abroad.
- 2- The establishment in foreign countries of representative offices of financial banking institutions based in Angola requires registration with the National Bank of Angola, pursuant to Article 54º of this Law.

CHAPTER IV
ACTIVITY IN ANGOLA

SECTION I
GENERAL PRINCIPLES

Article 43º
(Compliance with Angolan Law)

Activity in national territory of financial banking institutions based abroad must comply with Angolan law.

Article 44º
(Good Standing)

Directors and managers of the branches or representative offices of financial banking institutions based abroad are subject to all the good standing and experience requirements established under this Law for management body members of the financial banking institutions based in Angola.

Article 45º
(Use of company name or signature)

- 1- Financial banking institutions based abroad and established in Angola may use the company name or signature they use in the country of origin.
- 2- If said use is liable to mislead the public concerning the operations the financial banking institutions may undertake, or the name and signature might cause confusion with others enjoying protection in Angola, the National Bank of Angola shall determine that an appropriate explanatory note be added to the name or signature to prevent mistakes.

Article 46º
(Revocation and expiration of authorisation in the country of origin)

- 1- When, in the country of origin, the authorisation of the financial banking institution with a branch in Angola is revoked or expires, the institution must immediately notify the National Bank of Angola, which shall take appropriate measures to ensure that the entity in question does not commence new operations, and to safeguard the interests of depositors and other creditors.
- 2- The revocation or expiry of authorisation in the country of origin also results in its revocation or expiry in Angola.

SECTION II
BRANCHES

Article 47º
(Applicable Provisions)

- 1- The establishment of Angolan branches of financial banking institutions based abroad is subject to the provisions of this Section and Articles 16º and 18-23 of this Law.
- 2- Angolan branches of financial banking institutions based abroad are subject to supervision by the National Bank of Angola, under the same terms of the financial banking institutions located in national territory.

Article 48º
(Authorisation)

The establishment of branches requires authorisation to be granted, on a case-by-case basis, by the Leader of the Executive Branch, via favourable opinion from the National Bank of Angola.

Article 49º
(Authorisation applications)

- 1- For the purposes of the previous Article, an application with the following elements must be submitted to the National Bank of Angola:
 - a) Economic and financial feasibility study designed for at least the first three (3) years of activity, including the programme of activities, geographical location, organisational structure and the technical and human resources involved;
 - b) Certificate issued by the supervisory authorities of the country of origin stating that the operations referred to in the previous paragraph are included in the credit institution organisation, and there are no impediments to opening a branch;
 - c) Identification of the branch managers;
 - d) Proof of the sufficiency of the technical means and financial resources in relation to the type and volume of the operations planned for the branch;
 - e) Copy of the financial banking institution's by-laws;
 - f) Declaration of commitment that it will deposit the capital allocated to the branch.
- 2- The branch management must be entrusted to a directorate with at least two managers, with sufficient powers to handle and definitively settle, in the Country, all matters relating to the branch's activity.
- 3- At least two thirds of branch personnel, both administrative and technical, must be made up of national residents.

Article 50º
(Share capital)

The operations to be undertaken by the branch must have sufficient capital allocated to guarantee said operations, not less than the minimum stipulated under Angolan law for financial banking institutions of the same nature based in Angola.

Article 51º
(Liability)

- 1- The financial banking institution is liable for the obligations assumed by its branch in Angola.
- 2- The branches' equity is independent and their assets are only liable before obligations assumed in other countries by the banking institution after meeting all obligations entered into in Angola.
- 3- Decisions from foreign authorities declaring the bankruptcy or liquidation of the financial banking institution shall only apply to the branches said institution has in Angola after review by Angolan courts and after meeting the provisions of the previous paragraph.

Article 52º
(Changes to the elements communicated)

- 1- If any of the elements referred to in points a) b), c) and d) of nº 1 of Article 39º are amended, the institution must notify the National Bank of Angola in writing.
- 2- The provisions in n.º 1 of Article 40º shall apply, with the deadline set forth therein being reduced to 30 (thirty) days.

Article 53º
(Accounting and bookkeeping)

- 1- The financial banking institution must keep centralised all the specific accounting for operations undertaken in Angola at the branch established in the Country, with the use of Portuguese for bookkeeping being mandatory.
- 2- The accounting system for financial banking institution branches based abroad must be autonomous from the parent company's system and be domiciled in Angola.

SECTION III REPRESENTATIVE OFFICES

Article 54º (Establishment requirements)

- 1- The installation and operation in Angola of representative offices of financial banking institutions based abroad shall depend, without prejudice to applicable legislation concerning commercial registration, on special prior registration with the National Bank of Angola, through submission of a certificate issued by the supervisory authorities of the country of origin.
- 2- The representative offices must start operations within the 3 (three) months following registration with the National Bank of Angola, which may, where justified grounds exist, extend the deadline for the same term.
- 3- If the representative office fails to respect the deadlines referred to in the previous paragraph, the right to exercise the activity shall expire along with the corresponding registration.

Article 55º (Scope of activity)

- 1- The representative office's activity takes place under the strict control of the financial banking institutions they represent, with these offices only being permitted to look after the interests of these institutions in Angola and provide advance notification about the undertaking of the operations the institutions plan to undertake.
- 2- The representative offices are prohibited from:
 - a) Undertaking operations in the financial institutions' scope of activity;
 - b) Acquiring shares or equity holdings in any companies;
 - c) Acquiring property that is not essential for their installation and operation.

Article 56º (Managerial powers)

The representative office managers must have sufficient powers to handle and definitively settle, in the Country, all matters relating to the office's activity.

CHAPTER V REGISTRATION

Article 57º
(Subject to registration)

The financial banking institutions cannot start their activities until special registration with the National Bank of Angola has been obtained.

Article 58º
(Elements subject to registration)

- 1- The registration of the financial banking institutions based in Angola must be sent with the following elements:
 - a) Public deed of incorporation;
 - b) Identification of the members of the management and supervisory bodies, and the presiding board members of the shareholders meeting, pursuant to the terms of the following Article;
 - c) Shareholders agreements referred to in Article 92º of this Law;
 - d) Any changes to the elements set forth in the previous points.
- 2- The registration of financial banking institutions authorised in a foreign country and with a branch or representative office in Angola must take place after meeting the provisions laid down in nº2 of Article 16º of this Law.

Article 59º
(List of authorised institutions)

The National Bank of Angola shall publish a list of the financial banking institutions, including the branches and representative offices of financial banking institutions based abroad and authorised to undertake the respective activity in Angolan territory.

Article 60º
(Registration and refusal of members of the management and supervisory bodies)

- 1- The registration of members of the management and supervisory bodies, including non-executive directors, must be requested from the National Bank of Angola after the respective appointments, through application from the financial banking institution.
- 2- Renewals must be recorded in the registration, at the request of the institution.
- 3- The lack of good standing or experience of the members of the management and supervisory bodies is grounds for refusing registration.

- 4- Refusing registration based on the lack of good standing or experience of the members of the management and supervisory bodies must be communicated to the financial banking institution in question, which shall take appropriate measures to ensure said members immediately terminate duties.
- 5- Refusing registration must only affect persons who do not meet the abovementioned qualities, unless this circumstance concerns the majority of the members of the body in question, or the statutory legal requirements are otherwise no longer met, in which case the provisions laid down in Article 33º of this Law shall apply.
- 6- The absence of registration shall not invalidate the acts practised by the person in question in the exercise of his duties.
- 7- The provisions laid down in the previous paragraphs apply, with the necessary adjustments, to the financial banking institutions' directors, and to the managers of the branches and representative offices referred to in Article 44º of this Law.

Article 61º
(Supervening facts)

- 1- The financial banking institutions must notify the National Bank of Angola when they become aware of the facts referred to in nº 3 of Article 31º of this Law, which are incompatible with registration of the appointment and concern any of the persons referred in nº 1 of Article 31º.
- 2- Supervening facts are both facts that take place prior to registration and those occurring subsequently which the parties only become aware of after registration.
- 3- The requirement established in Point 1 shall be considered met if the notification is made by the persons whom the facts concern.
- 4- If the National Bank of Angola concludes that the good standing requirements necessary to hold the position have not been met, it must cancel the respective registration and notify the persons in question and the financial banking institution of its decision, and the institution must take appropriate measures to ensure the persons in question terminate their duties, and the respective replacements are immediately indicated.
- 5- The registration shall be cancelled if it is found to have been obtained using false declarations or other unlawful measures, irrespective of the applicable criminal penalties.
- 6- The provisions of this Article shall apply, with the necessary adjustments, to the managers of the branches and representative offices referred to in Article 44º of this Law.

Article 62º
(Deadlines, additional information and certificates)

- 1- The deadline for requesting any registration is 30 (thirty) days from the date when the facts to be registered have taken place, or the date when the National Bank of Angola has gained knowledge of these, pursuant to nº 2 of Article 61º.
- 2- The registration of the financial banking institutions must be requested in the same period, commencing on the date of the final commercial registration or, for institutions based abroad established in Angola, of their authorisation for establishment in Angola.
- 3- When the application or documentation submitted contains shortcomings or irregularities that can be addressed by the applicants, notification shall be given so these can be addressed within a reasonable period of time, under penalty, if not addressed, of the registration being refused.
- 4- The registration shall be considered carried out if the National Bank of Angola raises no objections during the 30 (thirty) days after receiving the duly completed application, or if additional information is requested, during the same period after receiving said information.
- 5- Certificates proving legitimate interest shall be issued based on the registration.

Article 63º
(Refusal of registration)

Without prejudice to the legally established grounds, the registration shall be refused when:

- a) It is proven that the issue is not certified in the documents submitted;
- b) It is found that the document is already registered or is not subject to registration;
- c) Any legally required authorisation is missing;
- d) The invalidity of the issue is proven;
- e) It is found that one of the conditions required for establishing the institution, or for exercising the activity, has not been met, specifically when any of the members of the management or supervisory bodies do not meet the legally required good standing and experience requirements; and also when there are grounds to oppose the registration pursuant to Article 34º of this Law.

CHAPTER VI
SUPERVISION

SECTION I
GENERAL PRINCIPLES

Article 64°
(Market guidance and control)

It is the competence of the National Bank of Angola to regulate and guide the monetary and foreign exchange markets in line with the Law of the National Bank of Angola and this Law.

Article 65°
(Supervision competence)

- 1- The supervision of banking financial institutions and those identified in nº 1 of Article 7º, based in Angola, as well as the supervision of branches and representative offices in Angola of financial institutions based abroad is the competence of the National Bank of Angola, in line with its Law and this presented Law.
- 2- The provisions from the above point do not prejudice the supervisory powers attributed to the Supervision Agency of the Securities Market and the Angolan Agency of Insurance Regulation and Supervision.
- 3- Without prejudice to the provisions of Article 77º of this Law, any official entity or body which, in the sphere of its competence, needs to analyse or obtain any information or documents referring to the activity of financial institutions supervised by the National Bank of Angola may only do so with prior notification and monitoring by the latter.
- 4- Asset management companies shall be subject to supervision by the National Bank of Angola if they have a qualified stake in one or more financial institutions subject to supervision.
- 5- Any company with a qualified stake in one or more financial institutions subject to supervision shall be subject to supervision by the National Bank of Angola.

Article 66°
(Supervision on an individual and consolidated basis)

- 1- Financial institutions are subject to individual and consolidated supervision.
- 2- It is the competence of the National Bank of Angola to establish, by Notification, the terms and conditions to be exercised of individual and consolidated supervision for institutions it supervises.

Article 67°
(National Council of Financial Stability)

- 1- The National Council of Financial Stability is a public body, with technical and functional independence and autonomy with the aim of promoting cooperation mechanisms for financial stability and the prevention of systemic crises in the Angolan Financial System.

2- The National Council of Financial Stability is made up from the following permanent members:

- a) The Minister of Finance, as coordinator;
- b) The Governor of the National Bank of Angola, as assistant coordinator;
- c) The President of the Management Council of the Supervision Agency of the Securities and Derivatives Market;
- d) The President of the Management Council of the Angolan Agency of Insurance Regulation and Supervision;
- e) The Board Member of the Management of the National Bank of Angola responsible for prudential supervision of financial institutions;
- f) The Board Members of the Supervision Agency of the Securities Market responsible for the supervision of financial institutions and market structures;
- g) The Board Member of the Agency of Insurance Regulation and Supervision responsible for the area of supervision.

3- The National Council of Financial Stability has the following competences:

- a) Identifying, monitoring and evaluating the risks for financial stability;
- b) Coordinating the exchange of information and performance of its members, both at times of normal operations of the financial systems and markets and at times of crises;
- c) Coordinating and promoting the dissemination of information on monetary, financial and fiscal policy defined by the bodies comprising the Council;
- d) Debating and proposing coordinated actions or macroprudential regulation and supervision;
- e) Proposing macroprudential prevention mechanisms and contingency plans to put in place in times of crisis;
- f) Formulating recommendations and proposing regulation norms in the sphere of their respective competence;
- g) Specifying joint action of its members, both in terms of national entities and foreign entities or international organisations;

- h) Analysing the principles and rules issued by international bodies which protect financial stability and recommend at the national level their implementation, particularly in area related to the supervision and regulation of the financial system and the institutional and market infrastructure;
 - i) Approving its internal regulations.
- 4- Without prejudice to the competence established in the prior point, it is the competence of the Holder of Executive Power to define other powers of the National Council of Financial Stability.
- 5- Without prejudice to the competence of the National Council of Financial Stability, the various Supervisory Bodies should implement complementary procedures of cooperation and articulation in terms of supervision, with the aim of information exchange and removing potential competence conflict or regulatory gaps.

Article 68°
(Supervisory quota)

- 1- Financial institutions are subject to the payment of a supervisory quota.
- 2- It is the competence of the Holder of Executive Power to establish, with prior opinion from the supervisory authority, the amount and designation of the supervisory quota, with the possibility of delegating the definition of this tax burden to the respective supervisory body.

Article 69°
(Deposit guarantee fund)

It is the competence of the Holder of Executive Power to create a Fund with the objective of guaranteeing or reimbursing the deposits held in financial institutions which participated therein, and also to establish the norms for its functioning.

SECTION II
BEHAVIOURAL SUPERVISION

SUBSECTION I
RULES OF CONDUCT

Article 70°
(Technical competence)

Banking financial institutions should assure clients, in all activities they undertake, high levels of technical competence, providing for their corporate organisation the best materials and technicians necessary to provide adequate conditions and appropriate quality and efficacy of the provision of their services.

Article 71°
(Relations with clients and other institutions)

In relations with clients and other institutions, the managers and employees of banking financial institutions should proceed with diligence, neutrality, loyalty, discretion and respect, aware of the interests entrusted to them by depositors.

Article 72°
(Diligence criterion)

The members of the boards of directors of banking financial institutions, and also persons who exercise in these directorial, managerial, supervisory or similar roles should proceed, in complying with their functions, with the diligence of a careful and orderly manager, in line with the principle of risk redistribution and the application of security with the interests of depositors, investors and other creditors and clients in general at heart.

Article 73°
(Information and assistance duty)

- 1- Banking financial institutions should clearly inform their clients about the remuneration they offer for the received funds and the characteristic elements of the products offered, and also about the price of the services offered and other charges to be paid by clients.
- 2- In the sphere of granting loans, authorised financial institutions provide to the client, before signing the credit contract, adequate information about the conditions and total and effective cost of the credit, their obligations and the risks associated with lack of payment.
- 3- In order to guarantee the transparency of the market in the relations of financial institutions with their clients, it is the competence of the National Bank of Angola to establish the minimum requirements for financial institutions in terms of:
 - a) Information contained in the public disclosure of information about the conditions with which they offer their services;
 - b) Minimum content of contracts signed with clients.

- 4- In order to guarantee the transparency and comparability of the products offered, the information from the prior point should be provided to the client before signing the contract and should include the characteristic elements of the products being offered.
- 5- The contracts signed between banking financial institutions and their clients should have all the information necessary and be in Portuguese, in a clear and concise way.
- 6- Always when financial institutions supervised by the National Bank of Angola operate in the securities and investment markets, and also in insurance and reinsurance, they are also subject to rules established by the bodies of supervision of the said markets.

Article 74°
(Customer complaints)

- 1- Clients of the institutions may present directly to the National Bank of Angola claims funded in the non-compliance with rules of said activities.
- 2- It is the competence of the National Bank of Angola to evaluate the claims, regardless of the way they had been presented, and define the procedures and times for the evaluation of claims stated above, observing the principles of impartiality, speed and gratuity.
- 3- In the evaluation of claims, the National Bank of Angola identifies the claim procedures and promotes the necessary steps to verify compliance with the norms and adopts measures for applying sanctions to non-complying financial institutions.

Article 75°
(Codes of conduct)

- 1- The National Bank of Angola may establish the codes of conduct it may consider necessary to complement and develop those stated herein.
- 2- The banking financial institutions or their representative institutions should adopt the codes of conduct and disseminate them to their clients, with the same principles of the codes of conduct applying as those with regard to their clients, including the internal mechanisms and procedures adopted in the sphere of complaint evaluation.
- 3- The code of conduct created by banking financial institutions and their representative associations should be sent to the knowledge of the National Bank of Angola, with the latter entitled to issue instructions on the same, also issuing guidelines for these codes.

SUBSECTION II
PROFESSIONAL SECRECY

Article 76°
(Secrecy obligation)

- 1- Then members of management and supervisory boards of banking financial institutions, their employees, attorneys, commissioners and other persons who provide permanent or occasional services to these cannot reveal or use the information on the elements of the company's organisation or its relations with its clients, a knowledge which accruing to them exclusively due to the carrying out of their duties or provision of their services.
- 2- Client names, their deposit accounts, movement sand other banking operations are subject to secrecy.
- 3- The secrecy obligation does not cease with the termination of their duties.

Article 77°
(Exceptions to the secrecy obligation)

- 1- The facts or elements on client relations with the institution may be disclosed, by client authorisation, sent in writing to the institution.
- 2- Except for the case specified above, the facts and elements covered by the secrecy obligation only may be revealed:
 - a) To the National Bank of Angola, in the sphere of its competence;
 - b) To the Supervision Agency of the Securities Market, in the sphere of its competence;
 - c) To the Angolan Agency of Insurance Regulation and Supervision, in the sphere of its competence;
 - d) For conducting due process as orders by a Judge or Magistrate of the Public Ministry;
 - e) When there exist other legal provisions which specifically limit this secrecy obligation.

Article 78°
(Secrecy obligation of the supervisory authorities)

- 1- Persons who exercise or have exercised authority at the National Bank of Angola, or those who provide or have provided services permanently or occasionally to the same, are subject to secrecy obligations on the facts that are disclosed to them exclusively in the exercise of their duties or provision of services and such information may not be disseminated.

- 2- The facts and elements covered by the secrecy obligation may only be released by authorisation by the interested party, sent in writing to the National Bank of Angola or under the terms foreseen by penal and penal procedure Law.
- 3- It is lawful, namely for statistical; purposes, to disseminate information in additive or aggregate form with no individualised identification of persons or institutions.

Article 79°
(Cooperation with other entities)

- 1- The above provisions shall not prevent, likewise, that the National Bank of Angola exchange information with the following entities:
 - a) The Supervision Agency of the Securities Market and Angolan Agency of Insurance Regulation and Supervision, in the sphere of its competence;
 - b) Authorities involved in processes of financial institution liquidation;
 - c) Persons responsible for the legal control of financial statements of financial institutions and agencies with supervision competence over such persons;
 - d) Supervision authorities of other States, in terms of reciprocity, when the information is necessary for supervision of financial institutions based in Angola, and equivalent institutions base din such States, in the spheres of cooperation signed by the Bank;
 - e) Central banks and other similar organs, in terms of monetary authority, and other authorities with competence for the supervision of payment systems;
 - f) Agencies in charge of managing deposit guarantee systems;
 - g) Other agencies in charge of monitoring and safekeeping the national financial system stability;
 - h) Other national land international bodies subject to the same secrecy obligations.
- 2- Agencies and person participating in the exchange of information mentioned above are subject to the secrecy obligations.
- 3- Information received by the National Bank of Angola, under the terms of this Article, may only be used:
 - a) To examine access and activity conditions of financial institutions;
 - b) To supervise the activity of banking financial institutions, namely in terms of liquidity, solvency, major risks, and other own capital requirements, management and accounting organisation and internal control;

- c) For applying sanctions;
- d) In the context of appeals against the decisions of the National Bank of Angola, made under the terms of applicable provisions towards entities subject to its supervision;
- e) For the effects of monetary policy and the functioning or supervision of the payments system.

Article 80°
(Cooperation with other countries)

The cooperation agreements mentioned in points d) and e) of nº 1 of the prior Article may only be signed when the information to be provided benefits secrecy guarantees at least to the degree established in the Law.

Article 81°
(Information on risk)

- 1- It is the competence of the National Bank of Angola to create the Central Database of Credit Risk, establishing the rules of its functioning and defining what information elements are to be reported in a mandatory way by financial institutions.
- 2- All entities which grant credit, directly and indirectly, based in Angola and the branches, daughter companies and representative offices of financial institutions based abroad, both banking and non-banking, are subject to the credit information report for the Central Database of Credit Risk.
- 3- It is the competence of the National Bank of Angola to authorise the incorporation of Private Central Databases of Credit Risk where financial institutions participate.
- 4- It is the competence of the National Bank of Angola to define the requirements of incorporation and functioning rules of the Central Private Databases of Credit Risk Information where financial institutions participate, and the information transfer rules on credit risk organised between financial institutions.

Article 82°
(Violation of the secrecy obligation)

Without prejudice to other applicable sanctions, violation of the secrecy obligation is punishable under the terms of the Penal Code and legislation on this matter.

SUBSECTION III
CONFLICT OF INTEREST

Article 83°
(Credit for members of social organisations)

- 1- Financial institutions may not grant credit, in any form or modality, including the provision of guarantees, directly or indirectly, to members of boards of directors or supervision bodies or equivalents, or companies or other groupings controlled by these directly.
- 2- The indirect nature of the granting of credit is presumed when the beneficiary is the spouse, relative to the 2nd degree or 1st degree of any member of the management of supervisory board or a company directly or indirectly controlled by any of these persons.
- 3- For the effects of this Article, the acquisition by financial institutions of capital shares in companies or other collectives mentioned in prior articles is equivalent to granting credit.
- 4- The operations of the business purposes or those resulting from personnel policy are subject to provisions from the above points.
- 5- The provisions of nº 1 to 3 of this Article is not applied to credit granting with financial institutions or asset managers being the beneficiaries, including those which are supervised in consolidation to the financial institution in question.
- 6- Members of the management or supervisory boards of a financial institution may not participate in the evaluation and decision of credit operations and granting of credits to companies or other collectives not included in nº 1 of this Article, which are managers or have a qualified stake, issuing such operations to approval by at least two thirds of the remaining members of the board of directors or the consent of the supervisory board or equivalent.
- 7- Banking financial institutions may grant credit in any form or modality, including the provision of guarantees to owners, directly or indirectly, qualified stakes, as well as companies which the same persons, directly or indirectly, control or are in a group relation, as per the conditions defined, by Notification, by the National Bank of Angola.

Article 84°
(Credit for linked persons)

Members of management or supervisory bodies, directors, workers, consultants and leaders of financial institutions may not be involved in the evaluation and granting in operations in which they are, directly or indirectly, interested, or their spouses, relatives of the 1st degree, or companies or other collectives which they, directly or indirectly, control.

SUBSECTION IV
COMPETITION AND ADVERTISING

Article 85°
(Antitrust)

- 1- Financial institutions and the branches of financial institutions are forbidden:
 - a) To sign contracts and agreements or adopt practices focused on ensuring a dominant position on the monetary, financial or foreign exchange markets and provoke changes to their normal operating conditions;
 - b) Adopting individually any of the practise mentioned above, and also systematically applying discrimination in similar transactions;
 - c) Financial institutions are also prohibited, under the supervision of the National Bank of Angola, to impose on their clients, as a condition for their service benefits, the acquisition of goods or products or hiring services of their own or of other companies which are their branches or in which they have a qualified stake.
- 2- Not covered by the provisions of point a) are the agreements, contracts or practices aimed at the following operations:
 - a) Underwriting of shares or of any company or government bonds, with the aim of a public offer;
 - b) Granting credit of a large quantity to a given company or group of companies from the same sector of economic activity, namely credit related to viability contracts or that of financial restructuring and development.

Article 86°
(Publicity)

- 1- The publicity of financial institutions and their representative associations is subject to the general regime and, relative to the intermediation of financial instruments, to the defined legal regime applicable to the securities market.
- 2- The National Bank of Angola may order the immediate suspension or determine the adequate modifications or adjustments of publicity campaigns of banking financial institutions established in the Country, if these are against current legislation or may lead the public to error.

- 3- The National Bank of Angola may establish, by Notification, the obligations of information and transparency which should be followed by the publicity of financial institutions, regardless of the medium used.

SECTION III PRUDENTIAL SUPERVISION

SUBSECTION I PRUDENTIAL NORMS

Article 87° (General principle)

Banking financial institutions should apply the funds they have in order to ensure adequate levels of liquidity and solvency.

Article 88° (Own funds)

- 1- The competent supervisory body should establish the elements which may make up the own funds of financial institutions and the branches in Angola of financial institutions based abroad, defining the characteristics they should have.
- 2- The own funds of financial institutions defined in Article 4.º may not be lower than the minimum equity required by law.
- 3- If own funds are found to be below the minimum, the competent supervisory body may, when circumstances justify such action, concede to the financial institution a period of time to regulate this situation.

Article 89° (Reserves)

- 1- Banking financial institutions should constitute a legal reserve of no less than 10% of net profits for each fiscal year, designated for the creation of a legal reserve up to a limit equivalent to the amount of capital.
- 2- Also, financial institutions should create special, reserves designated to reinforcing the liquidity situation or to cover damages which may not be handled by profits and losses.
- 3- The competent supervisory body may establish general or specific criteria for the creation and application of the reserves mentioned above.

Article 90°
(Prudential rules)

- 1- Without prejudice to what has been established in special legislation, it is the competence of the competent supervisory body to define the regulatory and prudential supervision framework of financial institutions with regard to:
 - a) Capital adjustment, including a definition of a solvency ratio, of the instruments to be considered for the makeup of regulatory own funds and the own funds requirements in function of the risks assumed;
 - b) Limits to the underwriting of security issues for indirect subscription or guarantee for the placement of issues in the same values;
 - c) Limits and forms of coverage of there resources and an other liabilities to third parties;
 - d) Limits of risk concentration;
 - e) Registry and provision of financial information, including the processes of recognising the provisions and reserves and requirements of service provision of external auditing;
 - f) Ratio of shares with the own funds of the owner;
 - g) Ratio of the shares or capital of the subsidiary;
 - h) Limits on assets;
 - i) Corporate governance, including the processes aimed at assuring the transparency and dissemination of necessary information, as well as treating the transactions with the subsidiary parties;
 - j) Internal control, including processes of managing inherent risks to the activity and their concentration;
 - k) Abuse of financial services;
 - l) Other limits which shall be established by the supervisory body.
- 2- In the framework definition above, the criteria of design and proportionality should be applied, with differentiated or additional criteria being established for specific financial institutions, depending on their risk profile and systemic importance.

Article 91°
(Subsequent communication)

Without prejudice to the communication established in nº 1 of Article 24º of this Law, the facts for which it may result, directly or indirectly, the detention of a qualified holding in a financial institution or its increase, under the terms of this Article, should be notified, by the interested party, to the competent supervisory body, in (15) (fifteen) business days from the time such facts take place.

Article 92°
(Registration of shareholder agreements)

- 1- Shareholder agreements for financial institutions regarding the right to exercise voting rights are subject to registration with the competent supervisory body, with punishment of inefficacy.
- 2- Registry may be required by any of the parties of the agreements.

Article 93°
(Accounting and publication rules)

- 1- It is the competence of the National Bank of Angola, without prejudice to other bodies which supervise accounting and the supervisory bodies of the securities and insurance markets, to establish internal controls, accounting and other norms applicable to institutions subject to their supervision, as well as defining that the same institutions should remit and publish said data.
- 2- Financial institutions should publish their financial statement under the terms and period established by the respective supervisory bodies, with these statements being prepared by an accountant registered with the accountant's and accounting expert's association of Angola, under the terms of the Accounting and Audit Law.

SUBSECTION II
SUPERVISION

Article 94°
(Supervision procedures)

The performance of supervision functions is the function of the competent supervisory body:

- a) Monitor the activities of financial institutions under its supervision and promote the application of risks and their control, and the sufficiency of own funds to hold these risks;
- b) Observe the rights which discipline the activities of financial institutions;

- c) Issuing recommendations and directives for irregularities, control and management deficiencies and capital insufficiency defects to be remediated;
- d) Take necessary intervention and remediation steps;
- e) Sanction non-compliance.

Article 95°
(Applying corrective measures)

- 1- The supervisory body should apply the entire set of corrective intervention measures as per Article 123°, which should be applied, when judged to be relevant, in the following situations:
 - a) When the financial institution does not comply, or is at risk of not complying, with the legal norms or regulations which guide its activities;
 - b) Always when considered necessary, in line with the qualitative and quantitative applications of the institution.
- 2- Always when the supervisory body acquires knowledge about an intended activity of the financial institution which shall constitute a breach or aggravated breach of applicable prudential norms or infringe on the rules of prudent management, the said body may notify the institution to abstain from such action.

Article 96°
(Information obligation)

- 1- Financial institutions are mandated to present to the competent supervisory body, in the time determined by said body, information necessary to ascertain their levels of liquidity and solvency, the risks they have on the books, compliance with legal and regulatory norms, including their administrative organisation and the efficacy of their internal control, together with their security and IT control processes.
- 2- Financial institutions should provide to the competent supervisory body the inspection of their facilities and examination of the local books, together with all other elements deemed relevant by the competent supervisory body for verification of the aspects mentioned in the above point.
- 3- The competent supervisory body may extract copies of all pertinent documentation, always creating acts of the documentation copied, to be signed by the representatives of the supervisory body and institution in question.
- 4- The singular or collective persons not mentioned by the above paragraphs who are related parties to financial institutions are obligated to provide to the competent supervisory body all elements or information considered relevant by the same to

supervise the institution or financial group in which they anticipate, in the Country or abroad.

- 5- Financial institutions should communicate beforehand to the supervisory body the opening or closing of their agencies or dependencies.
- 6- For the effects of the prior point, it is the competence of the supervisory body to establish, in specific norms, the information on the facilities.

Article 97°
(External auditors)

- 1- The activity of financial institutions and their annual accounts should be subject to annual external audit, to be conducted by an auditing company legalised and established in Angola under the terms of applicable legislation.
- 2- External auditors should report to the competent supervisory body in the form determined by the latter, the work conducted and its results, also communicating, at any time, infringements on legal or regulatory norms detected and the facts which may affect the continued activities of the institution or which may be reason for the issuing of reserves or limitations in the opinion of the auditor.
- 3- For the effects of the revision of nº 1 of this Article, the financial institution must communicate to the relevant supervisory body the identification of the expert accountant or the auditing company proposed or selected, under the terms of nº 1 of this Article.
- 4- Without prejudice to the following point, the external audit company hired by the financial institution may not exercise these functions for a period of over four (4) years, after which period it may again be selected by the financial institution after the passage of another four years.
- 5- The competent supervisory body may, exceptionally and in an established way, establish shorter periods than those stated above.

Article 98°
(Non-authorised entities)

- 1- When there is suspicion that a non-authorised entity is or has been conducting activities reserved for financial institutions, the respective supervisory body may demand it present the document necessary to clarify this information, and also conduct inspections in the place of business of said entity, or where it suspects that relevant elements for knowledge about such activities may be placed.
- 2- Without prejudice to the legitimacy granted by law to other persons, the respective supervisory body may require the dissolution or liquidation of the company or the

collective which, without authorisation, practices activities reserved for financial institutions.

Article 99°
(Seizure of documents and valuables)

- 1- In the course of the inspections mentioned in nº 1 of the prior Article, the competent supervisory body may seize any documents or valuables which are the object, instrument or product of an infringement or which are necessary for instruction on this process.
- 2- To the valuables apprehended the provisions of nº 1 of Article 161º of this Law are applicable.

Article 100°
(Collaboration with other authorities)

Police authorities will provide to the competent supervisory body the collaboration requested in the sphere of its attributes.

Article 101°
(Prerogatives of supervisory body workers)

- 1- For the efficient execution of their functions, the workers who exercise supervisory functions, with due identification, have administrative guarantees, and may not be legally sued for legitimate acts relative to the legal and regular exercise of their functions.
- 2- For the effects of the above point, the competent supervisory body should undertake all necessary steps to defend these supervisory workers, including responsibility for lawyer charges and costs.

CHAPTER VII
NON-BANKING FINANCIAL INSTITUTIONS

SECTION I
AUTHORISATION OF NON-BANKING FINANCIAL INSTITUTIONS BASED IN ANGOLA

SUBSECTION I
GENERAL PRINCIPLES

Article 102°
(Sphere of application)

The provisions of this section apply to the authorisation of non-banking financial institutions identified in n.º 1 and 3 of Article 7º of this Law.

Article 103°
(Supervisory bodies)

Supervisory bodies may sign contracts between themselves for the following aims:

- a) Prior consultations for the improvement of consultations, supervision, normalisation and oversight of financial institutions;
- b) Information exchange on financial institutions, their partners, managers, directors and members of supervisory boards, advisory and related;
- c) Other issues of common interest.

Article 104°
(General requirements)

Non-banking financial institutions based in Angola should meet the following requirements:

- a) Correspond to one of the types mentioned in Article 7º of this Law;
- b) Have an objective their activities mentioned in their respective regulatory documents;
- c) Have an equity not less than the required minimum;
- d) Present solid regulations in terms of corporate governance, including a clear organisational structure, with well-defined, transparent and coherent lines of authority;
- e) Organise efficient processes of identification, management, control and communication of risks to which they are or may be exposed;
- f) Having adequate internal control mechanisms, including solid administrative and accounting procedures;
- g) Having remuneration practices and policies which promote and are coherent with healthy and prudent risk management.

Article 105°
(Equity)

- 1- It is the competence of supervisory bodies, as per the classification of institutions in nº 1 and 3 of Article 7º of this Law, to establish the minimum equity of non-banking financial institutions and the nature of assets with which this capital may be raised.

- 2- Except for the provisions of special laws, the provisions of nº 2 to 9 of Article 16º of this Law is applicable to the non-banking financial institutions, with necessary adjustments.

SUBSECTION II AUTHORISATION PROCESS

Article 106º (Authorisation)

- 1- The establishment of non-banking financial entities mentioned in Article 7º based in Angola requires authorisation to be granted on a case-by-case basis by the competent supervisory body.
- 2- The authorisation for establishment and the corresponding application shall be made pursuant to the provisions laid down in Articles 18º and 21º of this Law, with the required adjustments, particularly in relation to the competence of the supervisory body.

Article 107º (Refusal of authorisation)

- 1- The authorisation shall be refused whenever:
 - a) The authorisation application has not been completed with all the necessary information and documents;
 - b) The completed application contains inaccuracies and falsehoods;
 - c) The institution to be established does not meet the provisions of Article 104º of this Law;
 - d) The competent supervisory body considers that, in relation to one of the persons with major holdings, evidence has not been provided for one of the circumstances contained in nº 2 of Article 25º of this Law ;
 - e) The company does not have the technical means and financial resources necessary for the type and volume of operations it intends to perform;
 - f) The members of the management and supervisory bodies do not meet the requirements set forth in nº 1 of Articles 31º and 32º of this Law;
 - g) The existence of problems in the supervision of the institution to be authorised are possible, specifically resulting from the fact that the proposed shareholders directly or indirectly, or entities related to these, also have holdings in financial institutions authorised abroad;

- h) The legal, management, operational and ownership structures of the financial banking institution to be established prevent individual or consolidated supervision, and the application of corrective measures.
- 2- If the application is improperly completed, the supervisory body, before refusing authorisation, shall notify the applicants so that, within the established deadline, they may remedy the shortcomings detected.

Article 108^o
(Expiry of authorisation)

- 1- Authorisation of a non-banking financial institution shall expire if the applicants expressly renounce it, if the institution is not established within 3 (three) months of the date of said authorisation, or if the activity does not begin within 12 (twelve) months of this date.
- 2- Under exceptional circumstances, at the request of the institution and duly substantiated, the competent supervisory body may extend, for a single term, the activity commencement deadline by up to 6 (six) months.
- 3- The authorisation shall expire even if the institution is dissolved, without prejudice to the execution of the actions necessary for the respective liquidation

Article 109^o
(Revocation of authorisation)

- 1- The non-banking financial institution's authorisation may be revoked based on the following grounds, as well as other legally established reasons, when:
 - a) It was obtained using false declarations or other unlawful measures, irrespective of the applicable criminal penalties;
 - b) Any of the legal requirements are no longer met;
 - c) Activities are ceased for a period in excess of 6 (six) months or definitively;
 - d) The institution can no longer honour its commitments, namely concerning the security of the funds entrusted to it;
 - e) If the institution contravenes the laws and regulations governing its activity or fails to comply with the determinations of the competent supervisory authority, placing at risk the interests of investors and other creditors, or the normal operating conditions of the money, financial or currency markets.
- 2- The revocation of authorisation shall entail the dissolution and liquidation of the company.

Article 110º
(Competence of form of revocation)

The competence and form of revocation are governed by this Law and other applicable legislation.

Article 111º
(Management and supervision)

Unless provisions set forth in special Law state otherwise, Articles 31º to 34º, and 38º of this Law, with the necessary adaptations, shall apply to non-banking institutions.

Article 112º
(Statutory amendments)

Amendments to the by-laws, and the merger, spin-off and dissolution of the non-banking financial institutions are subject to the prior approval of the competent supervisory body.

SECTION II
FOREIGN ACTIVITY OF NON-BANKING FINANCIAL INSTITUTIONS BASED IN ANGOLA

Article 113º
(Branches)

Unless provisions set forth in special Law state otherwise, non-banking financial institutions based in Angola that intend to establish foreign branches must comply with the provisions (duly adjusted) of Articles 39º to 53º of this Law.

Article 114º
(Intervention of the Supervisory Body in the Securities Market)

Where the purpose of the non-banking financial institution referred in nº 1 of Article 7º of this Law, which intends to establish a branch abroad, includes intermediary activities in the securities and derivatives market, the National Bank of Angola (Banco Nacional de Angola) must request an opinion from the supervisory body of said market.

SECTION III
ACTIVITY IN ANGOLA OF NON-BANKING FINANCIAL INSTITUTIONS BASED ABROAD

Article 115º
(Branches)

Unless provisions set forth in special Law state otherwise, and with the due adjustments concerning the supervisory body, Articles 43º to 53º of this Law apply to the establishment, in Angola, of branches of non-banking financial institutions based abroad.

Article 116º
(Representative offices)

The installation and operation, in Angola, of representative offices for non-banking financial institutions based abroad shall be governed, with the due adjustments, by the provisions of Articles 54º to 56º of this Law, unless provisions laid down in special Law state otherwise.

SECTION IV
OTHER PROVISIONS

Article 117º
(Registration)

- 1- Non-banking financial institutions cannot commence activities until registered in the special register of the respective supervisory bodies, with the provisions of Articles 57º to 63º, duly adjusted, of this Law being applicable.
- 2- In addition to the obligation laid down in the previous paragraph, companies operating clearing houses or systems for securities, before commencing activities, must also meet the provisions set forth in the Angolan Payment Systems Law.

Article 118º
(Rules of Conduct)

Unless provisions set forth in special Law state otherwise, the non-banking financial institutions are subject, with the due adjustments, to the rules contained in Chapter VII, Articles 70º to 77º, of this Law.

Article 119º
(Prudential standards)

Unless provisions set forth in special Law state otherwise, the provisions laid down in Articles 24º to 28º, and those set forth in Articles 87º to 93º of this Law, with the due adjustments concerning the supervisory body, apply to the non-banking financial institutions.

Article 120
(Supervision)

- 1- Unless provisions set forth in special Law state otherwise, the non-banking financial institutions are subject to, with the due adjustments, the provisions of Articles 65º and 94º to 97º of this Law.
- 2- Each supervisory body shall regulate the provision of services inherent to the non-banking financial institution's activity, at premises not belonging to said institution, undertaken through legal persons not in a relationship of control or a group relationship with the financial institution or natural persons who are not part of the organisational structure of the financial institution, specifically in relation to the agent's duties and those of the institutions, and those responsible for the actions of the representatives.

CHAPTER VIII
INTERVENTION PROCEDURES IN FINANCIAL INSTITUTIONS

Article 121º
(General principles)

- 1- The supervisory body may take the measures set forth in this Chapter in relation to financial institutions, with the following objectives:
 - a) Ensuring continuity of the provision of essential financial services;
 - b) Safeguarding against systemic risk;
 - c) Protecting the interests of taxpayers and the State;
 - d) Safeguarding depositors' trust.
- 2- The application of the measures set forth in this Chapter is subject to the principles of suitability and proportionality, considering the risk or degree of non-compliance on behalf of the financial institution, of the legal and regulatory rules governing its activity, and the seriousness of the respective consequences on the financial soundness of the institution in question, on the depositors' interests, or on the stability of the financial system.
- 3- When implementing the measures established in this Chapter, the Supervisory Body seeks to ensure that the shareholders and debtors of the institution first and foremost assume the losses of the institution in question, in accordance with the respective hierarchy and under equal conditions in each debtor class.

Article 122º
(Duty to report)

- 1- When a financial institution is unable to meet its obligations, or at risk of reaching said situation, the management or supervisory body must immediately report this fact to the supervisory body.
- 2- The members of the management and supervisory body are also required to report, as described in the previous paragraph; doing so individually if the body they belong to omits or delays said action.
- 3- The communication must have attached, or be followed up with, as soon as possible, the key reasons why this situation has arisen, and a list of the main creditors, stating their respective domiciles.

Article 123º
(Measures for corrective intervention)

- 1- The supervisory body may request that financial institutions quickly take the measures described in this Article, whenever deemed necessary, pursuant to Article 9º of this Law.
- 2- For this purpose, the supervisory body may determine, among other things, the following measures:
 - a) Imposition of additional corrective measures, including the requirement that the institution in question holds own funds above the established minimum level;
 - b) Requirement to strengthen the provisions, processes, mechanisms and strategies created for the purpose of governing the company, internal control and risk self-assessment;
 - c) Requirement that the institution apply a specific policy for establishing provisions or handling assets in terms of own funds requirements;
 - d) Imposition of the reduction of risk inherent to the activities, products and systems of the institution in question;
 - e) Limitation of variable remuneration in terms of percentage of net profits, when said remuneration is not consistent with maintaining a solid base of own funds;
 - f) Use, by the institution in question, of net profits to consolidate the own funds base;
 - g) Restrict or suspend certain persons from holding administrative or managerial positions within the financial system;

- h) Determine the suspension or replacement of managers or directors;
 - i) Restrict or suspend any payment to shareholders or the sale of any shares in the institution;
 - j) The subjecting of some of the institution's operational activities to prior approval by the supervisory body;
 - k) Imposition of additional duties to report information;
 - l) Undertaking of a full or partial audit of the institution's activities by an independent entity appointed by the supervisory body;
 - m) Restrictions on the granting of credit and the allocation of funds to certain types of assets, particularly concerning operations executed with related parties, and with entities based in foreign jurisdictions;
 - n) Restrictions on accepting deposits, based on the respective means and remuneration.
- 3- Where applicable, the measures for corrective intervention set forth in the previous paragraph must be coordinated with, and/or reported to, the supervisors involved in supervision of the financial group.
- 4- In addition to the measures set forth in Paragraph 2 of this Article, the supervisory body may also impose the fines described in Articles 151º and 152º, pursuant to the rules established therein.

Article 124º (Recovery plan)

- 1- If situations liable to place the financial stability or solvency of the institution at serious risk, or which constitute a threat to the stability of the financial system, are identified, the supervisory body may request that the financial institution submit a recovery plan within the period established by the former.
- 2- The supervisory body may establish conditions for acceptance of the recovery plan, namely capital increase, disposal of shares and other assets, or others considered desirable.
- 3- If the conditions established by the supervisory body, pursuant to the terms laid down in the previous paragraph, are not accepted by the institution, or if the recovery plan approved by the supervisory body is not complied with, the supervisory body may determine the alteration, suspension or replacement, in part or in full, of the functions of one or more members of the management, administration or supervisory bodies of the institution or shareholder, with these parties being required to provide all the

information and collaborate as requested by the supervisory body or supervisory committee mentioned in Article 128^o of this Law, and appoint an interim administration, without prejudice to the possibility of implementing any of the other measures set forth in this Chapter.

- 4- The supervisory body may invite other financial institutions based in the Country to cooperate in the restructuring, specifically in order to make feasible suitable monetary or fiscal support, with the supervisory body responsible for guiding this cooperation.
- 5- If the conditions established by the supervisory body, or the proposals it submits, are not accepted, the authorisation to exercise activity may be revoked.
- 6- The supervisory body may request of the financial institution, with the frequency considered desirable, the recovery plan referred to in this Article.

Article 125^o
(Appointment of the interim administrators)

- 1- The supervisory body may appoint one or more interim administrators for the institution when:
 - a) The institution is at risk of ceasing payments;
 - b) The institution is in a situation of financial instability which, due to its size or duration, constitutes a serious threat to solvency;
 - c) For any reason, the administration does not offer guarantees of prudent activity, placing creditors' interests at serious risk;
 - d) The accounting organisation or internal control procedures have serious shortcomings that do not permit due assessment of the institution's financial situation;
 - e) A serious or repeated violation of the legal or regulatory rules governing the institution's activity is detected;
 - f) Sufficient grounds to suspect the existence of serious irregularities in the institution's management are identified;
 - g) Sufficient grounds to suspect the inability of the shareholders, or members of the institution's management body, to ensure sound and prudent management or to recover the institution financially, are identified;
 - h) Sufficient grounds to suspect the existence of other irregularities placing the interests of depositors and creditors at serious risk are identified.

- 2- The administrators appointed by the supervisory body shall have the powers and duties conferred by Law and these by-laws to the members of the management body, as well as the following:
 - a) Right to veto the decisions of the general meeting and other institutional management bodies;
 - b) Revoke decisions previously adopted by the institution's management body;
 - c) Call the institution's general meeting and set the agenda;
 - d) Initiate an in-depth assessment of the institution's financial situation, pursuant to the assumptions defined by the supervisory body;
 - e) Submit, to the supervisory body, proposals for the financial recovery of the institution;
 - f) Endeavour to immediately correct any irregularities previously committed by the managing bodies of the institution, or by any of the members of these;
 - g) Take the measures considered desirable in the interests of depositors and of the institution;
 - h) Seek agreement between the shareholders and institution creditors concerning the measures enabling the financial recovery of the institution, including the renegotiation of debt conditions, the conversion of debt into share capital, the share capital reduction to absorb losses, the share capital increase or disposal of part of activity to another institution authorised for the exercise of this;
 - i) Keep the supervisory body up-to-date concerning their activity and management of the institution, specifically through the preparation of reports with the frequency defined by the supervisory body;
 - j) Comply with the general guidelines and strategic goals defined by the supervisory body, in line with the performance of their functions;
 - k) Provide all information and collaboration required by the supervisory body concerning any of the matters related to their activity and with the institution.
- 3- With the appointment of the interim administrators, the respective supervisory body must suspend members of the management body and those of any other bodies with similar functions.
- 4- The interim administrators shall exercise their functions for the period determined by the supervisory body, for a maximum of one (1) year, which may be extended once for the same period.

- 5- The remuneration of the interim administrators shall be set by the supervisory body and shall be paid by the institution in question.
- 6- The appointment of the interim administrators shall not prevent the supervisory body from applying any of the other measures set forth in this Chapter.

Article 126º
(Responsibility of the suspended administrators)

- 1- For the purposes of the provisions of nº 3 of Article 135 of this Law, along with the suspension of members of the management body or any other similar functions, the supervisory body must judicially request the unavailability for disposal, under any title, of the personal property of said members.
- 2- The unavailability mentioned in the previous paragraph shall continue while the extraordinary measures set forth in this Chapter persist.

Article 127º
(Other provisions concerning the interim administrators)

- 1- In the appointment of members of the interim administration, the supervisory body shall consider certain suitability and experience criteria in the exercise of financial sector functions.
- 2- The supervisory body may subject, for approval, certain actions to be practised by members of the interim administration.
- 3- The supervisory body may, at any time, replace members of the interim administration, or stop their functions, if justified grounds exist.
- 4- The interim administration members are liable for the losses arising from unlawful actions or omissions committed negligently or with a level of diligence or care vastly below that required in their positions.
- 5- In the sphere of cautionary measures aiming to suspend the decisions taken by members of the interim administration, it is assumed, for all legal purposes, that losses arising from the suspension are superior to those that may arise from the execution of the decision.

Article 128º
(Appointment of the Supervisory Committee)

- 1- When any of the situations described in Article 122º or in nº 3 of Article 124º of this Law are identified, the supervisory body may, in addition to appointing interim administrators or not, appoint a supervisory committee.
- 2- The supervisory committee shall consist of:

- a) A member appointed by the supervisory body to chair the committee;
 - b) A member appointed by the general meeting;
 - c) An accounting expert appointed by the entity representing certified public accountants, subject to approval from the supervisory body.
- 3- The absence of appointing the member referred to in Part b) of the previous point shall not prevent the supervisory committee from exercising its duties.
 - 4- The supervisory committee shall exercise its functions for the period determined by the supervisory body, for a maximum of one (1) year, which may be extended once for the same period.
 - 5- The supervisory committee shall have the powers and duties granted by Law and the by-laws to the audit committee or statutory auditor, pursuant to the company structure, and the supervisory body must suspend the audit committee members and any other persons with similar functions for the same period.
 - 6- The remuneration of the members of the supervisory committee is set by the supervisory body and shall be paid by the institution in question.

Article 129^o
(Other measures)

- 1- Along with the application of any other measures set forth in this Chapter, the supervisory board may determine the following measures:
 - a) Temporary waiver of compliance with rules on prudential supervision or monetary policy;
 - b) Temporary waiver of timely compliance of previously contracted obligations;
 - c) Temporary closure of branches or other installations where they undertake transactions with the public;
- 2- The provision set forth in Part b) of the previous point does not prevent the preservation of all the rights of creditors against co-debtors or guarantors.
- 3- The measures referred to in this Article have a maximum duration of 1 (one) year, which may be extended once for the same period.
- 4 – When applicable, the extraordinary measures referred to in No. 1 must be arranged and/or subsequently communicated to the supervisors involved in supervising the financial group.

Article 130º
(Duration of the extraordinary measures)

The extraordinary measures provided for in this Chapter shall remain as long as the situation calls for such measures.

Article 131º
(Suspension of operations and deadlines)

When any of the measures provided for in this Chapter are adopted, and for as long as they shall last, all operations are suspended, including fiscal proceedings, proceedings against the institution, or those that affect its assets, not excluding those aimed at recovering debts, with preference or privilege, and whose limitation periods opposed by the institution are interrupted.

Article 132º
(Appeals)

For appeals brought against decisions made by the supervisory body, within the context of the measures governed by this Chapter,

it is presumed, until proven otherwise, that suspension of the effects of the decision will involve serious harm to public interest.

Article 133º
(Application of penalties)

The adoption of extraordinary reorganization measures does not preclude the application of penalties provided for by this Law and other legislation applicable to any offenses committed.

Article 134º
(Corrective measures)

1 – When a financial institution does not comply with, or is at serious risk of not complying with the requirement to maintain authorization to engage in its professional activities, the supervisory body may impose the following corrective measures, if deemed necessary for the achievement of any objectives set forth in Article 123º of this Law:

- a) Partial or total transfer of the activity to another institution authorized to perform the activity in question;

- b) Partial or total transfer of the activity to one or more financial institutions.
- 2 – The corrective measures are imposed if the supervisory body deems it unlikely that the financial institution will be able to, in an appropriate amount of time, perform the actions necessary to return to the appropriate conditions of solidity and compliance with prudential ratios.
- 3 – For the purposes of the provisions in nº. 1, an institution is considered at serious risk of not complying with the requirement to maintain authorization to engage in its professional activities, in addition to other situations assessed according to the objectives referred to in Article 123º of this Law, in the event of the following:
 - a) The institution has recognized losses or if there are well-founded reasons to believe that, in the short term, it might have losses likely to use their capital;
 - b) The institution is insolvent or there are reasons to believe that, in the short term, it might be;
 - c) The institution is unable to comply with its obligations, or there are well-founded reasons to believe that, in the short term, it might be.
- 4 – The imposition of corrective measures is not dependent on prior application of corrective intervention measures and does not preclude the possibility of future application.
- 5 – The general policies related to the preventative measures for filing bankruptcy, provided for in the Commercial Code, do not apply to financial institutions.
- 6 – It is incumbent upon the Executive Power to define the terms and conditions for implementing the preventative corrective measures herein.

Article 135º
(Settlement system)

- 1 – Once verified that, with the extraordinary measures adopted, it was not possible to recover the institution, and pending approval of a Law that provides for the intervention and extrajudicial liquidation of financial institutions, the supervisory body shall revoke authorization for the performance of their professional activities and request that the Attorney General require filing for bankruptcy.
- 2 – The bankruptcy trustee is appointed by the judge of the provincial district in which the financial institution is headquartered, at the proposal of the supervisory body.

- 3 – Trustees deemed guilty or intentionally responsible for the bankruptcy, will use their personal assets for full payment of the institution's debt.

Article 136º
(Branches)

The provisions of this Chapter shall apply, with the necessary adaptations, to the branches of financial institutions headquartered abroad.

CHAPTER IX
OFFENSES AND PENALTIES

SECTION I
GENERAL PROVISIONS

Article 137º
(Physical scope of application)

- 1 – The provisions of this Chapter shall apply to agents, regardless of their nationality.
- 2 – Events in violation of the precepts of existing Law are considered offenses, namely:
- a) Those practiced in Angola;
 - b) Those practiced abroad, for which banking financial institutions and nonbanking financial institutions based in Angola and operating through branches are responsible, as well as individuals who, in regard to such entities, find themselves in any of the situations provided for in nº 1 of Article 139º of this Law;
 - c) Those practiced on board Angolan ships or aircrafts, except in the case of treaties or agreements.

Article 138º
(Responsible parties)

Legal persons and entities, even when improperly incorporated into companies and associations without legal personality, may be held jointly or individually liable for committing the offenses referred to in this Chapter.

Article 139º
(Entities' responsibilities)

- 1 – Entities, although improperly incorporated, and entities mentioned in the previous article are responsible for the offenses committed by the members of their corporate bodies, those in management and leadership roles, agents, representatives or employees performing their duties, on their behalf or in their interest.
- 2 – The legal invalidity or ineffectiveness of the acts on which the relationship between the individual agent and the legal entity is based, shall not prevent the provisions of the previous item from being applied.

Article 140º
(Individual agents' responsibility)

- 1 – The responsibility of the legal entity and equivalent entities does not exempt members of the respective bodies who perform management roles or those who represent the company, legally or voluntarily, from individual responsibility.
- 2 – The fact that the legal type of crime requires certain personal details and these are only verified in person or that it requires that the agent engages in the activity in their interest, where the representative acts within the interest of the represented party, does not preclude the individual agents representing another party of their responsibility.

Article 141º
(Attempt and negligence)

- 1 – Attempt and negligence are always punished.
- 2 – The penalty for an attempted offense is that of a committed offense, reduced by one third of the maximum and minimum limits.
- 3 – In the case of negligence, the maximum and minimum limits of the fine are reduced by half.
- 4 – When the individual agent's responsibility is attenuated pursuant to the aforementioned terms, the penalty applicable to legal entities shall be applied.

Article 142º
(Penalty scale)

- 1 – Determination of the extent of the fine and additional penalties is based on the objective and subjective severity of the offense, taking into account whether the agent is an individual or a legal entity.
- 2 – The severity of the offense committed by legal entities or equivalent entities is evaluated, in particular, according to the following circumstances:
 - a) Proven risk or damage caused to the financial system or to the national economy;
 - b) Occasional or repeated nature of the offense;
 - c) Concealment activities that hinder the discovery of the offense or the effectiveness of the applicable penalty;
 - d) Defendants acting on their own initiative to repair the damages or prevent the risks caused by the offense.
- 3 – In addition to the circumstances listed above, the following, in particular, relate to individual agents:
 - a) Level of responsibility, scope of duties and field of activity of the related legal entity;
 - b) Benefit or intention to obtain, for themselves or others, an unlawful benefit, or the intention to cause damages;
 - c) Special obligation not to commit the offense.
- 4 – When determining the applicable penalty, in addition to the severity of the offense, the following is considered:
 - a) The economic status of the accused;
 - b) Previous conduct of the accused.
- 5 – Mitigation of damage repair or risk reduction, when performed by the legal entity, transmits to all individual agents, even when they have not personally contributed.
- 6 – The fine shall, whenever possible, exceed the economic benefit that the accused or the person whose intention it was to benefit would gain from practicing the offense.
- 7 – For the purposes of the provisions of this article, if twice the economic benefit resulting from the misdemeanor exceeds the maximum limit of the applicable fine, it is raised to such value.

Article 143º
(Recurrence)

- 1 – When an agent accused of any misdemeanor provided for herein commits another misdemeanor, within 5 (five) years from the date of imposition of the penalty, the minimum and maximum limits of the applicable fine are doubled.
- 2 – The limitation period for the penalty shall not preclude verification of recurrence.

Article 144º
(Compliance with omitted obligations)

When an offense is the result of omitting an obligation, imposition of the penalty and payment of the fine, or fulfillment of the additional penalty, shall not exempt the offender from complying with the obligation, if still possible.

Article 145º
(Concurrent offenses)

If, in the same act, a person is simultaneously liable for a felony and a misdemeanor, different proceedings shall be established before the criminal court and the supervisory body, respectively, and the latter may, if applicable, impose additional penalties provided for in existing Law.

Article 146º
(Competent authorities in criminal proceedings)

- 1 – When concurrent felonies and offenses have occurred, or when, in the same act, a person must be held liable for a felony and another misdemeanor, the misdemeanor proceedings shall be handled by the competent authorities for the criminal proceedings.
- 2 – If there is a proceeding pending with the supervisory body, the case must be referred to the competent authorities, pursuant to the preceding paragraph.
- 3 – When, in the case provided for in the preceding paragraphs, the Public Prosecutor closes the criminal proceedings, but clarifies that there is still the issue of liability for the misdemeanor, the case is referred to the supervisory body.
- 4 – The Public Prosecutor's decision regarding whether or not the event should be processed as a felony binds the supervisory body.

- 5 – If the competent authorities are responsible for the criminal proceedings, according to the previous paragraph, the supervisory body:
- a) Must collaborate fully;
 - b) May consult the records, as well as examine the items seized, which will be sent in for evaluation, at their request.
- 6 – For the purposes of the provisions of nº. 5, the competent authorities responsible for the criminal proceedings must notify the supervisory body of the content of the charge related to the misdemeanor.
- 7 – If the Public Prosecutor decides to close the case, the supervisory body must be heard.

Article 147º
(Proceedings for offenses and criminal cases)

- 1 – The court is not bound to the assessment of the event as a misdemeanor, and may, on its own initiative or at the request of the Public Prosecutor, convert to case into criminal proceedings.
- 2 – Conversion of the case shall imply interruption of the proceedings and initiation of investigations, taking advantage of, if possible, already produced evidence.
- 3 – The court may assess an offense that was charged as a felony, and deem it a misdemeanor.
- 4 – If the court accepts the charge of misdemeanor, the proceedings shall obey the precepts of existing Law.

Article 148º
(Concurrent misdemeanors)

- 1 – Agents that have practiced several misdemeanors are punished with a fine whose maximum limit is the sum of the fines actually applied for concurrent offenses.
- 2 – The applicable fine may not exceed twice the highest maximum limit of the concurrent misdemeanors.
- 3 – The applicable fine may not be less than the highest fine actually applied for several misdemeanors.

Article 149º
(Limitation)

- 1 – The proceedings for misdemeanors provided for in existing Law, shall last 5 (five) years from the date on which the misdemeanor became known.
- 2 – The limitation period for penalties is 5 (five) years, from the termination date of the judicial review period for the decision to impose the penalty or on the date that this decision is handed down.
- 3 – Additional penalties have the same limitation period, from the date of the final sentence.

SECTION II
OFFENSES IN PARTICULAR

SUBSECTION I
CRIMINAL PROVISION

Article 150º
(Unlawful activity of receiving deposits and other repayable funds)

- 1 – Anyone that carries out activities in order to receive from the public, on their own account or on another's account, deposits or other repayable funds, without the required authorization, is punished with imprisonment for up to 5 (five) years.
- 2 – The system established in the Criminal Code and complementary legislation is applicable to the crime provided for in this article's preceding paragraph.

Article 151º
(Misdemeanors)

Given the provisions in nº 6 of Article 142 of this Law, the offenses listed below are punishable with a fine of AKZ 50,000.00 (Fifty thousand kwanzas) to AKZ 50,000,000.00 (Fifty million kwanzas) and AKZ 150,000.00 (One hundred and fifty thousand kwanzas) to AKZ 150,000,000.00 (One hundred and fifty million kwanzas), depending on whether it is imposed on an individual or legal entity:

- a) Exercising an activity in violation of the rules for registering with the supervisory body;

- b) Violation of the standards related to subscribed or paid-up share capital, with regards to deadlines, amount and form of representation;
- c) Violation of the rules regarding the use of denominations in Articles 12º and 45º of this Law;
- d) Failure to make mandatory publications within the legal deadlines;
- e) Omission of information or communications to be provided to the supervisory body within the established deadline and the provision of incomplete information;
- f) Failure to comply with prudential ratios and limits determined by law or by the competent supervisory bodies, while exercising their duties;
- g) Violation of the rules and obligations provided for in this Law or supplementary legislation that refer to the penalty system, as well as failure to comply with specific rules issued by the supervisory body for ensuring compliance;
- h) Violation of publicity standards and violation of the specific rules issued by the supervisory body, pursuant to this Law;
- i) Failure to comply with accounting rules and procedures prescribed by law or by the supervisory body, when such behavior does not result in serious damage to the knowledge of the assets and financial situation of the entity in question;
- j) Violation of the disclosure and assistance requirements provided for in Article 73º of this Law.

Article 152º
(Particularly serious misdemeanors)

Given the provisions in nº of Article 142 of this Law, the offenses listed below are punishable with a fine of AKZ 300,000.00 (Three hundred thousand kwanzas) to AKZ 150,000,000.00 (One hundred and fifty million kwanzas) and AKZ 500,000.00 (Five hundred thousand kwanzas) to AKZ 500,000,000.00 (Five hundred million kwanzas), depending on whether it is imposed on an individual or legal entity:

- a) Practicing unauthorized transactions reserved for financial institutions;

- b) Engaging in activities not included in their legal purpose, as well as performing unauthorized transactions or those that are specifically prohibited;
- c) The fraudulent subscription of capital;
- d) Implementing the statutory amendments provided for in Articles 35º and 37º of this Law, with no prior authorization from the supervisory body;
- e) Exercising any duties or functions within financial institutions in violation of legal prohibitions or directly opposing the supervisory body;
- f) False accounting and the lack of proper accounting, as well as the violation of other applicable accounting rules prescribed by law or by the supervisory body, when such violation compromises knowledge of the asset and financial situation of the entity in question;
- g) Violation of nº 2 of Article 88º, notwithstanding the provisions in nº 3 of the same article, as well as the provisions of Article 89º and other prudential rules determined by the supervisory body, pursuant to Article 90º of this Law, when it results or may result in serious harm to the financial balance of the entity in question;
- h) Violation of the rules regarding conflicts of interest, referenced in Articles 83º and 84º of this Law;
- i) Intentional acts of ruinous management, to the detriment of depositors, investors and other creditors, practiced by members of corporate bodies;
- j) Qualified shareholders engaging in acts that seriously prevent or hinder sound and prudent management of the entity in question;
- k) Failure to immediately inform the supervisory body of the inability or possible inability to comply with the obligations of a financial institution, as well as communicating this inability, but omitting information required by law;
- l) The unlawful disobedience of the supervisory body's specifically stated rules, pursuant to the law, for the individual case under consideration, as well as engaging in activities subject by law to prior approval by the supervisory body, when such party has voiced their opposition;
- m) Refusing or hindering inspection activities by the supervisory body;

- n) Failure to inform the supervisory body of the facts provided for in nº 3 of Article 32º, subsequent to registration of the appointment of members of the management or supervisory agencies for financial institutions, as well as failure to comply with the cessation measures referred to in nº 4 of Article 61º, nº 4 of Article 62º and Article 118º of this Law;
- o) Providing the supervisory body with false or incomplete information likely to lead to erroneous conclusions of an identical or similar effect to those that would lead to false information about the same object;
- p) Restriction of voting rights;
- q) Purchasing or increasing shares provided for in Articles 24º and 25º of this Law, with no prior authorization from the supervisory body or when the decision was based on false information;
- r) Failure to comply with the corrective intervention measures set out under paragraph nº 2 of Article 123º of the present law;
- s) The commission or omission of acts that may obstruct or hinder the application of corrective intervention, or resolution measures;
- t) The commission or omission of an act that may obstruct or hinder the exercise of powers and duties incumbent upon the supervisory body and the auditor, or upon the members of the interim administration, under the terms set out, respectively, under Articles 125º and 128º of this Law;
- u) Failure to comply with the disclosure and cooperation requirements that bind members of suspended administrative and supervisory bodies;
- v) the failure to communicate to the supervisory body the identity of the chartered account or auditing company, under the terms of paragraph nº 3 of Article 97º of this Law.

Article 153º

(Changes to the value of fines)

The Holder of Executive Power may, if proposed by the National Bank of Angola, change the minimum and maximum fines provided for under this act.

Article 154

(Additional Sanctions)

1 - Together the fines, under the terms set out in the previous articles, the following additional sanctions may be applied to offenders:

- a) The seizure and confiscation of the object of the offence, including its economic product;
- b) Prevention of the exercise of directorship and management functions in financial organizations, for a period of 6 (six) months to 3 (three) years, in cases provided for under Article 152º, or of 3 (three) months to 1 (one) year, in cases provided for under Article 151º, of this law;
- c) Publication of the final sanction by the supervisory body;
- d) Modification or reversal of the transfer, or increase in ownership in the case of section q) of Article 152º of this law.

2 - The publication referred to in the proceeding paragraph shall be made in one of the most widely read newspapers in the region of the defendant's headquarters or permanent establishment, or in the case of an individual, of his residence.

3 - The application of the sanctions provided for in the Law shall not prejudice criminal or civil responsibility under other laws or regulatory requirements.

Article 155º

(Right to a hearing and defence)

The imposition of a fine or additional sanction is forbidden without the defendant having the possibility, within a period not less than 8 (eight) days, to be defined by the supervisory body, to respond to the charges against him and the sanction or sanctions incurred.

Article 156º

(Voluntary payment)

1 - It is permissible, at any stage of the case, but always before the judgment, for the fine to be paid voluntarily, the same being paid at the minimum amount.

2 - The voluntary payment of the fine shall not exclude the possibility of additional sanctions being applied.

SECTION III

PROCESS

Article 157º
(Subsidiary legislation)

1 - The following provisions are also applicable, *mutatis mutandis*, to the requirements of this Section:

- a) The Challenges to Administrative Acts Law;
- b) The legal rules for administrative activities and procedures.

Article 158º
(Powers)

- 1 - The powers for cases arising from the offences contained under this Law and the application of the corresponding sanctions belong to the supervisory body.
- 2 - The supervisory body's management board shall decide upon the case.
- 3 - During the course of investigations or preparations, the supervisory body may request from the police or any other public services or authorities any cooperation or assistance that it judges necessary for the purposes of the case.
- 4 - The supervisory body may order the delivery of, or seize, freeze, or inspect any documents, assets, or items related to the commission of offences, whatever their nature, and seal unseized items in the facilities of individuals or companies subject to its supervision, as well as request all necessary clarifications and information from any person or company, to the extent that these are found to be necessary for investigating or preparing cases entrusted to it.

Article 159º
(Stay of proceedings)

- 1 - When the offence constitutes a rectifiable irregularity, which does not harm nor significantly endanger the rights of depositors, investors, shareholders or other stakeholders, and does not occasion serious damage to the financial system or the national economy, the supervisory body may suspend the proceedings, notifying the offender, for him to remedy the irregularity that occurred, within a period defined by it.
- 2 - The lack of a remedy within the prescribed period shall result in the continuation of the case.

3 - The irregularity thus remedied, the case is filed, and the warning becomes a final judgment, and the matter cannot return to being considered an offence.

Article 160º

(Transaction process)

1 - When the reduced seriousness of the offence and of the agent's guilt warrant, the supervisory body may, before formally accusing the defendant, issue him with a warning or fine whose actual value shall not exceed three times the minimum set limit for the offence.

2 - The defendant may also be obliged to adopt the legally required behaviour, within the time period determined by the supervisory body for such purposes.

3 - The judgment referred to in paragraph no. 1 shall be written and contain the identity of the defendant, a brief summary of the alleged facts, a description of the laws infringed upon, and conclude with details of the warning or fine imposed.

4 - The defendant shall be notified of the judgment, and informed that he has the right to contest it, within 5 (five) days, as well as of the consequences set out in the following paragraph.

5 - Within this period, the contestation or silence on the part of the defendant, the requirement of any additional due diligence, the failure to comply with the provision in paragraph 2, or the non-payment of a fine within 10 (ten) days of the notification referred to in 4. shall lead to the immediate continuation of the prosecution of the offence, making any judgment referred to in 1 to 3 above null and void.

6 - The defendant having complied with the provision set out in 2. and having paid any fine imposed on him, the judgment shall be made final, and the matter cannot return to being considered an offence.

7 - The judgments given in summary proceedings are final and unappealable.

Article 161º

(Seizure of documents and valuables)

1 - When it is necessary for the investigation or preparation of a case, the seizure of any documents, as well as the seizure and freezing of any assets is permitted, irrespective of the place or institution where they be found; the said assets are to be deposited with a financial institution to be nominated by the National Bank of Angola, under its orders, so as to ensure the payment of the fine and of any costs that come to be incurred.

2 - The searches and seizures from homes are subject to judicial warrants.

Article 162

(Preventative suspension)

If the defendant is one of those listed in paragraph nº 1 of Article 139º of this Law, the supervisory body may order the preventative suspension of their duties, where this is necessary for the effective investigation of the case, or to safeguard the financial system or the interests of depositors, investors and other creditors.

Article 163º

(Notifications)

1. Notifications shall be made by registered post, with acknowledgement of receipt or in person, if necessary, by the police.

2 - The notification of the defendant's plea in relation to the alleged offence, as well as the decision to impose upon him a fine, additional sanction, or any precautionary measure, shall be made under the terms of Article 162º, or when the defendant cannot be found or refuses to receive the notification, by public announcement in one of the newspapers in the region of the defendant's headquarters or his last known residence in the Country, or, in cases where there is no newspaper there, or the defendant does not have a headquarters nor a residence in the Country, in one of the daily newspapers with national circulation.

Article 164º

(Duty to attend)

1 - The witnesses and experts who do not appear on the day, at the designated time and place for a hearing, nor justify their absence within 5 (five) working days, shall receive a pecuniary sanction to be applied by the supervisory body, of between one third of and three times the national minimum salary in force at the time.

2 - The payment of such shall be effected within 10 (ten) working days from the issuance of the notice, with non-payment leading to compulsory collection proceedings.

Article 165º

(Prosecution and defence)

1 - Following the investigation, the case is filed, as long as there is no case of infringement or a

prosecution.

2 - Included in the prosecution are the defendant, the facts alleged against him and the respective circumstances of time and place, together with law that forbids and punishes said facts.

3 - The defendant or his legal counsel, where applicable, shall be notified of the prosecution, and given fifteen (15) working days to present a defence in writing, together with any evidence.

4 - The defendant may not call more than 3 (three) witnesses for each offence.

5 - The notification of the prosecution shall be made in accordance with Article 163º of this Law or, when the defendant cannot be found or refuses to receive it:

a) By public announcement in one of newspapers in the region of the defendant's last known headquarters or permanent establishment, or failing that, in one of the most widely read newspapers in that locality;

b) By public announcement in one of the most widely circulated daily newspapers in the country, in cases where the defendant does not have a residence, headquarters or permanent establishment in the country.

Article 166º

(Judgment)

1 - Upon completion of the fact-finding investigation and the necessary defence preparations, the case shall be presented to the supervisory body's management board for a judgment, accompanied by an opinion on the offences considered proven and the sanctions to be imposed in relation thereto.

2 - The supervisory body's board judgment shall be made known to the accused through a notification made in accordance with paragraph nº 5 of the previous article.

Article 167º

(Absentia)

The failure of the defendant to appear, at any stage of the proceedings, shall not obstruct its provisions being followed and a judgment being given.

Article 168º

(Requirements for judgments that impose sanctions)

1 - Judgments that impose sanctions or additional sanctions shall contain:

- a) Identification of the defendant and any accomplices;
- b) A description of the alleged facts and the evidence obtained, as well as the standards infringed and the punishments;
- c) The reasoning for the judgment;
- d) The sanction or sanctions applied, including the elements that contributed to their determination.

2 - The judgment shall also include the following information:

- a) The judgment becomes final and enforceable if it is not legally challenged under Article 173^o of this law;
- b) In the event of a legal challenge, the court may decide at a hearing or, if neither the defendant nor prosecutor object, by a simple order.

3 - The judgment shall also contain:

- a) The order for payment of the fine within a maximum period of 15 (fifteen) working days after the final and unappealable judgment, with non-payment leading to compulsory collection proceedings;
- b) An indication that, if timely payment is not possible, notice must be given in writing to the supervisory body.

Article 169^o

(Suspension of a sanction's enforcement)

1 - The supervisory body may suspend, wholly or in part, a sanction's enforcement.

2 - Such a suspension may be conditional upon the fulfilment of certain obligations, including those considered necessary for the resolution of illegal situations, compensation for damages, or the prevention of dangers.

3 - The suspension of enforcement shall be set at between two (2) and five (5) years, counted from the exhaustion of the judgment's legal challenge period.

4 - If the suspension passes without the defendant having committed any criminal or other offence set out under this Law, or having violated the obligations imposed on him, the judgment shall become null and void; otherwise, however, the judgment's sanction(s) shall be applied.

Article 170^o

(Payment of fines)

1 - The payment of fines must be made, at the order of the supervisory body, within 15 (fifteen) working days counted from date on which the judgment becomes final or *res judicata*, and cannot be increased beyond this.

2 - The fines revert to the State, through the Treasury's single account.

3 - Following the payment, the defendant shall submit the payment documents to the supervisory body, within 5 (five) working days, for them to be added to the case.

4 - The Ministry of Finance may set a uniform percent of the income referred to above to be assigned to the supervisory body.

Article 171^o

(Responsibility for payment)

1 - Corporate entities, even if improperly constituted, shall be held jointly liable for the payment of fines imposed upon their directors, employees or representatives for the commission of offences punishable under this Law.

2 - The members of corporate entities' management boards, even if improperly constituted, having had the opportunity to and not opposing the commission of the offence, shall be held jointly liable for the payment imposed upon them, even if on the judgment date such entities have been dissolved or gone bankrupt.

Article 172^o

(Implementation of the judgment)

1 - Notwithstanding the following article, the final judgment becomes enforceable if not legally challenged.

2 - Judgments that apply the sanctions set out in paragraphs d) and e) of Article 152º of this law shall become immediately enforceable, and their enforceability shall only cease with a final court judgment to revoke them.

3 - The previous paragraphs shall also apply to decisions taken under Articles 162º and 163º of this Law.

4 - If fines are not paid within the period referred to, a copy of the final judgment shall be remitted to Court of Tax Enforcement.

5 - The repeated failure to pay fines unappealable fines by financial institution will allow the supervisory body to begin appropriate measures for the suspension or even termination of the financial institution's registration.

SECTION IV

APPEAL

Article 173º

(Legal Challenge)

1 - The deadline for filing an appeal against the judgment that imposes a sanction is 15 (fifteen) working days from the defendant being notified of the same; the petition shall be presented to the relevant supervisory body.

2 - The appellant must, in the petition, explain the reasons and grounds for appeal and gather the documents or request other necessary items to prove his case.

3 - Upon receipt of the petition, the supervisory body shall refer the case to the competent court within 15 (fifteen) working days, and may use submit allegations, components, or information that it considers relevant to the outcome of the case, as well as offer evidence.

Article 174º

(Competent court)

The competent court for the appeal, review and implementation of the supervisory body's judgments related to offences instituted under this Law, or any other measures of the same body taken within the scope of the same case and legally challengeable, is Luanda Provincial Court's Civil and Administrative Section.

CHAPTER X

FINAL AND TRANSITIONAL PROVISIONS

Article 175º

(Filing duty)

1 - Excepting the settled payment instructions, whose filing term is regulated by the Angolan Payment System Law, financial institutions must keep on file, for a period of 10 (ten) years, the documents and information related to its active or passive operations.

2 - The file may be substituted by microfilming or other technological processes, under the terms established by the supervisory body.

3 - Notwithstanding the proceeding paragraphs, the supervisory body may issue rules regarding the documents and information that must be kept.

Article 176º

(Form and publicity for supervisory bodies' acts)

The powers conferred to supervisory bodies referred to in this Law shall be exercised and publicised under this Law or its respective statutes.

Article 177º

(Acts and contracts)

1 - All acts and contracts that involve banking and non-banking institutions, whatever their value, can be secured by a simple private document.

2 - The documents covered by the previous paragraph shall be enforceable against those who bind themselves to them, as long as the parties confirm their contents before a notary, in accordance with Article 164º of the Notarial Code.

3 - The authenticated documents are sufficient, when they can be registered at a Registry Office, to secure any collateral.

Article 178º

(Decisions of the National Bank of Angola)

1 - Challenges to the decisions of National Bank of Angola, made under this Law, shall follow, in situations not covered by specific regulations, the terms of the National Bank of Angola Law.

2 - For the challenges referred to above and those related to other decisions made under legislation that regulates banking and non-banking financial institutions set out under paragraph nº 1 of Article 7º of this law, it shall be presumed that, until proven otherwise, the suspension of such measures will involve serious damage to the public interest.

Article 179º

(Deadlines)

1 - Except in cases where a special laws provides otherwise, the deadlines established by this Law are continuous, notwithstanding the following paragraph.

2 - The deadlines of thirty (30) days or one (1) month set out under this Law for the exercise of powers by the National Bank of Angola are interrupted whenever the Bank requests information from the parties that it deems necessary for the investigation of the respective procedure.

3 - The interruption set out in the proceeding paragraph can not, in any event, exceed a total of 60 (sixty) days, consecutive or otherwise.

Article 180º

(Transitional provision)

Financial institutions already authorised on the date of this Law's publication have a period of 1 (one) year to comply with the provisions contained therein.

Article 181º

(Revocation)

All legislation contrary to the provisions of this Law, namely Law nº 13/05, of 30 September the Financial Institutions Act, is hereby revoked.

Articles 182º

(Doubts and omissions)

Doubts and omissions resulting from interpretation and application of this Law shall be resolved by the National Assembly.

Article 183º

(Entry into force)

This Law shall come into force from the date of its publication.

Checked and approved by the National Assembly in Luanda, on 21 April 2015.

THE PRESIDENT OF THE NATIONAL ASSEMBLY

FERNANDO DA PIEDADE DIAS DOS SANTOS

Enacted, on 4 June 2015.

It is published.

THE PRESIDENT
JOSÉ EDUARDO DOS SANTOS