

NEW RULES FOR EXCHANGE OPERATIONS

The main change made by this notice concerns non-resident foreign workers (“expatriates”). The Notice maintains the obligation of domiciliation of income from paid work in a bank account domiciled in an Angolan financial institution.

NOTE ON BNA NOTICE 17/20 OF 3 AUGUST

Banco Nacional de Angola (“BNA”) continues to be very active in producing foreign exchange legislation. It recently revised the rules on foreign exchange operations of current invisibles, goods and capital, carried out by resident and non-resident individuals, through Notice 17/20 of 3 August (the “Notice”).

The main change made by this notice concerns non-resident foreign workers (“expatriates”). The Notice maintains the obligation of domiciliation of income from paid work in a bank account domiciled in an Angolan financial institution. However, by eliminating the possibility and exception of transferring income directly by the employer, expatriates are now obliged to channel that income out of the country individually and through their own bank accounts.

Expatriates must also demonstrate that the income results from transfers directly from the employer and under a valid employment contract and work visa, within the limits set out in that contract.

The Notice maintains the exemption from licensing for foreign exchange operations, with the exception of capital operations, which remain subject to prior control by the BNA.

Currency hedging to settle operations must be done using the originator’s own funds in foreign currency or through the purchase of currency from the financial institution. The notice also makes it possible for non-resident foreign citizens to acquire foreign currency.

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Furthermore, the originator's account in Angolan currency, in the case of the purchase of foreign currency, or the account in foreign currency, in the case of the use of the client's own resources, must be debited, as appropriate:

- On the date of execution of the foreign payment order;
- On the date of settlement of the credit card balance; and
- On the date of handing over the foreign currency cash.

The following are accepted as payment instruments (i) the use of bank transfers, (ii) international payment cards, (iii) non-endorsable named cheque or other international payment instruments of a similar nature and (iv) cash, in the case of a purchase of foreign currency for travel purposes and provided it is in accordance with the limits in force.

As in the previous notice, the limit of USD 120,000 is maintained for private transactions by foreign exchange residents for all purposes carried out in the same calendar year. However, the following are exempt from this limit (i) the payment of health, education and accommodation expenses when made directly to service providers, (ii) transfers of resources accumulated by foreign exchange resident citizens during their stay in the country, upon termination of their stay in the country, (iii) transfer of resources imported into the country and declared upon entry by foreign exchange resident citizens and (iv) situations duly justified and authorised by the BNA.

To settle private operations, it is still not necessary to submit supporting documentation, except for health, education and accommodation expenses paid directly to the providers, which must be justified with the invoices and supporting documentation.

The Notice revokes the previous Notice no. 12/19 of 2 December and enters into force on 2 September 2020.