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REPUBLIC OF ANGOLA

PETROLEUM CUSTOMS LAW

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The high risk involved in petroleum operations and the need for large investments justify that such activities enjoy a customs regime that is different from the regime applicable to other industries;

It is necessary to harmonize the customs regime applicable to the different petroleum concessions, contained in the relevant concession decrees, in order not only to ensure equal treatment of all investors in the petroleum industry, but also to make it easier for the Angolan authorities to apply such regime;

Now, therefore, pursuant to Article 90 (f) of the Constitutional Law, the National Assembly hereby approves the following:

Article 1
(Purpose)

This law sets forth the customs regime applicable to petroleum operations in the areas under the jurisdiction of the Republic of Angola.

Article 2
(Scope)

The National Concessionaire, its associates and the entities which carry out petroleum operations on their behalf are subject to the regime provided in this law.

Article 3
(Definitions)

For the purposes of this law and unless otherwise expressly stated in the text, certain words and expressions used herein shall have the following meanings, it being understood that reference to the singular includes reference to the plural, and vice versa:

- (a) **National Concessionaire** - the entity which holds the mining rights pursuant to the Petroleum Regulatory Law;
- (b) **Associates of the National Concessionaire** - the entities which associate with the National Concessionaire pursuant to the Petroleum Regulatory Law;
- (c) **Mining rights** - the powers granted to the National Concessionaire in order to carry out petroleum operations in any petroleum concession;
- (d) **Natural gas or gas** - a mixture mainly composed of methane and other hydrocarbons, which exists in a petroleum deposit in a gaseous state or which changes into such state when produced under normal conditions of pressure and temperature;

- (e) **Petroleum operations** - the operations of survey, exploration, appraisal, development and production of petroleum, as well as the treatment, transportation and storage of the various types of gas, carried out pursuant to the Petroleum Regulatory Law;
- (f) **Operator** - the entity which carries out the petroleum operations in a certain petroleum concession;
- (g) **Petroleum** - the crude-oil, natural gas and any other hydrocarbon substances which may be found in, and extracted or otherwise obtained and saved from, the petroleum concession area;
- (h) **Crude oil** - a mixture of hydrocarbons originating from a petroleum concession area which are in a liquid state at the wellhead or separator under normal pressure and temperature conditions, including distillates and condensates, as well as those liquids extracted from the natural gas;
- (i) **Goods** – the generic word used for designating and classifying for customs purposes the goods under any customs regime, that is equipments, machines, devices, instruments, utensils, other crafts, raw materials and products used in the petroleum operations, which are described in the list attached to this law.

**Article 4
(Exemptions on importation)**

1. The importation of goods to be exclusively and directly used in carrying out petroleum operations and which are included on the list attached to this law is exempt from duties and general customs service fee, except for Stamp Duty, the statistical tax of one per thousand and "ad valorem" and other fees for the provision of services associated with the import and export of goods.
2. Upon proposal of the Ministry of Petroleum and after the Ministry of Finance has given its opinion on such request, other goods to be exclusively and directly used in carrying out petroleum operations may be added to the attached list referred to in the preceding paragraph by means of a Government decree.

**Article 5
(Exclusivity)**

1. On the importation of the goods referred to in Article 4 of this law, a statement legalized by the Ministry of Petroleum shall be submitted to the customs authority, pledging that such goods shall be exclusively used in petroleum operations.
2. The document referred to in the preceding paragraph may only be legalized by an official of the Ministry of Petroleum whose signature is recognized by the National Directorate of Customs and who is also responsible for monitoring said pledge.
3. Without prejudice to that set forth in the following paragraph, the use of such

goods for purposes other than those foreseen and declared shall constitute customs duty evasion, foreseen and punishable by the Customs Code in force and other applicable legislation.

4. Any departure from the rule concerning the exclusive use in petroleum operations, as well as their disposal, of goods imported with exemption of customs charges, shall be applied for in advance from the Minister of Finance, and if such application is accepted, said goods shall be subject to the payment of all charges due in accordance with the general legislation in force.

Article 6
(Protection of the national market)

The exemption provided for in Article 4 of this law shall not apply in the event that the goods referred to herein exist in Angola with the same or similar quality and are available for sale and delivery in good time, at a price which does not exceed by more than ten percent (10%) the cost of the imported item excluding customs duties but including transportation and insurance costs, pursuant to the GATT method for assessing customs values.

Article 7
(Importation for sale to or use or consumption by workers)

The exemption referred to in Article 4 of this law shall not apply to goods imported by the National Concessionaire, its associates and entities that carry out petroleum operations on their behalf, which are for sale to their workers or for the use or individual or collective consumption by same.

Article 8
(Exportation of petroleum)

The exportation of petroleum produced in each petroleum concession, either in its natural state or after having been processed, is exempt from duties and general customs service fee, except for Stamp Duty on customs clearance documents, the statistical tax of one per thousand "ad valorem" and other fees for services rendered associated with the import and export of goods, provided that such exportation is made under a purchase and sales agreement and has been duly registered pursuant to the legislation in force.

Article 9
(Customs inspection)

The Concession Areas are considered to be under the permanent inspection of Customs; therefore, access to all places of the Concession Area without any kind of restrictions shall be permitted to customs agents, so as to allow them to fully comply with their duties, namely the sealing and unsealing of storage tanks, the calculation of the quantities of oil stored and exported, measured at the established checking point by a method approved by the relevant authorities, as well as the reading of temperatures, densities and automatic meters.

Article 10
(Customs control)

The goods included in the attached list, when imported by the National Concessionaire, by its associates and by the entities which carry out petroleum operations on their behalf shall be subject to inspection for purposes of confirming their quantity, quality, price and customs classification and the customs duties to which such goods would be subject to under the general regime, as per the terms to be established by the Minister of Finance by means of an Executive Decree after consulting the Ministry of Petroleum.

Article 11
(Temporary importation)

Temporary importation is permitted without the need to deposit a guarantee for the goods included on the list attached hereto, such temporary importation and subsequent re-exportation being exempt from customs charges, including general customs service fee, with the exception of Stamp Duty on customs clearance documents and other fees for services rendered associated with the import and export of goods.

Article 12
(Temporary exportation)

Temporary exportation is permitted without the need to deposit a guarantee for those goods included on the attached list that are sent abroad for repair, improvement or refitting, such temporary exportation and subsequent re-importation being exempt from customs charges, including general customs service fee, with the exception of Stamp Duty on customs clearance documents and other fees for services rendered.

Article 13
(Deadlines for temporary importation and re-importation of goods)

1. Goods imported on a temporary basis shall be re-exported within a maximum of two years after the date of filing the relevant import clearance application. Such deadline may be extended in exceptional cases when duly verified by the Ministry of Petroleum by means of an Order from the Minister of Finance.
2. The re-importation of goods exported on a temporary basis shall be made within one year. Such deadline may be extended as provided in the preceding paragraph.

Article 14
(Urgent clearance)

1. In the case of goods which by their very nature require urgent customs clearance, the Angolan customs authorities shall authorize their immediate delivery after adequate interim measures, but the importer shall within no more than 90 working days complete the relevant customs clearance bill.
2. In order to enjoy the system of urgent customs clearance referred to in the preceding paragraph, the Concessionaire, its Associates and the entities that carry out petroleum operations on their behalf may provide a guarantee, should the National Directorate of Customs so decide, which shall cover other

customs charges due under this special customs regime, as well as any fines and costs of proceedings that may arise from failure to comply with the deadline set forth in the preceding paragraph and other customs procedures.

**Article 15
(Revocation)**

1. All provisions regarding customs contained in existing concession decrees and decree-laws are hereby repealed.
2. Except for the exemptions referring to the goods mentioned in Article 7 of this law, the rights acquired by the concessionaire and its associates deriving from the application of existing contracts entered into between the concessionaire and its associates shall not be affected by the revocation referred to in the precedent paragraph.

**Article 16
(Interpretation)**

Any doubts and omissions that may arise in the interpretation and application of this law shall be resolved by the National Assembly.

Be it published.

Seen and approved by the National Assembly in Luanda, on 10 August 2004.
The President of the National Assembly, Roberto António Victor Francisco de Almeida.

Promulgated on 4 October 2004.
The President of the Republic, José Eduardo dos Santos.

**ATTACHED LIST REFERRED TO IN ARTICLE 4
(Exemptions on Importation)**

List of equipment, machines, apparatus, instruments, utensils and other artifacts, raw materials and products utilized in petroleum operations which are exempt from customs duties on importation into the Republic of Angola under this law:

1. Drilling rigs and other complete drilling devices and all associated equipment and spare parts required to make the drilling device operational, allowing the performance of drilling operations, perforation guns and similar equipment; materials for appraisal, equipment for exploration, drilling, removal and recovery; separators, processing facilities, manifolds; casing, production tubing, pipelines; fixed and portable tanks, chemicals, special cements, mud products, infusory earth, refined petroleum products, refining equipment, flaring equipment, core cutting equipment, safety blowout preventers, wire line equipment, mud log equipment, well test equipment, wellhead equipment, radioactive materials and related equipment.
2. Machines, specific vehicles, equipment and devices of all kinds exclusively intended for petroleum operations, processing of crude oil, gas, water and other fluids, as well as their transportation, storage and lifting, including spare parts and inventory.
3. Machines and apparatus for moving loads, such as: cranes, hoists, winches, forklifts, conveyor belts, rolling belts, cables, bridges, including spare parts and inventory.
4. Instruments, materials and other items for laboratory analysis, spare parts and inventory, collections of minerals, earth and rocks for identification.
5. Instruments, materials and other items for the protection, hygiene and safety of the workers, such as alarm systems, clothing, safety helmets and safety boots.
6. Material for washing and drying equipment, disinfectants, insecticides, fungicides, pesticides, parasiticides, raticides and similar.
7. Explosives, detonators, detonating fuses and similar, as well as machines and devices for the detonation of explosives.
8. Instruments and devices for analysis, measurement, verification, regulation of fluids, spare parts and inventory.
9. Electric power generators, separators, turbines, engines, transformers and other material for production, transport and utilization of electric power or other, spare parts and inventory.
10. Heavy vehicles, light cargo vehicles, four-wheel drive all-purpose vehicles, excavators, loading machines, crushing machines, rollers for road construction, tractors including their respective trailers and similar, spare parts and inventory.
11. Workshop facilities, machines and tools for repair and maintenance of

- equipment, vehicles, machines, tools and utensils used for petroleum operations, their spare parts and inventory.
12. Equipment and devices for onshore and offshore topographical, geodesic and geological gauging and surveying, and spare parts and inventory.
 13. Equipment and instruments for technical drawing and for photographic and heliographic reproduction or other, spare parts and inventory.
 14. Educational equipment and material for technical and professional training.
 15. Devices and systems for telecommunications, equipment and inventory, cables and spare parts, equipment used for their installation, assistance and maintenance.
 16. Products, instruments, devices and other material for fire fighting purposes, pollution control and safety at work.
 17. Pumps, motor-pumps and turbo-pumps for liquids and gases, tubing and respective connection fittings, taps, valves and material for their installation and maintenance.
 18. Aircrafts and ships for exclusive use in petroleum operations and safety material, illumination and signaling for air and sea navigation, spare parts and inventory.
 19. Various items of equipment and materials for running the warehouses, motorized vehicles for the handling of commodities, palettes, shelves and forklift vehicles.
 20. Material for field camps, such as trailers, tents, tables and camping chairs exclusively adapted for and used in onshore petroleum operations.

The President of the National Assembly, Roberto António Victor Francisco de Almeida.

The President of the Republic, José Eduardo dos Santos.