

NEW COMPETITION LAW

NEWSLETTER
ANGOLA
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Law 5/18 was published on 10 May 2018 and entered into force on the same date, which establishes the set of principles and rules governing competition in Angola (the "Competition Law"), applicable to economic activities on a permanent or occasional basis in Angola or in which they produce or may have an effect on carried out by public or private companies, with a particular concern for practices restricting competition and control of concentrations of undertakings.

COMPETITION AUTHORITY

The Competition Law established the basic principles for the creation of the Competition Regulatory Authority through a statute to be enacted by the President of the Republic with the purpose of guaranteeing compliance with the competition rules.

ANTI-COMPETITIVE PRACTICES

A prohibition of anti-competitive practices is also established, whether unilateral - abuse of a dominant position or of economic dependence - or collective - restrictive agreements (horizontal or vertical), unless duly justified.

MERGER CONTROL

Competition Law further introduces merger control regulations in Angola, should market share or annual turnover thresholds be exceeded. These thresholds will be defined in a statute to be enacted by the President of the Republic in due course.

SANCTIONS

We would like to highlight that forbidden practices and non-authorized concentrations are punishable with fines that may respectively reach up to 10% and 5% of the annual turnover of the companies involved.

STATE AIDS

Finally, it should be noted that state aids, including subsidies for production, consumption or other government support granted by the State or any other public entity, should not restrict, distort or adversely affect competition in whole or in part of the Angolan market.

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CONCLUSION

In short, and closely following the practices of the European Union, the Competition Law, although reliant on the actual creation of the Competition Regulatory Authority and regulation still to be enacted, especially on the thresholds that will subject mergers to prior control, aims at improving the business environment, fostering competitiveness among economic agents that compete for a greater and better supply of goods and services to consumers and, on the other hand, contributing to a better insertion of Angola in the international scene.

Following the practices of the European Union, the Competition Law aims at improving the business environment.

CONTACTS



João Robles
Partner
jmr@fcblegal.com