

INTRODUCTION

Welcome to the 2024 edition of DLA Piper's Global Expansion Guidebook – Employment.

GLOBAL EXPANSION GUIDEBOOK SERIES

Many companies today aim to scale their businesses globally and into multiple countries simultaneously. In order to help clients meet this challenge, we have created a handy set of global guides that cover the basics that companies need to know. The Global Expansion Guidebook series reviews business-relevant corporate, employment, equity compensation, intellectual property and technology, and tax laws in key jurisdictions around the world.

EMPLOYMENT

As business grows more global, the challenge for in-house counsel and HR professionals responsible for workforce issues and employment law compliance is intensifying. This guide is designed to meet that challenge head on and has been produced in response to feedback from clients in both established and emerging international businesses. We hope it will become an invaluable resource for you.

This 2024 edition of our popular guide covers all of the employment and labor law basics in 63 key jurisdictions across the Americas, Asia Pacific, Europe, the Middle East and Africa. From corporate presence and payroll set-up requirements, language rules, minimum employment rights, business transfer rules, through to termination and post-termination restraints, we cover the whole employment life span.

We have used our global experience and local knowledge to bring you this newest edition of our guide. With over 300 lawyers, DLA Piper's global Employment group is one of the largest in the world, with one of the widest geographical footprints of any global law firm. We partner with our clients, wherever they do business, to find solutions and manage risk in relation to their legal challenges and objectives.

While this guide provides high-level guidance, it is not a substitute for legal advice, and we encourage you to take advice in relation to specific matters. If you wish to speak to any of our contributors, their contact details are set out towards the back.

We hope that you find this guide valuable and we welcome your feedback.

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This is a general reference document and should not be relied upon as legal advice. The application and effect of any law or regulation upon a particular situation can vary depending upon the specific facts and circumstances, and so you should consult with a lawyer regarding the impact of any of these regimes in any particular instance.

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ANGOLA



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LEGAL SYSTEM, CURRENCY, LANGUAGE

Constitutional. The official currency is the Kwanza (AOA). The official language is Portuguese.

CORPORATE PRESENCE REQUIREMENTS & PAYROLL SET-UP

A foreign entity may engage employees in Angola with proper payroll registrations, subject to business, corporate and tax considerations. The employer is responsible for withholding from an employee's pay, and delivering to the tax authority, income tax and contributions to Angolan social security. The level of income tax is defined by the government and varies in line with the employee's salary.

PRE-HIRE CHECKS

Required

Immigration compliance and pre-hire medical examinations.

Permissible

Reference and education checks are permissible.

IMMIGRATION

Criminal and medical checks must be issued by competent authorities, a criminal record must be issued by the home country and a medical certificate must be issued by a doctor in the employee's home country.

The visa/work permit requirements for overseas nationals to work in Angola are having a recognized travel document valid for the Angolan territory for at least 6 months, being of legal age, not being included in the national list of undesirable persons prohibited from entering into the national territory, not constituting a danger to public order or to social security interests, complying with all health regulations established by the Ministry of

Health for entry into the national territory, having an employment contract or promissory employment contract, having a certificate of professional and educational qualifications and curriculum vitae, and obtaining a positive opinion of the competent Ministry.

HIRING OPTIONS

Employee

Indefinite-term contract (which is the rule), fixed-term or open-term (ie, a term contract whose termination date has not yet been defined, but that will be terminated as soon as the underlying need for contracting is no longer verified – for example, as a contract to cover absence), part-time contract, telework contract and contract under service commission regime – a particular type of contract for high-level employees which provides flexibility for termination and is not common. The parties may execute an employment contract for a fixed term or open term, which must be done in writing. Part-time, fixed-term and open-term employees may not be discriminated against due to their status.

Independent contractor

Independent contractors may be engaged directly by the company or via a personal services company. Engagement may be subject to misclassification exposure. The factors that tend to indicate an individual is an employee (rather than, for example, a self-employed independent contractor) are the existence of a work schedule, the scheduling of vacation, the worker's legal subordination to the company, the company's authority, direction and disciplinary powers, control of punctuality and attendance over the individual, integration into the structure of the company and use of work tools belonging to the company, among others.

In the event of misclassification, the relationship may be converted into an employment relationship on a permanent basis, and the employer may be liable to pay: a fine for non-compliance, employment entitlements owed as of the commencement of the activity and social security contributions.

Agency worker

Agency workers may only be engaged to fulfill a temporary need for work. The agency work contract duration depends on the underlying reason for hiring and does not typically exceed 24 months. Agency workers have the right to equal treatment to employees in relation to pay and other regular benefits.

EMPLOYMENT CONTRACTS & POLICIES

Employment contracts

Written employment contracts are common but not mandatory, except for fixed-term, part-time, telework and service commission regime contracts as well as contracts with foreign employees and underage employees. Employment contracts cannot contain conditions that are less favorable to employees than mandatory employment legislation.

Probationary periods

Permissible.

Employment contracts for an unlimited period of time may be subject to a probation period corresponding to the first 60 days of performance of work; the parties may, by written agreement, reduce or waive this period.

The parties may extend the probation period, in writing, to up to 6 months in case of employees who perform management duties.

In an employment contract for a fixed-term, the parties may set forth a probation period in writing, and its duration cannot exceed 30 days.

Policies

Employers with more than 50 employees must, in order to organize the work and labor discipline, draft and approve work rules or policies defining rules for the technical organization of work, work discipline, safety, hygiene and health protection of work, performance indicators, a remuneration system, working hours for the several sections of the company or work center, control of entrances and exits and circulation within the premises of the company, and surveillance and control of production.

Employers with 50 or fewer employees may, but are not required to, implement employee policies or handbooks on the matters described above.

Third-party approval

Whenever the employee's handbook or any other rules and regulations establish rules on performance and discipline, remuneration systems, work performance or safety, hygiene and health protection at work, the employer must forward such regulations for information and registration purposes to the General Labor Inspectorate.

LANGUAGE REQUIREMENTS

Portuguese. Nevertheless, employment contracts and other documents may be drafted in a bilingual template.

WORKING TIME, TIME OFF WORK & MINIMUM WAGE

Employees entitled to minimum employment rights

All employees are entitled to minimum employment rights.

Working hours

Maximum daily and weekly working hours are 8 hours per day and 44 hours per week. Overtime pay is required for hours worked in excess of these limits. These limits may be inapplicable to employees who perform direction and leadership duties, duties of inspection, or provide direct support to the employer, teleworking employees and for other employees who regularly perform their duties away from the workplace, without the immediate control of their manager or performance of work which, by its nature, can only be carried out outside the limits of working hours (ie, employees who may be exempt from a work schedule). The corresponding written

agreement, ie, the agreement establishing exemption from work schedule for one of the above mentioned reasons) shall be included in the employee's individual file. Typically, employees under exemption regime are entitled to an exemption bonus.

Overtime

Overtime may occur with an extraordinary increase in workload, to prevent serious damage or if due to force majeure. It is subject to the following maximum limits: (a) 2 hours per day, (b) 40 hours per month and (c) 200 hours per year.

Each hour of overtime work is compensated with additional payment of up to 30 hours per month, corresponding to 50 percent of the value of the normal working hour. Overtime exceeding that limit is compensated with additional payment of 75 percent for each hour.

For purposes of payment for overtime work:

- (a) fractions of time of less than 15 minutes are not considered;
- (b) fractions of time between 15 and 44 minutes are considered as half an hour;
- (c) fractions of time between 45 and 60 minutes are counted as I hour;
- (d) work performed on the day or half-day of complementary weekly rest is considered a normal working day.

Employees who perform overtime work that prevents them from taking daily rest are entitled to paid compensatory rest equivalent to the hours of rest missed, to be taken on the following working day. Employees who perform overtime work on a mandatory weekly rest day are entitled to a paid compensatory rest day, to be taken on the following working day.

Wages

The minimum wage is established by Presidential Decree. It is set out as a general minimum wage, but there is also a minimum wage for trade and extractive industry groups, transport services and manufacturing groups and agriculture groups. Under the Decree currently in force, the general minimum wage is AOA32,181.15. The following sector-specific minimum wages also apply:

- Trade and extractive industry groups: AOA48,271.73
- Transport services and manufacturing groups: AOA40,226.44 and
- Agriculture groups: AOA32,181.15.

Vacation

Minimum 22 working days per year, plus 12 public national holidays.

Sick leave & pay

Employees are entitled to take off as much time as they need for sick leave. In this case, the employer continues to pay the employee's salary for a period of 6 months, with the right of reimbursement from Social Security. For fixed-term employees, the obligation to pay salary ceases on the date of expiry of the fixed-term contract if the illness continues after that date.

Employees can take up to 8 paid working days of leave per year to provide unavoidable assistance to members of the family, in case of illness or accident of the spouse, parents and children up to the age of 18.

Maternity/parental leave & pay

A pregnant employee is entitled to a paid maternity leave of 3 months. The amount of the maternity allowance is equal to the average of the 2 best monthly salaries from the 6 months preceding the commencement of the maternity leave. The maternity allowance is paid directly by the employer to the employee and, subsequently, the Social Security services reimburses the employer in full. Fathers are not entitled to any paid leave on the birth of a child; it is only considered as a justifiable reason for absence from work for I day. The father is also entitled to an unpaid supplementary leave of 7 consecutive or non-consecutive working days.

Fathers are also entitled to replace the mother of their newborn child while on maternity leave in the event of the mother's proven physical or mental incapacity for the duration of the incapacity or in case of mother's death.

Other leave/time off work

Employees may also be entitled to leave for other purposes, such as for their wedding; relatives' death, fulfillment of legal or military obligations which must be performed within the normal working period; attendance to tests by working students; attendance of training, professional proficiency, professional qualification or job conversion courses authorized by the employer; participation in cultural or sporting activities, either in representation of the country or the company or in official contests; the performance of necessary and urgent action in the exercise of leading tasks in labor unions as a union representative or as a member of the employee's representative body; or the participation of the employee as a candidate to general or municipal elections approved by the competent authority.

DISCRIMINATION & HARASSMENT

Discrimination based on the following protected characteristics is prohibited: race, color, gender, ethnic origin, marital status, origin or social rank, religious beliefs, political opinion, union affiliation and language.

WHISTLEBLOWING

There is no special provision in this regard in Angola. Protection is only granted in the course of criminal action at the request of a whistleblower or by decision of the Public Prosecutor's Office.

BENEFITS & PENSIONS

Both employer and employee must pay contributions to social security in Angola to cover various employee benefits (eg, maternity leave payment and retirement pension). The employer must withhold the contribution due by the employee and deliver both contributions (ie, employer and employee) to social security every month.

Current general rates are 3 percent of the gross wage for the employee and 8 percent for the employer.

Employees with a minimum contributory period (ie, 35 years) qualify for a retirement pension at age 60 or in cases of total incapacity.

Employers have no legal obligation to provide complementary or supplementary social benefits in addition to the social coverage provided for by the social public scheme. However, some companies - mostly large companies or multinational companies who have their own schemes worldwide - set up and provide private complementary health and pension schemes to their employees.

DATA PRIVACY

The Data Privacy Law No. 22/11, June 17 governs Angolan data privacy and determines, in general terms, how to collect, use, disclose, store and give access to "personal information."

As a general rule, employers cannot require job applicants or employees to provide information about their life, health or pregnancy status.

lob applicants or employees who have provided information containing personal data have the right to control their personal data, and may be informed of its content and the purposes for which it is intended, as well as demand that it be rectified and removed.

RULES IN TRANSACTIONS/BUSINESS TRANSFERS

Provided that the same business activity is maintained, the new employer takes the position of the former employer in the employment contracts and takes their position in respect of the rights and obligations arising from the employment relationships. This is the case even if the employment contract is terminated before the transfer. The new employer takes their position as the employer of such former employees in respect of due and non-paid credits. Employees keep the same seniority and acquired rights which they had in the service of their former employer.

The transferor must inform the employees' representative bodies or, in the absence of such bodies, the employees themselves of the transfer of the undertaking or establishment, the reasons for it and the date on which it is to take effect, its consequences for the employees and the measures envisaged for them.

Employees must be informed in writing at least 22 working days before the transfer takes place or by posting a notice on the company's premises in the most accessible and visible places.

The new employer must communicate the change of employer to the General Labor Inspectorate. The communication must be served within 15 business days following the transfer, stating the reason for the transfer and the future status of the employees.

The transferor must inform the transferee of the terms and conditions that govern the employment relationship.

Within 22 business days following the change of employer, the employees have the right to terminate the employment contract with prior notice, but this does not confer any right to compensation.

EMPLOYEE REPRESENTATION

Employee representative bodies are permissible but not mandatory.

Trade unions are not common in Angola.

In order to carry out their duties, trade union representatives are entitled to the following paid absences:

- 1. 4 working days per month for carrying out duties as a member of the union's executive body;
- 2. 4 or 5 hours per month for each union delegate or each member of the workers' representative body, depending on whether there are up to 200 or more employees affiliated to the respective unions at the work center.

The employee must notify the employer in advance of the date and number of days they require for the exercise of trade union functions. Employers are obliged to provide a suitable place for workers' meetings whenever this is requested by the union representatives. Special protections against dismissal are granted to employees who perform, or have performed, duties as union representatives, either as leaders or delegates, or members of the employees' representative body performing union-related activities.

TERMINATION

Grounds

Unilateral termination by the employer: dismissal based on objective grounds (ie, redundancy reasons); disciplinary dismissal with just cause (ie, based on serious breach of the employee's duties).

Termination without cause (with notice): only for employees hired under an employment contract of service commission regime (a particular type of contract for high-level employees which provides flexibility for termination but is not common).

Other termination causes: mutual agreement, termination by the employee (*ie*, termination with notice or constructive dismissal with just cause), expiration (*ie*, fixed-term and open-term contracts or retirement).

Employees subject to termination laws

All employees.

Restricted or prohibited terminations

Special protection against dismissal is granted to employees who perform, or have performed, duties as union representatives, either as leaders or delegates, or members of the employees' representative body performing activities; women covered by the regime of maternity protection; war veterans as per the definition provided by

the applicable law; employees under the legal age; employees with a reduced work capacity or with a disability degree equal or higher than 20 percent.

As a general rule, a copy of the notice served on the employee must be forwarded to General Labor Inspectorate.

Third-party approval for termination/termination documents

Except in respect of protected employees, third-party approval is not required to terminate an employment.

Mass layoff rules

If economic, technological or structural circumstances occur, which may be clearly demonstrated and which involve an internal reorganization or conversion, or the reduction or the shutting down of activities, which makes it necessary to eliminate or significantly change job positions, the employer may terminate the employment contracts of the employees who perform such job positions.

Collective dismissal rules are triggered if the dismissal involves at least 6 employees.

Information to the General Labor Inspectorate is required. However, there is no need to obtain approval for termination.

The General Labor Inspectorate may undertake the diligence deemed necessary for clarification of the situation and, in case of a collective dismissal, during the period in which the evaluation of the General Labor Inspectorate occurs, the employer may promote a meeting with the representative body or with the committee appointed for the purpose of exchange of information and clarification and may forward the conclusions of the meetings to the General Labor Inspectorate.

Notice

For individual dismissals based on objective grounds (up to 5 employees): the employer must forward, at least 30 days in advance, prior notice of dismissal to the employee or employees who occupy the job positions to be extinguished or transformed.

For collective dismissal: the prior notice is 60 days.

Notice periods in case of a fixed-term contract where the termination occurs by expiration: 30 days.

Statutory right to pay in lieu of notice or garden leave

Payment in lieu of notice is permitted (and required if the notice period is not honored).

Garden leave is allowed during the notice period.

Severance

Fair dismissal based on objective grounds (redundancy/collective dismissal):

• I monthly base salary multiplied by the number of years of service up to 5 years, and .5 base salary multiplied by the number of years of seniority exceeding 5 years.

- Fair disciplinary dismissal: no severance.
- Higher severance payments may be agreed and are usual as a way to avoid litigation.

POST-TERMINATION RESTRAINTS

A clause of the employment contract which restricts the activity of the employee for a period of time, which may not exceed 3 years from the termination of the contract, is lawful if the following conditions are met: (a) such clause is included, in writing, in the employment contract, or in its addendum; (b) the activity performed may cause real damage to the employer and may be considered as unfair competition; (c) the employee is paid a salary during the period of restriction of work: the corresponding amount will be included in the contract or its addendum.

A clause which requires an employee who benefits from professional improvement or higher level education at the expense of the employer to remain at the service of the same employer for a certain period of time, provided that such period does not exceed I year, in case of training of professional improvement and up to 3 years in case of courses of high level education, is also lawful if established in writing. In this case, the employee may release themselves from remaining at the employer's service by repaying to the employer the amount of the expenses incurred by the employer, in proportion to the remaining time until the term of the agreed period. The employer that hires the employee within the period of restriction of activity in the company is jointly liable for the damages caused by the employee or for the amount not returned by the employee.

WAIVERS

In principle, statutory rights cannot be waived and any waiver of such rights will be null and void.

REMEDIES

Discrimination

Fine corresponding to 5 to 10 times the average salary paid by the company.

Unfair Dismissal

The employee may challenge the validity of the dismissal before the labor courts.

If the relevant court declares the dismissal to be unlawful, by final judgment, the employer must immediately reinstate the employee in the same job position and benefiting from the same previous conditions and compensate the employee for all damage caused, both pecuniary and non-pecuniary.

In addition to reinstatement and compensation, the employee is entitled to the base salary they would have received if they had continued to perform work, until the date of final judgment, less the amount of salary for the period from the date of dismissal until 30 days before the legal proceedings are initiated, if the legal action is not brought within 30 days of the dismissal. The amount due is always limited to a maximum of 6 months' salary.

If reinstatement is not possible or the employee does not want reinstatement, the employer must compensate the employee by paying them compensation corresponding to their base salary as of the date of dismissal multiplied by the number of years of their seniority, with the minimum amount corresponding to 3 months' base salary.

Failure to inform and consult

Not applicable.

CRIMINAL SANCTIONS

Typically, non-compliance with employment laws leads to administrative proceedings which may lead to the payment of fines. If such non-compliance is based on violation of rights that deserve protection under criminal law, it may also lead to this type of judicial proceedings.

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