

**B.O. No. 18, I Series, of 24 May 1993**

**COUNCIL OF MINISTERS**

**Decree-Law No. 29/93**

**Of 24 May 1993**

**Exchange Regime**

This law envisages a profound revision in the established norms of the exchange regime in effect, as well as in the operations of invisible currents of capital between Cape Verde and the outside.

Such readjustment is imposed by the need of an effective insertion of Cape Verde into the world's economic order, for which the internal market liberalization process assumes vital importance, when the private sector, as an economic agent, is attributed a lead role.

It is in this framework that the proposed revision fits, with which it is proposed to regulate the exchange operations, the exercise of the exchange trade and the operations on gold, which lead to a greater freedom of action for the private economic agents, in opposition to the monopolist administrative norms in effect.

Thus, this law constitutes a first step in the process of liberalizing the exchange operations. This liberalization shall take place gradually and cautiously attending to the Country's economic and financial particularities.

The reformulation of the resident and non-resident concept should be pointed out from the outset, with the significant enlargement of the scope of action of the resident economic agents. Generally very open principles are consecrated, to permit greater freedom of action to the economic agents. However, it behooves the Central Bank to always define the terms and conditions of that action and to take punctual action against the referred liberalization, in the event of perturbation in the operation of the financial market.

In an effort to clarify concepts, distinction was made between, on the one hand, the transactions involving in this concept the operations in goods, invisible currents and capitals currents, and, on the other hand, the liquidation of those transactions.

The operations in merchandise continue to

As a universal application norm, the realization of exchange operations by residents continues to be submitted to the principle of mandatory intermediation by an entity authorized to exercise exchange trade. Two other principles are associated to this one: the prohibition to residents to hold availabilities on the outside and making it obligatory to those same residents to concede to authorized entities the exchange trade to the foreign currency they have obtained.

While monetary and exchange authority, it behooves the Bank of Cape Verde to supervise and regulate the operation of the exchange market as well as to the authorized entities to act on the same. The Bank of Cape Verde can demand from any public or private entities the information indispensable to the verification of the nature and reality of any exchange operation.

In the exercise of its supervisory function, the Bank of Cape Verde, in conformity with

**Article 2**  
**(Entities from the public administrative sector)**

The execution of exchange operations by entities of the public administrative sector is regulated by special legislation.

**Article 3**  
**(Bank of Cape Verde)**

The execution of the operations referred to in the preceding article, by the Bank of Cape Verde, are governed by the provisions of its Organic Law and by the provisions of this law that are applicable to it.

**Article 4**  
**(Residents and non-residents)**

1. For the purpose of this law, the following are considered residents in the national territory:
  - a) The singular persons who have their habitual residence in the Country for more

**Article 5**  
**(Special Cases)**

The Bank of Cape Verde may, in special cases, duly founded, recognize the status of resident or non-resident to entities that not meet, totally or partially, the requisites of the preceding article.

**CHAPTER II**  
**(Exchange Operations)**

1. The following are considered exchange operations:

a)

2. Emission and payment of international money-orders is, likewise, permitted, under the terms and conditions established in technical instructions that the Bank of Cape Verde transmits to the competent services.

**Article 9**  
**(Compensation)**

The total or partial payment of transactions in goods, invisible currents or currents of capitals for compensation with credits or debits resulting from transactions of identical or different nature, require prior special authorization from the Bank of Cape Verde.

**Article 10**  
**(Ceding foreign currency)**

The residents who in any way receive foreign currency from non-residents are obligated to proceed to their sale, within the deadlines and conditions that shall be fixed in a notice from the Bank of Cape Verde.

**Article 11**  
**(Availability outside the country)**

1. Save with authorization from the Bank of Cape Verde, the residents cannot make deposits, open or develop activities in accounts or maintain availability outside the Country in foreign currency or in Gold.
2. The residents may make deposits, open or develop activities in accounts or maintain availability outside the Country in foreign currency, as long as they are fed by revenue proven to have been generated outside the Country.
3. The Bank of Cape Verde shall define the terms and conditions under which the entities authorized to exercise exchange trade may make deposits, open or generate activities in accounts or maintain availability outside the country in foreign currency or in gold.

**Article 12**  
**(Accounts for non-residents)**

1. The entities authorized to exercise exchange trade may open and develop activities in accounts for non-residents in national or foreign currency, under the terms and conditions to be established by the Bank of Cape Verde.
2. Special norms regulate the opening and development of activities in in-Country accounts, in the name of emigrants.

**Article 13**  
**(Accounts for residents)**

1. By special authorization from the Bank of Cape Verde, the entities authorized to exercise the exchange trade may open accounts in foreign currency, in the name of residents.

2. Necessary requisites to grant the authorization are the importance or the nature of the resident's activity and the relevance of the amount and of the frequency of the transactions with the outside. The diversity of countries with which the transactions take place is also considered.

3. The activities in the accounts foreseen in the preceding article shall be made according to the terms and conditions established by the Bank of Cape Ve

currency and traveler's checks to the respective clients, under the terms and conditions fixed by the Bank.

**Article 17**  
**(Superintendence)**

It is the competence of the Minister of Finance to superintend the set of activities subject to the discipline of this law.

**Article 18**  
**(Supervision)**





- b) The checks to be exported are emitted by entities authorized to exercise exchange trade and are, likewise, destined for any of the purposes indicated in the preceding subparagraph.
4. The provisions of article 10 are applicable to the checks imported under the terms of subparagraph a) above.
  5. Outside the cases foreseen in No. 1 to 4, the importation and exportation of titles of credit and their coupons require authorization from the Bank of Cape Verde.

**Article 24**  
**(Control)**

1. Customs services should effect dispatch of parcels or of any type of remittances, when there is a mention that they contain titles, bills or coins, national or foreign, before the sender shows proof that the legal requisites foreseen in articles 21 to 23 have been fulfilled.
2. The postal and telecommunications services should not register any parcels, boxes or correspondence, nor delivery to its destination, when the former contain titles or coins, national or foreign, without, in the first case, the senders, and in the second case, the recipients show proof that the legal requisites foreseen in articles 21 and 23 of this law have been fulfilled.

**Article 25**  
**(Circumstantial measures)**

In the event of crisis or difficulty in the balance of payments, as well as in cases of perturbations of the financial market, the Bank of Cape Verde may establish, by notice, restrictions or other conditionalisms to the operations foreseen in articles 21 and 23.

**CHAPTER V**  
**Transactions and their liquidations**

**Article 26**  
**(Operations with goods)**

The importation, exportation and re-exportation of goods are regulated by the appropriate legislation.

**Article 27**  
**(Operations with invisible currents)**

2. When the operations referred to in Annex I of this law pertain to providing services, objects of contracts, the respective project should be remitted to the Bank of Cape Verde.

**Article 28**  
**(Repatriation)**

The residents interested in operations of invisible currents referred to in No. 2 of the preceding article are obligated to promote the repatriation of the respective value within three months, counting from the date the same was made available to them.

**Article 29**  
**(Operations of capitals)**

1. The importation and the exportation indicated in Annex II to this law require special prior authorization from the Bank of Cape Verde, when executed between residents and non-residents, or when executed between non-residents, and have to do with assets located in the Country.

2. Without prejudice to the provisions of article 30, operations in amounts to be fixed by notice, are exceptions to the provisions or the preceding number.

3. The authorization by the Bank of Cape Verde, under the terms of the preceding No. 1, should be homologated, by dispatch of the Minister of Finance, when dealing with operations whose value exceeds 25 million escudos.

**Article 30**  
**(Processing)**

The requests for authorization to execute invisible currents or currents of capitals operations must be filed and processed under the terms and conditions to be fixed by notice from the Bank of Cape Verde.

**Article 31**  
**(Liquidation)**

1. The parties interested in operations with goods, invisible currents of currents of capitals, even if they do not require authorization, are obligated to execute the corresponding liquidations through the entities au

**Article 32**  
**(Finality of the acquisition of the means payment)**

1. The means of payment to the outside, acquired with a view to the liquidation of an transaction foreseen in this chapter, should not be utilized for diverse purpose.
2. If the liquidation transaction that prompted the acquisition of those means of payment was not executed totally or partially, the same should be ceded to an authorized entity exercising the exchange trade within one month counting from the date the unexecuted transaction consummated.



**Article 39**  
**(Appeal)**

The decision that applies a fine or accessory sanction can be appealed under the general law.

**CHAPTER VII**  
**Final Dispositions**

**Article 40**  
**(Notary, registration and judicial acts)**

1. The notaries and the curators must withhold the execution of the acts of their

Promulgated 23 April 1993

Publish it

The President of the Republic, ANTÓNIO MANUEL MASCARENHAS MONTEIRO

Referenced 26 April 1993

The Prime Minister

*Carlos Veiga*