

1. Law n° 43/III/88, of 27 December, altered by Law n.º 32/V/97 of 30 June, indicates in number 2 of its article 3 that “the international financial institutions cannot, under any circumstance, insurance and pension fund management activity in accumulation with other international financial operations”.

This norm is outdated today by the international evolution verified in the management of financial assets, that is entrusted to companies whose prior vocation was turned to the exclusive administration of one of its types, as is better described in the preamble of the law that regulates the financial management companies.

Thus, the viability of this project, as well as that of the regulating law for the Collective Investment Organisms (specifically in its article 126), demands a modification of the norm transcribed above.

2. On the other hand, a restrictive interpretation has been given to number 2 of article 2 of the law under reference, that neither its spirit nor its letter consent to. In truth, what is proposed to be safeguarded interdicting the International Institutions (IFI) dealing with residents in Cape Verde is the exportation of capital through these institutions, namely by the collection of local savings. The movement of capital in the inverse direction must be liberalized, restricting the prior authorization of the Minister of Finance to the cases not especially foreseen in the norm that we propose to alter.

3. Finally, reference is made that the liberalization of relations with residents forces the revision of the fiscal benefits attributed, whether to the international financial institutions, or to their clients. It is, therefore, necessary, to make additions to article 15.

By mandate of the People, the National Assembly, under the provisions of subparagraph b) of article 174, in subparagraph h), number 2 of article 176, all of the Constitution, decrees the following:

---

4. In what is not foreseen in the legal and regulating provisions pertaining to the activity of international financial institutions the juridical regime for the credit and parabanking institutions shall apply.

**Article 2A**  
**(Financial Operations with Franc Enterprises)**

It is likewise permitted to the international financial institutions the execution of any operations with franc enterprises legally established in Cape Verde.

**Article 3**  
**(International financial operations permitted)**

1. The international financial operation permitted in the preceding article shall include, namely:

- a) General banking commerce including exchange operations;
- b) Insurance activities in any of its forms;
- c) The management of movable and non-movable funds and investments;
- d) The emission of negotiable credit titles, on its own account or account of others;
- e) Financial leasing, factoring, brokerage of movable securities and mediation in the monetary and exchange financial markets, management of patrimonies and purchases in group;
- f) The management of pension funds;
- g) Those that Minister responsible for the Finance area authorizes, having heard the Bank of Cape Verde.

2. The international financial institutions cannot, under any circumstance, exercise the insurance activity or the management of pension funds in accumulation with other international financial operations.

**Article 4**  
**(Authorization)**

The constitution of international financial institutions requires prior authorization by the Government, to be granted under the terms of the law.

**Article 5**  
**(Eligibility)**

The authorization referred to in the preceding article can be granted only to national and foreign entities with recognized prestige and financial capacity.

**Article 6**  
**(Form)**

1. The international financial institutions shall assume one of the following forms:
  - a) Branches of monetary and non-monetary financial institutions;
  - b) Autonomous entity constituted in Cape Verde, according to the laws in effect, with juridical personality and authorized by the Government to exercise **international financial activity**, according to **the** law;
2. The branches referred in subparagraph a) of the preceding number should correspond to a perfectly individualized center, namely in terms of installation, personnel, documentation and accounting.

**Article 7**  
**(Mandatory denomination)**

1. The designation of the international financial institutions shall include:
  - a) The denomination of the requesting entity, as it is recorded in the respective country of origin, as well as the expression “**foreign financial branch of Cape Verde**”, in the hypothesis of subparagraph a) of n° 1 article 6;
  - b) The adopted denomination for the autonomous entity indicated **in subparagraph**

1. The managers and other workers of the international financial institutions cannot reveal or take advantage of the information they have knowledge of as a result of the exercise of their functions, namely the clients' names, deposit account numbers and their movements, banking, exchange and financial operations and other similar elements.
2. Aside from the inherent civil responsibilities, the violation of the duty to secrecy, attempted or consummated, constitutes just cause and reason for dismissal, and is punishable under the terms of the penal law in effect.

**Article 9**  
**(Installation and operation license)**

The international financial institutions are subject to the payment of an installation license and of an annual operation license under the conditions and amounts to be defined by the Government.

**Article 10**  
**(Management)**

The management of the international financial institutions should be entrusted to [the mi finanj](#)

The persons that participate in the constitution of the capital stock of the autonomous entity referred to in subparagraph b) of No.1 Article 6 of Law No. 43/III/88, of 27 December, are entitled to the following fiscal benefits, exempt from any formality:

- a) Consideration of the total amount of the participation in the capital stock as cost of the exercise, for the purpose of the IUR of the exercise it pertains to;
- b) Exemption from IUR relatively to the revenue resulting from interest received and other forms of remuneration if the partners did not withdraw the profits or remunerations made available to them;
- c) Exemption of the municipal transfer tax (sisa) and the municipal tax over patrimony relatively to the transmissions, onerously or gratuitously, as the case may be of assets that constitute the patrimony of autonomous entity.

#### **Article 14**

##### **(Fiscal benefits to the international financial institutions)**

The international financial institutions are entitled to the following fiscal benefits:

- a) Exemption from the municipal transfer tax (sisa) and municipal tax over the patrimony due to the acquisition of real estate assets destined for their installations;
- b) Exemption of duties, consumption tax and general customs emoluments on the importation of materials and equipment assets destined exclusively for the installation;
- c) Exemption from IUR until December 2017;
- d) Exemption from municipal taxes and fees;
- e) Consideration of the totality of profits effectively reinvested in any industrial activity as well as the expenses incurred in their personnel of cape-verdian nationality, as cost of the exercise for the purpose of IUR of the exercise it pertains to;
- f) Exemption of the stamp tax in all the acts it practices and operations of any nature that it may execute, the ones and the others on its own account or on behalf of others, namely interests that it pays or collects, mandates and orders that its executes, remunerations of any type that it pays or receives and contracts of which it is a part.

**Article 15**  
**(Fiscal benefits to the **lientes**)**

The non-resident single or collective persons and as well the resident with regard

This law goes into effect immediately.

Approved 17 December 1988

The President of the National popular Assembly, *Abílio Augusto Monteiro Duarte*