

7 September 2015

Investments in Cape Verde made easy

Decree-Law no. 42/2015, of 28 August 2015, establishes the new monitoring procedures and sets up the Investor's One-Stop Shop for investments made under the Investment Law.

The new regime applies to investments starting at five million Cape Verdean Escudos (ECV 5,000,000\$00) – an amount roughly equivalent to forty-five thousand three hundred and forty-five Euros (€ 45,345) -, including investments made through the International Business Center. Investments made in the financial system; or by corporate persons under private law, in which the State or any other corporate person under public law hold a 50% or plus stake; or which jeopardize public order, safety or health; or are aimed at the production of or trade in arms, munitions and war materials; or involving the exercise of public authority do not fall under this regime and are subject to special laws.

New rules include:

- > The set-up of a One-Stop Shop for recognition and monitoring of investments in the premises of Cape Verde Investments, Cape Verde's Investment and Export Promotion Agency ("CI"), which will be the sole investor liaison in Cape Verde;
- > The possibility to submit application requests by electronic means;
- > Vesting CI with the powers to recognize investment projects; CI must issue its decision within 5 days from submission of the application request, otherwise projects will be deemed implicitly approved;
- > The distribution of powers between CI and the Business Development and Innovation Agency (ADEI) to conduct the processes. ADEI is responsible for projects of up to seventy million Cape Verdean Escudos (ECV 70,000,000\$00), and CI for any processes in excess of that amount;
- > The establishment of two regimes to conduct investment processes: i) a general regime for investment projects not requiring negotiation and contract, and ii) an establishment convention regime for projects of national interest, requiring negotiations between Government and the investor;
- > The reduction of deadlines for the relevant bodies to issue opinions, authorizations and licenses required to implement projects to 75 days in the general regime and 60 days in the establishment convention regime;

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- > A new investment fee to be paid by potential investors; the amount of the fee will be set later, based on the investment amount;
- > The right to repatriate profits and dividends arising from investments made through importation of foreign currency in excess of five million Cape Verdean Escudos (ECV 5,000,000\$00).

The new regime came into force on 28 August and applies automatically to investment contracts awaiting approval.

Investment projects submitted prior to the effective date of the existing Investment Law are subject to the regime in force on the date of their submission, unless investors request application of the current regime.