Decree-Law no. 49/98, of 21 September

Regulates Law no. 51/V/98, of 11 May, which creates the *Bolsa de Valores de Cabo Verde, SARL* & Approves the Respective Memorandum and Articles of Association

O.B. no. 35 - I Series

Decree-Law no. 14/2007, of 2 April

Amends articles 3 and 15 of the Memorandum and Articles of Association of the *Bolsa de Valores de Cabo Verde SARL*, approved by Decree-Law no. 49/98 of 21 September.

O.B. no. 13 - I Series
Decree-Law no. 14/2007
of 2 April

Whereas the reorganisation of Bolsa de Valores de Cabo Verde, SARL into a more modern and effective form requires changing some of the assumptions laid down in 1998 when it was created;

Whereas the dematerialisation of securities, seen as the foundation for the establishment of a secure secondary market; the existence of a Central Desmaterialised Securities Depository managed by the Stock Exchange and the possibility of the Stock Exchange operating as the National Code Allocation Agency of Cape Verde were not taken into consideration in the memorandum and articles of association of the Stock Exchange that form an integral part of Decree-Law no. 49/98, of 21 September;

Whereas the education of all of the financial intermediaries, of the public in general and the disclosure of the securities market that are seen as critical components for the full establishment of the Cape Verde stock market do not form part of the main or complementary object the Cape Verde Stock Exchange, established in 1998;

Thus,

In exercising the right granted by sub-paragraph a), no.2 of article 203 of the Constitution, the Government decrees the following:

**Article 1**

**Amendments**

Articles 3 and 16 of the Memorandum and Articles of Association of "Bolsa de Valores de Cabo Verde, SARL, approved by Decree-Law no. 49/98, of 21 September, are amended as follows:

“Article 3º

[...]

The main object of BVC is to:

a) Carry out securities operations;

b) Manage the stock market and the securities trading systems;

c) Manage the centralised book-entry securities registration systems;

d) Manage securities settlement systems and to act as a national code allocation agency;

e) Provide other services related to the issuance and trading of securities that do
not form part of the intermediation activity;

f) Carry out research, consultancy, disclosure, promotion or training activities that contribute to the balanced and sustained growth of the capital markets of Cape Verde;

g) Provide the members of the markets managed by it with the services deemed necessary for the intervention of said members in markets managed by a counterpart entity from another State, with whom they have entered into an agreement.

Article 16

[...]  
1. (...)  
a) (...)  
b) (...)  
c) To ensure the adequate management and functioning of the centralised securities registration systems and of the trading, clearing and settlement systems;

d) (...)  
e) (...)  
f) (...)  
g) (...)  
h) (...)  
i) (...)  
j) (...)  
l) (...)  
2.(...)”

Article 2

Addendums

No. 2 is appended to article 14 and sub-paragraph m) is appended to no. 1 of article 16, both from the Memorandum and Articles of Association of Bolsa de Valores de Cabo Verde, SARL, approved by Decree-Law no. 49/98, of 21 September, with the following amendments:

“Article 14
2. The remuneration of the Chairman and of the other members of the Board of Directors shall be established by the Council of Ministers.

Article 16

[...]

m) Deliberate on the creation and existence of the scientific and technical departments, which have become necessary or desirable to achieve its object.”

Article 3

Effects

The Memorandum and Articles of Association of the Cape Verde Stock Exchange shall be binding, or produce effects, on third parties, irrespective of registration.

Article 4

Republication

The text of the Memorandum and Articles of Association of Bolsa de Valores de Cabo Verde SA, approved by Decree-Law no. 49/98, de 21 of September, is republished, with the amendments included in this order.

Article 5

Entry into force

This order shall enter into force on the day following its publication.

Seen and approved in the Council of Ministers

José Maria Pereira Neves - Cristina Duarte

Promulgated on 23 de Março de 2007

Hereby published.

The President of the Republic, PEDRO VERONA RODRIGUES PIRES

Countersigned on 28 March 2007

The Prime Minister, José Maria Pereira Neves
ANNEX

BYE-LAWS OF THE BOLSA DE VALORES DE CABO VERDE, S.A.R.L.

CHAPTER I

General provisions

Article 1

(Denomination and logotype)

1. The Cape Verde Stock Exchange, hereinafter briefly referred to as BVC, is a joint-stock company with exclusively public capital that adopts the name Bolsa de Valores de Cabo Verde, S.A.R.L.

2. The Cape Verde Stock Exchange shall use its own logotype

3. The Cape Verde Stock Exchange may also adopt the abbreviated denomination of BVC, which, together with the logotype, shall be mentioned in all correspondence, publications and in all of its external activity in general.

Article 2

(Headquarters and Representation)

1. BVC has its headquarters in the city of Praia but it may set up other branches, delegations or any other type of representation in any location of the national territory or outside it.

Article 3

(Object)

The main object of BVC is to:

a) Carry out securities operations;

b) Manage the stock market and the securities trading systems;

c) Manage the centralised book-entry securities registration systems;

d) Manage securities settlement systems and to act as a national code allocation agency;

e) Provide other services related to the issuance and trading of securities that do not form part of the intermediation activity;

f) Bolsa de Valores de Cabo Verde, SARL may create and run scientific and
technical departments, which have become necessary or desirable to achieve its object.

Article 4
(Share capital)

1. The share capital of BVC is 50,000,000$00, divided into 50,000 shares of 1,000$00 each, and has been fully subscribed and paid up by the State.

2. The share capital is represented by nominative shares.

3. The share capital shall be increased by decision of the General Meeting.

Article 5
(Duration)

The duration of the company shall be for an indefinite period of time.

CHAPTER II
Stock exchange bodies
SECTION I
General provisions

Article 6
(Management companies)

BVC has the following management companies:

a) The General Meeting;

b) The Board of Directors.

Article 7
(Minutes)

After all meetings of the bodies of the Stock Exchange, minutes shall be drawn up with at least a description of the items discussed and the decisions taken.

Article 8
(Supervision)

The supervision duties shall be assigned to auditing companies of recognised competence.
SECTION II
General Meeting

Article 9

(Composition)

1. The general meeting is made up of the shareholders with voting rights.

2. Every 100 shares correspond to 1 vote in the general meeting.

3. Shareholders holding a number of shares below the amount defined in the previous number may form a group, with one of the group members representing the group as a whole, so as to make up the number necessary to exercise the voting right.

4. Any shareholder with voting rights may be represented in the General Meeting by another shareholder with voting rights through a simple letter addressed to the Chair of the general meeting, who shall assess the authenticity of said letter.

5. The State shall be represented in the general meeting by the persons designated by order of the Finance Minister.

6. The members of the Board of Directors may participate in the agenda of the general meeting, without voting rights.

Article 10

(Chair of the General Meeting)

The chair of the General Meeting shall be made up of a chairman, a vice-chairman and a secretary, elected among the shareholders or other persons whose absence shall be compensated for pursuant to the law.

Article 11

(Meetings)

The general meeting shall meet ordinarily at least once a year and extraordinarily whenever the Board of Directors deems it necessary, or when requested by the State shareholder.

Article 12

(Duties)

The general meeting shall be responsible for:

a) Assessing the report by the Board of Directors, discussing and voting the balance sheet and accounts and deciding upon the application of the results;

b) Defining general policies regarding the company’s activity;
c) Electing the General Meeting, the members of the Board of Directors and the Chairman of the Board of Directors;
d) Deliberating on any amendments to the memorandum and articles of association;
e) Deliberating on the remuneration of the Chairman and other members of the Board of Directors;
f) Approving the issuance of bonds;
g) Deliberating on the purchase and resale of shares holdings;
h) Authorising the purchase and resale of real-estate;
i) Deal with any other matter for which the meeting was called.

SECTION III

Board of Directors

Article 13

(Composition)

1. The Board of Directors shall be made up of three or five board members, depending on the decision of the General Meeting.

2. The Chairman of the Board of Directors and the other board members shall be elected by the General Meeting.

Article 14

(Term of office)

1. The Chairman of the Board of Directors shall be elected for a four-year term of office, renewable one or more times, and the other board members shall be elected for a two-year term of office, also renewable one or more times.

2. The remuneration of the Chairman and of the other members of the Board of Directors shall be defined by the Council of Ministers.

Article 15

(Substitution)

Shall any member of BVC renounce their term of office or be prevented from exercising it for more than three months, they shall be replaced by whosoever is designated to this effect.
Article 16
(Duties)

1. The Board of Directors shall be responsible for:

   a) Adopting all of the necessary measures for the good functioning of the Stock Exchange, with a view to safeguarding the public interest and protecting investors’ interests;

   b) Proposing to the Banco de Cabo Verde or to the Finance Minister, according to the respective duties, the measures that it deems necessary to fulfil the purpose of the Stock Exchange or to promote the expansion and adequate functioning of the securities market in general, or the quality of the financial intermediation services provided therein;

   c) Ensuring the adequate management and functioning of the centralised securities registration systems and of the trading, clearing and settlement systems;

   d) Supervising the operations;

   e) Ensuring the provision of information regarding the operations carried out and promoting the publication of the stock exchange's official bulletin;

   f) Drawing up the annual budget, any amendments made thereto, as well as any supplementary budgets;

   g) Drawing up the accountability documents of each financial year;

   h) Publishing, by 31 April of each year, BVC’s annual activity report in regard to the previous year, which shall mandatorily include the annual report and accounts;

   i) Purchasing, reselling, leasing, renting, lending, whether free or not, any equipment or real-estate, or rights, desirable for the pursuit of the purpose of BVC;

   j) Exercising the disciplinary authority of BVC;

   l) Performing all of the other duties assigned to it by the applicable securities legislation and regulation;

   m) Deliberate on the creation and existence of the scientific and technical departments, which have become necessary or desirable to achieve its object.

2. The Board of Directors may directly ask any of the State services and public institutes or companies for the information necessary for the performance of its duties and for the pursuit of the purpose of BVC.
Article 17

(Duties of the Chairman and of the Vice-Chairman)

1. The Chairman of the Board of Directors shall be responsible for:
   a) Representing the Stock Exchange in or out of court;
   b) Presiding over the meetings of the Board of Directors;
   c) Organising and directing the services of the Stock Exchange.

2. The Vice-Chairman of the Board of Directors shall be responsible for assisting the Chairman in exercising his/her duties and for substituting him/her during any absences or impediments.

Article 18

(Functioning)

1. The Board of Directors shall meet ordinarily and extraordinarily.

2. The ordinary meetings shall take place on a monthly basis on the day and at the time defined by the Board.

3. The extraordinary meetings shall take place whenever they are convened by the Chairman, on his/her own initiative or by indication of at least three of the Board members.

4. The meetings may only take place with the presence of three of the Board members, one of which is the Chairman or the Vice-Chairman.

5. Whenever a unanimous decision is not reached in regard to any of the deliberations, said deliberations shall be taken by the majority vote of the members present, with the Chairman having a casting vote in the event of a tie.

6. The Board of Directors may deliberate in writing, independently of a meeting, as long as there is consensus.

Article 19

(Urgent decisions)

1. When urgent decisions or measures need to be taken that cannot wait for the convening and holding of an extraordinary meeting of the Board, under penalty of prejudicing the public interest, the interests of BVC, of the investors, of the issuers or of the market in general, the Chairman of the Board of Directors may take the measure or decision, informing the Board of said fact in the subsequent meeting, namely describing the nature of the matter or occurrence, or the circumstances leading to the immediate resolution and the measures taken.

2. The decisions or measures of the Chairman of the Board of Directors taken
pursuant to the previous number shall be subject to rectification by the Board of Directors in the subsequent meeting.

CHAPTER III
Final provisions
Article 20
(Engagement of the company)

1. The company shall bind itself:

a) By the signature of the Chairman of the Board of Directors and of another board member;

b) By the signature of the appointed nominees, within the scope of the corresponding mandate.

2. In routine matters, the signature of just one of the members of the Board shall suffice.

3. The Board of Directors may decide, pursuant to law, that certain company documents be signed by mechanical processes or with a rubber stamp.

Article 21
(Profit and loss account for the financial year)

The profit and loss account for the financial year shall be allocated in compliance with law and as determined by the general meeting.

The Minister of Finance, Cristina Duarte.