Law no. 39/V/97, of 17 November

Grants tax exemptions to companies that participate in the Stock Exchange.

O.B. no. 44 - I Series
Law no. 39/V/97
of 17 November

By the mandate of the persons, the National Assembly decrees, pursuant to sub-paragraph b) of article 186, of sub-paragraph a) of no. 2 of article 187 and of sub-paragraph i) of article 188 of the Constitution, the following:

Article 1

(Donations from companies to the Stock Exchange activity)

1. The donations of companies and other institutions to the Stock Exchange, for a period of three years and as from the date on which it actually begins to operate, are considered as costs of the respective financial year, for the purposes of the single tax on income (IUR).

2. For the purposes of this law, the date on which the Stock Exchange actually begins to operate shall be understood as the first normal Stock Exchange session.

Article 2

(Bonds quoted on the stock exchange)

Non-government bonds admitted to trading on the Stock Exchange, for a period of three years counting from the date on which it actually starts operating, shall benefit from a reduction of 20% of the respective return for the purposes of IUR.

Article 3

(Shares quoted on the stock exchange)

The dividends of shares quoted on the stock exchange, for the respective year, shall only count for 80% of their amount for the purposes of IUR.

Article 4

(Benefits to Stock Exchange operators)

Those bodies that, under the legal terms, come to pursue the financial intermediation activity in securities on the Stock Exchange, shall be exempt from paying IUR, for a period of three years, in relation to the profit obtained in the pursuit of said activity.

Article 5

(Benefits to Issuers)

Business corporations quoted on the stock exchange benefit from a reduction of 15% of the respective return for the purposes of income tax, for a period of three years, as from the date on which they are admitted to trading.
Article 6
(Benefits to Investors)

Entities that purchase securities in business corporations quoted in the stock exchange shall benefit, in terms of IUR, from a deduction from the taxable amount of the purchase value deducted from the resale, for a period of three years, counting from the date on which the Stock Exchange actually begins to operate, after proof of ownership of the securities in question has been provided, under the terms to be regulated.

Article 7
(Validity)

The entry into force of this law coincides with the legal measure which creates the Cape Verde Stock Exchange.

Approved on 29 October 1997.
The Chairman of the National Assembly, António do Espírito Santo Fonseca.
Promulgated on 7 November 1997.
Hereby published.
The President of the Republic, ANTÓNIO MANUEL MASCARENHAS GOMES MONTEIRO
 Signed on 10 November 1997
The Chairman of the National Assembly, António do Espírito Santo Fonseca.