Law No. 52/V/98, of 11th May

Establishes the fundamental principles governing the structure, functioning and operations of the Securities Markets.

(Securities Market Code)

O.B. No. 18 - I Series

General Provisions

Primary Market

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Public Offers

Infractions and Sanctions

Final Provisions
Law No. 52/V/98
of 11th May

By the people's mandate, the Assembly, in accordance with sub-paragraph b) of article 186 of the Constitution, decreed the following:

SECURITIES MARKET CODE

TITLE I

General Provisions

CHAPTER I

Objective, scope and general provisions

Article 1

Object

This Code's objective is to establish the fundamental principles and provisions for governing the structure, functioning and operations of the securities markets and the activities which the players carry out in said markets.

Article 2

Scope

1. The provisions of said Code are applicable to all the securities issued, traded or marketed in national territory.

2. The following is excluded from the previous paragraph:

   a) Securities of a monetary nature, except when the legislation on same states the contrary;

   b) Other securities with respect to which the implementation of this Code is, wholly or partially, expressly excluded by specific legislation that regulates same.

Article 3

Definitions

For the purposes of this Code, the following definitions shall apply:

a) Securities – shares, bonds and any other securities, whatever the nature or form, or form of representation, even if merely book-entry, issued by any persons or entities, public or private, in homogeneous groups which confers identical rights to its holders, and that are lawfully capable of trading in an organized market;

b) Securities Market – all organised markets or controlled by the competent authorities and wherein said securities are traded;
c) Primary Market – the securities market through which issuers issue said securities and distribute same to the investors;

d) Secondary Market – all securities markets organised to ensure that said shares are bought or sold after being distributed to the investors in the primary market;

e) Financial Intermediaries or authorised intermediaries – persons or entities, individual or legal, public or private, legally qualified to carry out any financial intermediation activity in securities markets, on a professional basis;

f) Stock exchange operators – all financial intermediaries legally authorised to carry out stock exchange transactions;

g) Competent Authorities – persons or entities, public or private, responsible for the organisation and functioning of the stock exchanges, or for the control of the activities therein carried out and compliance with the legal and regulatory provisions related thereto;

h) Issuers – persons or entities, public or private, that issue securities;

i) Investors - persons or entities, public or private, who, by self or through other persons or entities, invest temporarily or permanently in securities with financial resources in their possession;

j) Public subscription companies – companies that have a part or the whole capital disseminated to the public, by virtue of a public subscription, in a capital increase, having resorted to a public subscription, or its shares being or having been admitted to trading on a stock exchange or having been the object of a public offer for sale or exchange.

2. Similar to securities are the economic rights detached from said securities, provided capable of trading independently in a secondary market.

3. The professional activities covered by the definition set forth in sub-paragraph e) of number 1 includes not only the operations that the financial intermediaries carry out on behalf of third parties, but also those that are found to be legally or statutorily authorised or obliged to carry out for own account, within the scope of the functions that same performs in the securities market.

4. A company with public subscription, for all purposes, shall stop being considered as such by a declaration from the Office of the Auditor-General of the Securities Market, being made public by means of a notice published in the Stock Exchange Bulletin, which shall only be issued as soon as the General Meeting of the company has passed such a resolution by a majority greater than 90 % of the votes corresponding to the share capital.
CHAPTER II
Office of the Auditor-General of the Securities Market

Article 4

Supervision of the Securities Market

1. An Office of the Auditor-General of the Securities Market is established, dependent on the Governor of the Cape Verde's Central Bank - BCV (Banco de Cabo Verde).

2. The Office of the Auditor-General of the Securities Market is responsible for the supervision of the securities market.

3. The Office of the Auditor-General of the Securities Market is directed by an Auditor-General, who shall be assisted by two members, with all being appointed by the Governor of the BCV, on proposal from the Board of Directors.

4. The following constitutes the powers of the Office of the Auditor-General of the Securities Market:

   a) Oversee the trends in the primary and secondary markets, shares, bonds and other securities;

   b) Inspect the activity of the stock exchange and all the players in the securities markets;

   c) Confirm the compliance of the duty to inform the public which looms over the issuers of securities admitted to trading on the stock exchange;

   d) Stipulate compulsory admission to listing of securities;

   e) Grant the registration of public offers to subscription and public offers for the sale of securities;

   f) Authorise or prohibit the carrying out of takeover bids;

   g) Regulate on matters that are assigned by law;

   h) Carry out all acts that allow the assignment of liabilities and the institution of competent disciplinary procedures, and report to the competent legal authorities the possible irregularities of the criminal procedure in the functioning of the securities market;

   i) Impose fines referred to in this Code and supplementary legislation;

   j) Exercise other powers that are assigned by legislation or regulations applicable to the securities market and also, that are necessary for the effective performance of his/her functions.
Article 5
Incompatibilities

Any staff member of the Office of the Auditor-General services is prohibited from:

a) Exercising remunerated functions in financial intermediaries or for own account, any financial intermediation activity, including consultancy on securities investments;

b) Carrying out for own account, directly or through a third party, any stock exchange operations with the exception of operations on national and foreign public funds and other such securities.

CHAPTER III
Financial Intermediaries

Article 6
General duties

1. In the execution of any operations and the provision of other intermediation services in securities assigned thereto, the financial intermediaries shall provide services to its clients with the greatest diligence, loyalty, impartiality and discretion and with the greatest respect for their interests, and shall, namely:

a) Execute transactions in the best conditions available on the market, without prejudice, however, to the strict observance of the instructions received from the client;

b) Comply with the greatest speed the orders received from the client for the purchase or sale of securities or, in the case of the order being discretionary, then the time for execution shall be the one considered to be the most suitable for the purposes of the provisions in the previous paragraph;

c) Refrain from carrying out and encouraging clients to execute repetitive operations of buying and selling securities, when said operations are not justified and has as the only and principal aim the charging of the corresponding commissions or any other objective which is alien to the clients’ interests;

d) Refrain from assigning to self any securities which the clients have requested at the same price or higher;

e) Refrain from selling securities of which it is the holder instead of identical securities whose sale was so ordered by its clients at the same price or lower.

2. The financial intermediaries have the duty to increase investors’ confidence in the securities market, with a greater marketing conduct, strictly observing the
legal and regulatory provisions applicable to intermediation activities exercised as rules of professional ethics to which it is subject, and refraining from carrying out or taking part in any transactions or actions capable of putting at risk the regular functioning, transparency and credibility of the market.

3. In compliance with that established in the previous number, the financial intermediaries shall take into consideration, on the one hand, the level of knowledge, experience and professionalism of the clients with regard to the securities market and on the other hand, the financial position and the reflection it may have on same, corresponding to the degree of risk, operations ordered and services provided.

4. Financial intermediaries that have knowledge of any strategy designed to manipulate supply and demand or prices on the securities markets, practices that include insider dealing, acts through which a financial intermediary illegally avails of a dominant position which it relishes on the market, or any other serious irregularities included in the general provisions of the previous number, shall take the necessary measures, which are within its grasp, so as to thwart it, immediately reporting said facts to the Stock Exchange and the Office of the Auditor-General of the Securities Market.

Article 7

Professional Secrecy)

1. The financial intermediaries, members of its boards and including employees, agents, commissioners and any other persons that provide services on a permanent or incidental basis, shall become subject to professional secrecy on all that relates to the operations carried out and services provided to its clients and also on any facts or information regarding said clients or third parties and whose knowledge is gained from exercising the said activities.

2. The duty established in the previous paragraph ceases when:

a) The intermediary and the persons mentioned in number 1 of this article have provided information or supplied other details to the Office of the Auditor-General of the Securities Market or stock exchange, within the framework of the respective powers and in the cases and terms expressly set forth in this Code or in specific legislation thereto;

b) The existence of any legal provision that removes this duty;

c) The disclosure of information or supply of the details in question had been authorised in writing by the person relating thereto.

Article 8

Regulation of intermediation activities

The regulation of financial intermediation activity including the conditions
of access to the financial intermediation activity in the Stock Exchange shall be established by Law.

Article 9
Fidelity Bond of Market Operator

Before commencing activities at the stock exchange, every market operator shall provide a fidelity bond so as to guarantee the liabilities incurred by him/her in the transactions wherein he/she takes part, in accordance with the legal document referred to in the previous article.

CHAPTER IV
Securities
SECTION I
General provisions
Article 10
Form of representation

1. Notwithstanding the provisions set out in article 123, public fund, shares, bonds and the other securities may be represented by certificates or simply book-entry.

2. When dealing with shares and other securities convertible in shares or that assign rights to its subscription or acquisition, the issuer’s memorandum and articles of association shall establish the form of representation, it is understood, notwithstanding anything to the contrary, that both are admitted.

3. The representation mode chosen for each issue, although in series, shall be mandatorily applicable to all the securities.

Article 11
Bearer and nominal securities

1. The certificated securities are represented by bearer or nominal securities, convertible or not, according to the legal provisions applicable, in the statutory provisions by which the issuer is governed or, if said legislation or provisions so allow, in the terms and conditions set for each issue.

2. The book-entry securities shall follow the system of the bearer or nominal securities, depending on what is set out in the legal and statutory provisions applicable or in the conditions of the respective issue.

Article 12
Categories of securities

1. Securities of the same nature and issue shall confer identical rights on the title holders.
2. Exception to the provisions of the previous number are bond issues and other debt securities in series, wherein each series may have different conditions for remuneration, maturity or interest from that established for the rest.

3. The securities issued by the same entity, albeit in different issue or series, and that assign the holders thereto equal rights constitute a category.

**Article 13**

**Exercise of rights**

1. Whenever the exercise of rights inherent to any securities depends, legally or statutorily, on the respective presentation or deposit, in any form and at any entity, the same may be substituted by a declaration issued and authenticated by a financial intermediary, substantiating that said securities are deposited with same, provided that the declaration is presented or submitted by the date stipulated in the law or contract for the presentation or deposit.

2. In the previous number and when the exercise of rights depends on the corresponding securities being maintained by the holder concerned until the date of said exercise, on issuing the declaration, the financial intermediary shall block said securities in the account wherein same are deposited, until the date stated for that purpose by the persons concerned, which shall appear on the declaration as the deadline. During this period, no operations may be carried out that imply the transfer of ownership of said securities or of the rights for whose exercise the declaration is requested.

3. When dealing with subscription rights or with any rights that can be detached from the securities relating thereto, and which are capable of being exercised or traded separately, the financial intermediary may, at the request of an interested party, issue independent documents intended to be the base for said exercise or trade, simultaneously recording the fact in the account wherein the securities in question are deposited, whereby as from the date of issue of said documents and except for the return of same without having been used, the securities may only be traded with the exclusion of said rights.

**SECTION II**

**Certificated Securities**

**Article 14**

**Fungibility**

1. Securities of the same nature and nominal value, issued by the same entity, which are fully paid up and which grant the holders equal rights irrespective of their numbering, shall be considered to be fungible.

2. Nominal securities are only considered to be fungible when, in addition to
fulfilling the requirements set forth in the previous number, are subject to the deposit system envisaged in the following article.

**Article 15**

**Deposit system**

1. The deposit of securities may only be carried out in financial intermediaries legally authorised to accept securities from the public for safekeeping and management and stock trading orders.

2. The deposit of securities shall only be considered to have been established when the depositaries receive the corresponding securities.

3. It is incumbent on the depositary financial intermediary to exercise reasonable care and prudence required for evaluating the authenticity of the securities handed in for deposit.

4. Under no circumstances shall the deposit of securities imply that ownership is transferred to the depositary, even if same is used for different purposes to those resulting from the deposit agreement.

5. When securities that are considered to be fungible are deposited, the depositary may return identical securities but with different numbering on termination of the deposit.

6. Nominal securities that are deposited in an authorised financial intermediary and that meet the conditions set forth in paragraph 1 of the previous article, are considered to be fungible for all purposes, including those specified in the previous number, while deposited.

7. The deposit system established in this article is alternative to the registration system set out in the commercial legislation, with:

   a) The cancellation of the registration, initiated on the very day by the depositary financial intermediary with the issuer, when registered securities are deposited;

   b) The registration of the securities, initiated on the very day by the depositary financial intermediary with the issuer, when the deposit is terminated.

8. The issuers of securities subject to registration and admitted to trading on the stock exchange are obliged to exercise the movements referred to in the previous number on the working day following the receipt of the corresponding communications.
SECTION III
Book-entry securities

Article 16
Book-entry securities

The book-entry securities shall be regulated by specific legislation.

TITLE II
Primary Market

CHAPTER I
General Provisions

Article 17
Who may issue securities?

Securities may only be issued by legal persons and other public and private entities duly authorised by general and particular legislation, respective statutes or organic law.

Article 18
Public subscription

1. For the purposes of this Code, it is deemed to be a public offer for subscription whenever same is not reserved for a restricted number of natural or legal persons.

2. The offer of securities is reserved for a restrictive number of persons when all the following requirements are cumulatively met:

   a) The offer is aimed at a group of recipients heretofore identified that is deemed to be in possession of enough information to correctly evaluate the securities which are the object of the offer;

   b) Being securities directly offered to the recipients by the offerers or representatives, on such conditions that only same may accept the offer.

3. The offer for shares by companies admitted to trading on the stock exchange, even if not meeting the requirements set forth in number 1, is always deemed to be public.

4. The offer of securities offered simultaneously to public and private subscription is always deemed to be public.

5. By means of an Order from the Finance Minister, amounts lower than whereof securities may not be offered for public subscription may be established.
Article 19

Private subscription

For the purposes of this Code, all subscriptions that may not be classified as public in accordance with the previous article shall be considered to be private subscriptions.

CHAPTER II

Public offers for subscription

Article 20

Registration

1. The carrying out of any public offer for subscription is subject to the prior registration of the issue at the Office of the Auditor-General of the Securities Market.

2. The rules to be complied with in the application for registration shall be established in a regulation to be passed by the Office of the Auditor-General of the Securities Market.

Article 21

Decision of the application for registration

The application for registration is deemed as tacitly deferred if the Office of the Auditor-General of the Securities Market does not issue an opinion within 30 days, as from the date of receipt of the application for registration or any additional point or information requested.

Article 22

Calendar

1. Together with the application for registration, the issuer shall propose the dates, after authorisation is granted, for the securities offer, it being incumbent on the Office of the Auditor-General of the Securities Market to establish same, taking into account the financial market environment.

2. When an issue with reservation of preference and public subscription is involved, the subscription period reserved for holders of preference rights may not be less than 15 days and shall precede the period reserved for subscription by the general public.
Article 23
Advertising

The Office of the Auditor-General of the Securities Market, by means of regulation, shall establish the terms and conditions for the advertising of securities offers regulated in this Chapter.

Article 24
Withdrawal of the offer

1. After the commencement of the subscription period, the public offer for the subscription of securities may only be withdrawn by authorisation of the Office of the Auditor-General of the Securities Market and provided it is based on irregular changes and unpredictable circumstances without which the issuer based itself to carry out the operation.

2. The legal provisions on the disclosure of the issue shall apply to the withdrawal of the offer.

3. The withdrawal of the offer may not, under any circumstances whatsoever, take place after the end of the issue period.

4. On withdrawal of the offer, the issuer shall, in the 20 days ensuing, return all the monies received from the investors and, having elapsed said period without any reinstatement, the legal default interest rate shall be added to the amount in debt as from the date of the offer’s withdrawal.

Article 25
Suspension or prohibition of offer

1. The Office of the Auditor-General of the Securities Market may, at any time, suspend, withdraw or prohibit a public offer for the subscription of securities that is underway or that is thought to be underway:

   a) Without the necessary authorisations;
   b) Without the prior registration of the issue;
   c) In conditions different to those set out in the registration;
   d) Based on incorrect or false information, being illegal or in contravention of the law;
   e) In breach of other applicable legal provisions and regulations which shall put the lawful interests of the subscribers at risk.

2. The withdrawal and suspension of the offer shall be publicised in identical conditions to that required for the disclosure of the issue.
3. On the withdrawal of the offer, all acts exercised within said context are deemed to be null and void, with the securities subscribers thereto becoming entitled to the right of receiving the monies submitted, with the previous number 4 being applicable, and compensation for any damages.

4. In the case of suspension, investors may, at any time until the end of the second working day after that on which the suspension ends and the offer is reinstated, once the defect has been remedied, cancel the obligations and demand the refund of the amount spent.

Article 26
Issues excluded

This Title is not applicable to public offers for the subscription of securities representing public debt, which is governed by specific legislation.

TITLE III
Secondary markets
CHAPTER I
General provisions
Article 27
Statement

Secondary markets of securities are:

a) The stock exchange;

b) The over-the-counter market.

Article 28
Stock exchange

The stock exchange has the following objectives:

a) To keep premises and systems equipped with the necessary resources for the operation, in appropriate conditions of efficiency, continuity and liquidity, with the aim of protecting the interests of the public and of investors, of a free and open market for the trading of securities through authorised financial intermediaries;

b) To ensure, by self or through third parties, the appropriate services for the registration, clearing and settlement of said operations;

c) To disclose enough and timely information on the transactions carried out;

d) To exercise other activities that are imposed or allowed by law or authorised
by the Office of the Auditor-General of the Securities Market within the scope of its main object described in the abovementioned paragraphs.

Article 29

Over-the-counter market

Included in the over-the-counter market are all the buy and sell operations of securities carried out over the counter, for own or third party account, by stock exchange operators or any other financial intermediaries legally authorised to carry out this type of transactions.

CHAPTER II

Stock exchange

SECTION I

Establishment and supervision

Article 30

Incorporation

The Stock Exchange shall be incorporated by Law.

Article 31

Incorporation and internal rules

1. The stock exchange shall be incorporated by Government legislation.

2. The internal rules for the stock exchange shall be approved by the Minister of Finance.

Article 32

Closing and suspension

1. There shall be closure of the stock exchange when the Council of Ministers so decides, by decree-law, enabling the Government, if so decides, to request a preliminary opinion from the Office of the Auditor-General of the Securities Market.

2. The total or partial suspension of the activity of the stock exchange, irrespective of the period for the suspension, shall be established by ministerial order from the Finance Minister.
SECTION II
Stock exchange markets

SUBSECTION I
General provisions

Article 33
Stock exchange markets
In the stock exchange there shall mandatorily be an official listed market and, furthermore, an unlisted securities market may be established by regulation of the Office of the Auditor-General of the Securities Market.

Article 34
Parallel markets

1. Except for the cases and where expressly set forth and regulated in this Code, any public meetings wherein securities is traded or offered for trade are forbidden.

2. The trades carried out in breach of the provisions of the previous number may not be heard in court.

SUBSECTION II
Official listed market

Division I
Admission to listing

Article 35
Securities that may be admitted to listing

1. The following may be admitted to listing:

a) National and foreign public funds and securities equated thereto;

b) The shares and bonds issued by national and foreign companies or entities;

c) Any other securities that by order of the Finance Minister may be admitted to listing.

2. For the purposes of this Code, the following shall be considered as public funds:

a) National debt securities;

b) Securities issued by national public institutions and public funds;

c) Any other national securities that may be considered as public funds, when
3. Securities lending by any national companies or entities with collateral by the State of Cape Verde are equated to national public funds.

4. Securities lending by any foreign companies or entities with collateral by a foreign State and in addition, loans issued by international financial institutions are equated to foreign public funds.

Article 36

Admission to listing of public funds

1. The national and foreign public funds and the securities equated thereto shall be admitted to listing by authorisation of the Finance Minister, with dispensation from any other formalities.

2. The admission to listing shall be officiously and mandatorily considered by the Finance Minister, with regard to sub-paragraphs a), b) and c) of number 2 of the previous article, as soon as the securities become negotiable.

3. With regard to the remaining provisions set out in number 1, the admission to listing shall be officiously established as a matter of regular procedure by the Office of the Auditor-General of the Securities Market or requested by the issuer or any other bearers of securities to be listed.

Article 37

Admission to listing of shares

1. The admission to listing of shares shall be subject to the cumulative confirmation of the following requirements:

   a) The issuing company must constituted and functioning in accordance with the legal and statutory provisions applicable;

   b) The legal position of the shares must be in accordance with the legal provisions applicable;

   c) The foreseeable market capitalisation of the shares being requested for admission to official listing or, in absence thereof, the company’s own capital, including the results not distributed in the last financial year, may not be lower than 100,000,000$00;

   d) The company must have published the annual reports and financial statements for the last two financial years when applying for admission;

   e) The shares must be freely negotiable;
f) Until the moment of admission to listing, a satisfactory distribution of shares with the public must be ensured;

g) The application for admission to listing must include all the shares of the same class that are admitted;

h) The company must show a satisfactory economic and financial position.

2. Exceptionally, the stock exchange may revoke the condition set forth in sub-paragraph d) of the previous number whenever same is recommended for market reasons and provided that the investors have all the information necessary to make an informed assessment of the company and the shares whose admission to listing is requested.

3. A satisfactory distribution is deemed when the shares which are requested to be admitted to listing are distributed among the public in a percentage not lower than 10% of the share capital subscribed and represented by said class of shares or, in absence thereof, not less than 50,000 shares.

4. The Government shall promote the conditions necessary for the admission to listing of shares in commercial companies of minor dimension.

Article 38
Admission to listing of bonds

1. The provisions of sub-sub-paragraphs a), b), d), e), g), and h) of number 1 and number 2 of the previous article shall apply to the admission to listing of bonds, with the necessary changes.

2. The admission to listing of bonds is likewise subject to the cumulative confirmation of the following conditions:

a) The amount of the debenture loan being admitted may not be not lower than 20,000,000$00;

b) The payment of capital and interest must be fairly guaranteed and found to be substantiated.

3. Convertible bonds and bonds or other securities that give the right to the subscription or acquisition of shares may only be admitted to listing if the shares referred thereto have already previously been admitted to listing or were admitted simultaneously.

4. The admission to listing may be authorised without compliance with the provisions of the previous number provided that the stock exchange considers that the bondholders have all the information necessary to make an informed assessment of the share value with regard to said bonds.
Article 39

Material representation of foreign securities

1. The securities issued by non-national entities and that are materially represented shall be in accordance with the rules in force in the State of issue.

2. If the material representation is not found to be in accordance with the national rules in force, the stock exchange must make this fact public knowledge before admission to listing.

Article 40

Admission to listing of foreign securities

1. The securities issued by foreign entities that are not public funds or similar may only be admitted to listing if found to have all the conditions confirmed from which depends the admission to listing of national securities with identical nature.

2. The stock exchange may equally require that the securities admitted to listing are already listed in the stock exchange of the country where the headquarters or principal premises of the issuer are established or the country wherein they had been issued.

Article 41

Admission to listing of new securities

1. The entities with securities admitted to listing shall apply for admission of all new securities of the same nature and class issued, within 120 days as from the date of being fully paid up or when freely negotiable, if the latter occurs before.

2. When dealing with certificated securities, the delivery of definitive certificates shall only be done in the time period indicated in the previous number when another time period has not been established by specific legislation thereto.

3. Shares of the same class that are part of a lot designed to keep control of the company or are not traded for a period established by special agreements may be exempted from admission to listing by the stock exchange, without prejudice of informing the public of said fact and of there not being any risk of prejudicing the holders of shares whose admission is requested.

4. For the purposes of this Code, paid up is understood, when dealing with shares, to be the date of signing the public deed and the last day of issue, when dealing with bonds.

Article 42

Compulsory admission to listing

1. The admission to listing of shares and bonds may be determined by the Office of the Auditor-General of the Securities Market provided that it is of public interest.
2. The admission mentioned in the previous number does not prejudice the preliminary hearing of the issuer and of the stock exchange.

3. The issuer shall provide the stock exchange with all the documents and information that are requested, with the objective of ensuring the availability on the stock exchange of the process equal to that organised in accordance with number 2 of the following article.

**Article 43**

**Application for admission to listing**

1. The admission to listing shall be requested through a market operator, by the issuer or holders which hold at least 10% of the securities to be listed.

2. The rules to be complied with in the application, procedure and decision of the requests for the admission to listing shall be set out in a stock exchange circular.

**Article 44**

**Authority for admission**

The admission of any securities to listing, suspension and exclusion, and the readmission of the suspended or excluded securities fall under the responsibility of the stock exchange.

**Article 45**

**Notification**

1. Applicants shall be notified of the decisions regarding the admission process within 30 days after receipt of the application or, if the stock exchange requests supplementary information, within 30 days from the receipt of said information.

2. Failure to communicate the decision regarding the admission application within the period set forth in the previous number shall be considered as tacit approval of the application, with the stock exchange having the duty of executing the necessary measures for the admission to take place.

3. The decision to suspend and exclude shall be communicated to the issuer on the very day wherein it is made.

**Article 46**

**Prospectus**

1. The admission to securities to listing on the official listed market shall be subject to the publication by the issuer of a prospectus, approved by the stock exchange as an integral part of the admission to listing process.

2. The prospectus shall be published as follows:
a) By the insertion of the whole text in the stock exchange bulletin; or
b) By making available to the public, at the stock exchange and premises of the
market operators, a brochure containing the contents of the prospectus, with
a notice in the stock exchange bulletin announcing that the prospectus was
made available in this manner.

3. The publication of the prospectus by any of the methods set forth in the previous
number shall take place within eight days prior to the date of the commencement of
transactions.

4. The members of the Board of Directors or Management Board and the
Supervisory Board or similar entity of the issuer are responsible for the adequacy,
objectivity, truth and topicality of the information set out in the prospectus.

5. The following are not dependent on the publication of the prospectus for the
admission to listing:
   a) National and foreign public funds and other such securities;
   b) Shares resulting from an increase in capital by incorporation of reserves
      issued by a company that is already in possession of shares of the same class
      admitted to listing or shares gratuitously assigned to any other security to
      shareholders of the same entity already listed on the stock exchange;
   c) Shares resulting from the conversion of convertible bonds, or the exercise of
      the right to subscription or acquisition of shares by holders of bonds or other
      securities that confer said right, provided that the shares previously issued by
      the same company are already listed on the stock exchange;
   d) Shares issued in substitution of others in the same company, already listed on
      the same stock exchange, provided that the new share issue does not involve
      an increase of subscribed capital.

6. The stock exchange shall establish by circular the contents of the prospectus and
any other rules necessary for the implementation of the provisions in this article.

Article 47

Publication of the admission, exclusion, suspension and readmission to
listing

The admission, suspension, exclusion and readmission of any securities are made
public by means of a notice published by the stock exchange in the official stock
exchange bulletin, at the issuer’s expense.
Article 48

Admission, readmission and maintenance fees

1. Fees shall be due for the admission to listing and the readmission of excluded securities, with the exception of national and foreign public funds and other such securities. Said fees shall be established by regulation of the Office of the Auditor-General of the Securities Market and shall relate to the par value of the capital to be admitted or readmitted.

2. The entities with securities admitted to listing on a stock exchange, with the exception of the issuers of national and foreign public funds and other such securities, in respect of securities of said nature, shall pay a periodic maintenance fee to be established in a regulation by the Office of the Auditor-General of the Securities Market referred to in the previous number.

Division II

Bonds of entities with securities admitted to the official listed market

Article 49

General information for the stock exchange

Entities with securities admitted to listing shall report the following facts to the stock exchange as soon as possible:

a) Draft amendment to the memorandum and articles of association by the date convening the General Meeting for the approval of proposed change and respective approval;

b) File for bankruptcy or, from the date on which it is known, the application for the declaration of bankruptcy, as well as the respective sentence;

c) The admission to listing on a foreign stock exchange of any securities issued by same;

d) Report and financial statements of the Board of Directors, together with the opinion by the Supervisory Board and certificate by an independent auditor registered in accordance with article 126, within 30 days after approval in the General Meeting;

e) Any other information requested by the stock exchange or that may be established by circular.

Article 50

General information for the market

1. Entities with securities admitted to listing shall publish in the official stock exchange bulletin:
a) The annual reports and financial statements, together with opinion and
certificate as required in sub-paragraph d) of the previous article, within a
period of 30 days after approval in the General Meeting;

b) The composition of the Board of Directors and Supervisory Board and respective
changes thereto.

2. Shall the company simultaneously draw up non-consolidated annual accounts
and consolidated annual accounts, both shall be made available to the public.

3. The stock exchange may authorise the company to publish only the consolidated
or non consolidated accounts when it considers that the accounts which were not
published did not contain important supplementary information.

Article 51

Information to be disclosed to the market by companies with listed shares

1. The companies with shares admitted to listing shall publish announcements, as
soon as possible, on the following facts in the stock exchange bulletin:

a) Any changes to the inherent rights of the different classes of shares;

b) Important changes confirmed in the structure of holdings;

c) New facts that took place in its sphere of activity which are not of public
knowledge and which are capable, by the impact on the asset or financial
position of the company or on the normal course of business, of bringing
about an important variation in its share listings.

2. There is an important change in the structure of holdings in equity whenever any
person, single or legal, directly or through an intermediary, acquires or resells shares in
such a way that with said acquisition or resale surpasses the threshold of 10%, 20%, one
third, 50% or two thirds of the voting rights corresponding to the share capital.

3. In respect of sub-paragraph c) of number 1, the stock exchange may exempt the
company from this duty if the disclosure of certain information shall prejudice the
legitimate interests of the company.

Article 52

Information to be disclosed to the market by entities with listed bonds

1. The entities with bonds admitted to listing shall publish, as soon as possible,
announcements on the following facts in the stock exchange bulletin:

a) Any changes to the rights of bondholders which result in changes to the
conditions of the loan or interest rate;

b) New facts occurring in its sphere of activity that are not of general knowledge
and are important for compliance with its obligations;
c) Convening bondholders meetings and appointment of respective representative;

d) Any changes to the rights inherent to the different classes of shares referred to in convertible bonds.

2. With regard to sub-paragraph b) of the previous number, the stock exchange may exempt the issuer from said duty if disclosure is such that it would prejudice the legitimate interests of said entity.

Article 53

Other general information

1. National or foreign issuers that have securities admitted to listing on the official listed market shall mandatorily publish the following facts:

a) The issue of new shares or the reduction of share capital;

b) New debenture loan issues and respective guarantees;

c) The allocation and payment of dividends or other income to shareholders;

d) The exercise of subscription or incorporation rights;

e) Conversion operations;

f) The payment of interest or premiums or redemption of bonds and other securities representing debt;

g) The date and venue for conducting bond draws;

h) The draw results.

2. The publications referred to in the previous number shall be carried out within the following time periods:

a) Within 30 days as from the date of signature of the respective deed, for the facts set out in sub-paragraph a);

b) Within 30 days as from the date of the respective resolution by the competent governing bodies, for the facts set out in sub-paragraph b);

c) Within two working days after being carried out, for the fact set out in sub-paragraph h);

d) With a minimum of 15 days in advance, in respect of the facts set out in sub-paragraphs c) to g).

3. The publications referred to in this article shall be made in the stock exchange bulletin, without prejudice to other forms of disclosure set out in legal or statutory provisions.
DIVISION III
Suspension and exclusion from the official listed market

Article 54
Suspension of the listing

The following shall be suspended from listing:

a) The securities in relation to which a supervening cause that had prevented the admission to listing is confirmed, if in existence as at date of same;

b) The bonds and other fixed-income securities whose capital or interest is not paid in two consecutive maturity payments, except if there is an agreement among the interested parties;

c) The securities whose shortage of transactions hinders the functioning of a regular market;

d) The securities whose listings exhibit abnormal oscillations or are capable of affecting, temporarily or permanently, the regular functioning of the market;

e) The securities in relation to which other facts, which the stock exchange may establish by means of a circular, are substantiated.

2. In the decisions to suspend the listing, a period wherein the company shall remedy the error shall be established, when applicable, at the risk of the said securities being excluded from listing.

Article 55
Exclusion from listing

The following securities shall be conclusively excluded from the listing:

a) Those substituted by others, by conversion, from the same or different entity;

b) Those which for any reason shall be considered as defunct;

c) Those issued by companies who have been declared bankrupt;

d) Those whose listing has been suspended and the fact that the reason for same has not been remedied within the time period stipulated in the suspension decision;

e) Those in regard to which the stock exchange considers that a normal and regular market may not be maintained, due to special circumstances that shall be explained in a notice published in the stock exchange bulletin.
Article 56

Cancellation of the suspension of listing

The suspension of listing shall be cancelled as soon as:

a) The period stipulated for rectifying the situation that led to the suspension has ended;

b) The conditions for the purpose set out in the decision that decreed same have been confirmed;

c) The facts that determined it have ceased.

2. The cancellation of the suspension shall be automatic in the case of sub-paragraph a) of the previous number, and may be applied for by any interested parties or decided of own motion by the stock exchange in the case of sub-paragraphs b) and c).

Article 57

Readmission to listing of excluded securities

1. Shall the facts that determined the exclusion from listing of any security no longer apply, the issuer may apply for readmission to listing.

2. For the purposes of this Code, the application for readmission to listing shall be considered as a new application for admission to listing and shall dispense with the presentation of any documents that already exist in the process for the previous admission and which are still current.

SUBSECTION III

Stock exchange sessions

Article 58

Definition

1. Stock exchange session shall be understood to be the period of operation of the stock exchange during which operations on securities may be carried out.

2. The stock exchange sessions may be normal or special.

Article 59

Chairmanship and supervision

1. Stock exchange sessions shall be presided over and supervised by the stock exchange, in accordance with what may be established in the internal regulation.

2. The provisions of the previous number do not exclude the exercise of supervisory powers assigned to the Office of the Auditor-General of the Securities
Market, with the stock exchange providing all the means necessary for the performance of said functions.

**Article 60**

**Public nature**

1. Stock exchange sessions are public, enabling persons who are not included in number 3 to take part therein.

2. The authority referred to in the previous number shall be understood as only the access by the public to areas especially reserved for said purpose, with said persons being forbidden to have any contact whatsoever with the persons on the trading floor reserved for carrying out operations or any acts which disturb same in carrying out their functions.

3. The following are not allowed to enter the stock exchange:
   a) Minors, except when accompanied by the respective legal representatives or in the case of school excursions;
   b) Disabled and handicapped persons, in accordance with civil law;
   c) Persons carrying firearms, except in the case of peace officers requested by the stock exchange or in the exercise of their duties;
   d) Individuals who are found to be intoxicated or show signs of abnormalities of any kind that may disturb the functioning of the sessions;
   e) Any persons on whom disciplinary, infraction or penal sanctions have been imposed, provided that the prohibition of access to the stock exchange is expressly stated in the respective decision.

4. The stock exchange shall order the immediate dismissal of any persons who are found to be in one of the situations set forth in the previous number or who infringe the regulatory concepts of the functioning of the stock exchange or who disturb the agenda of the sessions, and shall request the aid of the public force when circumstances so require.

**Article 61**

**Access to the trading floor**

Only the following persons may enter the trading floor for trading:

a) Employees of the stock exchange that are providing service in that part of the trading floor;

b) Representatives of stock exchange operators;

c) Any other persons whose access to the stock exchange is occasionally
authorized, provided that said persons are not found to be included in any deterrent referred to in number 3 of the previous article.

Article 62

Normal sessions

1. Normal stock exchange sessions are designed for the current trading of securities admitted to listing or trading on a stock exchange.

2. The weekly number of normal sessions and the respective schedule shall be established in the stock exchange circular.

3. In the normal stock exchange sessions, security lots greater than the maximum limit defined by a stock exchange circular may not be traded and the operations on lots less than the minimum limit defined in the same circular shall not be considered in the fixing of prices and may be subject to specific rules established therein to this effect.

Article 63

Special sessions

1. The stock exchange may organise special sessions designed for:

a) The trading of securities not listed in any stock exchange, when the volume of securities in question or the manner in which same shall be traded so justify;

b) The assessment of the results for takeover bids or public offers for sale;

c) The trading of lots of securities admitted to trading in a stock exchange, when greater than the maximum limit referred to in number 3 of the previous article.

2. The application for the sessions provided in this Article shall be made through the stock exchange operators, by the issuers of the securities to be traded, by whoever is in their possession or has some real right or by a party interested in the trade to be carried out, always specifying the nature and quantity of the securities and the set or minimum price ultimately established to this effect.

3. The stock exchange may request from the applicant stock exchange operator the information deemed vital for the appraisal of the application.

4. Authorised sessions shall be announced at least eight days in advance in the stock exchange bulletin.

5. The trades set forth in this article shall always be carried out through the stock exchange operators and shall be reported, with the results being published under the item ‘Trades carried out in special sessions’ in the stock exchange bulletin on the very day on which the session took place.
6. The rules to be observed for the trading of securities in a special session and the contents of the notice referred to in previous number 4 shall be set out in a stock exchange circular.

Article 64
Auction sale of securities

1. The auction sale of securities shall always be carried out in the stock exchange through a stock exchange operator, as follows:

   a) In a normal stock exchange session, in the case of securities admitted to trading where the lots to be traded do not exceed the maximum limit referred to in number 3 of article 62;

   b) In a special session, pursuant to and in compliance with the provisions in the previous article, in the remaining cases.

2. The auction shall be executed in accordance with the court instructions, with the order that orders the auction sale of the securities specifying the nature, class and quantity of the securities to be resold, indicating the stock exchange operator encumbered with the sale and, in the case set out in sub-paragraph b) of the previous number, establishing the minimum price for said purpose.

3. The costs which fall upon the seller of the securities in the stock exchange shall be borne by the stock exchange operator encumbered with the sale, who shall present the account of such costs to the competent court for the purposes of being refunded in the final account of the process within the scope of the sale.

4. The transactions carried out according to this article shall be recorded in a special book, with the registrations being signed by the competent body of the stock exchange and by the stock exchange operators involved, and a copy of same shall be submitted to the authority that ordered the sales.

SUBSECTION IV
Stock exchange operations

Division I
General provisions

Article 65
Concept

For the purposes of this Code, stock exchange transactions shall be considered to be:

   a) The buy and sell transactions, carried out in normal stock exchange sessions, of securities admitted to trading in any of the markets referred to in article 33;
b) Transactions of any other securities, when carried out in special stock exchange sessions.

**Article 66**

**Who may carry out stock exchange transactions?**

1. Stock exchange transactions are mandatorily carried out by stock exchange operators.

2. The activities to be carried out by the stock exchange operators in the stock exchange may only be carried out by members of its governing bodies, directors or other authorised representatives who are duly registered for said purpose in a special register organised by the stock exchange.

3. The stock exchange shall only admit to the register referred to in the previous number competent persons suitably qualified to carrying out said activities, under the terms to be determined in a stock exchange circular, which likewise shall establish the conditions and requirements for the registration and cancellation of records.

**Article 67**

**Fees for carrying out stock exchange transactions**

The fees due for all stock exchange transactions shall be established in a regulation by the Office of the Auditor-General of the Securities Market.

**Article 68**

**Brokerage**

For the provision of their services, stock exchange operators have the right to the brokerage established in identical terms to those set forth in the previous article.

**Article 69**

**Subject to pecuniary duties inherent to the operations**

All of the taxes and fees relative to the operations carried out by stock exchange operators in the stock exchange shall be for the account of their principals.

**Article 70**

**Risk of operations**

Unless otherwise stated, the ownership and risk of the rights and obligations inherent to the securities passes to the buyer as from the moment the stock exchange operation is carried out.
DIVISION II

Object of the operations

Article 71

Securities that may be traded on the stock exchange

1. Without prejudice to the provisions of articles 63 and 64, only the following may be the object of stock exchange transactions:

   a) Securities admitted to trading;

   b) Any other securities whose trading on the stock exchange is authorised by legal provisions or Ministerial Order by the Finance Minister.

2. Without prejudice to the provisions of article 64, only securities that are fully paid-up and found to be free from encumbrances or charges, as well as any other limitations or obligations as to the patrimonial and social rights that integrate same or its transferability, may be traded on the stock exchange.

Article 72

Obligation of stock exchange operations

1. The trading, via the stock exchange, of securities that are admitted therein is compulsory.

2. Exceptionally, when circumstances so require, the Office of the Auditor-General of the Securities Market may authorise, by regulation, that a certain security admitted to trading on the stock exchange does not have to be compulsorily traded on said market.

Article 73

Operations with irregular securities

1. Damaged or amortised securities, as well as any others that are not capable of conferring the corresponding rights to the acquirers, may not be traded on a stock exchange.

2. Whenever a stock exchange operator delivers to his principal securities considered to be irregular, namely for being amortised, damaged or without the corresponding coupons, in addition to incurring liability for disciplinary action, shall substitute the same securities for others with satisfactory conditions, without additional costs for the principal.
DIVISION III
Types of operations

Article 74

General provisions

1. Only spot transactions, or others that shall be authorised by Ministerial Order of the Finance Minister, may be carried out in the stock exchange.

2. Spot transactions are those wherein the obligations reciprocal to the contracting parties, consisting in the delivery of securities relating thereto and payment of the respective price, that become irrevocable on the carrying out of the transaction and shall be complied with within the maximum time period and in accordance with the rules established by the stock exchange in the circular referred to in article 89.

DIVISION IV
Stock exchange orders

Article 75

Definition and general principles

1. Orders relative to the buying and selling of any securities on the stock exchange are called stock exchange orders and may be given by any interested party:

a) In any case, directly to the stock exchange operator that shall execute same whether dealing with buy orders or sell orders;

b) When dealing with buy orders of financial securities legally authorised to receive securities from the public for safekeeping and management;

c) When dealing with buy orders of book-entry securities, from any financial intermediary authorized to provide the service of registering securities of said nature;

d) When dealing with sell orders, to financial intermediaries that are responsible for the accounts wherein securities are deposited or registered.

2. Only stock exchange operators may execute stock exchange orders, whereby in the cases of sub-paragraphs b), c) and d) of the previous number, financial intermediaries shall immediately convey the stock exchange orders they receive to those who shall execute them.

Article 76

Rules to be complied with by the principals

1. Only securities that are incorporated in the deposit system established in article 15 and which the principal has legal capacity to act on the day of the respective stock exchange order, may be subject to cash sell operations.
2. For the purposes of compliance with the provisions of the previous number, stock exchange operators may not execute any sell order without the principal making delivery, for deposit, of the securities to be traded or indicating the financial intermediary with which same is deposited or registered and said intermediary confirms the availability of said securities and their blocking for transaction.

3. Stock exchange operators may not execute any buy order without first receiving from the principal the amount likely for the payment for the buy ordered.

4. Non-compliance by the principal of the provisions of the previous numbers shall release the stock exchange operator from the obligation of complying with the respective order.

5. The stock exchange operator to whom the stock exchange order was conveyed in compliance with the provisions of this article shall not be exempted from compliance, without prejudice, when dealing with sell orders, of lawfully carrying out steps deemed to be reasonably necessary to evaluate the authenticity and availability of the securities to be resold, prior to executing the order.

6. The orders conveyed directly to the stock exchange operators by the financial intermediaries, pursuant to number 2 of article 75, shall not apply to the provisions of numbers 2 and 3, but without prejudice to the compliance with the provisions of number 1.

Article 77

Manner, content and mode of stock exchange orders

The manner, content and mode of stock exchange orders shall be defined in a stock exchange circular.

Article 78

Executing stock exchange orders

1. Stock exchange orders shall be executed by the stock exchange operator with the greatest diligence and strict observance of the priority and instructions of the orderer.

2. Without prejudice to the provisions of number 5 of article 76, the priority of stock exchange orders for the purposes of the previous number is the sequential number of reception by the stock exchange operator, unless the conditions established by the orderer impose said execution for a time subsequent to that corresponding in accordance with the referred numbering or expressly confer to the stock market operator total or partial discretionary powers to be carried out when deemed most convenient, without prejudice to the priority of other orderers.
SUBSECTION V
Quoting and trading

Article 79
Definition and general principles

1. Quotation is the price at which the securities are traded on the official listed market, provided that is based on a quantity equal to or higher than the minimum lot.

2. Quotation is established in a market system, in accordance with the provisions of a stock exchange circular, so as to ensure the transaction of as many securities as possible, the appropriateness of the respective prices and the transparency of the operations carried out.

3. The circular mentioned in the previous number shall likewise establish the acceptable trading systems and the respective rules.

4. The quotation of any security traded on a stock exchange shall be independent from dividends, interest and other matured income.

5. The interest and other similar payments corresponding to the time period between the last due date and the settlement date of the operation in question shall be paid by the buyer to the seller with the acquisition price.

Article 80
Legal and public price of the listed securities

1. The last quotation carried out on an official listed market, contained in the stock exchange bulletin, establishes the legal and public price of the respective securities.

2. On the unlisted securities market the pricing is not considered as quotation for any legal purposes.

SUBSECTION VI
Record of transactions and stock exchange bulletin

Article 81
Record of transactions in normal sessions

1. At the end of each operation carried out in a normal stock exchange session, the seller stock exchange operator shall prepare and sign a note recording the operation, in triplicate, in standard format to be provided by the stock exchange, with an indication of the date, security traded, quantity traded and the quotation or pricing, with said note thereafter likewise being signed by the buyer stock exchange operator.
2. The original note referred to in the previous number is for the seller stock exchange operator, the duplicate for the buyer stock exchange operator and the triplicate for the stock exchange.

3. In accordance with the trading system used, the notes referred to in this article may be produced by the stock exchange by computer, without prejudice to the compliance, with the due adaptation, of that established in the previous number.

Article 82

Minutes of the special sessions

1. At the end of each special session, the stock exchange shall prepare minutes, wherein shall appear:

   a) The nature and class of securities traded in the session;
   b) The quantity traded per each stock exchange operator;
   c) The prices recorded;
   d) Any other details that the stock exchange requires.

2. The minutes shall be signed by the competent body of the stock exchange and by the participating stock exchange operators.

Article 83

Stock exchange bulletin

1. The stock exchange prepares the stock exchange bulletin daily.

2. On the days when stock exchange sessions are held, the stock exchange bulletin shall mention all the securities admitted to listing or trading on the stock exchange, divided by special sections for each stock exchange market and differentiating the following:

   a) The name of the issuer;
   b) When dealing with shares, their nominal value, the quantity admitted to trading, the amount of dividend or other remuneration allocated to each share and the date when the last distribution took place;
   c) When dealing with bonds and other debt securities, their nominal value, quantity, yield, daily interest and year of issue, interest due dates and the amortization period;
   d) When dealing with other securities, and in accordance with the respective characteristics and special conditions of issue or trading, details corresponding to that referred to in sub-paragraphs b) and c).

3. On the days when stock exchange sessions are held and with regard to each of
the securities that during the stock exchange session were traded or the object of buy and sell proposals, albeit without the closing of any transaction, the stock exchange bulletin shall in addition record the following:

a) The quotations or prices recorded;

b) The best buy and sell proposals presented and not met;

c) The quantity traded.

4. In the case of more than one quotation being carried out on the same security, the stock exchange bulletin shall likewise state the first and last quotation carried out and, if more than two, the highest and the lowest recorded.

5. The stock exchange may, in addition, publish in the stock exchange bulletin other details as to the characteristics of the securities admitted to trading and the transactions carried out, which are considered to be important for the clarification of the market.

6. In addition to that set forth in the previous numbers and to what is established in other provisions of this Code and its regulation or in general or special legislation, the following shall also be published in the stock exchange bulletin:

a) The admission or departure of stock exchange operators;

b) The composition and changes to the governing bodies of the market operators;

c) The admission of any persons to the register referred to in number 2 of article 66 and the cancellation of said registration;

d) The disciplinary sanctions imposed on persons and entities referred to in the previous paragraphs, when same shall be disclosed in accordance with the respective sentence;

e) Everything that is determined by the Finance Minister, the Office of the Auditor-General of the Securities Market or the stock exchange, within the context of the respective powers, in the light of ensuring the defence of the investors and the regularity, efficiency and transparency of the market.

7. The application by the issuer, financial intermediaries or legal authorities or police, with regard to any certificated securities that have been lost or misplaced or were the object of theft, robbery, fraud, embezzlement or falsification, and also the notice terminating any of the abovementioned situations shall be gratuitously published in the stock exchange bulletin.
Article 84

Publication of other quotations or prices

It is prohibited to advertise or edit bulletins or notes, relative to securities traded on the stock exchange, with different quotations or prices from that contained in the stock exchange bulletin.

SUBSECTION VII

Processing and communication of operations

Article 85

Storage of supporting documents

1. Stock exchange operators shall store in the archive, for a minimum period of five years, the buy and sell orders received, the notes recording the operations carried out and the duplicates of the buy or sell notes issued.

2. The stock exchange shall store in archive for the time period referred to in the previous number the triplicates of all the notes recording the operations carried out and the contract notes issued.

Article 86

Processing and communication

1. For each stock exchange order carried out, the trader shall issue until the end of the following working day, a document called the contract note, whose format and contents shall be established by the stock exchange by means of a circular.

2. The contract notes shall be in triplicate, distributed as follows:
   a) The original to the principal;
   b) The duplicate to the compulsory archive of the stock exchange operator, for the purposes of the provisions of number 1 of the previous article;
   c) The triplicate to the stock exchange, for the purposes of the provisions of number 2 of the same article.

3. The stock exchange operators shall communicate to the principal the carrying out of operations that were ordered through the document referred to in the previous numbers, without prejudice to being able to do it prior by any other more expedite means at their disposal.

4. The triplicate for the stock exchange shall be delivered to said entity on the working day following the said issue.

5. The notes referred to in the previous numbers may be prepared and completed by a computer system, without prejudice to authentication by the stock exchange operator.
6. Furthermore, the stock exchange operators shall also, within the time period established in number 1, communicate the operations carried out to the financial intermediaries, where the securities sold are deposited or registered and where they were blocked for transaction, or where the securities acquired shall be deposited or registered, in accordance with the instructions of the principal.

7. The communication required by the previous number shall contain all the information and include all the legal and regulatory details required, within the context of the settlement of operations, for financial intermediaries to carry out the necessary entries in the account of the orderers, and also, in the case of securities bought and in accordance with their nature, shall this be the case, to open in favour of the orderers an account for the deposit of certificated securities or the registration of book-entry securities.

**Article 87**

**Complaints for the non-compliance with stock exchange orders**

1. If the trader does not comply with the stock exchange order, or comply with same in different conditions to those established by the principal in the proper order or written instructions attached to same, the principal shall submit a complaint to the Office of the Auditor-General of the Securities Market within ten working days after gaining knowledge of said fact, at the risk of not being able to appeal subsequently, except by judgement obtained for said purpose.

2. If the Office of the Auditor-General of the Securities Market, having heard the stock exchange, considers that the non-compliance or defective compliance of the order is due to the market operator, it shall, having heard the principal and if necessary, through the partial or full execution of the fidelity bond referred to in Article 9, order:

   a) That the market operator buy or sell the securities in question, paying or receiving from the principal the amount of the operation that is the most favourable, between what would correspond to the strict compliance of the order and that which was actually executed;

   b) That the market operator indemnify the principal for the difference confirmed between the amount that would correspond to the timely compliance of the order and that resulting from the operation actually carried out;

   c) The cancellation of the order or operation in question, with the return to the principal of all amounts charged, together with default interest at the legal rate, or the restitution of securities delivered for sale, depending on the case.
SUBSECTION VIII
Settlement of transactions

Article 88

Concept

1. The settlement of a stock exchange transaction entails the submission or placing of the securities, at the disposal of the buyer, called delivery, and the payment to the seller of the respective price, called settlement.

2. The concept of settlement may further include compliance with other obligations resulting directly from the operation carried out.

Article 89

Clearing and settlement system of stock exchange operations

1. The stock exchange shall organise, under its management, a clearing and settlement system for stock exchange orders, the rules of which shall be established by means of a circular.

2. The rules set forth in the previous number shall establish the buy-backs to take place for failures in delivery and shall likewise provide the possibility of financial reversion, whenever there are failed settlements, with the entities that did not deliver the securities timeously or did not make the payments due being held responsible for the damages.

CHAPTER III
Over the Counter (OTC)

Article 90

 Tradable securities

Without prejudice to the provision of number 2 of article 72, securities not admitted to trading on the stock exchange shall be traded on the OTC.

Article 91

Limitations to the activity of financial intermediaries

Whenever a transaction on the OTC market of securities admitted to trading is allowed, the Finance Minister may, by means of Ministerial Order, under proposal of or with prior hearing of the Office of the Auditor-General of the Securities Market, prohibit, limit or condition its execution, by own account or third party account, by stock exchange operators.
Article 92

Buy and sell orders

1. The system applicable to stock exchange orders shall apply, with the due modifications, to the orders for trading securities over the counter.

2. Financial intermediaries qualified to operate in the OTC market may only receive and execute sell orders of securities that are deposited or registered in accounts open at same by the orderers.

3. The securities buy and sell orders transmitted to any financial intermediaries and regarding securities admitted to trading on the stock exchange, tradable on the OTC market as provided by the provision of number 2 of article 72, may only be carried out in the latter when the orderer so decides or authorizes in writing, in the order itself or in an independent instruction signed by him and which the financial intermediary shall file with same.

Article 93

Executing orders

In compliance with the orders received for the buy and sell of securities in the OTC market, in addition to the strict compliance of the professional ethics to which they are bound, as well as the applicable provisions of this Code and other legislation and regulation which govern same, financial intermediaries shall:

a) Establish and keep among themselves the necessary contacts, through the greatest globalisation possible of offer and supply in said market, so as to ensure its clients of the best conditions of price and time limit for the execution of the respective transactions;

b) When the situation set forth in number 2 of article 72 occurs, with regard to a certain security admitted to trading, and provided that prior agreement has been obtained from the orderers when necessary, execute the transactions on the stock exchange whenever more favourable conditions are achieved than those in the OTC market.

Article 94

Report of operations on securities traded in a stock exchange

1. Whenever any transactions involving securities admitted to trading on the stock exchange are carried out on the OTC market, the financial intermediaries that executed same shall immediately report this to the stock exchange, under the terms to be determined in a regulation by the Office of the Auditor-General of the Securities Market.
2. On receipt of the communications referred to in the previous number, the stock exchange shall disclose same in accordance with the terms established in the regulation mentioned above.

Article 95

Weekly information

1. The financial intermediaries that operate in the OTC market shall prepare and submit to the Office of the Auditor-General of the Securities Market and the stock exchange, on the first working day of each calendar week, a report of all the securities bought and sold by the intermediary in said market during the previous week, which shall be published in the stock exchange bulletin.

2. Financial intermediaries that did not carry out any transactions in the week in question must expressly state same.

Article 96

Fees for carrying out OTC transactions

Fees shall be due for all off-market transactions that are to be established by regulation of the Office of the Auditor-General of the Securities Market.

Article 97

Supervision

It is incumbent on the BCV (Banco de Cabo Verde), through the Office of the Auditor-General of the Securities Market, to regulate the provisions in this chapter and to supervise the compliance of said execution.

TITLE IV

Public offers

CHAPTER I

General provisions

Article 98

Supervisory authority

It is incumbent on the BCV, through the Office of the Auditor-General of the Securities Market, to supervise the takeover bids or public offers for sale.
Article 99

Interruption to trading on the stock exchange

1. The Office of the Auditor-General of the Securities Market may interrupt the trading on the stock exchange of securities which are the object of public offers for acquisition or sale, if and during the time it is deemed necessary or convenient to ensure the regularity and transparency of the market’s functioning and avoid the occurrence of manipulation of the offer, demand or prices of said securities.

2. The interruption of trading may be imposed as from the moment that the Office of the Auditor-General of the Securities Market learns of the preparation for a takeover bid or public offer for sale.

Article 100

Acceptance and execution

1. The acceptance of the offer by the recipients is made by means of orders of sell, exchange or buy, depending on the case, in accordance with Article 75.

2. The acceptor may withdraw the acceptance, through revocation of the respective order, at any time up to five days before the deadline of the offer period.

3. During the offer period, the stock exchange operators and other financial intermediaries that directly receive from the interested parties the orders referred to in number 1 may daily submit to the offeror’s representative information on the acceptances received and revoked, with an indication of the overall quantity of securities corresponding to one and another and, in the case of takeover bids, the breakdown either in accordance with the nature and class of the securities whereof same is the object, if dealing with an offer of multiple objects, or in accordance with the consideration chosen, when same bears alternatives.

4. The assessment of the results of the takeover bids or public offers of sale are carried out in a special session of the stock exchange.

CHAPTER II

Takeover bids

Article 101

General principles

1. Takeover bids for shares are contemporaneously directed at all shareholders or holders of a class of shares that are not, besides the offeror, companies that have a dominant or group relationship with the offeror company.

2. The offer may be conditional on the acceptance by holders of a certain minimum number of shares and thus may be limited to a maximum number of shares.
3. The Office of the Auditor-General of the Securities Market may proscribe an offer if it considers that the number of shares acquired was not warranted, or in the case of a bid competing with the one already launched, deem that among the conditions of both there are significant differences for the shareholders.

4. The Office of the Auditor-General of the Securities Market may order that an offer already launched be withdrawn when, in regard to the target company or offeror, changes have taken place that warrant said decision.

**Article 102**  
**Launch of the offer**

1. The public offer is organised and launched by a financial intermediary acting in the offeror’s interests and representing same for everything related with the launch and execution of the offer.

2. The launch is achieved by communicating the offer to the Board of Directors or to the Executive Board of the target company and thereafter the offer may not be revoked, except in the case of a competing bid being launched.

3. Within a period of five working days, the Board of Directors or the Executive Board of the target company shall present the offeror with a statement of views on the offer.

4. The offeror shall submit the offer, statement of views and the draft announcement to the Office of the Auditor-General of the Securities Market, who within a period of two working days, if not the case of proscribing the offer, shall authorise the publication of the respective announcement in the stock exchange bulletin.

5. Until publication of the announcement, the offer may only be changed in light of the statement of views referred to in no. 3 or in compliance with the instructions of the Office of the Auditor-General of the Securities Market.

6. After publishing the announcement, the offeror may only change the nature and amount of the consideration offered once, provided that two thirds of the offer period have not elapsed.

7. The offer period may range between 30 and 40 days, as from the publication of the announcement, but if the offer has been changed, the offer initially established shall be increased by a third.

8. In the case of doubt of the actual date for the deadline of the time periods referred to in the previous numbers, said date shall be established by the Office of the Auditor-General of the Securities Market.
Article 103

Contents of the offer

At the launch and announcement, the public offer shall at least contain the following information:

a) Identity of the offeror;
b) Identity of the financial intermediary responsible for the offer;
c) Description of the shares which are the object of the offer, with the identity of the target company;
d) Nature of the consideration;
e) Description of the intended purpose of the acquisition;
f) Description of the relevant factors for the determination of the consideration offered;
g) Description of the stake directly or indirectly held by the offeror in the target company;
h) Description of the stake directly or indirectly held by the target company in the offeror company;
i) Offer period with the express indication of the last date and hour for the receipt of acceptances;
j) Possible conditions assigned to the offer for the acceptance by the holders of a certain minimum number of shares;
k) Possible indication of the maximum number of shares that the offeror proposes to acquire and the criteria for allotment, when necessary;

m) Mention of the right of the shareholder withdrawing the acceptance in the case, until the close of the offer, where a competing bid with more advantageous conditions is being launched;

n) Cases where the offer may become void;
o) Date wherein payment in money is effected or securities representing the consideration are delivered;
p) Place where the shares shall be delivered or exchanged;
q) Description of any expenses, fees or taxes which shall be borne by the shareholders.

Article 104

Consideration of the offer
1. The consideration of the public offer may consist of cash, shares or bonds (convertible or not) of an offeror company or another company wherein same is in a control or group relationship.

2. If the consideration consists of cash, the organising financial intermediary shall guarantee that same is deposited for the sole purpose of the public offer, or shall issue a bank guarantee for payment.

3. If the consideration consists of shares or bonds already issued, the organising financial intermediary shall guarantee that same is deposited and blocked for the sole purpose of the public offer.

4. If the consideration consists of shares or bonds still to be issued, the respective securities, albeit provisional, must be ready for exchange within 45 days, at the latest, after the close of the public offer, without which the Office of the Auditor-General of the Securities Market shall declare the offer to be null and void and the offeror responsible in accordance with the law.

Article 105

Acquisitions during the offer period

1. If, during the period between the decision to launch the offer and the launch, the offeror or company controlled by the offeror or, if the offeror is a company, another company wherein same is in a dominant or group relationship acquires shares in the target company, the most encumbered conditions of said acquisitions shall constitute the minimum condition of the offer.

2. As from the launch and until the close of the offer, the offeror may not, by buying or exchanging, acquire shares in the target company or others wherein same is in a dominant or group relationship.

3. If the offeror is a company, the members of the Board of Directors or of the Supervisory Board are prohibited from acquiring, by buying or exchanging, shares in the target company or other companies wherein same is in a control or group relationship, as from the moment it was decided to launch until the close of the public offer.

4. The financial intermediaries participating in the public offer, the members of its Board of Directors and Supervisory Board, the target company and the members of its Board of Directors and Supervisory Board, other companies wherein same is in a control or group relationship with the target company and the members of its Board of Directors and Supervisory Board, are prohibited from buying or exchanging shares in the target company or in other companies wherein same is in a control or group relationship, as from the moment of gaining knowledge of the offer and until the close of same.

5. The abovementioned is likewise applicable to the securities constituting part of the consideration offered.
6. The breach of the provisions in the preceding articles shall prevent, during a five-year period, the exercise of the rights inherent in the shares thus acquired but not the requirements for the respective obligations, without banning the alienator from demanding compensation from the acquirers for the damages suffered.

Article 106

Limitation of powers of the target company’s management

1. After receiving the communication of the offer and until the publication of the result of same or, if applicable, until the termination, before, and whatever the cause, of the respective process, the Board of Directors or the Management Board of the target company may not, except if specifically authorised by the General Meeting granted during said period, practise any acts that do not lead back to the normal management of the target company and that by nature or special conditions may relevantly affect the success of the offer or the objectives and intentions announced by the offeror, namely:

   a) Issue shares or convertible bonds in shares;
   
   b) Issue bonds or other securities, or enter into agreements, that give the right to subscription of shares or acquisition of any security;
   
   c) Sell or grant the use of a sector or of a significant portion of the share capital, or enter into agreements of offer to purchase to this effect;
   
   d) Sell or acquire important equity interests or enter into agreements for the sale or acquisition of said interests;
   
   e) Carry out merger or split operations or enter into agreements for said purpose.

2. Exceptions to the provisions in the previous number are acts carried out in compliance with an obligation correlative assumed before the date on which the target company has learnt of the offeror’s intention to launch the offer.

3. The Office of the Auditor-General of the Securities Market may, at the request of the Board of Directors of the target company, and at an oral hearing with the offeror whenever deemed convenient, authorise the acts referred to in number 1 when considered necessary for the timely defence or carrying out of relevant and urgent interests for the company.

Article 107

Duty of confidentiality

Persons who, due to private or public position, have knowledge of a takeover bid being prepared, shall maintain secrecy until the bid is announced. In the case of breaching said duty, the offeror and the shareholders of the target company shall be
Article 108

Public offer as a compulsory form of acquisition

1. The purchase or exchange of shares of a company shall necessarily take on the form of a public offer when the following circumstances are cumulatively verified:

   a) When a public subscription company is involved;

   b) The memorandum and articles of association do not stipulate pre-emptive rights for shareholders in the purchase or exchange of shares;

   c) The offeror already possesses shares of the target company which ensures him the control of same or the shares held, together with the shares to be acquired, allocate the control of said company or even when the shares to be acquired, only by self or added to those acquired as from the 1st January of the previous calendar year, except for the purpose of capital increase, allocate 20% of the votes corresponding to the share capital.

2. In the case of the offeror already possessing the shares of the target company that shall ensure him the control of same, the public offer may not be launched for shares corresponding to less than 5% of the capital of that company.

3. The breach of the provisions of no. 1 of this article shall prohibit during a period of five years the exercise of rights inherent in the shares acquired, but not the requirements for the respective obligations, without banning the alienator from demanding compensation from the acquirers for the damages suffered.

4. The Office of the Auditor-General of the Securities Market may dispense with the public offer, as a result of an application to this effect presented by the applicant to the acquirer, when verified, cumulatively, that the purchase or exchange does not have speculative intent, that the number of shares to be acquired, on its own, does not justify the offer and that the increase of influence by the shareholder in the company is not relevant.

5. The provisions of the preceding numbers are not applicable when the obligation to launch a public offer results from the acquisition, directly or indirectly, in the course of a privatisation.

Article 109

Shares counted as from one offeror

For the purposes of the previous articles, not only the shares belonging to the offeror shall be counted but also:

   a) The shares belonging to other shareholders who, by agreement with all,
acquire shares as a result of the public offer;

b) The shares belonging to companies controlled by the offeror or, if the offeror is a company, the shares belonging to companies that are in a controlling or group relationship with an offeror company;

c) The shares wherein the bonds belonging to the proper offeror or any of the companies covered by the preceding paragraphs shall be converted;

d) The shares resulting from bonds with rights to subscription of shares belonging to the offeror or to any of the entities covered by sub-paragraphs a) and b).

Article 110
Public offer for the acquisition of other securities

The provisions of this chapter shall apply to public offers for the acquisition of convertible bonds in shares or bonds with rights to subscription of shares or rights of acquisition to any other security.

CHAPTER III
Public offers for sale

Article 111
Concept

It is deemed, for purposes of this legislation, that the offer for sale of any securities is public whenever it is classified as such by implementation, with the necessary changes, of the criteria defined in article 18.

Article 112
Launch of the offer

1. The public offers for sale are organised, launched and placed through a financial intermediary acting in the interest of the offeror and representing same for everything that is related to the launch and execution of the offer.

2. The Office of the Auditor-General of the Securities Market may prohibit an offer if it considers that the quantity of securities object of same does not justify it.

3. The securities which are the object of the offer shall, before submitting the corresponding application for registration, be deposited or registered, for the exclusive purpose of the operation, at the financial intermediary responsible for same in accordance with number 1.
Article 113

Registration

1. The carrying out of any public offer for sale of securities shall depend on the preliminary registration at the Office of the Auditor-General of the Securities Market.

2. The application for registration of the public offers for sale shall be submitted at the Office of the Auditor-General of the Securities Market and briefed in accordance with the provisions set forth in this regulation.

Article 114

Decision of the application for registration

The application for registration is considered to be tacitly deferred to the Office of the Auditor-General of the Securities Market if a statement is not issued by same within a maximum of 30 days, as from the date of receipt of the application for registration or any additional detail or information requested.

Article 115

Calendar

The offeror shall, with the presentation of the registration application, propose the dates whereon it shall proceed with the securities offer, after the registration is granted, with the Office of the Auditor-General of the Securities Market being responsible for establishing same between a minimum of 10 and a maximum of 30 days, taking into account the financial market environment.

Article 116

Obligations of the issuer

1. The issuer of the securities that are the object of the public offer for sale, when not the proper offeror, shall be obliged to provide the offeror the information and details necessary for the process of the registration application and the preparation of the offer launch announcement.

2. The issuing entity shall be responsible for the adequacy, objectivity, truth and topicality of all the details and information provided to the offeror, in accordance with the provisions of the previous number.

Article 117

Offer contents

1. The offer is open to the public through the publication of the respective announcement in the stock exchange bulletin, for which the offeror shall be responsible after registration of the bid is granted by the Office of the Auditor-General of the Securities Market.
2. The contents of the announcement for the launch of the offer shall be established by regulation of the Office of the Auditor-General of the Securities Market referred to in number 2 of article 113.

Article 118
Revision of the bid

1. After publication of the offer launch announcement, the Office of the Auditor-General of the Securities Market may, in cases wherein considered to be justified, authorise the offeror to amend the proposal, but only once.

2. The revision of the offer may only be allowed when it consists of a reduction of not less than 5% of the established or minimum price which is defined.

3. The amendment to the offer and the extension of the respective period shall appear in the announcement published in the same manner as the launch announcement, at least two working days prior to the deadline of the offer.

Article 119
Remission

The framework established in articles 24 and 25 shall apply to public offers for sale, with the necessary changes.

TITLE V
Infractions and penalties

Article 120
Insider dealing

1. Whoever, due to capacity as a member of the Board of Directors or Supervisory Board of a financial intermediary or of an issuer of securities or holder of a stake in the respective capital, or by reason of work or services provided, either permanently or occasionally, to said or other entity or in addition, by virtue of the profession or public service exercised, has inside information and knowledge of information covering said nature:

a) Seeks to benefit therefrom, acquiring or selling for own account or third party account, directly or through an intermediary, securities issued by said entity or other entities to which the information refers;

b) Or conveys said information to a third party, out of context of the normal performance of position, work, service, profession or public service as a result of having access to same;
c) Or advises or orders a third party, with basis on the same information, to acquire or sell the securities referred to in sub-paragraph a) of this number, shall be punished with imprisonment of up to a year and a fine up to 180 days.

2. In the case of sub-paragraph b) of the previous number, if the person that conveys the inside information is reasonably convinced, on the day that this is imparted to the third party, that said person shall keep it and not use same, directly or by an intermediary, with a view to carrying out any operations on the securities referred to in sub-paragraph a) of the same number, the penalty applicable shall be imprisonment of up to six months and a fine of up to a 120 days.

3. Any person not included in the context of number 1 of this Article, that gains knowledge of inside information whose source may only directly or indirectly be one of the persons referred to therein, and not ignoring that the information assumes said nature, seeks to benefit therefrom, acquiring or selling, for own account or third party account, directly or via third parties, the securities referred to in sub-paragraph a) of the same number, shall be punished with imprisonment of up to a year and a fine of up to 150 days.

4. Inside information is understood to be, for the purposes of this article, information that is not made public, which, being accurate and relating to one or several issuers of securities or one or more securities, would be capable, if given publicity, of influencing sensitive listing or pricing of said securities in the market.

5. The securities to be considered for the purposes of this Article are:

a) Those defined in number 1/a) of article 3 of this Code, when admitted to trading on the stock exchange;

b) The rights mentioned in number 2 of the same article, when they allow the subscription, acquisition or sale of the securities indicated in the paragraph above.

6. The provisions of this article shall not apply to operations carried out for reasons of monetary, forex or management of public debt policy by the State, Central Bank or any other organisation designated by the State for said purpose.

**Article 121**

**Market abuse**

1. Whoever discloses false or misleading information, carries out fictitious operations or other misrepresentations with a view to artificially changing the regular functioning of the securities markets, namely, through the modification of the normal conditions of supply and demand of any other securities in the secondary market and, for this or another mode, the respective quotations or pricing, for the purpose of obtaining a benefit for oneself or another or to cause damages to third
parties, shall be punished with imprisonment of up to a year and a fine of up to six months.

2. The members of the Board of Directors of the issuer of the target securities who, having knowledge of the fact mentioned in the previous number, omit the due care that was reasonably expected from them in order to avoid the said results, shall be punished with imprisonment of up to six months and a fine of up to 120 days.

**Article 122**

**Other infractions**

1. The infractions defined in the following sub-paragraphs, whether resulting from the breach of the provisions of this Code referred to, or the breach of the regulation emanating from the Finance Minister, the Office of the Auditor-General of the Securities Market or the stock exchange in compliance with or for the execution of the very same provisions, shall constitute infractions punishable with a fine of 25,000$00 to 30,000,000$00:

   a) The exercise of financial intermediation activities without the legal qualifications for said purpose;

   b) The breach by any financial intermediaries of the general duties established in this Code or of the professional secrecy to which are obligated;

   c) The carrying out of public offers for subscription or public offers for sale without the respective registration having been previously granted;

   d) The publication of the announcement for a takeover bid without same having been previously authorised by the Office of the Auditor-General of the Securities Market;

   e) The provision of false or misleading information in the advertising of public offers for subscription, in the announcements of public offers for sale or acquisition or in the prospectus for the admission of securities to listing on the stock exchange;

   f) The lack of compliance by the issuer of any of the information duties set out in articles 49 to 53;

   g) The carrying out by any financial intermediaries in the in the OTC market of transactions on securities admitted to trading on the stock exchange, except for the transactions authorised in accordance with number 2 of article 72;

   h) The receipt of stock exchange orders, by any financial intermediaries, breaching the provisions of articles 75 and 76;

   i) The lack of storing and also the lack of submitting to the respective recipients, according to the respective cases, the documents referred to in articles 85 and 86;
j) The omission by financial intermediaries of communicating the execution of operations in the OTC market;

l) The breach, by persons or entities referred to therein, of the requirements in articles 105 and 106.

2. The breaches of the provisions of this Code not expressly stated in the same number, and the regulation arising in compliance with or for the execution of said provisions, that generally refer to the securities issue, the communications and submission of information to the competent authorities, the public offers, the authorizations, approvals and registrations, the publication of information, the rights to subscription and incorporation and other similar rights, the stock exchange and trading sessions and the market operators duties and other financial intermediaries shall constitute punishable infractions in accordance with the previous number.

3. Together with the fines set out in the previous numbers, the following ancillary penalties may be applied to the persons responsible for any infractions, in accordance with the said nature and seriousness or frequency, and taking into account the type of activity of the infractor and the conditions for the exercise of same, in addition to that set out in other legislation:

   a) Seizure and confiscation of the gains possibly obtained by the infractor in carrying out the infraction;

   b) Temporary interdict on the exercise by the infractor of the profession or activity to which the infraction relates;

   c) Restraint in exercising the functions of management, general management, senior management or supervision and, generally, the representation of any financial intermediaries within the context of same or all types of intermediation activities in securities;

   d) Publication by the Office of the Auditor-General of the Securities Market, at the expense of the infractor, of the punishment for the infraction.

4. The penalties referred to in sub-paragraphs b) and c) of the previous number may not be longer than five years, as from the final sentence.

5. If the same fact simultaneously constitutes crime and infraction, the culprit shall always be punished for both infractions, distinct processes being instituted for that end, to be decided upon by the respective competent authorities.

6. When the infraction consists of an irregularity easily remedied and which has not resulted in losses to the investors or the securities market, the Office of the Auditor-General of the Securities Market may decide to issue a simple warning to the infractor, notifying same to remedy the irregularity confirmed within a time period to be established.
TITLE VI
Final provisions

Article 123
Issuance of book-entry securities

The issuance of book-entry securities may not take place until publication of the legislation mentioned in article 16.

Article 124
Legislation and Supplementary regulation

1. The provisions set forth in this Code shall be supplemented, with a view to their execution, by means of legislation by the Government, Ministerial Orders by the Minister of Finance, Regulations by the Office of the Auditor-General of the Securities Market and Stock Exchange circulars.

2. The legislation by the Government, Ministerial Orders, Regulation and circulars mentioned in the previous number, and any other that may emanate and relate to the subject matter covered by this Code, shall be published in the stock exchange bulletin.

Article 125
Absence and impeachment of the Auditor General

In the absence and impeachment of the Auditor General of the Securities Market, and if applicable, until the appointment of said Auditor, the powers shall be exercised by the Governor of the Central Bank, or by whoever does the same.

Article 126
Registration of covered asset monitors

1. Only the covered asset monitors that are registered in the respective professional society may certify the accounts referred to in sub-paragraph d) of article 49.

2. Until the creation of the professional society referred to in the previous number, the Office of the Auditor-General of the Securities Market shall be entrusted with recognising, case by case and following the request for said purpose, the qualifications of the covered asset monitors that purport to exercise the activity referred to in sub-paragraph d) of article 49.

Article 127
Entry into force

This legislation shall come into force thirty days after publication in the Official Bulletin.
Approved on 31st March 1998

The Chairman of the National Assembly, António do Espírito Santo Fonseca.

Promulgated on 24th April 1998.

Hereby published.

The President of the Republic, ANTÓNIO MANUEL MASCARENHAS GOMES MONTEIRO

Signed on 27th April 1998.

The Chairman of the National Assembly, António do Espírito Santo Fonseca