Regulation No. 1/2000, of 27th November
Public Offers for Subscription and Sale

Registration with the Bank of public offers for subscription and public offers for sale of securities and their advertising.

O.B. No. 48 - II Series
Regulation No. 1/2000
Public Offers for Subscription and Sale

In accordance with the provisions of articles 20 and 113 of Law No. 52/V/98 of 11th May, the Banco de Cabo Verde, hereinafter referred to as ‘the Bank’, approved the following Regulation:

CHAPTER I
General Provisions

Article 1
Scope

This Regulation establishes the Framework applicable to registration with the Bank of the public offers for subscription and the public offers for sale of securities, and in addition, the format and content of the advertising of said offers.

Article 2
Exclusions

1. The following are not subject to the framework set forth in this Regulation:
   a) The issuance of shares corresponding to capital increases by the incorporation of reserves;
   b) The issuance of shares intended for the substitution of others in the same company, without a capital increase or changes to the rights or positions concerning the shareholders resulting therefrom.

2. The provisions of the previous numbers do not do away with the obligation to publish the issuances therein specified, in accordance with the provisions of the Securities Market Code.

CHAPTER II
Registration of the Public Offers for Subscription

Article 3
Presentation and application for registration

1. The application for the registration of public offers for subscription shall be presented to the Bank through an application signed by the representatives of the issuer or, when the issue is aimed at constitution inclined towards a public offer for subscription of a public limited company, by the respective promoters and, when applicable, by the financial intermediary or leader(s) of the consortium of financial intermediaries responsible for placing the issue, and shall be applied for in accordance with the provisions of the following number.
2. The application for registration shall include the following documents:

a) A copy of the minutes of the deliberations or resolutions by the issuer's management boards or, when applicable, the legislation or administrative measures which, under the legal and statutory provisions applicable, approve the issue;

b) An updated copy of the memorandum and articles of association or organic law of the issuer;

c) A certificate from the commercial registry or, when dealing with an entity that is not subject to commercial registration, a document with the same legal status emanating from those with the powers for said purpose, substantiating the existence and date of establishment of the issuer, the amount of share capital and the identity of all the members of the Board of Directors and the Supervisory Board;

d) The management reports, financial statements, opinions by the Supervisory Board and legal certification of the issuer’s financial statements with regard to the last three financial years, or only of the last financial years, if it has been incorporated for less than three years;

e) A copy of the placement contract signed with the financial intermediary or consortium of financial intermediaries responsible for placing the issue and, if applicable and not included in same, the liquidity contract;

f) A draft of the launch announcement of the public offer for subscription, drawn up in accordance with article 12 of this regulation;

g) The auditor’s report of the issuer carried out by an independent auditor, where the documents referred to in sub-paragraph d) for at least the last two financial years, have not yet been audited.

3. In addition to the documents set out in the previous number, an appropriate technical, economic and financial feasibility study on the issuer or the specific undertaking at stake shall also be presented whenever:

a) It is anticipated that the issuer shall incur losses in the current financial year;

b) Dealing with a share issuance and the set amount is superior to the own capital of the issuer, when the latter is not a financial institution.

4. The feasibility study shall mandatorily contain the following details:

a) Identity and grounds for the assumptions used;

b) Description of the principal investments;

c) Description of the future activities of the issuer;
e) Financial statements of the estimated results with regard to the next three years;

f) Findings of the feasibility study.

5. If the issue is aimed at the incorporation inclined towards a public offer for subscription of a public limited company, the application for registration shall only contain the documents referred to in sub-paragraphs e) and f) of number 2, and also the following:

a) A statement identifying all the promoters of the incorporation of the company;

b) A document substantiating the compliance by said promoters with the obligation of subscribing and paying up the minimum share capital, as legally specified, with an indication of the number and value of the shares subscribed and paid up by each one of them;

c) A copy of the draft memorandum and articles of association;

d) A certificate substantiating the provisional registration of said project.

6. Whenever, on account of the prior registrations of the public offer for subscription or the public offers for sale, some of the documents required in sub-paragraphs b), c) and d) of number 2 are already in the Bank's possession and are found to be originals, the applicant may dispense with presentation of same, mentioning the fact and the indication of the process wherein were included.

Article 4

Application procedure

On receipt of the process, the Bank may:

a) Request from the applicants additional details, information or clarification that are considered necessary for the appraisal of the application;

b) Request from third parties any other details or information that is required for the same purpose;

c) Specify as a condition to the registration a preliminary introduction in the launch announcement of the offer or in any other documents in the application, of modifications or addenda that is judged to be necessary to ensure compliance with the legal provisions and regulations applicable, and, namely, the appropriate protection of investors, requesting the applicants to present a new reformulated version of said documents.
Article 5

Rejection of the Application

1. The Bank shall refuse to register the public offer for subscription whenever one of the following circumstances is ascertained:

   a) Lack of presentation of any documents referred to in Article 3 or additional details, information, clarifications or reformulated documents referred to in the previous Article;

   b) The issuer is not constituted in accordance with the legislation that governs it or legal position that allows its subsistence or the normal development of its activities within the context of said legislation;

   c) Lack or irregularity of the approval of the issue by the competent Board, or discordance of the securities to be issued with the legal and statutory provisions that govern same;

   d) The launch announcement of the offer does not meet the necessary conditions for the approval, in accordance with article 14.

2. In the case of the previous number, if the restrictive fault or defect of the registration of the offer can be remedied, the Bank shall only refuse the application if the issuer, after being so notified to provide same within a reasonable period established by the Bank, does not act within said time period for the respective discharge.

Article 7

Lapse of Registration

The registration lapses, for all purposes, if the launch announcement of the public offer for the subscription is not published within a year as from the date of the last balance sheet on which the registration is based.

Article 8

Registration Expenses

For the registration of the public offers for subscription and other services related thereto, the issuer shall pay the fees that are established for the purpose in the appropriate regulation.
CHAPTER III
Registration of the Public Offers for Sale

Article 9

Presentation and application for registration

1. The registration for the public offers for sale shall be made in consideration of the application presented to the Bank by the offeror, together with all the documents referred to in the following number and signed by the offeror, by the single financial intermediary or by the leader or leaders of the financial intermediaries consortium responsible for the operation in accordance with article 112 of the Securities Market Code.

2. The application for registration shall be submitted with the following documents:

   a) A short explanatory note of the operation and objectives;

   b) Supporting documents of any prior authorisations, registrations or declarations whereof the carrying out of the operation is dependent due to specific legislation;

   c) Equivalent documents, for the public offer for sale, to that required for the public offer of subscription in sub-paragraphs e) and f) of number 2 of article 3, and also, as regards the offer and the offeror, if same is not an individual, identical documents to that referred to in sub-paragraphs a), b) and c) of the same number;

   d) If the issuer of the securities that are the object of the offer is not the offeror, the documents set out in sub-paragraphs b) and c) of number 2 of article 3, with regard to the issuer, and thus also, in any case, the provisions in sub-paragraphs d) and g) of the same number, equally applicable to said entity;

   e) Supporting documents of the prior deposit or registration in number 3 of article 112 of the Securities Market Code.

3. The provisions of sub-paragraph 6 of article 3 on the public offer of subscription shall apply to the application for the registration of the public offer for sale.

Article 10

Procedure, decision and lapse

The provisions of articles 4 and 7 of this Regulation shall apply, with the respective changes, to the procedure, decision and lapse of the application for the registration of the public offer for sale.
Article 11
Registration expenses

For the registration of public offers for sale and other control services provided by the Bank, the offerors shall pay the fees that are established to this effect in the appropriate regulation.

CHAPTER IV
Advertising of the Public Offers

Article 12
Joint launch announcement of offer and prospectus

1. The entities that purport to carry out a public offer for the subscription of shares or a public offer for the sale of shares shall publish a launch announcement which consists of the details set out in numbers 1, 2 and 4 to 9 of the Annex to this Regulation, approved by the Bank as an integral part of the registration of the offer.

2. The entities that purport to carry out a public offer for the subscription of bonds, or a public offer for the sale of bonds, shall publish a launch announcement which consists of the details set out in numbers 1 and 3 to 9 of the Annex to this Regulation, approved by the Bank as an integral part of the registration of the offer.

3. When the offeror or, if different, the issuer of the securities that are the object of the offer, purports to present an application for the admission to listing on the stock exchange of said securities within a period of six months after the date of the assessment of the offer’s results, it may present a process for the application of the offer’s registration and publish a single information document that simultaneously fulfils the requirements for the launch announcement and the prospectus for the admission to listing, namely by individualism in the normal content of the prospectus to the admission of information described in numbers 2 or 3, depending on the case, of the launch announcement; in this case, said information shall become part of Chapter II of the prospectus, with the compensation set out below.

4. The single information document referred to in number 3 shall be named the ‘Prospectus of the Offer (for public subscription/public sale) and the official admission to listing’.

Article 13
Reduction of the content and dispensation with the announcement

In the case of a public offer for the subscription of shares, if the issuer already has shares of the same class listed on the stock exchange, the Bank may:

a) In the case of an issue with a pre-emptive right for investors, authorise, following an application substantiated by the parties that omit from the
announcement any information considered to have already been placed at the disposal of the investors, duly updated and in suitable format, by means of publication to which the issuer is obliged due to the provisions in the Securities Market Code, or totally dispense with the publication of the announcement;

b) If, independently of the issue having a pre-emptive right or not for the shareholders, the number or value of shares to be issued is less than 10% of the number or value corresponding to the shares already listed, authorise, following an application substantiated by the parties, the total or partial dispensation with the announcement, insofar as it considers that the information that shall have been included in the announcement is already at the disposal of investors, and is updated and in a suitable format, by means of a publication by the issuer in accordance with the previous paragraph.

Article 14

Refusal to approve the announcement

The Bank shall refuse the approval of the launch announcement for the public subscription or public offer for sale when it deems that the investors’ interests are not to be sufficiently protected, on account of one of the following circumstances being ascertained:

a) Lack of truth in the information contained therein, shown in same or verified by information or knowledge that, by any manner, the Bank has;

b) Lack of objectivity in the announcement, namely by containing forecasts, interpretations, assessments or other merits not clearly sustained by substantiated facts or in necessary relations or substantiated in existence among said facts;

c) The announcement is incomplete in regard to the information required, or worded in vague or ambiguous terms or any other manner capable of misleading investors;

d) The operation is organised or its implementation is planned in unfair conditions to investors or conditions that in any way imply an unjustified discriminatory treatment among same;

e) In general, the announcement does not conform, in terms of content and format, to the provisions of this regulation.

Article 15

Publication of the announcement

1. The publication of the launch announcement of the offer for public subscription or the public offer for sale shall take place within at least five days from the date on
which the presentation of the orders for the subscription or purchase by the parties may commence.

2. The publication referred to in the previous number shall mandatorily be made in the stock exchange bulletin, without prejudice to its disclosure in newspapers, brochures or other means of disclosure which the parties intend to use.

**Article 16**

**Advertising of the offers**

1. All advertising actions, irrespective of the type, carried out by the issuer, financial intermediaries or any other service providers with the aim of placing the issue or sale shall be prepared in accordance with the general principles of lawfulness, truthfulness, objectivity and fairness and may not mislead the public on the reality of the facts, positions, activities, business, results, values or prospects, and must be in strict harmony with the content and meaning of the information contained in the launch announcement of the offer.

2. The advertising referred to in the previous number shall be clearly identified as such, whatever the means of disclosure used, and shall state, depending on the case, that a comprehensive announcement or the existence of same shall be apropos published.

**Article 17**

**Approval by the Bank**

1. The advertising referred to in the previous article shall be subject to prior approval by the Bank.

2. Approval shall be considered to have been granted and the advertising commenced if the Bank does not issue a statement on same within two days following the date on which the information to be advertised was submitted.

When it deems that the draft advertisement does not comply with the provisions of the previous article, the Bank may refuse to approve said disclosure or subject same to changes that are appropriate for the information to be published.

**Article 18**

**Commencement of the advertising actions**

1. Without prejudice to that established in the previous article, the advertising related to placing the issue or sale may only commence after being presented at the Bank together with the application for the registration of the issue or sale.

2. When the Bank concludes, via a preliminary examination of the respective application, that the principle of the registration of the issue or sale is not viable, it shall order the deferment of any advertising regarding the launch of the operation until the final decision on the viability of the application has been taken.
CHAPTER V
Final provisions
Article 19
Entry into force

This Regulation comes into force on the date of its publication in the Official Bulletin.

– The Governor, Olavo Garcia Correia.

Annex

Preliminary information

a) The business name of the issuer and if different, of the offeror.

b) Other details to which the issuer is legally compelled in its publications, and at least the headquarters, object and constitution date of the issuer of the securities that is the object of the offer and, if different, of the offeror.

c) The type of announcement.

d) The date the announcement was prepared.

e) Optionally, the logo of the issuer and if different, of the offeror.

1. Persons that take the responsibility for the announcement and its content.

1.1. Name and functions of the natural persons, or name and headquarters of the legal persons that take on the responsibility for the content of the information contained in the announcement.

1.2. Declaration by the persons mentioned in the previous point ensuring that the details registered in the announcement are correct, objective, real and satisfactory.

2. Information regarding the issue or sale of shares.

2.1. Decisions or resolutions that gave origin to the issue or sale.

2.2. Description of the general characteristics and conditions of the operation, with an indication of the amount of the issue or sale, quantity, nominal value, category and form of shares, identity, if that is the case, of the sectors of recipients of the operation and distribution of the shares by said sectors, and in addition, the special rules applicable to each sector of recipients.

2.3. Indication of the price for the subscription or sale, or the criteria for said determination, and conditions for its implementation or payment, if applicable for each segment of the operation, as well as the indication of the mode and period for the repayment of the value corresponding to the purported bonds that were not assigned.
2.4. Rights inherent to the shares to be assigned.

2.5. Description of the existence of possible preference rights in the subscription or purchase and conditions of its exercise, and also a description of possible limitations to the right of acquisition by certain entities or group of entities.

2.6. Form, mode and period of subscription or sale, with the express indication of the last day and hour that the acceptances may be received.

2.7. Description of the financial institutions that guarantee the placement or sale and, if foreseen, the firm underwriting, and of the institutions wherein the orders for subscription or sale may be presented.

2.8. Statement on whether the company already has listed securities on the stock exchange and if it has or not undertaken to request said admission as to the bonds object of the offer.

2.9. Detailed description of the purpose of the issue or sale and the purpose that is purported to be given to the product of same.

2.10. Criteria for the allocation or allotment to be adopted if the acceptances received exceed the quantity of the bonds that are the object of the offer.

2.11. Possible assignment of the offer to conditions of acceptance by persons that, in a group, acquire the minimum number of securities offered.

2.12. The cases wherein the offer may be null and void.

2.13. Date and place of the assessment of the offer’s results.

2.14. Date and manner of the delivery and settlement of the offer.

2.15. Indication of any expenses, fees or taxes that shall be borne by the acquirers.

3. Information regarding the issue or sale of bonds.

3.1. Decisions or resolutions that gave origin to the issue or sale.

3.2. Description of the general characteristics and conditions of the operation, with an indication of the amount of the issue or sale, nominal value quantity, indication of the currency of the loan, category and form of bonds, identification, if applicable, of the sectors of recipients of the operation and distribution of the bonds by said sectors, and in addition, the special rules applicable to each sector of recipients.

3.3. Indication of the price for the subscription or sale, or the criteria for said determination, and conditions for its implementation or payment, if applicable for each segment of the operation, and also the indication of the mode and period for the repayment of the value corresponding to the purported bonds that were not assigned.

3.4. Description of the existence of possible preference rights in the subscription
or purchase and conditions of its exercise, and also a description of the possible limitations to the right of acquisition by certain entities or group of entities.

3.5. Dates on which the payment of the interest and amortisation shall take place.

3.6. Nominal interest rate and real yield.

3.7. Description of any other benefits assigned to bonds.


3.9. Taxation system applicable.

3.10. Possible guarantees aimed at ensuring the redemption of bonds and the payment of interest.

3.11. Form, mode and period of subscription or sale, with express indication of the last day and hour that the acceptances may be received.

3.12. Description of the financial institutions that guarantee the placement or sale and, if foreseen, the firm underwriting, and of the institutions wherein the orders for subscription or sale may be presented.

3.13. Statement on whether the company already has listed securities on the stock exchange and if it has or not undertaken to request said admission as to the bonds object of the offer.

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3.16. Possible assignment of the offer to conditions of acceptance by persons that, in a group, acquire the minimum number of securities offered.

3.17. The cases wherein the offer may be null and void.

3.18. Date and place of the assessment of the offer’s results.

3.19. Date and manner of the delivery and settlement of the offer.

3.20. Indication of any expenses, fees or taxes that shall be borne by the acquirers.

3.21. Indication of the legislation designated as applicable in the resolution of the issue of bonds and the competent courts in the event of litigation.

4. Identification of the issuer.

4.1. Reference to specific legislation to which the issuer, or the offeror, if different, may be subject.
4.2. Historical note on the functioning and activity of the issuer and, if different, of the offeror.

4.3. Maximum and minimum quotes of the securities that the issuer has listed on the stock exchange in each twelve-month period prior to the issue or sale.

5. Functioning of the issuer.

5.1. Indication of the manner in which the statutory distribution of profits is carried out and statutory distribution of net assets in the case of liquidation.

5.2. Description of conditions of access to the shareholder or bondholder meetings and the conditions for the exercise of voting rights.

5.3. Framework for the transfer of securities.

5.4. Indications concerning knowledge of the existence in the last financial year or the current financial year of public offers carried out by third parties with regard to the securities of the issuer and public offers carried out by the issuer with regard to securities of another entity.

6. Share capital of the issuer.

6.1. Amount of the authorised equity capital, subscribed and paid-up, as well as its representation.

6.2. Conditions that are subject to the changes of the capital and special rights or privileges of the various types of securities represented therein.

6.3. Quantity and value that is depicted in the company’s assets as own shares held by same.

6.4. Framework describing the trend for the last three years in results, distribution of profits and dividends paid and developments in the share capital and reserves.

7. Activity of the issuer.

7.1. Staff – permanent staff trends in the last three years.

7.2. Main business premises – brief description of the number and geographic distribution of the main business premises, land and other premises; reference to whether the entity is or not the owner of the business premises.

7.3. Activities and production of the entity – brief description, with an indication of the production volume and confirmed sales in the last three years.

7.4. Guidelines and future prospects, for two successive years, in the areas of sales, production, staff and financial position.


8.1. Comparative table summarising the financial statements for the last three financial years, or the elapsed financial years if the entity has been incorporated for less than three years.
8.2. Table describing the cash flows of the last three financial years.

9. **Composition of the management boards.**

9.1. Description of the natural or legal persons comprising the management boards.

9.2. Description of the state representatives on the management boards.

The Governor of the Cape Verde Bank, *Olavo Garcia Correia.*