International experience has demonstrated the importance of introducing dematerialised securities in Cape Verde, i.e., securities that are not physically represented by certificates but only by computerised records.

In this sense, Law No. 52/V/98 of 11 May provided in its Article 10 the possibility of certificated securities existing alongside dematerialised securities; through Article 123 thereof, the possibility of effective issue in the national territory of this type of securities shall depend on the publication of special legislation that specifically regulates this reality. This legislation is provided for in Article 16 of said Law.

Thus, under said Article 16, Order in Council No. 38/2000 of 27 November was published, which set forth the rules for the registration, handling and control of book-entry securities admitted to trading on the stock exchange.

By Legislative Decree No. 1/2012 of 27 January the new Securities Market Code was approved and republished on 3 April 2012, with the introduction of the centralised registration system in the book-entry securities system. It is a system composed of interconnected sets of accounts, through which the creation and transfer of securities incorporated in the system is processed and the amount of outstanding securities and the rights over them is controlled. Such interconnection presupposes the existence of a coordinating body, the managing body of the centralised system, which has computerised access to the financial intermediaries responsible for the registration of securities.

The centralised system is made up of at least 4 accounts: (i) issuing accounts, opened with the issuer; (ii) individual registration accounts, opened with the financial intermediaries authorised for this purpose; (iii) accounts to control the issuance, opened by each of the issuers with the system's managing body; and (iv) accounts to control the individual registration accounts, opened by the financial intermediaries with the system's managing body.
The existence of duplicate accounts in the managing body has to do with safety reasons. In fact, the function of the managing body in this system is mainly to coordinate, being responsible for ensuring the regularity of the organisation of the securities by checking the correspondence between the amount of the sum of all individual registration accounts in each financial intermediary and the balance of the account opened with the issuer.

Although the rule is the opening of individual registration accounts with the financial intermediaries authorised for this purpose, under the new Code the AGMVM is given the possibility, by regulation, of opening individual registration accounts directly with the managing body of the centralised system, in which case the legal regime of the accounts of the same nature with the financial intermediaries shall apply. The existence of direct ownership accounts shall be subject to the approval of the AGMVM and shall only be permitted provided that the opening of the accounts does not involve any conditions of efficiency, security and control of individual registration accounts.

Thus, under No. 6 of Article 80 of the Securities Market Code the following regulation is approved:
Article 1
(Scope)

This Regulation sets out the terms under which individual registration accounts may be held with the managing body of the centralised system.

Article 2
(Direct ownership accounts)

1. Individual registration accounts can be opened directly with the managing body of the centralised system, provided they are previously authorised by the AGMVM.

2. The application to open an individual registration account with the managing body of the centralised system shall be refused whenever the AGMVM deems that the opening of said account undermines the conditions of efficiency, security and control required for the proper functioning of the centralised system.

Article 3
(Application for authorisation to open an account)

1. The managing body wishing to directly open individual registration accounts shall submit an application for authorisation in writing to the AGMVM.

2. When submitting the application the managing body shall provide all the data necessary to enable the AGMVM to ensure that the opening of the account does not affect the conditions of efficiency, security and control required for the proper functioning of the centralised system.

3. It shall be understood for the purposes of paragraph 2 of this Article that the managing body must provide information that enables the AGMVM to ensure that the sum of the balance of the global accounts is equal to the difference between the balance of the issue and the sum of the balances of the direct ownership accounts.
Article 4

(Assessment of the application)

1. Within 30 business days of receipt of the request for authorisation submitted by the managing body, the AGMVM shall decide on whether to authorise the opening of the direct ownership account or not.

2. After assessing the request for authorisation submitted by the managing body, if any additional information is needed by the AGMVM to make a decision, it shall request it from the managing body within 10 business days of receipt of the request for authorisation, in which case the assessment period shall be suspended in accordance with paragraph 1 of this Article, until the request is properly completed with the additional information requested in the meantime by the AGMVM of the managing body.

Article 5

(Entry into force)

This Regulation shall enter into force on the day following its publication in the Official Bulletin.