With the new Securities Market Code a major overhaul of the public offerings system was carried out. Under the new Code the subject of public offerings is concentrated under a single title (Title IV) which, in turn, is divided into three chapters: one containing rules common to all types of public offerings (subscription offers, offers for sale and takeover bids), including other rules applicable to public offerings - which may be subdivided, in turn, into two sections with specific provisions for subscription offers and offers for sale - and a third chapter on takeover bids. In addition to the systematic reform carried out, the subject of public offerings has been updated, especially the rules concerning the advertising of the prospectus.

The provision of full information on securities and respective issuers, along with the adjacent rules of conduct, promotes investor protection. Furthermore, such information provides an effective means of increasing confidence in securities, thereby contributing to the smooth functioning and development of securities markets. This information shall be provided through the publication of a prospectus. The disclosure of information through the prospectus may however be waived in certain perfectly identifiable situations, which can be grouped into two categories: (i) when there are documents with characteristics similar to those of a prospectus and (ii) when there are documents with the number and nature of the shares as well as the reasons for and details of the offer.

The regulation adopted herein begins with a general chapter listing the situations in which the preparation of the prospectus is waived and the documents that must accompany the application for registration or approval of the prospectus, depending
on whether the case involves a takeover bid or a public offering.

This is followed by two other chapters, which set forth the models that should be adopted, depending on the type of public offering. In order to reflect the solutions adopted internationally in the internal law of Cape Verde, and considering that at the EU level there are already perfectly well accepted and standardised models for public offerings, in relation to the prospectus for public offerings this Regulation accepts the models provided for under Regulation (EC) No. 809/2004 of the European Commission of 29 April, in harmony with the provisions of No. 6 of Article 187 of the Code, which expressly provides that the prospectus may follow the European Union format.

Whereas the collection of investment intentions to determine the viability of a potential public offering can only start after the dissemination of the preliminary prospectus, this Regulation further sets out the documents that should be included in the application for approval of the preliminary prospectus. Despite the fact that the collection of investment intentions does not represent a public offer, this being a potential phase in the preparation of a possible future public offering, it deserves equal treatment.

Lastly, the forms of disclosure of the prospectus are regulated, particularly as regards a prospectus comprising several documents or information by reference.

Thus, under paragraphs 2 and 3 of Article 187, No. 4 of Article 188, No. 5 of Article 195 of the Securities Market Code, the AGMVM adopted the following regulation:
CHAPTER I
PROSPECTUS

Article 1
(Enforceability of the prospectus)

1. The completion of any public offering of securities shall be preceded by the disclosure of a prospectus.

2. Exceptions to the preceding paragraph are:
   a) offers of securities to be allotted, in connection with a merger, to at least 10 shareholders who are not qualified investors, provided that a document containing information considered by the AGMVM to be equivalent to a prospectus is made available at least 15 days prior to the date of the general meeting;
   b) the payment of dividends in the form of shares of the same class of shares in relation to which the dividends are paid, provided that a document containing information on the number and nature of the securities as well as on the reasons and characteristics of the offer is made available; and
   c) offers for the distribution of securities to members of the management body or employees, existing or former, by their employer, which has securities admitted to trading on a regulated market or by a company dominated by said employer, provided that a document containing information on the number and nature of the securities as well as on the reasons and characteristics of the offer is made available.

3. The information referred to in the preceding paragraph shall be submitted to the AGMVM prior to its release or to the occurrence of the facts stated therein.

4. Without prejudice to paragraph 2 of this Article, the offeror shall be entitled to draw up a prospectus, which shall be subject to the rules of the Securities Market Code and this Regulation.
Article 2  
(Application for approval of the prospectus and prior registration)

1. The application for registration or approval of the prospectus is accompanied by the following documents:
   a) Copy of the launch resolution taken by the competent bodies of the offeror and the necessary management decisions;
   b) Copy of the articles of association of the issuer of the securities to which the offer relates;
   c) A copy of the articles of association of the offeror;
   d) Updated certificate from the commercial register of the issuer;
   e) Updated certificate from the commercial register of the offeror;
   f) Copy of the management and annual reports, opinions of the supervisory bodies and legal certification of accounts of the issuer;
   g) Report or audit opinion prepared pursuant to Article 40 of the Securities Market Code;
   h) Copy of the identification of the securities to be offered;
   i) Copy of the contract entered into with the financial intermediary in charge of the assistance;
   j) Copy of the placement contract and of the placement consortium contract, if any;
   k) Draft prospectus;
   l) Pro forma financial information, when required;
   m) Draft release announcement, when required; and
   n) Specialist reports, when required.

2. The inclusion of documents can be replaced by the indication that in updated terms they are already held by the AGMVM.

3. The AGMVM can ask the offeror, the issuer or any other person with whom they are in any of the situations listed in No. 1 of Article 93 of the Securities Market Code for any additional information required to assess the offer.
Article 3  
(Assessment of the Request)

1. The AGMVM shall rule on the request within 30 days and may only refuse its registration or approval if it violates the provisions of this Regulation or other applicable laws or regulations.

2. If the failures or impediments to registration or approval are reparable, the AGMVM shall notify the issuer in order to remedy them within a reasonable period of time set by the issuer. Should this not occur within the set period, the application for registration or approval shall be deemed to have been refused.

Article 4  
(Charges)

A fee shall be charged by the AGMVM for assessing the application for registration or approval. The fee shall be used to cover the associated costs and shall be fixed to this effect in a special regulation.

CHAPTER II  
PROSPECTUS FOR A PUBLIC OFFERING

SECTION I  
ENFORCEABILITY, FORMAT AND CONTENT

Article 5  
(Format)

1. The prospectus for the public offering can be prepared in the form of a single document or separate documents.

2. A prospectus composed of separate documents consists of a registration document, a note on securities and a summary.

3. The registration document shall contain the information relating to the issuer and shall be submitted beforehand to the AGMVM for approval or knowledge.

4. The note on the securities shall contain information relating to the securities to be offered in the public offering.

5. Issuers that already have a valid and approved registration document only need
to draw up the note on the securities and the summary for a public offering of securities.

6. In the case referred to above, the note on the securities shall provide information normally presented in the registration document, should there have been a significant change or should new facts have occurred that may affect investors' assessments since the approval of the last updated registration document date or of any addition.

7. If the registration document has been previously approved and is valid, the note on the securities and the summary shall be approved under the process of approval of the prospectus.

8. If the registration document has merely been communicated to the AGMVM but not yet approved, the three documents shall be subject to approval under the process of approval of the prospectus.

**Article 6**

*Content*

1. Beyond the content provided for in No. 4 of Article 187 of the Securities Market Code, the prospectus of a public offering shall also include statements by the persons responsible for its content attesting that, to the best of their knowledge, the information contained in the prospectus is in accordance with the facts and makes no omission likely to affect its import.

2. The contents of the prospectus for public offering shall comply with Regulation (EC) No. 809/2004 of the Commission of 29 April, according to the amendment in force.

**SECTION II**

**COLLECTION OF INVESTMENT INTENTIONS**

**Article 7**

*Preliminary Prospectus*

1. The preliminary prospectus of the collection of investment intentions does not require prior approval by the AGMVM.

2. The application for approval of the preliminary prospectus shall be
accompanied by the documents referred to in subparagraphs a) to g) of Article 2 of this Regulation, accompanied by a draft preliminary prospectus.

3. The provisions of this Chapter shall apply mutatis mutandis to the preliminary prospectus.

CHAPTER III
PROSPECTUS OF A TAKEOVER BID

Article 8
(General structure of the prospectus)

1. The prospectus of a takeover bid shall follow the structure set out in the Annex hereto and shall form part thereof.

2. The prospectus shall begin with the following information, at least:
   a) The name of the offeror and, should the entities not be the same, of the issuer and references stating that the offeror and, should the entities not be the same, the issuer are legally obligated in their publications;
   b) The nature of the offer;
   c) The number, type and nominal value of the securities being offered; and
   d) The date of preparation of the prospectus.

3. The prospectus shall contain information relating to the forms of disclosure adopted and the places where they can be consulted.

Article 9
(Preparation of the prospectus)

The preparation of the prospectus of a takeover bid shall observe the following rules:
   a) The information shall be systematised in tables, charts or diagrams whenever such form of presentation contributes to a better understanding and easier apprehension of the information to be disclosed;
   b) References to other parts of the prospectus shall be clear and well explained, highlighting relevant information on any element or data presented;
   c) The chapters and titles of each item shall be reproduced as indicated in the
Annex to this Regulation;

d) Should additional information be required, additional chapters and items shall be inserted and sequentially numbered;

e) Additional lower-level titles shall be inserted whenever this makes it easier to read the prospectus; and

f) The general index of the prospectus shall indicate the page number of each item.

CHAPTER IV
DISCLOSURE OF THE PROSPECTUS

Article 10
(Insertion by reference)

1. Information may be inserted in the prospectus by reference to documents previously or simultaneously published and that have been approved by the AGMVM or communicated to the AGMVM under the reporting duties of issuers and holders of qualified shareholdings in listed companies.

2. The prospectus shall include a list of references when it contains information by reference.

3. The summary of the prospectus may not contain information inserted by reference.

4. If a document, which may be incorporated by reference, contains information that has undergone significant changes, the prospectus shall clearly state such circumstances and provide updated information.

5. An insertion by reference in a prospectus shall only be allowed in certain parts of a document, provided it is shown that the non-incorporated parts are either not relevant for the investor or covered elsewhere in the prospectus.

6. The incorporation of information by reference shall assume that all measures are taken not to endanger investor protection in terms of comprehensibility and accessibility of the information.
Article 11

(Disclosure in printed form)

1. In accordance with paragraph 1b) of Article 188 of the Securities Market Code, the disclosure of the prospectus shall be printed:
   a) on A4 white sheets of paper;
   b) in font size:
      i) of no less than 10, except in regard to tables or numerical charts, provided the text is readable;
      ii) of no less than 12 in relation to warnings;
   c) with the headings in a larger font size and duly highlighted;
   d) with paragraphs separated by at least one blank line;
   e) with the cover printed on a white or neutral-coloured background; the logotypes of the entities involved may or may not appear.

2. The use of images in printed form in the disclosure referred to in the preceding paragraph shall be permitted provided they are related with the offeror or the activity carried out by the offeror.

Article 12

(Disclosure in electronic form)

1. The prospectus shall be easily accessible via the website.
2. The file format shall prevent the prospectus from being changed.
3. The prospectus shall not contain links, except for links to the electronic addresses where information incorporated by reference is accessible.
4. Investors shall be able to download and print the prospectus.
5. The publication of the prospectus in electronic form shall follow mutatis mutandis the provisions of the preceding article.

Article 13

(Disclosure through other means)

The publication of the prospectus in one or more national newspapers with wide circulation shall comply with Article 11, disclosure in printed form, without prejudice to the specific printing conditions.
CHAPTER V
FINAL PROVISIONS

Article 14
(Repeal)

Regulation No. 1/2000 of 27 November is repealed.

Article 15
(Entry into force)

This regulation shall come into force on the day following its publication in the Official Bulletin.


ANNEX

Prospectus of takeover bids

CHAPTER 0

Warnings/introduction

0.1. - Summary of the characteristics of the operation - brief description of the operation, including a short description of the conditions of effectiveness to which the bid is subject, the minimum and maximum number of securities which the offeror may acquire, the consideration offered, and the allocation criteria.

0.2. - Effects of the registration:

The registration of a takeover bid shall imply the approval of the prospectus and shall be based on criteria of legality.

Reference to the approval of the project and registration shall not be regarded as guarantees as to the content of the information, the economic or financial situation of the offeror, issuer or guarantor, the feasibility of the offer or the quality of the
securities. A listing of the financial intermediaries responsible for the bid, with an explanation of the obligations assumed by all under No. 3 of Article 186 of the Securities Market Code.

CHAPTER 1

Persons responsible for the information
Identification of those responsible - identification of the persons responsible for the prospectus and the scope of its responsibility, with express reference to Article 191 of the Securities Market Code.

CHAPTER 2

Description of the bid
2.1. Amount and nature of the operation - description and indication of the overall amount and nature of the operation, namely, general or partial nature of the bid.
2.2. Amount, nature and class of securities being offered - an indication of the minimum and maximum quantities and nature and class of the securities being offered.
2.3. Consideration offered and its justification - justification of the value of the consideration, specifying the calculation methods adopted in determining the consideration and the factors and data on which the determination was based.
2.4. Payment methods of the consideration - an indication of the payment method of the consideration, in particular, in the case referred to in No. 1k) of Article 231 of the Securities Market Code.
2.5. Guarantee or warranty of the consideration:
If the consideration consists of cash, prior to the registration of the bid, the offeror shall deposit the amount in a credit institution or present a suitable bank guarantee.

The securities offered as consideration, which have already been issued, shall be registered or deposited in favour of the offeror in a centralised system or financial intermediary, thereby blocking it.
Indication of the entity in which the consideration in money is deposited or which provided the bank guarantee of the payment.
If the securities offered as consideration have already been issued, indication that they have been blocked.

2.6. Modality of the bid:
Indication of any conditions of effectiveness to which the bid is subject;
Should the consideration contain an option in cash or securities, conditions for the exercise of this option;
Indication of the possibility of proration and mode of application, as well as the criteria for rounding;
Indication of any expenses, fees or taxes that must be borne by the recipients of the bid.

2.7. Assistance:
Name and head offices of the financial intermediaries responsible for the bid; indication of the participants in the financial consortium that has secured the assistance; general conditions of the service contract.

2.8. Objectives of the takeover:
Information on the takeover goals, namely, the maintenance of trading on a regulated market of the securities to be offered, the maintenance of public company status, the continuity or alteration of the business carried out by the offeree company and by companies that are in a control or group relationship with the offeree company and the staff policy and financial strategy;
Description of the possible implications of a successful bid on the financial situation of the offeror.

2.9. Declarations of acceptance:
Indication of the dates and times of the commencement and termination of the bid, with express indication of the last date and time up to which the acceptances can be received;
Indication of what the offerees need to do in order to accept; Indication of the stock exchange or stock exchanges where the operation will be performed and indication of where the declarations of acceptance of the bid can be
transmitted;
Mention of the right of the bid’s recipient to withdraw their acceptance before
the closure of the operation, if in the meantime a competing offer is launched,
as well as the specification of any other cases, including those foreseen by
law, where they have this right;
Indication of the period during which the declarations of acceptance of the bid
may be repealed.
2.10. Result of the bid - an indication of the entity responsible for determining and
disclosing the result of the bid, with express reference to the places where it
will be released.

CHAPTER 3
Information on the offeror, shareholdings and agreements

3.1. Identification of the offeror - type, firm and head office of the offeror.
3.2. Allocation of voting rights - identification of the people who are in one of the
relationships (described in No. 1 of Article 93 of the Securities Market Code)
with the offeror.
3.3. Shareholdings of the offeror in the capital of the offeree company:
Information on the quantities of securities issued by the offeree company and
held by the offeror and the persons mentioned in No. 1 of Article 93 of the
Securities Market Code as a precise indication of the percentage of voting
rights that may be exercised by them;
Breakdown of the amounts, dates and consideration of securities of the same
category that are being offered, that have been acquired by the offeror or any
of the persons referred to in paragraph. 3.2, purchased within the last six
months.
3.4. Voting rights and shares of the offeree company in the offeror - indication of
the percentage of voting rights that under No. 1 of Article 93 of the Securities
Market Code can be exercised by the offeree company in the offeror
company.
3.5. Shareholder agreements:

Indication of any shareholder agreements to which the offeror, or any person referred to in No. 1 of Article 93 of the Securities Market Code, is a party or has knowledge of, with significant influence in the offeree company;

Indication of any agreements or understandings entered into with other legal persons to which the offeror shall transfer any amount of securities purchased through the offer after the closure of the operation, specifying their conditions, the identity of the parties and information identical to that which would be required under this Regulation if said parties acted as offerors in the operation.

3.6. Agreements with the holders of the offeree company's governing bodies - indication of the agreements entered into between the offeror or any person referred to in No. 1 of Article 93 of the Securities Market Code and the members of the governing bodies of the offeree company, including any special advantages stipulated in their favour, of immediate or deferred execution, on the launch date of the bid.

3.7. Representative for market relations - indication of the name, position, address, telephone number, fax number and email address of any person nominated as representative of the offeror for market relations.

CHAPTER 4

Other information

Any other information deemed relevant by the offeror.