



ENERGY

Legal Framework for Intensive Energy Consumers

By means of Decree-Law No. 35/2021, of 14 April 2021, the legal framework for Intensive Energy Consumers was approved. The new statute aims to foster energy efficiency and local energy production at the facilities of final consumers that have significant energy consumption. This framework applies to: (i) all intensive energy consumers (IECs), whether public or private entities, whose final energy consumption in the previous calendar year was equal to or greater than the amount to be determined by subsequent Order; (ii) companies that wish to adhere on a voluntary basis; and (iii) energy auditors that wish to provide services to IECs.

This statute implements the monitoring of IECs through the registration of the energy services management system, as well as defining the set of duties applicable to IECs.

New Rules Applicable to Energy Services Companies

The principles and rules applicable to engagement in the activity of energy services companies were approved by means of Decree-Law No. 46/2021, of 28 May 2021. The statute was approved by the Government in the context of the

National Energy Efficiency Action Plan (NEEAP) and applies to all private entities that wish to provide energy services to final consumers, in particular energy efficiency services and local energy production services.

Amendment to Legal Framework for Exploitation of Mineral Mass

By means of Decree-Law No. 34/2021, of 14 April 2021, the Government approved the first amendment to the legal framework for the exploitation of mineral mass, enacted by Decree-Law No. 3/2015, of 6 January 2015.

The amendment aims to compensate for the contradictions identified in respect of organic powers, and to overcome the practical problems in the application of the framework, in particular the dispersion of powers for the granting of licenses, clarifying the need for or waiver of an environmental impact study and ending the unlimited duration of quarrying licenses.

Indeed, this harmonization aims to strengthen the balance between the preservation and defense of the environment and the economic exploitation of natural resources, in line with the national Bases of Environmental Policy.

Fossil Fuel Specifications for Road Transportation

By means of Order No. 38/2021, of 11 May 2021, the Government, through the Ministry of Industry, Commerce and Energy, approved the specifications to be observed for gasoline and diesel in the domestic market. This clarification is a result of the harmonization of parameters established by the Economic Community of West African States (ECOWAS). Among other things, this statute amends the sulphur content for both types of fuel to 50 ppm.

New Tariff Regulations for Fuel Sector

By means of Resolution No. 17/CA/2021, published on 28 May 2021, the Board of Directors of the Multisectoral Regulatory Agency of the Economy (ARME) approved tariff regulations for the fuel sector. The new regulations define a periodic tariff review based on a maximum price system of the last three years, the components of the tariffs of regulated petroleum products, and the applicable regulatory system.

BANKING AND FINANCE

Rules Approved Regarding Shared Network for Card Payments

To ensure the proper functioning of the shared payments network, the Bank of Cape Verde approved Notice No. 1/2021, of 17 June 2021. The Notice establishes the rules to be observed in the network, including the regularization of operational anomalies and the relevant deadlines, the duties of participants and users, and rules on attribution of responsibilities to those involved in the system. The Notice entered into force on 18 June.

Security Requirements for On-line Payments

Bearing in mind the increase in on-line payments and the need to ensure their security, the Bank of Cape Verde approved Notice No. 2/2021, of 17 June 2021, establishing the minimum requirements and essential content applicable to security in executing payment operations made on-line, which must be implemented by providers of payment services (PSPs). PSPs must create, within one year, the necessary conditions for full implementation of the rules provided in the Notice.

New Security Requirements for Mobile Payments Approved

In order to promote efficiency and security in the implementation of mobile payment services, the Bank of Cape Verde approved Notice No. 3/2021, of 17 June 2021, which established the security requirements that are applicable to payments made through mobile devices and that must be observed by payment service providers. The Notice entered into force on 18 June.

REAL ESTATE AND TOURISM

Reconfiguration of ZDTI for East and West of Santa Maria

By means of Decree-Law No. 27/2021, of 5 April 2021, the Government approved the reconfiguration of the delimitation of the Integral Tourist Development Zone (ZDTI) to the east and west of Santa Maria. The Decree-Law seeks essentially to establish new boundaries for ZDTIs, with the objective of regularizing the situation of legal ownership of plots sold by the Municipality of Sal to private individuals who, since their plots are located in a ZDTI, were unable to carry out the relevant registration of the property.

State's Right of First Refusal on Transfers of Plots in Special Tourism Zones

Decree-Law No. 39/2021, of 23 April 2021, was approved, regulating the exercise of the State's right of first refusal in the sale between private individuals of land located in Special Tourism Zones ("ZTE"), which was already foreseen in the law.

Legal Framework Approved for Land Management, Information and Transaction System

Law No. 125/IX/2021, of 23 April 2021, approved the legal framework for the operation and data processing of the Land Management Information and Transaction System (SIGTP).

SIGTP is an information and operational management system for land, composed of an integrated set of information sub-systems, databases and other resources and information technologies, containing all data that is legally relevant for land management in Cape Verde, namely a description of physical characteristics, including the real estate identification number, nature, location, area, use or purpose, the type of construction and a graphic representation, the economic characteristics and legal status of the plots located in the registered zones, as well as the identification of the landowners.

SIGTP is the exclusive property of the State and will be used by various public entities.

MARITIME AND PORTS

Legal Framework for Port Jurisdiction Zones Approved

Legislative Decree No. 1/2021, of 7 April 2021, approved the legal framework for Port Jurisdiction Zones, defining the general procedures applicable to ports of Cape Verde's public port system, in respect of the definition of the port jurisdiction zone (ZJP), as well as the implications of a territorial nature arising from such delimitation on works, function, and port activity.

The purposes of this framework are: (i) to define the physical limits, on land and at sea, of the area belonging to the port; (ii) to identify and characterize the legal

framework of the assets included within the physical perimeter of the ZJP; (iii) to align the management of the port area with any alterations and conditioning, overlaps and/or conflicts of and with the surrounding area; (iv) to articulate the port area with the applicable instruments for its planning and management; (v) to establish the framework of mechanisms and/or areas of reserve, servitude or safeguard which allow for the normal functioning of the port area.

This statute applies to the ZJPs within the scope of the general ports concession granted to ENAPOR.

Amendment to Maritime and Port Institute By-Laws

The Maritime and Port Institute (MPI) By-Laws were amended by means of Decree-Law No. 37/2021, of 20 April 2021, rectified by Rectification No. 122/2021, of 19 July 2021.

The MPI has broad powers in the following areas: (i) as the entity responsible for applying and executing the Government's policy for the maritime and port sector; (ii) in the domain of control of the port state; (iii) in the domain of the coastal state; (iv) in the domain of the port; (v) in respect of the training of personnel for the maritime and port sector; (vi) in respect of the licensing of operators; and (vii) in the representation of the State in international organizations and foreign institutions.

TAX AND CUSTOMS

"Happiness Invoice" Draw Created

Legislative Decree No. 3/2021, of 30 April 2021, approved the legal framework for the draw to award prizes to natural persons, otherwise known as the "Happiness Invoice". Individuals whose tax identification number (TIN) is associated with invoices, receipts or sales receipts for purchases of goods and

services, or rent receipts for properties rented for accommodation purposes, are entitled to the prizes drawn, with the exception of those who receive business and professional income (Personal Income Tax, Category B).

The aim of this initiative is to encourage compliance with the duty to issue an invoice in all economic operations, supported by a duty of citizenship in respect of tax, with a view to strengthening the fight against the parallel economy.

The start of the draw is dependent upon the approval of the relevant regulations, through an order from the member of the Government responsible for the area of Finances.

LABOR AND SOCIAL SECURITY

Mandatory Professional License for Professions in Tourism Sector

Decree-Law Nos. 41/2021, 42/2021, 43/2021, 44/2021 and 45/2021, all of 14 May 2021, regulate the activities of Waiter, Tour Guide, Pastry Chef, Hotel Receptionist and Cook, respectively, establishing the need for a professional license to engage in these professions.

This measure was based on reasons of public interest, namely the defense of public health and consumer rights, and on the need to professionalize the tourism sector in the country.

A transitional period of one year was set, or two years for tour guides.

Extension of Deadline for Implementation of New Rules on Mandatory Insurance for Work Accidents

Decree-Law No. 49/2021, of 30 June 2021, extended the date of entry into force of Decree-Law No. 58/2020, of 29 July 2020, which established the Legal

Framework for Insurance for Work Accidents and Professional Sickness, and stipulated new obligations regarding said insurance, as from 1 July 2021.

Bearing in mind the significant impact caused by Covid-19, which brought additional difficulties in implementing the new obligations, the aforementioned deadline was extended to 1 July 2022, thus giving companies an extra year to adapt to the new rules.

TECHNOLOGY AND TELECOMMUNICATIONS

Amendment to Legal Framework Applicable to Electronic Communications Networks and Services, and Related Resources and Services

In order to reflect the constant evolution of technology – as well as environmental, public health, security and data protection concerns – Legislative Decree No. 2/2021, of 20 April 2021, was enacted, amending Legislative Decree No. 7/2005, of 28 November 2005. The new statute sets forth the legal framework applicable to electronic communications networks and services and to related resources and services, while also defining the powers of the regulatory authority in this area.

Among other aspects, the new statute establishes a new title for the authorization to supply electronic communications networks and services, named "General Authorization". Moreover, the statute foresees duties for operators in terms of the security and integrity of their networks, while the telecom regulator's powers were strengthened to monitor compliance with these and other duties. Furthermore, the protection of consumers and users was increased, especially the rights of vulnerable consumers. Also introduced were rules governing the handling of complaints, agreements for the provision of electronic communications services, and the relevant loyalty periods.

These changes entered into force on the day following their publication.

STATE AND PUBLIC PROCUREMENT

Amendment of ARAP's By-Laws and Approval of CRC's New By-Laws

With a view to reducing delays in the decision-making process of the Dispute Resolution Commission (CRC) of the Public Procurement Regulatory Authority (ARAP) and improving the effectiveness and efficiency of its performance – and thus speeding up the process of executing public contracts – the Government of Cape Verde amended ARAP's by-laws and approved the CRC's new by-laws by means of Decree-Law No. 28/2021, of 5 April 2021.

The CRC's by-laws define its mission and establish the legal framework for the functioning of the CRC and for the performance of processes under its authority.

Regulations on Contributions from Economic Sectors Regulated by ARME

By means of Deliberation No. 16/CA/2021, of 25 May 2021, the Board of Directors of the Multi-sectoral Regulatory Agency for the Economy (ARME) approved Regulations on the methodology for the calculation, distribution, settlement and collection of contributions from the sectors of communications, energy, water and urban and intercity passenger transport regulated by this regulatory agency.

Amendment to Code of Civil Procedure

Law No. 129/IX/2021, of 26 May 2021, enacted the second amendment to the Code of Civil Procedure (CPC), approved in 2010. The main goals of this amendment are to simplify legal procedures and promote the celerity of the judicial resolution of litigation.

Significant amendments to the CPC were introduced, the most important related to the following: the setting of deadlines for court clerks and the Judge to perform certain acts and to come to a final decision; injunctions; declaratory proceedings; and enforcement proceedings.

The amendments to the CPC entered into force on 25 July 2021.

CRIMINAL

Third Amendment to Code of Criminal Procedure

Law No. 122/IX/2021, of 5 April 2021, makes the third amendment to the Code of Criminal Procedure (CCP).

A number of changes were introduced to the CCP which cover, among others, substantive matters such as the reinforcement of the right to a hearing and defense of the accused at all procedural phases, in respect of the contradictory principle and the strengthening of legal provisions regarding the status of victim. Also covered questions of a formal nature, such as the practice of oral procedural acts and notifications by technological means, and the introduction of serving by public notice, when it is not possible to locate the person, whose summons has been ordered.

The amendments to the CCP entered into force on 6 April 2021.

Criminal Record Certificate Form Published

In accordance with Decree-Law No. 25/2021, of 26 March 2021 (Legal Framework for the Organization and Operation of Criminal Identification), the model certificate of criminal record, both for natural and legal persons, was approved by means of Order No. 36/2021, of 7 May 2021.

COVID-19

Extension of Simplified Lay-Off for Companies in Tourism Sector, Industry and Exportation

Law No. 126/IX/2021, of 23 April 2021, was enacted, making a third amendment to Law No. 97/IX/2020, of 23 July 2020, which established the exceptional and temporary measure to protect jobs, in the context of the Covid-19 pandemic, through the simplified regime of suspension of the employment contract. This new Law approved the extension until 31 July of the regime of simplified suspension of the employment contract.

This exceptional measure, which was limited to the tourism sector and related activities by the previous amendment, was extended to cover private employers and employees in the sectors of industry and exportation services.

Regarding the requirements to request simplified lay-off, there must be a decrease of at least 70% of the company's turnover, compared to 2019, the other requirements remaining in force.

Amendment to Regime of Exceptional Support Measures in Context of Covid-19

Given the need to remedy the social, economic and financial effects of the measures adopted to mitigate the evolution of the epidemiological situation in the country, Decree-Law No. 48/2021, of 16 June 2021, was approved, making the fourth amendment to Decree-Law No. 38/2020, of 31 March 2020, which in turn established exceptional measures to protect the credit of families, companies, municipalities, private charitable institutions, non-profit associations, and other entities in the social economy, as well as a special regime of personal guarantees from the State.

The purpose of this amendment was to include companies that took out loans under the "Covid-19 Credit Lines" as beneficiaries of the moratorium on capital and interest, provided that the end of the grace period of the aforementioned credit has occurred or will occur.

Operational Coordination Center Created for Vaccination against Covid-19

By means of Resolution No. 58/2021, of 17 May 2021, the Operational Coordination Centre was created as the executive body of the National Coordination Commission for the introduction of the Covid-19 vaccine, specifically to coordinate the execution of the vaccination process, being responsible for controlling and evaluating the different stages of the process at national level, harmonizing municipal execution plans and schedules, and optimizing methods, procedures and timings.

Acceleration of Vaccination against Covid-19 on Islands of Sal and Boa Vista

Resolution No. 64/2021, of 23 June 2021, approved the acceleration of vaccination against COVID-19 on the islands of Sal and Boa Vista, reinforcing the teams assigned for vaccination.

Financial Compensation Measures for Stabilizing Prices of Essential Food Products During Pandemic

By means of Resolution No. 60/2021, of 31 May 2021, the Government approved the adoption of additional measures of financial compensation by the State to companies importing staple foods, imposing a maximum price for wheat flour and second-class corn.

This measure will be in force until 31 December 2021.

Admissibility and Regime of Covid-19 Certificate

Resolution No. 78/2021, of 30 July 2021, amended by Rectification No. 127/2021 of the same date, declared a situation of contingency throughout the country, based on the evolution of the epidemiological situation, while the situation of calamity that had been successively declared in relation to some islands was not renewed.

The admissibility of the COVID certificate as a document proving the low risk of its holder being Covid-19 positive was also approved, as well as the measure to facilitate free movement and the carrying out of activities in the context of the pandemic, with new rules and the open times of commercial establishments being defined.



Finally, the regime was also approved for the issuance and acceptance of Cape Verde Covid certificates and the recognition of Covid certificates issued by third countries or multilateral institutions.

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