

CAPE VERDE

November 2014 through January 2015

CIVIL PROCEDURE

CIVIL PROCEDURE CODE REVAMPED

Four years into the new Civil Procedure Code, the Government decided to amend the act through **Legislative Decree No. 1/2015, of 12 January 2015** (which will come into force on 15 April 2015), to streamline established procedures.

Consolidation of all possible appeals into just one, and the clarification of which private documents actually constitute enforcement titles are just some of the new rules to retain.

On the other hand, the Property Registry Code laid down new rules governing judicial proceedings for the legal acquisition of title to land.

IMMIGRATION

NEW REGULATIONS ON ENTRY, STAY, EXIT AND DEPORTATION OF ALIENS

Hot on the heels of the legal framework for entry, stay, exit and deportation of aliens, in force as of 14 November 2014, Cape Verdean Government enacted **Decree-Law No. 2/2015, of 6 January 2015**, which, among other things, governs the issuance of visas and residence permits, extension of the former and renewal of the latter, and **Law No. 80/VIII/2015, of 7 January 2015**, already introducing amendments to the brand new legal framework.

MEDIATION

NEW MEDIATION RULES

Decrees-Law No. 62/2014, and 63/2014 of 17 November 2014, which came into force on November 18, 2014 are two pieces of the new Cape Verdean legislation seeking to establish a workable roadmap for the transition from cumbersome traditional conflict-solving mechanisms to their more accessible and swifter alternatives, notably mediation. The statutes introduce new, more advantageous rules on mediation fees and requirements and the legal force of the mediation agreement.

TAX

TAX REFORM

Paraphrasing the riveting “Game of Thrones” tale, it would seem that “summer is coming” to another saga hopefully drawing to its end: the Cape Verdean Tax Reform. The three new “sequels” seeking to

shed some more light on the application of tax rules are **Laws No. 78/VIII/2014, of 31 December 2014** and **No. 82/VIII/2014, of 8 January 2015**: the new Personal Income Tax (“IRPS”) and Corporate Income Tax (“IRPC”) Codes, which repeal the previous Single Income Tax and came into force on 1 January 2015, and **Decree-Law No. 6/2015, of 23 January 2015**, which creates a wholly new withholding tax legal framework for different categories of income earned by individuals and legal persons.

STAMP DUTY AND VAT REGULATIONS JOIN THE LIST OF NEW TAX STATUTES

The Value Added Tax and Stamp Duty Codes were also revamped and republished by **Law No. 81/VIII/2015, of 8 January 2015**.

Noteworthy amendments include the abolition of stamp duty levied on transfer of title over assets, notably real assets, and regarding VAT, the repeal of the exemption and the simplified taxation regime designed for “small” taxpayers.

Still on the subject of VAT, newly published **Order No. 64/2014, of 22 December 2014** regulates the issuance of invoices through an invoice computer system, and at last clarifies the full meaning of “invoice” within VAT legislation.

2015 GENERAL BUDGET – AN OVERVIEW

National Parliament approved the 2015 State General Budget through **Law No. 77/VIII/2014, of 31 December 2014**.

Important information to retain includes:

(i) the increase of the VAT rate levied on all goods and services supplies (except water and electricity) from 15% to 15.5%, to help fund the reconstruction of the villages damaged by the Fogo volcano eruption;

(ii) the creation of a special Stamp Duty and Single Property Tax exemption regime coupled with the implementation of the Sal, Boa Vista, Sao Vicente and Maio registration regime.

This last measure is of particular relevance as it will enable the regularization of all real estate transfers up to 31 August 2014 that failed to comply with legal formalities, e.g., public deeds. The exemptions are valid for a period of two years and the ideal opportunity to regularize missing or incomplete real estate registrations in a tax efficient manner.

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