



DIASPORA INVESTOR'S GUIDE

MINISTÉRIO DAS
COMUNIDADES

GOVERNO DE
**CABO
VERDE**
A TRABALHAR PARA TODOS.

PROEMPRESA
INSTITUTO DE APOIO E PROMOÇÃO EMPRESARIAL

CABO VERDE
TRADEINVEST

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PREFACE

For generations, the Diaspora has carried the spirit of Cabo Verde in its heart, building lives and communities abroad. However, the bonds that unite it to its roots remain strong, nourished by a deep love for its heritage and the desire to contribute to the development and progress of the country.

Today, Diasporas are not only vital links between their countries of origin and the rest of the world, but also have the potential to be powerful engines of economic growth and social transformation.

The VIII Constitutional Government of the Republic, living up to the purpose of attributing centrality to the Cape Verdean Diaspora, has been investing in the creation of a favorable institutional and political environment to provide new responses in relation to the demands of our communities. Bearing in mind the country's development challenges and to inaugurate a new model of dialogue with its vast diaspora.

It should be noted that the economic relationship of our communities, directly with their families living in Cabo Verde, and indirectly with the Cape Verdean society and with the country as a whole, demonstrate that the economic capacity generated by our Diaspora is significantly higher, pointing out the fact that the country relates to its Diaspora far below its potential and, potential for growth in itself.

By compiling the scattered legislation and deepening the unique benefits and advantages that the Cape Verdean Diaspora has, this Guide serves as a conduit, providing information on how to navigate the investment landscape and promote successful ventures.

Through real success stories and expert advice, we aim to inspire and empower the Diaspora to take advantage of investment opportunities.

So, embark on this journey with us, explore the possibilities that lie ahead and discover how your investment can be the catalyst for positive change in Cabo Verde.

Jorge Pedro Maurício dos Santos
—Minister of Communities

ABBREVIATIONS

TB - Tax Benefit(s)

TBC - Tax Benefits Code

IBC - International Business Center

VATC - Value Added Tax Code

CVTI - Cabo Verde TradeInvest

CIT - Company Income Tax

PIT - Personal Income Tax

SD - Stamp Duty

ITCV - Cabo Verde Tourism Institute

PT - Property Tax

VAT - Value Added Tax

MSME - Micro, Small and Medium Enterprises

TIN - Tax Identification Number

IOM - International Organization for Migration

GDP - Gross Domestic Product

SSMSE/REMPE - Special Scheme for Micro and Small Enterprises

SAFT-CV - Standard Audit File for Tax Purposes–Cape Verdean version

SUT - Special Unified Tax/Tributo Especial Unificado

SEZT - Special Economic Zone for Technologies

INDEX

p. 16	1.	PROMOTING DIASPORA INVESTMENT IN CABO VERDE
p. 26	2.	CABO VERDE AND ITS PRIVATE SECTOR
p. 38	3.	HOW IT ALL BEGINS
p. 48	4.	BUSINESS OPPORTUNITIES
p. 76	5.	I HAVE SOME IDEAS. WHAT NOW?
p. 84	6.	I HAVE DECIDED WHAT TO DO. LET'S DO IT!
p. 136	7.	GUIDING PRINCIPLES OF BUSINESS
p. 146	8.	KEY SUCCESS FACTORS
p. 158	9.	APPENDIX



INTRODUCTION

The "Diaspora Investor's Guide" aims to encourage people to invest and contribute to the achievement of Cabo Verde's objectives and goals in terms of quantitative and qualitative leaps in its capacity to generate and consolidate quality employment and well-being through the participation of the Diaspora in green growth, competitiveness and sustainability.

In this context, it gives visibility to awareness about the sustainable use of natural and cultural resources and the reduction of pressures on the environment without penalizing economic development.

The country's transformation process needs the participation of all, focusing mainly on people, inclusive and sustainable investments, without neglecting the economic empowerment of women and young people, which empower citizens and businesses and make a difference at local and national level.

Thus, the objective of this Guide is to promote investment and guide future and current entrepreneurs interested in investing in the country. The guidelines described in this Guide are intended for both potential investors living in the country and those based abroad. It is also aimed for both those who intend to invest for the first time and those who already have consolidated investments and who, in the context of their business, have the need or ambition to expand their business to other market segments.

This Guide is structured in seven chapters. In the first, we present the central theme of promoting Diaspora investment in order to stimulate economic growth, placing it in the broader context of new legislative initiatives carried out and existing specific incentives.

In this chapter, we describe useful elements for Cape Verdeans living abroad, with emphasis on the Emigrant Investor Statute.

In the second chapter, we characterize the Cape Verdean private sector. The aim is to ensure that those interested in setting up their own businesses have prior knowledge of the market. We end with the presentation of Tourism, a key sector for the national economy.

The third chapter lays the important basis to take into account when establishing a business and developing your entrepreneurial skills and competences. The goal is that no investor must be unprepared for the great challenges of preparing, planning and managing their business.

In the fourth chapter, we explore the business opportunities available to investors and address the emergence of new market niches, characterized by the supply and demand of differentiated products.

The fifth chapter addresses the main internal factors limiting the potential to launch the business and that give a clear and global view of what is at stake, namely, bottlenecks and other concrete problematic elements that prevent the faster development of companies in Cabo Verde.

The sixth chapter addresses the process of business planning and setting objectives, the main bureaucratic aspects and operational procedures involved in the creation of businesses and public policies to stimulate growth, competitiveness and employment.

The seventh chapter exposes the crucial tools for companies to improve their critical success factors and presents personal testimonies of people from the Diaspora whose lives have been permanently changed by the investment initiative they have made in the country.

Finally, in the appendix, we present Pró Empresa, one of the main Cape Verdean bodies that promote investment in micro, small and medium-sized enterprises, training for entrepreneurship, and support for the development of

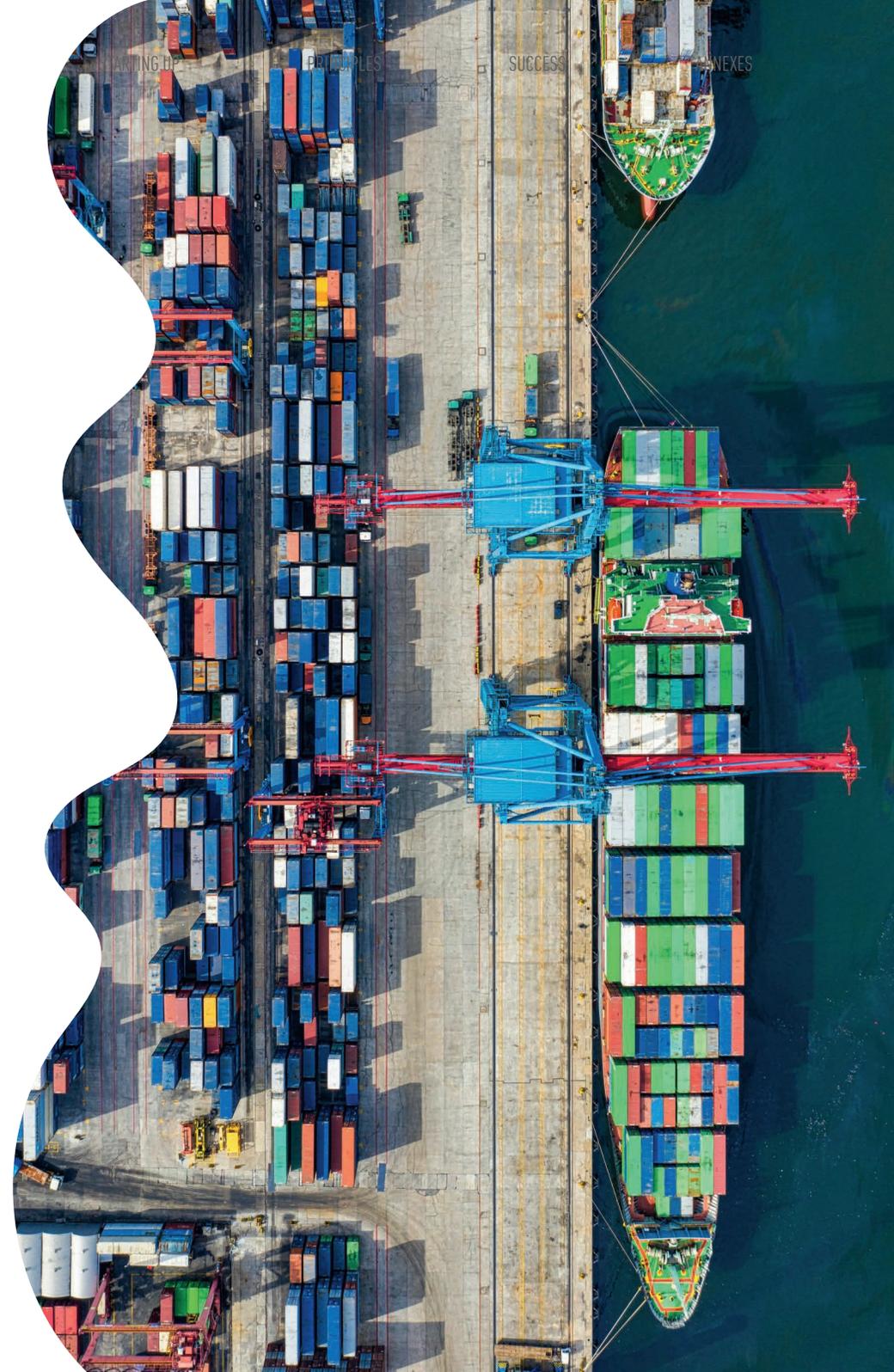
innovation projects, incentive systems and various technical assistance instruments. In addition, the main organizations of interest to investors in the entrepreneurship ecosystem in Cabo Verde are presented, as well as where they can ensure solid permanent training in specific areas of business. It also contains a brief description, taking into account the extent of the existing applicable legislation, of the laws of interest to the investor, with special emphasis on tax benefits. Some technical terms are explained in the glossary.

The methodology of this Guide is based on the best international practices in the promotion of entrepreneurship and investments with a focus on the Diaspora. From the information and awareness phase to investment and business creation. The maturation and finalization of a business creation project–Business Plan, embodied in the existing opportunities in Cabo Verde in the most diverse sectors, incentives and mechanisms to promote investment, as well as the legal framework in force from the registration to the licensing of companies with the competent institutions.

Finally, in the expectation that this Guide will be of great use in promoting investment among Diaspora to which we address, constant information, in order to be as up-to-date as possible, does not dispense with contact with the local entities and authorities listed in the annexes to confirm and complement the information presented.

We wish you the best of luck in all your endeavors, both those who are currently undertaking and those planning in the future. May each project be full of success and may each step taken brings you closer to your goals. With luck and hard work, we believe you will achieve everything you want and more.

Good Luck!



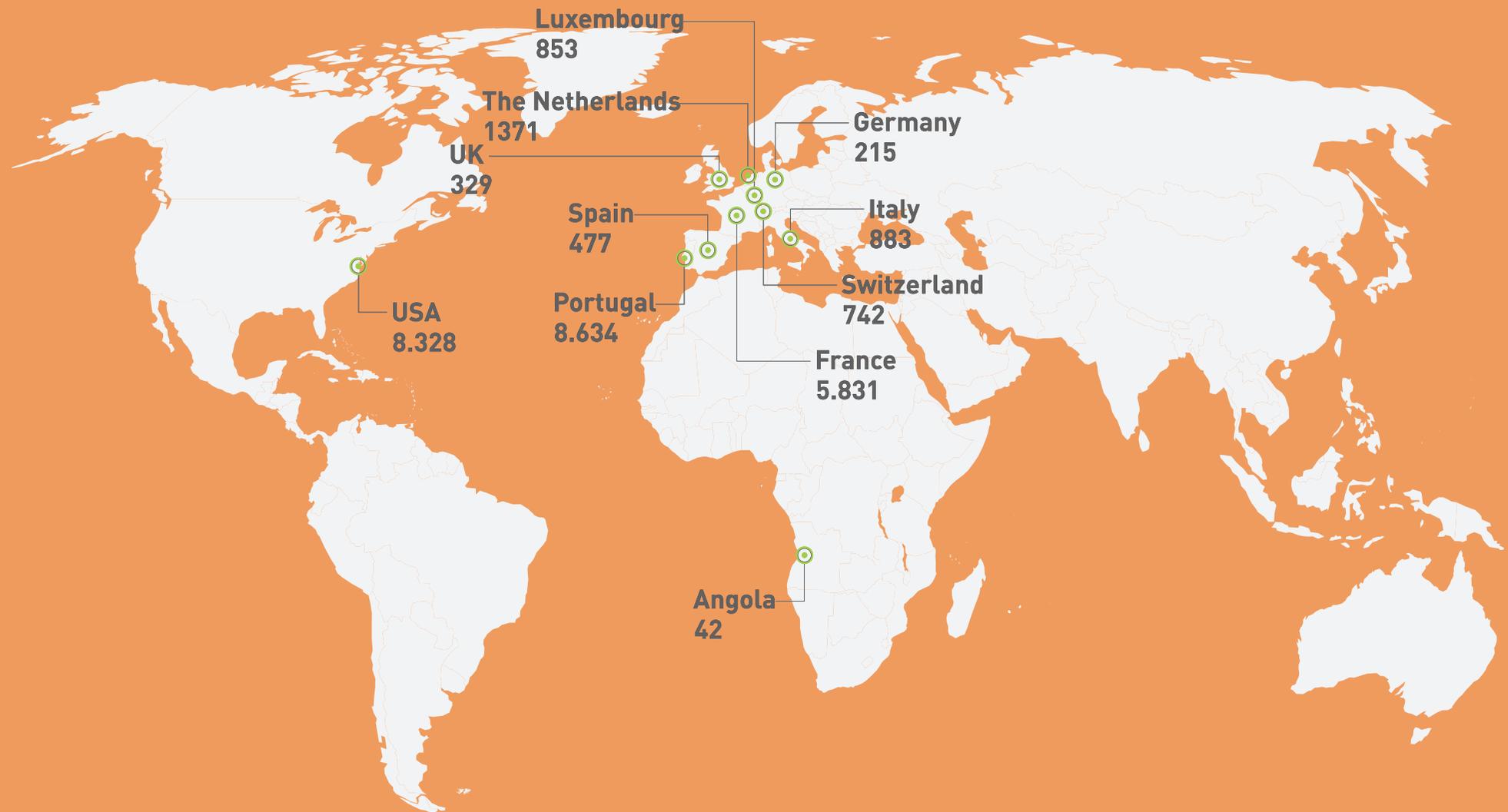
PROMOTING DIASPORA INVESTMENT IN CABO VERDE

1



Emigrant Remittances in Foreign Currency, 2023

In millions of Escudo, ECV



Outros: 979

Total: 28.685

Remittances, trade and investment from Cape Verdean emigrants make a significant contribution to the growth of the country's economy. This contribution has an even greater impact in situations of shock to the economy due to several factors, such as the most recent covid-19 pandemic, international conflicts and inflation.

With a diaspora that outnumbers the resident population, the high remittances have supported private investment and consumption, and provided stability to the financial sector. Remittance flows have been on an upward trend since the end of the global financial crisis, growing from 7.7% of GDP in 2010 to almost 13.5% in 2022. Remittances (as a percentage of GDP) are higher in Cabo Verde than in any other similar country except Samoa[1], standing at 15.3% of GDP in 2022[2], the highest since 2000.

In 2021, remittances reached 26.122,31 million ECV (corresponding to 237 million euros and 264 million dollars), the all-time high of this important financial resource for families and the national economy. The year 2022 registered a new record of 29,984.31 million ECV (corresponding to 272 million euros and 303 million dollars)[3]. This was a daily average equivalent to 743 thousand euros in remittances that arrived in Cabo Verde, when in 2021 it was around 647 thousand euros, an increase of 14.8% in the space of a year. In 2023, remittances reached 28,685 million ECV (corresponding to 260 million euros and 280 million dollars), representing into 11.6% of GDP.

These data confirm the findings of the World Bank that, in the face of difficulties, citizens in diaspora redouble their efforts and increase the amount of financial assistance to families. In Cabo Verde, remittances

[1] Reyes, Jose Daniel; Delgado Brito, Rosa Oteldina; Allen Massingue, Anna Carlotta.

Cabo Verde - Country Economic Memorandum: Sailing Rough Seas - Accelerating Growth and Fostering Resilience to Climate Change (English). Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/099070623171039287/P17726804d8f2807e0a3e40b8f63763d7e0>

[2] Bank of Cabo Verde- Key Macroeconomic Indicators: <https://www.bcv.cv/pt/Estatisticas/Quadros%20Estatisticos/Principais%20Indicadores/Paginas/PrincipaisIndicadoresdaEconomiaCaboVerdiana.aspx>

[3] Bank of Cabo Verde- Statistical tables: <https://www.bcv.cv/pt/Estatisticas/Quadros%20Estatisticos/Sector%20Externo/quadrosetatisticos/Paginas/BalancadePagamentos.aspx>

constitute a more important source of income than External Development Assistance (EDA) or Foreign Direct Investment (FDI) (5.5% of GDP in 2022), and close to Gross Tourism Revenues (17% of GDP in 2022), with the benefit of being more predictable and stable. These private funds, although they do not replace the EDA, contribute to development.

In addition, they are effective factors of social transformation. Remittances are a continuous and stable aid for the maintenance of the family, since a good part of what is received, is spent on education and health, which causes the improvement of human capital. The economy of the localities that receive the remittances profits from the increase in consumption and investment in small businesses. The circulation of more money is also beneficial for the development of the financial sector and the revenues in European and US currencies help the country's financial balance.

However, the advantages can bring problems-some consumer products rise in price and increase the difficulties for families that do not receive remittances, crops and production sectors (those of lower profitability) are abandoned, as well as certain jobs, because the revenues they produce are very modest when compared to remittances.

However, in addition to the investment in education and health, the remittances reflect into important investments focused on real estate, own housing and rentals, civil construction, agricultural property, catering, hotels and transport, allowing these investors to achieve a strong economic position.

Thus, several government initiatives in the fields of taxation and investment promotion are creating the right conditions for Diasporas. Organized in transnational networks, to optimize the development impact by channeling part of the remittances to business projects and economic and social activities, as they are well placed to take advantage of the new opportunities, investments and businesses that the country offers. At the same time, the country can take advantage of the initiative and knowledge transfer of people

who have sought to improve their lives by moving to Cabo Verde.

In fact, Law No. 73/IX/2020 of 2 March creates, for the first time, the rules that regulate the direct investment of emigrants in Cabo Verde. This Law and its regulations, made through Regulatory Decree No. 1/2023 of 16 January, establish the mechanisms for access to the Statute and the incentives granted.

This Law created the Emigrant Investor Certificate, which is the document proving the rights, duties and benefits of the investor, and which defines the conditions for the implementation of the investment project, as well as the benefits and incentives for investment. It also created the Emigrant Investor Card.

EMIGRANT INVESTOR CARD

The Law certifies the investor with the Emigrant Investor Card that allows him/her and the respective project to be identified before public services for the purposes of assistance, facilitation, exercise of rights and other benefits. It is valid for five years, and can be renewed for an equal period, if the holder maintains the necessary requirements.

The card can be requested online at the Cabo Verde Consular Portal or another



Investor's One-Stop Shop (IOSS/BUI)

It is the centralized channel for the entry, monitoring and completion of the procedures of investment projects in Cabo Verde. It meets the needs of registration and authorization of an investment.

It provides the speed and effectiveness needed to meet the current challenges imposed by a dynamic and competitive business environment. Thus, it proposes a significant reduction in the circuit (steps) for awarding the Investor's Certificate, as well as in the response time of all those involved in the process.

public administration portal, in person at embassies and consulates or other public administration services that may be defined in the future.

ELIGIBILITY CRITERIA AND ACCESS CONDITIONS

Any Cape Verdean citizen residing abroad and with investments in Cabo Verde can apply by submitting the application through the Investor's One-Stop Shop (Balcão Único do Invesidor-BUI) at Cabo Verde TradeInvest, one of the appropriate investment facilitation focal points that serves as the first point of contact for investors with regard to measures affecting investment, together with the following documents:

- Photocopy of Identity Card, passport or other identification document;
- Tax Identification Number (TIN);
- Document proving the status of emigrant and permanent residence abroad, issued by the competent authorities of the country of residence;
- Document proving the realization of the investment, e.g. shareholding in companies;
- Declaration, under oath, in which the interested party declares not to sell or in any way assign to third parties the goods, materials, furniture, appliances and other equipment imported with exemption;
- Payment of the certificate issuance fee.

INCENTIVE SYSTEM

With the central objective of creating the necessary conditions to ensure the increased participation of emigrant investors and, at the same time, so that they can fully benefit from business opportunities, a favorable framework of specific tax incentives has been created. They benefit from:

- 5% rate on customs duties;
- Exemption from customs duties on the import of raw materials and subsidiaries;
- Tax credit of 30% on relevant investments actually made;
- Stamp Duty Exemption (SD);
- Exemption from the Property Tax (PT) on the acquisition of real estate;

- Incentives within the scope of the Differentiated Merit Project;
- Projects with an Investor's Certificate, or Emigrant Card, can also benefit from an Establishment Agreement;
- Exemption from taxation of dividends and profits distributed to investors;
- Single Tax at the rate of 10% after the exemption period;
- Tax exemption on materials for construction/first home renovation;
- Importation from the country of legal residence of goods, materials and furniture, under the terms of the Tax Benefits Code;
- Exemption from taxation of interest on term deposits;
- Exemption from customs duties on the importation of personal property and equipment, including a car, on final return.

Investors are also supported by two subsystems of incentives that allow them to make investment decisions that correspond to their needs and objectives, depending on the initial value of the investment and its location.

INVESTMENTS OF MORE THAN 550 MILLION EC^[4] IN PRAIA, SAL AND BOA VISTA

- Deduction of up to 50% of the annual collection of corporate and personal income tax of 30% of the relevant investments made;
- Exemption from Stamp Duty on financing operations of the investment project;
- Reduction of customs duties to 5% on the import of goods for the realization of the investment (Tax Benefits Code^[5]);
- Exemption from customs duties on the import of raw materials, subsidiaries, finished and semi-finished materials used in the manufacture of products by the company;
- Exemption from property tax on the acquisition of real estate intended for the company's activity.

INVESTMENTS OF MORE THAN 275 MILLION ECV^[6] IN THE REMAINING LOCATIONS

- Deduction of up to 50% of the annual corporate and personal income tax collection of 50% of the relevant investments made;

- Exemption from Stamp Duty on financing operations of the investment project;
- Reduction of customs duties to 5% on the import of goods for the realization of the investment (Tax Benefits Code);
- Exemption from customs duties on the import of raw materials, subsidiaries, finished and semi-finished materials used in the manufacture of products by the company;
- Exemption from property tax on the acquisition of real estate intended for the company's activity.

This baseline scenario is complemented by access to the other general incentives provided for in the Tax Benefits Code, in order to ensure the most efficient procurement of cost-critical raw materials.

RELEVANT INVESTMENTS

Cape Verdean legislation grants tax incentives for investment in specific areas of development, priority sectors and other relevant investments, including:

- 1) Investment in tangible fixed assets, acquired in new condition, with the exception of:
 - Investment in tangible fixed assets, acquired in new condition, with the exception of:
 - Land, except in the case of the exploitation of mining concessions, natural and spring mineral waters, quarries, dams and sand pits in extractive industry projects;
 - Construction, acquisition, repair and expansion of any buildings, except if they are manufacturing facilities or allocated to tourism, audiovisual production or administrative activities;
 - Light passenger or mixed vehicles;
 - Furniture and comfort or decoration items, except hotel equipment used

[4] Corresponding to 5 million euros and 5.4 million dollars

[5] Tax Benefits Code: Law no. 86/IX/2020 of 28 April

[6] Corresponding to 2.5 million euros and 2.7 million dollars

for tourist exploitation;

- Social facilities;
- Other investment goods that are not allocated to the operation of the company.

2) Investment in intangible assets: technology transfer, including through the acquisition of patent rights, licenses, expertise or technical expertise not protected by patents.

3) Of all the previous investments, only initial investments, i.e. investments related to:

- Creation of a new establishment;
- Increase in the capacity of an existing establishment;
- Diversification of the production of an establishment;
- Fundamental change in the overall production process of an existing establishment.



CABO VERDE AND ITS PRIVATE SECTOR

2



47,2%



EMPREGADOS PELO
SECTOR PRIVADO

46,5%



EMPRESAS
SEDEADAS
EM SANTIAGO

355

MILHÕES DE CONTOS DE
FATURAÇÃO DAS EMPRESAS



16,8%

EMPRESAS
SEDEADAS EM
SÃO VICENTE

14,2%

EMPRESAS
SEDEADAS
NO SAL

22,5%

EMPRESAS
SEDEADAS
NOUTRAS ILHAS

52,5%

PROPORÇÃO DE
SOCIEDADES
UNIPESSOAIS
POR QUOTAS

93.230

PESSOAS EMPREGADAS
PELO SETOR PRIVADO

18.160

EMPRESAS NO
SETOR PRIVADO

44.068

MÃO-DE-OBRA NO
SETOR SECUNDÁRIO

130.979

MÃO-DE-OBRA NO
SETOR TERCIÁRIO

15.415

MÃO-DE-OBRA NO
SETOR PRIMÁRIO

The development of the business sector in Cabo Verde is the result of the country's economic potential, public policies and private initiative, both resident and foreign, including the Diaspora.

Cabo Verde has made a remarkable journey of economic and social development since independence in 1975 until today. With a population of 304 thousand inhabitants in 1975, as a result of improved health services, education and training of human resources, investment in economic infrastructure, namely airports, ports, roads and telecommunications system, Cabo Verde reached 491 thousand inhabitants in 2020^[7].

In the 1990s, the change in the political system and the widespread opening of the economic sectors to private initiative allowed for greater use of the resources and potential of the national economy. The economy has attracted strong local and foreign investment in its various sectors, from finance to transport, telecommunications, trade, tourism, construction, agribusiness and fishing. In fact, with significant growth in the 1990s, Cabo Verde reached 6,403 enterprises in 1997^[8].

This acceleration of business initiative, especially private initiative, allowed the country to register a total of 8,899 companies in 2010 with a turnover of 231 billion ECV (corresponding to 2.1 billion euros and 2.3 billion dollars), 76% of GDP, and employing 52,000 workers^[9].

The almost total openness of the movement of capital, a reliable political system, the rule of law, with a young and educated population, a socially and environmentally stable country, located close to Europe, the USA and part of the most dynamic African region of the continent, combine essential factors that attract investments and growth of private activity, especially in the sectors of commerce, construction and real estate, industry, with emphasis on fish processing and tourism.

The data for 2022 and 2023 provide a comprehensive overview of Cabo Verde's business landscape, highlighting the predominance of the Trade sector and the importance of the islands of Santiago, São Vicente and Sal in the national economy. According to INE's (National Statistics Institute) VI Business Census^[10], Cabo Verde's business landscape was composed of 18,160 companies, according to data recently collected in September 2023. Active enterprises employed 93,230 people, and the workforce was composed of 55,449 men and 37,781 women.

TURNOVER AND GEOGRAPHICAL DISTRIBUTION

These companies generated an impressive turnover, totaling 355,100 million ECV (corresponding to 3,220 million euros and 3,457 million dollars). The largest contribution came from companies based on the island of Santiago, which accounted for 39.1% of this total. The islands of São Vicente and Sal followed with 34.0% and 18.3% of turnover, respectively.

LEGAL FORMS AND SECTORAL DISTRIBUTION

The predominant legal form among companies in Cabo Verde is the Single Shareholder Limited Liability Company, representing 52.5% of the total. Private Limited Companies and Sole Proprietorships accounted for 29.9% and 14.4%, respectively, while Joint-Stock Companies accounted for only 3.1%. With regard to sectoral distribution, Wholesale and Retail Trade, together with the Repair of Motor Vehicles and Motorcycles, dominated the scenario, with 36.4% of the enterprises operating in this area. The Transport and Storage sector comprised 12.3% of the enterprises, followed by the Accommodation and Catering sector with 18.2% and Manufacturing Industries with 13.4%.

[7] NSI-V General Census of Population and Housing (RGPH-2021)

[8] NSI-40 Years of Independence—40 years to report for a prosperous Cape Verde

[9] NSI-Statistics Portugal-Business statistics in Cape Verde – 2010 to 2016

[10] NSI-VI Business Census: https://ine.cv/notas_imprensas/vi-recenseamento-empresarial-2022/

EMPLOYMENT BY SECTOR OF ACTIVITY

The analysis of employment by sector revealed that Administrative Activities and Support Services guaranteed employment to 11.7% of the employed people. The Transportation and Storage sector employed 10.4%, while the Construction sector was responsible for 6.4% of employment.

INVOICING BY SECTOR OF ACTIVITY

In terms of turnover, the Wholesale and Retail Trade, Motor Vehicle and Motorcycle Repair sector stood out again, registering around 49% of total turnover. The activity of Accommodation and Catering contributed with 10.0%, Manufacturing Industries with 8.7%, and the Activity of Transport and Storage with 6.9%.

ACCOUNTING AND LEADERSHIP

A relevant fact is that 77.1% of the tourist establishments did not have organized accounting. In addition, it was observed that about 71% of the companies were led by men, reflecting a male predominance in the leadership of organizations.

Despite the dominance of the indicators of the Wholesale and Retail Trade sector, its growth has been, in recent years, greatly driven by the growth of the tourism sector. According to data from INE (National Statistics Institute) and the Bank of Cabo Verde, in 2023, it is estimated that the Tourism sector and Real Estate contributed about 24.2% of GDP, 12% of employment and 68% of Foreign Direct Investment.

For this reason, the tourism sector remains the anchor sector of the national economy and the greatest enhancer of investment and growth opportunities in several related sectors, so it is important to know its evolution and dynamics.

After two years of reduced activity because of international travel restrictions caused by the covid-19 pandemic, the resilience of the destination Cabo Verde is manifested in an extraordinary recovery in 2022, when it registered 835

thousand guests, corresponding to a sharp increase of 394.4% compared to 2021.

TOURISM OVERVIEW IN CABO VERDE

Data for 2023 indicate significant growth in Cabo Verde's tourism sector, with increases in the number of hotel establishments, guests and overnight stays. The island of Sal remains the main tourist destination, and the United Kingdom as the main source market. Tourists were satisfied with the services provided, which is a positive indicator for the continued growth of tourism in the country.

In 2023, the number of hotel establishments in Cabo Verde reached 332, an increase of 12.2% compared to 2022. Hotel capacity also grew, with 16,263 rooms available, representing an increase of 6.6%. This growth was accompanied by an increase of 8.2% in the number of beds and 8.8% in accommodation capacity. In addition, there was a significant increase of 18.4% in the number of personnel employed.

GEOGRAPHICAL DISTRIBUTION OF ESTABLISHMENTS

The island of Santo Antão leads with 77 establishments (23.2% of the total), followed by Santiago (64), São Vicente (56), Sal (44) and Fogo (35). An increase in the number of establishments was noted on all the islands, except for Brava, which had a reduction of two establishments. Sal, São Vicente and Santiago showed the biggest increases.

TYPOLGY OF ESTABLISHMENTS

Residential properties continue to be the most common typology, representing 35.8% of the total number of establishments, followed by hotels (27.4%) and guesthouses (19.9%). In terms of capacity, hotels dominate with 78.1% of rooms and 82.9% of beds available. The island of Sal leads in the supply of rooms (54.5%) and beds (61.1%).

GUEST MOVEMENT IN 2023

The year 2023 registered 1,010,739 guests, an increase of 20.9% compared to 2022. The number of overnight stays also rose by 26.0%, totaling 5,150,806 nights. The United Kingdom remained the main source market, with Romanian tourists having the longest average stay (6.5 nights).

DISTRIBUTION BY ISLAND AND TYPE OF ESTABLISHMENT

The island of Sal continues to be the most sought after, accounting for 57.1% of entries and 56.7% of overnight stays, followed by Boa Vista with 25.9% of entries and 35.9% of overnight stays. Hotels are the most popular establishments, accounting for 93.5% of entries and 96.5% of overnight stays.

ISSUING MARKETS

Tourists from the United Kingdom, Germany, the Netherlands and Portugal represent the main source markets. Tourists from the United Kingdom prefer the islands of Boa Vista and Sal, while those from Germany and the Netherlands are also mainly spread between these two islands.

AVERAGE STAY AND OCCUPANCY RATE

The average stay in 2023 was 5.0 nights, with the highest bed occupancy rate recorded on the island of Boa Vista (77%). Hotels had the highest occupancy rate (57%), followed by tourist villages (30%).

TOURIST PROFILE

Most tourists were workers (75.3%), with an average age of 44 years. Women accounted for 59.6% of tourists. Most tourists (93.5%) visited Cape Verde for holidays, and 91.8% recommended the country as a tourist destination.

TOURIST SPENDING

Tourists spent more on accommodation (31.3%) and food and beverages (19.6%). Those who did not travel as a tourist package had higher daily expenses (10,661 ECV - 97 euros and 104 dollars) compared to those who traveled as a package (6,515 ECV - 59 euros and 63.4 dollars). Tourists from

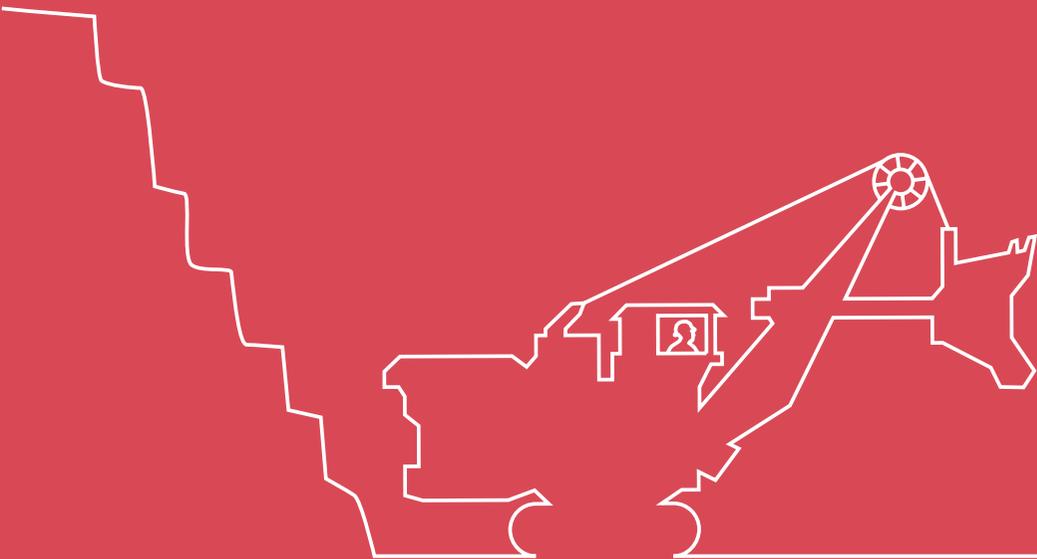
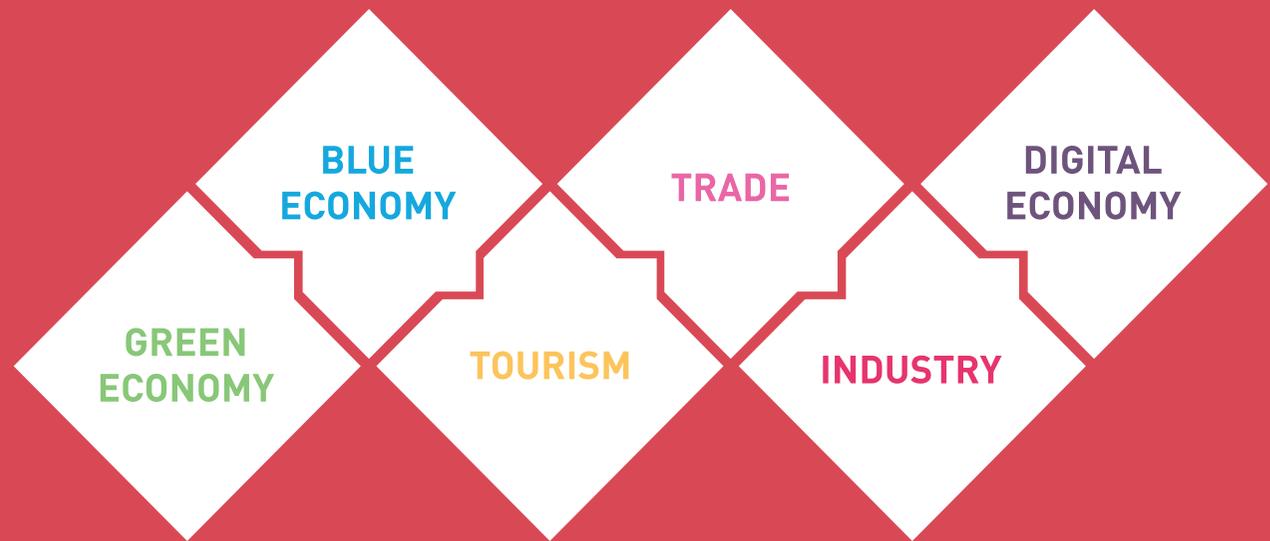
Belgium and the Netherlands had the highest average daily spending (11,958 ECV - 108.4 euros and 116.5 dollars).



HOW IT ALL BEGINS

3





The investment decision by individuals is often motivated by a change in professional career, increased income, a better return on savings, the search for financial independence, passion for a particular business activity, the desire for a greater social contribution or a change in lifestyle.

In the diaspora, expressions of interest in investing in a business activity in Cabo Verde naturally have economic reasons as a decision factor. Also a strong motivation to contribute to the community and the country of origin where they see shortages in access and price of goods and services, namely in food, transport services, housing, health services, among others.

Having the reference of what exists in the host countries, of the development of these societies, especially of the services and goods offered by the private sector, our diaspora believes that much of what exists in its host countries can be replicated in Cape Verde.

Certainly yes. In several sectors, namely real estate, transport, commerce and agribusiness, Diaspora investment has traditionally been very dynamic. For this reason, in 2021, despite the deprivations of all kinds caused by the pandemic, direct investment from the Diaspora reached 26 billion ECV (corresponding to 237 million euros and 255 million dollars) channeled. Above all, to savings instruments, especially emigrant term deposit accounts and public debt securities, on the islands of Santiago and S. Vicente where the resources of investors from other islands go because they believe that the risks are lower and the profitability higher.

However, it is believed that diaspora investment has a much greater potential, given the withdrawal of many investors in the development, installation or even in the first years of the company's activity. This is because many start the investment process with a deficit of planning, preparation, guidance and support. These deficiencies, magnified by the insufficiencies of the business environment, make the probability of success of these initiatives very small.

This Guide, together with the initiatives to attract investment projects originating in the Diasporas, takes on the challenge of contributing to the change of this framework through a detailed, complete and accessible guidance for Diaspora investors, with or without business experience, but who bring savings, skills and international contacts.

The investor who has business experience plays an increasingly important role in economic dynamism as he/she acts as an entrepreneur or promoter of small businesses and transmits new knowledge and technologies. This experience will be fundamental for the intended success in Cabo Verde. However, because it is a different country, there are a number of legal aspects and institutions that are different. From the administrative procedures for registration, licensing and operation of companies, taxes and fees, labour law, accounting, import, export, environmental rules, financing to logistics.

Also aspects related to the market. The characteristics of the customers, their capacity and consumption preference, the capacity of competitors, the quality of suppliers and the level of efficiency of the infrastructures to support the company's activity are specific to each country, so different in Cabo Verde compared to what the investor knows in his host country.

All these elements need to be identified, analyzed and seized at this stage of the process in order to allow for a well-informed decision and create the confidence that the investor needs to proceed with the investment process.

THE FIRST BUSINESS

For those who want to start their own business for the first time, there is a set of essential skills that you need to develop before starting your journey. Creating a business model, understanding its viability, planning its execution, successfully implementing its installation and managing it in order to achieve the desired objectives, are specific skills that cannot be learned only by

observation. There are many skills, tools, methods of working, decision-making and resource management, especially human resources, whose mastery lacks training.

Thus, it is recommended that you start the process by participating in training and awareness actions for entrepreneurship where you will have the opportunity to develop these skills. For this purpose, you do not need to do it in Cabo Verde. Often, in the country or city where you live, there are entrepreneurship promotion activities carried out by government agencies, associations, incubators and private companies specializing in entrepreneurship training, carried out in a classroom and online format.

HP-Life gives you the opportunity to participate in free online training, allowing you to develop essential skills in business creation and management, with a variety of modules covering finance, marketing, communication, operations, data analysis, digital business and much more. With over 30 courses available, offered in eight different languages - including Portuguese, English, French, Simplified Chinese, Arabic, Hindi, Spanish and Bahasa Indonesia-there are options for all interests and needs.

THE USA

In the USA, the U.S Small Business Administration (SBA) is one of the largest references in the country in the field of entrepreneurship training, as well as the more than seven thousand business incubators spread across the country specializing in technologies, in the development and acceleration of Startups in universities or associated with open innovation programs of companies from the most diverse sectors of the economy.

The SBA is a government agency created to support and promote small businesses in the United States. Its mission is to help Americans start, build and grow businesses, support the recovery and growth of small businesses after natural disasters and economic crises, and ensure small businesses'

access to capital. It also works to defend the interests of small businesses and promote policies that support the growth and development of small businesses, as well as to organize training and educational resources for entrepreneurs and small business owners to help them succeed.

In the New England region, more specifically Boston, the city is known for its vibrant startup ecosystem, so it has a significant number of programs, some of the most reputable in the US:

- MassChallenge^[11] is a startup accelerator that supports early-stage startups by providing mentorship, networking opportunities, and access to funding. It has a global network and has helped over 2,400 startups raise over \$6.2 billion in funding.
- Harvard Innovation Labs^[12] provides a space for students, alumni, and faculty at Harvard University to explore and develop their entrepreneurial ideas. It offers resources such as mentorship, funding, and coworking space to support startups.
- MIT Enterprise Forum^[13] is a global organization that supports entrepreneurs providing resources such as mentorship, workshops, and networking opportunities. It has a specific service to support startups in the Boston area.
- Techstars Boston^[14] is a startup accelerator that offers mentorship, funding, and networking opportunities to early-stage startups. It has a global network and has helped over 2,500 startups raise over \$11.5 billion in funding.
- Greentown Labs^[15] is a startup incubator that focuses on supporting startups in the cleantech industry. It provides resources such as mentorship, funding, and coworking space to support startups.

[11] Website: <https://masschallenge.org/>

[12] Website: <https://innovationlabs.harvard.edu/>

[13] Website: <https://mitefcee.org/>

[14] Website: <https://www.techstars.com/accelerators/boston>

[15] Website: <https://greentownlabs.com/>

PORTUGAL

In Portugal, the entrepreneurial ecosystem is boosted by the incubation and entrepreneurship incentive initiatives of Municipal Councils and Universities.

The following stand out:

- Startup Lisboa^[16] is a startup incubator that supports entrepreneurs in developing their business ideas and launching their startups, through mentoring, networking and funding opportunities for their startups.
- Portugal Ventures (PV)^[17] is a venture capital firm that invests in startups and innovative companies in Portugal. PV provides seed funding to startups in various industries.
- Beta-i^[18] is a startup accelerator and innovation center that supports early-stage startups and helps them grow their businesses. It provides mentoring, networking, and training opportunities for its startups.
- Católica Lisbon School of Business & Economics^[19] offers an entrepreneurship program that helps students develop their entrepreneurial skills and launch their own startups. Católica provides training, guidance and funding opportunities for students.
- Fábrica de Startups^[20] is a startup accelerator that helps entrepreneurs turn their business ideas into successful startups. Fábrica de Startups has training, mentoring, and funding opportunities for its startups.

FRANCE

For its part, France has a thriving startup ecosystem and several entrepreneurship programs that support and foster startups. The most well-known programs are:

- Station F^[21] is a startup campus in Paris that provides space, resources, and mentorship for startups. It is one of the largest startup campuses in the world and has more than 1,000 resident startups.
- The Family^[22] is a startup accelerator that provides resources such as mentorship, training, and networking opportunities for startups. It focuses on supporting startups in the technology and digital sectors.

French Tech Central^[23] has a very similar purpose and service.

- Le Village by CA^[24] is a startup incubator sponsored by the Crédit Agricole bank. It provides resources such as mentorship, funding, and coworking space for startups.
- Paris&Co^[25] is a startup accelerator that provides resources such as mentorship, funding, and networking opportunities for startups. It focuses on supporting startups in the smart city, mobility, and healthcare sectors.

In the attachments, you will find online search engines through which you can expand your search to your country or host city. After attending training and entrepreneurship skills development programs, you will certainly be in a better position to start developing a business idea. These skills, combined with the technical skills you already have, will allow you to better orient yourself to existing business opportunities.

But what business opportunities are there?

[16] Website: <https://www.startuplisboa.com/>

[17] Website: <https://www.portugalventures.pt/en/>

[18] Website: <https://beta-i.com/>

[19] Website: <https://clsbe.lisboa.ucp.pt/catolica-lisbon-school-business-economics>

[20] Website: <https://www.fabricadestartups.com/>

[21] Website: <https://stationf.co/>

[22] Website: <https://www.thefamily.co/>

[23] Website: <https://lafrenchtech.com/en/how-france-helps-startups/french-tech-services-publics-en/>

[24] Website: <https://levillagebyca.com/les-start-up/>

[25] Website: <https://www.parisandco.com/>

DIASPORA

MARKET

PREPARATION

OPPORTUNITIES

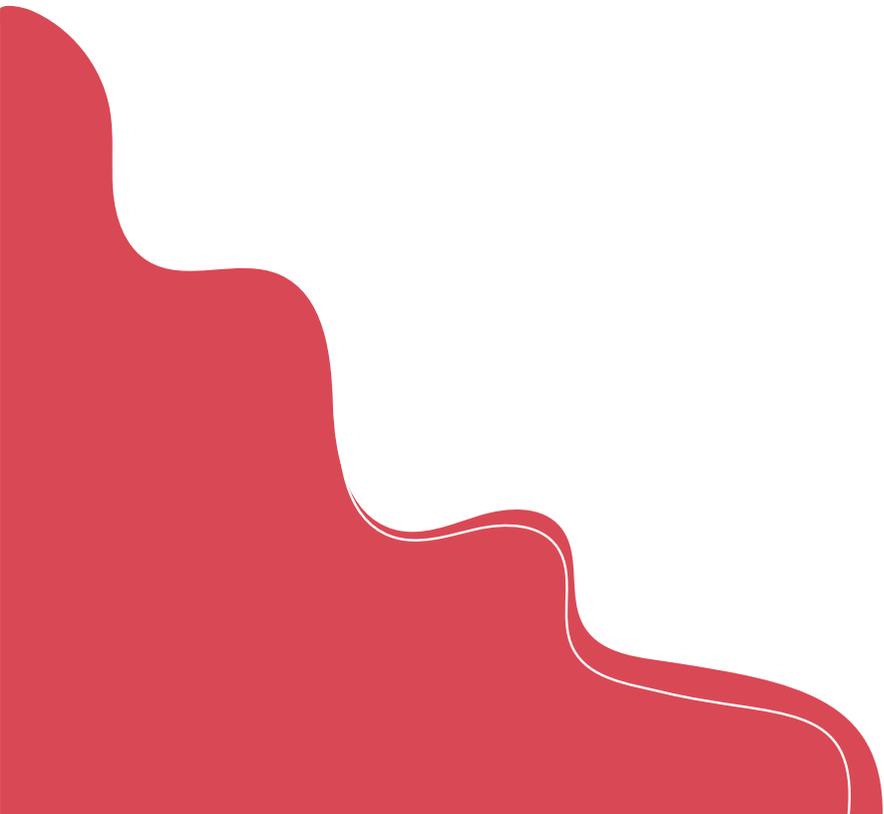
PLANNING

STARTING UP

PRINCIPLES

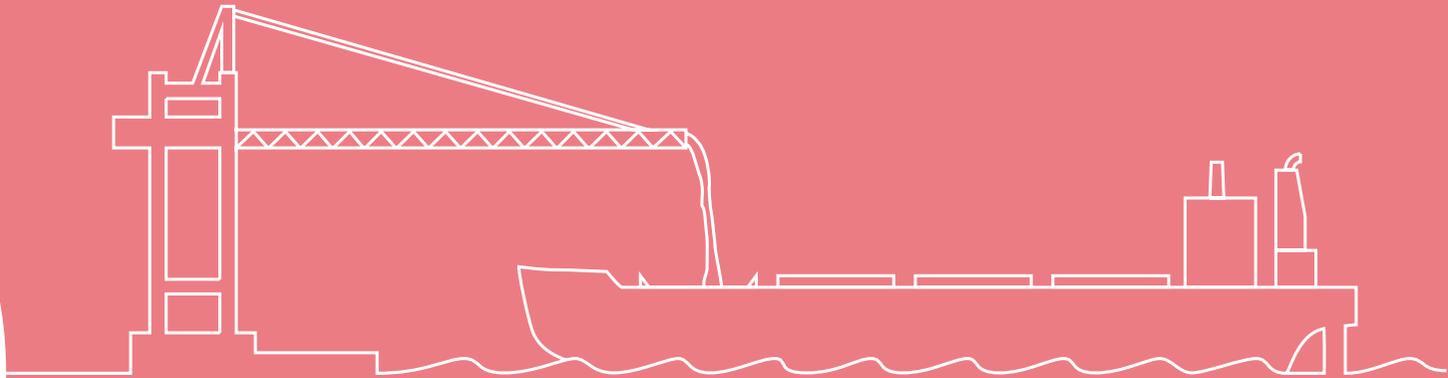
SUCCESS

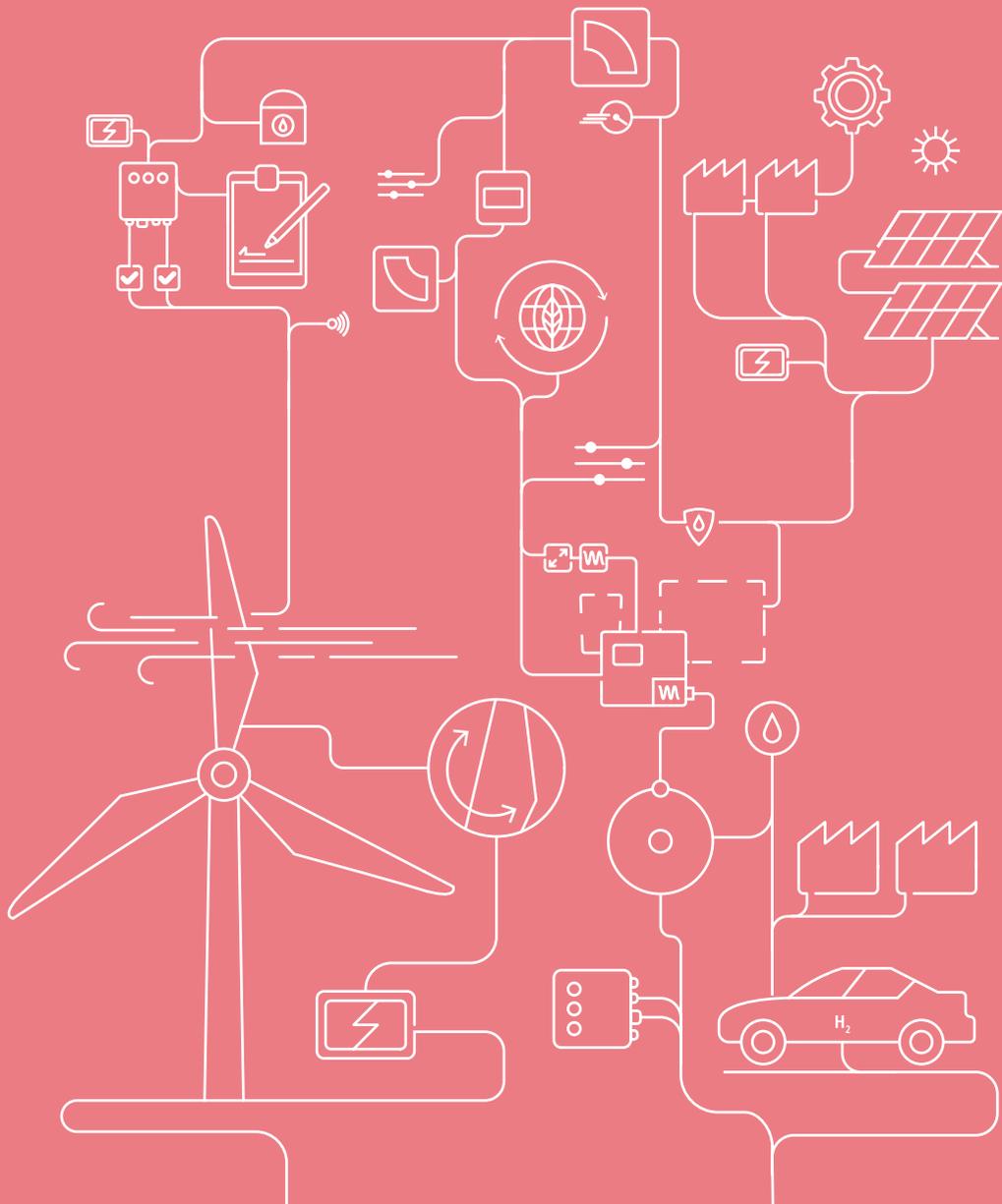
ANNEXES



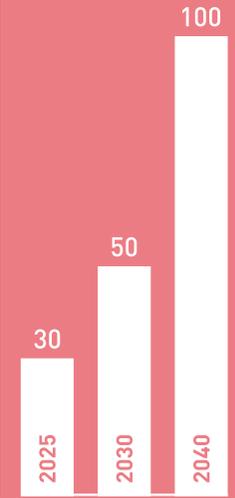
BUSINESS OPPORTUNITIES

4





ELECTRICITY PRODUCTION FROM RENEWABLE SOURCES IN %



Cabo Verde is a country with enormous natural resources that, combined with the advanced technology currently available and private initiative, allow it to create advocates in various sectors such as agribusiness, the agro-food industry, aquaculture, renewable energy, water production, transport, hospitality, information and communication technologies with potential for domestic and export markets.

The dynamics of the investment dictate the duration of the opportunities. Investors' attention to the business opportunities that exist in a particular sector, region or country create a dynamic of investments that quickly reduce the space for new initiatives and make the sector more competitive and less profitable for new operators. However, there will always be room for companies that are able to offer a higher level of quality or a more competitive price with innovative technologies and techniques.

Broadly speaking, this Guide is structured in six key areas - Blue Economy, Green Economy, Tourism, Trade, Industry and Digital Economy. For each of the domains, outlined below, are presented their characterization, market demands, limiting bottlenecks and existing business opportunities. Given the context of this document, it is not intended to be an exhaustive list, but rather a set of opportunities that require small and medium-sized investments and are believed to remain so for a long period.

BLUE ECONOMY

Positioned in the Atlantic and with an Exclusive Economic Zone (EEZ) of 734,265 km², Cabo Verde is in an area with an interesting reserve and diversity of fishing. Despite the existence of a significant number of endemic species, according to the National Plan for the Management of Fishery Resources, the fishing potential in Cabo Verde is estimated at between 33,473 and 46,585 tons, with greater expression for tuna, demersals and small pelagics. However, only 1/4, or about 10,000 tons, are caught annually by about 1,463 fisheries vessels

and 127 industrial and semi-industrial vessels^[26].

Due to the concentration of the fleet on the islands of Santiago and São Vicente, these islands represent more than 70% of the national catch, with discharges essentially at the piers of Praia and Cova Inglesa. However, the increase in tuna canning activity gives the Tarrafal in São Nicolau pier an increasing importance, as well as the islands of Sal and Boa Vista, because of the growth in hotel activity.

Despite the growth in domestic consumption (about 25 kg per capita per year), the export of fishery products, mainly canned fish, represents the main export product. In 2022, they accounted for about 85% of national product exports, that is, about 4 billion ECV (corresponding to 36.3 million euros and 40.5 million dollars).

According to the V General Census of Fisheries 2021, carried out by the Institute of the Sea in December 2022, the Cape Verdean number of vessels consisted of:

- Artisanal vessels: 1,463;
- Semi-industrial/industrial vessels: 127;
- Recreational boats (sport fishing): 36.

Whereas:

- 58% of semi-industrial/industrial vessels are active;
- 78% of semi-industrial/industrial vessels have a license;
- 43% registered in Santiago, São Vicente with 23% and Santo Antão 10%;
- There were no semi-industrial/industrial vessels Maio.

At the national level, the causes of inactivity identified were the following: engine failure (28%), hull damage (13%), lack of funding (11%), lack of crew (9%) and other reasons (36%).

[26] General Census of Fisheries, 2021, NSI, IMar

The main devices used in the semi-industrial/industrial fishing sector are purse seines (57%), hand line (46%), trolling (31%) and rod (27%). It should also be noted that 41% of the vessels use the aid of diving with bottles in net fishing operations.

The most caught species are:

Demersal:

- Spotted grouper (cephalopholis taeniops);
- Sole (yacium micrurum) ;
- Spotted moray eel (muraena melanotis);
- Black moray eel (gymnothorax vicinus);
- Spanish seabream (pagellus acarne);
- Comb grouper (mycteroperca fusca).

Pelagic:

- Wahoo (acanthocybium solandri);
- Rainbow runner or Salmon (elagatis bipinnulata);
- Dorado (coryphaena hippurus) ;
- Dory (zeus faber);
- Barracuda (sphryraena guachancho).
- Deep-see fish, like:
- Blue runner (caranx crysos);
- Houndshark (mustelus mustelus);
- Lusitanian toadfish (scorpaena scrofa);
- Mottled grouper (mycteroperca rubra);
- Yellowtail kingfish (seriola rivoliana);
- Blackbelly rose fish (helicolenus dactylopterus);
- White grouper (epinephelus aeneus);
- Red porgy (pagrus africanus);
- Several sea-bream, like salema porgy (diplodus praiensis).

Regarding the means of detecting fish used on board during trips, it is verified that 55% of active vessels use probes and 11% use sonar.

Blue Economy

Potentialities

 **1.463**
ARTISANAL SHIPS

 **127**
SEMI/INDUSTRIAL VESSELS

 **36**
RECREATIONAL

POTENCIAL OF DIFFERENT FISHERIES

ESTIMATED TOTAL CATCH BY SPECIES

Source: Plano de Gestão dos Recursos da Pesca 2019-2023

Species	Tonns
Tunas and Wahoo	25.000 - 30.000
Coastal pelagics	4.800 - 7.000
Mackerel	2.000 - 3.000
Horse mackerel	1.000 - 1.500
Herring	1.500 - 2.000
Picarel	300 - 500
Demersal fish	3.7000 - 8.800
Demersal trawling	700 - 2.800
Rocky-bottom demersals	3.000 - 6.000
Pink lobster	33 - 45
Green lobster	40
Striped soldier shrimp	200

With a fleet of small fisheries vessels eminently, the opportunity in the fishing sector is now very strong for larger structures equipped for industrial fishing. The unloading and cold storage pier in São Vicente and improved logistics at the Praia and Palmeira piers on the islands of Santiago and Sal, respectively, as well as in Tarrafal de São Nicolau, create conditions for profitable investments in industrial fishing activity, as well as for ice production, ship maintenance, supply of fishing equipment and consumables fish conservation.

With a coastline of about 1,020 km, filled with black and white sand beaches, and cliffs, it will also be advantageous not to neglect the use of maritime zone for various economic, recreational, sports and conservation activities. Thus, the aquaculture sector-defined as the captive production of animals or plants that have a predominantly aquatic habitat. At least at one stage of their life and that have been the subject of some type of human intervention-cannot be

dissociated from the fisheries sector, since the increasing demand for fish for consumption, which cannot be met because of the sustainable capacity of resources, is in itself a strong incentive for their development.

With the above, it is important to consider the factors that have a major impact on the performance of projects in this sector:

Impact factors in the Blue Economy

Favorable

- Excellent quality fish, with a great diversity of species and potential for valorization;
- The size and environmental quality of the sea favor diversified catches;
- Vast reserve of marine resources;
- Overfishing control;
- Wide coastline with natural protection suitable for aquaculture.

Limiting

- Poor logistics chain associated with the transportation, storage and distribution of products;
- Shortage of skilled labor in some areas;
- Size, diversification and level of development of the internal market.

BUSINESS OPPORTUNITIES

Below is a list of some of the key areas of economic activity where particularly interesting opportunities are emerging in this sector:

- Aquaculture establishments for fish of promising native species such as yellowtail kingfish or sea bream, and shrimp;
- Industrial fishing vessels;
- Ice production industry for fishing;
- Fish unloading and storage centers;
- Maintenance and repair services of vessels;
- Seafarer training services;
- Shipbuilding industry and fishing equipment;
- Supply of fishing equipment and consumables.

GREEN ECONOMY

The green economy sector, based on livestock, agriculture and their processing industries, has growth potential and real business opportunities, requiring new market approaches and technological innovation due to fragmentation of supply and quality problems. Globally, only 20 percent of the food consumed in Cabo Verde is produced internally.

According to the World Bank^[27], Cape Verde's agricultural sector has successfully expanded over the past decade, at an annual average of 4.6% in the period 2007–2016. This growth is faster than the 3.2% annual growth of the overall economy. According to the General Census of Agriculture (2015), of its entire territorial extension, only 10% meets the conditions for the practice of agriculture, causing approximately more than 80% of the food that the country needs to be imported. Cabo Verde had 45,399 farms. However, less than 15% use modern irrigation systems and new production techniques. Less than 10 hectares are dedicated to protected agricultural production, namely hydroponic greenhouses or simple structures that increase productivity and production, as well as protect from the wind, pests, and diseases.

Despite the water challenges, the climatic stability, the tropical temperature and the low incidence of pests and diseases give all the islands of the country interesting agricultural potential for horticulture and fruit growing.

Among the vegetables crops, tomatoes stand out as being the product with the highest representativeness in the total production of these crops (42.4% and 14 thousand tons)^[28] in 2019. For root and tuber crops, sweet potatoes are the most important product in terms of production with 39.4%, followed by irish-potatoes with 31%. Other products such as kale, cabbage, cucumbers, potatoes, onions, carrots and peppers are produced in irrigated fields with

[27] World Bank - Diagnostic stratégique du pays, 2018

[28] INE - Statistical Yearbook of Cape Verde 2019

greater expression on the islands of Santo Antão (26%) and Santiago (59%). Despite the reduction in production estimated by the Census, the national fruit and vegetable production satisfactorily covers the estimated potential consumption of about 100,000 tons per year.

Fruit growing produced 9 thousand tons in 2019, and has confirmed capacities for the production of papaya and banana. These two main fruit productions represent 73.6% and 12.1% of the total production, respectively. Mango comes in third place with 762 tons and 8.5%. For most vegetable crops, production is achieved with several cycles throughout the year with organoleptic characteristics of international level. Recently, the production of melon and strawberries with excellent quality has emerged, because of research by the National Institute for Agrarian Research and Development.

It is important to highlight the potential of vineyard (202 tons produced in 2019) and coffee (40 tons), which remain significantly under-exploited on Fogo Island, where they have greater specificity and expressiveness. Its annual production rates were negative by 3.4% and 5.2% between 2015 and 2019. To these income crops is added sugarcane with 23 thousand tons produced.

In the field of livestock, with the national cuisine having a strong presence of meat dishes, as well as the nutritional importance of the consumption of animal proteins, great business opportunities and growth potential exist for companies that are dedicated to cattle farming, poultry, pigs and goats. This, above all, on the islands with relevant agricultural production, such as Santiago, Fogo, Santo Antão, São Nicolau and Brava. Despite a reduced agricultural activity, the islands of Boa Vista and Maio have a remarkable capacity and experience in goat farming.

The average annual production of beef, goat and sheep meat and pork is around 3,983 tons. The production of poultry meat (traditional and intensive) between 774 tons in the period from 2015 to 2019. In the last year, 2,362 tons of pork, 711 of beef, 497 of goats and 58 of sheep were produced.

Regarding milk production, in 2019, milk of bovine and goat origin represented 50.4% (4.5 million liters) and 49.6% (4.4 million liters) in relation to total production.

With regard to egg production, in 2019 there was a production of 49.8 million units, with a positive rate of change of 17.8% compared to the previous year. It should be noted that the average production of eggs is 48 million, with an average annual growth rate of 2.5% in the period from 2015 to 2019.

For the various "upstream" operators in the livestock and agriculture sector to work efficiently and remain productive, they need production factors such as water, quality seeds, fertilizers, machinery, equipment, facilities, energy and technical assistance services. Thus, specialized trade for agriculture, agricultural logistics through the rental of machinery and equipment, as well as the provision of technical assistance services for farmers and breeders have a window of opportunity.

Due to the low rainfall, the development of the green economy is mainly a function of the national capacity and efficiency for the production of energy and water. Cabo Verde has made significant progress in extending the electricity grid, introducing technologies that allow for more efficient use of energy, and growing renewable energy production.

With marginal production and penetration in the early 2000s, Cabo Verde currently achieves a renewable energy penetration of 18.3%^[29], representing 81 GWh of the 442 GWh of the total in 2022. Of this portion, the contribution of wind energy was 74 GWh (16.7%), while solar produced seven GWh (1.6%). The islands of Sal, São Vicente, Boa Vista and Santiago have the highest penetration rates of renewable energies with 28%, 27%, 18% and 15%, respectively.

[29] International Renewable Energy Agency (IRENA): Cabo Verde - Energy Profile, 2022

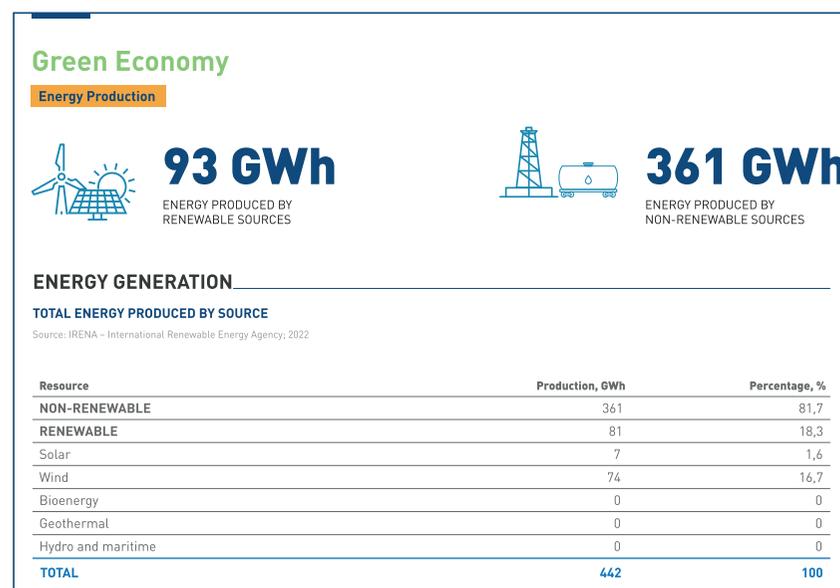


The natural potential for renewable energy production allows Cape Verde to aim for production significantly higher than the current level.

Especially, with the current demand for the energy transition of citizens, companies and other public and private entities, in a paradigm shift from the passive consumer to the active one, enabling the production, consumption, sharing, storage and sale of energy produced from renewable energy sources.

In fact, the Government of Cape Verde has set a target of 30% in 2025 and 50% in 2030. This growth will be achieved through private investment in solar and wind power plants, but also in the micro-production for domestic and commercial self-consumption, which has been growing significantly in recent years. The goal of 50% penetration by 2030 represents a business opportunity that is estimated at around 27.6 billion ECV (corresponding to 250 million euros and 278.5 million dollars).

The reduced water reserve due to reduced and irregular rainfall imposes absolute restrictions on the development of agriculture. Poor agricultural



production limits the availability of animal feed and the development of livestock. Therefore, there are great opportunities for the production and marketing of water from the desalination technology of brackish and seawater, and also from the treatment and reuse of wastewater.

As part of the analysis of the current situation in this sector, its most important context and impact indicators are:

Impact factors in the Green Economy

Favorable

- Tropical and stable temperature throughout the year;
- Reduced incidence of pests and diseases;
- Inflation of imported competing products;
- Proximity to tourist and export markets;
- Attractive framework of tax incentives.

Limiting

- Inflation of raw materials and production subsidiaries;
- Poor transportation and conservation logistics;
- The banking system's reduced appetite for financing the sector.

BUSINESS OPPORTUNITIES

In order to benefit from the latent potential to develop new forms of successful business, follow the specific opportunities that exist.

AGRICULTURE

- Production of vegetables;
- Production of fruits, particularly bananas, de papayas, grapes, coffee and strawberries;
- Trade in agricultural equipment and consumables;
- Trade of agricultural products through distribution centers;
- Ensure specialized technical assistance.

LIVESTOCK

- Cattle, pig, goat and poultry breeding;
- Artificial insemination laboratory;
- Trade in animals of improved breeds, adaptable to the climate and with

high genetic potential.

ENERGY AND WATER

- Production of renewable energies, combined with water desalination for agriculture and livestock;
- Supply of renewable energy production equipment for business consumption;
- Renewable micro production for self-consumption;
- Maintenance services of water and energy production equipment;
- Energy efficiency consultancy services;
- Renewable energy storage;
- Electric mobility.

TOURISM

Political and social stability, associated with natural factors such as the warm climate, extensive white sand beaches and stunning mountains, as well as the geographical proximity to Europe, the world's largest tourist demand market, give Cape Verde excellent conditions for the development and competitiveness of the tourism industry.

Between 2016 and 2022, Cabo Verde recorded a 23% increase in the number of guests, approved private investment in hotel establishments worth a record 1.2 billion euros in 2020. It is projected to reach, in 2030, about 2.4 million tourists who will produce about 15.4 million overnight stays. To this end, the tourist offer should reach around 24,800 rooms and 40,690 beds in 2025 and 41,600 rooms and 68,241 beds. At least 48% of the tourist offer should be located outside the islands of Sal and Boa Vista^[30].

With regard to the daily spending of tourists, the value is approximately 3,433 ECV (corresponding to 31.13 euros and 34.68 dollars), and tourists who did not travel in the package have higher expenses [on average 4,891 ECV per day (corresponding to 44.35 euros and 49.41 dollars)]. Tourists residing in France

have the highest average daily spending, standing at 11,966 ECV (corresponding to 108.51 euros and 120.89 dollars). Followed by tourists from the United States with a daily expenditure of 11,966 ECV (corresponding to 96.74 euros and 107.79 dollars) and, with the lowest daily spending, 627 ECV (corresponding to 5.68 euros and 6.33 dollars), those from Italy.

The recovery of tourism in the country towards pre-pandemic levels is at levels much higher than previously forecast. The year 2019, registered 819,308 overnight stays and 5,117,403 overnight stays. In 2022, the hotel industry registered around 835 thousand guests, corresponding to a sharp increase of 394.4% compared to 2021. In the same period, overnight stays (4,088,412) soared by 387.0%. The United Kingdom was the main source country.

Tourists from the United Kingdom stayed the longest in Cape Verde, with an average stay of 5.6 nights. Sal was the most sought after island, representing about 61.8% of the entries in the establishments.

In Sal and Boa Vista, the predominance of large hotel establishments and a greater frequency of international flights throughout the year offer opportunities for small tourist establishments with a typically local, traditional and more personalized service. These islands offer business opportunities in the sectors of catering, entertainment, excursions, nautical activities and travel agency.

Maio Island, with similar natural potential and a reduced construction on the seafront, allows investors the opportunity to install hotel establishments on the beachfront and restaurants in central areas of the City of Porto Inglês.

With a different natural potential due to the mountainous elevations, a more developed fauna and flora, the islands of Santo Antão, São Nicolau, Fogo, Brava and the interior of the island of Santiago offer an excellent potential for

[30] Strategic Plan for Sustainable Development 2022-2026 (PSDD III)

the development of nature tourism.

At the beginning of 2022, 292 hotel establishments were in operation in the country. Santo Antão had 69 tourist accommodation establishments, which corresponds to 23.6% of the total establishments in operation. Santiago (65-22.3% of the total), São Vicente (56-19.2%), Sal (32-11.0%) and Fogo (25-8.6%). This was followed by the islands of São Nicolau, Boa Vista and Maio with the same number of establishments (12) corresponding to 4.1% of the total. Brava Island, with only 9 establishments in operation, represented 3.1% of the total^[31].

The quality of service is still deficient, as well as the offer of services for tourist activity (excursions, including trekking and cultural activities). Thus, on these islands there is a huge space for investments in small rural establishments with a complete offer of accommodation and tourist activities of nature and culture.

From the dynamics of tourism activity, opportunities emerge for support sectors such as food production, from agriculture, livestock, to agro-food processing, food distribution, security, maintenance of equipment and green spaces, energy production, especially renewables. Transport, health services and real estate, both for tourist accommodation and for the resident population, which increases strongly because of the growth in tourist activity, are also sectors to be taken into account.

The world population is aging, giving rise to the availability of more quality health resources and health care. Due to circumstances, creating specialized services for specific groups of patients, such as check-ups, dentistry and aesthetics, rehabilitation of people with reduced mobility, physiotherapy, occupational therapy and wellness hydrotherapies (spas, thermal baths, thalassotherapy, among others) are also other tourist attraction factors. However, in 2016 there were 408 doctors (186 in Praia and 103 in São Vicente) and 690 nurses (237 in Praia and 169 in São Vicente). The main tourist

destinations in the country, Sal and Boa Vista, had 15 and 5 doctors, respectively.

The surface variation of the seawater allows the Exclusive Economic Zone of Cape Verde to be divided into two seasons: a cold season from December to June with waters whose average temperature oscillates between 22-23°C and a hot season, whose average temperature oscillates between 26-27°C. Nevertheless, the islands are temporarily crossed by a warm front between the months of June-July and October-November^[32]. This temperature stability throughout the year, the mountainous islands and salt pans provide Cape Verde with an extraordinary potential for health tourism, associating ecotourism with health treatment in an increasingly developed network of specialty clinics in Praia and Mindelo. The islands with the greatest potential for ecotourism, Santo Antão, Brava, Fogo and São Nicolau, have important business opportunities for health tourism. Due to the strategic nature of the Tourism sector, these factors need to be observed in order to achieve tangible results from investment projects:

Impact factors on Tourism

Favorable

- Facilitation of visa issuance;
- Proximity to the European market and West Africa;
- Warm and stable temperature throughout the year;
- Tax breaks and other incentives for tourism;
- Continuous growth in tourism in recent years;
- The "Sun and Beach" product is consolidated and highly sought after;
- Qualification of human resources through the Hotel and Tourism School;
- Young and economically active population.

Limiting

- Insufficient and expensive internal transportation;
- Reduced supply of regular international flights to Cabo Verde;
- Insufficient international promotion of the destination;
- Poor access routes to areas of tourist interest;
- Poor healthcare system;
- Heavy dependence on imports in the hotel supply chain;
- Material and immaterial cultural heritage that is little used.

[31] NSI-Tourism Statistics - Annual Inventory of Hotel Establishments 2021

[32] Almada, E.1994.- Oceanographic characterization of the fishing zones of the EEZ of the Cape Verde Archipelago. INDP

EMERGING BUSINESS AREAS

The set of opportunities in the tourism sector stems from the strong growth of the "sun and beach" product, but it does not ignore the enhancement of cultural heritage, material and intangible, public and private, finding uses and uses compatible with its safeguarding.

Around natural and cultural resources, there is a set of services for greater sustainability, which add value to the activity and create new forms of successful business ranging from:

- Creative tourism: creation of cultural products for tourist uses;
- Cultural tourism: organization of events and agency of artists;
- Tourism on yachts and boats;
- Real estate spaces for digital nomads: coworking and coliving;
- Ecotourism establishments;
- Tourism agencies;
- Gardening services;
- Maintenance of hotel equipment;
- Foreign language trainers;
- Guides and services of excursions and observation of cetaceans and sharks;
- Tourist-oriented health services;
- Tourism of nautical sports events;
- Games tourism.

INDUSTRY

The opportunity for the development of the national industry stems from the growth of the productive sectors, especially agriculture, fishing and livestock, as well as the demand for food in the domestic market, which is still very much dominated by imported products.

The strong recovery of the tourism sector after the pandemic presents forecasts for the arrival of more than 850,000 tourists in Cabo Verde in 2023 and 1 million in 2025. This level of demand and stay by tourists represents a demand for food and beverages in the order of 6.7 billion ECV per year. These are opportunities for the national beverage industry on the islands of Santiago and São Vicente. For the cheese industry in Boa Vista, Fogo, S. Antão and São Vicente. For the canning industry in São Nicolau and São Vicente. For the frozen vegetables and sweets industry in Santiago and Santo Antão. For the bakery and pastry industry on all the islands of the country.

In addition to the agro-industry, the daily operation of the hotels requires the supply of several specific services that constitute direct opportunities or through the textile washing industry to hotels and restaurants, for the detergent and cosmetic products industry in São Vicente and Santiago. This industry also benefits from the growth of the entire national industry that uses detergents for daily maintenance work. These opportunities add to the population's demand for household and personal hygiene products.

The agro-food conservation and processing industry continues to be a sector with enormous potential. The variation in vegetable prices in the market due to the seasonality of national production, international logistics costs, as well as losses derived from overproduction are opportunities for vegetable processing industries through freezing or canning.

Associated with the livestock activity emerges the opportunity for new segments such as the installation of an artificial insemination laboratory, a revolutionary initiative for the sector. The import, commercialization and introduction of improved breeds with high yield potential, as well as the import of fertile eggs for the production and supply of chicks to the broiler and egg production industry are opportunities that present themselves.

In order to respond to the special characteristics and constraints of this



sector of activity, the following factors should be taken into account in the successful and effective implementation of investments:

Impact factors in the Industry

Favorable

- Potential for local production of raw materials (agri-food);
- Attractive framework of tax incentives;
- Proximity to export markets;
- Training of professional human resources.

Limiting

- Energy costs (which can be overcome by producing renewable energy);
- Production, distribution and efficient use of water;
- Poor transportation and storage logistics.

BUSINESS OPPORTUNITIES

The potential of this sector is to be used to meet the growing demand in the areas of:

- Production of vegetables;
- Production of frozen fruits;
- Wine production;
- Coffee production;
- Production of traditional dishes in preserves;
- Production of canned fish and seafood;
- Production of fruit juices;
- Ice cream production;
- Bakery and pastry;
- Extraction of inert (stone, sand and gravel), salt and pozzolan;
- Production of textiles, clothing and footwear;
- Production of aguardente.

DIGITAL ECONOMY

Global technological evolution is a strong commitment by the State and companies to bring business closer to technology, automation and digitalization of organizational processes, promoting a significant evolution of the digital economy in Cabo Verde in the last 20 years.

In this context, the training of higher education human resources in Universities, the policy of tax incentives for the importation of information and communication technologies, a high rate of use of mobile communications, the installation of Data Centers, as well as access to broadband, fiber and 4G internet, are key factors for the growth of the sector. In fact, in 2021 there were about 154 information technology companies^[33] in Cabo Verde that ensure the development of technological solutions for companies and the State, distribution of information and communication technologies, equipment maintenance and installation of networks.

The potential of the sector will be even greater with the creation of the Special Economic Zone for Technologies (SEZT)^[34] in Praia and Mindelo. It favors and encourages the participation of the Cape Verdean diaspora through the establishment of technology-based startups that operate in the areas of software, hardware and ICT services. As well as, the installation of the Technological Park Digital Archipelago of Cape Verde-TechPark.CV in Praia, the Data Center and Training Center in São Vicente, including the interconnection of Cape Verde in the Starlink network.

These new resources create extraordinary capabilities for the expansion of the sector to international markets. Either through national companies or the installation in Cabo Verde of multinational companies interested in taking advantage of these resources to gain global competitive capacity in the fastest

[33] National Statistics Institute-Annual Business Survey 2021

[34] Special Economic Zone for Technologies (SEZT), Law no. 15/2022 of 12 May: <https://kiosk.incv.cv/1.1.46.4218>

growing areas of the market such as: Infrastructure (Cyber security, Cloud Computing), Processing (Robotics, 3D Printing, Virtual Reality) and Distribution (Big Data, Artificial Intelligence, Blockchain).

The Technological Park fosters technology and innovation by providing basic technical, administrative and logistical infrastructure, business promotion services, and support for the creation of internal and external networks, internationalization, incubator, laboratories and coworking. Established companies are free of corporate taxes, VAT and customs duties, and will still benefit from tax incentives.

In the context of barriers to entry and permanence in this sector, particular attention should be paid to the impact of the following factors indispensable for success:

Impact factors in the Digital Economy

Favorable

- 4G internet access;
- Connection of Cabo Verde to international internet networks;
- Availability of data center services;
- Qualification of higher education human resources;
- Tax incentives for the acquisition of technology and entrepreneurial activity;
- Proximity to export markets.

Limiting

- High cost of communications;
- Small size of the internal market;
- Lack of qualified manpower in quantity;;
- Reduced penetration of the optical fiber.

BUSINESS OPPORTUNITIES

The digitalization of many activities in society is a means of improving people's lives and a fundamental step for the progress of the country. Therefore, there are windows of opportunity for technological entrepreneurship as a vehicle for greater financial inclusion, emphasizing the inclusion of populations that are usually excluded, such as women and micro, small, and medium-sized

enterprises (MSMEs).

- The emerging sectors of business opportunity that can be taken advantage of by the digital economy are: GovTech (Government Technology): Technological innovations applied to government services;
- FinTech (Financial Technology): Startups that innovate in financial services, such as digital payments;
- AgriTech (Technological Agriculture): Technological solutions for the agricultural sector.
- Data center services;
- Integrated technological solutions for Big Data and Cloud Computing;
- Web applications and website development service;
- Training and certification service;
- Network installation and maintenance service;
- Cyber Security service;
- Call center services;
- Maintenance service of computer and telecommunications equipment.

SPECIAL ECONOMIC ZONE FOR TECHNOLOGY (SEZT)

Created to ensure that Cabo Verde's industries, regardless of their sector, location and size, can take full advantage of digital innovations, improve their processes and adapt their business models to digital change, SEZT is aimed at technology-based companies that develop activities with the following characteristics:

- Allow or enhance the creation of wealth, added value and employment (especially youth employment);
- Promote exports;
- Promote a culture of innovation, with the promotion of creativity in research and technological development;
- Enable the development of digital services;
- Create the favorable conditions to serve as an incubator for startups in the area of technology.

In addition to financial incentives, companies authorized to operate in the SEZT enjoy the following tax and customs benefits:

- Reduced CIT rate of 2.5%;
- Exemption from CIT or PIT applicable to entities that participate in the share capital of companies authorized to operate in the SEZT, in relation to profits made available to them by these companies, and interest and other forms of remuneration for capital supplies or advances made by them to the company, or due for not withdrawing the profits or remuneration made available to them;
- VAT exemption;
- Exemption from Stamp Duty on financing operations for the investment;
- Exemption from PT-Property Tax;
- Exemption from customs duties on the import of certain materials (e.g. software), equipment, raw materials and subsidiaries, finished and semi-finished products; customs duties are refundable if no exemption has been granted;
- Exemption from notarial fees due on incorporation and registration;
- Exemption of 50% of notarial fees due on the purchase and sale of real estate for its installation.

Companies authorized to operate in the SEZT are subject to the tax obligations provided for in the tax legislation in force, including transfer pricing, autonomous taxation, and tax settlement and payment rules. The tax obligations provided for in the International Business Centre scheme, provided for in the Tax Benefits Code, are also applicable.

CABO VERDE'S SUSTAINABLE DEVELOPMENT GOALS



Green Economy

Accelerate the energy transition to achieve 100% electricity production from renewable sources.

With an agricultural area of 70,433 hectares, increase sustainable agricultural production.

Transform Cabo Verde into a preferred maritime platform for the regional and global economy.

Blue Economy

Tourism

Place Cape Verde in the Top 50 in the tourism competitiveness ranking and deconcentrate tourism to all Cape Verdean municipalities.

Increase the coverage rate of exports over imports of goods and strengthen intra-regional trade relations.

Trade

Industry

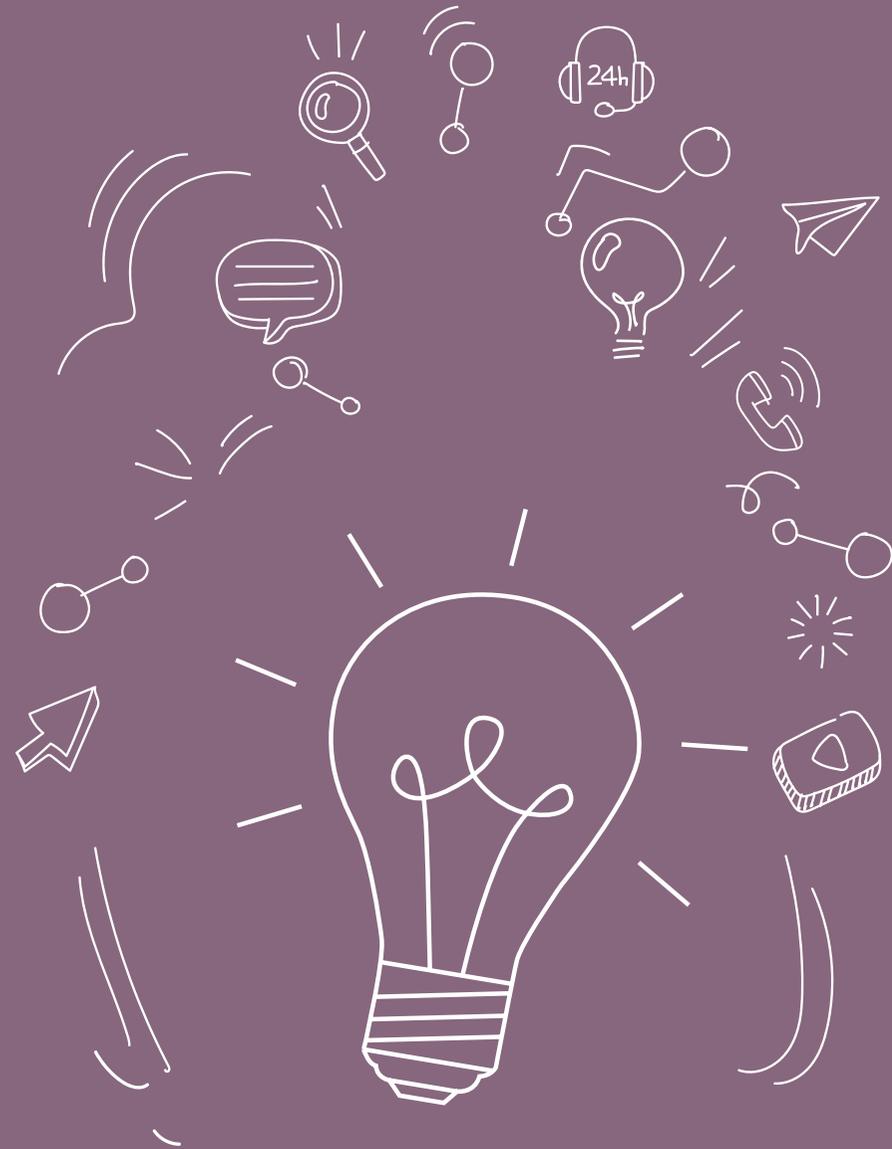
Make the industrial sector competitive and innovative, integrated into regional and global value chains.

Make Cabo Verde a regional hub of excellence in technology, telecoms, innovation and entrepreneurship.

Digital Economy

I HAVE SOME IDEAS. WHAT NOW?

5



AGRICULTURE - PRODUCTION ESTIMATES

Sources: General Census of Agriculture (RGA) - 2015; MAA, Directorate of Statistics and Information Management



182,396 PEOPLE WORK ON FAMILY FARMS



8,677 TONS OF CORN PRODUCED



11.6 MILLION LITERS OF MILK PRODUCED



54.5 MILLION EGGS PRODUCED



48,512 TONS OF HORTICULTURAL CROPS PRODUCED
TOMATO: 15,133
CABBAGE: 8,698
ONION: 5,066



22,963 TONS OF ROOTS AND TUBERS PRODUCED
POTATOES: 10,485
SWEET POTATOES: 6,262
CASSAVA: 5,667



TONS OF FRUIT PRODUCED
BANANA: 10,443
MANGO: 1,363
PAPAIA: 3,284



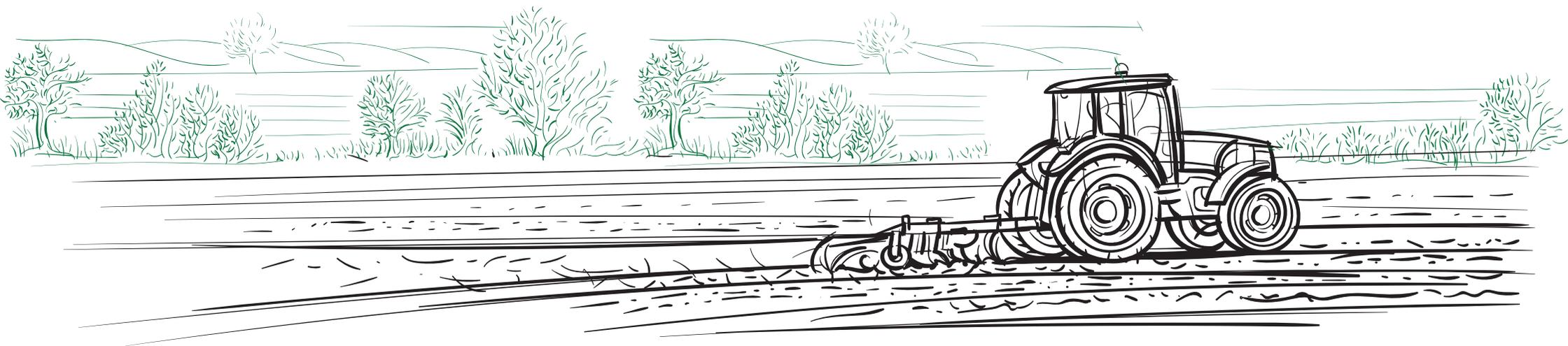
NON-FAMILY FARM TYPES:
9 AGRICULTURAL ENTERPRISES
3 COOPERATIVES
5 PRODUCER ASSOCIATIONS
23 PUBLIC BODIES (STATE/COUNCIL)
65 SCHOOLS
8 CHURCHES
27 OTHER



45,399 FAMILY FARMS



LIVESTOCK NUMBERS, BY SPECIES:
29,558 CATTLE
107,532 GOATS
66,808 PIGS
12,620 SHEEP



From the list exposed here in the Guide and the various possibilities that you may consider, it is expected that all the business opportunities you consider will go through an evaluation and selection process, until you decide on the option that most motivates and challenges you, in view of the economic and social goals you want to achieve.

It is very common to see in Diaspora investors a very strong intention that the investment will bring relevant social impacts to their city or island of origin. However, these should not override economic and financial factors. At the end of the day, financial viability and sustainability are decisive for the success of the business and, therefore, for the continuity of the intended social contribution. The decision-making process must consider the following aspects:

ECONOMIC AND FINANCIAL VIABILITY

The existence of a market with current potential and long-term growth for a particular product or service, as well as the technical and technological capacity of the promoters and the company to develop a competitive offer from the point of view of quality, price and service, are fundamental aspects for the generation of profits, the payment of responsibilities with employees, suppliers and the State, that is, for the success of the business.

RESOURCE MOBILISATION

Depending on the nature of the business, its financial viability, its location, the technology and infrastructure required, imply a certain amount of investment for which it is necessary to mobilize resources. These resources come from the savings of the promoters, loans from financial institutions, credit from suppliers, among other extraneous/external resources. Our ability to pool these resources must dictate our choice between the various possibilities. To the detriment of the fact that, due to lack of funds, we will be forced to give up during the implementation process and be subject to enormous losses.

SKILLS

The existence of technical skills of the promoter and the team is also an essential factor. The success of companies is fundamentally a function of people. From his technical ability and leadership to manage the company, develop and improve products and services, plan appropriately, make good decisions on a day-to-day basis, manage risks and serve customers with quality.

The analysis of the skills needed at the management level may result in the need to mobilize, at the level of the project promoters, people who bring the experience in the business or the management experience. In addition to the competence factor, the entry of new promoting partners is also justified by the need to bring more own resources, risk sharing and a greater capacity to bring opportunities to the company.

Despite the remarkable development in the training of human resources in Cape Verde, there are still sectors with a deficit in number and qualification that constrain its growth, such as the agricultural, health, hotel and industry sectors in general.

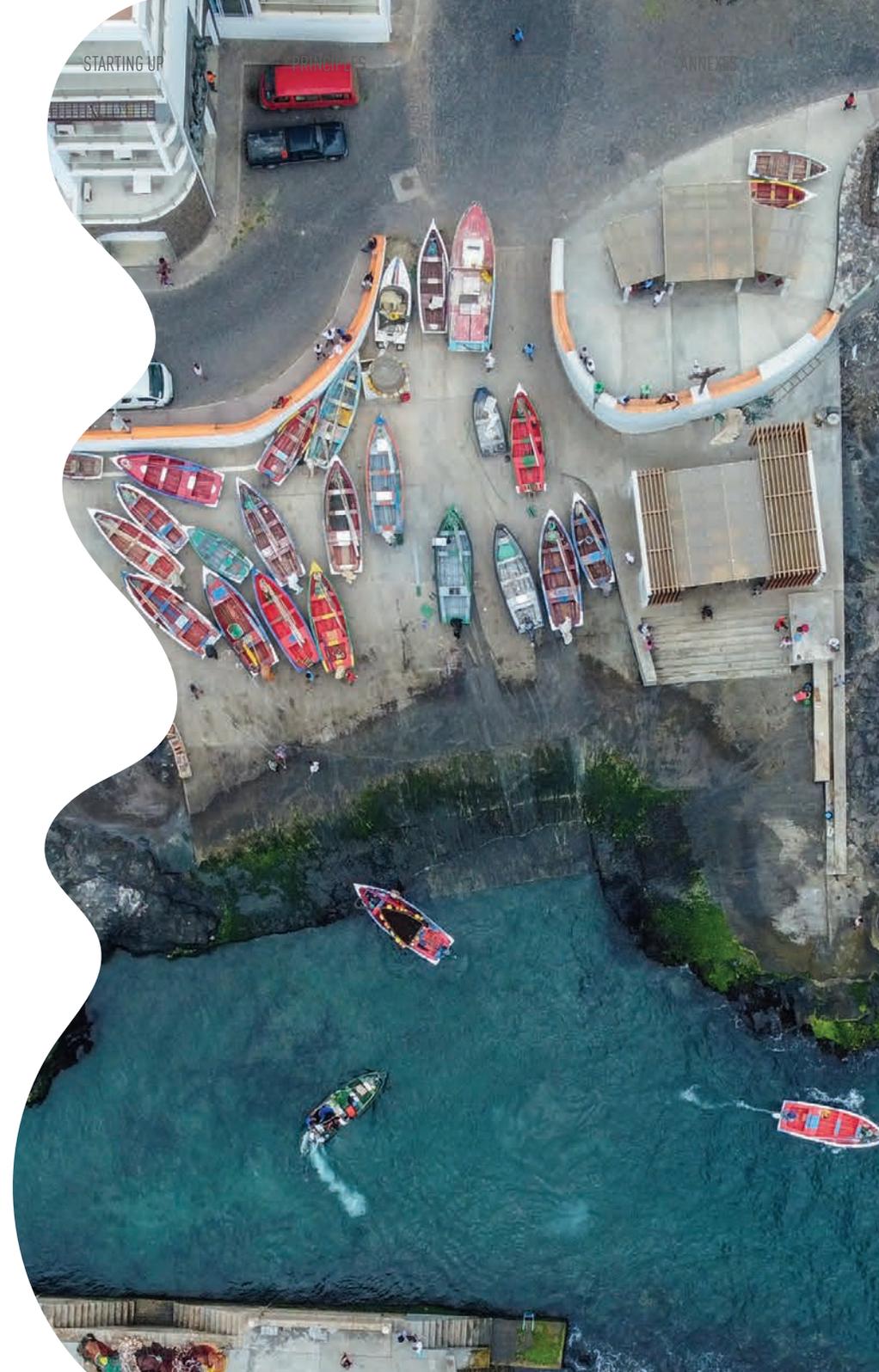
In order to, adequately and fully gather the necessary elements for an assessment of financial viability, investment volume and skills, it will be necessary to collect information from statistical institutions, the government entity responsible for the sector. It is also important to survey on the ground the factors that influence the behavior of consumers, competitors, suppliers, infrastructures that support the activity and financing trends in the sector.

At this stage, depending on the complexity of the options you consider, it may become very important to have the support of a professional or a firm specialized in business feasibility assessment and advisory services to companies and investors. Depending on the needs, you can access professionals by consulting the Order of Certified Accountants and Auditors, the Order of Engineers, the Bar Association, the Order of Economists, the

Chambers of Commerce of Sotavento and Barlavento or even Pró Empresa, one of the focal points for investment facilitation, which has a pool of certified management consultants.

In addition, we suggest business and investment consulting companies owned by members of the diaspora located in the destination countries. Finally, we recommend that you consult the relevant information on these professional and institutional resources presented in the annex.

With the data collected, and a specialized analysis with the support of an experienced professional in the area, you will be able to evaluate the various possibilities and decide which business opportunity best fits your investment profile.



**I HAVE DECIDED WHAT TO DO.
LET'S DO IT!**

6



✓ 5 steps to start a business in Cabo Verde



Once the feasibility analysis has been done and which business to invest in has been decided, individually or with partners, it becomes important, first, to plan the business. Planning involves developing a business plan where it delves into greater detail and with a prospective vision the market analysis, the necessary investments, the physical structure and technology, the human resources, the necessary financing and the financial planning, including the financial feasibility analysis.

BUSINESS PLANNING

This plan may be simplified or further developed depending on the complexity of the business and the level of experience of the promoter in business management or in the specific activity that he intends to develop. Given the expertise required for this purpose, it is recommended to hire a consultant or a team of consultants. This type of support is also available through Pró Empresa's technical assistance needs identification and capacity building programs, whose relevant information is contained in the annexes to this Guide.

One of the fundamental aspects that justify the preparation of a Business Plan has to do with the fact that the management of companies is a permanent exercise in managing uncertainties. Uncertainties about market demand, environmental conditions, the evolution of the price and availability of raw materials, health events (the recent pandemic), international logistics, the evolution of financial markets, among others, external factors beyond the company's control. Throughout the exercise of preparing the plan, all aspects that constitute risks to the company's activity are analyzed, evaluated and solutions or measures developed that allow them to be circumvented with the least possible damage to the company's operational activity and financial results.

Having this preparation gives the company robustness, resilience, and

enormous credibility with partners, especially financial partners. These, in the context of the mobilization of financial resources, will be one of the first to request a business plan.

In fact, the following chapters are fundamental pillars of the structure and content of a business plan:

- **Executive Summary:** Brief summary of the company's goals, strategies, and financial projections.
- **Company Description:** Overview of the company, including its mission statement, business model, and history.
- **Market Analysis:** Detailed analysis of the industry, target market, and competition.
- **Products or Services:** Description of the company's products or services, including their features, benefits, and distribution channels.
- **Sales and Marketing Plan:** Plan for attracting and retaining customers, including pricing, promotion, and distribution strategies.
- **Financial Plan:** Financial projections, including the projection of results, balance sheets, and cash flow statements, as well as the financial ratios and valuation of the project.
- **Human Resources Plan:** Overview of the management team, its experience, skills and qualifications, as well as the human resources in the various operational departments, the guidelines for management, development and retention of human resources.
- **Operations Plan:** Plan for how the company will operate, including production processes, suppliers, and logistics.
- **Risks and Contingencies:** Analysis of the potential risks to the company's success and a plan for how to mitigate them.
- **Attachments:** Supporting materials such as resumes, market research data, and legal documents.

IAPMEI - Agência para a Competitividade e Inovação (Portugal)^[35] and Sebrae-Serviço Brasileiro de Apoio às Micro e Pequenas Empresas^[36] have a comprehensive collection of resources for the development of a business plan.

Funded by the European Union, the SwitchMed Programme is implemented in part by the United Nations Industrial Development Organization (UNIDO) and has similar resources^[37] in English^[38] and French^[39].

Having a plan, the process of mobilization of resources for which it is necessary to register a company, and this will present itself as the entity that formally assumes the responsibilities with third parties.

SSRMSE/REMPE - SPECIAL LEGAL SCHEME OF MICRO AND SMALL ENTERPRISES

Since August 2014, Cabo Verde has had the SLRMSE, which aims to promote the competitiveness, productivity, formalization and development of Micro and Small Enterprises (MSEs), reduce bureaucratic and administrative requirements, as well as the difficulty of access to business opportunities. For the purposes of accessing the scheme, the incorporation and certification process is free of charge and must be done at the Casa do Cidadão, which works as a one-stop shop. In addition, prior communication must be made to the Mayor of its headquarters for starting activity and the payment of the respective fee.

[35] IAPMEI-Entrepreneurship and Innovation - Guides and Support Manuals: [https://www.iapmei.pt/getattachment/PRODUTOS-E-SERVICOS/Empreendedorismo-Inovacao/Empreendedorismo/Guias-e-Manuais-de-Apoio/ComoElaborarPlanodeNegocio-\(5\).pdf.aspx](https://www.iapmei.pt/getattachment/PRODUTOS-E-SERVICOS/Empreendedorismo-Inovacao/Empreendedorismo/Guias-e-Manuais-de-Apoio/ComoElaborarPlanodeNegocio-(5).pdf.aspx)

[36] Sebrae-Business Plan: <https://sebrae.com.br/sites/PortalSebrae/ufs/df/sebraeaz/ferramentas-para-voce-criar-seu-plano-de-negocio,31f40d58df4f5410VgnVCM2000003c74010aRCRD>

[37] SwitchMed e-library: <https://2014-2019.switchmed.eu/en/e-library.html>

[38] SwitchMed-Create your Green Business! The Handbook for Green Entrepreneurs in the Mediterranean - https://2014-2019.switchmed.eu/en/documents/ge-green-entrepreneurship-corner/handbook_en.pdf

[39] SwitchMed-Start your green business. The Mediterranean Green Entrepreneurs' Handbook - https://2014-2019.switchmed.eu/en/documents/ge-green-entrepreneurship-corner/handbook_fr.pdf



COMPANY REGISTRATION

To register a company, it is essential to define the type of company, the corporate purpose, the share capital, the distribution of shares, the method of realization - pecuniary (monetary) or in kind (contribution of assets other than money) - the management bodies and the persons who hold office in these bodies^[40].

Business activity in Cape Verde can take the legal form of a sole trader, a limited liability company or a public limited company. The following tables explain the specific nuances of each of these with regard to the nature of the articles of association, share capital and the operation of management and accounting.

1. SOLE PROPRIETOR

Description

Corporate type for companies formed by only one partner. In this scheme, the liability of the entrepreneur is unlimited; That is, he can respond with his personal assets to the obligations assumed by the company.

Articles of Association

It is any natural person, resident or not, headquartered in Cape Verde or not, who carries out the activity of a commercial enterprise.

Share Capital

Does not apply.

Management and Accounts

Exercised by natural persons. It is personal and non-transferable. There are no legal instructions about the accounts; however, it is advisable to have accounts as an element of support for decision-making and internal control.

2. PRIVATE LIMITED COMPANY

Description

A private limited company is a legal form of a company, with limited liability, constituted by two or more partners, whose share capital of the company is divided by shares. A private limited company can also be a sole proprietorship, when it is constituted by only one partner, who holds the entire share capital.

Articles of Association

They must be written and contain the name of the partners, type of company, the company, the object, the headquarters, the share capital, the quotas and the closing date of the annual year. Amended by a minimum of 3/4 of the votes corresponding to the capital stock.

Share Capital

It is divided into quotas that can be of different value, never less than 100 ECV (corresponding to 90 cents of euros and 1 dollar).

Management and Accounts

Exercised by natural persons, who may or may not be partners. It is personal and non-transferable. The accounts must be submitted to the shareholders for consideration in the first 3 months following the end of each financial year.

3. PUBLIC LIMITED COMPANY (PLC)

Description

It is a type of commercial company in which the share capital is divided into shares. Shareholders (partners) limit their liability to their own incoming debt. They are not liable, in principle, for the company's debts and are not responsible to society for the payment of all the entries agreed upon in the memorandum of association.

Articles of Association

They must contain the number of shares, their transfer, the categories of shares, the amount of capital and the issue of bonds.

Share Capital

É dividido em ações que podem ser de valor diferente, nunca inferior a 1000 escudos (correspondente a 9,06 euros e 10,09 dólares), salvo se o estatuto não prever valor.

Management and Accounts

Exercised by a Board of Directors and supervised by a Fiscal Council and Auditor. The accounts must be submitted to the shareholders for consideration in the first 3 months following the end of each financial year.

[40]Tax Benefits Code: Law no. 86/IX/2020, of 28 April

SLSMSE (REMPE)

CRITERIA

Law 70/VIII/2014, approved on 26 August 2014, created the Special Legal Regime for Micro and Small Enterprises (REMPE).

SCOPE OF APPLICATION

- Companies in the legal form of a Limited Liability Company;
- Promoters cannot be partners in another REMPE with the same corporate purpose;
- Promoters cannot be public organisations or companies that are not micro or small businesses;
- Promoters cannot be foreign companies;
- They cannot be set up in the form of co-operatives;
- They cannot be importers, except for micro and small importers;
- They cannot be companies with activities in the legal sector, accountants, auditors, architecture, engineering, advertising, market research, health clinics, dentistry and others on the list annexed to the Law.

TAX INCENTIVES

- Special Unified Tax (TEU) of 4% on turnover, declared quarterly;
- The micro-enterprise enjoys a 30% reduction in TEU for the first two years;
- The small company enjoys a 30% reduction in TEU in the first year and 20 per cent in the second year after its creation;
- Stamp Duty exemption on financing contracts;
- Interest rate subsidies;
- Up to 50 per cent interest subsidy on financing for the purchase of equipment for the micro-production of renewable energy;
- Exemption from customs duties and VAT on the import of a transport vehicle with a maximum age of 5 years;
- Micro and small industry registered in the Industrial Register can benefit from exemption from customs duties on the import of raw materials and materials for the first 4 years.

SIMPLIFICATION

- They enjoy favoured, differentiated and simplified treatment by public entities;
- No need to publish corporate acts;
- Mere prior notification to the City Council for the exercise of commercial and service activities.

DEFINITIONS

- **Micro Enterprise** : commercial, industrial and service companies with an annual turnover of up to CVE 5,000,000 (corresponding to 45.3 thousand euros and 50.5 thousand dollars) and/or employing up to 5 workers;
- **Small Business** : commercial, industrial and service companies with an annual turnover of up to 10,000,000 ECV (corresponding to 90.7 thousand euros and 100.9 thousand dollars) and/or employing up to 10 workers.

BUSINESS OPPORTUNITIES

- At least 25% of state purchases of goods and services;
- At least 10% of the supply of goods and services from large public and private companies in supply contracts with the state;
- At least 10% of the contract value for subcontracting public works contracts.

SETTING UP AND REGISTERING COMPANIES

There are currently two procedures for registering companies in Cabo Verde. The Empresa No Dia (END) procedure and the traditional procedure with the property and commercial registries. The following table details the registration procedures and their advantages.

In the registration process, tax and social security registrations are carried out. In the END modality, registration is carried out immediately and the company receives a tax identification number (TIN) and a social security number.

Tax identification number (TIN) and taxpayer number in the social security system. Whereas in the traditional modality, the company must request these registrations from the tax and social security authorities.

1. BUSINESS ON A DAY/EMPRESA NO DIA (END)

Requirements

- Personal identification Card and NIT of the partners/ shareholders or commercial certificate and Minutes of the General Meeting approving the entry as partner/shareholder of the company;
- Corporate Name Certificate;
- Information on the type of company, corporate purpose, share capital, distribution of quotas or shares, their form of payment (pecuniary or kind), the management bodies and the persons taking up functions in these bodies and the turnover in the first year;
- Statement of responsibility of the accountant.

Benefits

- Speed (completed in a few hours);
- Provided a company contract with the essential provisions;
- Immediately proceed to the tax, labor and social security register;
- Cost around 15.000 ECV (corresponding to 136,02 euros and 151,47 dollars).

Competent Entities

- Casa do Cidadão;
- Chambers of Commerce;
- Business Incubation Center (BIC);
- Partners of Casa do Cidadão.

2. TRADITIONAL REGISTRATION

Requirements

- Personal identification Card and TIN of the partners/ shareholders or commercial certificate and Minutes of the General Meeting approving the entry as partner/shareholder of the company;
- Corporate Name Certificate;
- Articles of Association;
- Statement of responsibility of the accountant.

Benefits

- Allows registration through a partnership agreement developed by the partners

Competent Entities

- Property and Commercial Registry (Registry Office - Registries, Notary and Identification).

TAXATION AND SOCIAL SECURITY

From the planning phase, but especially now in the registration phase, it is important to have an adequate knowledge of taxation and social security system in Cape Verde.

Knowledge of the taxes and fees that apply to the tax schemes for large companies, including those that practice import and export, as micro and small enterprises are key in decision-making.

From investment decisions, financing, distribution of results, day-to-day decisions such as pricing strategy, recruitment of human resources, raw material procurement, of goods and services for the operation of the company.

Thus, this framework summarizes the tax schemes, the requirements that apply to their framing, tax types of declaration, and the delivery and payment procedures.

1. ORGANIZED ACCOUNTING

Requirements

- Turnover above 10 million ECV (corresponding to 90.7 thousand euros and 101 thousand dollars);
- Companies not covered by the Special Unified Tax System;
- Companies that are engaged in import;
- Companies that opt for this system.

Contribution

- Annual reporting of accounts and the taxation of respective profits
- Tax on profits of 22%
- Settlement and monthly delivery of VAT
- Monthly withholding and delivery of income taxes paid to service providers
- Mandatory issuance and delivery of the Electronic Invoice

Delivery and Payment

- Delivery and monthly payment of PIT and VAT;
- Annual submission of accounts (Model 1B) and complete financial information;
- Sending the SAFT-CV file;
- Deliveries through the National Revenue Management Platform.

2. SPECIAL UNIFIED SYSTEM

Requirements

- Exclusive for micro and small companies registered in SLRMSE.

Contribution

- Application of the Special Unified Tax through a 4% rate on sales, not being less than one million ECV (corresponding to 9.1 thousand euros and 10,1 thousand dollars);
- Delivery and payment of the quarterly declaration, accompanied by the annexes of customers and suppliers, in April, July, October and January
- Mandatory issuance and delivery of the Electronic Invoice

Delivery and Payment

- Quarterly through the National Revenue Management Platform.

ISSUING LICENCES TO COMPANIES

Cape Verdean legislation establishes that, in certain sectors, the company registration is not a single requirement for the exercise of activity. In sectors such as commerce, hotel, construction, education, health, pharmacy services, fishing, accounting services, auditing, financial services, air, road and maritime transport, any industry, the exercise of activity requires prior licensing with the respective authorities with oversight in the sector or entities with delegated powers, as is the case of Chambers of Commerce.

Thus, the following is a list of activities to which the prior licensing scheme and respective licensors apply.

Exception to the other activities not listed above and to SLSMSME companies whose activity can be performed by simply prior communication with the City Council where the micro or small business operates.

3. SOCIAL SECURITY

Requirements

- All companies.

Contribution

- Discount of 8.5% on the basic salary and other income of the worker;
- Employer contribution of 16%;
- Registration of workers at the National Social Security Institute (INPS).

Delivery and Payment

- Delivery and monthly payment at the National Social Security Institute (INPS) platform.

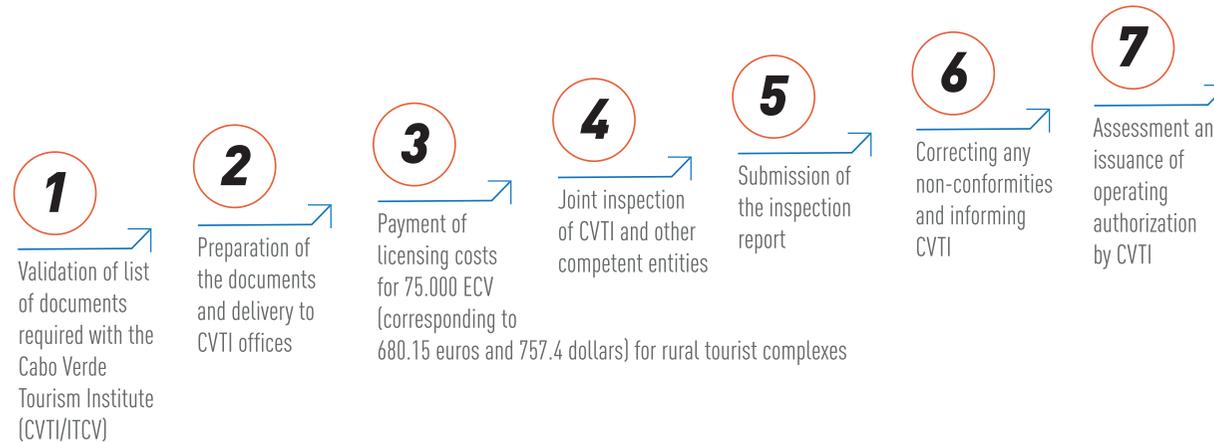
LICENSING BUSINESS ACTIVITY

Focusing on the sectors highlighted in the chapter on business opportunities, the licensing procedures are presented step-by-step below.

LICENSING BUSINESS ACTIVITY

Sector	Coordinating entity
IMPORT AND EXPORT TRADE	— Chambers of Commerce
INDUSTRY	— Directorate-General for Industry
HOTEL MANAGEMENT	— Cabo Verde Tourism Institute
CONSTRUCTION	— General Inspection of Construction and Real Estate
EDUCATION	— Directorate-General for Education
HIGHER EDUCATION	— Directorate-General for Higher Education
VOCATIONAL TRAINING	— Institute for Employment and Vocational Training
HEALTH AND PHARMACY	— Independent Health Regulatory Body
FISHERIES	— Institute of the Sea
ACCOUNTING AND AUDITING SERVICES	— Order of Certified Accountants and Auditors
FINANCIAL SERVICES	— Bank of Cabo Verde and General Securities Market Audit
PUBLIC ROAD TRANSPORT	— Directorate-General for Road Transport
MARITIME TRANSPORT	— Maritime and Port Institute

1. PROCEDURAL ROADMAP: TOURISM - HOTELS



List of required documents

- > Licensing form filled in
- > Company's commercial certificate
- > Articles of association
- > Declaration of company TIN
- > Personal identification card and TIN of partners, managers or representatives
- > Declaration of tax and social security regularity
- > Business plan or descriptive document of the establishment
- > Equipment list
- > Operating contract, if the business is owned by a third party
- > Contract with operators and travel agencies
- > List of employees

For developments to be built:

- > Architectural design and budget
- > Location plan
- > Matrix certificate
- > Property registry certificate
- > Building permit

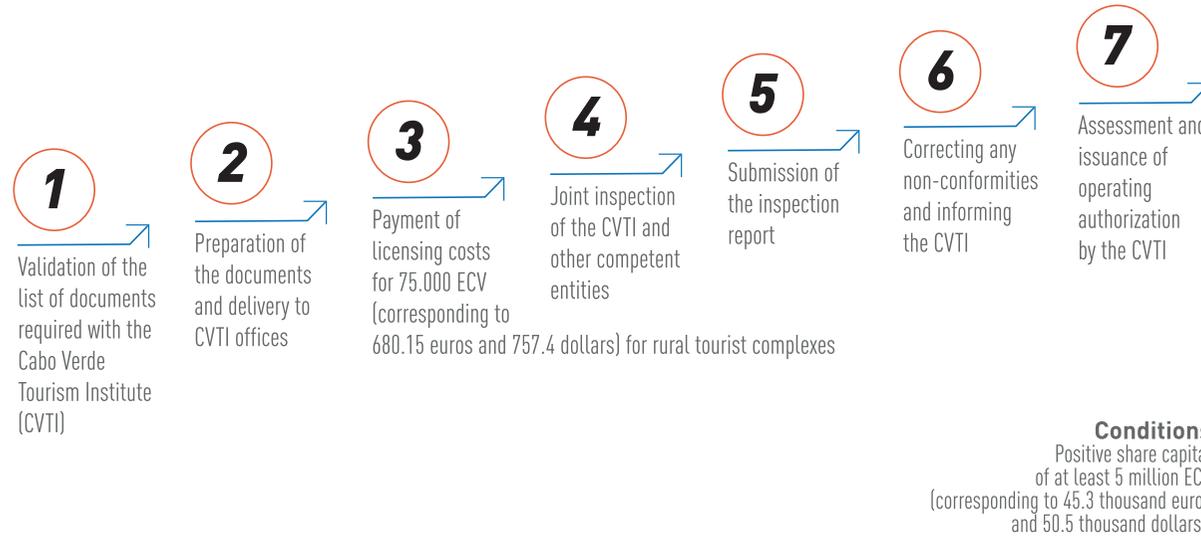
2. PROCEDURAL ROADMAP: TOURISM - RESTAURANTS



List of required documents

- > Licensing form filled in
- > Company's commercial certificate
- > Articles of association
- > Declaration of company TIN
- > Personal identification card and TIN of partners, managers or representatives
- > Declaration of tax and social security regularity
- > Descriptive document of the establishment
- > Supplies list
- > Operating contract, if the business is owned by a third party
- > List of employees and their health cards

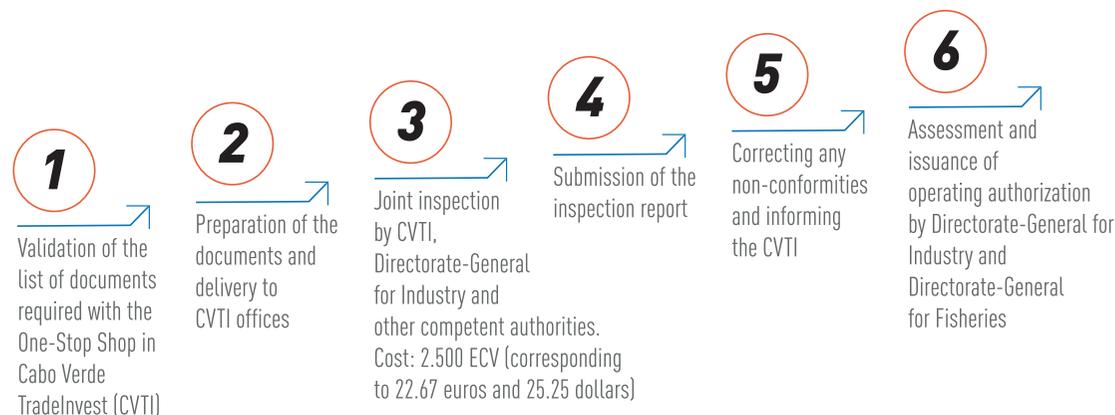
3. PROCEDURAL ROADMAP: TURISMO - TRAVEL AND TOURISM AGENCIES



List of required documents

- > Licensing form filled in
- > Company's commercial certificate
- > Articles of association
- > Declaration of company TIN
- > Personal identification card and TIN of partners, managers or representatives
- > Managers' resume
- > Diploma or certificate of higher education of the manager
- > Certified copy of training, management positions, roles in other tourism services
- > Registration and authorization of the technical director
- > Criminal record of the technical director and manager
- > Proof of payment of a security deposit of 1,250,000 ECV (corresponding to 11.3 thousand euros and 12.3 thousand dollars) in favor of the CVTI
- > Offices' matrix certificate and property registry certificate, if belonging to the company
- > Notarized lease agreement, in case of leasing of offices
- > Declaration of use with notarized signature
- > Indoor plant, in case of area exceeds 100 m²
- > Sketches, in case of area less than 100 m²
- > Descriptive document of the agency and its framework in the legislation in force

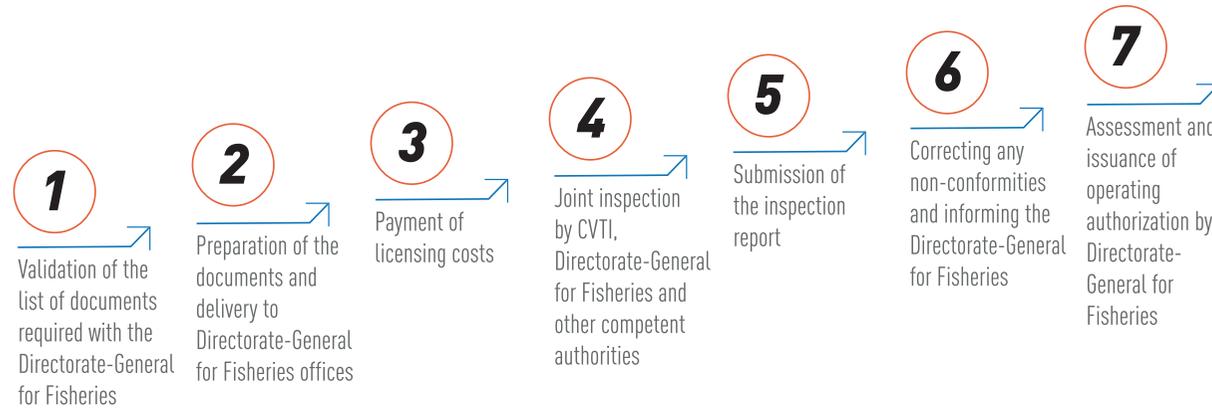
4. PROCEDURAL ROADMAP: INDUSTRY



List of required documents

- > Company's profile
- > Project file
- > Company's commercial certificate
- > Articles of association
- > Declaration of company TIN
- > Personal identification card and TIN of partners, managers or representatives
- > Civil Capacity Statement
- > Business plan or descriptive document of the establishment, including process description and manufacturing standards
- > Lease agreement, if the property is owned by a third party
- > Location plan
- > Matrix certificate
- > Property registry certificate

5. PROCEDURAL ROADMAP: FISHING - LICENSING OF VESSELS



List of required documents

- > Application form
- > Company's commercial certificate, if the ownership is a corporate entity
- > Articles of association, if the ownership is a corporate entity
- > Company or owner's TIN declaration
- > Personal identification card and TIN of partners, managers or representatives;
- > Descriptive document of the vessel
- > Sanitary authorization issued by Directorate-General for Fisheries
- > Request for good hygiene practices
- > Application for the good fish preserving practices program
- > Operating contract, if the business is owned by a third party

Licensing costs

- > Licenses for tuna fishing, with purse seine, in vessels over 1000 up to 1500 tons inclusive: 2.500.000 ECV (corresponding to 22.67 thousand euros and 25,25 thousand dollars)
- > Transshipment licenses, over 700 up to 1000 tons inclusive: 90.000 ECV (corresponding to 816.2 euros and 909 dollars)
- > Annual fee to be charged for the issuance of licenses to domestic and foreign vessels in support of fishing activities: 904,173 ECV (corresponding to 8.2 thousand euros and 9.1 thousand dollars)
- > Annual fee to be charged for the transmission of the signal via satellite - VMS: 132,318 ECV (corresponding to 1.2 thousand euros and 1.3 thousand dollars)

6. PROCEDURAL ROADMAP: IMPORT-EXPORT TRADE

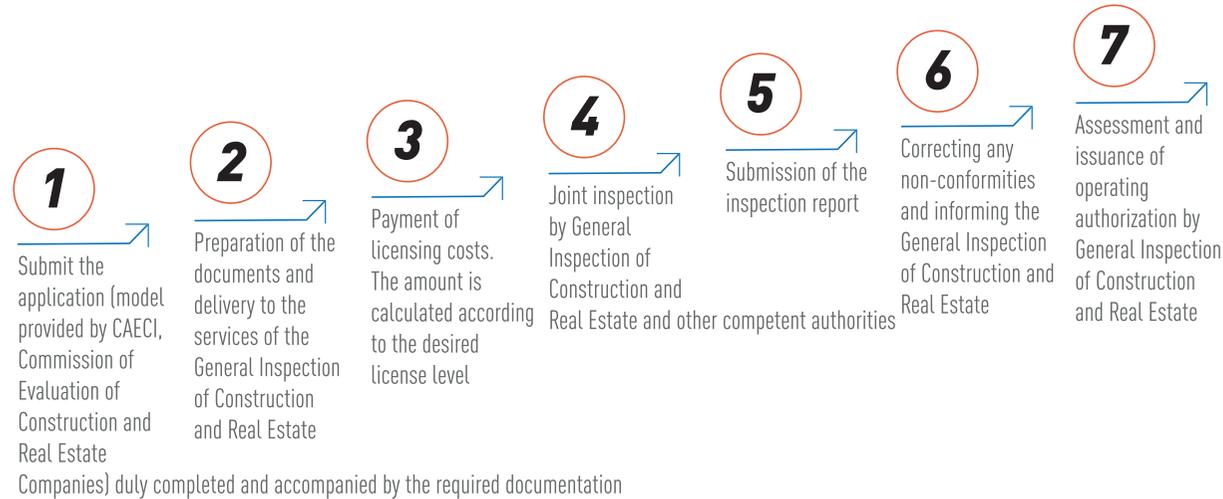


List of required documents

- > Licensing form filled in
- > Company's commercial certificate
- > Articles of association
- > Declaration of company TIN
- > Personal identification card and TIN of partners, managers or representatives
- > Managers' resume
- > Diploma or certificate of higher education of the manager
- > Manager's criminal record
- > Warehouses' matrix certificate and property registry certificate, if belonging to the company
- > Notarized lease agreement, if the property is owned by a third party
- > Declaration of use with notarized signature
- > Indoor plant, in case of area exceeds 100 m²
- > Sketches, in case of area less than 100 m²

7. PROCEDURAL ROADMAP: CIVIL CONSTRUCTION COMPANIES

List of required documents



- > Tax Identification Number (TIN) declaration
- > Company's commercial certificate
- > Copy of personal identification card of the entrepreneur in the individual name or legal representatives of the company
- > Criminal record of the entrepreneur in the individual name or legal representatives of the company
- > Declaration of suitability, duly filled by the manager or legal representatives of the company (model provided by CAECI)
- > Organizational chart, with a description of the company's organizational structure
- > Managers or legal representatives' resume of the company
- > Proof of registration of the staff in the social security system (declaration of INPS - National Institute of Social Security)
- > Declaration of the Insurance Company, proving that the personnel is covered by SOAT (Compulsory Accident Insurance)
- > Nominal list of technical staff and company managers, joining:
 - Technician's resume of the technician of the company's staff, duly filled (model provided by CAECI)
 - Copy of the ID card and TIN of the technician and also the authorization of the respective professional order
 - Contractual relationship between the technician and the company, duly filled (model provided by CAECI)
- > List of tools and equipment that the company has. If it is heavy equipment - machines or cars, proof of ownership must be presented (documents of purchase, rental or financial lease or even a map of repayments and amortization)
- > Copy of the Balance Sheet and Statement of Profit or Loss, accompanied by the Finance Model 1B, if any.

The license for a company to operate in the sector is evaluated by the General Inspection of Construction and Real Estate (IGCI) and deliberated by the Commission of Evaluation of Construction and Real Estate Companies (CAECI).

Licenses for contractors are issued based on different classes to which a company may belong, with different technical framework requirements, equity, type and value of work that can be executed (ranging between 30 million ECV (corresponding to 272 thousand euros and 303 thousand dollars) for Class 1, and above 2 billion ECV (corresponding to 18.1 million euros and 20.2 million dollars) for Class 9). The fee to

be paid for the concession or modification of the license, to 10 subcategories, for example, is situated between 45 thousand ECV (corresponding to 408 euros and 454 dollars) for Class 1 and 5.240.000 ECV (corresponding to 47.5 thousand euros and 52.9 thousand dollars) for Class 9.

An alternative to the license for small businesses is the registration certificate, which does not require an engineer or architect (a master builder or similar professional is sufficient), by which it is possible to execute works with value up to 9 million ECV (corresponding to 81.6 thousand euros and 90.9 thousand dollars).

TAX BENEFITS

Tax benefits are public investments in private activity in the form of a reduction or temporary exemption from taxes and fees. Allocated to encourage social activities beyond the initiative of the state, but also to promote private investment essential for economic growth, job creation and income increase. In this framework, the State of Cape Verde provides tax incentives to the sectors of Health, Education, Social Services, Tourism, Industry, Agriculture, Fisheries and Services.

Access to benefits is carried out with or without prior authorization. In the modality that does not require prior authorization, the incentives are granted through customs taxation which establishes the reduction or exemption of duties or customs duties applicable to a set of products or in tax returns this is when it comes to hiring young people, hiring of unemployed and tax losses.

On the other hand, the modality that requires prior authorization requires a set of requirements, namely the registration of the entity, the licensing of activity, and the realization of investments, among others. In this modality, depending on the level of investment planned, the Tax Benefits Code^[41] allows the State of Cabo Verde to contract extraordinary tax benefits with the investor.

Within the framework of the incentive mechanisms provided for in the Tax Benefits Code and Investment Law, Cabo Verde TradeInvest (CVTI) has the competence to recognize compliance with the requirements of access of investments to benefits. Through One-(BUI), CVTI processes applications for recognition as well as licensing applications in the most varied sectors of activity, bridging the licensing authorities of the sector, as shown in the table above.

[41] Law no. 80/IX/2020, of 26 March, which regulates the status of Differentiated Merit Project

The following table summarizes the tax benefits defined in the Code, their access requirements, type of incentives and procedures for processing applications.

INCENTIVE SCHEME

The incentive schemes described below, namely financial incentives, tax incentives, including non-financial incentives, aim to contribute to the transformation of the national productive fabric, supporting the creation of innovative goods and services with higher added value, for the qualification of companies, promoting investment in competitiveness, internationalization of the economy and promoting exports. They are also committed to partnerships and the transfer and enhancement of knowledge, as well as to the challenges of green and sustainable growth.

1. ESTABLISHMENT AGREEMENT SCHEME (CONTRACTUAL BENEFITS)

Benefits

- To be defined according to the project on import duties, tax on income of legal persons (IRPC) and individuals (IRPS), property tax, and stamp duty.

Access Requirements

- Sectors covered: all
- Compliance with the organized accounting system
- Investor with technical and management capacity
- Investment value of more than 3 billion ECV (corresponding to 27.2 million euros and 30.3 million dollars) in municipalities with per capita GDP higher than the national average
- Investment value of more than 1.5 billion ECV (corresponding to 13.6 million euros and 15.1 million dollars) in municipalities with per capita GDP below the national average
- Creation of a minimum of 20 directly qualified jobs.

Proceedings

- Application through Investor One-Stop Shop with the Cabo Verde TradeInvest

2. INVESTMENT SCHEME

Benefits

- Deduction of up to 50% of the annual corporate and personal income tax collection of 30% of the relevant investments made
- Stamp duty exemption on financing operations for the investment project
- Reduction of customs duties to 5% on the import of goods for the implementation of the investment
 - The detailed list of Tax Benefits (TB) can be found in Article 15 of the Tax Benefits Code (TBC)

Access Requirements

- Registration of the project at the Investor One-Stop Shop
- Compliance with the organized accounting system
- Investments in tangible fixed assets acquired in new condition and allocated to the company's activity in the country
- Acquisition of patents and licenses
- Regularized tax and contributory status
- Emigrant Investor Certificate

Setores abrangidos

- Health, Environment, Creative Industry, Tourism, Tourism Promotion and Real Estate, Industry, Air Transport, Maritime Transport, Port and Airport Services, Renewable Energies, Research and Development (R&D) and ICT Development.

Proceedings

- Submit the annual Model 1B tax return, including proof of acquisition of assets, patents and licenses online on the National Directorate of State Revenues (DNRE) platform.

2.1. INVESTMENT SCHEME (OTHER SECTORS)

Benefits

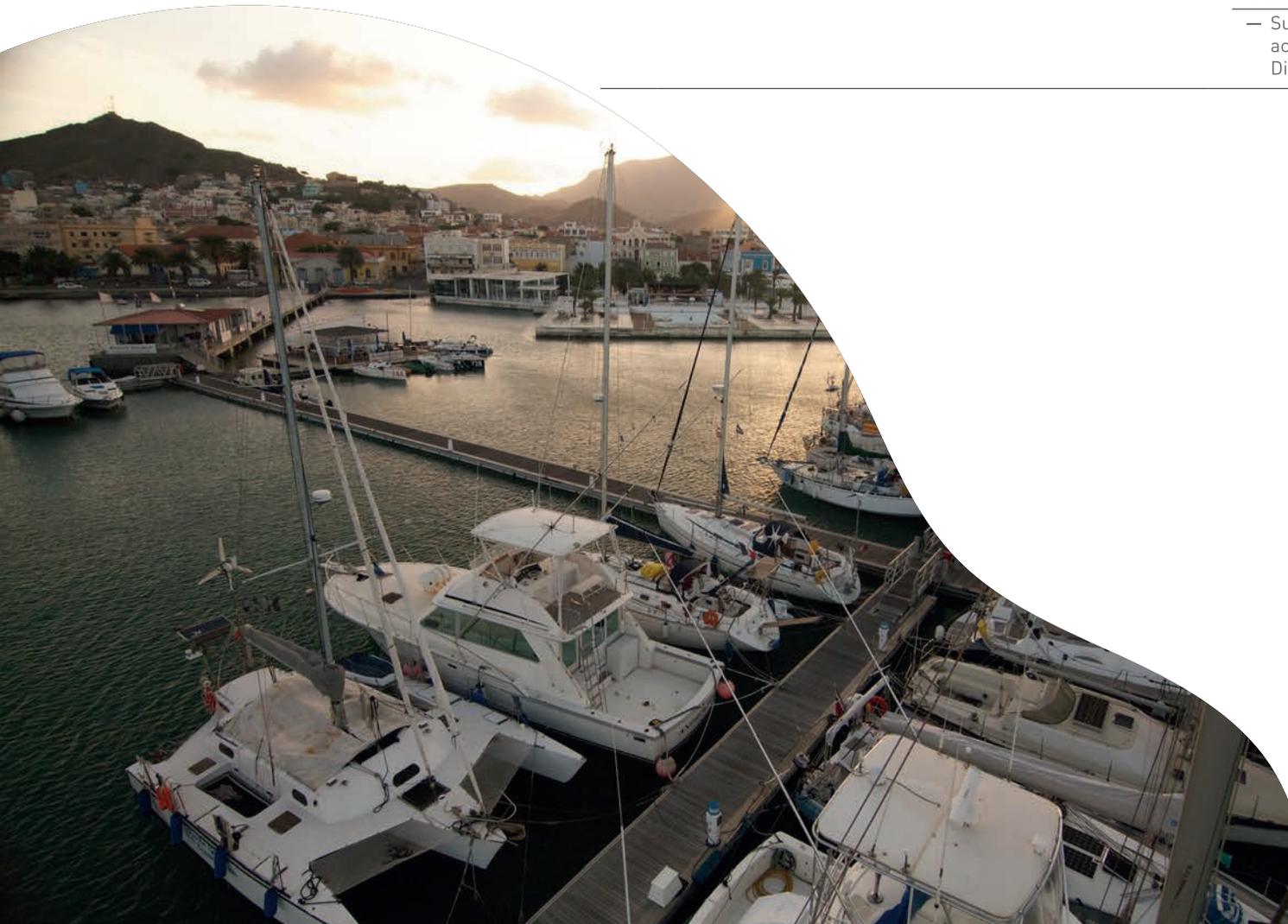
- Deduction of up to 50% of the annual collection of corporate and personal income tax on 30% of the relevant investments made
- Stamp duty exemption on investment project financing operations
- Reduction of customs duties to 5% on the import of goods for the implementation of the investment;
 - The detailed list of Tax Benefits (TB) can be found in Article 15 of the Tax Benefits Code (TBC).

Access Requirements

- Registration of the project at the Investor One-Stop Shop
- Compliance with the organized accounting system
- Investments in tangible fixed assets acquired in new condition and allocated to the company's activity on national territory
- Acquisition of patents and licenses
- Regularized tax and contributory status
- Emigrant Investor Certificate

Proceedings

- Submit the annual Model 1B tax return, including proof of acquisition of assets, patents and licenses online on the National Directorate of State Revenues (DNRE)



TOURISM

Access to tax incentives is granted through the award of Tourist Utility Status, which is processed in accordance with the following steps and requirements at Cabo Verde TradeInvest:

- Executive summary of the project with the main economic and financial indicators.
- Copy of the promoters' identification documents;
- CV of the promoters or company history (if the applicant is a company);
- Memorandum of Association and Company's Commercial Certificate;
- Bank statement (newly incorporated company);
- Declaration of status with the Tax Authority (company in operation);
- Declaration of social security contributions (company in operation);
- Location plan;
- Proof of ownership of the land;
- Operating license (when applicable - for example in the case of expansion);
- Environmental impact mitigation instrument (approved or proof of delivery);
- Proof of approval;
- Master Plan and/or Architectural Project, approved by the competent authority and drawn up in accordance with Decree-Law no. 14/94, of March 14, in conjunction with the General Regulations on Construction and Urban Housing;
- Specifications and quantified list of all materials to be consumed or used in the works and equipment (subject to customs exemption);
- Execution and implementation schedule.

DIFFERENTIATED MERIT PROJECTS AND EMIGRANT PROJECTS

Investment projects that cumulatively meet the following requirements are granted the status of Differentiated Merit Project (DMP)^[42]:

- An investment amount equal to or greater than CVE 1,500,000,000\$00 (corresponding to € 13,603,591.35);
- Contribute, in net terms, to improving the balance of payments;
- Use technology, production and marketing processes that minimize environmental impacts or promote environmental sustainability;
- Create at least five qualified jobs (those requiring specialized technical, professional or higher education training are considered as such);
- Introduce factors likely to help improve the quality of the offer; and
- They meet the conditions to enjoy tax benefits (relating to the taxable person) set out in the Tax Benefits Code (TBC).

These conditions include:

- the organized accounting tax regime, in accordance with Cape Verde's accounting standardization system;
- Exclusive use of the online electronic communication method to comply with tax obligations;
- Not being taxed by indirect methods;
- Regularized tax and contribution situation.

The following tax benefits (cumulative with those provided for in the TBC) are granted to investment projects that enjoy DMP status:

- Exemption from Property Tax on the acquisition of real estate exclusively for the installation of the investment project;
- Stamp Duty exemption on financing transactions for the investment;
- Exemption from Customs Duties on the import of goods for the investment project;

[42] Law no. 80/IX/2020, of March 26, which regulates the status of Differentiated Merit Projects

- State contribution of up to 50% of the costs of training and qualifying human resources during the first year of operation.

DMP status is also granted to investment projects with a value equal to or greater than ECV 500,000,000\$00 (corresponding to € 4,535,530.45), when developed in a municipality with an average GDP per capita over the last three years that is lower than the national average, and which meet the other criteria listed above.

In these cases, in addition to the tax and customs benefits listed above, the investment project may also be granted additional benefits.

Other benefits as a result of jobs created, training expenses, internships and scholarships, patronage, can be found in the Tax Benefits Code.

3. DIFFERENTIATED MERIT PROJECTS (DMP) AND EMIGRANT PROJECTS

Benefits

- Deduction of up to 50% of the annual corporate and individual income tax collection of:
 - 30% of the relevant investments made
 - 40% of the relevant investments made, if the project is carried out in a municipality with a Gross Domestic Product (GDP) per capita below the national average
 - 50% of the relevant investments made, if the project is promoted by an Emigrant Investor in a municipality with a GDP per capita below the national average
- Stamp duty exemption on investment project financing operations
- Reduction of customs duties to 5% on the import of goods for the implementation of the investment
 - The detailed list of Tax Benefits (BF) can be found in Article 15 of the Tax Benefits Code (TBC).
- Exemption from customs duties on the import of raw materials, subsidiaries, finished and semi-finished materials used in the manufacture of products by the company
- Exemption from property tax on the acquisition of real estate for the company's activities

Access Requirements

- All sectors
- Compliance with the organized accounting system
- Investments in tangible fixed assets acquired in new condition and allocated to the company's activity on national territory
- Acquisition of patents and licenses
- Regularized tax and contributory status
- Emigrant Investor Certificate
- Registration of the project at the Investor One-Stop Shop

Proceedings

- Application through Cabo Verde TradeInvest's Investor One Stop Shop

4. SPECIAL SCHEME FOR MICRO AND SMALL ENTERPRISES (SLSMSE)

Benefits

- Special Unified Tax (SUT) of 4% on sales
- Tax covers tax obligations and employer's social security contributions
- Exemption from customs duties and VAT on the import of a goods transport vehicle less than 5 years old
- SSMSE registered in the Industrial Register have access to the tax benefits granted to industry
- 30% SUT reduction for micro-enterprises in the first two years of activity
- 30% and 20% SUT reduction for small businesses in the first and second years of activity, respectively
- Stamp duty exemption on financing, registration and capital increases
- 50% reduction in notary fees when purchasing real estate

Access Requirements

- Registration of a new company or licensing of an existing SSMSE company
- Regularized tax and contributory status

Proceedings

- At Casa do Cidadão for new companies;
- Pró Empresa for existing companies wishing to be included in the scheme;

Scope

- All sectors, except those listed in Article 2 no. 2 and included in the annexed list of the Legal Scheme for Micro and Small Enterprises

5. INTERNATIONAL BUSINESS CENTER, YOUNG STARTUP & SPECIAL ECONOMIC ZONES: TRADE AND INDUSTRY

Benefits

- Reduction until 31.12.2030 of the CIT to:
 - 5% for entities with a minimum of 10 dependent/employee workers
 - 3.5% for entities with a minimum of 20 dependent workers
 - 2.5% for entities with at least 50 dependent workers
- Exemption from customs duties on the import of goods and equipment for setting up the company, raw materials, subsidiaries, finished and semi-finished materials used in the manufacture of products by the company
- VAT exemption
- Stamp duty exemption on financing operations for the investment project
- Exemption from property tax on the acquisition of real estate for the company's activities
- Exemption from notary fees and costs when registering the company

Access Requirements

- Prior licensing through the Investor One-Stop Shop
- Compliance with the organized accounting system
- Regularized tax and contributory status

Proceedings

- Application through Cabo Verde TradeInvest's Investor One Stop Shop

6. INTERNATIONAL BUSINESS CENTER, STARTUP YOUTH & SPECIAL ECONOMIC ZONES: SERVICES

Benefits

- Reduction until 31.12.2030 of the IRPC to 2.5% for entities with a minimum of 4 dependent workers
- Exemption from customs duties on the import of goods and equipment for setting up the company
- VAT exemption;
- Stamp duty exemption on investment project financing operations
- Exemption from property tax on the acquisition of real estate for the company's activities
- Exemption from notary fees and costs when registering the company

Access Requirements

- Prior licensing through the Investor One-Stop Shop
- Compliance with the organized accounting system
- Regularized tax and contributory status

Proceedings

- Application through Cabo Verde TradeInvest's Investor One Stop Shop

7. INDUSTRY

Benefits

- Exemption from customs duties on the import of goods and equipment for the installation, expansion or renewal of the company, raw materials, subsidiaries, finished and semi-finished materials used in the manufacture of products by the company (contained in Article 48 of the Tax Benefits Code)

Access Requirements

- Prior licensing through the Investor One-Stop Shop
- Compliance with the organized accounting system
- Regularized tax and contributory status

Proceedings

- Application through Cabo Verde TradeInvest's Investor One Stop Shop

8. AGRICULTURE, LIVESTOCK AND FISHING (INCLUDING BOAT MANUFACTURING)

Benefits

- Exemption from customs duties on the import of goods
 - The detailed list of Tax Benefits (TB) can be found in Article 47 of the Tax Benefits Code (TBC)

Access Requirements

- Compliance with the organized accounting system
- Regularized tax and contributory status

Proceedings

- Directorate-General for Agriculture, Forestry and Livestock (DGASP)
- National Directorate for Fisheries and Aquaculture (DNPA)

9. MARITIME TRANSPORT

Benefits

- Exemption from customs duties on the import of commercial vessels and tugboats, materials for the manufacture and repair of vessels, tractors and trailers for the operation of vessels

Access Requirements

- Reserved for duly registered and licensed national shipping companies

Proceedings

- Maritime and Port Institute (IMP)

MOBILIZATION OF FINANTIAL RESOURCES

The mobilization of financing is an important stage in the investment process, and one of the stages of the process that most stalls investments and causes people to give up. For this reason, it must be based on very solid foundations, so the following prerequisites are essential:

- **Team and skills:** a team of promoters and employees with relevant experience in the company's activity. These will be key elements in the company's day-to-day decisions and in developing products that bring value to customers, allow the company to grow and fully assume financial responsibilities with creditors, especially banks and suppliers.
- **Plan:** drawing up a business plan, as mentioned above, is an important part of planning the company's activity, as it defines its business model, the resources required, their financing, and the projection of financial indicators and the respective assessment of viability.
- **Own resources:** the existence of resources in the form of cash or in-kind contributions (goods and labor) is highly valued by financiers. They rarely participate in projects where they are the only source of financial resources. In the case of bank financing, it is common practice for credit not to exceed 70% of requirements. Meanwhile, equity financing, with the entry of new partners, usually takes the form of a minority position, i.e. a contribution of less than 50%. In fact, the contribution of a significant amount of the requirements by the promoter lends credibility to his position, allows him to share the risk with the financiers, provide the requested guarantees and safeguard a comfortable position of decision-making and control over the company.

The financing ecosystem in Cape Verde offers diversified bank financing options. This is through commercial banking, which focuses on small and high-value loans. In this segment, we have seven commercial banks, with a presence in all the country's municipalities and islands. In very low-value loans, we have seven microcredit institutions. Of these, Morabi and OMCV are

the two institutions with nationwide operations. The others operate mainly on the islands of Santiago, Fogo and Santo Antão.

Supplier credit, which originates externally, is very similar in size to bank credit. It is common practice for companies to grant short-term commercial loans. In sectors such as commerce, catering and the small agro-food industry, commercial credit is the most important source of funding from the start of the business and throughout the life of the company. These are revolving loans, typically with terms of 30 to 60 days, without collateral and essentially conditional on the debtor's personal credibility.

Equity financing, which is still small, is currently limited to Pró-Capital and the Impact Fund, which was launched in December 2022. These invest in a mix of equity and/or credit for a period of typically 5 to 7 years through a prior exit agreement. Always entering with a minority position, as partners, they actively participate in the company's operational activity with the intention of supporting the company's management and the achievement of results and business growth.

The Cape Verde Stock Exchange is also an operator in the Financial System that supports companies and the state in launching financing products by issuing shares and bonds on the market for investors. As such, this is one of the opportunities offered to investors from the Diaspora who do not want to make a direct investment by setting up their own business.

For its part, the Cape Verdean government has been an important driver of the financial system through various initiatives aimed at strengthening credit guarantees through state guarantees and the Pro-Guarantee and, as a result, promoting easier access to credit for companies from banks.

The following is a summary of the various players in Cape Verde's financing ecosystem from which investors in the Diaspora can mobilize financing for their businesses.

ECONOMIC FINANCING ECOSYSTEM

Modality	Segment and Entities	Products
BORROWED CAPITAL	■ Banking <ul style="list-style-type: none"> — Banco Comercial do Atlântico (BCA); — Banco Cabo-verdiano de Negócios (BCN); — Banco BAI Cabo Verde; — Banco Interatlântico (BI); — Caixa Económica de Cabo Verde; — International Investment Bank (IIB); — Ecobank Cabo Verde. 	<ul style="list-style-type: none"> — Investment Credit — Treasury loans — Foreign Trade Credit — Real estate loans — <i>Leasing</i>; — <i>Factoring</i>.
	■ Microcredit <ul style="list-style-type: none"> — Morabi - Cooperativa de Poupança e Crédito; — COOP - ASDIS Microfinanças; — Citi.COOP; — SOLMI - Sociedade Cooperativa de Poupança e Crédito; — OMCV Crédito; — SOLDIFOGO COOP; — FAMI-PICOS - Mutualidade de Poupança e Crédito; — AMUSA - Associação para Mutualismo de Santo Antão. 	<ul style="list-style-type: none"> — Microcredit for investment and treasury
	■ Suppliers <ul style="list-style-type: none"> — Empresas. 	<ul style="list-style-type: none"> — Commercial loans
	■ Guarantees <ul style="list-style-type: none"> — Pró-Garante - Sociedade de Garantia Parcial de Crédito, S.A.— 	<ul style="list-style-type: none"> — Guarantees associated with bank loans
OWN CAPITAL	■ Venture Capital <ul style="list-style-type: none"> — Pró-Capital — Fundo Pró-Impacto 	<ul style="list-style-type: none"> — Minority shareholder investment
	■ Capital Markets <ul style="list-style-type: none"> — Cabo Verde Stock Exchange 	<ul style="list-style-type: none"> — Issuance of shares — Bond issues — Diaspora Bonds
OTHERS	■ Incentive Mechanisms <ul style="list-style-type: none"> — Government of Cabo Verde 	<ul style="list-style-type: none"> — Tax Incentives — Start-up Jovem — Incubation Programmes

PAN-AFRICAN BANKING

New pan-African banks are driving the expansion of financial services and economic integration in Africa, helping to unlock the enormous potential of a fast-growing region. The main resources provided by two pan-African banks are summarized below.

AFRICAN DEVELOPMENT BANK - BAD

One of the main products of interest to investors offered by the BAD are Non-Sovereign Guaranteed Loans (NSGLs), which are Fixed Spread Loans (FSLs) that have a fixed loan spread over the Base Rate throughout the loan period. These loans can be applied to corporate or project financing^[43]:

- In corporate financing, eligible entities obtain resources to support investment programs aimed at improving their overall performance in strategic sectors;
- In project financing, the Bank can finance specific projects with the payment of debt from the project's cash flows.

In addition, the Bank can underwrite debt instruments issued by private or public sector companies, provide Lines of Credit and Agency Lines, offer loans in local currency and support the syndication business using FSLs. Some of the conditions are:

- **Beneficiaries:** Non-sovereign guaranteed borrower in any member country with a project domiciled in any regional member country, including viable and autonomous public sector entities without sovereign guarantee and private sector entities;
- **Repayment period:** Up to 15 years, including a maximum grace period of 5 years from the signing of the loan agreement. If necessary, loans with longer maturities may be considered, provided that the Banking Group's Credit Risk Committee authorizes it;
- **Value:** The Bank's exposure in any project will not exceed (i) 33% of the total cost of the project or investment program, or (ii) 50% of equity at any time in the case of loans to private financial institutions.

AFREXIMBANK - AFRICAN EXPORT-IMPORT BANK

Its financing options^[44] for companies can be divided into project finance and export development.

Financing related to projects

The Bank offers restricted financing for export, industrial and infrastructure projects that support exports or produce services that can be marketed, such as energy, telecommunications and others. Promoters must have experience or enter into partnerships with reputable entities. The Bank also provides bridging loans for projects with delays in the release of funds, but which meet all the loan conditions and guarantees. The aim is to reduce the cost of delays in release for the benefiting projects. Some of the conditions are:

- **Beneficiaries:** Eligible entities promoting projects in Africa; and Eligible entities promoting projects outside Africa, provided that the African content in the tender for that project is at least 60%. African content is defined as the sum of rents, interest, salaries, wages and profits retained in Africa;
- **Interest rate:** Linked to Libor. The spread is determined by the risks of the borrower, the transaction and the country, as well as the term of the loan;
- **Repayment term:** The maximum repayment term under this facility is 7 years.

Export development

Afreximbank has an Export Development department^[45] which combines credit, risk-taking, twinning and market access to support projects aimed at promoting the export production of products, in line with the objectives of

[43] For more informations, visit: <https://www.afdb.org/en/documents/financial-products-handbook-2022-2023>

[44] For more informations, visit: <https://www.afreximbank.com/products-services/our-key-services/trade-project-financing/project-related-financing/>

[45] For more informations, visit: <https://www.afreximbank.com/products-services/our-key-services/export-development/>

industrialization and export development. It also provides consultancy and capacity-building services with a view to creating an environment conducive to industrialization and export development on the continent.

INTERNATIONAL ORGANIZATIONS

INTERNATIONAL FINANCE CORPORATION (IFC)

A member of the World Bank Group, it is the largest global development institution focused exclusively on the private sector, transforming ideas into investments for green growth, inclusive jobs and impact projects. It finances initiatives in developing countries, investing in private sector growth, combining economic development with humanitarian needs to create real progress for the people and places that need it most^[46].

UNITED STATES AFRICAN DEVELOPMENT FOUNDATION (USADF)

Agency created by the U.S. Congress to invest in grassroots organizations, entrepreneurs, and African small and medium-sized enterprises (SMEs). USADF investments^[47] promote local economic development by increasing incomes, revenues, and jobs, as well as creating pathways to prosperity for marginalized populations and underserved communities.

USADF awards grants of up to US \$250,000 directly to underserved African businesses and social entrepreneurs who are creating and maintaining jobs, improving income levels, and achieving greater food security, energy access, and employment opportunities for their communities.

[46] For more informations, visit: <https://www.ifc.org/en/what-we-do/products-and-services/how-to-apply-for-financing>

[47] For more informations, visit: <http://www.usadf.gov>



IMPLEMENTATION OF THE INVESTMENT AND START-UP OF OPERATIONS

Having completed the hardest phase of the process, the mobilization of financial resources meets the conditions for the installation phase of the business. At this stage, a long process of infrastructure installation begins that may include the acquisition of public or proven land or buildings, construction, access to essential services such as water and energy, as well as recruitment of personnel.

CONSTRUCTION

Depending on the availability of buildings that can be adapted in the locality where the company is intended to be installed or due to long-term economic benefits, location or specific business needs, the construction of a new building may be a better option.

For the purpose of obtaining the construction license, although each City Council has specific procedures, the process has the steps illustrated in the table on the next page.

Construction carries risks of faulty construction, environmental impact and accidents. Notwithstanding the development of architectural, construction, specialty and other projects, situations of defective construction, the use of low-quality materials and excessive delays, require construction management using permanent supervision, prior validation of materials to be used, the existence of guarantees of good execution, insurance applicable to construction, among other safeguard measures.

ACQUISITION AND CONCESSION OF STATE PROPERTY

The State of Cabo Verde has a vast heritage of buildings and land with an

important potential for use in business activity. The acquisition of State real estate is processed with the National Directorate of State Heritage and Public Procurement and the Municipal Councils, in the case of State or municipal land. Thus, it follows the process step by step from the negotiation stage to registration.

ESSENTIAL SERVICES CONTRACTS

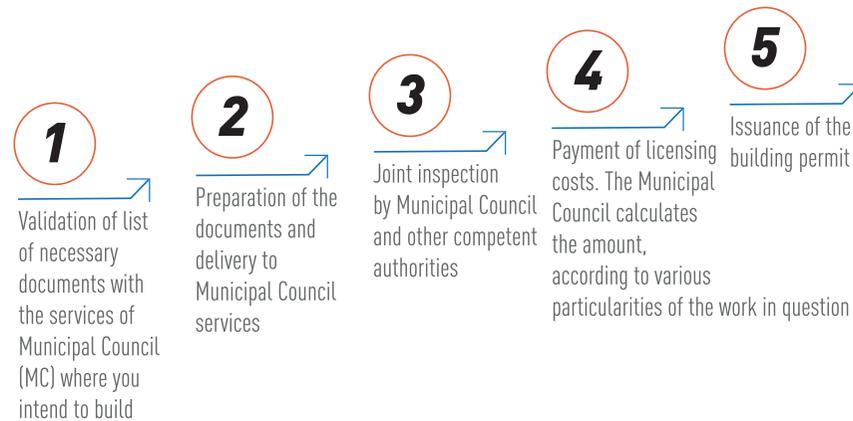
During the construction, or at its end, there will be a need to connect to essential infrastructures such as the electricity network and water supply network for the operation of the company, production for own consumption or outsourcing.

The current development of technologies for energy production has made it easy, often more economical and environmentally more beneficial to invest in renewable energy production and, from this and in cases that justify, the production of water through desalination. So companies are encouraged with tax benefits to invest.

One of the main benefits of solar energy for businesses is the potential to reduce energy costs and become less dependent on external sources. By generating their energy, companies can reduce their dependence on power grid, significantly reduce their energy bill and minimize supply disruptions. This clean, renewable energy source can help companies reduce their carbon footprints. This improves environmental performance and reputation with society, customers, employees and investors.

On the other hand, the external contracting of energy and water supplies requires an application process with the competent services of Electra locally, where your company is located, Águas e Energia Boavista (AEB) or Águas de Santiago (AdS) in the cases of the islands of Boa Vista and Santiago, respectively.

1. PROCEDURAL ROADMAP: OBTAINING A BUILDING PERMIT



List of required documents

- > Filling in the application/form/internal model available at the Municipal Council
- > Term of Responsibility of a civil engineer, responsible for the work, with notarized signature at the registry office
- > Copy of the Engineer's ID document
- > Copy of the applicant's and interested/owner's identification document;
- > Updated location plan
- > Updated Matrix Certificate
- > Copy of the purchase and sale agreement or lease agreement (accompanied by the original for authentication purposes)
- > From 3 floors, the permit (civil construction license) of the construction company is also required
- > Indication of the date of approval of the Architectural Project or proof of such approval
- > Indication of the date of approval of the Stability Project or proof of such approval
- > Proof of payment of Property Tax (IUP) or lease on time;
- > In case of renovation work, you must send the following documents:
 - Application duly filled in
 - Old license (expired)
 - Information or building permit (works with more than 3 floors)

2. PROCEDURAL ROADMAP: ACQUISITION AND CONCESSION OF STATE PROPERTY



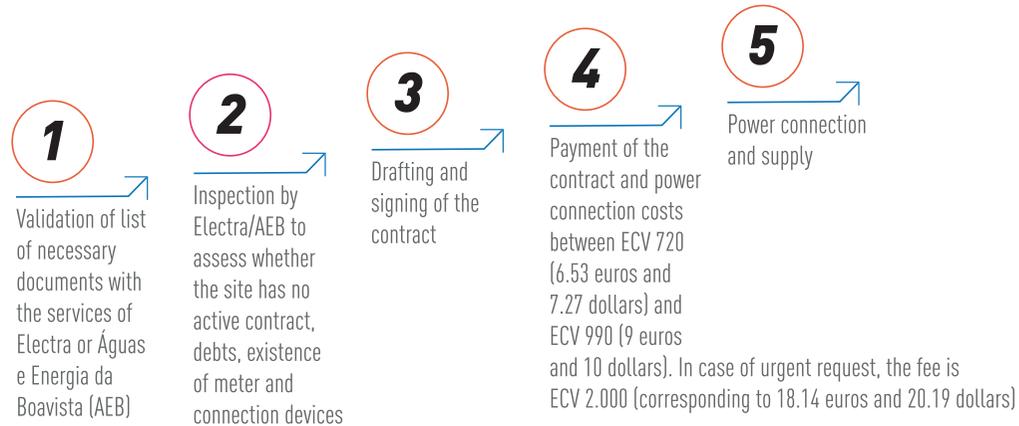
List of required documents

- > Company's commercial certificate
- > Articles of association
- > Declaration of company TIN
- > Personal identification card and TIN of partners, managers or representatives;
- > Criminal record of the managers
- > Certificate of licensing of the company's activity
- > Declaration of tax and social security regularity

Nota:

- DNPE: National Directorate of State Heritage and Public Procurement

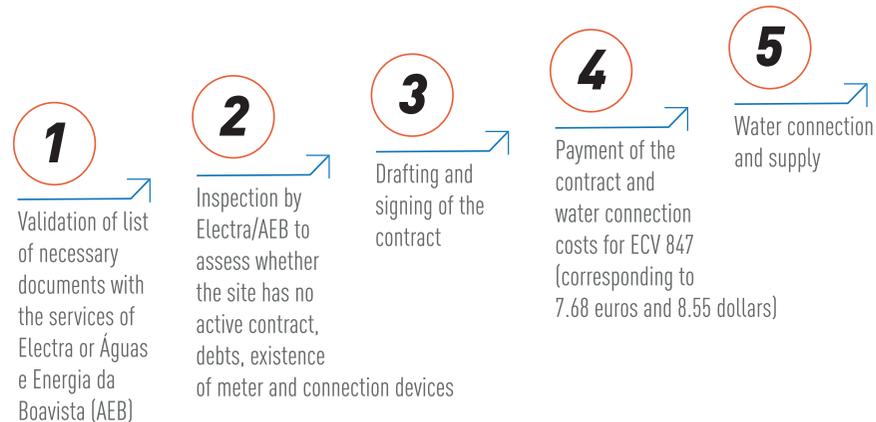
1. PROCEDURAL ROADMAP: ACCESS TO ELECTRICITY



List of required documents

- > Term of responsibility of the technician responsible for the execution of the electrical wiring (with signature) according to the draft model
- > Copy of personal identification card of the technician in charge
- > Electrical data sheet of the installation to be supplied (duly filled in and signed)
- > Electrical diagrams (box and plan)
- > Location plan of the place of consumption, in case of single-phase installation, only this document
- > Complete descriptive memory of the electrical project, in case of three-phase installation

2. PROCEDURAL ROADMAP: WATER ACCESS



List of required documents

- > Copy of personal identification card of the entrepreneur in the individual name or legal representatives of the company
- > Tax Identification Number (TIN) declaration
- > Municipal Council's inspection report
- > Property Registry Certificate, issued by RNI - Registration, Notarial and Identification

ACQUISITION AND INSTALLATION OF EQUIPMENT

The acquisition of equipment installation requires a good selection of equipment, quality assurance, price, the supplier with the best technical, financial and support services, as well as compliance with applicable regulations.

The first factor to consider is the specific equipment needs of the business. This includes identifying the types of equipment needed, the quantity needed, and any features or specifications needed. It is essential to consider the quality of the equipment being purchased. This includes factors such as durability, reliability, and performance. Choosing high-quality equipment can help minimize maintenance and repair costs and reduce downtime as well as energy efficiency, which allows for reduced financial and environmental costs.

Price is an important consideration as it affects the overall cost of the acquisition. However, it is important not to sacrifice quality for price as this can lead to higher costs in the long run.

Choosing a reliable supplier is important to ensure that the equipment is of high quality and delivered on time. This issue becomes even more critical when it comes to international procurement. In order to better manage the risks of non-compliant delivery of equipment or even lack of delivery, the banking system in Cape Verde has at its disposal documentary credit that ensures that the supplier complies with contractual commitments.

It is essential to conduct research and evaluate potential suppliers based on their reputation, experience, customer reviews, and after-sales services such as warranties, training, and technical support.

When purchasing equipment, it is important to ensure that it is compatible with existing equipment and systems. This can help minimize the risk of compatibility issues and reduce the need to purchase additional equipment.

But also the legal requirements related to safety standards or environmental regulations.

RECRUITMENT, MANAGEMENT AND DEVELOPMENT OF HUMAN RESOURCES

In all companies, the most important thing is people and when companies are very small or when they are at the beginning, then they are even more important. Therefore, hiring and training staff is an essential step. There are no successful companies without qualified, productive and motivated human resources.

Launching public recruitment tenders is the most effective way to identify talent available in the market. The use of recruitment companies allows for effective management of the process and the advantage of a faster selection since they have references of professionals in the market who meet the desired profiles.

In cases where the profiles of senior technicians or newly graduated professionals are suitable, it is recommended to use the qualifications exchange of the Institute of Employment and Vocational Training (IEFP) where references of professionals looking for a job can be obtained. For the specific case of tourism and other related activities, such as hotels and restaurants, in partnership with the IEFP, there is the School of Hotel and Tourism of Cape Verde (EHTCV).

Once recruited, there is a set of good human resources management practices that allow, through people-based management, to create a culture for performance, which guarantees rights, protection and values human resources.

Gender equality: it should establish policies that promote equal opportunities for women and men from recruitment, hiring, promotion and remuneration. This can include policies such as flexible work arrangements, parental leave, and orientation programs.

Safety: Should develop policies and procedures that ensure a safe work environment for all employees, from regular safety training, risk assessments, and workplace violence prevention programs.

Pay equity: Conduct regular pay equity reviews to identify and address any gender-based pay gaps, as well as policies that promote transparency in pay and provide employees with opportunities for advancement and career development.

Opportunities for young people: It must offer employment opportunities, internships, study and research programs, schedules adapted to young student workers and scholarships.

Insurance policy: These offer additional coverage to the mandatory social security and occupational accident insurance schemes, such as health insurance, disability insurance and life insurance, and must cover your households.

Sexual harassment: Addressing sexual harassment by developing and implementing policies and procedures that prevent and respond to sexual harassment in the workplace. This can include regular training for employees and managers, an incident reporting system, and disciplinary measures for violators.

INTERNATIONALIZATION AND EXPORT

With the USA, the European Union and ECOWAS becoming preferential markets, Cabo Verde has negotiated agreements and conventions in the economic, commercial and fiscal areas in order to reduce the dependence of small and medium-sized enterprises (SMEs) on domestic markets, which strengthens their competitiveness and enhances their long-term sustainability. The country has specific agreements with the US through the African Growth and Opportunity Act (AGOA), with the EU through the Generalized System of Preferences Plus (GSP+) and with ECOWAS through the Trade Liberalization Scheme (ETLS).

For its part, AGOA allows eligible African countries to export about 6,400 products duty-free to the U.S. GSP+ allows preferential access to all Cape Verdean products exported to the EU market, free of quotas and services. Finally, the ELTC allows the export of agricultural, fishery, mining, and industrial and handicraft products to companies in the 15 countries of the ECOWAS area free of customs duties and charges.

Cabo Verde TradeInvest (CVTI) provides companies with personalized advice, information and advice on the business environment, information on the conditions of access to markets, such as export constraints and agreements in force, the instruments to support companies for their training, investment, development and implementation of their projects, including the reduction of bureaucracy, response times and investment costs. It also provides assistance in the search for partners for project implementation.



GUIDING PRINCIPLES OF BUSINESS

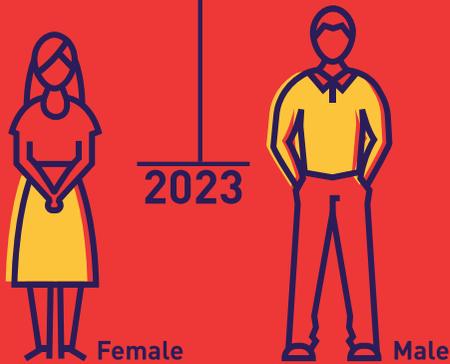
7



Companies run by men and women

180.160
Active companies

66,8% of active companies
in Cabo Verde are sole proprietorships
/unincorporated companies



Ratio of men to women in business management

29% **71%**

Women are more represented
in the accommodation and
catering, and health sectors

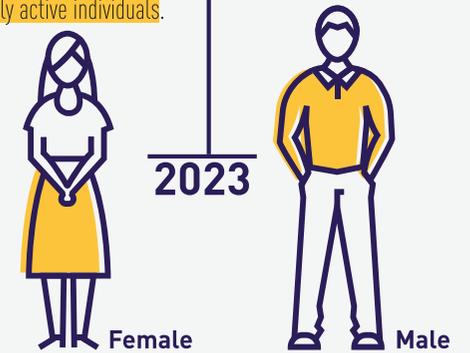
Men predominate in the
manufacturing and
construction sectors

Employed population and employment rate

190.461

Active people

This figure represents an employment
rate of 51.8%. The workforce aged 15
and over is estimated at 367,514
individuals, representing 72.2% of the
total population. There are
212,313 economically active individuals.



Proportion of men and women employed

43% **57%**

The number of active women
is lower than that of men,
at 92,418.

119,896 men are considered
economically active.

Guided by the values of integrity, the objective of the following guiding principles for valuing people, work and businesses, is to adopt a common line on measures and initiatives aimed at improving the value of investments in Cabo Verde, in particular, assuming an emphasis on the entire ecosystem of job and business creation and its connections, in the co-creation between stakeholders and in the creation of societal value.

ADOPTION OF ENVIRONMENTALLY FRIENDLY/SUSTAINABLE MEASURES

Sustainability is a concept that refers to the ability to meet present needs without compromising the ability of future generations to meet their own needs. It is a balance between economic, social and environmental development, ensuring that the natural resources and systems that sustain life are preserved for generations to come. The focus on sustainability is vital due to current environmental challenges such as climate change, biodiversity loss and depletion of natural resources. In a supply chain business approach, this process encompasses how products are moved, manufactured, operated and treated at the end of their life with sustainable principles. The adoption of sustainable measures by companies, becomes necessary to mitigate these risks, promote the responsible use of natural resources, reduce the ecological footprint of human activities and build a more resilient and balanced future for all.

Recommended actions to be taken in this matter:

Energy

- Installation of solar panels;
- Improving the energy efficiency of buildings through better insulation, energy-efficient appliances and smart cooling systems;
- Transition from traditional incandescent bulbs to LED lighting, which consumes less energy and has a longer lifespan.

Water

- Reuse of air conditioning water to water indoor plants;
- Installation of water taps with flow limiters or install smart water sensors for automatic shut-off;

- Equip water tanks with automatic water level controllers to prevent overfilling;
- Encourage water-efficient irrigation methods for gardening.
- XXX

Use of recycled materials and waste treatment

- Encourage employees to separate and correctly manage waste and recycling;
- Encourage employees to use reusable paper containers, cutlery, plates, cups and straws and to transport food in reusable bags;
- Encourage employees to adopt sustainable printing habits.

In general

- Ensure that products are transported, manufactured, operated and managed at the end of their useful life with sustainable principles;
- Think about how your business can contribute to achieving sustainable results;
- Reduce the environmental footprint of the events organized by the company.

CONTRIBUTE TO COMMUNITY DEVELOPMENT

Companies play a vital role in the localities where they are located, and the importance of incorporating values in a way that contributes to the local community cannot be underestimated. In addition to seeking profits, companies have a responsibility to contribute to the well-being of these locations. By adopting practices that promote sustainable development, social responsibility, and positive impact, companies will be strengthening their ties with the community.

Recommended measures to be taken in this regard:

- Partnerships with charities and community entities;
- Volunteer initiatives that involve the company's employees in community activities;

- Educational initiatives to promote skills needed for the job market;
- Support for programs that preserve and promote the culture of the region;
- Contributions to improvements in schools, hospitals, or other public facilities;
- Developing products or services that meet the specific needs of the community.

PREVENTING AND COMBATING SEXUAL HARASSMENT AND ABUSE

Sexual harassment and abuse in the workplace are issues that must be addressed assertively, providing clarifications and appropriate procedures for adopting measures through a complaint/complaint. The company has a responsibility to protect the dignity of all personnel in the workplace and to prevent such behaviour.

Harassment encompasses any act, conduct, statement, or request that is unwelcome to another person and that may in all circumstances reasonably be considered behavior of a discriminatory, offensive, humiliating, intimidating, or violent nature or an intrusion into privacy. Harassment may include an action, behaviour, statement or manifestation related to a person's race, age, beliefs, religion, national or ethnic origin, physical attributes, gender, sexual orientation, marital status or family situation. Harassment includes, but is not limited to, sexual harassment, abuse of authority, and retaliation.

Sexual harassment is any unwanted sexual advance, request for sexual favors, or other verbal or physical behavior of a sexual nature that becomes a condition of employment or creates an intimidating environment through subtle and repeated pressure to engage in sexual activity. It is particularly serious and offensive where this type of behaviour is engaged in by a member of staff who is in a position to influence the career or employment conditions (including recruitment, assignment, contract renewal, performance appraisal, working conditions or promotion) of the recipient of such attention. In this situation, sexual harassment is also an abuse of power. Both male and female

colleagues can be victims or offenders. Sexual harassment can be directed against a person of the opposite sex or of the same sex. Sexual harassment can also occur outside the workplace and/or outside of working hours.

Recommended measures to be taken in this regard:

- Raise awareness of issues related to sexual harassment and abuse through trainings;
- Establish communication channels, take swift and appropriate disciplinary and investigative action when harassment is reported, and be accountable for the results;
- Train managers on preventing and combating harassment so that they take greater responsibility and accountability for a harassment-free work environment;
- Encourage reporting, ensure that they are kept confidential, and protect whistleblowers.

ORGANIZATIONAL POLICY FOR GENDER EQUALITY

Companies should strive to uphold equality between men and women and contribute to removing any kind of obstacle to gender equality.

Recommended measures to be taken in this regard:

- Empower employees on gender equality;
- Promote gender balance in decision-making panels;
- Encourage gender balance in recruitment;
- Encourage the development of gender-based projects;
- Creation of internal policies oriented towards gender equality;
- Ensure that all employees have an equal opportunity to access opportunities and receive fair treatment within the company.

ADOPTION AND IMPLEMENTATION OF A CODE OF ETHICS AND CONDUCT

The code of ethics and conduct plays a primary role in guiding the actions of employees, fostering integrity and transparency, and building a solid reputation with partners. It serves as a guide for ethical choices, preventing

inappropriate behavior and conflicts of interest, thus strengthening the trust of customers, partners, and investors. This essential tool drives positive values, corporate responsibility, and increases long-term company respect.

Recommended measures to be taken in this regard:

- Conduct training sessions for all employees on the principles, values and standards contained in the Code of Ethics;
- Ensure that the Code of Ethics is widely disseminated and accessible to all employees, and can be easily found;
- Demonstrate the commitment of top management to the Code of Ethics and its adherence, promoting an example to be followed by all levels of the organization;
- Establish clear disciplinary measures for those who violate the Code of Ethics;
- Regularly review and update the Code of Ethics to ensure that it remains relevant and aligned with changes in the organization's internal and external environment.

POLICY FOR THE INCLUSION OF GROUPS IN VULNERABLE SITUATIONS

Promote an approach that seeks to ensure participation and equal opportunities for groups facing social, economic or cultural disadvantages. These groups can include ethnic minorities, people with disabilities, immigrants, refugees, and the elderly, LGBTQ+, among others. The policy aims to reduce disparities, promote social justice, and ensure that these groups have equitable access to services, resources, and opportunities. The promotion of inclusion by companies makes society more diverse, egalitarian and empowered, promoting a better quality of life for all its members.

Recommended measures to be taken in this regard:

- Promote regular training for all employees on the importance of inclusion and how to deal sensitively with vulnerable groups;
- Define a policy that outlines the company's commitment to the inclusion of vulnerable groups;

- Ensure that employment, promotion, training and development opportunities are accessible to all employees regardless of their circumstances;
- ensure that facilities and working spaces are adapted to meet the needs of persons with disabilities, reduced mobility or other limitations;
- Develop accessible digital platforms and resources, such as websites and apps, to ensure that everyone can benefit from the company's information and services;
- Establish explicit non-discrimination and zero-tolerance policies to prevent and address cases of discrimination or harassment;
- Involve vulnerable groups in decisions that affect their lives;
- Offer flexible work options, such as alternative working hours or telework, to meet the needs of employees.

TRANSPARENCY AND ACCOUNTABILITY

Transparency and accountability are crucial in the business environment because they promote trust, and strengthen companies' reputation and sustainability. Transparency, by disclosing clear information about operations and decisions, builds reliable relationships with customers, investors and employees. Accountability, taking responsibility for social and environmental impacts, demonstrates commitment to ethical practices and generates trust from partners. Both principles stimulate innovation, improve risk management and contribute to a healthy corporate culture, resulting in competitive advantage and sustainable growth.

Recommended measures to be taken in this regard:

- Ensure transparent disclosure of relevant information to partners, customers, employees, investors and partners;
- Establish clear guidelines on how internal and external communication should be conducted;
- Ensure that decision-making processes, from strategic decisions to operational ones, are transparent and well-documented;
- Provide regular training for all employees on the importance of

transparency and accountability, as well as how to act following these principles;

- Periodically review policy and practices to ensure they remain in line with internal and external changes and remain effective.

SOCIAL SECURITY

Social Security is of extreme importance for the business environment, as it contributes to the stability and prosperity of organizations. By providing financial security and well-being to workers, social protection reduces the risk of absenteeism, occupational disease and dissatisfaction, resulting in greater productivity and engagement. In addition, it reflects the company's commitment to caring for its employees, strengthening the organizational culture and attracting and retaining talent. Social Security also contributes to building an image with the community and partners.

Recommended measures to be taken in this regard:

- Provide clear and detailed information on the benefits of the social protection system to employees, so that they are aware of the resources available;
- Provide a comprehensive health plan, ensuring that employees can access medical care when needed;
- Provide life insurance that offers financial support to the beneficiaries in case of the death of the employee;
- Implement wellness programs that promote the mental and physical health of employees, such as yoga sessions, exercise classes or nutritional guidance;
- Offer financial support or special licenses to employees seeking continuing education, training or professional improvement;
- Offer retirement plans or private pensions that help employees to prepare financially for retirement;
- Create an emergency assistance fund for employees facing unexpected crises, such as natural disasters or emergencies.

KEY SUCCESS FACTORS

8



Attention! To be successful you need...

The success of companies depends not only on internal factors that are in the control of the companies but also on external factors that are outside their control. Thus, they should have clarity about their potentialities and limitations.

Internal factors are associated with costs, location, management capacity, quality, production and customer satisfaction, and financial management performance. The external factors result from the evolution of market demand, competition from other companies, quality of raw materials, climate conditions, infrastructure, the availability of financing, technology, human resources, social stability, security, and legal framework, among others.

Human resilience depends a lot on the ability of the human being to adapt to the environment. The same is true for companies in local, regional, national and international contexts, exposed to a medium over which they have no control so that the success of companies depends above all on:

- **Quality planning** empowers companies to navigate the uncertainty of the business environment with purpose and strategy. Prepare them to make informed decisions, adapt to changes and work together to achieve their goals.
- **Preventive risk management** allows companies to identify potential risks and uncertainties in advance. By anticipating the challenges, companies can develop strategies to mitigate these risks while minimizing potential negative impacts.
- **Management and team motivation** create a virtuous cycle where engaged employees promote increased productivity, better results and a pleasant and positive work environment. This, in turn, contributes to the company's growth, innovation and sustained excellence.
- **Quality and production efficiency** are associated factors that have a direct impact on the financial results, competitiveness and growth of a company. Companies whose production complies with the regulations, respond to consumer wishes and can be competitive in price are better

positioned to thrive in the market, Build lasting relationships with customers and achieve long-term success.

- **Customer relationship management** is essential to the success of a company as it favors interactions with customers, increases their satisfaction and drives sales growth. This management requires good management of the customers' data, allowing a better knowledge of preferences and buying habits. In this way, the company will be able to build a lasting relationship with customers and successfully execute sales plans and goals.
- **Profit generation and financial balance** of the company serve as the backbone of a company's success. They enable companies to invest in growth, innovation, talent and resilience, positioning them for sustained success in a dynamic and competitive business environment.

Some of these success factors are validated among Diaspora investors in Cape Verde, whose testimonies are shared here. During this process of listening and collecting contributions, it was emphasized that they ran into numerous difficulties, such as administrative, financial and technical constraints, the specific local context and opportunities. However, a consensus idea emerges in all these contributions: they have the flexibility and the ability to adapt to new scenarios, resources and constraints that they find in the contexts where they are inserted, through the capacity of incorporation of innovation, knowledge and renewal.

Knowledge, innovation and entrepreneurial capacity are the great assets that the Diaspora can bring. Despite the limitations of the business environment, they have succeeded, intend to invest more and encourage everyone to do the same for their country.

ROMINA DIAS

Health Care Entrepreneur, Boa Vista, ex-emigrant in Brazil

There are two reasons behind this woman's decision to open a dental clinic. The firmness of the ties that binds it to the home island and, on the other hand, the dream of creating a health unit to fill a gap in Boa Vista. The Island is a tourist destination, meeting the needs of the permanent and floating population derived from tourism and emigrants on holiday on the island.



In the first phase, he felt the weight of critical success factors as well as the most varied external obstacles to the success of medium-long term projects. As a dentist, she had not much experience in the administrative area so she had enormous difficulties to learn how to manage a company. She returned to Brazil to live and study for eight years and made regular trips to work in the company.

Upon return, equipped with a deeper knowledge of the business environment and the actual threats, is constantly seeking ways to ensure the sustainability and strategic development of its clinic with all the technical knowledge it has gained in the last eight years, with a lot of personal effort and attempts without achieving the expected results. In his words, Cape Verde does not have the facilities found elsewhere, making it very difficult for those who want to start from scratch or even for those who want to start over.

However, she likes the current business environment. The company already

has 8 employees, including technicians and assistants, recording a monthly average of more than 300 consultations, in all age groups and the various dental services. Because of the increase in the number of customers, the company achieves a turnover of more than 10 million escudos (corresponding to 91 thousand euros and 101 thousand dollars) annually.

In the coming years, she seeks to make the clinic grow and create value, jobs and wealth through new partnerships and commercial opportunities. For Romina Dias, the first condition of success is planning because "the feeling at arrival is that things are stopped in time. Therefore, you have to plan, have a lot of willpower, determination, courage and go 'with everything'. What moves us is the love for this land that makes us face its challenges because here nothing is easy. It's tying the cloth on the waist, as the people say because nothing is easy here. Access to finance is extremely difficult and public or private support is practically non-existent".

MARCOS RODRIGUES

Entrepreneur in the ICT sector, Santiago, ex-emigrant in Portugal

Emigration was the main motivator. Emigrated at 3 years old with his parents to Angola where he stayed until 15. From there they went to Portugal where he became aware of what emigration is.



In 2010, he started a company, which today is the largest Cape Verdean company in the technology sector and employs more than 20 people directly and 50-60 indirectly. We have a huge

potential for growth since we operate in the infrastructure area of the country.

They had no state support because there were no specific incentives at the time focused on the Diaspora. Later, he created a company for the import and distribution (commercialization) of construction materials, growing within the normal rhythm. The driving force behind the businesses created was the desire to help develop the country where he was born.

The main difficulty that the company has is the competition of the unregulated informal market that proliferates and poses increased and insurmountable challenges for those who want to invest in the country. However, it has plans for future investments and new developments.

For the Cape Verdeans in the Diaspora, it advises investment for security of investment, the desire to help the country and the quality of life that comes from it.

MICHEL DOS SANTOS

Entrepreneur in the agricultural sector, Santiago, emigrant in France

His father took him to France 13 years ago when he was 17. At this age, he could not enter school so he took a language course. He wanted to do a training of plate-car, but he couldn't, so he went to work in gardening with his uncle.



The reason for the investment in Cape Verde was patriotic, helping the country

to the maximum of its possibilities by creating a large company that could generate jobs and develop the country.

He brought his brothers together and together they planned the company. Creating a business in Cape Verde is a simple process. He went to Casa do Cidadão and they had the support and all the information necessary for this. They created a farming company in 2020. It is located in Agostinho Alves, on the way to San Francisco. We produce about 40 pallets of eggs daily.

Its initial investment was around 70,000 euros (\$78,000). It also felt the weight of critical success factors, as well as the external difficulties typical of countries that are not yet so developed, such as the case of Cape Verde. The investment was financed by self-financing and did not benefit from the funding due to procedural barriers and lack of information.

Other difficulties were access to water and energy, involving personal diligence and waist-high. These problems persist. Now, the results are positive, but not desired because of the short time that the company is in operation. This scenario was expected and efforts continue to improve performance. They want to dedicate more investment to the company and expand the company to other sectors.

They encourage all people to invest in the country because of the existing potential and the wide spectrum of opportunities. We encourage them to do the fieldwork, talk to people and identify opportunities.

SUSTAINABLE DEVELOPMENT GOALS





APPENDIX

A



INTRODUCTION

Cabo Verde has been implementing proactive measures to continue attracting more investments, particularly in strategic and innovative sectors, which can lead to higher quality results and promote more sustainable development, which could bring long-term benefits both for the country and for investors.

Thus, in this part of the Guide we present the ecosystem of support services and due diligence, starting with the two focal points available to interested investors, Cabo Verde TradeInvest and Pró Empresa, created to facilitate the investment process and interactions between investors, whether foreign or domestic, resident or non-resident in Cabo Verde, and the Public Administration. Thus, ahead will be found:

- Presentation and contacts of the competent authorities relevant to the investment processes; the
- Regulations and laws that specifically concern investment; the
- Entrepreneurship capacity building programmes; and
- Glossary of technical terms used in this Guide.



PRÓ EMPRESA

Pró Empresa was created to give an increased impetus to the growth and development of the private sector, through national initiatives to strengthen investment and export capacity, while fostering a more favorable market environment for MSMEs. To this end, it acts on four structuring centerlines.

CENTRELINE I – ENTREPRENEURSHIP AND INNOVATION

- Create and promote entrepreneurship programs, aiming to contribute to the increase of national employment;
- Promote a culture of innovation.

CENTRELINE II – BUSINESS DEVELOPMENT AND NETWORKING

- Contribute to the strengthening and growth of the national private sector;
- Facilitate access of SMEs to new markets;
- Establish Partnerships for International Cooperation.

CENTRELINE III – ACCESS TO FINANCE

- Ensure banking intermediation, streamline decision-making and promote the diversification of sources of financing;
- To finance the technical assistance to be made available to partners for the implementation of business development programmes.

CENTRELINE IV – IMPROVEMENT OF THE BUSINESS ENVIRONMENT

- Operationalize the Entrepreneur's One-Stop Shop (virtual and physical);
- Contribute effectively to the increase of competitiveness of Cape Verde.

The Government of Cape Verde has, through Pró Empresa, a set of support programs, listed below.

PRÓEMPRESA
INSTITUTO DE APOIO E PROMOÇÃO EMPRESARIAL



PROMEB - BLUE ECONOMY PROMOTION PROGRAM

SCOPE

It aims essentially to promote entrepreneurial initiatives, identify, and attract innovative ideas and encourage the development of businesses that can contribute to the development and expansion of the Blue Economy.

It includes:

- Training in areas relevant to the development of the blue economy (fishing; processing of fishery by-products; quality control; handicrafts and jewellery; Maritime tourist activities, etc.);
- Incubation including technical assistance;
- Contest of ideas (promote entrepreneurship, identify and attract innovative ideas that can contribute to a greater use of the potential of each island).

TARGET AUDIENCE

The program is aimed at all entrepreneurs with business ideas and business projects in the area of the Blue Economy, as well as companies that already operate in this sector of activity, the company cannot have more than two years of life.

ACCESS TO RESOURCES

The sponsor must comply with certain requirements, including:

- To be the promoter of a business project in the area of the Blue Economy;
- Be a Cape Verdean resident in the national territory;
- The project should be implemented in Cape Verde;

In the case of companies already established, having a maximum of 2 years of existence, they must have their headquarters in the country and comply with all legal conditions necessary for the exercise of activity, the regularized situation about the Tax Authority (Finance) and Social Security (INPS).



EXPRESS+

SCOPE

Business development program created and managed by Pró Empresa with a perspective of responding, through the provision of Technical Assistance services, to the specific needs expressed by Micro, Small and Medium Enterprises (MSME).

TARGET AUDIENCE

Micro, Small and Medium Enterprises

ACCESS TO RESOURCES

- Be a properly licensed Cape Verdean MEAP; the economic activity developed must contain and present potential for growth;
- Have the tax and contributory situation regularized before the tax administration and social security;
- Or, the sponsor must demonstrate a predisposition to engage in the mobilization of means to enable compliance with these legal obligations;
- Innovative start-ups with growth potential.



PRÓ CRÉDITO

SCOPE

Micro, Small and Medium Enterprises (MSME) technical assistance financing program has as its main objective to improve the conditions of access to the new credit program, encourage a transition from informal productive units to the formal economy, implement an organized accounting, the use of clean energies, the adoption of digital instruments, as well as stimulating the development of Fintech (financial technologies).

TARGET AUDIENCE

Micro, Small and Medium Enterprises

ACCESS TO RESOURCES

Centerline I

Direct support to all MSMEs by providing co-financing for expenditure on:

- Accounting and auditing services - improvement of financial reporting;
- Services for the organization of the Financing Dossier;
- Services for the implementation or improvement of information systems, energy or digital transition and update processes.

Centerline II

It corresponds to the involvement of partners and the improvement of the business environment. The partners of the Program are:

- OPACC - Professional Association of Auditors and Accountants of Cape Verde, for its support to audit and accounting professionals;
- Microfinance Institutions, for support to the formalization of businesses and support in access to microcredit financing;
- As incubators, to support business's formalization and access to financing.

Centerline III

Support for innovation of Fintech companies: Co-financed Fintechs related to expenses of technological events or their participation in investments or investors who intend to provide financial services to Medium Companies.



STARTUP JOVEM

SCOPE

Aims to promote entrepreneurship through Start-up understood as a new company, even embryonic or still in the constitution phase that promotes a promising project, or development of an innovative business idea, whether or not based on technology.

TARGET AUDIENCE

Young entrepreneurs

ACCESS TO RESOURCES

Be between the ages of 18 and 35;
 Have Cape Verdean nationality;
 Have a higher or professional education (levels 4 and 5);
 Be promoters of new, even embryonic or still in the constitution phase, which promotes a promising project, linked to the development of an innovative business idea, technology-based or not;
 Have a project of investments in innovation and expansion of existing activities that create additional jobs to the existing ones;
 Be regulated in the matter of activity licensing, taxation and social security;
 Have a micro or small business or cooperative formally constituted under the law, with at least 60% of its share capital owned by young people aged between 18 and 35 years, graduates or with certification of a vocational training course (levels 4 and 5) and with regulated status in terms of activity licensing, taxation and social security.

Terms of Financing

Minimum amount of ECV 500 thousand (corresponding to 4.5 thousand euros and 5 thousand dollars) and maximum amount of 5 million escudos (corresponding to 45.3 thousand euros and 50.5 thousand dollars);
 Equity: 5% to 15% (five to fifteen per cent) of the investment amount;
 Guarantee: from 50 to 80% (fifty to eighty per cent) of the amount due at any time, through Pro-Garante;
 Repayment: maximum 120 (one hundred and twenty) months for the maximum amount of funding;
 The interest rate is subsidized by 50% by the state.



INCUBATION PROGRAMME

SCOPE

Aims to support entrepreneurs in the development of business ideas, defining the business objectives and bringing together a set of specific resources and services that can support their development and success in the start-up phase.

TARGET AUDIENCE

For start-ups residing in an incubator

ACCESS TO RESOURCES

The universities are responsible for identifying the beneficiaries (final year undergraduate students and recent graduates); supporting the structuring of ideas; supporting formalization by providing space and university lecturers; and taking part in promoting the Programme and disseminating the results obtained.

Pró Empresa is responsible for assessing and deciding on the application submitted by the Partner Entity; providing support during the program; monitoring the beneficiaries after the program has ended; taking part in promoting the Program and disseminating the results obtained; and collecting suggestions for improvement and taking part in promoting the results.

RELEVANT INSTITUTIONS

A network of institutions that support the business ecosystem is listed.

1. CABO VERDE TRADEINVEST (CVTI)

Purpose

Public body responsible for promotion, dissemination, coordination, facilitation and monitoring of investment opportunities in the country and exports of goods and services produced in Cabo Verde.

Mission

Coordinate the investment process, as well as proceed with the reception, analysis, negotiation and contracting of projects.

Services

Administrative formalities of investment projects.

Contacts

info@cvtradeinvest.cv | www.cvtradeinvest.cv

Praia

Rotunda da Cruz do Papa, N°5 C.P. 89 C – ASA, Praia
(+238) 260 41 10 / 41 11

S. Vicente

Rua Machado, Prédio da Electra Sede R/C, Mindelo
(+238) 231 07 75

Sal

Avenida dos Hotéis, Hotel Ouril Pontão, Santa Maria
(+238) 354 28 78

Norte da Europa

José Martins; jose.martins@cvtradeinvest.cv; Tel: (+46) 728310046

Service Hours

From 08:00 to 16:00, Monday to Friday

2. PRÓ EMPRESA

Purpose

Pró Empresa is a special regime public institute with the nature of personalized service of the state, endowed with public collective personality and inherent administrative autonomy, financial and patrimonial. The Institute acts in the business ecosystem promoting competitiveness, entrepreneurship and companies, through the provision of technical and financial assistance, as well as identifying and proposing political solutions for the improvement of the business environment, always acting in close partnership with other economic actors.

Mission

Promote the development of micro, small and medium-sized enterprises in Cape Verde through mechanisms that facilitate access to technical assistance, financing and innovation ensuring competitiveness to the national economy.

Services

Business Promotion and Entrepreneurship
Programs: StartUp Jovem, Promeb, Express+, Pró Crédito, Ecosystem and University Entrepreneurship.

Contacts

Edifício BAI-Center, Av. Cidade de Lisboa, Praia
(+238) 260 19 80

proempresa@proempresa.cv

Service Hours

From 08:00 to 17:00, Monday to Friday

3. CASA DO CIDADÃO / CITIZEN'S HOUSE

Purpose

Facilitate the relationship between the state and citizens. It acts as a one-stop shop for SMEs for the business incorporation and registration process.

Mission

Provide third-party public services to citizens and economic agents in Cape Verde and the diaspora through face-to-face and remote interaction channels, with quality and at a fair price. Spread its service model throughout the Cape Verdean public administration and contribute to improving the performance of direct interaction channels by other entities, both nationally and internationally.

Services

END-Starting a Company on the Day
Contributions and Taxes; Social Security
Commercial Licensing to Grosso
Signature Recognition
Nationality
Family, Education and Training

Contacts

(+238) 260 55 00
casadocidadao@casadocidadao.gov.cv
Service Hours
Online: <https://portondinosilhas.gov.cv>
Free phone line : 800 20 08
From 07:30 to 19:30, Monday to Friday
Saturdays, from 09:00 to 13:00
In person :
From 08:00 to 17:00, Monday to Friday
Saturdays, from 9:00 to 13:00 (Casa do Cidadão - Praia and Mindelo)
Online waiting list: www.nhabex.com

4. EMPLOYMENT AND VOCATIONAL TRAINING INSTITUTE (IEFP)

Purpose

National public entity for the implementation of policies and measures to promote employment, entrepreneurship and vocational training, which preferably its responsibilities to the private sector, municipalities and NGOs, and in close coordination with the relevant government departments, central design and technical and normative integration service in the fields of vocational training, employment and traineeships, civil society organizations and private sector representative bodies.

Mission

Promote the employment and employability of citizens through the implementation of active and passive policies and measures for employment, entrepreneurship, self-employment, vocational training, and professional internships, preferably through the private sector, municipalities and NGOs, in harmony with the guidelines and strategic options defined by the Government.

Services

Initial and continuing training
Internship
Labor intermediation
Career Guidance
Entrepreneurship and self-employment
Unemployment benefits and long-term unemployed

Contacts

Praia Negra Ramp, Milcar Building, 3rd e 4th Floors
(+238) 261 64 46 | (+238) 261 64 32
iefp@iefp.gov.cv
Service Hours
Das 08:00 to 16:00, Monday to Friday

5. CABO VERDE HOTEL AND TOURISM SCHOOL (EHTCV)

Purpose

Public vocational training center that, through the articulation of theoretical, practical and service delivery components, ensures the preparation of trainees with high qualifications, for the exercise of professional activities in the areas of hotel, restaurant and tourism, as well as for the development of entrepreneurial capacity and management of companies and infra-structures structures in the same domains.

Mission

Qualification of human resources for tourism and other related activities, such as hotels and restaurants. To provide courses and other non-conferential training actions at a professional level, with a view in particular to the improvement, retraining, the retraining, specialization and training of personnel.

Services

Training offer:
Catering;
Pastry and Bakery Products;
Restaurant/Bar;
Hotel Management;
Floors/"Housekeeping"; and
Tourist Guide.

Contacts

Palmarejo Grande 375-A, Praia
(+238) 260 22 30
info@ehtcv.edu.cv

Sal

Santa Maria Market
(+238) 244 11 74 | (+238) 582 53 90
nes.ehtcv@gmail.com

Service Hours

Das 08:00 to 16:00, Monday to Friday

6. EAST COAST CHAMBER OF COMMERCE (CCS)

Purpose

Institution aimed at promoting and regulating economic activity in particular in the fields of Industry, Trade, Agriculture and Services.

Mission

Contribute to the strengthening of business associations, for a business environment conducive to the conduct of economic and entrepreneurial activities and for the building of a productive private sector, competitive, capable of creating wealth and jobs and promoting economic growth.

Services

Business Training
Space rental
Commercial Licensing
Casa do Cidadão's One-Stop Shop
The Services of the City Council
Support for Internationalization

Contacts

Av. OUA N.º 39, Achada Santo António, Praia
(+238) 261 53 52
geral.ccs@ccs.cv

Service Hours

From 08:00 to 16:00, Monday to Friday

7. WEST COAST CHAMBER OF COMMERCE (CCB)

Purpose

Integrate a relevant network of contacts, national and international, promoting networking between different organizations and that puts companies in direct contact with potential partners, allowing them to expand their business and boost B2B businesses.

Mission

To transform the conditions in which entrepreneurs of the region develop their activity, eliminating or attenuating the constraints that limit or hinder this development; Create the conditions for qualitative entrepreneurship to impose itself and fructify in the region, aiming at densification of the private business fabric and, Promote and exploit all the economic potential of the region, with the development of new business areas, generating high incomes and economic growth.

Services

Commercial licensing; Professional training
Business Missions; Event Organization
Financing; IMSV Incubator
Arbitration and Conciliation
Intellectual property

Contacts

Avenida 5 de Julho, Mindelo, São Vicente
(+238) 232 84 95
sede@becv.org
Porto Novo : (+238) 222 80 13; Email: s.antao@becv.org
Ribeira Brava ; (+238) 232 84 95; Email: s.nicolau@becv.org
Espargos Tel: (+238) 241 37 11; Email: sal.becv@becv.org
Sal-Rei:(+238) 225 12 79; Email: boa.vista@becv.org
Service Hours
From 08:00 to 16:00, Monday to Friday

8. CABO VERDE TOURISM INSTITUTE (ITCV)

Purpose

Personalized service of the state to strengthen institutional articulation with all state structures, with the private sector and other stakeholders of the tourism industry, in alignment with international best practices in this sector. It ensures the implementation of the national tourism policy.

Mission

The ITCV's mission is to regulate and supervise the tourism sector, implement tourism policy and study and analyse national and international trends in the tourism sector, the promotion of tourism support infrastructure, including tourist information and signage offices, licensing of tourist activities, the promotion and internal and external supervision of Cape Verde as a tourist destination and support for investment in the tourism sector.

Services

Licensing of tourist activities

Contacts

CTT Building, Amizade Street, Santa Maria, Sal
itcv@mtt.gov.cv
(+238) 351 04 10
www.visit-caboverde.com
Northern Region Delegation
Avenida Marginal, Prédio RTC, 1º andar, Mindelo
(+238) 333 30 50
Southern Region Delegation
Cidade Funchal Street, n.º 2, Rés-do-chão, ASA, Praia
(+238) 333 60 89
Service Hours
From 08:00 to 16:00, Monday to Friday

9. CABO VERDE CHAMBER OF TOURISM (CTCV)

Purpose

An organized entity of civil society, formed by entrepreneurs and agents of the tourism sector, is the body responsible for defending the interests of the tourist sector in the country. Based in Santa Maria, Sal Island, the entity assumes an active and relevant role within its mission in the context of national and international tourism.

Mission

The deepening of relations with economic agents in the sector; The development of institutional relations; Support for the promotion of tourism in Cape Verde; Cooperation in dialogue with national and international institutions; The development of a strategic vision with proposals for economic development and tourism, the solution of the problem of financing the economy, and overcoming the current constraints of the residential tourism sector; The defence of the interests of the converging solutions, within the concept and idea of social development.

Services

Status of Tourist Utility

Contacts

Porto Antigo 2 Residence, Santa Maria, Sal
 (+238) 242 13 61 | (+238) 242 17 71 | (+238) 988 84 93
 sonia.leite@camaraturismo.cv

Service Hours

From 08:00 to 16:00, Monday to Friday

10. PROFESSIONAL ASSOCIATION OF CERTIFIED ACCOUNTANTS AND AUDITORS (OPACC)

Purpose

The Order is responsible for the certification of all audit and accounting professionals, as well as of the companies of auditors and accountants, in an exclusive regime for the whole national territory, who will not be able to carry out their activities in Cape Verde without this certification.

Mission

To supervise all aspects related to the access to the professions of certified auditor and accountant; certify the Associates, according to the corresponding professional categories, issuing the respective Professional Ballots.

Services

Continuing professional training in accounting and auditing
 International Federation of Accounts (IFAC) audit standards manuals

Contacts

Prédio da Tecnical Indústria, 3º esq.; ASA; CP 417-A
 (+238) 262 21 38
 opacc-praia@cvtelecom.cv

Mindelo

Prédio da Farmácia Mindelo, 1º andar; Av. Baltazar Lopes da Silva
 (+238) 231 85 07
 opacc-mindelo@cvtelecom.cv

Service Hours

From 08:00 to 16:00, Monday to Friday

11. CABO VERDE ENGINEERS' ASSOCIATION (OECV)

Purpose

A public association representing the graduates in Engineering who exercise the profession of engineer.

Mission

Contribute to the progress of engineering, stimulating the efforts of its members in scientific, professional and social fields, as well as compliance with the rules of professional ethics.

Services

Assign the professional title of engineer
Production of technical, scientific and professional texts
Monitoring the general situation of engineering education
Training, updating and specialization of its members

Contacts

Avenida Santiago, Palmarejo, Cidade da Praia
Sal
Morro Curral (Junto BCA), Espargos
(+238) 241 29 91
oecvsalboavista@sapo.cv
São Vicente
Fonte Meio, Madeiralzinho
(+238) 231 00 98
oecv.sv@cvtelecom.cv
Santo Antão
Rua Horta, Ribeira Grande; E-mail:
oecvsantoantao@outlook.com
Service Hours
From 08:00 to 16:00, Monday to Friday

12. CABO VERDE BAR ASSOCIATION (OACV)

Purpose

A public association representing the law graduates who practice professionally in Cape Verde.

Mission

On the one hand, an intrinsic link to the defense of the rule of law and the rights, freedoms and guarantees of citizens, on the other hand, the duty of collaboration in the administration of justice, and also the constitutional duty to ensure access to law and courts for citizens.

Services

Attribution of the professional title of lawyer
Registers of authentications and certifications
Publications of the Order

Contacts

Serpa Pinto Street, Plateau, Praia
(+238) 261 97 55
ordemadvogados@cvtelecom.cv / bastonariooacv@gmail.com
Service Hours
From 08:00 to 16:00, Monday to Friday

13. BUSINESS INCUBATION CENTER (BIC)

Purpose

A business incubator that aims to create a favourable environment for the emergence of innovative companies with high-scale potential.

Mission

Support the affirmation of micro, small and medium enterprises by creating an environment that stimulates, in market logic, the development of entrepreneurial initiatives, innovation and the generation of economically sustainable companies in Cape Verde.

Services

Activities for the Promotion of Entrepreneurship
Program of Acceleration of Ideas
Business Incubator Program

Contacts

Av. Santiago n°28, Palmarejo, Praia, Santiago
(+238) 260 37 20 | 974 35 00 | 915 90 06
geral@bic.cv
Service Hours
From 08:00 to 16:00, Monday to Friday

RELEVANT PUBLIC SERVICES

It lists a set of public services responsible for the administrative activity or direct and indirect provision of services to entrepreneurs, exercised by a public administration body or entity or by the entrepreneurial initiative.

1. CONSULAR PORTAL

Profile

Single point of contact that allows to provision of a wide range of online services to Cape Verdeans in the diaspora, contributing, thus, to ensure a substantial reform in the system of care and service delivery.

Services

Electronic passports, certification of the Status of Immigrant Investor, issuance of certificates, transcription of records with exemption from self-declaration (civil registration with mention of birth, marriage, divorce, profiling, death), renewal and validation of Driving License and other essential documents for the Cape-Verdean community abroad, in close coordination with the competent central services.

Website: <https://portalconsular.mnec.gov.cv>

Contacts

Restelo Avenue, 33, 1449-025 - Lisboa
(+351) 213 041 440
portalconsular@mnec.gov.cv

2. MUNICIPAL COUNCILS

Profile

Promote and support the development of activities and the holding of events related to economic activity of municipal interest.

Services

Social Action and Health; Environment; Support to Economic Activities and Investor; Culture; Sport; Education; Youth; Municipal Police; Civil Protection; Tourism.

Contacts

National Association of Cape Verdean Municipalities (ANMCV)
www.anmcv.cv | (+238) 262 36 34
anmcv35@sapo.cv

3. NATIONAL DIRECTORATE OF STATE REVENUE (DNRE)

Profile

Its mission is to propose the policy, planning and regulation of state revenues and to ensure the coordination, central control and evaluation of the respective systems.

Services

Directorate-General for Contributions and Taxes (DGCI)
Directorate-General for Customs (DGA)

Contacts

DGA: (+238) 261 77 58
DGCI: (+238) 261 77 59
helpdesk@dnre.gov.cv

4. NATIONAL DIRECTORATE OF INDUSTRY, TRADE AND ENERGY (DNICE)

Profile

The department is responsible for the design, implementation and evaluation of energy, industrial and commercial policy, as well as for the submission of proposals aimed at growth, improvement and increase of productivity and competitiveness of the sector. Provides information on the legal rules governing the exercise of activities in the sector.

Services

Industry Service (SI); Trade Service (SC); and Energy Service (SE). The SE is responsible for the design, implementation and evaluation of energy and desalination policy.

Contacts

Former Naval Command Building, CP 34, Mindelo
(+238) 230 01 51
albertino.martins@mem.gov.cv

5. NATIONAL DIRECTORATE FOR FISHERIES AND AQUACULTURE (DNPA)

Profile

Service responsible for the implementation of activities in support of fisheries and aquaculture development, as well as for the coordination of research processes, development and sustainable exploitation of national marine resources.

Services

Licensing of aquaculture and marine production centers; Fishing license to national and international vessels.

Contacts

Former Naval Command Building, CP 34, Mindelo
(+238) 230 01 51
albertino.martins@mem.gov.cv

6. MARITIME AND PORT INSTITUTE (IMP)

Profile

Ensures compliance with national and international standards relating to the maritime and port sector, particularly regarding the safety of navigation, the protection of ships and port facilities, the safeguarding of human life at sea and the protection of the marine environment, as well as hygiene conditions, welfare, work, training and certification of seafarers.

Services

It authorizes the exercise of maritime activities and local traffic; inspects ships and other floating equipment and proceeds to their certification.

Contacts

Patrice Lumumba Street, Former ACIAB Building, C.P. 7, Mindelo
(+238) 232 43 42 | (+238) 232 43 43
info@imp.cv

7. MULTISECTORAL REGULATORY AGENCY FOR THE ECONOMY (ARME)

Profile

Administrative and independent authority, which performs the administrative activity of technical and economic regulation of the sectors of communications, energy, water and urban and intercity public transport.

Services

Price and tariff setting; ensuring the protection of consumers' rights and legitimate interests.

Contacts

China Avenue, ARME Building, 5.º Andar, Chã d'Areia, Praia
(+238) 260 44 00/01/02/03
info@arme.cv

8. BANK OF CABO VERDE (BCV)

Profile

The central bank holds the exclusive right to issue currency, collaborates in the definition of monetary and exchange rate policies of the Government and executes autonomously, exercising its functions under the law and international standards and commitments to which the State of Cabo Verde is bound.

Services

Monetary Authority and Macroeconomic Stability; Financial Stability; Payment System; Communication, Service Provision and Partnerships

Contacts

OUA Avenue, n° 02, Código Postal n° 7954 - 094, Praia
 (+238) 260 70 00
 amarques@bcv.cv

9. INDEPENDENT HEALTH REGULATORY BODY (ERIS)

Profile

Regulate and supervise the activities of healthcare establishments, human medicine sectors, veterinary medicines, medical devices and food establishments.

Services

To supervise the application and compliance with laws, standards and technical requirements applicable to the regulated sectors, as well as the provisions of the respective titles of activity, promoting the conduct of investigations, inquiries or audits.

Contacts

Lisbon City Avenue, Várzea - Praia 296 - A, Cabo Verde.
 (+238) 262 64 10 | (+238) 262 24 53 | (+238) 262 64 57
 eris@eris.cv

10. NATIONAL STATISTICS INSTITUTE (INE)

Profile

Central executive body for the production and dissemination of official statistics within the framework of the National Statistical System It is technically independent authority with administrative, financial and patrimonial autonomy.

Services

Economic and Business Statistics; Annual Survey of Enterprises; Survey of Family Expenses and Income; Annual Inventory of Hotel Establishments; Survey of Expenditure and Satisfaction of Tourists etc.

Contacts

Caixa Económica Street n.º 18, C.P. 116, Fazenda - Praia
 (+238) 261 38 27
 inecv@ine.gov.cv

11. DIRECTORATE-GENERAL FOR ROAD TRANSPORT (DGTR)

Profile

Regulate, inspect, instruct, apply fines and accessory sanctions and decide the road traffic offences proceedings for violation of the Highway Code and complementary legislation.

Services

Driving school licensing, public transport, and vehicle inspection centers.

Contacts

Tira Chapéu, Praia
(+238) 261 57 07
dgtrcv@gmail.com

12. DIRECTORATE GENERAL FOR REGISTERS, NOTARIES AND IDENTIFICATION (DGRNI)

Profile

The Directorate General of Records, Notarial and Identification is the service of the Ministry of Justice, whose mission is to ensure technical support in the design, implementation and evaluation of policies and measures relating to the services of registration, notarial, and civil identification.

Services

Civil identification and civil registration
Land register
Car registration
Commercial register
Registration of legal persons
Nationality
Notary

Contacts

City of Funchal Street, Achada Santo António, Praia
(+238) 333 72 37
www.rni.cv

13. NATIONAL INSTITUTE FOR TERRITORY MANAGEMENT (INGT)

Profile

The INGT's mission is to pursue, at the national level, public policies in the fields of spatial planning and urban planning; of the land registry; of cartography and geodesy and the Spatial Data Infrastructures of Cabo Verde (IDE-CV).

Services

Land use planning
Urbanism
Geographic information
Geodesy
Basic cartography
Geological mapping
Building register

Contacts

Judice Baker Street n.º 114, Ponta Belém, Cidade da Praia
(+238) 333 73 72
ingt@ingt.gov.cv | www.ingt.gov.cv

RELEVANT LEGISLATION

It is made known the relevant legislation for business activity.

1. INVESTMENTS

Regulation of direct investment by emigrants

Law No. 73/IX/2020, de 2 de março
<https://kiosk.incv.cv/V/2020/3/2/1.1.24.3139/p555>

Investment Law

Law No. 34/2013, of September 24
<https://kiosk.incv.cv/V/2013/9/24/1.1.50.1746/p1284>

2. TAXATION

Amendment and republication of various tax codes

Law No. 86/IX/2020, of April 28
<https://kiosk.incv.cv/V/2020/4/28/1.1.53.3218/p1180>

CIT Code

Law No. 82/VIII/2014, of January 8
<https://kiosk.incv.cv/V/2015/1/8/1.1.3.1957/p113>

PIT Code

Law No. 78/VIII/2014, of December 31
<https://kiosk.incv.cv/V/2014/12/31/1.1.81.1952/p2344>

Stamp Duty Code

Law No. 33/VII/2008, of December 8
<https://kiosk.incv.cv/V/2008/12/8/1.1.45.300/p744>

Tax Benefits Code

Law No. 86/IX/2020 of April 28
<https://kiosk.incv.cv/V/2020/4/28/1.1.53.3218/p1180>

Special Legal Regime for Micro and Small Enterprises

Law No. 70/VIII/2014, of August 26
<https://kiosk.incv.cv/V/2014/8/26/1.1.51.1891/p1706>

General Tax Code

Law No. 47/VIII/2013, of December 20
<https://kiosk.incv.cv/V/2013/12/20/1.1.69.1778/p2235>

General Regime of Non-Customs Tax Infringements

Law No. 3/2014, of October 29
<https://kiosk.incv.cv/V/2014/10/29/1.1.64.1918/p1960>

General System of Fees and Contributions

Law No. 100/VIII/2015, of December 10
<https://kiosk.incv.cv/V/2015/12/10/1.1.79.2112/p2603>

Value Added Tax Code (CIVA)

Law No. 21/VI/2003, of December 27
<https://kiosk.incv.cv/V/2003/7/14/1.1.21.1588/p268>

3. LABOUR**Labour Code**

Law No. 5/2007 of October 16
<https://kiosk.incv.cv/V/2007/10/16/2.1.37.348/p2>

Legal Regime of Compulsory Insurance for Accidents at Work and Occupational Diseases

Lei nº 88/2020, of December 28
<https://kiosk.incv.cv/V/2021/6/30/2.1.65.3797/p2>

Bases of the Social Protection System

Law No. 131/V/2001, of January 22
<https://kiosk.incv.cv/V/2001/1/22/1.1.2.649/p24>

4. ACCOUNTING**Code of Commercial Enterprises (CEC)**

Laws No. 1 and 2/2019, of July 23
<https://kiosk.incv.cv/1.1.80.2861>

Accounting Code of the Accounting and Financial Reporting System

Law No. 5/2008, of February 4
<https://kiosk.incv.cv/V/2008/2/4/1.1.5.257/p62>

Issue of electronic invoices/receipts

Law No. 50/2022, of December 7
<https://kiosk.incv.cv/V/2022/12/7/1.1.117.4531/p2253>

5. MISCELLANEOUS**Legal Regime of Tourist Enterprises**

Law No. 35/2014, of July 17
<https://kiosk.incv.cv/V/2014/7/17/1.1.43.1874/p1514>

Inter-island maritime transport industry for passengers, general cargo and mixed

Decreto-Law No. 41/2019, of September 24
<https://kiosk.incv.cv/V/2019/9/24/1.1.99.2924/p1555>

Recovery and Insolvency Code

Law No. 116/VIII/2016, of March 22
<https://kiosk.incv.cv/V/2016/3/22/1.1.19.2163/p561>

Legal framework for Holding Companies (SGPS)

Law No. 58/2009, of December 14
<https://kiosk.incv.cv/V/2009/12/14/1.1.47.240/p1044>

TRAINING AND BUSINESS ADVICE

The capacity building programmes presented below aim to promote entrepreneurship as a key competence and to strengthen the capacities of entrepreneurs and investors, especially in the areas of management, governance, inclusion, quality assurance and innovation, so that they are better prepared for success and to collaborate with the private sector/companies/business associations to exploit business opportunities.

BOSTON

- Boston, MA Entrepreneurship Events | Eventbrite - <https://www.eventbrite.com/d/ma--boston/entrepreneurship/>
- Upcoming Entrepreneurship Events in Boston - <https://allevents.in/boston/entrepreneurship>
- SBA - U.S. Small Business Administration - <https://www.sba.gov/>
- SCORE Business Mentoring - <https://www.sba.gov/local-assistance/resource-partners/score-business-mentoring>
- Small Business Development Centers (SBDC) - <https://www.sba.gov/local-assistance/resource-partners/small-business-development-centers-sbdc>

LISBON

- Migrant Entrepreneur Support Office: <https://www.acm.gov.pt>
- Entrepreneurship Week | Visit Lisboa - <https://www.visitlisboa.com/pt-pt/eventos/semana-do-empreeendedorismo-22>
- Web Summit Lisbon, 13-16/Novembro/2023 - <https://websummit.com/schedule>
- Startup Lisboa - <https://www.startuplisboa.com/>
- Eventbrite - Business Events - <https://www.eventbrite.com.br/b/portugal--lisboa/business/>

PARIS

- Angelina County - <http://elan-pepinieres-entreprises.fr/>
- Eventbrite - Paris, France Startup Events - <https://www.eventbrite.com/d/france--paris/startup-events/>
- Bpifrance Création - <https://bpifrance-creation.fr/>
- Les Scop - <https://www.les-scop.coop/>
- ADIE - <https://www.adie.org/>

GLOSSARY

This glossary was created to facilitate understanding and clarify some of the most common terms used. Emphasis has been placed on clarity and brevity rather than trying to cover all the complex details.

1

1B Model

The periodic income statement where the IRPC is calculated. As a rule, it must be submitted annually, by the last day of May of the year following that of the income, by electronic transmission of data.

A

Articles of Association

The Civil Code presents a definition or "notion" of a partnership contract in the following terms: "partnership agreement is a contract in which two or more persons undertake to contribute goods or services for the joint exercise of certain economic activity, other than for the mere enjoyment, to share the profits resulting from this activity."

B

Business Angel (BA)

Individual investor who invests directly predominantly in start-ups. The BAs, in addition to investment, monitor and provide strategic support to entrepreneurs. They are also known as Informal Venture Capital Investors.

Business-to-Business (B2B)

Business-to-business trade. When a company has another company as its target audience for its products and services. B2B technology is sometimes

known as enterprise technology. It is different from B2C, which is about trade between the company and the final consumer, where products or services are sold directly to end consumers.

C

Certificate of Admissibility of Firm

A commercial company needs the certificate of admissibility for: its constitution; change name; move the seat to another county; or change the object of the company. It contains the identification of the entity that wants to use the name or company, its headquarters, its legal nature and the activities in which the entity is engaged. It must be required in the services of Registry, Notary and Identification (RNI).

Commercial Certificate

The certificate ensures online access to the records and documents of any entity subject to commercial registration - companies, societies, cooperatives, public enterprises or others. The permanent certificate of commercial registration can be: registration, and making available the entity has computerized records; registration and documents, and making available the computerized records and electronic documents associated with the entity (except for the accounting documents); of the updated social pact/statutes, and make available the latest social pact or updated statutes. It must be required in the services of Registry, Notary and Identification (RNI).

Commercial Registry

The purpose of the business register is to publicize the legal status of individual traders, commercial companies, civil partnerships in commercial form, individual limited liability establishments, cooperatives, public undertakings, complementary groupings of undertakings and economic interest groups, individuals and legal entities subject to registration by law. Through the commercial register, several events can be registered, from the creation of an entity until its extinction. This registration is made in the

services of the Registry, Notary and Identification (RNI).

Corporate Income Tax (IRPC)

Tax levied on the income of companies with commercial, industrial or agricultural activities working in Cabo Verde. It is levied on all income, including income earned outside the national territory.

Customs Duties

Customs duties result from trade policies. They are charged on the import of products from third countries, based on the rates of the Customs Tariff.

E

Ecological Fee

Value for non-biodegradable packaging made of metal, glass or synthetic or artificial plastic, whose revenue reverts to the sanitation and environmental protection.

Entrepreneurship

Development of new value-generating initiatives, resulting from the identification and exploration of opportunities such as new products/ services, processes, and markets.

Emoluments

Fees charged by the state in return for a service.

F

Factoring

A way to collect debts from third parties, available for companies that require immediate liquidity, is by advancing the amounts billed to customers. Usually, the liquidity and cash flow problems of companies are related to late payments

of invoices from customers, so credit factoring (advance invoicing) is a way to respond to these debts.

Financing

Amount requested from a financial institution used to support the purchase of a good or service.

FinTech

The term FinTech abbreviates the expression financial technology, in Portuguese, financial technology. A FinTech uses technological innovation to create new services, products, business models and processes. The concept or model, although directly linked to the financial sector, can target various end markets and companies of different sizes that want to implement innovative solutions in their services, namely in the area of payments, credit, virtual currency and asset brokerage activity, insurance, investment or payment services (for example, by creating ATM references).

G

GW (Gigawatt)

Unit of electrical power equal to 1000 MW (megawatt).

GWh (Gigawatt-hour)

Equal to 1000 MW used continuously for one hour.

I

Import duty

These are the taxes levied on imported goods. This tax mainly depends on the amount of money charged for the product. Customs authorities collect customs duties.

Incubator

Institutions or initiatives that offer startups the opportunity to develop their

business ideas, benefiting them with practical support in terms of infrastructure and advice, for a certain period. It is an analogy with the birth of babies: those who are born fragile stay inside the incubator until they are able to live their life outside of them.

Inflation

An indicator of the increase in prices of goods and services over time.

Innovation

Implementation of a new idea or improvement of a solution through a new product, process, organizational or marketing method, with the aim of increasing performance, knowledge and competitive position.

Intangible Fixed Assets

These are goods and rights that are not physical or tangible, which include trademarks, patents, copyrights, licenses and authorizations.

Interest Rate

Premium (remuneration) is expressed as a percentage that the entity providing a particular loan receives from the entity taking out such loan, payment for the service provided and the opportunity cost of capital.

L

Land Registry Certificate

This certificate proves, for example, who is the owner/owner of a property. It must be required in the services of Registry, Notary and Identification (RNI).

Land Tenure

Assignment, for long-term or perpetual use of a property, upon payment of certain rent.

Leasing

Leasing is a form of financing through which the lessor (leasing company) grants to its client (lessee), according to its instructions, a movable or immovable good, against the payment of rent for a certain period, leaving the customer with an option to purchase at the end of the same period, before the payment of residual value.

M

Micro-enterprise

Business unit that employs up to 5 workers and/or has a gross annual turnover not exceeding 5,000,000 ECV (corresponding to 45.3 thousand euros and 50.5 thousand dollars).

Mutual Guarantee Companies

Financial operators who provide guarantees to banks that enable them to make loans available to SMEs on terms that are more favorable.

O

Organized Accounting

More efficient tax regime for activities of greater complexity, and when the expenses with the activity are higher than 25% of the income. This tax regime is mandatory in the following situations: All types of companies such as public limited companies or limited companies; all professionals or entrepreneurs in individual names who have a net annual income of more than 10 million escudos (corresponding to 91 thousand euros and 101 thousand dollars).

P

Patent

A patent is an exclusive right obtained over inventions. An invention is a technical solution to solve a specific technical problem. A patent is a contract

between the state and the applicant. It gives the holder the exclusive right to produce and market an invention, with the counterpart of its public disclosure.

Personal Income Tax (IRPS)

Single tax levied on the net income of the taxpayer or household.

Property Tax

It is a tax that falls on the transfers, in return for payment, of the right of ownership over immovable property or of parcels of this right (use and housing, land right, usufruct, among others).

R

Property Registry

The land register is essentially intended to give publicity to the legal situation of buildings, with a view to the security of the legal real estate trade. The certificate, issued on paper, is proof of the legal status of a property at the time it is issued. Collect and describe the current records about that building. The land registration certificate shows, for example, to whom the property belongs and whether there are charges on it. This registration is made in the services of the Registry, Notary and Identification (RNI).

S

Small Business

Business unit that employs between 6 and 10 workers and/or has a gross annual turnover of 5,000,000 escudos (corresponding to 45.3 thousand euros and 50.5 thousand dollars) and 10,000,000 escudos (corresponding to 90.7 thousand euros and 101 thousand dollars).

Social Security

Public mechanism of social protection and subsistence provided through contribution to INPS - National Institute of Social Security. The goal is that the

money accumulated over the years will be used by the worker when he retires or if he loses the ability to work.

Stamp Duty (SD)

The Stamp Duty is one of the taxes levied by the State and has an impact on all contracts, documents, acts, papers, titles or other legal situations listed in the General Table of Stamp Duty and is not subject to or exempt from VAT.

Statement of Profit or Loss

An accounting document that shows the results (profits or losses) obtained in the activity carried out by the company during a certain period.

Standard Audit for Taxes Purposes - Cabo Verde (SAFT-CV)

Standard file containing accounting data issued during a given tax period. The IRPC taxpayers are obliged to deliver the SAFT-CV file if they carry out commercial, industrial or agricultural activity in Cabo Verde territory. They must report their monthly billing to the Finance Department by the 20th of the month following that to which it relates.

Special Unified Tax (TEU)

The Special Unified Tax is 4% on turnover and replaces, for all purposes:

1. Personal income tax (IRPS);
2. Corporate income tax (IRPC);
3. Value-added tax (VAT);
4. The fire tax; and
5. The contribution to social security due by the employer.

Specifications

Mandatory tender request in all public procurement procedures. It is a document where the rules for managing the supply of goods, services or contracts are defined and which correspond to contractual clauses to be observed in these supplies.

Spread

Component of the interest rate, defined by the bank, contract by contract, when granting a loan. In a simple definition, the spread is no more than the bank's profit when it grants a loan.

Startup

A startup is a new company, even embryonic or still in the process of being established, which has promising projects linked to research, research and development of innovative ideas. There is a high risk involved in the business. However, despite this, they are ventures with low initial costs and are highly scalable, that is, have a very large expectation of growth when they work out.

T**Tangible Fixed Assets**

They are all tangible and physical goods and materials that can be palpable. Some examples of tangible assets are land, buildings, technical facilities, furniture, computer equipment (computers, printers,...), means of transport that constitute the company's assets, used for the transport of people, goods, materials or animals, etc.

Target Market

Group of consumers to whom the company decides to direct its products, services and ideas with a strategy aimed at satisfying needs and preferences.

Turnover

Net value of sales of goods and/or services provided by a company. In other words, it is the total revenue that the company earned without counting direct taxes and customer discounts. So if they are deducted, we would talk about the net profit.

V**Value Added Tax (VAT)**

Tax levied on consumption that taxes product, services, commercial transactions and imports. That is, any of us when we purchase a good has to pay not only value relative to this good, but also the corresponding amount of VAT, whose rate varies from case to case. Being a tax-financed by the final consumer, it is called indirect tax, that is, the tax authorities do not collect it directly from the taxpayer.

Venture Capital

Funds to support small and medium-sized enterprises, already established and with growth potential. With an average duration of five to seven years, the invested resources finance the first expansions, leading the business to new levels in the market.

W**Withholding Tax**

Mechanism of the tax system through which the state directly collects the salary of all employees (both public and private sector), pensioners or self-employed workers not exempt, causing them instead to transfer the part of their salary that is subject to tax to the state, is the employer that does it.

Z**Special Economic Zones (SEZ)**

Delimited areas that operate with administrative, regulatory, and often tax regimes different (typically more liberal) than those of the domestic economy, imports and production predominantly oriented to exports and attraction of foreign capital.

MINISTÉRIO DAS
COMUNIDADES

