

LEGAL ALERT

THE IMPLEMENTATION OF THE GREEN CARD STATUS FOR PERMANENT RESIDENCE IN CAPE VERDE

I - Green Card Status

In 2018, as part of the reform of the economy sector promoted by the Government, Law No. 30/IX/2018, of April 23, was approved in order to develop real estate tourism, strengthen competitiveness, attract investors to the country, foster the construction industry and create more jobs.

This statute created the Green Card statute – Permanent Residence Authorization in the country, establishing a different status for the holder of second residence in Cape Verde.

The Green Card gives its holder the authorization to reside permanently in the country for an indefinite period of time and the possibility of exemption from the Single Property Tax (IUP) upon transmission and in the transmission by mortis causa succession. It also grants a 50% reduction of the IUP due in the following ten years, by resolution of the Municipal Assembly of the municipality where the property is located.

If the Green Card holder is a retiree and holds retirement income not generated in Cape Verde, it benefits from exemption under the Personal Income Tax Code (CIRPS) and such exempt income shall not be aggregated to eventual income subject to CIRPS.

Green Card status may thus be granted to foreigners in the following situations:

- a) Purchase of real estate built or under construction for residence of 80,000.00 EUR (eighty thousand euros) or more, corresponding to 8,821,200.00 CVE (eight million, eight hundred and twenty-one thousand, two hundred escudos), in a municipality with a per capita gross domestic product (GDP) lower than the national average, as long as it is paid with resources transferred from abroad;
- b) Purchase of real estate built or under construction for residence, of a value equal to or greater than 120,000.00 EUR (one hundred and twenty thousand euros), corresponding to 13,231,800.00 CVE (thirteen million, two hundred and thirty-one thousand and eight hundred escudos), in a municipality with a per capita GDP equal to or higher than the national average, as long as it is paid with resources transferred from abroad.

If it is not possible to calculate the GDP per capita by municipality, the criterion to be used is the per capita GDP per island.

II - Regulation of the Green Card Statute

Although the Green Card statute was passed in 2018, until recently there were no sufficient conditions to materialize and enjoy its benefits. There was no complementary legislation that would, in practice, allow for the granting of such benefits.

In this sense, and in order to effectively implement the statute created in 2018, at the end of 2021 two ordinances that materialize essential aspects for the process of obtaining the Green Card status, were approved:

- i) The Joint Ordinance No. 61/2021, of December 30, which establishes the regime of fees for the instruction, issuance, replacement, family grouping and delivery of the Green Card and also defines the model application form for the request renewal and substitution of this residence document;
- ii) The Ordinance No. 62/2021, of December 30, which approves the model of the Green Card, as Permanent Residence Permit, with the necessary security requirements.

The Green Card application must be presented in person at the "Casa do Cidadão" offices, which function as the Green Card Single Desk. At these offices, located in national territory, the

biographical data contained in the passport or other identification document of the applicant will be processed and confirmed, and the color facial image, signature and personal data will be collected.

This application must be accompanied by the following documents:

(i) a certificate of criminal record or equivalent document issued in the country of which the applicant is a national and in the country of its habitual residence, for at least six months, duly translated into Portuguese and legalized by the Cape Verdean consular services, the original of which is to be in paper format; (ii) criminal record of Cape Verde, if the applicant has been living in Cape Verde for at least six months. The original of which must be submitted at the time of the application; (iii) document that proves the purchase or promise to purchase the real estate property acquisition or promise to purchase the real estate assets, free of liens or encumbrances, among several other documents.

With the approval of this regulation, it is expected that the legislative and administrative conditions are finally met to materialize the Green Card statute in force since December 31, 2021.

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