

Tax policies and benefits

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Types of Taxes

1. Income Taxes

1.1 Corporate Income Tax (IRPC)

The IRPC rates are 25% (twenty-five percent) for taxable persons included in the organized accounting regime, and 4% (four percent) for those included in the simplified regime for micro and small companies.

1.2 Personal Income Tax (IRPS)

Category A

From an annual income of 420,000\$00 (four hundred and twenty thousand escudos) or 35,000\$00 (thirty-five thousand escudos) these incomes are subject to withholding taxes, with a progressive and discharging character.

Category B

Any income that falls into this category is subject to a 15% (fifteen percent) tax on account of the final tax due.

Category C

Any income that falls into this category is subject to withholding tax at a 10% discharge rate.

Category D

Any income that falls into this category is subject to withholding tax at the rate of 20%, except for the income of subparagraphs f) and j) of No. 2 of article 14 of the IRPS Code, whose rate is 10%, all with a discharging character, without aggregation.

Category E

The income referred to in subparagraphs a) to d) of No. 1 of article 17 of the IRPS Code, are subject to withholding tax of 1% (one percent), while those referred to in number 2 of the same article are subject to a rate of 20%, with a discharging character, without aggregation.

The tax rate applicable to income subject to aggregation and taxation of manifestations of wealth is:

1. Exemption up to 220,000\$00 (two hundred and twenty thousand escudos);
2. 16.5% for incomes up to 960,000\$00 (nine hundred and sixty thousand escudos) per year;
3. 23.1% for incomes above 960,000\$00 (nine hundred and sixty thousand escudos) and up to 1,800,000\$00 (one million, eight hundred thousand escudos) per year;
4. 27.5% for incomes above 1,800,000\$00 (one million and eight hundred thousand escudos).

2. Consumption Taxes

2.1 Value Added Tax (VAT)

VAT is levied on the transfer of goods and the provision of services, carried out for consideration in Cape Verdean

territory and on the import of goods. VAT is payable by natural or legal persons, residents, who, habitually, engage in production, trade, or service provision activities. The VAT rate is 15%.

2.2 Special Consumption Tax (ICE)

The goods subject to this incidence are those listed in the table in annex I of the ICE regulation, which determines the 10% rate applicable to the goods indicated under each tariff code in the aforementioned table.

2.3 Stamp Duty

Different tax rates apply, depending on the amount applicable, with a maximum of 15%. In certain cases, the Stamp Duty is settled basing on pre-determined fixed amounts.

3. Single Property Tax (IUP)

The IUP is a municipal tax that is levied on: the patrimonial value of the buildings located in the territory of each municipality, being divided in accordance with the classification of the buildings in rustic and urban areas; the value of free or onerous transfers of real estate, the value of corporate transactions subject to public deed, such as amendments to corporate pacts, assignment of shares and others of the same nature, the value of use or enjoyment of motor vehicles subject to registration and, finally, the capital gains arising from the valuation of land for construction, transfers of buildings or other real estate property. The rate is 1.5%.

To consult the Tax System, access the link: <http://cvtradeinvest.com/wp-content/uploads/bsk-pdf-manager/20>

Tax incentives

Private investors in Cape Verde have access to various tax benefits, subject to compliance with certain conditions:

- Tax benefits provided for investments made under the Investment Law;
- Those arising from the Tourist Utility statute;
- Those arising from the International Business Centre, the Special Economic Zone and the Internationalization of companies.

For more information, please consult:
https://cvtradeinvest.com/wp-content/uploads/bsk-pdf-manager/2020/06/General-tax-code_2020.pdf

Investment Incentives

- Incentives for the Tourism Sector ([Portuguese](#))
- Incentives for the Renewable Energy Sector ([Portuguese](#)) ([English](#))
- Incentives for the Maritime Sector ([Portuguese](#))
- Incentives for the Information and Communication Technologies Sector ([Portuguese](#))
- Incentives for the Industry Sector ([Portuguese](#)) ([English](#))
- Incentives for the Service Sector ([Portuguese](#))
- Incentives for the Civil Aviation Sector ([Portuguese](#))

- Incentives for the Agribusiness Sector ([Portuguese](#)) ([English](#))
- Incentives for the Financial Sector ([Portuguese](#)) ([English](#))
- Incentives for the Social Communication Sector ([Portuguese](#)) ([English](#))

For more information, please consult:
<https://cvtradeinvest.com/guia-do-investidor>

Conventions to avoid double taxation and tax evasion

Cape Verde signed agreements to avoid double taxation and tax evasion with Portugal, the Special Administrative Region of Macau and Guinea-Bissau.

Sources:

- Cape Verde TradeInvest – Cape Verde Investment Guide
- [Cape Verde TradeInvest](#)