

# LABOR NEWSLETTER

## // *Cape Verde*

MAY 2026



## **OPINION**

### **The Cape Verde Labor Code and The New Work Realities**

The Cape Verdean Labor Code was enacted in an economic and social context very different from today's. In recent decades, the labor market has undergone profound changes, driven by new forms of business organization. Despite this, the legal labor framework remains excessively rigid, not suited to the real needs of the employers and employees, and out of step with the new realities of work.

This mismatch is particularly evident in the tourism sector, which plays a central role in the Cape Verdean economy and accounts for a significant share of the national GDP. It is a sector marked by seasonality, fluctuations in demand, and a strong dependence on external factors, requiring rapid and flexible responses in terms of hiring, training, and mobilizing employees.

By applying uniform solutions to distinct sectors, the Labor Code ultimately limits the competitiveness of tourism companies and, paradoxically, reduces opportunities for formal and skilled employment. The introduction of sector-specific regulations for tourism would allow for the recognition of its strategic importance and the creation of mechanisms better suited to its unique dynamics, without compromising the protection of workers' fundamental rights.

Reforming the Labor Code with a modern, flexible, and sector-specific approach is essential to promoting economic growth, legal certainty, and a fairer and more efficient labor market in Cape Verde.

## **CASE LAW**

### **SOTAVENTO COURT OF APPEAL – RULING 73/2026**

#### *Statute of Limitations on Claims*

An employee, who joined a company in 1980, completed 35 years of service in 2015 and applied for retirement in 2016. The application was denied by the employer on the grounds that the employee

did not meet the requirements set forth in a unilateral amendment to the personnel regulations, which had made the conditions for retirement more stringent. The employee was required to continue working until 2019, when he retired. In 2014, another lawsuit was filed, in which the Court declared an amendment to the personnel regulations invalid, a decision upheld by the Court of Appeal in 2019. In January 2023, the employee filed a lawsuit seeking compensation for the pension amounts not received during the period from 2016 to 2019.

The first instance Court upheld the peremptory statute of limitations defense, classifying the claim under the regime of non-contractual civil liability (three-year statute of limitations), and acquitted the employer.

The Court of Appeal reclassified the liability as contractual, as the case involved a breach of obligations arising from the employment contract due to the unilateral change in the employee's status. Pursuant to Article 6 of the Labor Code, the five-year statute of limitations begins on the date of termination of the contract (July 2019); therefore, since the claim was filed in January 2023, the statute of limitations had not expired — thus dismissing the peremptory statute of limitations defense upheld by the court of first instance.

However, given that the retirement pension to which the employee would have been

entitled was equivalent to 100% of the salary he received during the period in question, the Court of Appeal found that no financial loss had occurred. The pay slips also showed that the employee received additional amounts—meal allowances, productivity bonuses, and per diems—to which he would not have been entitled had he been retired.

The Court of Appeal partially overturned the appealed judgment, dismissing the statute of limitations defense but upholding the employer's acquittal due to the lack of proven financial loss.

## LEGISLATION

Decree Law No. 49/2025, of 22 December, enters into force on 23 June 2026. This legal instrument regulates and makes subject to the requirement of a professional licence card, under the terms of Law No. 107/IX/2020, of 14 December, access to and the exercise of various professions or professional activities related to Electricity Production, Transmission and Distribution (PTE); Social, Cultural and Community Services (SCC); Installation and Maintenance (IMA); Metalworking and Mechanical Engineering (MET); Hospitality, Catering and Tourism (HRT); Environment and Safety (MES); Trade, Transport and Logistics (COM); and Visual Arts and Crafts, Music and Performing Arts (ART).

FOR MORE INFORMATION, PLEASE CONTACT:



**NUNO GOUVEIA**

[Nuno.Gouveia@mirandalawfirm.com](mailto:Nuno.Gouveia@mirandalawfirm.com)



**PAULA CALDEIRA DUTSCHMANN**

[Paula.Dutschmann@mirandalawfirm.com](mailto:Paula.Dutschmann@mirandalawfirm.com)



**PEDRO BORGES RODRIGUES**

[Pedro.Rodrigues@mirandalawfirm.com](mailto:Pedro.Rodrigues@mirandalawfirm.com)

© Miranda Alliance, 2026. Reproduction is authorised, provided the source is acknowledged.

WARNING: The texts contained in this newsletter are provided for general information purposes only, and are not intended to be a source of advertising, solicitation, or legal advice; thus, the reader should not rely solely on information provided herein and should always seek the advice of competent counsel.

This Labor Newsletter is distributed free of charge to our clients, colleagues and friends. If you do not wish to continue receiving it, please reply to this e-mail.