

country profile											
<b>government structure</b>	<ul style="list-style-type: none"> <li>• <b>Executive:</b> The president is both the chief of state and head of government. The president is directly elected by absolute majority popular vote, in two rounds if needed, for a five-year term and is eligible for two consecutive terms. Cabinet and the prime minister are appointed by the president.</li> <li>• <b>Legislative:</b> Mozambique has a unicameral Assembly of the Republic.</li> <li>• <b>Judicial:</b> The highest courts are the Supreme Court and the Constitutional Council. The Higher Council of the Judiciary Magistracy is responsible for judiciary management and discipline. The subordinate courts are the Administrative Court (capital city only), provincial courts, district courts, customs courts, maritime courts, labour courts and community courts.</li> <li>• <b>Next presidential elections:</b> October 2024.</li> </ul>										
<b>economic data</b>	<table> <tbody> <tr> <td>• Nominal GDP (USD billions):</td> <td>19.30</td> </tr> <tr> <td>• GDP per capita (USD):</td> <td>543.23</td> </tr> <tr> <td>• Inflation rate (% change):</td> <td>5.50</td> </tr> <tr> <td>• Government revenue (% of GDP):</td> <td>25.82</td> </tr> <tr> <td>• Government gross debt (% of GDP):</td> <td>104.89</td> </tr> </tbody> </table> <p><i>*Source: IMF (May 2024 estimates)</i></p> <ul style="list-style-type: none"> <li>• Mozambique is rich in natural resources and produces a large variety of agricultural products. It has significant coal and gas reserves and hydroelectric potential and possesses one of the world's largest reserves of tantalite.</li> <li>• Mozambique's natural resources include gas and coal, high-quality iron ore, gold, bauxite, graphite, marble, and the rare mineral tantalite. The mining sector holds substantial potential for revenue generation and foreign investment.</li> <li>• The development of large liquefied natural gas (LNG) projects is increasing foreign direct investment inflows to the Mozambican economy.</li> <li>• The main industries include aluminium, petroleum products, chemicals (fertilizer, soap, paints), textiles, cement, glass, asbestos, tobacco, food, and beverages.</li> <li>• Mozambique's main export partners are India, South Africa, South Korea, Italy, and China. The main export commodities include coal, aluminium, coke (fuel), natural gas, and gold.</li> <li>• Mozambique's main import partners are South Africa, South Korea, China, India, and the Democratic Republic of the Congo. The main import commodities include ships, refined petroleum, iron alloys, chromium ore, and refined copper.</li> </ul>	• Nominal GDP (USD billions):	19.30	• GDP per capita (USD):	543.23	• Inflation rate (% change):	5.50	• Government revenue (% of GDP):	25.82	• Government gross debt (% of GDP):	104.89
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<b>risk ratings</b>	<ul style="list-style-type: none"> <li>• S&amp;P Global Overall Country Risk (Q2 2024): 165/211</li> <li>• Corruption Perceptions Index (2023): 145/180</li> </ul>										

international treaties and memberships	
<b>international and regional organisations and customs unions</b>	<ul style="list-style-type: none"> <li>• African Continental Free Trade Area Agreement</li> <li>• African Development Bank Group</li> <li>• African Union</li> <li>• Commonwealth</li> <li>• Community of Portuguese Language Countries (<i>Comunidade dos Países de Língua Portuguesa</i>)</li> <li>• Group of 77</li> <li>• International Monetary Fund</li> <li>• International Organization of the French-speaking World (<i>Organisation Internationale de la Francophonie</i>)</li> <li>• Islamic Development Bank</li> <li>• Organisation of African, Caribbean and Pacific States ("OACPS")</li> <li>• Organisation of Islamic Cooperation</li> <li>• Southern African Development Community</li> <li>• United Nations</li> <li>• World Bank Group</li> <li>• World Customs Organization</li> <li>• Mozambique receives preferential treatment under the following agreements: <a href="http://ptadb.wto.org/Country.aspx?code=508">http://ptadb.wto.org/Country.aspx?code=508</a></li> </ul>
<b>bilateral investment treaties</b>	<ul style="list-style-type: none"> <li>• Mozambique has bilateral investment treaties in force with Algeria, the Belgium-Luxembourg Economic Union, China, Cuba, Denmark, Finland, France, Germany, Indonesia, Italy, Japan, Mauritius, the Netherlands, Portugal, Sweden, Switzerland, the United Kingdom, the United States, and Vietnam.</li> <li>• Treaties have been signed with Angola, Brazil, Egypt, Singapore, South Africa, Türkiye, the United Arab Emirates, and Zimbabwe, but these have not yet entered into force.</li> </ul>
<b>investment-related agreements / institutions</b>	<ul style="list-style-type: none"> <li>• African Growth and Opportunity Act</li> <li>• Samoa Agreement (it succeeds the Cotonou Agreement and its provisional application commenced on 1 January 2024. The Agreement will enter into force upon consent by the European Parliament and ratification by all European Union member states and at least two thirds of the OACPS members)</li> <li>• Multilateral Investment Guarantee Agency</li> <li>• World Trade Organization</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>• Convention on the Recognition and Enforcement of Foreign Arbitral Awards ("<b>New York Convention</b>")</li> <li>• Convention on the Settlement of Investment Disputes between States and Nationals of Other States ("<b>ICSID Convention</b>")</li> <li>• United Nations Commission on International Trade Law (UNCITRAL)</li> </ul>

<b>intellectual property (“IP”) treaties</b>	<ul style="list-style-type: none"> <li>A comprehensive list of IP-related treaties signed by Mozambique is available at: <a href="https://www.wipo.int/wipolex/en/legislation/members/profile/MZ?collecton=treaties">https://www.wipo.int/wipolex/en/legislation/members/profile/MZ?collecton=treaties</a></li> <li>See the trade marks section below for further detail.</li> </ul>
<b>legal regime</b>	
<b>applicable legal regime</b>	<ul style="list-style-type: none"> <li>Mozambique’s legal system is based on Portuguese civil law and customary law.</li> </ul>
<b>dispute resolution</b>	<ul style="list-style-type: none"> <li>Disputes between the government and foreign investors can be submitted to international arbitration.</li> <li>Foreign investors can gain access to arbitration through the Centre for Commercial Arbitration, Conciliation and Mediation, an affiliated organisation of the Confederation of Mozambican Economic Associations (CTA).</li> <li>Law No. 11/99 of 12 July (Arbitration, Conciliation and Mediation Law) provides, in addition to the New York Convention and the ICSID Convention, relevant legislative guarantees for foreign investors.</li> <li>Mozambique is also a member of the Paris-based International Chamber of Commerce, giving investors adequate recourse to internationally accepted dispute-resolution methods.</li> </ul>
<b>land acquisition, planning and use</b>	<ul style="list-style-type: none"> <li>All foreign-owned land was seized and nationalised in the 1975 revolution in accordance with Decree-Law No. 5/76 of 5 February.</li> <li>Mozambique’s constitution provides that “land may not be sold or otherwise disposed of, nor may it be mortgaged or subject to attachment.” The government grants land-use concessions (<i>Direitos de Uso e Aproveitamento de Terra</i>, DUAT) for periods not exceeding 50 years, for economic activity purposes, which may be renewed for additional periods.</li> </ul>
<b>competition</b>	
<i>merger control</i>	<ul style="list-style-type: none"> <li>Law No. 10/2013 of 11 April (the “<b>Competition Law</b>”), approved by Decree No. 97/2014 of 31 January, and the regulations promulgated in terms of the Competition Act regulate merger control in Mozambique.</li> <li>The Competition Law is enforced by the <i>Autoridade Reguladora da Concorrença</i> (the “<b>CRA</b>”).</li> <li>The following operations are deemed to constitute a concentration between undertakings – a merger between two or more independent undertakings; the acquisition of control, by one or more undertakings, over other undertakings or parts of other undertakings; and the creation of a joint venture performing on a lasting basis all the functions of an autonomous economic entity (i.e. a full-function joint venture).</li> <li>The CRA controls mergers of enterprises that consist in particular of the acquisition of (a) all or part of the capital stock of an enterprise; (b) ownership or the right to use all or part of the assets of an enterprise; or</li> </ul>

	<p>(c) rights or the entering into agreements that grant a dominant influence on the composition or deliberations of an enterprise’s bodies.</p> <ul style="list-style-type: none"> <li>The thresholds for notification in Mozambique are based on the turnover in Mozambique and/or market share in Mozambique of the merging parties. A mandatory notification is required when (i) a share of 50% or more is acquired, created or reinforced on the national market (or in a substantial part of it) for particular goods or services; (ii) a share of 30% or more but less than 50% is acquired, created or reinforced, on the national market (or in a substantial part of it) for particular goods or services, provided that the turnover individually generated in Mozambique in the last financial year by each of at least two of the companies to the merger exceeds MZN105-million (net of taxes); or (iii) all parties to the merger have achieved in Mozambique, in the last financial year, a combined turnover exceeding MZN925-million (net of taxes), provided that the turnover individually generated in Mozambique by each of at least two of the parties to the merger transaction is greater than MZN105-million (net of taxes).</li> <li>Filing fees payable are an amount equal to 0.11% of the combined turnover of the merging parties in Mozambique (achieved during the preceding year) (capped at MZN2.25-million).</li> <li>The CRA will take public interest considerations into account when considering and making a determination on a merger.</li> <li>Mozambique is a pre-implementation regime, therefore approval must be sought from the CRA prior to implementation of the proposed transaction.</li> <li>An undertaking or undertakings who implement a merger in contravention of the Competition Law commit an offence under the Competition Law and may be liable to fines of up to 5% of the turnover in Mozambique (during the preceding year) of each of the participating undertakings.</li> <li>Mozambique is not a member of any regional competition bodies.</li> </ul>
<i>prohibited practices</i>	<ul style="list-style-type: none"> <li>The Competition Law prohibits agreements, decisions by associations of undertakings and practices agreed upon by undertakings in a horizontal relationship, which have as their object or effect the impediment, distortion, or restriction of competition, in an appreciable manner, in all or part of Mozambique. This includes, but is not limited to: price fixing, market division, collusive tendering, provoking price fluctuations without due cause, and limiting or impeding access of new enterprises to the market.</li> <li>The Competition Law prohibits various agreements between firms in a vertical relationship, such as those that translate into, <i>inter alia</i>, minimum resale price maintenance, price discrimination and refusals to deal.</li> <li>The Competition Law also prohibits certain abuses of economic dependence / relational dominance and various other abuses of dominance / unilateral conduct, such as, <i>inter alia</i>, inducements not to deal, unjustifiably selling merchandise below cost price, importing</li> </ul>

	<p>goods at prices below cost incurred in the exporting country, and refusals to grant access to networks or other essential infrastructure.</p> <ul style="list-style-type: none"> <li>A firm that engages in a restrictive horizontal or vertical practice or abuses economic dependence / a dominant position in contravention of the Competition Law may be liable, <i>inter alia</i>, to pay a fine not exceeding 5% of the turnover achieved by that firm in Mozambique during the preceding financial year (in cases of non-adherence to a decision of the CRA that imposes a sanction or orders the adoption of certain measures the fine may be calculated for each day 'of delay'/continued contravention).</li> </ul>
<b>employment</b>	
<i>immigration</i>	<ul style="list-style-type: none"> <li>The contracting of foreigners by national and foreign employers is subject to authorisation by the Minister of Labour, or the entity to which the minister delegates the relevant authority.</li> <li>Foreigners may be hired for long-term work in one of two ways: <ul style="list-style-type: none"> <li>through a special quota system that is granted under the investment project approved by the government; and</li> <li>under a work authorisation that is granted under the discretionary power of the Minister of Labour.</li> </ul> </li> <li>Work permits will generally only be issued in accordance with the following work permit quotas provided for by legislation: <ul style="list-style-type: none"> <li>5% of the total number of employees, for large companies (more than 100 employees);</li> <li>8% of the total number of employees for medium-sized companies (more than 30 and up to 100 employees);</li> <li>10% of the total number of employees, for small-sized companies (more than 10 and up to 30 employees); or</li> <li>15% of the total number of employees, for micro-sized companies (up to 10 employees).</li> </ul> </li> <li>Exceptions to the above are available for investment projects approved by the government.</li> <li>Employees that remain in Mozambique for more than 120 days per year require a work permit, which is valid for two years and renewable for an unlimited number of two-year periods. Expatriates must also hold a valid work visa and residence permit.</li> <li>A short-term work permit, which does not fall under the work permit quota system, can be obtained for a period of up to 90 days in general and 180 days for the oil and gas and mining industries.</li> <li>Special permit provisions exist in the mining and oil and gas industry.</li> </ul>
<i>local employment vs secondment</i>	<ul style="list-style-type: none"> <li>In terms of Mozambique's employment legislation, employees seconded to Mozambique must be employed by a local entity.</li> </ul>
<i>fixed-term contracts and temporary</i>	<ul style="list-style-type: none"> <li>Micro, small and medium-sized companies (who have up to 100 workers) may freely enter into fixed-term employment contracts without restriction in the company's first eight years of existence.</li> </ul>

<i>employment services</i>	<ul style="list-style-type: none"> <li>Other than the above, fixed-term contracts remain limited to a two-year duration, subject to a maximum of two renewals.</li> <li>The use of temporary employment services (labour brokers) is permitted in Mozambique, subject to the labour brokers being licensed. However, expatriates may not be employed through labour brokers.</li> </ul>
<i>payment in local currency</i>	<ul style="list-style-type: none"> <li>Remuneration must be paid in local currency.</li> </ul>
<i>restraint of trade agreements</i>	<ul style="list-style-type: none"> <li>Restraint of trade agreements are not valid and enforceable, as the right to work is a constitutional right in Mozambique. However, the employer may prevent an employee from disclosing its professional secrets.</li> </ul>
<b>foreign investment regime</b>	
<b>investment regime</b>	<ul style="list-style-type: none"> <li>The Private Investment Law and Regulations govern foreign investment in Mozambique. The Agency for Promotion of Investments and Exports (<i>Agência para a Promoção de Investimentos e Exportações</i> ("APIEX")) is mandated to promote and facilitate investment in Mozambique.</li> </ul>
<b>registration / licensing requirements</b>	<ul style="list-style-type: none"> <li>The APIEX operates as a one-stop shop that provides services and assistance to investors, including: <ul style="list-style-type: none"> <li>facilitating the granting of tax and customs incentives to investors;</li> <li>identification of potential partners for joint ventures;</li> <li>identification and dissemination of investment opportunities;</li> <li>institutional assistance to investors in the implementation of investment projects; and</li> <li>promotion and coordination of all activities related to the establishment, development, and management of the special economic zones ("SEZs") including the industrial free zones ("IFZs").</li> </ul> </li> </ul>
<b>non-industry specific registrations / licences</b>	<ul style="list-style-type: none"> <li>The following general non-industry specific registrations / licences may be required:</li> </ul>
<i>business / trading licence</i>	<ul style="list-style-type: none"> <li>Any entrepreneur conducting an economic activity not covered by a specified sector (e.g., energy, mineral resources, construction) must apply for a general trading licence (<i>Alvará</i>) from the Ministry of Industry and Commerce.</li> <li>Limited types of licences can be applied for at the one-stop shop.</li> </ul>
<i>Mozambique Revenue Authority ("MRA")</i>	<ul style="list-style-type: none"> <li>All taxpayers must register with the MRA in the area where the headquarters / domicile of the taxpayer is established and obtain a single tax number ("NUI") for all types of taxes.</li> <li>A "tax return for commencement of activities" is to be submitted to the MRA 15 days before the company commences its activity in Mozambique.</li> </ul>



<i>National Institute for Social Security (Instituto Nacional de Segurança Social ("INSS"))</i>	<ul style="list-style-type: none"> <li>Employers must register themselves and their employees with the INSS within 15 days following commencement of tax-related activities and submit a "notification of commencement of activities" to the INSS.</li> </ul>
<i>workmen's compensation commission</i>	<ul style="list-style-type: none"> <li>Employers must have collective work insurance covering work accidents and occupational illness of their employees.</li> <li>For activities posing a particular occupational risk, enterprises must have specific collective insurance for employees exposed to that risk.</li> </ul>
<i>department of labour</i>	<ul style="list-style-type: none"> <li>A "notification of commencement of activities" must be submitted to the Department of Labour in the form of a letter, disclosing the name and address of the company, the number of employees, and the sector once the company registers the commencement of its activities with the tax authorities.</li> <li>Companies must also submit a request for approval of the company's schedule of working hours to the Department of Labour.</li> </ul>
<i>municipal licence</i>	<ul style="list-style-type: none"> <li>Although no specific municipal licence is required, municipal real estate and other taxes are payable to the local municipality.</li> </ul>
<b>industry-specific licences</b>	<ul style="list-style-type: none"> <li>Industry-specific licences may also be required.</li> </ul>
<b>incentives</b>	<ul style="list-style-type: none"> <li>A comprehensive Tax Incentive Code (<i>Código dos Benefícios Fiscais</i>) provides two main types of investment incentives, namely a general and specific investment scheme.</li> <li>The general incentive scheme includes: <ul style="list-style-type: none"> <li>exemption from customs duties and value added tax ("VAT") for imports of qualifying equipment;</li> <li>deduction of amounts invested in specialised equipment utilising innovative technology, limited to 10% of taxable income of each tax year, for a period of five years;</li> <li>an accelerated depreciation allowance, consisting of a 50% increase of the applicable depreciation rate, for investment expenditure incurred in respect of new or restored buildings and equipment used in the industrial or agro-industrial sectors;</li> <li>a deduction equal to 120% of expenditure incurred in a tax year for the construction or restoration of infrastructure and public utility works nationwide for the period of five years; and</li> <li>an investment deduction of 5% or 10% of taxable income during a period of five years in respect of training provided to Mozambican personnel.</li> </ul> </li> <li>The specific incentive scheme applies to the creation of basic infrastructure, rural commerce and industry, agriculture, fishery, hotel and tourism, manufacturing, science and technology, large-scale investment projects, rapid development zones, SEZs and IFZs.</li> </ul>

	<ul style="list-style-type: none"> <li>A special tax regime applies to mining and petroleum activities in Mozambique.</li> </ul>
<b>exchange control regulation</b>	<ul style="list-style-type: none"> <li>The Mozambican central bank controls all transfers of direct investments and inward and outward payments.</li> <li>Foreign direct investment must be registered with the central bank of Mozambique. With effect from March 2024, prior authorisation by the central bank is no longer required.</li> <li>Pre-approval from the central bank is required for certain foreign loan agreements and technical assistance, management services, licensing, and royalty agreements, and must be registered with the central bank.</li> <li>Remittances abroad may only be effected through the local banking system upon presentation of an investment and tax clearance certificate from the Ministry of Finance.</li> <li>In the case of projects approved by APIEX, profits may only be remitted abroad where the direct foreign investment has a value of at least MZN7.5-million and has been duly registered with the central bank. In other cases, profits may be remitted provided the investor shows proof of registration of direct foreign investment and payment of profits tax.</li> </ul>
<b>types of entities available for foreign investment</b>	<ul style="list-style-type: none"> <li>The forms of doing business available in Mozambique are mainly the following provided for by the Commercial Code, approved by Decree No. 1/2022 of 25 May 2022: <ul style="list-style-type: none"> <li>joint partners limited liability company (<i>sociedade em nome colectivo de responsabilidade limitada</i>);</li> <li>private limited company (<i>sociedade por quota</i> (Lda));</li> <li>public limited company (<i>sociedade anónima</i> ("SA"));</li> <li>simplified joint-stock company (<i>sociedade por acções simplificada</i> (SAS)); and</li> <li>registered branch of a foreign company.</li> </ul> </li> </ul>
<b>private limited liability company</b>	
<b>minimum number of shareholders</b>	<ul style="list-style-type: none"> <li>A minimum of one shareholder, being a natural or legal person, is required and the maximum allowed is 30.</li> <li>There is generally no requirement for local shareholding, but it may be required in specified industries such as mining, oil and gas, and construction, among others.</li> </ul>
<b>minimum share capital</b>	<ul style="list-style-type: none"> <li>In general, there are no minimum share capital requirements in Mozambique. However, it is recommended that the share capital is adequate for conducting the company's activities and providing credibility to stakeholders such as banks and creditors. Certain industries (e.g., construction, gaming, banking, insurance) may have minimum share capital requirements.</li> </ul>
<b>directors</b>	<ul style="list-style-type: none"> <li>A private company must have a minimum of one or two directors or, alternatively, have a board of directors composed of an uneven number,</li> </ul>

	<p>with a minimum of three directors. Companies with a share capital of at least MZN5-million must have a board of directors.</p> <ul style="list-style-type: none"> <li>There is no requirement to have any resident directors.</li> </ul>
<b>company secretary</b>	<ul style="list-style-type: none"> <li>A private company is not required to appoint a company secretary.</li> </ul>
<b>auditor</b>	<ul style="list-style-type: none"> <li>Every company must appoint a “registered accountant”, either as a full-time employee or an accounting firm acting as service provider. The accountant is responsible for signing annual financial statements and tax returns to be submitted.</li> <li>The appointment of auditors is mandatory for: <ul style="list-style-type: none"> <li>commercial banks;</li> <li>insurance companies;</li> <li>SAs that issue bonds or engage in the public subscription of shares; and</li> <li>branches of foreign entities registered in Mozambique.</li> </ul> </li> </ul>
<b>registered address</b>	<ul style="list-style-type: none"> <li>Every company must have a registered office in Mozambique to which all communications and notices may be addressed, and which must constitute the address for service of legal proceedings on the company.</li> <li>A company may have its registered address at the offices of its accountants, lawyers, or a third party.</li> </ul>
<b>shelf companies</b>	<ul style="list-style-type: none"> <li>There are no shelf companies available in Mozambique.</li> </ul>
<b>registration process</b>	<ul style="list-style-type: none"> <li>Companies are registered with the Legal Entities Registrar Office (<i>Conservatória de Registo das Entidades Legais</i>) and it takes approximately one to two weeks to complete registration once all the documents have been submitted.</li> </ul>
<b>tax</b>	
<b>tax system</b>	<ul style="list-style-type: none"> <li>Mozambique has a residence-based tax system in terms of which residents are taxed on their world-wide income, whereas non-residents are subject to tax only on their Mozambique-sourced income.</li> </ul>
<b>corporate residence</b>	<ul style="list-style-type: none"> <li>A company is resident in Mozambique if it has its legal seat or place of effective management in Mozambique.</li> </ul>
<b>corporate tax rate</b>	<ul style="list-style-type: none"> <li>Resident companies and permanent establishments of foreign companies are subject to corporate income tax at the rate of 32%.</li> <li>Income from agricultural, aquacultural, and urban transport activities is subject to a reduced rate of 10%.</li> <li>Specific tax regimes apply in the mining and oil and gas industries, and a simplified tax regime applies to small taxpayers.</li> </ul>
<b>capital gains tax</b>	<ul style="list-style-type: none"> <li>Capital gains are included in ordinary taxable income subject to corporate income tax at the standard rate.</li> </ul>

<b>withholding tax (“WHT”) rates</b>	<b>WHT rate</b>		
	<b>payment to</b>	<b>residents</b>	<b>non-residents*</b>
branch profits		N/A	N/A
dividends		20% 10% (listed companies) 0% (if at least 20% of capital held for more than two years)	20% 10% (listed companies)
interest		20% 10% (treasury bonds and public listed securities) 0% (interest paid to credit institutions)	20% 0% (interest on agricultural loans)
royalties		20%	20%
management, consulting, and technical service fees		20% 0% (if service performed or used in Mozambique)	20% 10% (services to agricultural projects)
<i>*The withholding tax rate may be reduced in terms of a relevant double tax agreement.</i>			
<b>double tax agreements (“DTAs”)</b>	<ul style="list-style-type: none"> <li>DTAs are in force with Botswana, India, Italy, Macau, Mauritius, Portugal, South Africa, the United Arab Emirates, and Vietnam.</li> </ul>		
<b>losses</b>	<ul style="list-style-type: none"> <li>Losses may be carried forward for a period of five years.</li> </ul>		
<b>transfer pricing</b>	<ul style="list-style-type: none"> <li>In terms of Mozambique’s transfer pricing rules, transactions between related parties must be entered into on an arm’s length basis.</li> <li>Two entities are deemed to be related parties where one entity has the power to exercise directly or indirectly a significant influence in the management’s decisions of the other entity. An entity is specifically related to another if it <i>inter alia</i> directly or indirectly: <ul style="list-style-type: none"> <li>controls, is controlled by or is under common control of the same entity;</li> <li>has an interest in the company that holds a significant influence; or</li> <li>has joint control over the entity.</li> </ul> </li> </ul>		
<b>limitations on interest deductibility</b>	<ul style="list-style-type: none"> <li>In terms of Mozambique’s thin capitalisation rules, the maximum accepted debt-to-equity ratio is 2:1.</li> <li>In addition, interest payments on shareholder loans are not deductible if the interest rate exceeds the Mozambican Central Bank Offered Rate plus two percentage points.</li> </ul>		

<b>employee taxes</b>	<p>The income tax rates applicable to resident individuals are:</p> <table border="1"> <thead> <tr> <th>annual chargeable income (MZN)</th> <th>tax rate</th> <th>flat rate rebate (MZN)</th> </tr> </thead> <tbody> <tr> <td>up to 42 000</td> <td>10%</td> <td>-</td> </tr> <tr> <td>42 001 – 168 000</td> <td>15%</td> <td>2 100</td> </tr> <tr> <td>168 001 – 504 000</td> <td>20%</td> <td>10 500</td> </tr> <tr> <td>504 001 – 1 512 000</td> <td>25%</td> <td>35 700</td> </tr> <tr> <td>over 1 512 000</td> <td>32%</td> <td>141 540</td> </tr> </tbody> </table> <ul style="list-style-type: none"> <li>A 20% final withholding tax applies on employment income earned by non-residents.</li> </ul>	annual chargeable income (MZN)	tax rate	flat rate rebate (MZN)	up to 42 000	10%	-	42 001 – 168 000	15%	2 100	168 001 – 504 000	20%	10 500	504 001 – 1 512 000	25%	35 700	over 1 512 000	32%	141 540
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over 1 512 000	32%	141 540																	
<b>social security contributions</b>	<ul style="list-style-type: none"> <li>Both employers and employees must make monthly social security contributions to the INSS.</li> <li>The employer contribution rate is 4% of an employee's monthly earnings, whereas the employee contribution rate is 3%.</li> <li>Expatriates may be exempted from participating in the social security schemes if they contribute to a similar scheme in their home countries and provided this is duly approved by the INSS.</li> <li>Expatriates can, in certain instances, recover their social security contributions upon return to their home country.</li> </ul>																		
<b>payroll taxes</b>	<ul style="list-style-type: none"> <li>There are no payroll taxes in Mozambique.</li> </ul>																		
<b>stamp duty</b>	<ul style="list-style-type: none"> <li>Stamp duty (<i>imposto do selo</i>) is levied under the Stamp Duty Code on all acts, deeds, documents, securities, books, papers, and other transactions in Mozambique that are not subject to or expressly exempt from VAT.</li> <li>Stamp duty at the rate of 0.4% of the face value is payable on the transfer of shares.</li> <li>Stamp duty on the transfer of immovable property is levied at the rate of 0.2% of the consideration.</li> <li>In addition, transfer tax (<i>imposto autárquico da SISA</i>) is charged under the SISA Code at a rate of 2% or 10% (if the purchaser is resident in a low-tax jurisdiction).</li> </ul>																		
<b>value added tax ("VAT")</b>																			
<b>taxable supplies</b>	<ul style="list-style-type: none"> <li>VAT (<i>Imposto sobre o Valor Acrescentado, IVA</i>) is levied on the supply of goods and services in Mozambique and on the importation of goods.</li> </ul>																		

<b>VAT rate</b>	<ul style="list-style-type: none"> <li>16%</li> <li>5% (on specified goods and services, including medical services by private clinics, education by private schools, professional training, and private lessons)</li> </ul>
<b>registration threshold</b>	<ul style="list-style-type: none"> <li>Any person who carries out taxable economic activities must, prior to the start of their activities, register for VAT purposes.</li> </ul>
<b>reverse VAT on imported services</b>	<ul style="list-style-type: none"> <li>Certain specified services, including <i>inter alia</i> telecommunication, banking, financial, insurance and reinsurance, use of copyright, licences, trade marks, advertising, services by consultants, engineers, lawyers, economists, accountants, leasing and renting of moveable assets are subject to VAT in Mozambique if the customer is established or domiciled in Mozambique.</li> <li>If the service provider has not appointed a legal representative in Mozambique, the purchaser or the services must account for output VAT on behalf of the service provider in terms of the reverse-VAT system. Such VAT is not available as an input credit.</li> </ul>
<b>trade marks</b>	
<b>international conventions, treaties, and arrangements</b>	<ul style="list-style-type: none"> <li>African Regional Intellectual Property Organization (Banjul Protocol) (incorporated into local legislation)</li> <li>Madrid Agreement and Protocol (incorporated into local legislation)</li> <li>Paris Convention for the Protection of Industrial Property</li> <li>World Intellectual Property Organization Convention</li> <li>World Trade Organization / Trade-Related Aspects of Intellectual Property Rights (TRIPS)</li> </ul>
<b>first-to-file jurisdiction</b>	<ul style="list-style-type: none"> <li>No, user rights are recognised (the first-to-use system) and priority is given to those who are the first to use a trade mark.</li> </ul>
<b>classification</b>	<ul style="list-style-type: none"> <li>The International Classification of Goods and Services (Nice Classification) applies.</li> <li>A separate application is required for each class.</li> </ul>
<b>categories of trade marks</b>	<ul style="list-style-type: none"> <li>Provision is made for: <ul style="list-style-type: none"> <li>certification marks;</li> <li>collective marks;</li> <li>geographic indications; and</li> <li>goods and service marks.</li> </ul> </li> </ul>
<b>filing requirements</b>	<ul style="list-style-type: none"> <li>Power of Attorney, notarised, incorporating a Portuguese translation;</li> <li>10 prints, except for word marks in ordinary type; and</li> <li>priority document (if applicable), with a verified Portuguese translation.</li> </ul>

<b>procedure</b>	<ul style="list-style-type: none"> <li>Applications are examined as to formal requirements. Thereafter, it is advertised for opposition purposes, and subsequently returned to be examined for inherent registrability and conflict with prior existing registrations / applications.</li> </ul>
<b>oppositions</b>	<ul style="list-style-type: none"> <li>Opposition may be lodged within 30 days of advertisement of the trade mark application and a further extension for another 60 days is provided for.</li> </ul>
<b>duration and renewal</b>	<ul style="list-style-type: none"> <li>A trade mark registration is effective for an initial period of 10 years from the date of filing of the application, and thereafter, renewable for further periods of 10 years. In addition, a Declaration of Use must be filed every five years.</li> </ul>

ENS is a full-service law firm with significant experience and specialist expertise that spans all commercial areas of law, tax, forensics, and IP across Africa. For more information or assistance please contact:

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