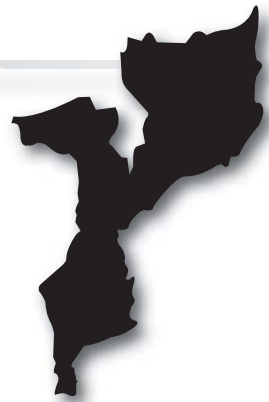


Legislation on Investment
SPECIAL ECONOMIC ZONES
and
INDUSTRIAL FREE ZONES





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Mozambique



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Law on
INVESTMENT



Law nr. 3/93 of 24th June

**REPUBLIC OF MOZAMBIQUE
ASSEMBLY OF THE REPUBLIC**

Law nr. 3/93 of 24th June

Preamble

An awareness of the need to establish a legal framework to regulate the process of carrying out, in Mozambique territory, both national and foreign private investment undertakings, which can contribute to progress and the improvement of well-being in the country, led to the adaptation of Law nr. 4/84, on 18th August, and the corresponding Regulations on Direct Foreign Investment, approved by Decree nr. 8/87 of 30th January.

In complement to these, Law nr. 5/87 was enacted on the 19th of January, and Decree nr. 7/87 of 30th of January, approved the Regulations on the Procedures for National investments. Through Decree nr. 10/87, also of the 30th January, the tax and customs incentives applicable to private national investments were established.

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The profound changes underway throughout the world in general, and in Mozambique in particular, especially those arising from the implementation of the Economic Recovery Programmer and the adaptation of the new Constitution of the Republic, together with the need to adopt a more open and objective economic policy which favors greater participation, complementarily and equality of treatment of national and foreign investments, have brought about the need to revise the existing legislation regarding investment matters.

In this context, with a view to adequately adjusting and improving the legal framework on private investment matters in the country, the Assembly of the Republic, Under Section 1 of article 135 of the Constitution determines:



CHAPTER I General Provisions

Article 1 (Definitions)

1. For the purpose of this Law, the following definitions shall apply:
 - a) **Economic activity** – the production and commercialization of goods or the rendering of services of whatever nature, carried out in any sector of the national economy;
 - b) **Foreign capital** – the contribution valuable in monetary terms and made available under the investment forms contemplated in article 9, and in accordance with the regulatory provisions of this Law, which have been brought in from abroad for carrying out investment project(s) in Mozambique;
 - c) **Invested capital** – the capital effectively paid up and applied in direct investment project, whether national or foreign, in accordance with the definitions paragraphs 1m) and 1n) of this article.
 - d) **National capital** – the sum total of the contribution valuable in monetary terms under any form of participation in the investment through own equity capital, shareholder loans, movable or immovable assets and rights incorporated or to be incorporated in the investment project, in accordance with the Regulations of this Law.
 - e) **Own equity capital** – that part or component of direct investment made through provision of funds, assets or rights duly evaluated and certified by competent authority, belonging to the national foreign investor and used for the realization of share capital in the company which will carry out and operate the investment project;
 - f) **Re – exportable invest capital** – assets and rights which comprise the direct foreign investment, under the definition of paragraph 1m) of this Article, corresponding to the values arising from the liquidation, if the undertaking is wound up, or to receipts from disposal, or payment of full or partial compensation, relating to the said assets or rights, after the payment of applicable taxes and any due debts and met any other obligations existing or foreseen in the terms of the authorization granted for carrying out the investment project;
 - g) **Undertaking** – activity of an economic nature in which national or foreign

capital has been invested to carry out and operate an authorized investment project;

- h) **Company** - the entity which carries out an economic or business activity, in an organized and continuous manner, and which is responsible for the implementation of the investment project and the subsequent operation of its activities;
- i) **Franchising** - commercial contract through which the franchiser or licensor supplies and allows, wholly or in part, the use of certain know-how, trademarks, emblems or commercial symbols to another person, with exclusivity and with or without guarantees of technical assistance and marketing services, the franchisee or licensee being obliged to make the necessary investment and agreed periodic payment and to accept control by the franchiser over the commercial activity undertaken;
- j) **Foreign investor** - individual or corporate person bringing to Mozambique from abroad capital and resources belonging to or at the own account and risk of the said person with a view of carrying out direct foreign investment as defined in paragraph 1m) of this Article, in a project approved in accordance with this Law;
- k) **National investor** - individual or corporate person who makes available capital resources belonging to or at the own account and the risk of said person, with the aim of carrying out direct national investment, as defined in paragraph 1n) of this article, in a project approved in accordance with this Law;
- l) **Direct foreign investment** - any form of foreign capital contribution valuable in monetary terms which constitutes own equity capital or resources at the own account and risk of the foreign investor, brought from external sources and to be used in an investment project for carrying out an economic activity, through a company registered in Mozambique and operating from Mozambique territory;
- m) **Direct National invest** - any form of contribution of national capital valuable in monetary terms which constitutes own equity capital or resources at the own account and risk of national investor destined for use in an investment project for carrying out an economic activity, through a company registered in Mozambique and operating from Mozambique territory;
- n) **Indirect investment** - any form of investment whose remuneration and or repayment does not exclusively consist of the direct participation of



its contributors in the distribution of profits resulting from the operation of activities in projects in which the type of investment contemplated in article 10 has been applied;

- o) **Exportable profits** - that part of profits or dividends (net of all operating costs) resulting from the activity of project involving direct foreign investment eligible for the remittance of profits abroad under the provisions of regulations of this Law approved by the council of Ministers the investor is entitled to effect such remittance abroad at his/ her own initiative , after having provided for the settlement of taxes and any other obligations due to the Government, any legal deductions for building up or replenishing the reserve fund , and for the repayment of loans and respective interest payment and any other obligations with third parties;
- p) **Foreign person** - any individual whose nationality is not Mozambique, or in the case of a corporate person, the company originally formed under the legislation of another country, or which, having been formed in the Republic of Mozambique under Mozambique laws, has more than 50% (Fifty percent) of the respective share capital held by foreign persons, as provided for in paragraph 2 of this article;
- q) **Mozambican Person** - any citizen of Mozambican nationality or any company or institution formed under Mozambican laws, with headquarters in the Republic of Mozambique, and in which the respective share capital belongs at least 50% (Fifty percent) to Mozambican citizens, companies or institutions, whether private or public;
- r) **Project** - an undertaking of an economic activity in which one intends to invest or has already invested national or foreign capital, or a combination of both national and foreign capital, and which has been granted the necessary approval by the competent authority;
- s) **Direct foreign reinvestment** - the application of all or part of the profits resulting from the operating activities of any direct foreign investment project, whether in the same undertaking carried out in the country;
- t) **Direct national reinvestment** - the application of all or part of the non-exportable profits resulting from the operating activities of a particular investment project, whether in the same undertaking which generated such profits or in other undertaking carried out in the country;
- u) **Earnings** - any income generated in a given period of operating activity of

an investment project, such as profits, dividends, royalties and other forms of remuneration associated with the concession of rights to access and use of registered technologies and trademarks, as well as the payment of loan interest and other payments related to direct and indirect investment;

- v) **Industrial Free Zone** - area or unit(s) of industrial activity geographically delimited and regulated by a specific customs regime whereby goods therein which are destined exclusively for export production, including the export goods produced by such activities, are exempt from any customs duties and related taxes or Para-fiscal charges and small also benefit from appropriated exchange, fiscal and labor regimes especially instituted and designed for the efficient functioning of the undertaking operating therein, particularly with regards to their commercial and financial obligations abroad, provided the expected benefits to Mozambique include the general stimulation of regional development and the generation of general economic benefits and, in particular, the expansion of productive and commercial capacity, a wider tax base, the creation of jobs and the generation of foreign exchange;
- w) **Special Economic Zone** - area of general economic activity geographically delimited and subjected to a special customs regime under which all goods entering, located circulating, manufactured or transformed therein or exported therefore are totally exempt from any customs, duties and fiscal or Para-fiscal charges, and enjoy, furthermore, a free exchange regime, including for offshore operations, appropriate fiscal, labor and immigration arrangements instituted and adequate to the rapid entry and efficient functioning of enterprises and investors wishing to operate there, in order to enable the fulfillment of their commercial and financial obligations abroad; provided the country expects to gain from the promotion of regional development and generation of general economic benefits and, in particular, the expansion of productive and capacity and tax base, and the creation of jobs and foreign exchange.
2. To calculate the percentage participation in the share capital for the determination of the nationality of the investor, in accordance with the provisions of paragraphs 1 q) and 1 r) of this article, the origin of the capital shall be determined by summing-up the shares pertaining, respectively, to the foreign and the Mozambican persons.



Article 2 (Object of the Law)

1. The present Law seeks to establish the basic and uniform legal framework for the process of carrying out both national and foreign investments eligible for guarantees and incentives provided for in this Law, in the Republic of Mozambique.
2. Those undertaking in which investments are being or have been made without compliance of the provisions of this Law and its Regulations shall not be eligible to benefit from the guarantees and incentives herein contemplated.

Article 3 (Ambit of application)

1. The present Law shall apply to investments of an economic nature carried out in Mozambique which intend to benefit from the guarantees and incentives herein established, including those investments carried out in industrial free zones and in special economic zones, and which are in accordance with the provisions of the Regulations approved as per article 29 of this Law, independently of the nationality and the nature of the investor.
2. This Law shall not apply to investments made or to be made in the areas of prospecting, research and production of petroleum and gas and in mineral resources extraction industries.
3. The present Law shall neither cover public investments financed by funds from the state budget, nor investments of an exclusively social character.

Article 4 (Equality of treatment)

1. In carrying out their activities, foreign investors, employers and workers will enjoy the same rights and be subject to the same duties and obligations applicable to nationals in accordance with the legislation in force in the Republic of Mozambique.
2. Exception to the provision of paragraph 1 of this article shall be those cases of projects or activities by nationals which by their nature or scale of investments and undertakings may merit special treatment and support from the government.

**Article 5
(Assumption of international agreements)**

The provisions of this Law shall not restrict any guarantees, advantages or obligations specially contemplated in international agreements or treaties to which the Republic of Mozambique has become a signatory.

**Article 6
(Basic guiding principle for investments)**

Investments covered by this Law, irrespective of the form they may assume, should contribute to the sustainable economic and social development of the country, meet the principles and objectives of national economic policy and satisfy the provisions of this Law and of its Regulations and any other applicable legislation in force in the country.

**Article 7
(Objectives of investments)**

The carrying out of investments under the present Law shall, inter alia, pursue the following objectives:

- a) The development, rehabilitation, modernization or expansion of economic infrastructures for the operation of productive activities or for rendering services necessary for supporting productive economic activities and promoting the country's development;
- b) The expansion and improvement of national production capacity or of capacity to render services which support productive activities;
- c) Contributing towards training, expansion and development of national entrepreneurs and Mozambican business partners;
- d) The creation of jobs for national workers and the raising of professional skill levels of the Mozambican labor forces;
- e) The promotion of technological development and the improvement of entrepreneurial productivity and efficiency;
- f) The increase and diversification of exports;
- g) The rendering of productive services and those generating foreign currency;
- h) The reduction and substitution of imports;
- i) Contributing towards improving the supply of domestic markets and the satisfaction of the priority and basic needs of population;



- j) Any direct or indirect contribution towards improving the balance of payments and government budget revenue.

Article 8 (Forms of direct national investments)

Direct national investment may assume any of the following forms valuable in monetary terms:

- a) Cash;
- b) Infrastructures, equipment and relevant spare parts, materials and other goods;
- c) Granting of operating rights over concessions, licenses and other rights of an economic, commercial or technical nature;
- d) Granting, in specific cases and under the terms agreed upon and approved by competent authorities, of concession rights to use patented technologies or registered trademarks for which remuneration is limited to the participation in the distribution of profits resulting from the activities in which such technologies or trademarks have been or shall be used.

Article 10 (Forms of indirect investments)

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Except for those cases stated in paragraph b) of article 8, of paragraph c) of Articles 9, and of paragraph 2 of article 17, indirect investment, whether national or foreign, shall consist of any or a combination of loans, shareholder loans, additional supplies of capital, patented technologies, technical processes, industrial models and secrets, franchising, registered trademarks, technical assistance and other forms of access to the use or transfer of technology and registered trademarks, and which access to use is under exclusivity or a licensing arrangement restricted to the use or transfer of technology and registered trademarks, and which access to use is under exclusivity or a licensing arrangement restricted to a geographic zone or to commercial and/or industrial activity area.

Article 11 (Areas for investments by free private initiative)

Areas open to free initiative for private investments shall be all those of economic activities which are not expressly reserved to the ownership or exclusive operation by the Government or to the investment initiative by public sector.

Article 12
(Areas reserved to public sector initiative)

The council of Ministers shall define the areas of economic activity reserved to the initiative of public sector for carrying out investments, with or without participation of private sector, and furthermore, define the percentage shareholding to private national and foreign investment.

CHAPTER II
Guarantees and Fiscal Incentives

Article 13
(Protection of property rights)

1. The government of Mozambique shall guarantees the security and legal protection of property on goods and rights, including industrial property rights, comprised in the approved investments carried out in accordance with this Law and its Regulations.
2. When deemed absolutely necessary for weight reasons of national interest or public health and order, the nationalization or expropriation of goods and rights comprised in an approved and realized investment under this Law shall be entitled to just and equitable compensation.
3. In the event of any complaint submitted by an investor under the terms regulated by the council of Ministers not being resolved within a periodic of ninety 890) days, and when such fact has led the investor to incur financial losses on the invested capital, said investor shall have the right to a just and equitable compensation for such losses incurred and which are of evident responsibility of government institutions.
4. For the purpose of determining the value of compensation or remuneration to be paid under paragraph 1 and 2 of this Article, the evolution of goods and or rights nationalized or expropriated, including financial losses suffered by an investor which are of evident responsibility of Government institutions, will be carried out within ninety (90) days by a team especially appointed or by an auditing company of recognized expertise and competence.
5. The payment of the compensation or remuneration referred to in the preceding paragraph of this Article shall take place within ninety (90) days counted from the date of acceptance by competent Government authority. The time for assessment for decision making on the evaluation made and submitted to the competent Government authority shall not exceed forty- five (45) days counted from the date on which the evaluation dossier was submitted and received.



Article 14 (Remittance of funds abroad)

1. The Government of Mozambique in accordance with the conditions set down in the authorization or other relevant legal instruments to the investments, shall guarantee the remittance of funds abroad in connection of this Law.
 - a) Exportable profits resulting from investments eligible for export of profits under the provisions of the Regulations of this Law;
 - b) Royalties or other payments for remuneration of indirect investments associated to the granting and transfer of technology;
 - c) Amortization of loans and payment of interest on loans contracted in the international financial market and applied in investment project in the country;
 - d) The proceeds of any compensation paid in conformity with the provisions of paragraph 2 of Article 13;
 - e) Invested and re-exportable foreign capital, independently of eligibility 8 or not) of the investment project to export profits under the regulations of this Law.
2. The remittances to in paragraph 1 above shall comply with the formalities set down in Articles 15 below.

Article 15 (Formalities for remittances abroad)

1. In harmony with the definition in paragraph 1p) of Article 1, provided that the applicable tax obligations and the exchange formalities have been satisfied, foreign investors with approved investments carried out in accordance with approved investment carried out in accordance with this Law and its Regulations are entitled to transfer abroad up the whole amount of the profits accrued to them in each financial year.
2. The document which confirms, for the purpose of remittance of profits abroad, the investment effectively made and the fulfillment of fiscal obligations, shall be issued by the Ministry of Planning and Finance within thirty (30) days counted from the date of submission of relevant application.
3. Remittances of re-exportable capital or of the proceeds of compensation or remuneration provided for in Article 13 shall be carried out in installments timed over a period not exceeding five years and in such way as to avoid disturbing the balance of payments.

4. Remittances of exportable profits and of invested re-exportable capital shall be processed in foreign currency of the investor's choice in accordance with the provisions of this Law its Regulations and the terms of authorization granted for the project.
5. Upon compliance with the provisions of paragraph 1 to 4 of this Article, the transfer of funds abroad under the present Law and its Regulation shall take place, provided that the following have been met:
 - a) The constitution or replenishment of legal reserve fund;
 - b) The payment of any outstanding taxes.
 - c) The provisions necessary to ensure the timely repayment of loan installments and interest on loans contracted for the realization of the investment.
 - d) Adequate provisions to guarantee the repayment of loans installments interest on loans to fall due before further funds sufficient to meet such responsibilities are generated.
6. The remittance of exportable profits in each financial year shall be promptly processed as long as the positive balance of foreign exchange generated by the undertaking or combination of several undertaking carried out by the same investor or group of associated investor allows the necessary coverage.
7. In case of insufficient exchange funds to cover the remittance of profits abroad in any given financial year by a project that have not generated a net surplus of foreign currency, the remaining balance shall be carried forward for its remittance abroad to the following financial year or years.
8. The transfer abroad of exportable profits generated by foreign investment which demonstrated effective substitution and / or reduction of imports or that proved it has effectively saved foreign exchange for the country, but that does not have foreign exchange fund to cover such transfer, shall be allowed and effected under the terms to be agreed with the relevant foreign investor.
9. The remittance abroad of re-exportable invest capital shall be processed with observance of the provisions of paragraph s 3 and 4 of this Article, proportionately to the participation of direct foreign investment in the share capital in the undertaking, based on the result value of the liquidation, sale or compensation, period of the direct foreign investment has expired without renewal.



Article 16 (Incentives)

1. In addition to the guarantees of ownership and of remittance of funds abroad provided for in Article 13 to 15 above, the government of Mozambique shall also guarantee the concession of tax and customs incentives granted in the Code of Fiscal Benefits for investments made in Mozambique in accordance with this Law and its regulations.
2. The right to enjoy the incentives provided for in paragraph 1 of this Article shall be irrevocable throughout the validity of the relevant period contemplated for in the code of fiscal Benefits for investments made in Mozambique , given that the conditions upon which the concession were granted remain unchanged.
3. The council of Ministers shall approve, by Decree, code of fiscal benefits referred to in paragraph 1 and 2 of this article.

CHAPTER III Financing and Exchange Operations

Article 17 (Financing of direct investments)

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1. Direct investment in project to be carried out in the country under this Law and its Regulations shall be financed by own equity capital made available by the respective investors.
2. Financing made available through shareholder's own resources, and for which remuneration shall not bear interest charges made on the undertaking in which they have been applied, shall also be considered as components of direct investment.

Article 18 (Access to domestic credit)

Companies formed and registered with the participation of direct foreign investment are entitled to access to domestic credit borrowing on the same terms and conditions applicable to Mozambican companies and in conformity with the relevant legislation in force in the country.

Article 19 (Allocation of foreign exchange)

1. For those undertaking whose activities generate foreign exchange, the Bank of Mozambique may, upon a submission by the respective companies of

their yearly plan of foreign exchange requirements, authorize the retention, in foreign currency accounts, of a proportion of foreign currency generated by such undertakings.

2. For those cases not covered by the paragraph 1 of this Article, appropriate arrangements shall be adopted for each undertaking taking into accounts its economic interest and social importance.

Article 20 (Exchange Operations)

Exchange operations and the conversion of foreign currency into local currency and vice-versa shall be processed in accordance with the legislation and rules in force in the country regarding such matters.

CHAPTER IV Approval and registration

Article 21 (Decision making on investment project)

1. The carrying out, in Mozambique of investment projects eligible for the guarantees and incentives provided for in this Law shall require approval by the competent government authorities.
2. The Government will establish, in regulations the levels of competence for the taking of decisions by government authorities on investment projects.
3. The council of Ministers shall regulate the time limits to be observed for the taking of decisions on investment proposal, and set down the procedures to be followed when a given proposal has not been decided upon by the component authority within the stipulated time limit.
4. The council of Ministers shall furthermore, regulate on the situations in which the authorizations granted for carrying out investment projects may merit charges or cancellation.

Article 22 (Registration of direct foreign investment)

1. The foreign investor , within one hundred and twenty (120) days counter from the date of notification of the decision authorizing an investment project, shall register the undertaking involving direct foreign investment with the authority actual capital import operation that takes place.



2. The failure to effect the registrations provided for in this Article may lead to the non-recognition of the right to export profits and remit the re-exportable invested capital abroad.
3. The registrations provided for in this Article shall be effected without prejudice to the verification and confirmation, in accordance with the provisions contained in the Regulations of this Law, of the direct foreign investment amounts declares for registration.

Article 23 (Transfer of investor´s position or rights)

1. The investor may transfer, wholly or in part, the position or rights held in an investment or the equity participation held in it, upon an express and duly founded request made by the investor to the Minister of Planning and Finance submitted through the investment promotion Center or its provincial delegate.
2. The applicant for such transfer shall indicate, in the request, the identity of the recipient and the terms agreed upon in connection with such transfer or investment rights or position.
3. Where, the applicant for the transfer of the position held or part of share capital held is in whole or in part, a foreign investor s/ he shall be entitled to request the remittance abroad of proceeds from this divestiture, provided the fiscal obligations applicable to capital gains have been satisfied.
4. The benefits of such transfer may only enjoy the guarantees and incentives provided for in this Law if such operation has been approved, effected and registered in accordance with the provisions of Article 22, and during the period of validity of the authorization granted for the relevant undertaking.

Article 24 (Confirmation and registration of indirect investment)

1. The relation of any indirect foreign investment contemplated in this Law and its Regulations shall require previous confirmation from the competent authority.
2. For the purpose of the paragraph 1 of this Article the component authority shall be:
 - a) The Bank of Mozambique, for those components of investments made under the form of loans associated with direct investments, irrespective of any involvement of direct foreign investment.
 - b) The authority responsible, in conformity with the law, for the registration

of any other specific form of indirect foreign investment brought in from outside Mozambique or from any other comparable source.

- c) The necessary condition for any form of foreign investment covered by Article 10 to be considered as indirect investment applied in project in accordance with his Law and its Regulations, shall be that such investment is confirmed and registered with the competent Mozambican authority as provided for in paragraph 2 of this Article.

CHAPTER V Other Provisions

Article 25 (Resolution of disputes)

1. Any disputes from the interpretation and application of this Law and its Regulations, which cannot be resolved on a friendly basis or by means of negotiation, may be submitted to the competent judicial authorities, in accordance with Mozambican legislation, for their resolution.
2. Disputes between the Government of Mozambique and foreign investors concerning authorized and realized investments in the country which cannot be resolved on the basis provided for in paragraph 1 of this Article, shall unless otherwise agreed, be entitled to submission for resolution through arbitration, with possible recourse, upon express agreement of both parties to;
 - a) The rules of the international convention for the settlement of investment Disputes between states and Nationals of other States (ICSID) adopted in Washington on 15th March 1965, or through the international centre for the settlement of investment disputes between states and nationals of other states.
 - b) Rules set out in the ICSID Additional Facility adopted on the 27th September 1978 by the Administrative Council of the international Centre for settlement of investment Disputes between States and National of other States, whenever the foreign investor does not meet the requirements provided for in Article 25 of the ICSID convention;
 - c) Rules of arbitration of the international chamber of commerce based in Paris.



Article 26 (Protection of the Environment)

1. Investor, and subsequently their companies, shall in the process of elaboration implementation and operation of their investment projects, carry out and submit the relevant studies and evaluations of the environmental impact and of any pollution and sanitation concerns that may result from their activities and the damages and / or wastes of their undertakings. Such studies and evaluations shall include any potential effect and / or implications on forest, geological and hydrological resources, whether within their area of concession or close to the peripheries of the areas in which the undertaking is being or is to be implemented and operated.
2. It shall also be the responsibility of said investors and companies to undertake appropriate measures for the prevention and minimization of any negative environment effects, particularly those identified in the environmental impact studies referred to in paragraph 1 of this Article, and subject to observance of the rules and guidelines issued by the competent authorities in this field , and in conformity with any legal provisions and any terms specified in the license granted for the operation of the activity.
3. Those activities with levels of pollution and contamination likely to alter and negatively affect the environment or public held shall comply with restrictions established by Law and/ or issued by competent authorities, as well as to any rules or international agreements on such issues to which Mozambique has become a signatory.

Article 27 (Previous investment projects)

1. This Law and its regulations shall not apply to investments made before it has entered into force, which shall continue to be governed by the provisions of the legislation and by the specific terms or contracts under which the authorization for each particular investment project to be carried out, in Mozambique, was granted.
2. Investment proposal submitted for evolution and approval before the entry into force of this Law shall be evaluated and decided upon, as appropriate, under the Law nr. 4/84, of 18th August, or the Law nr. 5/87, of 19th January, unless the applicants opt for and expressly request that the present Law be applied.



Article 28

(Regulation of unregistered foreign investments)

1. Investor with projects involving direct foreign investments authorized under Law n.º 4/84, of 18th August, and the Regulations an direct foreign investment, which are currently under implementation, in the relevant authorization or their implementation to be commenced, but which have not yet been registered in accordance with the provisions of Article 22, shall provide for and effect such registration with the Ministry of Planning and Finance within a period of one hundred and eighty (180) days counted from the date on which the present Law has entered into force.
2. The non-observance of the provision stipulated in paragraph 1 of this Article may lead to the cancellation of the granted authorization and, consequently to the cessation of the recognition and commitments that had been assumed by the Government of Mozambique in relation to such investment under Law nr. 4/84 of 18th August, and its Regulation.

Article 29

(Regulation)

The Council of Ministers shall approve the regulations relevant to the present Law.

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Article 30

(Final provision)

Those provisions of Law nr. /84, of 18th August, and of Law nr. 57/87, of 19th January, to the extent that they are contradictory to the provisions of the present Law, are hereby revoked.

Approved by the Assembly of the Republic.

President of the Assembly, **MARCELINO DOS SANTOS**.

Published on the 24th June, 1993.

President of Republic, **JOAQUIM ALBERTO CHISSANO**.

Regulation of the **INVESTMENT LAW**



Decree nr. 43/2009 of 21st August

**REPUBLIC OF MOZAMBIQUE
COUNCIL OF MINISTERS**

**Decree nr. 43/2009
21st August**

It being necessary to promote the continued improvement of the national investment climate in line with Mozambique's current socio-economic conditions, in particular with regard to the speedy execution of investment projects, the Council of Ministers, pursuant to the provisions of Article 204.1 (f) and 204.2 (d) of the Constitution of the Republic of Mozambique together with Article 29 of Law 3/93 of 24 June, decrees:

Article 1

The Investment Law (Law 3/93 of 24 June) Regulations, incorporated as part of this Decree, are approved.

Article 2

The Ministers with responsibility for Planning and Development, Finance, Labour, Home Affairs and Environment have the authority to establish, in consultation with the Investment Council, the supplementary procedures for the operation of Special Economic Zones and Industrial Free Zones.

Article 3

The Minister with responsibility for Planning and Development has the authority to approve the application, license and certificate forms as well as the procedural measures that are necessary for the implementation of this decree.

Article 4

Articles 1, 2, 3, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25 and 26 of the Investment Law Regulations approved by Decree 14/93, of 21 July**, Decree 36/95, of 8 August, Decree 62/99, of 21 September, Decree 35/2000, of 17 October and other legislation which is contradicted by the provisions of this decree.

Approved by the Council of Ministers.
Let it be published.

The Prime Minister, **LUÍSA DIAS DIOGO**.



REGULATION OF THE INVESTMENT LAW

CHAPTER I General Provisions

Article 1 (Definitions)

For purposes of these Regulations, the following terms have the indicated meaning:

- a) **Economic activity** – the production and sale of goods or the supply of services, regardless of the nature of the goods or services, carried out in any sector of the national economy;
- b) **SEZ or IFZ Developer Certificate** – the document issued by GAZEDA under the terms of these Regulations that lists the specific licenses that have been authorized, entitling the titleholder to operate a ZEE or an IFZ and constituting sufficient title for the commencement of the respective activity;
- c) **SEZ or IFZ Company Certificate** – the document issued by GAZEDA under the terms of these Regulations that lists the licenses that have been authorized, entitling the titleholder to undertake within a SEZ or an IFZ the activities for which it has been licensed and constituting sufficient title for the commencement of operations;
- d) **Investment Council** – the body within the Council of Ministers which is responsible for the submission of proposals for national investment policies;
- e) **Investment Promotion Centre, referred to by the abbreviation CPI** – a body of the Mozambican State Apparatus with responsibility for the promotion, reception, analysis, monitoring and verification of investments carried out in Mozambique with the exclusion of SEZ and IFZs.
- f) **Undertaking** – an activity of an economic nature in which national and/ or foreign capital has been invested and for which the necessary authorization for its realization and operation has been issued;
- g) **Project Implementing Company** – an entity that carries out an economic activity in an organized and continuous fashion and that is responsible for the implementation of an investment project and for the subsequent operation of the respective economic activity;

- h) **SEZ or IFZ Company, referred to by the abbreviation “SEZE” or “IFZE”** – a legal entity duly registered in Mozambique to which an SEZE or IFZE Certificate has been issued in accordance with these Regulations;
- i) **Economic Zone of Integrated Tourism Company, referred to by the abbreviation “EITZC”** – a legal entity duly registered in Mozambique to which an EITZ Certificate has been issued in accordance with the respective applicable regime and these Regulations;
- j) **Export from a SEZ or IFZ** – export of goods or services from a SEZ or IFZ to outside of the respective customs territory;
- k) **Export into a SEZ or IFZ** – export of goods or services into a SEZ or IFZ from the Mozambican national customs territory;
- l) **Local Supplier** – a company headquartered in the national customs territory that supplies goods or services to an SEZO or IFZ, or to an SEZE or IFZE;
- m) **Special Economic Zones Office** – referred to by the abbreviation “GAZEDA” – a State body that has been given the authority to coordinate all activities with regard to the establishment, development and management of Special Economic Zones and Industrial Free Zones;
- n) **Import from a SEZ or IFZ** – entry into the Mozambican national customs territory of industrial goods and services that come from a SEZ or IFZ;
- o) **Import into a SEZ or IFZ** – entry into a SEZ or IFZ of goods that come from outside of the respective customs territory;
- p) **Foreign direct investment** – any form of foreign sourced capital contribution that is quantifiable in monetary terms, is sourced from a foreign investor’s own equity capital or other resources and/or from capital or resources that are for the account and risk of the foreign investor and is to be invested in an economic activity project through a company registered and operating in Mozambique;
- q) **SEZ or IFZ Developer, referred to by the abbreviation “SEZO” or “IFZO”** – a legal entity, duly registered in Mozambique, who, in accordance with the terms of these Regulations, has been granted an SEZO or IFZO Certificate;
- r) **Economic Zone of Integrated Tourism Operator, referred to by the abbreviation “EITZO”** – a legal entity that is duly registered in Mozambique and that has been granted an EITZO Certificate, in accordance with the terms of the applicable regime and these Regulations;



- s) **Project** – an economic activity undertaking in which national or foreign capital or a combination of national and foreign capital is to be or has been invested and that has been granted the necessary authorization by the competent authority;
- t) **Special Economic Zone, referred to by the abbreviation “SEZ”** – as defined in Article 1(z) of Law 3/93 of 24 June.
- u) **Industrial Free Zone, referred to by the abbreviation “IFZ”** – as defined in Article 1(x) of Law 3/93 of 24 June.
- v) **Economic Zone of Integrated Tourism, referred to by the abbreviation “EZIT”** – a Special Economic Tourism Zone as defined in its respective legislation, in which the provision of tourism services is the principal economic activity.

Article 2 (Scope of Application)

1. The provisions of these Regulations apply to private national and foreign investment carried out by individuals or duly incorporated companies and other legal entities pursuant to Law 3/93 of 24 June (Investment Law) and other legislation.
2. The investments referred to in this Article, even if not eligible for the fiscal incentives defined in the respective legislation, may benefit from the guarantee of the right to export profits and re-export invested capital.

Article 3 (Objective)

The objectives of these Regulations are:

- a) To define the competencies, acts and time periods to be observed in the making of decisions regarding investment projects;
- b) To set the minimum value and forms of foreign direct investment in economic undertakings;
- c) To establish the submission and decision-making procedures for investment projects that are eligible for the guarantees and incentives provided for under the Investment Law;
- d) To establish the rules for the determination of the actual value of the realized investment;

- e) To define the rules for the amendment and revocation of investment authorizations that has been granted;
- f) To establish the legal framework and the mechanisms for the integration, coordination, planning, implementation and monitoring of the operations of the Special Economic Zones and the Industrial Free Zones;
- g) To define the rules for notification and correspondence as well as for the resolution of complaints regarding investment projects.

CHAPTER II

Coordination of investment procedures

Article 4

(Competency for the coordination of investments)

1. The Minister who has oversight of Planning and Development affairs has the competency to coordinate the investment process in accordance with the terms of Law 3/93, of 24 June.
2. CPI and GAZEDA shall each have the competency, within their respective areas of operation and in accordance with Government policies and strategies, to promote the economic opportunities that exist in Mozambique and to ensure that there are appropriate procedures to receive, assist and implement projects in accordance with the terms of the Investment Law and other applicable legislation.
3. When requested by CPI or GAZEDA, the Ministers, Provincial Governors and other heads of State institutions as well as the Presidents of Municipal Councils shall appoint representatives to ensure the necessary inter-institutional coordination.
4. The representatives appointed under the terms of this Article are responsible for the issuance of the advisory opinions and authorizations that are necessary for the approval, implementation and realization of investment projects.

Article 5

(Assistance and monitoring)

1. CPI and GAZEDA are responsible for the provision of institutional assistance to investors during the implementation and actual execution phase of projects that have been authorized, as well as for the monitoring and verification of compliance with the project Terms of Authorization, the provisions of the Investment Law and other applicable legislation.



2. The assistance and monitoring provided by CPI and GAZEDA are without prejudice to the specific competencies of the respective sectors of activity and other entities that supervise the area of activity of the particular project.
3. The investors and their representatives shall cooperate with the officials designated by the entities responsible for the monitoring of projects and shall provide such information and documentation as requested for this purpose.

CHAPTER III

Foreign direct investment & forms of investment

Article 6 **(Minimum value of foreign direct investment)**

1. For the specific purposes of eligibility for external remittance of profits and re-export of invested capital, the minimum value of foreign direct investment using the equity capital of a foreign investor is set at two million five hundred thousand Meticals (2,500,000.00Mts).
2. The foreign investor whose investment project satisfies one of the following requirements is also eligible for the external remittance of profits and the re-export of invested capital:
 - a) Generates an annual sales volume that is not less than three times the amount fixed in the preceding clause 6.1 as from the third year of operations;
 - b) Registers annual exports of goods or services with a value equivalent to one million five hundred thousand Meticals (1,500,000.00Mts);
 - c) Creates and maintains from the second year of operations at least twenty five direct employment positions for Mozambican nationals who are registered with the social security system.
3. The Minister who has responsibility for Planning and Development affairs shall, by ministerial order (Despacho) and after consultation with the Minister of Finances and the Governor of the Bank of Mozambique, adjust the minimum value of foreign direct investment, taking into consideration the average rate of inflation for the respective period in review.

Article 7 **(Determination of the value of foreign direct investment)**

1. For the purpose of registration and eligibility for the investment guarantees and incentives established for this purpose, the actual value of the realized

foreign direct investment shall be equal to the sum of the amounts of equity capital including shareholder loans without interest and the additional capital contributions by the investors themselves as well as re-exportable profits that are reinvested in Mozambique.

2. The realization of foreign direct investment using re-exportable profits is subject to the prior confirmation by the Bank of Mozambique of the amount of funds actually invested including confirmation that the minimum amount referred to in Article 6.1 of these Regulations has been invested.
3. For the purposes of the provisions of this Article, if the foreign direct investment results from the import of equipment, machinery and other materials, the CIF value of the imports shall be considered to be the respective amount of investment.

CHAPTER IV

Processing of investment proposals

SECTION I

Submission of proposals

Article 8

(Submission of the investment project proposal)

1. An investment project proposal shall include the duly filled in form accompanied by the documents necessary for the review of the proposal and shall be submitted in quadruplicate to CPI or GAZEDA, as the case may be, which shall register the proposal after confirming compliance with requirements for proposals.
2. An investment project proposal may be submitted in either the English or Portuguese language.
3. A project proposal that is submitted electronically or by mail shall be registered and processed provided that the proposal contains the information and elements that are necessary for its analysis and decision.
4. The project shall be registered in the name of the implementing company or the corporate name reserved for this purpose. The registration shall include the name of the proponent investors' legal representative or mandatory who shall guarantee the liaison with CPI or GAZEDA.

Article 9

(Project proposal supporting documentation)

1. Investment project proposals that are submitted for analysis and approval shall be accompanied by the following documents:



- a) Copy of the identification document of each proponent investor;
 - b) Certificate of company registration or company name reservation certificate for the Project Implementing Company;
 - c) Topographic plan or drawing of the proposed location for implementation of the project.
2. In the case of projects to be executed by a local business representation (branch) of a foreign entity, a copy of the Commercial Representation License issued by the competent Mozambican authority shall also be submitted in addition to the documents listed in clause 1 of this Article 9.
 3. During the analysis of the project proposal and consistent with the characteristics and size of the undertaking, additional or supplementary information may be requested as may be relevant for the review of the project.

SECTION II **Analysis of the proposal**

Article 10 **(Inter-institutional coordination)**

1. CPI and GAZEDA have seven (07) business days, counting from the date of the reception of the project proposal, to undertake the necessary inter-institutional consultation with the Ministries that have regulatory oversight of the sector that applies to the project as well as with other State institutions for the purpose of securing the opinions and approval regarding the project proposal.
2. Where there is no response within five (5) business days counting from the date of submission of the project by the entity having regulatory oversight of the sector, a favorable opinion and tacit approval of the project implementation shall be deemed to have been given for all purposes.

Article 11 **(Authorization proposal of the project)**

1. The authorization proposal shall include the draft ministerial order (Despacho) or Council of Ministers Internal Resolution containing the specific terms of the authorization relating to the respective project.
2. The project terms of authorization shall include, inter alia, the following information:
 - a) Identification of the proponent investors;

- b) The project designation and objectives;
- c) The name of the implementing company;
- d) The location and scope of operations;
- e) The value and structuring of the investment;
- f) The investment incentives and guarantees;
- g) The number of national and foreign persons to be employed;
- h) The time limit and terms for the start of the implementation of the project;
- i) Other specific terms to be included in the authorization that are relevant given the characteristics of the project.

CHAPTER V

Project authorization competencies and time periods

Article 12

(Competency for investment project decisions)

1. The decision regarding the approval of an investment project received by CPI shall be made by:
 - a) the Governor of the Province, within a maximum period of three (3) business days after the receipt of each proposal, in respect of national investment projects with an investment value not greater than the equivalent of one billion five hundred million Meticals (1,500,000,000.00Mts);
 - b) The General Director of CPI, within a maximum period of three (3) business days after the receipt of each proposal, in respect of foreign and/or national investment projects with an investment value not greater than the equivalent of two billion five hundred million Meticals (2,500,000,000.00Mts);
 - c) The Minister with oversight of Planning and Development matters, within a maximum period of three (3) business days after the receipt of each proposal, in respect of foreign and/or national investment projects with an investment value not greater than the equivalent of thirteen billion five hundred million Meticals (13,500,000,000.00Mts);
 - d) The Council of Ministers, within a maximum period of thirty (30) business days after the receipt of each proposal, for:
 - i) Investment projects with an investment value greater than the equivalent of thirteen billion five hundred million Meticals (13,500,000,000.00Mts);



- ii) Investment projects that require a land area greater than ten thousand hectares, to be used for any purpose except for the purpose specified in the following clause 1(d) (iii);
 - iii) Investment projects that require a forestry concession area greater than one hundred thousand hectares;
 - iv) Any other projects that have foreseeable political, social, economic, financial or environmental impacts that by their nature should be reviewed and decided by the Council of Ministers, on the proposal of the Minister who has oversight of Planning and Development matters.
2. The General Director of GAZEDA has the competency to approve SEZ and IFZ regime investment projects within a maximum period of three (3) business days after the receipt of each proposal.
 3. Taking into account the complexity or political, social or economic implications, the General Directors of CPI and GAZEDA may submit investment project proposals within their respective limits of authority for consideration by the Minister who has oversight of Planning and Development matters.

Article 13 (Notification of the decision)

1. CPI or GAZEDA, as the case may be, shall have the duty to notify the proponents of investment projects of the decision taken in respect of the proposal within a maximum period of forty-eight hours of the date of the decision.
2. A proponent whose investment proposal has been rejected, may, if it wishes, reformulate and resubmit the proposal for reconsideration of the decision taken.

Article 14 (Project implementation commencement)

1. The implementation of a project that has been authorized shall be commenced within a maximum period of one hundred and twenty (120) days counting from the date of notification of the authorization to the project proponents, unless a different time period is fixed in the authorization.
2. For the purposes of these Regulations, the commencement of the implementation of a project is defined as the taking of actions that unequivocally tend to the effective realization of the undertaking that is the subject of the authorization.

Article 15
(Registration of the foreign direct investment)

1. The foreign investor shall register the foreign direct investment with the Bank of Mozambique, within a period of ninety days after the authorization of the project and shall, for this purpose, submit the deposit receipts (bordereaux) issued by the respective national banking institutions or the documents confirmed by the customs authorities according to the nature or form of the respective investment.
2. The transfers of funds by means other than the national banking system shall not qualify as authorized foreign direct investment that is part of the investment project.
3. Any payments made abroad shall not qualify as foreign direct investment unless documentary proof of the entry into Mozambique of goods that have a corresponding value is submitted.

Article 16
(Foreign investor status)

For the purpose of the export of profits and the re-export of invested capital, the status of a foreign investor shall be valid so long as the underlying terms and conditions that qualified the investor for the acquisition of this status remain unaltered.

CHAPTER VI
Project authorization amendment & revocation

Article 17
(Amendment of the terms of authorization)

1. When material circumstances so require and based on the duly documented express application of the respective investors or their representatives, the terms and conditions of the project may be amended by the competent authority.
2. Requests for amendment regarding the increase of the amount of investment and transfer of the position or right of the investor in projects authorized by the Council of Ministers shall be submitted to the Minister with oversight of Planning and Development matters.



Article 18
(Transfer of the position of the investor)

1. The transfer or assignment of shareholdings held by investors in investment projects is unrestricted provided that the transfer takes place within Mozambique and is communicated to the entity that authorized the project and documentary proof of compliance with tax obligations is submitted.
2. The registration of a transferee as a project investor shall be formalized on submission of the respective request together with documentary proof of payment of any tax due issued by the competent authority and evidence that the transaction was carried out in accordance with the terms of the Law.
3. Any transaction executed abroad or the payment in respect of which has not been made through the national banking system shall be without effect within the national territory.

Article 19
(Revocation of the investment authorization)

The entity that granted the original investment authorization has the competency to revoke the respective investment authorization on the occurrence of any of the following:

- a) The justified request of the investors;
- b) The expiry of the time period established for the start of the implementation of the project, without the project implementation having been commenced;
- c) the paralisation of the undertaking's implementation or operation for a continuous period greater than three (3) months without prior communication to the competent authority that had authorized the project;
- d) The verification of events of default under the provisions of Law 3/93, of 24 June, and these Regulations, or the terms provided in the respective authorization or in other applicable legal instruments.

CHAPTER VII

Special Economic Zones

SECTION I

Creation of SEZ

Article 20

(Competencies)

1. The Council of Ministers, on the proposal of the Investment Council, shall have the competency to approve the creation of Special Economic Zones.
2. The Provincial Governments, the Municipality of the City of Maputo and other interested parties may submit proposals for the creation of a SEZ to the Council of Ministers. The proposal is subject to the prior affirmative review by the Investment Council.
3. For the purposes of the preceding clauses 20.1 and 20.2, the Investment Council shall submit a proposal for the requirements for the creation of SEZs to the Council of Ministers for its approval.

Article 21

(Authorized activities)

1. All types of economic activities are eligible for the respective SEZ benefits except those that by their nature are not permitted by law.
2. The construction and development of basic infrastructure for the implantation of a SEZ is also eligible for the SEZ benefits that apply to the activities to be carried out in the SEZ.

Article 22

(Concession of land)

1. The concession of the right of land use and benefit to an SEZO and to SEZ companies is subject to the terms of the Land Law and respective regulations. GAZEDA shall ensure the institutional coordination for the issuance of the authorizations, as well as the renewals and transfers of the land use and benefit right or any Special Licenses.
2. Without prejudice to the provisions of the specialized legislation, the renewal of the land use and benefit right as well as the issuance of a new land use and benefit title for the same area to the same investor at the end of the period of renewal only requires the proof of fulfillment of the approved project.



3. Without prejudice to the provisions of specialized legislation, the application for the grant and renewal of land use and benefit rights shall, once the applicable legal requirements are completed, be decided within the maximum period of thirty (30) days.

Article 23
(Environmental impact assessment)

1. Once the creation of a SEZ is authorized, the entity that has oversight of environmental matters shall, in collaboration with GAZEDA, undertake the environmental assessment of the SEZ area and the activities that may be carried out in the SEZ area as part of the respective projects or proposals as well as the basic environmental measures to be observed.
2. The assessment referred to in the preceding clause 23.1 shall also indicate which activities are exempt from environmental impact assessment.
3. The activities not included in the list referred to in the preceding clause 23.2 may be exempted from the conduct of an environmental impact study provided that the conduct of the activities does not violate the maximum effluent emission limits set in specific legislation or other restrictions that are from time to time applicable to the activity in question.
4. GAZEDA, in coordination with the Ministry with oversight of environmental matters, shall adopt a set of measures and procedures that enable the swift issuance of environmental licenses for projects to be implanted in SEZs.
5. The issuance of an environmental license for any project that is susceptible of provoking significant environmental damage in a SEZ, or in any other areas subject to these Regulations, is a prerequisite to the issuance of any other licenses.

SECTION II
Special regimes

SUBSECTION I
Fiscal and customs regimes

Article 24
(Fiscal and Customs Regime)

1. The developers and companies that carry out activities under the SEZ regime are subject to tax in accordance with the applicable law.

2. The entry into a SEZ of merchandise of any nature, quantity, provenance or origin is permitted provided that its import is not prohibited by law.
3. The fiscal and customs benefits that are applicable to the merchandise referred to in the preceding clause 24.2 are set out in respective legislation.

Article 25 (Sales into the local market)

1. An SEZE is authorized to sell its products into the local domestic market, subject to payment of the tax on the value of the imported goods, including customs duties, VAT (Valued Added Tax) and excise tax (Special Consumption Tax), applicable under the legislation then in force.
2. For those cases in which certain goods and products benefit from the exemption or lower rates of customs duties under the terms of bilateral or regional agreements that are lower than the rates referred to in clause 1 of this Article, these rates shall be taken into consideration in respect of sales of similar SEZ produced goods into the internal domestic market.
3. The rules regarding the origin of goods shall not be applied to the application of the preceding clause 25.2.
4. SEZ companies, which import consumer goods and merchandise, may sell these products into the local domestic market subject to the payment of all applicable fiscal imposts. The provisions of the preceding clauses 25.2 and 25.3 shall not apply to the sales of these products.
5. The provisions of this Article do not apply to the imports and sales, including the respective added value, destined for or coming from the economic activities carried out in an EZIT.

Article 26 (SEZ imports and exports)

1. The import of raw materials, merchandise and equipment into a SEZ shall be brought into Mozambique through the customs posts at the ports, airports or terrestrial frontiers, and thence directly under the customs transit regime to the SEZ where the goods may be inspected.
2. Provided that the import of such goods is not prohibited by law, merchandise of any nature, quantity, provenance or origin may be imported into a SEZ.
3. To carry out the imports as provided in the preceding clauses 26.1 and 26.2, the importer, namely the SEZE and the SEZO, shall submit the following documents:



- a) Single Customs Form;
 - b) Commercial invoices and the respective detailed list of merchandise;
 - c) Bill of lading, notice of arrival, Airway Bill, Merchandise Circulation Permit, according to whether maritime, rail, air or road transport is used.
4. The provisions of the preceding clause 26.3 shall not prevent import interdictions or restrictions based on either questions of morality, public order and security or treaties or resolutions of international organization ratified by the Republic of Mozambique.

Article 27 (Local suppliers)

The sale of goods and services into a SEZ by local domestic suppliers is considered to be an export.

SUBSECTION II Employment regime

Article 28 (Employment regime)

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1. All of the legal instruments that govern dependent work shall apply to SEZs and SEZEs, except for any exceptions set out in this decree and other specific legislation.
2. The contracting of foreign employees for the conduct of activities in a SEZ is permitted.

Article 29 (Information regarding foreign employees)

1. The SEZO and the SEZE shall notify the competent authorities through GAZEDA of the contracting of foreign employees.
2. Foreign employees with the professional qualifications and specializations that Mozambique requires may be hired provided that there are no, or insufficient numbers of, Mozambican nationals with the required qualifications.
3. Failure to comply with the provisions of the preceding clause 29.2 shall result in the commencement of a proceeding to determine compliance conducted by the competent authorities in coordination with GAZEDA, and which could result in the application of sanctions provided for by law.

Article 30
(Start of work by foreign employees)

1. Foreign employees may begin working prior to the issuance of the competent authorization, provided that the authorization is applied for within the time period indicated in the following clause 30.2
2. Recourse to the measure provided for in the preceding clause 30.1 requires the employer to give notice channeled through GAZEDA to the competent labour administration authority of the contracting of the foreign employee within a maximum period of fifteen (15) days counting from the date of the commencement of work by the foreign employee.

Article 31
(Foreign employee registration procedures)

1. The SEZO and the SEZE, which have contracted foreign employees, shall, within the time limit defined in the preceding Article 30, request, through GAZEDA, that the entity with oversight of labour matters registers these employees.
2. The request referred to in the preceding clause 31.1 shall only contain the following items (cumulatively):
 - a) Name, address and activity of the employer;
 - b) Name, age, passport number and nationality of the foreign employee;
 - c) Tasks to be executed and duration of the contract;
 - d) Certificates of educational and technical-professional qualifications or information regarding the employee's professional experience issued by the last employer, and annexed to the employee's "curriculum vitae";
 - e) Declaration of compliance with the provisions of Article 29;
 - f) Tax Authority issued certificate of tax compliance;
 - g) National Institute of Social Security certificate of compliance; and,
 - h) Four copies of the employment contract executed by the parties.



SUBSECTION III Immigration

Article 32 (Immigration regime)

1. Authorized investors and their representatives as well as individual owners of EZITs in the case of residential tourism projects, together with their spouses and minor children, shall be granted the right of permanent residence provided that compliance with the requirements is duly documented by GAZEDA.
2. Foreign employees contracted to provide services in a SEZ shall be granted temporary residence.
3. A foreign national who holds title to an individual EZIT shall be granted an annual multiple entry tourism visas.
4. Foreign professional consultants such as architects, lawyers, economists shall generate annual gross receipts of not less than one million Meticals from their services in order to be granted the right of permanent residence.
5. Specialists contracted to carry out certain activities within a SEZ shall be granted a short-term temporary residence authorization.

SUBSECTION IV Foreign Exchange regime

Article 33 (Foreign Exchange regime)

1. The application of a special foreign exchange regime to the entities covered by these Regulations derives from the authority given to the Council of Ministers under the general terms of the foreign exchange legislation.
2. The SEZO and the SEZE are permitted to open, maintain and transact accounts in foreign exchange inside and outside of Mozambique. The opening of external accounts shall be with corresponding banks of national banks.
3. The maintenance and operation of external accounts is subject to the prior authorization of the Bank of Mozambique.
4. The import of capital funds or other type of financial contribution for the constitution or increase of the share capital of an SEZO or an SEZE shall be registered by means of the submission of the documentary proof to the Bank of Mozambique, which will issue the documentary certificates of registration.

5. Within a SEZ the permitted foreign exchange regime shall be unrestricted and be considered as “off-shore” operations.

Article 34
(External transfers of funds)

1. The external remittance of profits and dividends is permitted, subject to the prior authorization of the Bank of Mozambique and provided that the investments have been previously registered with the Central Bank and all taxes due have been paid.
2. The repatriation of capital is permitted provided that the provisions of specialized legislation are observed.

Article 35
(Financing)

The companies covered by the SEZ regime may obtain external finance without the need for any prior authorization by the Bank of Mozambique or any other entity, provided only that a copy of the finance document shall be provided to the Central Bank for the purposes of registration.

SECTION III
Licensing procedures

SUBSECTION I
SEZO licensing

Article 36
(SEZO licensing proposal)

1. After the approval of the SEZ project by the Council of Ministers, GAZEDA has the competency to license an SEZO, through the issuance of the SEZ Developer Certificate.
2. The project proposals referred to in the preceding clause 36.1 shall contain the following information, as may be applicable:
 - a) The denomination and domicile or registered address of the applicant;
 - b) Authenticated copy of the registration certificate of the applicant;
 - c) A topographic plan of the proposed location of the SEZ;
 - d) The schedule of investment and sources of finance.

3. The Certificate referred to in this Article shall constitute the sole instrument required for the licensing of the SEZO and for the commencement of its activity.

Article 37 (Nature of the licenses)

1. The authorizations and licenses for the installation, operation and exercise of activities in a SEZ, are an administrative authorization and cannot be the subject of private legal transactions except when authorized by the competent issuing authority.
2. GAZEDA shall have the authority to carry out all of the necessary procedures for acquiring all authorizations that are considered necessary and to issue the SEZ Developer Certificate or the SEZ Company Certificate, as the case may be.
3. The inter vivo transfer of establishments that operate under the SEZ regime is subject to the prior authorization of GAZEDA and the recording and registration of the transfer in the certificate.
4. GAZEDA shall authorize the transfer subject only to the demonstration of sufficient financial resources or sources for the continuity of the same activity.
5. The execution of legal arrangements in violation of the provisions of clauses 37.3 and 37.4 shall result in the revocation of the certificate and the investment authorization granted for this purpose.

Article 38 (SEZ Management)

A SEZ is managed by an SEZO who is authorized for this purpose in accordance with the provisions of these Regulations. A SEZ is subject to the control and monitoring by GAZEDA as a customs territory subject to its own respective regime.

SUBSECTION II SEZE approval and licensing

Article 39 (Approval de SEZE)

1. GAZEDA has the competency to approve and to license SEZEs.
2. For the purposes of the preceding clause 39.1, GAZEDA shall constitute a one-stop licensing centre, with officials from the various sectors with the

necessary decision-making authority in respect of the various required licensing procedures.

3. GAZEDA shall provide the relevant authorities with information regarding the number and type of licenses issued to companies for the purpose of recording in their respective databases.

Article 40 (Application for SEZE licensing & certification)

1. An application for issuance of an SEZE Certificate shall be submitted to GAZEDA through the submission of the following documents:
 - a) Application form for SEZE certification;
 - b) Promissory lease or purchase contract for premises or for access to an area reserved for an SEZE;
 - c) Documentary proof of the registration of the Project Implementing Company in Mozambique.
2. GAZEDA may, according to the characteristics of the project to be implemented, request additional information considered relevant for the taking of the decision on the project.

Article 41 (SEZE certification competency and timing)

1. The certification of an SEZE shall be carried out by GAZEDA in its capacity as a Single Licensing Authority through the issuance of the relevant SEZ Company Certificate within the maximum period of ten (10) business days counting from the date of reception of the application, provided that all of the requirements which are needed for its approval have been fulfilled and have been confirmed and communicated by GAZEDA to the proponent.
2. The SEZE licensing includes the terms and conditions as determined by the competent authorities.
3. The SEZE Certificate is the sole document that is required for the commencement of activity and shall be valid for a renewable maximum period of ten years.



SECTION IV Economic Zones of Integrated Tourism

SUBSECTION I Creation

Article 42 (Creation of EZITs)

1. Large scale Economic Zones of Integrated Tourism are created pursuant to specialized legislation and are considered SEZ for the purposes of these Regulations.
2. Provincial Governments, the Municipality of Maputo and other interested parties may, in accordance with the procedures to be defined by GAZEDA, submit proposals for the creation of EZITs to the Ministry of Tourism which in turn will submit the proposal to the Council of Ministers, subject to the prior affirmative review by the Investment Council.
3. The proposals referred to in the preceding clause 42.2 shall, inter alia, contain the following information in addition to that provided for by special legislation:
 - a) The denomination and domicile or registered address of the applicant;
 - b) Notarially authenticated copy of the registration certificate of the applicant;
 - c) A topographical plan of the proposed EZIT location;
 - d) The investment schedule and financing sources.

Article 43 (Nature of the licenses)

1. The authorizations and licenses for the installation, operation and conduct of activities in an EZIT, except in the case of a Residential Tourism project, are an administrative authorization and cannot be the subject of private legal transactions.
2. GAZEDA shall, with the support of the Ministry of Tourism, have the authority to carry out all of the necessary procedures for acquiring all authorizations that are considered necessary and to issue the EZIT Developer Certificate or the EZIT Company Certificate, as the case may be.
3. The inter vivo transfer of a portion or a unit of an Integrated Tourism Zone is subject to the prior authorization of GAZEDA based on the affirmative opinion

of the Ministry of Tourism and the recording and registration of the transfer in the certificate.

4. GAZEDA shall authorize the transfer subject only to the provisions of the respective land use and benefit plan.
5. The execution of legal arrangements in violation of the preceding clauses of this Article shall result in the revocation of the certificate and all other legal consequences.

Article 44 (Regime applicable to EZITs)

The regime applicable to EZIT is the provided for SEZs subject to the particularities of the EZITs and any specific rules for these Zones.

SUBSECTION II EZIT developers

Article 45 (EZITO Certification)

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1. GAZEDA has the competency to issue the EZIT Developer Certificate to the Principal Proponent within the maximum period of fifteen (15) days.
2. The Certificate referred to in the preceding clause 45.1 is the sole instrument required for the licensing of the EZIT Developer and for the commencement of activity.

Article 46 (Regime applicable to EZITO)

The regime applicable to EZITOs is that provided for in these regulations regarding SEZOs without prejudice to the specific particularities of EZITOs and the specific terms applicable to these developers.

SUBSECTION III EZIT companies

Article 47 (Legal nature of EZITES)

1. EZITEs shall take the form of a commercial company, except in the case of time-shares and residential tourism whose titleholders shall be considered with the necessary adaptations as individual EZITEs.



2. The process for the approval and licensing of EZITEs is coordinated by GAZEDA.
3. The application for issuance of an EZITE Certificate, which shall include the following documents, shall be submitted to GAZEDA:
 - a) Application form for certification of the SEZE;
 - b) Urbanization plan;
 - c) Contract with the EZITO;
 - d) The schedule of investment and sources of finance;
 - e) Document proving the registration of the Project Implementing Company in Mozambique.
4. In accordance with the nature of the project to be implemented, GAZEDA may solicit additional information provided that this information is material to the taking of the decision and cannot be obtained after the commencement of the applicant's activities.

Article 48 (EZITE Certification)

1. The certification of an EZITE shall be done by GAZEDA through the issuance of the competent EZIT Company Certificate within a maximum time period of ten (10) business days, counting from the date of the reception of the application, provided that all of the requirements necessary for its approval have been fulfilled and GAZEDA has confirmed and informed the proponent regarding same.
2. The EZITE license includes the terms fixed by the competent authority.
3. The EZITE Certificate is the only document that is required for the commencement of the implementation and conduct of the activity and shall have a renewable maximum ten (10) year term.
4. The time period for the commencement of activity by the companies wishing to operate in the EZIT shall be fixed in the respective Certificate.
5. In the event of the total and definitive interruption of the exercise of activity by the company before the end of the term of the respective certificate or any of the renewal terms, and provided that the undertaking has not been transferred in accordance with the terms of these Regulations, GAZEDA shall determine what to do with the undertaking, taking into account the national interests.

Article 49
(Regime applicable to EZITEs)

Without prejudice to the provisions of the preceding subsection, the regime applicable to EZITEs is that which is provided for in these Regulations for SEZE without prejudice to the specific particularities and the specific rules provided for these companies.

SECTION V
Inspections

Article 50
(Periodic inspections)

1. The inspection of an SEZO or an SEZE is subject to the prior authorization by GAZEDA.
2. The institution that wishes to carry out the inspection shall request the authorization from GAZEDA, at least thirty calendar days beforehand and shall specify the reason for the inspection.
3. GAZEDA shall give the SEZO or the SEZE at least ten (10) business days prior notice regarding the nature of the inspection and the respective date.
4. In the event that the company is not prepared to receive the inspection team on the indicated date, the company shall indicate a new date that shall not be later than ten (10) business days after the date initially proposed.
5. The provisions of clause 50.2 of this Article do not apply to inspections by the Tax Authority in the case of customs fraud or tax evasion.
6. The inspections referred to in this Article shall include a representative of GAZEDA and of the SEZO and shall be conducted in such a way so as not to disturb or interrupt the normal activity of the company.
7. The rules established in this Article apply to SEZOs and SEZEs, except if a different procedure is established in a superior legal instrument.

SECTION VI
Sales

Article 51
(Sales and transfers of merchandise and goods)

Merchandise and other goods may be freely sold or otherwise transferred between one companies to another within a SEZE in accordance with the terms of the law.



Article 52
(Sales of goods, improvements and provision of services)

A SEZE developer, who carries out civil construction works or improvements within a SEZ, may freely sell or lease the works and/or improvements provided that the works and/or improvements are for the purpose of activities that are permitted under the SEZ regime.

CHAPTER VIII
Industrial Free Zones

SECTION I
Creation of an IFZ

Article 53
(Competencies)

1. The Council of Ministers has the authority to create an IFZ based on the proposal by the Investment Council.
2. Privately initiated proposals for the creation of an IFZ shall be submitted to GAZEDA and shall contain, inter alia, the following information:
 - a) The denomination and domicile or registered address of the applicant;
 - b) A topographic plan of the proposed location of the IFZ;
 - c) A description of the systems for the monitoring and security of the goods to be brought into the IFZ;
 - d) The investment value and schedule and the sources of finance as well as the proof of financial capacity to carry out the project through the submission of legal documentation for this purpose;
 - e) Authenticated copy of the document evidencing the company registration of the applicant;
 - f) Documentary proof demonstrating the capacity to administer and manage undertakings of a similar nature.

Article 54
(Processing of the application)

1. GAZEDA is responsible for the analysis of the proposals and the drafting of the opinion to be submitted by the Investment Council to the Council of Ministers for the purpose of deciding on the creation of the IFZ.

2. The opinion referred to in the preceding clause 54.1 shall be prepared after consulting with the Mozambican Tax Authority and with the Municipal authorities and/or Provincial Government of the location where the IFZ is to be installed.

Article 55 (IFZO Certificate)

1. GAZEDA has the competency to issue the IFZO Certificate after the approval of the project by the Council of Ministers and on certification by the Tax Authority that the security systems have been installed.
2. The Certificate referred to in the preceding clause 55.1 constitutes the only instrument required for the IFZO's licensing and start of activity.

Article 56 (EZFI license application)

The applications for IFZE licensing, which shall include the following documents, shall be submitted to GAZEDA:

- a) Duly filled in IFZE license application.
- b) Promissory contract for the lease and/or purchase or for access to the area reserved for IFZEs executed between the applicant company and the IFZO or between the applicant company and the IFZE owner of the industrial buildings;
- c) Submission of the documentary proof of registration of the Project Implementing Company in Mozambique.

Article 57 (Competency for licensing)

1. GAZEDA has the competency for the licensing of IFZ companies based on the issuance the competent IFZE Certificate provided that all of the applicable legal requirements have been satisfied.
2. The licensing provided for under this Article does not exempt the IFZE from the following mandatory registrations and notifications:
 - a) Registration at the relevant tax office for purposes of acquiring a tax identification number (NUIT);
 - b) Registration with the National Institute of Social Security (INSS);
 - c) Notification to the competent authorities for the conduct of the relevant inspection after conclusion of the construction works and the installation of the equipment.



Article 58 (Inspections)

1. The inspection of the sanitary, hygiene and security conditions by the competent authorities shall be carried out within the maximum period of five (5) business days from the date of notification by the proponents of the conclusion of the works and the installation of the equipment
2. In the event that the inspection referred to in the preceding clause 58.1 finds irregularities that do not put the public health or the safety of the workers or the environment at risk, the IFZE shall, within a maximum time period of forty-five (45) business days, remove the irregularity. At the end of this time period, the competent authorities may, at their own initiative, carry out another inspection.
3. The failure to carry out the inspection within the time period referred to in the preceding clause 58.2 by the competent authorities constitutes the tacit approval of the companies operating conditions.

SECTION II

Article 59 (Authorized activities)

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1. All activities of an industrial nature shall be authorized in an IFZ provided that seventy per cent (70%) of annual production volume are for export.
2. The construction and development of basic infrastructure for the implantation of an IFZ are also eligible for the same benefits granted to activities carried out in IFZs.
3. Exploration for and extraction of natural resources are excluded from the IFZ regime.
4. The manufacture, assembly or any form of processing of arms, munitions, pyrotechnics and explosive is prohibited in IFZs.

Article 60 (Periodic inspections)

The rules regarding periodic inspections that are applicable to SEZ shall also apply to IFZO and IFZE.

Article 61
(Companies located outside of an IFZ)

1. A company which wishes to set up outside of an IFZ and to have the benefits of the IFZ regime must apply to GAZEDA for the respective authorization, the application must comply with the requirements set out in the IFZ Customs Regime Regulations and satisfy one of the following criteria:
 - a) Initial investment equal to or greater than twenty five million Meticals (25,000,000.00Mts) to be realized within the first two years of activity;
 - b) Current or planned installed power capacity equal to or greater than 500 KVA;
2. Imports for the project shall be carried out in accordance with the provisions in these Regulations applicable to SEZ once the installation of the project is concluded and after the issuance of the Certificate of Security Systems in accordance with the IFZ Customs Regime.

Article 62
(Time period for installation)

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The period of time for the installation of project undertakings subject to the IFZ regime is six months counting from the date of the project authorization provided that this time period may be extended by GAZEDA based on a duly justified request submitted by the interested parties.

SECTION III
Special regimes

Article 63

The SEZ special regimes set out in these Regulations are, with any necessary adaptation, applicable to IFZOs and IFZEs, subject to the provisions in the following Articles.

Article 64
(Contracting of foreign employees)

The IFZ regime for the contracting of foreign employees and the terms of employment applicable to developers and companies shall comply with the provisions of specific legislation.



SECTION IV Customs and fiscal regime

Article 65 (Sales into the local market)

1. An IFZE is authorized to sell into the local domestic market up to thirty per cent (30%) of its production volume, in conformity with its annual production plan. All applicable fiscal imposts including customs duties, VAT and excise (Specific Consumption Tax/ICE) tax shall be paid on the sales.
2. For those cases in which certain goods and products benefit from the exemption or lower rates of customs duties under the terms of bilateral or regional agreements that are lower than the rates referred to in clause 1 of this Article, these rates shall be taken into consideration in respect of sales of similar IFZ produced goods into the internal domestic market.
3. The rules regarding the origin of goods shall not be applied to the application of the preceding clause 65.2.
4. The percentage authorized under the terms of clause 65.1 may be changed by the Minister with oversight of Planning and Development matters on the basis of an application by the IFZE in question, accompanied by the favorable opinion of GAZEDA and the Mozambican Tax Authority. GAZEDA and the Mozambican Tax Authority shall issue clear instructions regarding the general criteria for eligibility for such a change.

Article 66 (Imports and exports das IFZ)

1. The imports and exports of merchandises to and from an IFZ shall be carried out in strict compliance with the requirements established in the IFZ Customs Regime and the Customs Transit Regime.
2. The rules applicable to SEZ imports and exports shall also be applied with the necessary adaptations.

Article 67 (Local suppliers)

The sales of goods and services by local suppliers to an IFZ Developer or IFZ Company to be used for the exercise of licensed activities within the IFZ are considered to be an export.

Article 68
(Sale and transfer of merchandises and goods within an IFZ)

Merchandise and other goods may be sold or otherwise transferred from one company to another within an IFZ in accordance with the terms of the IFZ Customs Regime.

CHAPTER IX
Final and transitory provisions

Article 69
(Transitory regime)

1. Until the approval of the supplementary legal diplomas, the procedures applicable to IFZ shall apply to the SEZ regime, to the extent necessary and with any necessary adaptations.
2. Until the approval of the supplementary legal diplomas, the provisions of the Industrial Free Zone Customs Regime Regulations and the Customs Transit Regulations with any necessary adaptations shall apply to the entry and exit of merchandise to and from a SEZ.
3. The terms of authorization of investment projects authorized prior to the entry into force of these Regulations shall remain valid and of binding force.

Article 70
(Communications and correspondence)

Communication and the exchange of correspondence between investors and the entities responsible for the coordination of the investment process are binding provided that they are in writing and delivered to parties or entities to which addressed. The respective documents shall be legally binding if signed by the authorized representative of the party or entity in question.

Article 71
(Claims)

1. Claims linked to investment matters that arise from the application of Law 3/93, of 24 June and these Regulations, shall be duly documented and submitted to CPI or GAZEDA, according to their respective areas of jurisdiction.
2. CPI or GAZEDA shall submit each claim to the relevant entity and request the respective review as well as measures for the resolving of the claim if the claim concerns matters outside of their respective exclusive areas of jurisdiction.

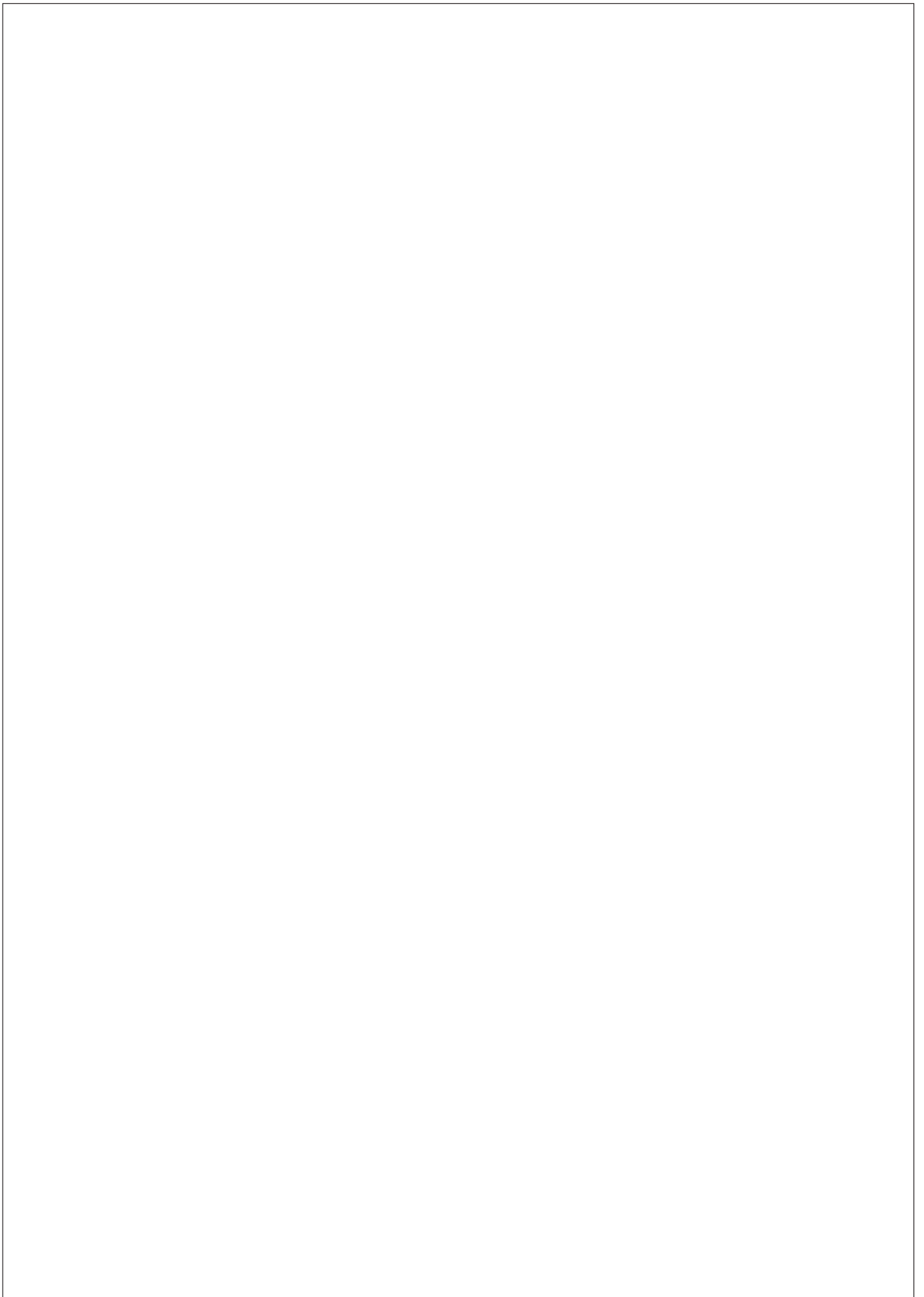
3. If, within a period of twenty days counting from the date of the request referred to in the preceding clause 71.2, no response is received and no measures taken to resolve the claim submitted, CPI or GAZEDA shall submit a proposed solution for consideration and decision by the Minister with oversight of Planning and Development matters, including express details of the lack of response or the procedure taken by the State entity that is the subject of the claim.
4. The provisions of this Article are without prejudice to the right of the interested parties to recourse to the procedures for the resolution of disputes regarding investment matters provided for in Article 25 of Law 3/93, of 24 June.

**Article 72
(Existing IFZ companies)**

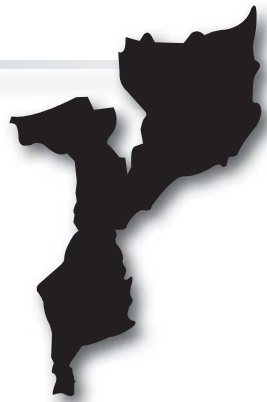
IFZ developers and companies retain all acquired rights and, if applicable, shall adjust to the new regime within the maximum period of sixty days.

**Article 73
(Existing companies operating within the
geographical area of a SEZ)**

1. Companies in existence as of the date of publication of this decree and operating within the geographical area of a SEZ may apply to become a company subject to the SEZ regime.
2. The rights and obligations of an SEZE date from the date of certification of the applicant company by GAZEDA.
3. GAZEDA shall, in coordination with the Mozambican Tax Authority and in accordance with the tax legislation in force, establish the mechanisms for the alteration of the fiscal regime of these companies.
4. GAZEDA shall establish the other terms and requirements to be observed by the applicant companies transitioning to the SEZ regime.



Code of
FISCAL BENEFITS



Law nr. 4/2009 of 12th January

**Law nr. 4/2009
of 12th January**

Code of Fiscal Benefits

It being necessary to reformulate the Code of Fiscal Benefits approved by Decree 16/2002 of 27 June in order to rationalize the fiscal benefits for investments and make them more effective as an instrument of the political economy, the Assembly of the Republic pursuant to the provisions of Article 127.2 and Article 179.2(o) of the Constitution determine:

Article 1

The Code of Fiscal Benefits, which is annexed to this Law as an integral part thereof, is approved.

Article 2

The Council of Ministers is delegated the competency to approve regulations in respect of this Law and shall do so within a period of 90 days from the date of publication.

Article 3

All legislation contrary to this Law is revoked.

Article 4

This Law enters into force on 1 January 2009.

Approved by the Assembly of the Republic on 26 December 2008.

The President of the Assembly of the Republic,

EDUARDO JOAQUIM MULÉMBWE.

Promulgated on 1 January 2009.

Let it be published.

The President of the Republic, ***ARMANDO EMÍLIO GUEBUZA.***



**TITLE I
General provisions**

**CHAPTER I
Fundamental Principles**

**Article 1
(Scope of Application)**

1. The provisions of this Code apply to investments carried out by individual and corporate persons provided that such persons are duly registered for tax purposes.
2. The investments referred to in the preceding clause are investments that are carried out under the scope of the investment law and its regulations, subject to the exceptions provided for in this code.

**Article 2
(Concept of Fiscal Benefit)**

1. Fiscal benefits are those measures that exempt or reduce the amount of tax to be paid in order to benefit activities that have a recognized public interest as well as to encourage the economic development of Mozambique.
2. Fiscal benefits are those provided for in this Code, namely:
 - a) Deductions from taxable income;
 - b) Deductions from tax;
 - c) accelerated depreciation and reintegration;
 - d) Investment tax credit;
 - e) Exemptions;
 - f) The reduction in tax rate and the deferral of the payment of tax.
3. Fiscal benefits are considered to be fiscal expenditure, and the appropriate declaration of benefits used in each tax year is required for the purpose of their determination and control.

**Article 3
(Entitlement to Fiscal and Customs Benefits)**

1. Investments carried out under the scope of the Investment Law are entitled to the fiscal benefits defined in this Code, provided that the investments

observe the terms established herein excluding investments as provided for in paragraph 3 of this article.

2. Investments which are also entitled to the fiscal benefits provided for under this Code are:
 - a) Investments that are carried out outside the scope of the investment law in commercial and industrial activities in rural areas;
 - b) Investment in new infrastructures built for retail and wholesale commerce;
 - c) Manufacturing and assembly industries.
3. With the exception of the situations referred to in the preceding paragraph investments carried out in commercial activities are excluded from entitlement to enjoyment of fiscal benefits.
4. The effective enjoyment of fiscal benefits may not be revoked, nor may the acquired right to the benefit be abrogated, except where as provided for in this code, the beneficiary has not complied with its obligations or if the benefit was improperly granted.

Article 4 (Accumulation of Fiscal Benefits)

The specific fiscal benefits provided for in this Code may not be aggregated with other specific or general benefits, without prejudice to the cases expressly provided for in this Code.

Article 5 (Transfer of Fiscal Benefits)

The fiscal benefits granted under this Code are transferable during their term of validity by means of an authorization of the Minister with oversight of the area of investment promotion provided that the fiscal benefits are not altered and that transferee fulfils the requirements for the enjoyment of such benefits.

Article 6 (Requirements for Exemption from Customs Duties and Value Added Tax)

1. An exemption from customs duties and that is only granted when the goods to be imported are not produced in Mozambique or if produced in Mozambique do not satisfy the specific characteristics for the purpose and function required or inherent in the nature of the project and the respective activity to be carried out and explored.



2. The aforesaid said exemption does not apply to food, drink, tobacco, clothing, passenger vehicles and other articles of personal and domestic use.

Article 7
(Time Period for the exemption from
Customs Duties and Value Added Tax)

The exemption from customs duties and Value Added Tax - VAT, is granted for the period of the first five years of the project implementation.

Article 8
(Inspection and Audit)

All individual and corporate persons who are holders of the right to enjoy fiscal benefits as provided for under this Code are subject to regular inspection and audit carried out by the Tax Administration and other competent entities for the purpose of controlling compliance with the prerequisites for the respective fiscal benefits and compliance with the obligations established for such holders

CHAPTER II
Procedures for Obtaining Fiscal Benefits

Article 9
(General Recognition Requirements)

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The beneficiary of fiscal benefits shall comply with the following general prerequisites for obtaining fiscal benefits, without prejudice to other specific requirements established by law:

- a) Tax registration, namely acquisition of a personal tax identification number (NUI);
- b) Have organized books and accounts in compliance with the General Accounting Plan and the requirements of the Corporate Income Tax Code (IRPC) and the Personal Income Tax Code (IRPS);
- c) Not have committed any infraction of a tax nature, as provided under the terms of Law 2/2006, of 22 March (Tax Infraction Law).

Article 10
(Recognition of internal tax benefits)

Subject to any provisions to the contrary, in order to obtain automatic recognition of the fiscal benefits which apply to domestic taxes collected by the Tax Administration, the titleholders of investment projects entitled to the enjoyment of Fiscal Benefits

shall submit to the local Tax directorate the investment authorization order and terms or other legally probative instrument together with a copy of the declaration of commencement of activity.

Article 11 (Recognition of import benefits)

1. In order to enjoy the customs and fiscal benefits provided for under this Code with respect to taxes assessed by the Customs Authority, the titleholder of such benefits shall submit to the Customs Service a list of the goods to be imported with exemption from payment of the customs duty and other imposts as well as the other items required under the terms of other legal instruments including the tax registration identification number.
2. The list referred to in paragraph 1 of this Article shall be approved after the issuance of the investment project authorization and subject to the terms established in the Investment Law Regulations and other applicable legislation.
3. The Customs Services shall, with five business days dating from the date of receipt of the list, undertake the respective registration and control procedures.

Article 12 (Proof of Investment)

1. In order to enjoy the Fiscal Benefits in respect of income in accordance with the terms of this Code, investment project titleholders entitled to benefits shall submit the following items together with the income tax declaration required under the Corporate and Personal Income Tax Codes (IRPC & IRPS):
 - a) A declaration stating the amount of the investment realized, using the form approved by the Minister having oversight of Finances;
 - b) The origin of the purchases and expenditure which are the basis of any deductions, indicating the invoice number, the name of the supplier, the invoiced amount and amount to be deducted as well as the accelerated depreciation amounts.
2. In order for the Tax Administration to determine the tax expense, investment project titleholders referred to in the preceding paragraph shall submit the declaration with the respective calculation of the value of the tax benefit as provided for in article 2.3 of this Code at the time of the submission of the income tax declaration required under the IRPC and IRPS Codes.



TÍTULO II

Fiscal Benefits

CHAPTER I General Benefits

Article 13 (Scope of application)

The general benefits provided for under this Chapter apply to investments that are not the beneficiaries of the specific benefits provided for under this Code.

SECTION I Benefits on the Import of Goods

Article 14 (Customs Duties and Value Added Tax Exemption)

Investments carried out under the terms of the Investment Law benefit from an exemption from payment of customs duties and VAT on the import of equipment classified as class “K” in the Customs Tariff Schedule including the accompanying spare and accessory parts.

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SECTION II Fiscal Benefits in respect of Income

Article 15 (Investment tax credit)

1. Investments carried out in the City of Maputo benefit, for a period of five tax years, from a deduction (not to exceed the tax payable in respect of the investment project activity) from Corporate Income Tax (IRPC) that is equal to 5% of the total investment actually realized.
2. In the case of investment projects carried out in the other provinces, the percentage, as established in the preceding paragraph 1, is 10%.
3. In the case of Personal Income Tax (IRPS), the investment tax credit deduction referred to in the preceding paragraphs shall not exceed the tax payable in respect of income taxable under Category 2 income (as defined in the IRPS Code).
4. Any portion of the tax credit not used in the respective tax year may be carried

forward and used in the five successive tax years dating from the date of commencement of investment for projects currently in operation and the commencement of operations for new projects.

5. For the purposes of the provisions of the preceding paragraphs, only investment in new tangible fixed assets acquired by and utilized in the investment project operations within Mozambique qualifies.
6. The provisions of this article do not apply when the investment in tangible fixed assets results from:
 - a) Construction, acquisition, repair or extension of any buildings;
 - b) Passenger vehicles;
 - c) Furniture and articles of comfort and decoration;
 - d) Social equipment;
 - e) Specialized equipment which is considered to be advanced technology under the terms of this Code;
 - f) Other investment assets that are not directly and necessarily associated with the productive activity carried out by the project.
7. For the purposes of this Code:
 - a) The commencement of investment is considered to be the moment in which the procedures to obtain Fiscal Benefits is initiated, after approval of the investment project;
 - b) The commencement of operations is considered to be the moment in which the operations that produce taxable income are initiated.

Article 16 **(Accelerated Depreciation and Reintegration)**

1. Accelerated depreciation of new immovable assets used in the conduct of the investment project is permitted. The normal legal rates, which apply to the calculation of depreciation and reintegration amounts considered to be deductible costs for the purpose of determination of taxable income for IRPC or IRPS, may be increased by 50%.
2. The provisions of the preceding paragraph also apply on the same terms to rehabilitated immovable assets and to machinery and equipment used in industrial and /or agro-industrial operations.



Article 17 (Modernization and introduction of new technology)

1. The amount invested in specialized equipment utilizing new technology for the conduct of investment project operations shall, during the first five years from the commencement of operations, benefit from a deduction from taxable income for the purposes of Corporate Income Tax (IRPC) equal to a maximum of 10% of taxable income.
2. The deduction referred to in the preceding paragraph as well as the respective terms applies to Personal Income Tax (IRPS), but only in respect to income from activities falling within Category 2 income (as defined in the IRPS Code).

Article 18 (Professional Training)

1. The cost of investments in professional training of Mozambican employees is deductible from taxable income for the purposes of the calculation of Corporate Income Tax (IRPC), during the first five years dating from the date of commencement of operations up to a maximum amount equal to 5% of taxable income.
2. In the case of professional training in the utilization of equipment considered to be new technology, as referred to in the preceding article, the maximum amount deductible from taxable income for the purposes of the calculation of Corporate Income Tax (IRPC), is equal to 10% of taxable income.
3. The deductions referred to in the preceding paragraphs as well as the respective terms apply to Personal Income Tax (IRPS), but only in respect to income from activities falling within Category 2 income (as defined in the IRPS Code).
4. The investment cost referred to in the preceding paragraphs does not include the cost of equipment and other assets of the company used in the professional training.

Article 19 (Expenditure considered being Fiscal Costs)

1. During a period of five tax years dating from the date of commencement of operations, investments eligible for fiscal benefits under the terms of this Code the following allowances may be also considered as costs for the determination of taxable income for corporate income tax (IRPC) purposes:
 - a) In the case of investments carried out in the City of Maputo, 110% percent of the value of expenditure in the construction and rehabilitation of roads,

railways, airports, mail delivery, telecommunications, water supply, electrical energy, schools, hospitals and other works that are considered to be of public utility by the competent authority;

- b) In the case of the other provinces, an amount equal to 120% percent of the expenditure, under the same terms as the previous paragraph;
 - c) In the case of expenditure for the acquisition for personal ownership of works of art and other objects that are representative of Mozambican culture as well as activities that contribute to the development of such works under the terms of the Law for the Defense of Cultural Patrimony, Law 10/88, of 22 December, only 50% of the expenditure is deductible as a cost for tax purposes.
2. The terms and provisions of the previous paragraph shall be applicable to income subject to the Personal Income Tax (IRPS), but only in respect of income from activities belonging to the Second Category of IRPS.

CHAPTER II Specific Benefits

SECTION I Creation of basic infrastructure

Article 20 (Qualifying Investments)

The provisions of this section are applicable to investment by the private sector or by public-private partnerships that has as its exclusive objective the establishment of basic public infrastructure that is essential for the promotion and attraction of investments, for the conduct of concrete activities in sectors of the national economy, such as the construction and rehabilitation of roads, rail lines, airports, water supply, electricity, telecommunications and others.

Article 21 (Customs Duty and Value Added Tax Exemption)

Investments defined in the preceding article benefit from an exemption from the payment of customs duties and VAT on the import of goods classified as class “K” in the Customs Tariff Schedule including the accompanying spare and accessory parts.



Article 22 (Income Tax)

1. Investments that have the exclusive objective of establishing basic public infrastructure as defined in article 19 of this Code, benefit from the following incentives with respect to Corporate Income Tax (IRPC):
 - a) An 80% reduction in the rate of IRPC tax in the first five tax years;
 - b) A 60% reduction in the rate of IRPC from the 6th to the 10th tax year;
 - c) A 25% reduction in the rate of IRPC from the 11th to the 15th tax year.
2. In the case of taxpayers subject to Personal Income Tax (IRPS), the benefit provided for in the previous paragraph shall apply only to the taxable income derived from the activity benefitting from the incentive but only in respect of income from activities belonging to the Second Category of IRPS.

SECTION II Rural Commerce and Industry

Article 23 (Qualifying Investments)

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The provisions of this section are applicable to investment in the construction and/or rehabilitation of infrastructure to be used exclusively for the conduct of commercial and industrial activity in rural areas.

Article 24 (Customs Duty and Value Added Tax Exemption)

1. Investments in commerce carried out in rural areas benefit from an exemption from payment of customs duties and VAT on the import of goods classified as class "K" in the Customs Tariff Schedule as well as others which are essential to the conduct of the activity, namely:
 - a) Freezers;
 - b) Scales;
 - c) Weights;
 - d) Cash registers;
 - e) Oil and fuel meters;
 - f) Counter.

2. Investments in industry carried out in rural areas benefit from an exemption from payment of customs duties and VAT on the import of goods classified as class “K” in the Customs Tariff Schedule including the accompanying spare and accessory parts.
3. The application for the enjoyment of the fiscal and customs benefits shall be made by a legally registered business entity and shall include the entity’s NUIT (tax identification number) and the business license for commercial or industrial activity in rural areas.

SECTION III

Manufacturing and Assembly Industries

Article 25 **(Qualifying Investment)**

The provisions of this section apply to investments in the manufacturing and assembly industry sector.

Article 26 **(Exemption of customs duties)**

1. Investments in the manufacturing industry sector benefit from an exemption from payment of duties on the import of raw materials to be used in the industrial manufacturing process.
2. Investments in the assembly of motor vehicles; electronic equipment; computer and communications technology and others benefit from an exemption from payment of customs duties on the import of materials to be used in the industrial production process.
3. The application for the enjoyment of the fiscal benefits defined in the preceding paragraphs shall be made by a legally registered business entity and shall include the entity’s NUIT (tax identification number) and the business license for industrial activity.
4. The fiscal benefits referred to in paragraphs 1 and 2 of this article are granted to investment projects which both demonstrate and assume the obligation to maintain an annual invoicing not less than 3,000,000.00 Meticals and which have a final product added value of at least 20%.



SECTION IV

Agriculture and Fishery

Article 27

(Customs Duty and Value Added Tax Exemption)

Investment in agriculture and aquaculture shall benefit from an exemption from payment of customs duties and VAT on the import of equipment classified as class “K” in the Customs Tariff Schedule including the accompanying spare and accessory parts.

Article 28

(Income Tax)

1. Investment in agriculture and aquaculture benefit from the following tax incentives with respect to Corporate Income Tax (IRPC):
 - a) An 80% reduction in the IRPC rate until 31 December 2015;
 - b) A 50% reduction in the IRPC rate from 2016 until 2025.
2. In the case of taxpayers subject to Personal Income Tax (IRPS), the benefit provided for in the previous paragraph shall apply only to the taxable income derived from the activity benefitting from the incentive but only in respect of income from activities belonging to the Second Category of IRPS.

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Article 29

(Additional Benefits)

The fiscal benefits provided for in articles 18 and 19 of this Code shall apply to investments in agriculture and aquaculture as defined in this section.

SECTION V

Hostelry and Tourism

Article 30

(Qualifying Investment)

1. The provisions of this section are applicable to investments in hostelry and tourism industry, namely:
 - a) Construction, rehabilitation, expansion or modernization of hostelry units and the respective complementary and related parts, with the principal purpose being the provision of tourism services;

- b) Development of infrastructure for the establishment of camping and caravan parks with a minimum three star classification;
 - c) Equipment for the development and exploration of marinas;
 - d) Development of wild life reserves, national parks and game reserves for tourism.
2. Investments in the following areas are excluded from the provisions of the previous paragraph:
- a) Rehabilitation, construction, expansion or modernization of restaurants, bars, cafés, food establishments, discotheques and other similar units when not a part of the units referred to in the previous paragraph;
 - b) Car rental;
 - c) Travel agencies, tourism operators and similar activities.
3. Investments carried out in tourism and hostelry activities, which are not eligible for the specific benefits defined in the previous paragraph, are entitled to the general benefits defined in articles 15 to 19 of this Code.

Article 31 **(Customs Duty and Value Added Tax Exemption)**

Qualifying investment as defined in article 30.1 of this Code shall benefit from an exemption from payment of customs duties and VAT on the import of equipment classified as class “K” in the Customs Tariff Schedule as well as the following goods which are considered to be indispensable for the conduct of tourism and hostelry activity provided that the quantities are limited to the amounts strictly necessary for the construction and outfitting, namely:

- a) Construction materials excluding cement, blocks;
- b) Tiles, paint and varnish;
- c) Rugs and carpets;
- d) Sanitary equipment;
- e) Furniture;
- f) Textiles;
- g) Elevators;
- h) Air conditioners;



- i) Kitchen equipment;
- j) Refrigeration equipment;
- k) Tableware and restaurant and bar articles;
- l) Communication equipment;
- m) Safes;
- n) Computer and sound equipment;
- o) Televisions;
- p) Recreational watercraft, yachts and related equipment and water sports security equipment;
- q) Aircraft, airplanes, helicopters, hang-glider, gliders, flight simulators, equipment and related equipment and tourist activity security equipment.

Article 32
**(Investment tax credit, accelerated
depreciation and reintegration)**

1. Qualifying investment under the terms of this section also benefit from the tax credit provided for under article 15 of this Code.
2. Accelerated depreciation of new immovable assets, vehicles, automobiles and other tangible fixed assets used in the conduct of the hostelry and tourism activities is permitted. The normal legal rates that apply to the calculation of depreciation and reintegration amounts considered to be deductible costs for the purpose of determination of taxable income for Corporate Income Tax (IRPC) or Personal Income Tax (IRPS) may be increased by 50%.

Article 33
(Additional Benefits)

Investments defined in this section benefit from the benefits provided for in articles 17 to 19 of this Code.

SECTION VI
Science and Technology Parks

Article 34
(Customs Duties and Value Added Tax Exemption)

Investments in scientific investigation, development of information and

communication technologies, as well as research and development benefit, for the duration of the project, from an exemption from the payment of customs duties and VAT on the import of scientific, teaching and laboratory material and equipment, including software and support materials, for technical, scientific education, teaching and investigation construction materials, machinery, equipment, and the respective accompanying accessories and spare parts.

Article 35 (Income Tax)

1. Investments in the areas of scientific investigation, information and communication technology development as well as research and development carried out in science and technology parks shall benefit from the following incentives in respect of Corporate Income Tax (IRPC):
 - a) IRPC exemption in the first five tax years;
 - b) A 50% reduction in the rate of IRPC tax from the 6th to the 10th tax year;
 - c) A 25% reduction in the rate of IRPC from the 11th to the 15th tax year.
2. In the case of Personal Income Tax (IRPS) taxpayers, the benefit provided for in the previous paragraph shall apply only to the taxable income derived from the activity which is the beneficiary of the incentive and which is Category 2 income.
3. Investments that do not fall within the areas of scientific investigation, technological development, information and communication, and research and development carried out in science and technology parks are not entitled to the fiscal benefits referred to in paragraphs 1 and 2 of this article.

SECTION VII Large Dimension Projects

Article 36 (Qualifying Investments)

Authorized investment that exceeds twelve billion five hundred million Meticals, as well as investment in public domain infrastructure carried out under the regime of a concession is entitled to the fiscal benefits set out in this section.



Article 37 (Customs Duty and Value Added Tax Exemption)

Investments defined in the preceding article shall benefit from an exemption from payment of customs duties and VAT on the import of construction materials, machinery, equipment accompanying spare and accessory parts and other goods used in the carrying out of the activity.

Article 38 (Additional Benefits)

The fiscal benefits provided for in articles 15 to 19 of this Code shall apply to investments defined in this section.

SECTION VIII Rapid Development Zones

Article 39 (Definition)

For the purposes of this Code, Rapid Development Zones (RDZ) are geographic areas within the national territory of Mozambique which have great natural resource potential but which are lacking in infrastructure and have a weak level of economic activity.

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Article 40 (Qualifying Areas)

1. Rapid Development Zones include the following regions in Mozambique: Zambezi River Valley zone, Niassa Province, Nacala district, Mozambique Island, Ibo Island and other areas which may be approved by the competent authority.
2. The Zambezi River Valley zone includes:
 - a) All the districts in Tete Province;
 - b) The districts of Morrumbala, Mopeia, Chinde, Milange, Mocuba, Maganja da Costa, Nicoadala, Inhassunge, Namacurra and Quelimane in Zambézia Province;
 - c) The districts of Gorongosa, Marringué, Chemba, Caia, Marromeu, Cheringoma and Muanza in Sofala Province;

- d) The districts of Bárue, Guro, Tambara and Macossa in Manica Province.
- 3. The Council of Ministers has the competency to establish new rapid development zones under the terms of this Code.

Article 41 (Eligible Activities)

- 1. The following activities are eligible for the fiscal benefits specified in this Section:
 - a) Agriculture;
 - b) Tree plantations;
 - c) Aquaculture;
 - d) Stock-raising;
 - e) Forestry operations;
 - f) Wild life related operations;
 - g) Water supply;
 - h) Electricity generation, transport and distribution;
 - i) Telecommunications;
 - j) Construction of public use infrastructures;
 - k) Housing construction;
 - l) Construction of agriculture related infrastructures;
 - m) Construction of hotel infrastructure and hotel operation;
 - n) Tourism and related activities;
 - o) Construction of trade infrastructure;
 - p) Industry;
 - q) Cargo and passenger transport;
 - r) Education;
 - s) Health.
- 2. The fiscal benefits provided for in this Section apply exclusively to investments in activities carried out in Rapid Development Zones.



Article 42 (Customs Duties and Value Added Tax Exemption)

Investments carried out in Rapid Development Zones in the activity sectors defined in the previous paragraph benefit from an exemption from payment of customs duties and VAT on the import of goods in class “K” of the Customs Tariff Schedule including the accompanying accessories and spare parts.

Article 43 (Fiscal benefits in respect of Income)

1. Investments located in Rapid Development Zones in the activity sectors defined in this Section benefit for a period of five tax years from an investment tax credit equal to 20% of the total investment realized, deductible from the Corporate Income Tax (IRPC) payable but which shall not exceed the tax otherwise payable.
2. In the case of taxpayers subject to Personal Income Tax (IRPS) the tax credit referred to in the previous paragraph shall not exceed the amount of tax resulting from income from the activity that is the beneficiary of the incentive and which is income classified as second category income (as defined in the IRPS Code).
3. Any portion of the tax credit not used in the respective tax year may be carried forward and used in the five successive tax years dating from the date of commencement of investment for projects currently in operation and the commencement of operations for new projects.

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Article 44 (Additional Benefits)

Investments defined in this section benefit from the benefits provided for in articles 18 and 19 of this Code.

SECTION IX Industrial Free Zones

Article 45 (Customs Duty and Value Added Tax Exemption)

1. Operators of Industrial Free Zones benefit from an exemption from payment of customs duties on the import of construction materials, machinery, equipment, accompanying spare and accessory parts and other goods used in the carrying out of the licensed Industrial Free Zones activity.

2. Industrial Free Zones enterprises benefit from an exemption from customs duties on the import of goods and merchandise to be used in the implementation of projects and exploration of activities which have been authorized under the terms of the Industrial Free Zones Regulations.
3. The exemption referred to in paragraphs 1 and 2 of this article includes VAT both on the import and on internal acquisitions as provided for in the VAT Code.

Article 46 (Income Tax)

1. From the date of the issuance of the respective Certificate, Industrial Free Zones Developers and enterprises benefit from the following incentives with respect to Corporate Income Tax (IRPC):
 - a) IRPC exemption in the first ten tax years;
 - b) A 50% reduction in the rate of IRPC tax from the 11th to the 15th tax year;
 - c) A 25% reduction in the rate of IRPC for the remaining life of the project.
2. Isolated Free Zone enterprises approved in accordance with the terms of the Free Zone Regulations benefit from the following incentives with respect to Corporate Income Tax (IRPC):
 - a) IRPC exemption in the first five tax years;
 - b) A 50% reduction in the rate of IRPC tax from the 6th to the 10th tax year;
 - c) A 25% reduction in the rate of IRPC for the remaining life of the project.

SECTION X Special Economic Zones

Article 47 (Customs Duty and Value Added Tax Exemption)

1. Special Economic Zones Developers and Enterprises benefit from an exemption from payment of customs duties on the import of construction materials, machinery, equipment, accompanying spare and accessory parts and other goods used in the carrying out of the licensed Special Economic Zones activity.
2. The exemption referred to in paragraph 1 of this article includes VAT both on the import and on internal acquisitions as provided for in the VAT Code.



Article 48 (Income Tax)

1. From the date of the issuance of the respective Certificate, Special Economic Zones Developers benefit from the following incentives with respect to Corporate Income Tax (IRPC):
 - a) IRPC exemption in the first five tax years;
 - b) A 50% reduction in the rate of IRPC tax from the 6th to the 10th tax year;
 - c) A 25% reduction in the rate of IRPC for the remaining life of the project.
2. From the date of the issuance of the respective Certificate, Special Economic Zone enterprises benefit from the following incentives with respect to Corporate Income Tax (IRPC):
 - a) IRPC exemption in the first three tax years;
 - b) A 50% reduction in the rate of IRPC tax from the 4th to the 10th tax year;
 - c) A 25% reduction in the rate of IRPC tax from the 11th to the 15th tax year.
3. Special Economic Zone enterprises approved in accordance with the terms of the Special Economic Zone Regulations benefit from a 50% reduction in the rate of IRPC tax for a period of five tax years.

CHAPTER III Sanctions

Article 49 (Sanctions which preclude suspend or cancel Fiscal benefits)

1. Without prejudice to other sanctions permitted under the tax and customs legislation in force, the violation of the provisions of this Code is subject to the application of sanctions which may, depending on the gravity of the infraction, preclude, suspend or cancel the application of the fiscal benefits.
2. The failure to comply with one or more of the prerequisites provided for in article 8 of this Code is an infraction subject to the sanction of preclusion from the enjoyment of the benefits.
3. Infractions subject to the sanction of suspension of benefits are:
 - a) The failure to pay taxes that are due to the State Treasury, provided that this infraction occurs only once;

- b) The failure to deliver the declaration required under article 2.3 of this Code;
 - c) The commission of infraction of a fiscal nature and other infractions provided that under the terms of the applicable legislation are not considered to be grave;
 - d) Non-compliance with the terms imposed in the grant of the fiscal benefits.
4. The repeated commission of the infractions referred to in the preceding paragraph shall be subject to the sanction of cancellation, without prejudice to the terms of Law 2/2006, of 22 March.

Article 50 (Cancellation and suspension of fiscal benefits)

1. The enjoyment of fiscal benefits shall expire at the end of the period of time for which granted, when cancelled as a sanction or if subject to terms and conditions, when a resolute condition occurs or the beneficiary fails to comply with the obligations imposed by these terms and conditions.
2. The cancellation or suspension of fiscal benefits results in the automatic application of general taxation as provided for by law.
3. In the event of the application of a suspense sanction, the suspension shall remain in force until the complete remedying of the cause of the suspension, including the payment within a period of sixty days counting from the date of the notification of tax due by the competent services.
4. The holders of a right to fiscal benefits are obliged to declare, within a period of 30 days thereof, when the factual or legal basis for the fiscal benefit has ended including the suspension of fiscal benefits but excluding where the termination was officially known.

CHAPTER IV Miscellaneous

Article 51 (General transitory regime)

1. The fiscal benefits the right to which has been acquired or the application for which has been formulated and submitted on the basis of prior Codes of Fiscal Benefits, approved by Decree 12/93, of 21 July, and Decree 16/2002, of 27 June, prior to the entry into force of this Code on 1 January 2009 shall be maintained in accordance with the terms on which granted.



2. Investment projects submitted for analysis and approval prior to the entry into force of this Code on 1 January 2009, shall be reviewed and decided in accordance with the terms of the Code of Fiscal Benefits approved by Decree 16/2002, of 27 June, except where the proponents expressly choose and request the application of this Code, within the maximum time period of sixty days from date of this Code's entry into force.

Article 52
(Disposal of assets subject to fiscal benefits)

When the fiscal benefit applies to the acquisition of assets to be directly applied in the realization of the buyer's objectives, if the assets are disposed of or applied to another purpose, without obtaining the prior authorization of the competent authority, the fiscal benefit will be null and void, without prejudice to any other sanctions.

Article 53
(Supplementary rules)

The provisions of the Corporate Income Tax Code, the Personal Income Tax Code, the Value Added Tax Code, the Customs Dispute Procedures, the Tax Dispute Procedures, the Tax Executions Code and other applicable legislation shall apply to any omission in this Code unless contradicted by the provisions of this Code.

Article 54
(Entry into force)

This Law enters into force on 1 January 2009.

Approved by the Assembly of the Republic on 26 December 2008.

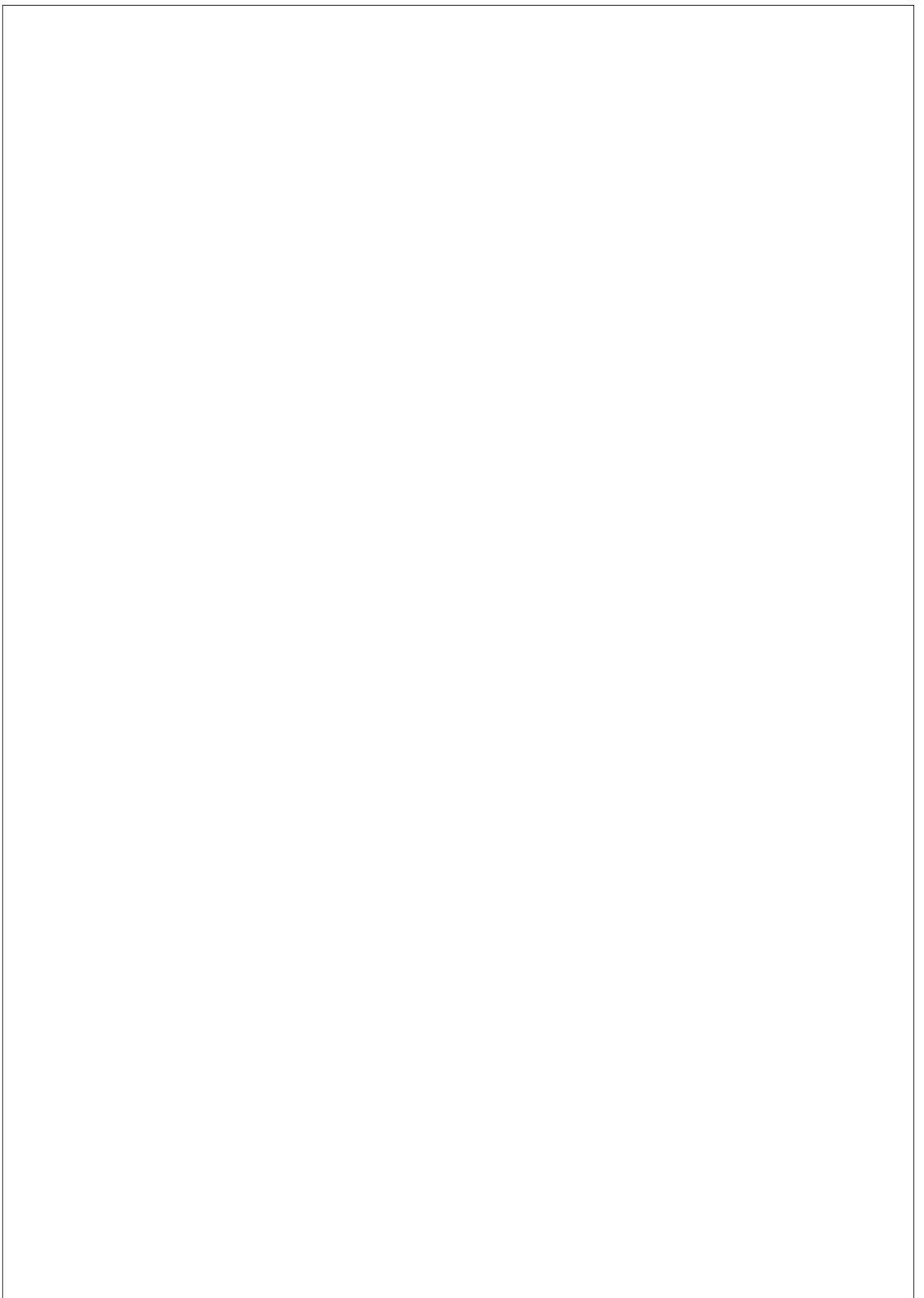
The President of the Assembly of the Republic,

EDUARDO JOAQUIM MULÉMBWE.

Promulgated on 1 January 2009.

Let it be published.

The President of the Republic, ***ARMANDO EMÍLIO GUEBUZA.***



Regulations on the
FISCAL BENEFITS ACT



Decree nr. 56/2009 of 30th January

**Decree nr. 56/2009
of 30th January**

Having the need to establish regulations on the application of the Fiscal Benefits Act, passed by the Law no. 4/2009 of 12th January, and in use of its authority granted by the article 2 of the same Law, the Council of Ministers determines:

Article 1

It is hereby passed the Regulations on the Fiscal Benefits Act, attached to this Decree and being integral part thereof.

Article 2

It is incumbent to the Minister who tutelage the Finance sector to establish and amend the procedures forms and sheets deemed necessary to the fulfillment of the obligations arising from this Decree.

Passed by the Council of Ministers on 11th August 2009.

To be Published

THE PRIME MINISTER

LUISA DIAS DIOGO.



REGULATIONS ON THE FISCAL BENEFITS ACT

Article 1 (Scope)

This regulation defines the necessary way and procedures to become operational the enjoyment of the benefits provided for in the Fiscal Benefits Act, passed by the Law no. 4/2009 of 12th January.

Article 2 (The Concept of Fiscal Benefits)

1. Are considered fiscal benefits under the terms of the abovementioned Act, the measures which imply exemption or reduction of the tax amount to be paid with the aim at benefiting activities with recognised public interest as well as to promote economic development in the country;
2. Fiscal benefits are:
 - a) The deductions from your pay for tax (taxable income);
 - b) Deductions to the tax collection;
 - c) Amortizations and accelerated reintegrations;
 - d) Fiscal credit through investment; and
 - e) Exemption and deduction of tax rates and the concession of its payment.

Article 3 (Right to the Fiscal Benefits)

1. Enjoy the benefits provided for in the Fiscal Benefits Act:
 - a) The investments approved under the Investments Law (Lei de Investimentos) and subject regulations carried out by natural and juristic persons registered for tax purposes;
 - b) The investments made for retail and wholesale trade as long as they are carried out in new infrastructures built for the purpose;
 - c) The investments in industry and commerce undertaken in rural areas;
2. Are excluded from the enjoyment of the fiscal benefits the investments made in the remaining business activities not covered by the lines b) and c) of the previous paragraph.

Article 4 (Accumulation of Fiscal Benefits)

1. The specific benefits provided for in the Fiscal Benefits Act are not cumulative among them neither with the general benefits saves for the cases herein provided for;
2. Without prejudice to the provisions of the previous paragraph, the investments in the manufacturing and assembly industry which implies the construction of infrastructures and equipment enjoy the general fiscal benefits related to the importation for construction purposes and respective equipment and enjoy the specific fiscal benefits in relation to the manufacturing and assembly industry after the beginning of the production process.

Article 5 (Recognition of Fiscal Benefits)

1. The beneficiary of the fiscal benefits provided for in the Fiscal Benefits Act should comply with the following requirements:
 - a) Fiscal registration so as to obtain the Taxpayer Identification Number (Número Único de Identificacao Tributária – NUIT);
 - b) Mantain organised accountancy in keeping with the Accounting General Plan and the requirements for Juristic Persons Income Tax Code (Imposto sobre o Rendimento das Pessoas Colectivas – IRPC) and for the Natural Persons Income Tax Code (Código do Imposto sobre o Rendimento das Pessoas Singulares);
 - c) Not having committed tax offences, under the terms of the Law no. 2/2006, 22nd March;
2. The investment-owners of industry and commerce sectors carried out in rural areas under the terms referred to in line c), paragraph 1 of the article 2 of this Regulations should gather the following requirements:
 - a) Be officially registered under company requirements;
 - b) Have Taxpayer Identification Number (Número Único de Identificacao Tributária – NUIT);
 - c) Have a licence to undertake industrial and business activity;
3. The evidence of the requirements demanded in line a) and c) of the paragraph 1 is made through the presentation of the documents issued by the tax authority in the respective Fiscal Area Directorate.



Article 6
(Recognition of the Benefits in Importation)

1. To enjoy the fiscal benefits when importing, the investment-owner must present to the relevant authority in an adequate form, the request for exemption in which is included the identification, address and Taxpayer Identification Number (Número Único de Identificacao Tributária – NUIT) of the importer, the legal provision on which the exemption is grounded, tariff of customhouse position, designation, quantities and value of the commodities to be imported, as well as the counting of the due customs' duty.
2. The application, to be submitted to the Customs Authority, should be accompanied by the global list of goods subject to exemption, the respective invoices, the bill of lading and other accompanying relevant documents;
3. The communication of the authorization issued by the Customs Authority qualifies the investor with exemption to import the commodities included on it.

Article 7
(Recognition of the benefits when importing for investments in industry and commerce for rural areas)

1. For the purpose of acknowledgement of the fiscal benefits when importing, the owners of the investments in industry and commerce in rural areas should submit to the Customs Authority the application for exemption referred to in the paragraph 1 of the previous article together with the evidence of legal registration and the license for industry and commerce;
2. The abovementioned application should be accompanied by a document that can prove the location of the entrepreneurship in a rural area and issued by the relevant administrative authority.

Artigo 8
(Recognition of the benefits in domestic taxation)

1. For the recognition of the fiscal benefits concerning domestic taxation, the respective beneficiaries should submit to the relevant Fiscal Area Directorate, the dispatch and the terms of authorization and a copy of the star up business declaration.
2. In case of fiscal benefits related to the income tax, the owners of the investments should submit together with the income statement mentioned by the Juristic Persons Income Tax Code (Codigo de Rendimento das Pessoas Colectivas – IRPC) and the Natural Persons Income Tax Code (Código de Rendimento das Pessoas Singulares), a statement in adequate form indicat-

ing the amount of the investment made and the origin of the purchase and expenses which will be subject to deductions, with an indication of the number of the invoice, name of supplier, total amount to be deducted as well as the accelerated amortizations made.

Artigo 9 (Transmission of the Fiscal Benefits)

1. The transmission of the fiscal benefits takes place, under the terms of the Investments Law (Lei de Investimentos) and complementary legislation in force, when the investor is duly authorized to cede, total or partially, its position or rights on the investment or its participation in the respective capital as long as the ceding has been duly made and registered;
2. The enjoyment of the fiscal benefits by the transferee should take place during the effectiveness of the authorization of the respective entrepreneurship.

Article 10 (Investment for Expansion of Trade)

The amount of the duly authorized investment of expansion of trade undertaken in operating projects in an amount equal or higher than half of the amount initially invested, entitles the right to enjoy new fiscal benefits provided for in the Fiscal Benefits Act, being the counting of the term for the purpose under the terms provided for in the Act and in this regulations.

Article 11 (Deadline for Exemption when Importing)

1. According to the Fiscal Benefits Code, the exemption related to customs' rights and Value Added Tax (VAT) due when importing goods is granted during the first five years of the Project implementation;
2. For the purpose of the previous paragraph, it is considered start up of project implementation the effective execution of the project works in accordance with the provisions of the Investment Law (Lei de Investimentos).

Article 12 (Modernization and introduction of new Technologies)

It is incumbent upon the Minister who tutelage the Science and Technology sector the evaluation and qualification of specialized equipment, using new Technologies for the development of the activities of the investment projects, for the purpose of the enjoyment of fiscal benefits related to the deduction for the purpose of enjoyment of the fiscal benefit related to the deductions from your pay for the Income Tax of the amount invested.



Article 13
(Investments in Joint Activities)

1. When the investment is made in joint activities, it is considered, for the purpose of the enjoyment of the fiscal benefits, only the core business.
2. For the purpose of the previous paragraph, core business is the one included in the start up business declaration.

Article 14
(Determination of Fiscal Expenditure)

1. The owners of the investment projects should submit, for the sake of determining the fiscal expenditure, at the moment of delivering the income statement provided for in the paragraph 2 of the article 8, the relevant form where the benefits enjoyed in each fiscal year are included;
2. If the investors do not deliver the relevant form referred to in the previous paragraph it will imply the automatic suspension of the fiscal benefits and the full payment of the due tax in the next fiscal year.

Article 15
(Audit and Surveillance)

The surveillance and auditing, for the control and check of the conditions of the fiscal benefits and the fulfilment of the obligations provided for in the respective Act, are carried out by the tax authority and other authorotative bodies obeying the provisions of the Laws which provide for the guidelines for organization of the taxation system of the Republic of Mozambique and general rules and principles of the mozambican taxation legal Framework, in the Regulations of Proceedings for Tax Surveillance and in the remaining applicable legislation.

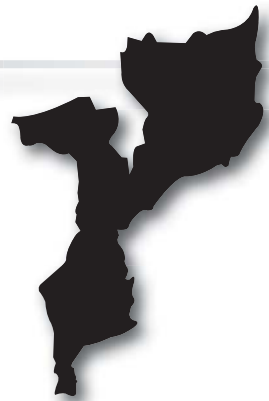
**Article 16
(Transitional Provisions)**

1. The investments authorized under the terms of the Fiscal Benefits Act, passed by the Decree no. 16/2002, 27th June, and whose generating fact that trigger the right to the fiscal benefit arises during the effectiveness of the new Fiscal Benefits Act, passed by the Law no. 4/2009, 12th January, may request the application of the fiscal benefits passed by the new Act, in case those are more favorable.
2. The application of the fiscal benefits granted under the terms of the Fiscal Benefits Act, passed by the Law no. 4/2009, 12th January, in terms of the previous paragraph, depends on a clear request of the proponent to be submitted within 60 days after the day of entrance into force of this Regulation.

Ministry of Planning and Finance, in Maputo, 15th November 2001.

The Minister of Planning and Finance, *LUISA DIAS DIOGO*.

Regulations on the
**CUSTOMS REGIME OF THE
INDUSTRIAL FREE ZONE**



Ministerial Diploma nr. 14/2002 of 30th January

REGULATION ON THE CUSTOMS REGIME OF THE INDUSTRIAL FREE ZONE

CHAPTER I General Provisions

Article 1 (Definitions)

For the purpose of this Regulation, the expressions defined in the regulation passed by the Decree nr. 62/99, dated 21st September are integral part thereof including the following:

1. "CZFI", Council of Industrial Free Zone;
2. "Declarant", the person who makes the statement by himself or through His legal representative;
3. "Periodic Tax Declaration" summary declaration of all movements in a given period which includes all the information of the Single Document (DU);
4. "DGA", Customs General Directorate;
5. "DU", Single document used in load dispatching by the customs;
6. "OECZFI", Steering Committee of the Council of Industrial Free Zone;
7. "Customs Territory" all the geographical area in which the Republic of Mozambique exercises its taxation power;
8. "Customs Transit" regime through which the commodities not nationalised are transported under customs control from one customs Office to another;
9. "IFZ", Industrial Free Zone.

Article 2 (Features of the Free Industrial Areas – ZFIs)

For the purpose of the provisions of the article 4 of the IFZ Regulation passed by the Decree no. 62/99, dated 21st September, the Industrial Free Zone should, at least, comply with the following conditions:


- a) Be installed in fenced places with a security and lasting barrier and should only have entrance and exit for means of transport only;



- b) Have adequate premises for Customs adjacent to the authorized doors, including an Office for accommodation, telephone facilities, fax, weigh bridge, specific storage room and premises for IT equipment in accordance with the needs and Customs' specifications which will be determined taking into account the size of the IFZ and the trading volume;
- c) Have space and adequate conditions for loading and unloading of goods, under supervision of the Customs;
- d) Have adequate internal and external lighting;
- e) Have secure fire fighting systems;
- f) Have adequate storage rooms to store and handle specific goods which may be dangerous for public health or have risk of contamination of the remaining goods or spillage;
- g) Have adequate equipments and tools for the movimentation, weighing and opening of volumes; and
- h) Have a place for parking of vehicles or carriages used in international transport, when they are waiting for customs destiny.

Article 3
(Obligations of the operator
and/or Company IFZ)

1. The obligations of the operator and/or company of the IFZ are as follows:
 - a) Comply with and create conditions for the fulfilment of the law, in general, and regulations and customs instructions, in particular;
 - b) Be civil or fiscally held accountable for any fiscal and customs offence practiced by the owner and solidarily by the offences committed by his employees, representatives or proxy;
 - c) Provide all the information requested by the Customs regarding the means of transport, goods and people ingoing and outgoing the IFZ;
 - d) Cooperate with the Customs in terms of entrance and exit of goods from the IFZ;

- 
- e) Keep records and accounting of the transactions of goods and stocks, organized in a way which is suitable for the activity carried out, allowing effective control of the transportation documents, the acceptance and delivery of goods;
- f) Keep records of all goods transferred to other entities within the Free IFZ where all the details of the Dispatch Note provided for in the article 18 of this regulation should be included; provide statistics and any other information related to such transfers whenever requested by the Customs or by the Council of Industrial Free Zone(CZFI);
- g) Allow Access by the Customs to all IFZ's for the purpose of tax authority visiting or examination of the goods or people;
- h) Allow the Customs to Access the records and IT's related to acceptance, storage and delivery of goods;
- i) Pay duties and other charges due by goods in absent or whose existence can not be proved and have been subject to consignment; and
- j) Provide all material and human means technically required whenever the customs authority decides to undertake the check of the goods at the entrance to and exit from the IFZ in accordance with the place agreed for such check;
2. Additional responsibilities of the operator before the Customs are as follows:
- a) Control all authorized gates;
- b) Issue identification cards for people rendering regular services within the IFZ. The card should include a photograph, name, signature, name of employer and address in the IFZ, date of issue, signature of the operator and sequential number;
- c) Issue cards for the visitors of the IFZ; and
- d) Keep updated records of all individuals authorized to get in the IFZ with details provided for in line b).



Article 4
(Documents and records to be kept by the operator and/or company of the Industrial Free Zone)

The operator/company should keep for a minimum period of five years records of the following documents:

- a) Copies of the Single Documents (DU) and all relevant documents;
- b) Transport slips, delivery notes, unloading reports or sheets, divergence notes and delivery orders for all goods received within the IFZ;
- c) Transport slips, loading lists and delivery notes for all goods in exit from the IFZ;
- d) Record of all goods in accordance with customs tariff which present details of the quantities received, consumed, produced, sold within the IFZ in the domestic market or exported and the existing stock; and
- e) Record of goods and units of transport of all receivables and distributions through the reference to the Single Documents (DU), slips and number of commercial invoices.

Article 5
(Costs with the Customs Control)

1. When the IFZ is located in a distance of more than 20km from the closest customs office, the operator is responsible for providing accommodation for the customs officers in duty;
2. The service provision after working hours, under the terms of the paragraph 3 of the article 7 of this regulation, is an overtime service provision and will imply its payment. The payment due by the operator or company of the IFZ for the work carried out after hours will be in accordance with the schedule in place in the Customs.

CHAPTER II

Customs Control of the Industrial Free Zone (IFZ)

Article 6 **(Customs Treatment)**

1. For the purpose of incidence of the duties and other charges, all goods for the activities of the IFZ are treated as if they were out of the customs territory of Mozambique;
2. The goods that come out from a ZFI for the domestic market of Mozambique are considered as if they are being imported to the customs territory of the country, being thus due the payment of duties and other charges, calculated on the basis of the their customs value at the moment of exit from the IFZ;
3. The goods imported to a IFZ, from the domestic market, are considered as if they were being exported from Mozambique;
4. The goods transacted under customs control from a border post to a IFZ, or dispatched from a IFZ to a border post, or transacted between IFZ or between these and storage rooms of customs regime are considered in transit being thus applicable the rules provided for in the regulation of customs transit.

Article 7 **(Customs Control)**

1. The customs are responsible by the customs control and collection of statistics related to the ingoing and outgoing goods from the IFZ;
2. The customs control exercised by the Customs is comprised of a number of measures and procedures provided for in this regulation aimed at, among other things, ensure the compliance of the law and regulations related to the entrance and/or exit of goods in the customs territory of the Country. The main purpose of the custom control in a IFZ is to ensure that all transport means and goods which come in ou come out from it be duly declared and the customs charges are paid when due in accordance with the provisions of the customs legislation. This control may include:



- a) Vigilance and check of the security systems, exercised by the operator in the limits of the Free Industrial Area as well as in the authorized entry controls;
 - b) The patrolling of the Access roads to the IFZ;
 - c) The searching of the people and the checking of the goods and transport means that goes in and out the Free IFZ;
 - d) Customs checking of the amounts, description and amounts of the goods that come in and out the IFZ; and
 - e) Auditing of the documents, record and accounting of the goods kept by the operators and companies.
3. The working hours of the IFZ will be established in the authorization and may be adjusted by initiative of Director General of the Customs or at request of the operator of the Free IFZ based on the service needs. If it is necessary to work after hours it must be requested in writing to the Customs with prior notice of 24 hours.

Article 8 **(Customs Inspection of the IFZ)**

The customs shall, in exercising customs control of the IFZ, have competence to:

- a) Entry and inspect any part of the IFZ at any time;
- b) Examine, count, weigh, divide, collect samples of any goods existing or delivered from the IFZ for the purpose of confirming the amount, value and the amount of tax and customs duty. The collection of samples must be recorded by the customs officer in the adequate record form and in the declaration referred to in the article 16 of this Regulation; and

- c) Inspect, copy, removes any document, registry or mailing that may be related with the stored goods within the IFZ or the transaction of goods from the entrance and exit of the same Free IFZ. This competence of Access is extended to the computer programmes and systems and data included in it, related to the records that under the terms of this regulation the operator or company are obliged to keep. When the documents be copied or removed by the Customs, these will provide to the owner a detailed receipt of the records.

**Article 9
(Surveillance and Protection
of the Access to the IFZ)**

1. The area is designated as a fiscal area subject to an ongoing control by the Customs. Access to the Industrial Free Zone (IFZ) will only be allowed by the operator through entries and exits approved by the Customs.
2. Access will be allowed to:
 - a) Transport means;
 - b) Goods; and
 - c) People accredited by the operator or authorized by the Customs, holding a badge or identification card in a visible manner.
3. The people referred to in the previous number are as follows:
 - a) Employees of all companies authorized to operate within the IFZ;
 - b) Customs' officers or from other institutions when performing their role; and
 - c) Accredited visitors by the operator or authorized by the Customs with the aim at going in and out the IFZ, under customs control;
4. People that are not duly accredited, under the terms of this article, must be arrested and presented to the Customs by the operator;
5. All people and transport means, when going in or out the fiscal area of the IFZ will be subject to search which will be needed by duly grounded initiative of the Customs, or by request of the operator.



Article 10 (Certification of the inspection of the premises of the IFZ)

1. A draft/drawing with the specific and detailed features of the security systems of the IFZ must be submitted by the operator of the IFZ to the Customs for the purpose of agreement and previous approval of its construction and installation;
2. The operator must make a written detailed statement, when the construction of the security system is concluded, certifying that all requirements agreed have been fulfilled, requesting through the Steering Committee of the Council of Free Industrial Zones (OECZFI) to the Customs the respective definitive inspection;
3. The Director General of the Customs will make all efforts in order to undertake the inspection of the premises;
4. After the reception of the inspection report, the General Directorate must, within 15 working days and after the reception of the declaration by the Customs, do the following:
 - a) Issue a certificate of the Security Systems of the respective IFZ, in duplicate, whose original must be sent to the Council of the Industrial Free Zone (CIFZ). The format of the certificate is attached as Annex I; or
 - b) As long as the requirements provided for in the paragraph 1 of this article are not fulfilled, the Customs must notify the operator in writing through the OECZFI on the reasons of the non issuance of the certificate of security systems at that moment.

Article 11 (Statistic Data)

1. The Customs should keep up to date the records of the entry and exit of goods, based on data provided by the operators and companies of the IFZ;
2. The Customs must provide to the National Institute of Statistics and the Council of Industrial Free Zone (CIFZ), in a format to be agreed by both parties, data of goods that went in and out the IFZ.

CHAPTER III
Rules to be followed in the entry and exit
of commodities from/to the IFZs and flow
of commodities within the IFZ

Article 12
(Entry of foreign commodities into the IFZ)

1. Entry of foreign commodities from the IFZ will not be exempt from taxes and other duties once the commodities are kept within the IFZ and hence, they will be exempt from pre-departure inspection.
2. Commodities taken from an entry boarder to an IFZ will be subject to the rules provided for in the Regulation on Customs Transit.

Article 13
(Exit of commodities from an IFZ
to a destination outside Mozambique)

Commodities taken from an IFZ to a destination outside Mozambique will be exempt from taxes and other duties, as longer as they are taken straightforward for exportation according to the customs transit rules, if applicable.

Article 14
(Flow of Commodities in domestic markets to the IFZ)

1. The commodities can be transacted to an IFZ in the following circumstances:
 - a) When the commodities are intended to be used as part of an infrastructure or equipment at the IFZ or when these are items to be consumed within the IFZ;
 - b) When the commodities are to be used in the production process; and
 - c) When the commodities are temporarily at the IFZ for repair, improvement, or use for subsequent re-entry in the domestic market.
2. The transaction of commodities to an IFZ as described in this Section will fulfil the principles, procedures and conditions provided for in the Preliminary Instructions of the Customhouse Tariff, as follows:



- a) The transactions referred to in line a) and b) of the previous paragraph shall comply with the exportation requirements; and
- b) The transactions referred to in line c) of the previous paragraph shall comply with temporary exportation requirements.

Article 15
(Transactions from the Industrial Free Zone - to the domestic market)

The commodities may be transacted from the IFZ to the domestic market and will be subject to the following rules:

- a) Importations subject to taxes and other duties and to previous written authorization and issued by the Council of Industrial Free Zone (CIFZ), according to the terms and conditions of the article 9 of the Decree n. 62/99 dated 21 September;
- b) Temporary importations to the domestic customs territory with subsequent re-entry to the Industrial Free Zone, subject to the following conditions:
 - i. The commodities shall be kept in possession of a person established at the Industrial Free Zone; and
 - ii. A temporary importation guarantee should be granted according to the Preliminary Instructions of the Customhouse Tariff.
- c) Re-importation of temporarily exported commodities to the Industrial Free Zone.

Article 16
(Custom Declarations to be presented for transaction of goods from and to the IFZ, after the authorization of the IFZ regime)

- 1. For all transactions of commodities provided for in the articles 12 and 15 of this regulation, the respective IFZ operator or company shall present a Declaration to the Customs (Single Document - DU) identifying the Custom regime and the codes of procedure according to the regulation for customs declarations.

2. For all transactions, the declaration to be made by the operators or IFZ should be accompanied by all necessary supporting documentation according to the legislation in force.
3. The Customs Director-General may authorize a group of goods dispatched by a unique Single Document (DU), periodically processed, for entrance in the IFZ.
4. The deadline for submitting the Single Document (DU) for aggregated commodities is as determined by the Director-General permission and should not exceed fifteen days counted from the first goods forwarding.

Article 17

(Transfer of commodities from one IFZ to another)

Commodities may be transferred from an IFZ to another exempted from paying taxes and other duties. The transferred commodities will be kept under control of the Customs according to the Regulation on Customs Transit.

Article 18

(Transfer of commodities among companies operating within the same IFZ)

1. IFZ operators and companies should, according to the article 8 of the Decree no. 62/99 dated 21 September, register all transfers and acceptances of goods to or from companies located within the IFZ.
2. For each internal transfer, the supplier should issue a delivery order in two copies with the following details:
 - a) Details on the company receiving the commodities, including its IFZ certificate number;
 - b) Taxpayer Identification Number (NUI);
 - c) The description of the commodities;
 - d) The quantities of the commodities;
 - e) The amount of cash;
 - f) The reference to the declaration document (Single Document - DU) related to the first entry of commodities in the IFZ; and



- g) Delivery Orders should be numbered in sequential manner with previously printed numbers. The supplier should issue two copies of the delivery order. A copy should be filed by the company that forward the commodities, following the check of secure acceptance and the other copy should be certified by the company receiving the commodities, acknowledging secure receipt and then returned to the supplier to file it.

Article 19

(Control of the arrival of the commodities transport units)

1. It is incumbent upon the IFZ operator, as responsible for its management, to arrange for the arrival of commodities from the transport units and take them for custom control.
2. It is incumbent upon the company receiving the commodities or its duly authorised representative to present all required documentation for commodities entry/exit permission in the IFZ. This will include a manifest of cargo, bill of lading, air delivery note, commodities arrival advice or a similar document and a commercial invoice.
3. The following procedures will be followed by the beneficiary company at the time of commodities arrival:
 - a) Subsequent to operator's due permission and registry, the means of transport will enter the IFZ through the authorised gate and parked at the customs screening site;
 - b) Once all adequate custom formalities have been fulfilled, the means of transport may be selected by the customs for screening or cleared to enter without being inspected. No means of transport will be allowed to pass beyond the screening site without customs authorization;
 - c) If inspection is ordered by a head of a custom office at the IFZ, it should take place at the time fixed by him, on the same day or on the following working day, except if the commodities to be taken to the IFZ are easily perishable. In this case, the IFZ operator or company will request an urgent inspection;
 - d) If the custom officer in charge of inspecting commodities cannot make it

at the fixed time, the IFZ operator or company may initiate the unloading of commodities half an hour later; and

- e) Once the commodities have been inspected or permission is given for the commodities to be unloaded without such a formality, this can be cleared through procedures fixed in regulations on commodities dispatch using the customs regime and the appropriate code of procedure.

Article 20
(Norm to be followed in customs
inspection of commodities at arrival)

1. Custom commodities inspection at unloading time, as well as the entry at IFZ storehouses, in case inspection has been carried out by the Customs, will be conducted under Customs control and guidance, according to the Law regulating commodities dispatch.
2. Exceptionally, the inspection can be carried out at the custom screening site where adequate facilities are available for a safe and efficacious inspection.
3. The receiver or his authorised representative may attend commodities inspection, in case he has requested or when required by the Customs.
4. In accordance with the Customs instructions, the operator or company or its representative should weigh or inspect the commodities in the packages.
5. The operator or company that receives the commodities should fill in an unloading checklist, according to the procedures provided for in the regulation for customs gates and this can be adapted as necessary. Trade documentation can be used for this purpose. When the Customs undertake commodities inspection, the officer should tick on the unloading checklist accordingly.
6. In case of irregularities, indications or signs of violation are found during inspection, the operator or company should follow the procedures for registration and reporting irregularities to the Customs, also provided for in the regulation for Customs terminal by issuing the corresponding disagreement note.



Article 21
(Formalities to be fulfilled for commodities exit)

1. The IFZ operator or company should submit the Single Document (DU) duly filled in to the Customs, at least 24 hours in advance before loading commodities. The following documentation should be attached to the Single Document (DU):
 - a) The planning or list of commodities packaging;
 - b) Final trade invoices;
 - c) Documentation from origin point if applicable;
 - d) The documentation accompanying the transit movement, if applicable, namely transit commodities declaration and the manifest of cargo; and
 - e) A copy of the Single Document (DU) original entry in the IFZ for commodities with the domestic market as the destination, according to article 15, if applicable.
2. If the documentation referred to in the previous paragraph is accurately filled in, the Customs will issue the Single Document (DU) and dispatch the commodities within 24 hours, after submission of documentation.
3. In case the commodities have the domestic market as destination, customs dispatch will only take place after the importer has paid the due duties.
4. If the commodities are selected for inspection, the Customs will appoint a customs officer to attend the unloading process at the location indicated by the exporter. Unless otherwise allowed by the Customs Head, the inspection should be carried out during the working hours prescribed in this regulation and should take place 24 hours after submission of the Single Document (DU).
5. However, if the customs officer fails to appear within half an hour subsequent to the fixed time with the commodities owner, he can proceed to load them.
6. After loading commodities on trucks or train, depending upon circumstances, the commodities will be displayed at the assigned customs post for exit screening, where it will await formal permission for outgoing commodities.

7. Inspection can only take place according to the norms provided for in the Dispatch Regulations on Clearance of Commodities and customs terminals.
8. In the case of commodities being moved to another customs post in transit, it is incumbent upon the customs unit controlling the IFZ to fulfil the procedures prescribed in the Regulations for customs transit.
9. No commodities should leave the IFZ prior to exit permission by the customs unit controlling the IFZ.

Article 22

(Exit of Commodities from the IFZ)

1. Permission for commodities exit from the IFZ is issued by the Customs in three copies to be delivered as follows: (1) the original copy will be attached to the original declaration which will be filed by the customs; (2) the second copy is given to the exporter; and (3) the third copy is given to the operator.
2. The operator will only allow exit of cleared commodities against the display of the respective permit issued by the Customs at the IFZ.
3. The operator will register the exit of commodities from the IFZ at the time it will take place and will certify it on the customs declaration copy possessed by the exporter or his representative.

Article 23

(Industrial scrap, destruction or loss of commodities)

1. Industrial scrap to be regarded as rubbish, for instance, by the municipality authorities, may leave the IFZ without formal permission. The operator should register the entry and exit of the trucks that will load the scrap.
2. These trucks will, however, be subject to customs inspection.
3. The IFZ companies will carry out the destruction of commodities subject to the customs regime dealt with in this regulation, within the IFZ.

A full registry on the commodities destroyed in a ZFI should be filed.

4. Exceptionally, for health and security reasons, the Customs may authorise that the destruction takes place outside the IFZ. In this case, the Customs may decide to attend the destruction process and, in this situation, the owner of the commodities should provide transportation for (the) custom officer(s).



5. Any additional scrap, including its by-products, delivered to the domestic market, should be declared in a Single Document (DU) and its due duties should be paid according to its value and rank of the customhouse tariff at exit. Whenever these commodities are declared as off commercial value, the owner should prove this convincingly if requested by the Customs.
6. It is also acceptable, for tax purposes, those commodities may be lost at the IFZ due to accident or force majeure or even due to nature-related reasons, as long as enough proof is provided by the owner or company.

CHAPTER IV

Applicable penalties

Article 24

(Applicable penalties due to failure to fulfil the rules provided for in this Regulation)

1. Without prejudice of the n. 2 of this article, in case of repeated failure to fulfil the content of this regulation, the Customs will report to the Council of Industrial Free Zones (CIFZ) in order to revoke the license.
2. Infraction of the custom law will be punished according to the legislation in force.

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CHAPTER V

Transitional and Final Provisions

Article 25

(Transitional Provisions)

All IFZ permissions previously granted will be subject to this regulation, unless otherwise results from the concession regimes.

Article 26

(Change of procedures)

Once the IFZ operator/company has been heard, the Customs Director-General may issue changes in entry/exit procedures and declarations, according to the activity needs.

**REPUBLIC OF MOZAMBIQUE
MINISTRY OF PLANNING AND FINANCE
CUSTOMS GENERAL DIRECTORATE**

CERTIFICATION OF SECURITY SYSTEMS AT THE INDUSTRIAL FREE ZONES

1. Name of operator	4. IFZ FREE Regime Code
2. Importer Registration Number	5. Address at the IFZ
3. Taxpayer Identification Number (TIN)	6. Reference of IFZ Controlling Custom Unit

7. Description of Security measures found at the IFZ

1. Facility inspected in fenced area with safe and long lasting barrier
2. Fence is made of solid durable and long lasting material
3. Has private inlet and outlet for means of transportation
4. Does it have adequate facilities for the customhouse, located close to gates and duly equipped for customs control?

Date: ____/____/____

This IFZ fulfils all requirements prescribed in Decree 62/99 of 21 September and in section 2 of the Regulation for IFZ custom regime.

The Customs Director-General

Date: ____/____/____

Labour Regime

**FOR THE INDUSTRIAL
FREE ZONES**



Decree nr. 75/99 of 12th October

Decree nr. 75/99 of 12th October

The Decree nr. 62/99 of 21st September approves the Regulations for the Industrial Free Zones (IFZ), a tool that establishes in article 38, the need to establish Labour Regime in these areas.

In this terms, according to line e), nr. 1 of article 153 of the Mozambican Constitution, the Council of Ministers determines:

Article 1 (Object and scope)

1. This regime aims at regulating the working conditions at the IFZ and applies to operators and companies established in IFZ.
2. All legal tools governing the subordinate work, except derogation included in this regime, are applicable to IFZ.

Article 2 (Work Permit for Foreigners)

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1. Foreign workers should have the professional qualifications and expertise that the country needs and should only be granted permission if no national citizens have such qualifications or in case of shortage of citizens with such qualifications.
2. The number of foreign workers in each Operator or Company in the IFZ should be as high as 15% of the total personnel.
3. The limitation established in the previous number exclude leadership positions, which will be occupied according to level of expertise and required qualifications.

Article 3 (Commencement of Activity by Foreigners)

1. The commencement of activities by foreigners in the Operators and Companies of IFZ may take place before official permission and, in this case, the contract should be established under resolute condition.
2. The use of the strategy prescribed in the above number obliges the employer to submit a request to the incumbent party at the labour administration, requesting contract permission for a maximum of 45 days to be counted from the date of work commencement by the foreigner.



3. In case the work permission is subsequently refused, the date when the refusal is issued should be regarded as the date of the contract resolution and all rights of the foreign worker regarding the time of contract signature should be respected.

Article 4 (Duration of Term in Work Position)

1. The work position for the workers referred to in n. 2 of section 2 of this regime should not last for as much as 7 years to be counted from the date of work commencement. After 7 years, permission will be granted for three permanent positions, through grounded request.
2. At the end of the 7 years aforesaid, positions for foreign workers should conform to the general regime.

Article 5 (Procedures for Authorization and Work Permit)

1. Whenever the Operators and Companies of IFZ intend to hire foreign workers, they should request the Ministry of Labor.
2. The request aforesaid should include the following cumulative aspects:
 - a) Name, address and employer activity;
 - b) Name, age, passport number and nationality;
 - c) Task to be performed and contract period;
 - d) Academic and Professional certificates or information reporting worker's Professional experience issued by the latest employer should be attached to the "curriculum vitae";
 - e) Four copies of work contract signed by the parties with details on work conditions, salary, forms of payment and holiday schedule.

Article 6 (Exemption of Fees)

Request for work permission for foreign workers are free of charges/fees.

Article 7 (Employer's Obligations)

1. The returning home charges for the foreign worker due to work contract termination for any reason will be paid by the employer.

2. It is incumbent upon the operator or Free Industrial Area Company to send to the authority referred to in n. 2 of article 10 of this regulation, until every 15th of January, a list of foreign workers in the company, with the following information included:
 - a) Nationality and date of issue;
 - b) Position and tasks performed;
 - c) Monthly salary at the date the information is provided.
3. It is also incumbent upon the authority referred to in the above number the obligation to submit a list of evaluation for Mozambican workers included in the professional training programs involving foreign workers.

Article 8 (Contraventions)

Failure to comply with the rules prescribed in this regime on hiring foreign workers will be punished, according to each infringement reported on individual workers, with a fine corresponding to five worker's monthly salaries as well as worker's suspension.

Article 9 (Collective Work Relations)

1. The proposals and responses to collective work regulating tool initiatives should be reported to the Ministry of Labour and to the Steering Committee of the Industrial Free Zones (OEZFI), with the respective copies.
2. The collective work conflicts are of compulsory arbitration and this may be officially promoted by the incumbent body at the work administration, in coordination with the Steering Committee of the Industria Free Zones (OEZFI).
3. Previous warning on strike outbreak in the IFZ should be issued within 7 days and the strike can only be summoned by the provincial or national union after confirmation by the Council of the Free Industrial Area (CZFI) provided that basic services are guaranteed.
4. The confirmation referred to in the previous number should be submitted in writing to the body that intends to summon the strike.



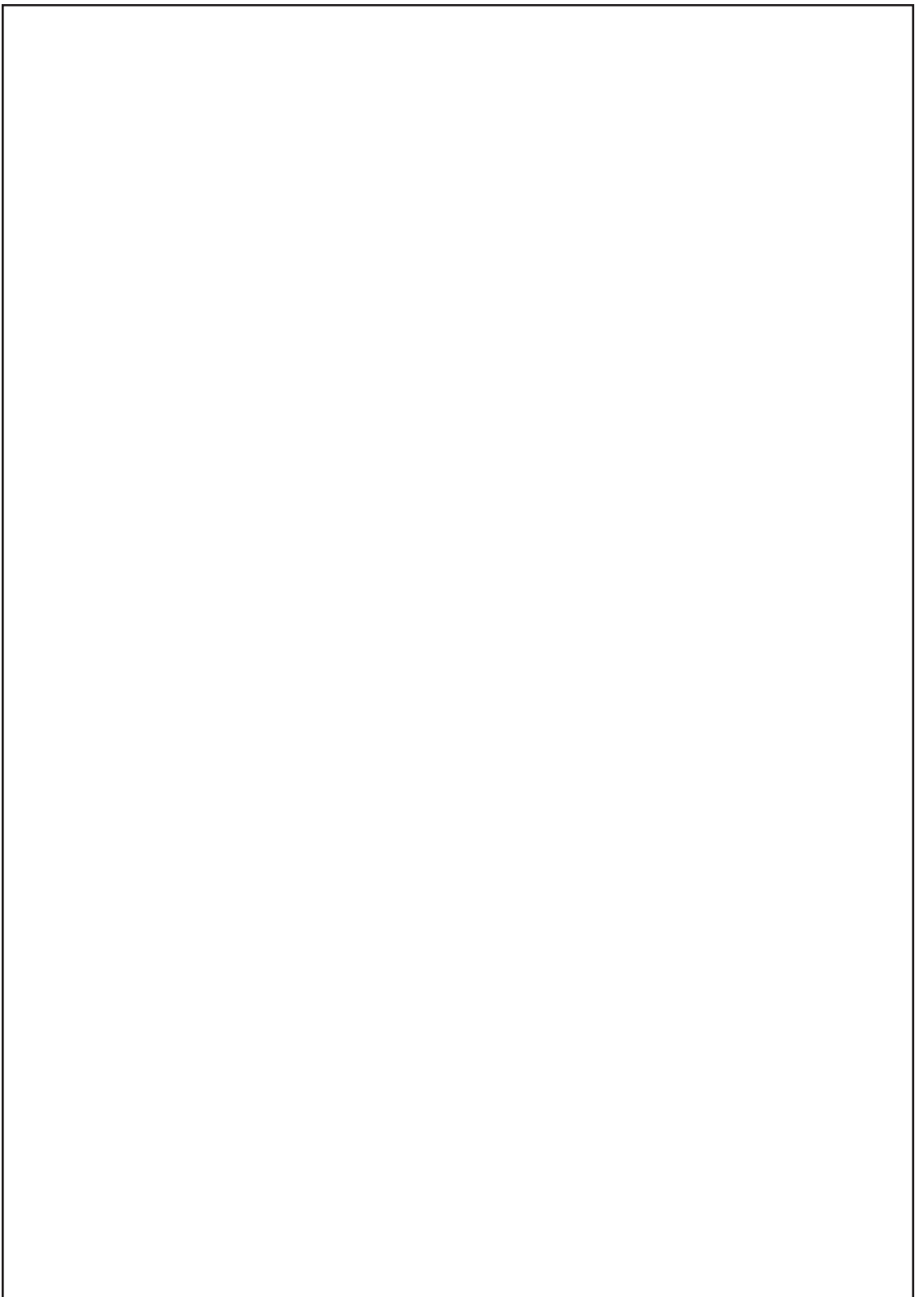
Article 10
(Competences and Delegation of Powers)

1. It is incumbent upon the Minister of Labour to adopt measures that ensure the application of this regime.
2. The Minister of Labour may delegate the representative of the Ministry of Labour at the Steering Committee of the Industrial Free Zones (OEZFI), enough powers to implement the rules provided for in this regime.

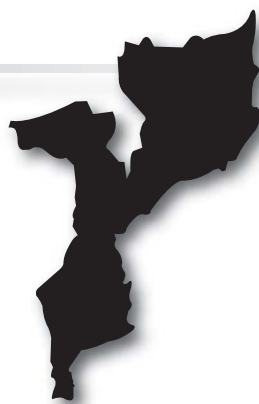
Passed by the Council of Ministers.

To be Published

The Prime Minister, *PASCOAL MANUEL MOCUMBI*.



Special
ECONOMIC ZONES OFFICE



Decree nr. 75/2007 of 24th December

COUNCIL OF MINISTERS**Decree nr. 75/2007
of 24th December**

With a view to guaranteeing the effective and efficacious management of the Special Economic Zones, including the supervision of the activities carried out in these same areas, it is necessary to create the legal framework for their implementation.

In these terms and using the powers and authority under article 204.1(f) of the Constitution of the Republic of Mozambique, the Council of Ministers decrees:

Sole Paragraph: The Special Economic Zones Office, with the abbreviated designation of GAZEDA, and whose organisational charter is attached here as an integral part of this decree, is hereby created.

Approved by the Council of Ministers, 18 December 2007

Let it be published.

The Prime Minister, **LUÍSA DIAS DIOGO.**



Organizational Charter for the Special Economic Zones Office

CHAPTER I Denomination and Nature

Article 1 (Denomination and Nature)

1. The Special Economic Zones Office, with the abbreviated designation of GAZEDA, is a State body with administrative autonomy, overseen by the Minister responsible for Planning and Development matters.
2. GAZEDA is governed by the provisions of this Charter, its respective internal regulations and subsidiary by the rules that are applicable to State bodies.

CHAPTER II Powers and authority

Article 2 (Authority of GAZEDA)

1. GAZEDA has the responsibility to promote and to coordinate all activities related with the creation, development and management of Special Economic Zones, including Industrial Free Zones, both of which are hereinafter denominated as ZEEs.

Article 3 (Composition)

1. In the exercise of its authority, GAZEDA has the following powers:
 - a) To coordinate and develop activities that encourages national and foreign investment initiatives in respect of SEZs;
 - b) To propose the creation of Special Economic Zones to the Special Economic Zones Council;
 - c) To plan, promote, coordinate and supervise the process of territorial planning within the SEZs in coordination with local authorities and municipalities;
 - d) To promote the establishment of the infrastructures which are indispensable to the development of projects within the SEZs;
 - e) To participate in the process of inventorying the natural resources within

the areas covered by the SEZs and to plan their rational and sustainable use;

- f) To design and prepare the documentation, publications and other necessary materials for, inter alia, the information and use of potential investors and the promotion of investments in the SEZs;
- g) To promote and publicize the image and economic potential of the SEZs;
- h) To receive, verify and register investment proposals to be carried out within the SEZs;
- i) To approve the investment proposals referred to in the previous paragraph;
- j) To issue, renew and annul investment certificates;
- k) to ensure compliance with the time periods set in the decisions made regarding the investment project proposals and other requests received from investors;
- l) To guarantee the inter-sectoral coordination in order to create the practical conditions to permit the implementation and subsequent operation of investment projects;
- m) To carry out monitoring and compliance procedures with respect to the implementation and actual operation of authorized investment projects;
- n) To provide institutional support and assistance services to investors at the different stages of investment;
- o) To prepare an annual inventory and balance sheet of investments that have been authorized and those that have been actually executed;
- p) To identify, study and propose the adoption of economic, legal, administrative and financial facilitation measures designed to promote, to encourage, to provide incentives for and to make the realization of foreign and national investment in SEZs a dynamic process;
- q) To collaborate in the preparation of proposal programs, strategies and /or sectoral policies, when requested by the relevant entities;
- r) To join national, regional and international fraternal organizations and associations, in accordance with the terms of the law;
- s) To exercise the other duties which are assigned to it by law.

CHAPTER III Organization and operations

Article 4 (GAZEDA organizational structure)

1. GAZEDA is composed of the following executive and consultative bodies.
2. The Directorate and the Departments as well as the Agencies that may be established domestically and abroad in accordance with the terms of the law are executive bodies.
3. The Management Council and the Consultative Council are consultative bodies.

Article 5 (Directorate)

1. The Directorate is made up of the General Director and two Deputy General Directors.
2. The General Director is appointed by the Prime Minister on the basis of the proposal made by the Minister of Planning and Development.
3. The Deputy General Directors are appointed by the Minister of Planning and Development on the basis of the proposal made by the General Director.

Article 6 (Duties and authority of the Directorate)

1. The Directorate has the following duties:
 - a) To coordinate and guide the internal management policy of GAZEDA;
 - b) To approve the internal regulations of GAZEDA;
 - c) To prepare and propose to the Special Economic Zones Council – SEZC the annual plan of activities and budget for GAZEDA as well as the strategy and multi-year programme of activities, financial plans and revisions thereof;
 - d) To control the collection of revenue by GAZEDA and the realization of budgeted expenditure that is necessary to its operation;
 - e) To mobilize in coordination with the Ministry of Planning and Development and the Ministry of Finance, the necessary financial resources for the performance of its duties;

- f) To manage the assets and liabilities of GAZEDA, the acquisition and disposal of assets as well as the administration of GAZEDA;
 - g) To prepare research studies and issue opinions, advice and recommendations regarding investment matters;
 - h) To propose to the Special Economic Zone Council legal or other measures which are considered advisable for the performance of its duties;
 - i) To prepare annually a management report and accounts in respect of the activities carried out during the previous financial year;
 - j) To decide on investment proposals submitted to GAZEDA.
2. The General Director of GAZEDA has the authority to determine the distribution of tasks between the Deputy General Directors, including the delegation of one or more of the duties attributed to the General Director.
3. In the event of absence or incapacity of the General Director of GAZEDA, either one of the Deputy General Directors may be appointed as substitute. If there is no such express appointment, then the Deputy with the most seniority shall be the substitute.

Article 7 (Management Council)

1. The Management Council has the following composition:
- a) General Director;
 - b) Deputy General Director;
 - c) Department Heads.
2. In function of the subject matter to be addressed, other personnel and technical staff designated by the General Director may participate as guests in the meetings of the Management Council.
3. The Management Council of GAZEDA is directed by the General Director.
4. The Management Council has the authority to pronounce its position regarding relevant issues related to the activities of the institution, namely with regard to:
- a) The preparation and control over the execution of the plans of activities and the periodic realization of a balance-sheet of the accounts as well as the evaluation of the activities of GAZEDA;

- b) In coordination with other State and non-state institutions, the analysis of the implementation of the policies for the promotion of investments in the SEZs and the proposal of actions to improve such policies;
 - c) Supporting the Directorate in decision-making;
 - d) Promoting the exchange of useful and relevant information and experiences between the Directorate and the staff of GAZEDA.
5. The Management Council shall meet ordinarily once a month and extraordinarily whenever convened by the General Director.

Article 8 (Consultative Council)

1. The Consultative Council is composed of permanent representatives, who have their own or delegated decision-making authority, of the following institutions:
- a) Ministry of Planning and Development;
 - b) Ministry of Finance;
 - c) Ministry of the Interior;
 - d) Ministry of Industry and Commerce;
 - e) Ministry of Transports and Communications;
 - f) Ministry of Foreign Affairs and Cooperation;
 - g) Ministry of Tourism;
 - h) Ministry of Energy;
 - i) Ministry of Science and Technology;
 - j) Ministry of Labour;
 - k) Ministry for the Coordination of Environmental Action;
 - l) Bank of Mozambique;
 - m) Tax Authority;
 - n) Ministry or entity that has oversight of the matter under analysis;
 - o) Three private sector representatives, designated by the Confederation of Business Associations – CTA.
2. Specialists and other entities including technical consultants working at GAZEDA may be invited to participate in particular sessions of the Consultative

Council where their participation is necessary or appropriate for a better understanding and analysis of the matters under consideration.

3. The Consultative Council shall meet ordinarily once a month, convened with a minimum of five business days prior notice and presided over by the General Director or in his incapacity, by one of the Deputy General Directors acting as his substitute.

Article 9 (Duties of the Consultative Council)

The Consultative Council has the following duties:

- a) Guarantee the inter-sectoral analysis and coordination regarding investment matters submitted to it as well as the respective recommendations and decision proposals;
- b) Ensure, through its members, the proper and on-going coordination between GAZEDA and the entities represented in GAZEDA;
- c) Pronounce its position on draft proposals of law and other regulatory acts as well as with regard to agreements and treaties that concern matters related to the SEZs.

Article 10 (Internal organizational structure of GAZEDA)

1. GAZEDA is composed of the Directorates, Departments and Agencies as set out in the annexed organigram.
2. The Departments have the following general tasks:
 - a) The Department of Administration and Finance – promote the effective and efficacious management of the human and financial resources allocated to GAZEDA, including the logistics thereof;
 - b) Department of Marketing and Public Relations – prepare and design the documentation, publications and other material that is necessary for the promotion of investments in the SEZs as well as promote and publicize the image and economic potential of the Special Economic Zones;
 - c) Department of Research and Projects – promote the research that is necessary for the effective establishment of SEZs, including the identification and proposal of economic, legal, administrative and financial measures in order to facilitate the promotion, encouragement and stimulation of investments in the SEZs;

- d) Department of Special Economic Zones – promote the establishment of infrastructures which are essential to the development of projects in the SEZs and coordinate all of the actions that are necessary to the establishment and operation of the SEZs;
 - e) Department of Industrial Free Zones – promote the actions that are necessary to the establishment and operation of the Industrial Free Zones.
3. The General Director may propose the creation and extinction of Directorates, Departments and Agencies.
 4. The General Director of GAZEDA has the competence to hire, appoint, exonerate and exercise disciplinary authority in respect of all personnel at GAZEDA.

CHAPTER IV

Status of personnel

Article 11

(Professional careers and personnel framework)

The professional careers and personnel framework that shall apply to the personnel of GAZEDA shall be approved by a joint diploma of the Minister of Planning and Development, the Minister of Finance and the Minister of Civil Service.

Article 12

(Remuneration)

The salary chart for GAZEDA personnel shall be approved by a joint diploma of the Minister of Planning and Development and the Minister of Finance in consultation with the Minister of Civil Service.

Article 13

(Personnel Regime)

The personnel of GAZEDA shall be governed by the rules applicable to civil servants or those that apply to a secondment or to a special employment contract on the basis of which the employee is employed at GAZEDA.

CHAPTER V

Assets, revenue and expenditure

Article 14 **(GAZEDA assets)**

1. The State assets that are allocated to GAZEDA shall constitute the patrimony of GAZEDA.
2. All assets, liabilities, rights and obligations that have been acquired or assumed in the course of the performance of its duties are also the patrimony of GAZEDA.
3. The financial and asset management of GAZEDA, as well as the organization and execution of its accounts and records is governed in general by the rules applicable to State institutions and the rules defined in GAZEDA's internal operating regulations.
4. GAZEDA may be entrusted with the management of other duly identified assets and patrimony of the State in accordance with defined rules.

Article 15 **(GAZEDA revenue)**

GAZEDA has the following revenue sources:

- a) The budgetary allocation attributed by the Government;
- b) The fees and emoluments that, by order of the Minister of Finance, GAZEDA is authorized to charge for the provision of services;
- c) The revenue from the sale of informational materials and publications;
- d) Donations, subsidies and other forms of support made available to GAZEDA by public or private, national or foreign, institutions, organizations, companies and or individuals;
- e) 40% of the revenue derived from the operation of the SEZs;
- f) Any other revenue that results from its activities or that is attributed to it by law or by contract.



**Article 16
(GAZEDA expenditure)**

GAZEDA has the following expenditures:

- a) The costs which are inherent in the conduct of the duties, powers and authority and delegations of authority that have been conferred on it;
- b) The costs of acquisition, maintenance and repair of equipment, immoveable assets and other services which are necessary to its operations;
- c) The remuneration paid to its employees and specialists who have been contracted or requested to provide services to GAZEDA.

**CHAPTER VI
Final Dispositions**

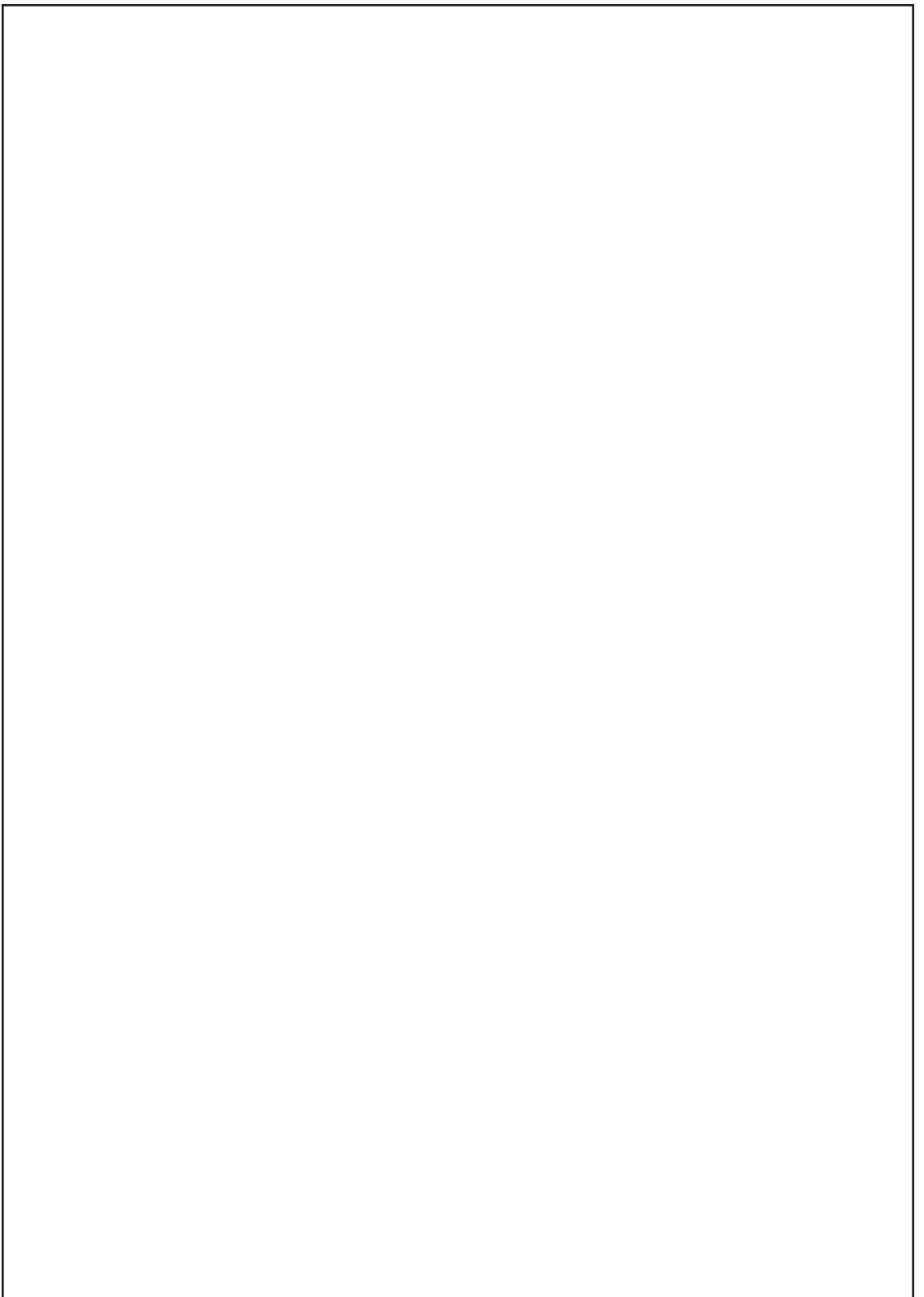
**Article 17
(Binding signatory authority and representation
before the courts)**

1. GAZEDA is bound by the signature of:
 - a) The General Director;
 - b) The Deputy General Directors in strict accordance with the delegation of powers by the General Director.
2. The General Director has the power and authority to represent GAZEDA actively and passively, including before the courts and may settle, concede or withdraw from any litigation, in accordance with the terms of the law.

Approved by the Council of Ministers, 18 December 2007.

Let it be published.

The Prime Minister, **LUÍSA DIAS DIOGO**.



Creation of Nacala Special **ECONOMIC ZONES**



Decree nr. 76/2007 of 18th December



COUNCIL OF MINISTERS
Decree nr. 76/2007 of 18th December

The creation of centers of economic development through the establishment of special economic zones is one of the mechanisms that may be used in order to promote the Nation's economic growth in different ways and in different sectors. The Investment Law – Law 3/93 of 24 July had provided for this purpose for the establishment of special economic zones.

In these terms and using the powers and authority under article 204.1 (f) of the Constitution of the Republic of Mozambique together with article 29 of Law 3/93, of 24 June, the Council of Ministers decrees:

Article 1
(Creation)

1. The Nacala Special Economic Zone, which covers the following geographical areas, is hereby created:
 - a) Nacala à Velha District;
 - b) Nacala Port District.
2. The Special Economic Zones Office is delegated the management of the Nacala Special Economic Zone.

Article 2
(Expansion of the Geographical Limits)

The geographical area covered by the Nacala Special Economic Zone may be extended to include other areas on submission of a documented proposal to this effect by the Special Economic Zone Council to the Council of Minister.

Article 3
(Authority)

The Minister who has responsibility for the Planning and Development sector shall carry out the acts necessary for the effective development of the Nacala Special Economic Zone.

Approved by the Council of Ministers, 18 December 2007.

Let it be published.

The Prime Minister, *LUÍSA DIAS DIOGO*.