

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.