

Regulations on the  
**FISCAL BENEFITS ACT**



**Decree nr. 56/2009 of 30<sup>th</sup> January**

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Having the need to establish regulations on the application of the Fiscal Benefits Act, passed by the Law no. 4/2009 of 12<sup>th</sup> 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 11<sup>th</sup> 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 requiremens;
  - 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*.**