

INFORMATION SHEET

REGULATION OF THE MOZAMBIQUE PRIVATE INVESTMENT LAW

Decree No. 8/2024, of 7 March, which regulates the Investment Law (Law No. 8/2023, of 9 June), was recently approved, and establishes the procedures applicable to the processes of approval and realization of private investments in Mozambique and eligible for the enjoyment of tax and non-tax incentives and guarantees.

Below is a summary of the main aspects to consider:

Foreign Direct Investment

- The minimum amount of Foreign Direct Investment ("FDI") for the purpose of transferring profits and exporting the invested capital abroad is **MZN 6,500,000.00** (approximately USD 100,743.95).
- FDI must be duly registered under exchange control legislation and the export of profits and invested capital requires proof of registration.
- FDI made by capital transfer can only be registered if it is carried out through the national banking system.
- FDI in the form of equipment or materials must be registered at CIF value, according to documents issued by the customs authorities.
- It is possible to convert debt contracted abroad into FDI, provided that the requirements established in the exchange control legislation are met.
- The investment certificate is the document proving registration of the project and must be presented for the purpose of enjoying the tax benefits and other guarantees of the investment.

Revocation of the Investment Certificate and Authorisation

Revocation can occur in the following cases –

- At the reasoned request of investors,
- Once the deadline established for the start of the project implementation has expired, without the respective start or prior communication from the investors about the reason for the delay,
- Stoppage of the implementation or operation of the project for a continuous period of more than 3 months, without prior communication from the investor; and
- Verification of non-compliance with the Investment Law and Regulations, with other applicable legal provisions, as well as with the conditions provided for in the respective investment certificate or authorization.

Transfer of Investor Position

- The transfer of shares held by investors in investment projects can be freely made, as long as it takes place in the national territory and is duly notified to the entity that issued the investment certificate or authorization.

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- The formalization of the registration of the new investor depends on the above notification and on the presentation of proof of compliance with the tax obligations inherent to the transaction.

Information Duty

Investors and promoters of the project must submit semi-annual information on the stage of implementation of the project's activities, by filling out the appropriate form.

Responsibility of Investors under Authorization Regime

- Develop resettlement programs for the population affected by the project;
- Create or develop infrastructures in the areas of education, health, transport, roads, electricity, water, sanitation, preferably in the geographical area of implementation of the project;
- Collaborate with local educational institutions;
- Hire local labour, goods, and services;
- Contribute to the business development of Mozambican SMEs.
- To ensure the harmonisation of the fulfilment of the above responsibilities, investors should liaise in advance with local entities and sectoral supervisory bodies.

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