

Laws , administrative procedures and guidelines

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Investment Law and Regulations :

Mozambique Government approved the Investment Law and Regulations in order to promote and encourage national and foreign investment in the country, granting several incentives and benefits. These include tax exemption, customs duties exemption, free funds repatriation and the possibility of hiring more expatriate workers than previously permitted by law. These incentives vary according to the economic and industrial activity performed and the country's region where the project is implemented, including the possibility of granting special benefits to particular sectors, such as mining, oil and gas.

In order to qualify for those benefits, the foreign investment must consist of (i) freely convertible currency; (ii) infrastructure, equipment, materials and other imported goods; (iii) exploitation rights through concessions, licenses and other similar rights.

For more information in Chinese and English: [Investment Law](#)

Source: APIEX – Mozambique

Land property rights and other land assets

Mozambique does not acknowledge private land property. Mozambique's Constitution sets out that the land is property of the State and cannot be subjected to any kind of sales or charges. Besides, Mozambique's Criminal Code establishes that any attempt of selling land is considered a criminal offence, and both the seller and the buyer can be held accountable and subject to imprisonment.

However, use and exploitation of the land can be granted to any entity (local or foreigner) as long as a development plan is presented and approved – any local community that may be benefiting the allotted land under a development plan must also approve such occupation and be compensated for withdrawing from using said land.

The title granted to private entities allowing the use and exploitation of the land is generally called DUAT, meaning *Direito de Uso e Aproveitamento da Terra* (Land Use and Exploitation Rights). This title grants its beneficiary the rights to make better use of the land allotted (fully respecting the planning for the area upon which the plot of land is located). When the improvement works are completed, each and every infrastructure permanently built that qualifies as Real Estate can be registered by the grantee in the Land Registry Office, thus allowing its private ownership, rental, transfer or encumbrance.

Requirements and Duration:

DUAT to be granted consists of two parts: (i) provisional phase; and (ii) definitive phase.

During the provisional phase the grantee must initiate the development plan and, eventually, finish the development.

In regards to concessions granted to foreign entities (foreign citizens or entities and/or entities mostly controlled by foreign operators), the provisional phase lasts two (2) years. For nationals (national citizens or collective entities mostly controlled by national operators), the length is extended to five (5) years.

The provisional concession period cannot be extended. However, in the past, local authorities authorized continuation of the land use, even after the provisional validity of the DUAT expired. Nonetheless, there is no legal protection after expiry of said rights' provisional validity. When it becomes definitive, the DUAT is valid for a time span of 50 (fifty) years, subject to automatic renewal for 50 (fifty) more years. It is mandatory for the DUAT granted both in its provisional and definitive phases to be registered in the relevant Land Registry Office.

For more information in Chinese and English: [Investment Law](#)

Source: APIEX – Mozambique

Register of Companies

Negative Certification:

Document to be applied for at the Commercial Registry Offices, meant to certify there is no commercial company with the same name or a similar name as the one being registered.

Opening a Bank Account[1]:

Opening a bank account on behalf of the future company in one of the existing financial institutions. Some banks do not

allow for account movements before a public deed is produced (company establishment).

Articles of Association:

Keep in mind the following specifications when presenting the draft for the articles of association:

- Type of Commercial Company
- Minimum Number of Shareholders / Partners and Share Capital
- Purpose and Shares / Quotas
- Governing Bodies

Public Deed:

Required documentation:

- a. Negative certification [2];
- b. Copies of the shareholders' identification documents (passport or alien identification document – DIRE);
- c. Proof of deposit for the initial share capital (receipt for the bank deposit into the future company's account);
- d. Company's Statutes/Articles of association

Deed

Submit the relevant documents to the Notary for evaluation of the deed value (usually 10% of the share capital)

Provisional Registration:

Once the public deed is concluded and the certificate and statement are issued, the provisional registration for the company is done at the Commercial Registry Office (including the names of the managers or directors).

Publication of the Company's Statutes at the BR (National Press)

After getting the public deed certification statement, the order is given to publish the statutes of the established commercial company.

Definitive Registration:

Definitive Registration of the commercial association is done after the articles of association (statutes) are published in the National Press (Bulletin of the Republic – “BR”). Definitive Registration is made at the Commercial Registration Office upon submitting an application (draft available on the spot) and producing a copy of the BR with the published articles of association.

Other procedures required after registering the company and before starting activity:

OBTAINING A TAXPAYER IDENTIFICATION NUMBER (NUIT):

Once the commercial company is established (public deed concluded), the company can obtain the NUIT at the Tax Office

of the district where their company is headquartered.

INSPECTION:

Before issuance of licenses/permits, the company's headquarters/shipyards/factories or the activity site are inspected by the relevant supervisory authorities (on tourism, industry, agriculture, etc.) and auxiliary supervisory authorities (departments of firefighters, health, environment, etc.);

NOTICE TO THE LABOUR DEPARTMENT:

After obtaining the NUIT and respective licenses/permits, the company must inform its start date of activity. This is done in written form with the Municipal and Provincial Labour Department;

SOCIAL SECURITY REGISTRATION:

The company must register its workers for Social Security purpose. Additional social security plans are allowed, but these cannot be detached from the national system. The employer withholds the monthly contribution amount and sends it monthly (up to the 10th of each month) to the National Institute of Social Security (INSS).

DEADLINES FOR REGISTRATION OF FOREIGN COMPANIES' BRANCHES OR REPRESENTATIONS:

For branches or social representations of foreign companies, registration is done 30 days after licensing and upon production of a certificate issued by the relevant Mozambique consular officer, specifying that they have been established and are operating according to the Laws of the Country of Origin.

[\[1\]](#) Experience has shown different requirements for documents by the relevant Banks. In some provinces, some Banks require license as well as NUIT in some circumstances.

[\[2\]](#) It should be noted that the fees required have been subject to regional variations.

Investment Warranties (e.g. against potential expropriation)

The State ensures safety and legal protection of all rights over assets and properties, including industrial property. Any expropriation must be justified by public interest reasons and, in case it is verified, must be just and equitably offset. Enforceable TBI existing in Mozambique also include a clause to protect against expropriation.

Furthermore, free capital repatriation is also protected by the Investment Law and Regulations. As long as the original investment project has been duly approved and the applicable exchange formalities have been completed, the law guarantees overseas repatriation of:

- Exportable profits;
- Copyrights and similar payments;
- Loan amortization and payment of interest over loans contracted in the international financial market destined for investment projects in Mozambique;
- Proceeds from any compensation paid according to property protection rights; and
- Foreign capital invested and available for re-exportation

Investment risk evaluation

Mozambique law establishes the principle of equality between foreign and national investors. In accordance with Article 4,

No.1 of the Investment Law, foreigner investors performing their activities must have the same rights and be subject to the same obligations imposed under Mozambique law for a national investor.

Nonetheless, Article 4, No. 2, excludes from the same principle activities performed by national investors who benefit from special treatment due to the nature or dimension of their investment.

Source: APIEX – Mozambique

Business visa

A business visa is granted to foreign citizens who want to travel to Mozambique for business, allowing their stay for 30 (thirty) days, renewable up to two times, for a maximum of 90 (ninety) days total.

This kind of visa is issued by consular and diplomatic missions of the Republic of Mozambique at the country of origin / residence of the aforementioned foreign citizens and does not grant the right to obtaining a residence permit.

In order to obtain a business visa, an invitation letter from a business entity established in Mozambique is required, or a letter by the applicant's company indicating the reason for his/her visit to Mozambique, assuming full responsibility for his/her stay in the country.

Visas are granted within 6 (six) business days, except for urgent visas, which can be granted within 2 (two) business days.

Source: APIEX – Mozambique