

WHAT IS TAX ON  
PERSONAL SERVICES

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## PREAMBLE

If there is a need to reformulate income taxes, established by Law no. 15/2002, of 26 June, introducing changes to the direct taxation that affects the income of legal persons, the Assembly of the Republic, under the provisions of no. article 127 combined with paragraph 2 of article 179, of the Constitution of the Republic, determines:

**Article 1:** The Corporate Income Tax Code, annexed to this Law, is approved and forms an integral part of it.

**Article 2.** The Council of Ministers is responsible for regulating this Law and establishing the necessary procedures to simplify the ways in which this tax is collected, within 90 days from the date of its publication.

**Article 3:** Decree n° 21/2002, of 30 July, its amendments and all complementary legislation that contradicts this Law are revoked.

**Article 4.** This Law comes into force on January 1, 2008, and is applicable to income from the 2008 financial year and beyond. Approved by the Assembly of the Republic on December 7, 2007.

The President of the Assembly of the Republic, *Eduardo Joaquim Mulémbwè*.

Enacted on December 31, 2007.

Publish:

The President of the Republic, ARMANDO EMÍLIO GUEBUZA.

## CHAPTER I – INCIDENCE

### ARTICLE 1 – (Nature of Tax)

Corporate income tax – IRPC, is a direct tax that is levied on income obtained, even when arising from illicit acts, during the tax period, by the respective taxpayers, under the terms of this code.

### ARTICLE 2 – (Taxable subjects)

1. The following are IRPC taxable persons:

- a) Commercial or civil companies in commercial form, cooperatives, public companies and other legal entities governed by public or private law with headquarters or effective management in Mozambican territory;
- b) Entities without legal personality, with headquarters or effective management in Mozambican territory, whose income is not taxable under Personal Income Tax (IRPS) or Corporate Income Tax (IRPC) directly in the ownership of natural or legal persons;
- c) Entities, with or without legal personality, that do not have their headquarters or effective management in Mozambican territory, under the conditions established in articles 4 and 5 of this Code, whose income obtained therein is not subject to IRPS.

2. Subparagraph b) of number 1 includes, in particular, existing inheritances, legal entities in respect of which invalidity is declared, associations and civil societies without legal personality and commercial or civil societies in commercial form, prior to definitive registration.

3. For the purposes of this Code, legal persons and other entities that have their headquarters or effective management in Mozambican territory are considered residents.

### ARTICLE 3 – (Stable establishment)

1. A permanent establishment is considered to be any fixed installation through which, in whole or in part, an activity of a commercial, industrial or agricultural nature is carried out, including the provision of services.

2. The following are included, in particular, in the notion of permanent establishment referred to in the previous paragraph:

- a) A place of management, branch, office, factory, workshop, mine, oil or gas well, quarry or any other place for the extraction of natural resources located in Mozambican territory;

- b) A construction, installation or assembly site or site, when its duration or the duration of the work or activity exceeds six months.
3. In the case of subcontracts, the subcontractor is considered to have a permanent establishment on the site if he carries out his activity there for the same period referred to in paragraph b) of the previous paragraph.
4. Coordination, inspection and supervision activities in connection with the establishments indicated in paragraph b) of paragraph 2 and in the previous paragraph, as well as the installations, platforms or drilling boats used for prospecting or exploring natural resources also constitute an establishment stable under the conditions mentioned therein.
5. For the purposes of counting the period referred to in paragraph b) of paragraph 2 and paragraph 3, in the case of construction, installation or assembly sites, the period applies to each site individually, from the starting date of activity, including preparatory work, with temporary interruptions, the fact that the project having been commissioned by several people or subcontractors being irrelevant.
6. A permanent establishment is also considered to exist when a person who is not an independent agent under the terms of paragraph 7 acts in Mozambican territory on behalf of a company and has, and habitually exercises, powers of intermediation and conclusion of binding contracts the company, within the scope of its activities.
7. A company is not considered to have a permanent establishment in Mozambican territory simply because it carries out its activity there through a broker, a commission agent or any other independent agent, as long as these people act within the normal scope of their activity, supporting its business risk.
8. Without prejudice to the provisions of paragraph b) of paragraph 2 and paragraph 3 of this article, the concept of "permanent establishment" does not include activities of a preparatory or auxiliary nature, exemplified below:
- a) Facilities used solely to store, display or deliver goods belonging to the company;
  - b) A warehouse for goods belonging to the company maintained solely to store, display or deliver them;
  - c) A warehouse of goods belonging to the company maintained solely to be processed by another company;
  - d) A fixed installation, maintained solely to purchase goods or gather information for the company;

e) A fixed installation, maintained solely to carry out, for the company, any other activity of a preparatory or auxiliary nature;

f) A fixed installation, maintained solely for the exercise of any combination of the activities referred to in subparagraphs a) to e), provided that the overall activity of the fixed installation resulting from this combination is of a preparatory or auxiliary nature.

9. For the purposes of the imputation provided for in article 6, it is considered that the partners or members of the entities referred to therein that do not have their headquarters or effective management in Mozambican territory obtain this income through a permanent establishment located there.

#### ARTICLE 4 – (Objective incidence)

1. IRPC is levied on:

a) The profit of commercial or civil companies in commercial form, of cooperatives and public companies and of other legal persons or entities referred to in subparagraphs a) and b) of no. commercial, industrial or agricultural;

b) The overall income, corresponding to the algebraic sum of the income of the various categories considered for IRPS purposes, of the entities referred to in subparagraphs a) and b) of paragraph 1 of article 2 that do not carry out, primarily, an activity of a commercial nature, industrial or agricultural;

c) Profits attributable to a permanent establishment located in Mozambican territory of entities, with or without legal personality, that do not have their headquarters or effective management in Mozambican territory and whose income obtained there is not subject to IRPS;

d) Income from the various categories, considered for IRPS purposes, earned by entities mentioned in the previous paragraph that do not have a permanent establishment in Mozambican territory or that, if they do, are not attributable to them.

2. For the purposes of the provisions of the previous paragraph, profit consists of the difference between the values of net assets at the end and beginning of the taxation period, with the corrections established in this code.

3. Components of the profit attributable to the permanent establishment for the purposes of paragraph c) of paragraph 1 are income of any nature obtained through it, as well as other income obtained in Mozambican territory from activities identical or similar to those carried out through that establishment. stable status held by the entities mentioned therein.

4. For the purposes of this Code, all activities that consist of carrying out economic operations of a business nature, including the provision of services, are considered to be of a commercial, industrial or agricultural nature.



ARTICLE 5 – (Extension of tax obligation)

1. Legal persons and other entities with headquarters or effective management in Mozambican territory are subject to IRPC on all of their income, including that obtained outside that territory.

2. Legal persons and other entities that do not have their headquarters or effective management in Mozambican territory are subject to IRPC only in relation to income obtained there.

3. For the purposes of the provisions of the previous paragraph, income attributable to a permanent establishment located there is considered to be obtained in Mozambican territory, as well as those that, not meeting these conditions, are indicated below:

- a) Income relating to properties located in Mozambican territory, including gains resulting from their costly transfer;
- b) Gains resulting from the onerous transfer of parts representing the capital of entities with headquarters or effective management in Mozambican territory or other securities issued by entities that have headquarters or effective management there or parts of capital or other securities when, not if these conditions are met, the payment of the respective income is attributable to a permanent establishment located in the same territory;
- c) Income mentioned below whose debtor has residence, headquarters or effective management in Mozambican territory or whose payment is attributable to a permanent establishment located there:
  - (i) Income from intellectual or industrial property and also from the provision of information regarding experience acquired in the industrial, commercial or scientific sector;
  - (ii) Income derived from the use or concession of the use of agricultural, industrial, commercial or scientific equipment;
  - (iii) Other income from capital investment;
  - (iv) Remuneration referred to as members of statutory bodies of legal entities and other entities;
  - (v) Prizes for social entertainment games, namely: lotteries, raffles and mutual bets, as well as amounts or prizes awarded in any draws and other games provided for in Law No. 9/94, of 14 September;
  - (vi) Income from intermediation in the conclusion of any contracts;
  - (vii) Income derived from other services provided or used in Mozambican territory.

d) Income derived from the exercise in Mozambican territory of the activity of entertainment professionals or sportspeople, except when proof is provided that they do not directly or indirectly control the entity that obtains the income.

4. The income listed in paragraph c) of the previous paragraph is not considered to be obtained in Mozambican territory when it constitutes a charge to the permanent establishment located outside that territory relating to the activity carried out through it.

5. For the purposes of the provisions of this Code, Mozambican territory also includes areas where, in accordance with Mozambican legislation and international law, the Republic of Mozambique has sovereign rights in relation to prospecting, research and exploitation of natural resources on the seabed , its subsoil and the overlying waters.

#### ARTICLE 6 – (Tax transparency)

1. It is imputed to the partners, integrating, under the terms of the applicable legislation, into their taxable income for the purposes of IRPS or IRPC, as the case may be, the taxable amount, determined under the terms of this code, of the companies indicated below, with headquarters or effective management in Mozambican territory, even if there has been no distribution of profits:

a) Civil companies not incorporated in commercial form;

b) Professional societies;

c) Companies for the simple administration of assets, whose majority of the share capital belongs, directly or indirectly, for more than 180 days of the fiscal year, to a family group or whose share capital belongs, on any day of the fiscal year, to a number of members not exceeding five and none of them is a legal entity governed by public law.

2. The imputation referred to in the previous number is made to the partners or members under the terms that result from the constitutive act of the entities mentioned therein or, in the absence of information, in equal shares.

3. For the purposes of paragraph 1, the following are considered:

a) Civil companies not constituted in commercial form, companies of people that do not aim to carry out commercial acts and that are subject to civil law;

b) Professional company, one established to carry out a professional activity included in the list of the Classification of Mozambican Economic Activities by Branches of Activity (CAE), in which all partners are professionals in that activity and provided that these, if considered individually, would fall within the category of income from self-employment for IRPS purposes;

c) Society for simple asset management, a company that limits its activity to the administration of goods or values held as a reserve or for enjoyment or to the purchase of buildings for the housing of its members, as well as one that jointly carries out other activities and whose profits relating to these assets, values or buildings reach, on average over the last three years, more than 50% of the average, during the same period, of their total income;

d) Family group, made up of people united by conjugal or adoption ties, as well as kinship or affinity in a direct or collateral line up to and including the 4th degree.

#### ARTICLE 7 – (Tax period)

1. IRPC, except as provided in paragraph 3 of the following article, is due for each economic year, which coincides with the calendar year, without prejudice to the exceptions provided for in this article.

2. Companies and other entities subject to IRPC may adopt an annual tax period different from that established in the previous paragraph, when reasons determined by the type of activity justify it, which must be maintained for at least the following five years, as long as duly authorized by order of the Minister who oversees the area of Finance.

3. In the case of companies and other entities subject to IRPC that do not have their headquarters or effective management in Mozambican territory and have a permanent establishment there, they may, by express communication to the Tax Administration, adopt an annual tax period different from that established in paragraph 1, to be considered from the end of the financial year in which the communication was made, which must be maintained for at least the following five financial years.

4. The tax period may, however, be shorter than one year in the following circumstances:

a) In the case of starting an activity, where the tax period is between the date on which activities begin or income that gives rise to tax liability begins and the end of the year;

b) In the case of cessation of activity, in which the tax period is between the beginning of the year and the date of cessation of activity;

c) When the conditions for subjection to tax occur and cease to occur in the same financial year, which is constituted by the period actually elapsed;

d) In the year in which, in accordance with paragraphs 2 and 3, a different taxation period is adopted from the one that had been followed in general terms, which is constituted by the period between the beginning of the calendar year and the day immediately preceding the beginning of the new period.

5. The tax period may exceed one year in relation to companies and other entities in liquidation, where it has a duration corresponding to that of the latter, and may not exceed three tax years, under the terms established in this Code.

6. The limit established in the previous paragraph may be extended upon a reasoned request addressed to the Tax Administration.

7. For the purposes of this Code, the cessation of activity occurs:

a) In relation to entities with headquarters or effective management in Mozambican territory, on the date of the closing of the liquidation, or on the date of the merger or division, as for companies extinguished as a result of these, or on the date on which the headquarters and effective management cease to exist is located in Mozambican territory, or on the date on which acceptance of the existing inheritance takes place or on which the declaration that it is vacant in favor of the State takes place or on the date on which the conditions of subjection no longer apply to tax;

b) In relation to entities that do not have their headquarters or effective management in Mozambican territory, on the date on which they completely cease to carry out their activity through a permanent establishment or cease to obtain income in Mozambican territory.

#### ARTICLE 8 – (Giving event)

1. Taxable event consists of obtaining income, whatever the source or origin, by the taxpayer.

2. The taxable event is considered to have occurred on the last day of the tax period.

3. The following income, obtained by non-resident entities, which is not attributable to a permanent establishment located in Mozambican territory, is excluded from the provisions of the previous paragraph:

a) Gains resulting from the transfer of property for consideration, where the triggering event is considered to have occurred on the date of transfer;

b) Gains resulting from the transfer for consideration of parts representing the capital of entities with headquarters or effective management in Mozambican territory or other securities referred to in paragraph b) of paragraph 3 of article 5, in which the triggering event is considered to have occurred on the date of streaming;

c) Income subject to definitive withholding tax where the triggering event is considered to have occurred on the date on which the obligation to do so occurs.

## CHAPTER II – EXEMPTIONS

### ARTICLE 9 – (State, Local Authorities and Social Security Institutions)

1. The following are exempt from this tax:

- a) The State;
- b) Local authorities and associations or federations of municipalities, when they carry out activities whose purpose is not aimed at obtaining profit;
- c) Legally recognized social security institutions and social security institutions.

2. The exemption referred to in paragraphs a) and b) of paragraph 1 does not cover public and state-owned companies, which are subject to tax under the terms regulated in this Code.

### ARTICLE 10 – (Public utility associations)

1. The following are exempt from IRPC:

- a) Duly recognized public, social or cultural entities, when their purpose is not commercial, industrial or agricultural activities;
- b) Public benefit associations referred to in Law No. 8/91, of 18 July, duly recognized, in relation to the direct operation of social entertainment games, provided for in Law No. 9/94, of 14 September, buffets, restaurants, daycare centers and similar services, publishing or marketing of books or other publications that are intended exclusively to complement the achievement of its basic objective;
- c) Associations of mere public benefit that predominantly pursue scientific or cultural, charitable, assistance or charitable purposes in relation to the direct exploitation of social entertainment games, provided for in Law No. 9/94, of 14 September, buffets, restaurants, daycare centers and similar services, which are intended exclusively to complement the achievement of its basic objective.

2. The exemptions provided for in paragraph c) of the previous paragraph are recognized by order of the Minister who oversees the area of Finance at the request of interested parties, which defines the extent of the respective exemption in harmony with the objectives pursued by the entities in question.

### ARTICLE 11 – (Cultural, recreational and sporting activities)

1. Income directly derived from the exercise of cultural, recreational and sporting activities is exempt from IRPC, provided that such income and social assets are intended for the purposes of their creation and in no case are distributed directly or indirectly among the partners.

2. The exemptions provided for in the previous paragraph can only benefit associations legally constituted to carry out these activities under the conditions established therein.

3. Income directly derived from the exercise of the activities indicated in paragraph 1 for the purposes of the exemption provided for therein is not considered to be income derived from any commercial, industrial or agricultural activity carried out, even if on an ancillary basis, in connection with these activities.

#### ARTICLE 12 – (Cooperatives)

1. Agrarian, crafts and cultural cooperatives are subject to a reduction in the general IRPC rate of 50%.

2. Income subject to IRPC due to withholding at source is not covered by the exemptions provided for in the previous paragraph.

#### ARTICLE 13 – (Other Exemptions)

1. Income directly resulting from the exercise of an activity subject to the Special Tax on Gaming established by Law no. 8/94, of 14 September, is also exempt from IRPC, in accordance with the law.

2. Companies and other entities to which, under the terms of article 6, the tax transparency regime applies are not taxed in IRPC.

#### ARTICLE 14 – (Income withheld at source)

The exemptions in articles 10, 11 and 12 of this Code do not cover income subject to withholding tax, paid to the entities referred to therein.

## CHAPTER III – DETERMINATION OF COLLECTABLE AMOUNT

### SECTION I – General provisions

#### ARTICLE 15 – (Rules defining the taxable amount)

1. For the purposes of this Code, the taxable amount is:

a) By deducting from the taxable profit determined in accordance with articles 17 and following, tax losses, determined in accordance with the provisions of this Code, in relation to the legal persons and entities referred to in paragraph a) of paragraph 1 of article 4;

b) Income by global deduction, determined in accordance with the provisions of this Code, of common and other costs attributable to income subject to tax and non-exempt, in accordance with article 43, in relation to legal persons and entities referred to in paragraph b) of the paragraph 1 of article 4;

c) By deducting from the taxable profit attributable to that establishment, determined in accordance with the provisions of this Code, the tax losses attributable to that permanent establishment, determined in accordance with the provisions of this Code, with the necessary adaptations, including those prior to the cessation of activity by virtue of the headquarters and effective management no longer being located in Mozambican territory, to the extent that they are attributable to it, in relation to non-resident entities with a permanent establishment in Mozambican territory;

d) For the income of the various categories determined in accordance with article 45, in relation to non-resident entities that obtain income in Mozambican territory that is not attributable to a permanent establishment located there.

2. When taxable profit is determined using indirect methods, including the simplified regime, in accordance with article 46 et seq., as well as when the simplified bookkeeping regime is chosen, the provisions of subparagraphs a), b) and c) do not apply. ) of the previous number.

3. The corrections provided for in articles 49 et seq. are applicable, where appropriate, in determining the tax base of legal persons and other entities referred to in paragraphs a), b) and c) of paragraph 1 of this article.

4. To determine the taxable amount, any tax benefits granted under the terms of the Law are also deducted.

#### ARTICLE 16 – (Method for determining taxable income)

1. The declarative method in which, as a rule, the taxable amount is determined based on the taxpayer's declaration, subject to control by the Tax Administration.

2. In the absence of a declaration, the Tax Administration is responsible, when applicable, for determining the taxable amount.

3. Taxable profit may be determined by indirect methods under the terms and conditions referred to in section V of this Chapter.

## **SECTION II – Legal entities and other resident entities carrying out commercial, industrial or agricultural activities as their main activity**

### **SUBSECTION I – General Rules**

#### **ARTICLE 17 – (Determination of taxable profit)**

1. The taxable profit of legal persons and other entities mentioned in paragraph a) of paragraph 1 of article 4 is constituted by the algebraic sum of the net profit for the year and the positive and negative equity variations recorded in the same period and not reflected in that result, determined with based on accounting and eventually corrected in accordance with this Code.

2. For the purposes of the provisions of the previous paragraph, the net surpluses of cooperatives are considered as net results for the year.

3. To calculate the net result referred to in paragraph 1, accounting must:

a) Be organized in accordance with the General Accounting Plan and other legal provisions in force for the respective sector of activity, without prejudice to compliance with the provisions of this Code;

b) Reflect all operations carried out by the taxable person;

c) Be organized in such a way that the results of operations and asset variations subject to the general IRPC regime can clearly be distinguished from those of others.

4. The provisions of this article are not applied to taxpayers included in the simplified regime for determining taxable profit provided for in article 47.

5. Taxable persons who are not obliged to have organized accounting and who opt for the simplified bookkeeping regime, determine the taxable profit based on the records and rules established for this regime.



6. Without prejudice to the provisions of the previous paragraphs, taxpayers operating in the mining and oil sectors must report the profit determined at the end of each year, for each of the concessions or licenses, individually.<sup>1</sup>

**ARTICLE 18 – (Periodization of taxable profit)**

1. Income and costs, as well as other positive or negative components of taxable profit, are attributable to the year to which they relate, in accordance with the principle of accrual specialization.

2. Positive or negative components considered to relate to previous years are only attributable to the year when, on the closing date of the accounts of the person to whom they should be attributed, they were unpredictable or manifestly unknown.

3. For the purposes of applying the principle of specialization of exercises:

a) Income relating to sales is generally considered realized, and the corresponding costs incurred, on the date of delivery or dispatch of the corresponding goods or, if earlier, on the date on which the transfer of ownership takes place;

b) Income relating to the provision of services is generally considered to have been realized, and the corresponding costs incurred, on the date on which the service is terminated, except in the case of services that consist of the provision of more than one act or a continuous provision or successive in which they must be led to results in a measure proportional to their execution.

4. For the purposes of paragraph a) of the previous paragraph, any retention of title clauses are not taken into account, with a sale with retention of title being assimilated to a lease in which there is a property transfer clause linked to both parties .

5. The income and costs of multi-annual activities may be periodized taking into account the production cycle or construction time.

6. The part of the costs of multi-annual forestry operations borne during the production cycle equivalent to the percentage that the extraction carried out in the year represents, in the total production of the same product and not yet considered in the previous year, is updated by applying the coefficients contained in the diploma referred to in article 38.

7. Taxable persons whose purpose is the production and sale of agricultural products and other biological assets, who have adequate records and control over the production cycle, including budgeting and monitoring of costs or expenses, and whose final product have a

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<sup>1</sup>Wording added by article 1 of Law 4/2012 of 23 January. Entry into force on January 1, 2012.

previously estimated and published market quotation, they can periodize the taxable profit, with the income and the respective costs being recognized as the production cycle evolves, according to the percentage of completion of the said cycle and measured, based on the quotations estimated and total budgeted costs.<sup>two</sup>

8. Income or gains and costs or losses, as well as any other equity variations, recorded in accounting as a result of the use of the equity equivalence method, to value investments in associates, do not contribute to the determination of taxable profit, and must be profits attributed in the year in which the right to them is considered as income or gains for tax purposes.<sup>3</sup>

9. Government subsidies whose receipt does not depend on any condition or limitation are attributable to the exercise on a systematic basis, during the periods necessary to offset the costs related to them.<sup>4</sup>

10. Costs and income arising from financial instruments valued using the amortized cost method are allocated to the year to which they relate.<sup>5</sup>

#### ARTICLE 19 – (Multi-annual works)

1. The determination of results in relation to works whose production cycle or construction time exceeds one year can be carried out as follows:

- a) According to the criterion of percentage of completion;
- b) According to the criteria for closing the work.

2. The use of the percentage of completion criterion is mandatory:

- a) When there are partial invoices of the price established for the execution of public or private works carried out on a contract basis, even if they are not successive in nature and they have reached the level of completion corresponding to the amounts invoiced;
- b) In the case of works carried out on one's own account, sold in fractions, as they are completed and delivered to buyers, even if the total costs of the same are not known exactly.

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<sup>two</sup>Wording added by article 1 of Law 4/2012 of 23 January. Entry into force on January 1, 2012.

<sup>3</sup>Wording added by article 1 of Law 4/2012 of 23 January. Entry into force on January 1, 2012.

<sup>4</sup>Wording added by article 1 of Law 4/2012 of 23 January. Entry into force on January 1, 2012.

<sup>5</sup>Wording added by article 1 of Law 4/2012 of 23 January. Entry into force on January 1, 2012.

3. For the purposes of applying the criterion of completion of the work, it is considered completed:
- a) If the degree of completion of the work is equal to or greater than 95% and the price is established in the contract or the sales price is known:
  - b) When, in the case of public works under a contract regime, provisional acceptance takes place in accordance with current legislation.
4. The degree of completion of a work, for the purposes of the provisions of the previous paragraphs, is given by the relationship between the total costs already incorporated in the work and the sum of these costs with the estimated costs to complete the execution of the same.
5. In cases where, in accordance with the previous paragraphs, results related to works are determined, the total costs of which necessary for their completion have not yet been borne, a part of the income corresponding to the estimated costs to be borne may be considered as anticipated revenue .
6. Companies involved in multi-annual works must adopt the same criteria for determining results for works of the same nature, maintaining the method adopted for determining the results of the work until the end of the work, except in cases where there is prior authorization of the Tax Administration.

#### ARTICLE 20 – (Income or gains)

1. Income or gains, at their respective transaction value, are those derived from operations of any nature as a result of a normal or occasional, basic or merely accessory action, and in particular those resulting from:<sup>6</sup>
- a) Sales or provision of services, discounts, bonuses and rebates, commissions and brokerages;
  - b) Income from real estate;
  - c) Income of a financial nature, such as interest, dividends and other participation in profits, discounts, premiums, transfers, exchange rate differences as long as they are realized and bond issuance premiums;<sup>7</sup>

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<sup>6</sup>Wording given by article 1 of Law 20/2009 of 10 September. Previous wording:

Income or gains are considered to be those derived from operations of any nature as a result of a normal or occasional, basic or merely accessory action, and in particular those resulting from:

<sup>7</sup>Wording given by article 1 of Law 20/2009 of 10 September. Previous wording:

c) Income of a financial nature, such as interest, dividends and other participation in profits, discounts, premiums, transfers, exchange differences and bond issuance premiums;

- d) Remuneration received for holding social positions;
- e) Income from goods or values held as a reserve or for enjoyment;
- f) Income from industrial property or other analogues;
- g) Provision of services of a scientific or technical nature;
- h) Realized capital gains;
- i) Compensation received for any reason;
- j) Subsidies or operating subsidies.

2. Income or gains are also considered to be those derived from:<sup>8</sup>

- a) Valorization of biological assets;
- b) Cancellations of extraordinary amortizations, provided that these amortizations have been authorized by the Tax Authority in accordance with the specific complementary law provided for in paragraph 5 of article 26 of this Code;

3. The following are not considered as income or gains from the year:<sup>9</sup>

- a) Those resulting from operations involving the concentration of business activities, such as corporate functions and acquisitions of assets and liabilities, provided that the assets, rights and obligations transferred constitute a universality;
- b) Those resulting from increases in the market value of tangible investment assets;
- c) Those resulting from changes in the market value of financial assets and financial liabilities, except when this can be verified by reference to a stock exchange;
- d) Those resulting from the deferral of Corporate Income Taxes and any other taxes that directly or indirectly affect profits.

#### ARTICLE 21 – (Positive equity variations)

1. Positive equity variations not reflected in the net profit for the year also contribute to the formation of taxable profit, except:

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<sup>8</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>9</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

- a) Capital contributions, including share issuance premiums, as well as coverage of losses, in any capacity, made by capital holders;
  - b) Potential or latent capital gains, even if expressed in the accounts, including legally authorized revaluation reserves;
  - c) Asset increases subject to inheritance and gift tax;
  - d) Contributions, including participation in losses, from member to member, within the scope of the participation association and the quota association;
  - e) Those resulting from the effects of deferral of Corporate Income Tax and any other Taxes that directly or indirectly affect profits.<sup>10</sup>
2. Positive equity variations, reflecting the calculation of tax results, are, among others, gains resulting from the sale of shares of equity and subsidies received not related to assets.

#### ARTICLE 22 – (Costs or losses)

Costs or losses are considered to be those that are proven to be essential for the realization of income or gains subject to tax or for the maintenance of the producing source, namely the following:

- a) Charges relating to the production or acquisition of any goods or services, such as those relating to materials used, labour, energy and other general manufacturing, conservation and repair costs;
- b) Distribution and sales charges, including transport, advertising and placement of goods;
- c) Charges of a financial nature, such as interest on third-party capital applied to the operation, discounts, premiums, transfers, exchange rate differences as long as they are made, expenses with credit operations, debt collection and issuance of shares, bonds and other securities, and reimbursement premiums;<sup>11</sup>

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<sup>10</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>11</sup>Wording given by article 1 of Law 20/2009 of 10 September Previous wording:

- c) Charges of a financial nature, such as interest on third-party capital applied to the operation, discounts, premiums, transfers, exchange rate differences, expenses with credit operations, debt collection and issuance of shares, bonds and other securities, and reimbursement premiums ;

- d) Charges of an administrative nature, such as remuneration, subsistence allowances, pensions or retirement supplements, current consumables, transport and communications, rent, litigation, insurance, including life insurance and operations in the "Life" sector, contributions to losses of retirement savings, contributions to pension funds and any complementary social security schemes;
- e) Charges for analysis, rationalization, investigation and consultation;
- f) Tax and parafiscal charges to which the taxpayer is subject, without prejudice to the provisions of article 36;
- g) Reinstatements and amortizations;
- h) Provisions or impairment losses;
- i) Realized capital losses;
- j) Compensation resulting from events whose risk is not insurable;
- k) Charges for advertising campaigns;<sup>12</sup>
- l) Charges for capital increases, legal transformation of companies, issuance of bonds, prospecting, research and studies;<sup>13</sup>
- m) Charges for bonuses and other remuneration for the work of members of corporate bodies and employees of the company, as profit sharing, provided that the amounts are paid or made available to beneficiaries by the end of the following financial year;<sup>14</sup>
- n) Charges resulting from the valorization of biological assets.<sup>15</sup>

**ARTICLE 23 – (Non-deductible costs)**

1. The following are not accepted as costs or losses:

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<sup>12</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>13</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>14</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>15</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

a) Illicit expenses, namely those resulting from behavior that reasonably indicates a violation of Mozambican legislation, especially criminal law, even if occurring outside the territorial scope of its application;

b) Financial leasing income, in relation to the lessee in the art of income intended for financial amortization.

2. Health and personal accident insurance premiums, as well as amounts spent on insurance and operations in the “Life” sector, contributions to pension funds and any complementary social security schemes are not yet accepted as costs, except when are covered by the provisions of articles 31 to 33 of the Code and are considered income from dependent employment under the terms of the IRPS code.

#### ARTICLE 24 – (Negative equity variations)

1. Under the same conditions referred to for costs or losses, negative equity variations not reflected in the net profit for the year also contribute to the formation of taxable profit, except:

a) Those that consist of liberalities or are not related to the taxpayer's activity subject to IRPC;

b) Potential or latent capital losses, even if expressed in accounting;

c) Outflows, in cash or kind, in favor of the capital holders, by way of remuneration or reduction thereof, or sharing of assets;

d) The benefits provided by the member to the member, within the scope of the participating association;

e) Those resulting from the effects of the deferral of Corporate Income Tax and any other taxes that directly or indirectly affect profits;<sup>16</sup>

f) Those resulting from the reclassification of the shares or quotas themselves as liabilities.<sup>17</sup>

2. Negative equity variations relating to bonuses and other remuneration for the work of members of corporate bodies and employees of the company, by way of profit sharing, may form part of the taxable profit for the year to which the result in which they participate relates, provided that the amounts are paid or made available to beneficiaries by the end of the following financial year.

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<sup>16</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>17</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

3. Notwithstanding the provisions of the previous paragraph, negative equity variations relating to bonuses and other remunerations for the work of members of the company's management body, by way of profit sharing, do not contribute to the formation of taxable profit, when the beneficiaries are holders, directly or indirectly, of shares representing at least 1% of the share capital, the said amounts exceed twice the monthly remuneration earned in the year to which the result in which they participate relates, with the excess part being assimilated, for tax purposes, to distributed profits.

4. For the purposes of verifying the percentage established in the previous paragraph, it is considered that the beneficiary indirectly holds shares of the company's capital when they are owned by the spouse, respective ascendants or descendants up to the 2nd degree, being equally applicable, with the necessary adaptations, the rules on equalization of ownership established in the Commercial Code and other commercial legislation.

5. If the requirement set out in paragraph 2 is not met, the IRPC that has not been paid as a result of the deduction of bonuses that have not been paid or placed into account will be added to the amount of IRPC paid for the following financial year. available to interested parties within the period indicated therein, plus the corresponding compensatory interest.

#### ARTICLE 25 – (Financial relocation of assets)

In the case of delivery of an asset subject to a financial lease to the lessor followed by relocation of that asset to the same lessee, there is no need to determine any result for tax purposes as a result of this delivery, with the asset continuing to be reinstated for tax purposes by the lessee, according to the regime that had been followed until then.

a) In the case of sale of goods followed by financial leasing, by the seller, of those same goods, the following is observed:

b) If the goods were part of the seller's fixed assets, the provisions of paragraph 1 apply, with the necessary adaptations;

c) If the goods were part of the seller's stocks, there is no need to determine any tax result as a result of that sale and they will be listed in fixed assets at the initial acquisition or production cost, this being the value to be considered for the purposes of the respective reinstatement.

### SUBSECTION II – Reinstatement and amortization regime

#### ARTICLE 26 – (Reintegratable or amortizable elements)

1. Reintegration and amortization of fixed asset elements subject to disappearance, which, on a repetitive basis, suffer loss of value resulting from their use, the passage of time, technical progress or any other causes are accepted as costs.



2. Mere fluctuations that affect asset values are not relevant to the classification of the respective elements as subject to deterioration.
3. Except for duly justified reasons and accepted by the Tax Administration, fixed asset elements are only considered subject to deterioration after they come into operation.
4. The reinstatement and amortization of fixed asset elements subject to deterioration may be deducted as costs for the year to which they relate, by the owner of the assets or, in the case of leasing, by the entity that assumes the risk of loss or deterioration of the asset .
5. The reinstatement and amortization rates of fixed asset elements, as well as other rules to be used, will be established in a specific complementary law.<sup>18</sup>

**ARTICLE 27 – (Reinstatements and amortizations not accepted as costs)**

The following are not accepted as costs:

- a) The reinstatement and amortization of asset elements not subject to deterioration;
- b) The reinstatement of properties in the part corresponding to the value of the land or that which is not subject to perishing;
- c) Reinstatements and amortizations that exceed the limits established in previous articles;
- d) Reinstatements and amortizations carried out beyond the maximum useful life period;
- e) The reinstatement of light passenger or mixed vehicles, in the part corresponding to the acquisition or revaluation value exceeding 800,000.00MZN, as well as pleasure boats, helicopters and tourist planes and all related charges, provided that such assets are not allocated to companies operating public transport services or are not intended to be rented in the course of the normal activity of the company that owns them;
- f) The reinstatement of assets in which the reinvestment of the realizable value has been carried out, carried out in accordance with article 39, in the part corresponding to the deduction attributed to them in accordance with paragraph 6 of the same article.

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<sup>18</sup>Wording given by article 1 of Law 20/2009 of 10 September Previous wording:

5. The reinstatement and amortization rates of fixed asset elements, as well as other rules to be used, will be established in a specific complementary law.

### **SUBSECTION III – Provisions and Impairment Loss Regime**

#### **ARTICLE 28 – (Tax deductible provisions and impairment losses)**

1. For the purposes of the provisions of paragraph h) of article 22, the following are only to be considered as provisions or impairment losses:<sup>19</sup>

- a) Those whose purpose is to cover doubtful debts, calculated based on the sum of credits resulting from the company's normal activity existing at the end of the year;
- b) Those intended to cover losses in value suffered by stocks, within the limit of losses actually observed;
- c) Those intended to incur obligations and charges arising from ongoing legal proceedings due to facts that determine their inclusion among the costs of the exercise;
- d) Those which, in accordance with the discipline imposed by the Bank of Mozambique, have been set up by companies subject to its supervision, as well as those which, in line with the discipline imposed by the General Insurance Inspectorate of Mozambique, have been set up by insurance companies insurance subject to its supervision, including legally established technical provisions,
- e) Those that, constituted by companies that operate in the petroleum extractive industry, are intended for the reconstitution of deposits,
- f) Those that, constituted by companies belonging to the extractive industries sector, are intended to cover the costs of the landscape and environmental recovery of sites affected by exploitation, after the cessation of this, in accordance with the applicable legislation.

2. The provisions referred to in subparagraphs a) to d) of the previous paragraph that should not be replaced because the events to which they relate have not occurred and those that are used for purposes other than those expressly provided for in this article are considered income from the respective exercise.

3. The reinforcements of provisions, carried out in the years following their creation and calculated based on their value discounted over the passage of time, and recognized in accounting as financial costs, must be considered as tax costs, as defined in this Code.<sup>20</sup>

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<sup>19</sup>Wording given by article 1 of Law 20/2009 of 10 September Previous wording:

They are only to be considered as provisions or impairment losses for the purposes of the provisions of paragraph h) of article 22

<sup>20</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

**ARTICLE 29 – (Provision for doubtful debts)**

1. For the purposes of establishing the provision referred to in paragraph a) of paragraph 1 of the previous article, the rate of 1.5%, with an accumulated limit of 6%, shall be applied to the value of credits resulting from the activity of the company existing at the end of the year.
2. The provisions regime referred to in this subsection is subject to regulation.

**SUBSECTION IV – Other charges regime**

**ARTICLE 30 – (Uncollectible Credits)**

Bad debts should only be considered directly as costs or losses for the year to the extent that this results from enforcement proceedings, bankruptcy or insolvency.

**ARTICLE 31 – (Social utility achievements)**

1. Costs or losses for the year are also considered to be expenses incurred with the optional maintenance of daycare centers, lactations, kindergartens, canteens, libraries and schools, prevention and medical and pharmaceutical assistance for patients infected with "AIDS", as well as other achievements of social utility, recognized as such by the Tax Administration, made for the benefit of the company's staff and their families, as long as they are of a general nature and do not have the nature of income from dependent work or, in other words, are difficult or complex individualization for each beneficiary.
2. Costs or losses for the financial year are also considered, up to a limit of 10% of personnel expenses recorded as remuneration, wages or salaries, relating to the financial year, those supported by health and personal accident insurance contracts, as well as with life insurance contracts, contributions to pension and similar funds or to any complementary social security schemes, which guarantee, exclusively, the benefit of retirement, supplementary retirement, disability or survival, in favor of the company's employees.
3. The limit established in the previous paragraph is increased to 20% if workers are not entitled to Social Security pensions.
4. For the purposes of the limits established in no.s2 and 3, the current values of charges for pensioners already existing in the company at the date of the conclusion of the Insurance contract or integration into complementary social security benefit schemes provided for in the respective legislation are not considered, and this value, calculated actuarially, must be certified by insurance companies or other competent entities.

**ARTICLE 32 – (Sickness, personal accident and life insurance and pension funds)**

In the situations provided for in no.s2 and 3 of the previous article, it is understood that the requirements set out therein are met as long as the following conditions are cumulatively met, with

with the exception of paragraphs d) and e), in the case of health insurance, personal accident insurance or life insurance that exclusively covers the risks of death or disability:

- a) Benefits must be established for the majority of the company's permanent workers or within the scope of a collective labor regulation instrument for the professional classes to which the workers belong;
- b) Benefits must be established according to objective and identical criteria for all workers, even if they do not belong to the same professional class, except in compliance with collective labor regulation instruments;
- c) Without prejudice to the provisions of paragraph 4 of article 31, all of the prizes and contributions provided for in paragraphs 2 and 3 of the same article must not exceed, annually, the limits established in the applicable case, with the excess not being considered a cost for the year;
- d) At least two thirds of the benefits in the event of retirement, disability or survival are actually paid in the form of a monthly cash benefit for life, without prejudice to the redemption of lifetime annuities in payment that have not been judicially fixed, under the terms and conditions established by law regulation issued by the respective supervisory entity, and provided that proof of the respective assumptions is presented by the taxpayer;
- e) The provisions of the general social security regime are monitored with regard to retirement age and those entitled to the corresponding benefits, without prejudice to a special social security regime, a regime provided for in an instrument of collective labor regulation or other special legal regime, where applicable;
- f) The management and disposal of the amounts spent do not belong to the company itself and the insurance contracts are concluded with insurance companies that have headquarters, effective management or permanent establishment in Mozambican territory and the pension funds or similar funds are constituted in accordance with the national legislation;
- g) They are not considered income from dependent employment, in accordance with paragraph 1 of article 3 of the IRPS Code.

#### ARTICLE 33 – (Charges on pensioners)

1. The appropriations intended to cover pension liabilities provided for in paragraph 2 of article 31 of active personnel on 31 December of the year prior to the conclusion of insurance contracts or entry into pension funds, for length of service prior to that date, are also accepted as costs under the terms and conditions established in articles 31 and 32, and may, if those responsibilities exceed the limits established in no.s 2 and 3 of article 31, but not double the same, the amount of the excess will also be accepted as a cost, annually, for an amount corresponding, at most, to one seventh of that excess, without prejudice to the consideration of this in those limits, and the current value of those liabilities

certified by insurance companies, pension fund management companies or other competent entities.

2. Supplementary contributions intended to cover liabilities for pension costs, when made as a result of changes to the current assumptions on which the initial calculations of those liabilities were based and provided they are duly certified by the competent authorities, may also be accepted as costs or losses in the following terms:

a) In the year in which they are carried out, within a maximum period of five years, counting from the year in which the change in current assumptions took place;

b) In the part in which they do not exceed the accumulated amount of the differences between the values of the limits provided for in no.s2 or 3 of article 31, relating to the period constituted by the 10 immediately preceding financial years or, if shorter, to the period counting from the exercise of the transfer of responsibilities or the last change to the current assumptions and the values of the contributions made and accepted as costs in each one of these exercises.

3. For the purposes of paragraph b) of the previous paragraph, additional contributions intended to cover liabilities to pensioners are not taken into account, and any contributions made to cover past liabilities should also not be taken into account when calculating those differences. in accordance with paragraph 1.

**ARTICLE 34 – (Donations within the scope of Patronage)**

Donations, in cash or in kind, granted by taxpayers up to a limit of 5% of the previous year's taxable income are also considered costs or losses for the year if the beneficiary entities:

a) They are associations constituted under the terms of Law No. 8/91, of 18 July, and its regulations, and other public or private associations or entities, which, without the aim of confessional or partisan proselytism, carry out, non-profit, actions in the scope of Law n° 4/94, of 13 September;

b) They are private legal entities, natural or collective, that carry out or support, without profit for members or owners, actions within the scope of Law n° 4/94, of 13 September.

**ARTICLE 35 – (Donations to the State and other entities)**

The total costs or losses of the year include donations granted to the State and local authorities.

ARTICLE 35-A – (Charges for pre-professional internships)

The remuneration of final-year students undergoing pre-professional internships is also considered to be costs or losses for the year, up to a limit of 25% of the charges recorded for that purpose in the respective year.<sup>21</sup>

ARTICLE 36 – (Charges not deductible for tax purposes)

1. For the purposes of determining taxable profit, the following charges are not deductible, even when recorded as costs or losses for the year:

- a) Corporate Income Tax and any other taxes that directly or indirectly affect profits;
- b) Taxes and any other charges levied on third parties that the company is not legally authorized to bear;
- c) Fines and other charges for committing infractions, of any nature, that do not have a contractual origin, including compensatory interest;
- d) Compensation for the verification of events whose risk is insurable;
- e) 50% of expenses with subsistence allowances and compensation for travel in the employee's own vehicle, at the service of the employer, not invoiced to clients, recorded under any title, except for the part in which IRPS taxation takes place, in the sphere of the respective beneficiary;
- f) 80% of representation expenses, recorded under any title;
- g) Charges that are not properly documented and expenses of a confidential or illicit nature;
- h) The amounts due for the rental without a driver of light passenger or mixed vehicles, in the part corresponding to the value of the reinstatement of these vehicles that are not accepted as a cost, under the terms to be regulated;
- i) Fuel expenses to the extent that the taxable person does not prove that they relate to goods belonging to his assets or used by him on a rental basis and that normal consumption, related to the corporate purpose, is not exceeded from the company;
- j) Those resulting from reductions in the market value of tangible investment assets;<sup>22</sup>

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<sup>21</sup>Article added by article 2 of Law 4/2012 of 23 February. Entry into force on January 1, 2012.

<sup>22</sup>Wording added by article 1 of Law 20/2009 of 10 February. Entry into force on January 1, 2010.

k) Those resulting from changes in the market value of financial assets and financial liabilities, if this cannot be verified by reference to a stock exchange;<sup>23</sup>

l) Those resulting from outflows, in cash or kind, in favor of the capital holders, as remuneration or reduction thereof, or sharing of assets;<sup>24</sup>

m) Those resulting from losses estimated by taxpayers in multi-annual works that are in progress;<sup>25</sup>

n) Advertising expenses in the amount that exceeds 1% of the volume of income for the respective year.

<sup>26</sup>

o) Specific taxes on mining and oil activities.<sup>27</sup>

2. In the case of professional companies subject to the tax transparency regime, the limitation contained in the IRPS Code, which consists of deducting them by only 50%, is also applicable to charges related to the use of light passenger or mixed vehicles. .

3. Representation expenses are considered to be, in particular, the costs incurred for receptions, meals, trips, tours and shows offered in the country or abroad to clients or suppliers or to any other people or entities.

4. For the purposes of determining taxable profit, 50% of the costs related to light passenger vehicles, namely rent or rental, repairs and fuel, are not deductible, except in the case of vehicles used for the operation of a public transport service or intended to be rented in the course of the normal activity of the respective taxpayer and without prejudice to reinstatements and amortizations not accepted as tax costs, in accordance with the terms to be regulated and the provisions of paragraphs h) and i) of paragraph 1 of this article.

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<sup>23</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>24</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>25</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>26</sup>Wording added by article 1 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

<sup>27</sup>Wording added by article 1 of Law 4/2012 of 23 February. Entry into force on January 1, 2012.

**ARTICLE 36 A – (Other charges regime)<sup>28</sup>**

1. The charges provided for in paragraphs k) and l) of article 22 are considered as costs over three fiscal years.
2. For the purposes of the provisions of paragraph k) of article 22, advertising campaigns are considered to be expenditure made on actions to launch brands, products and/or services with economic projection over a time horizon of more than one year.

**SUBSECTION V – Regime of realized capital gains and losses**

**ARTICLE 37 – (Concept of capital gains and capital losses)**

1. Realized capital gains or losses are considered to be gains obtained or losses suffered in relation to elements of fixed assets through onerous transfer, whatever the title under which it is operated, as well as those arising from accidents or those resulting from the permanent allocation of those elements for purposes unrelated to the activity carried out.
2. Capital gains and losses are given by the difference between the realizable value net of the charges inherent therein and the acquisition value deducted from reinstatements or amortizations carried out, without prejudice to the provisions of paragraph 6 of article 39.
3. Realization value is considered:
  - a) In the case of exchange, the market value of the goods or rights received, increased or decreased, depending on the case, by the amount of money jointly received or paid;
  - b) In the case of expropriations or damaged assets, the value of the corresponding compensation;
  - c) In the case of assets permanently allocated to purposes unrelated to the activity carried out, their market value;
  - d) In cases of merger or division, the value at which the elements are recorded in the accounts of the entity to which they are transferred as a result of those acts;
  - e) In cases of sale of debt securities, the value of the transaction, net of countable interest from the date of last maturity or issue, first placement or endorsement, if no maturity has yet occurred, until the date of transmission, as well as the difference for the part corresponding to those periods, between the reimbursement value and the issue price, in the case of securities whose remuneration is constituted, totally or partially, by that difference;

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<sup>28</sup>Wording added by article 2 of Law 20/2009 of 10 September. Entry into force on January 1, 2010



f) In other cases, the value of the respective consideration.

4. In the case of exchange for future goods, their market value is what would correspond to them on the date of exchange.

5. The promise of purchase and sale or exchange is also considered to be onerous transfer, as soon as the tradition of the goods has been verified.

6. Capital gains or losses are not considered:

a) The results obtained as a result of the delivery by the lessee to the lessor of the assets subject to financial leasing;

b) The results obtained in the onerous transfer, or in the permanent allocation under the terms referred to in paragraph 1, of debt securities whose remuneration consists, in whole or in part, of the difference between the reimbursement or amortization value and the issue price, first placement or endorsement.

#### ARTICLE 38 – (Monetary correction of capital gains and capital losses)

1. The acquisition value corrected under the terms of paragraph 2 of the previous article is updated by applying the currency devaluation coefficients for this purpose published by order of the Minister who oversees the area of Finance, whenever at least two years from the date of acquisition, with the value of this update being deducted for the purposes of determining taxable profit.

2. The monetary correction referred to in the previous paragraph is not applicable to financial investments, except for investments in real estate and shares of capital.

3. For the purposes of paragraph 1, when due to the entry of assets and exchanges of shares in mergers and divisions of companies, and there is a valuation of the shares received at the same value at which the old ones were registered, considered if the date of acquisition of the first corresponds to that of the last.

#### ARTICLE 39 – (Reinvestment of realization values)

1. It does not contribute to the taxable profit of the years that respect, in the part that has influenced the tax base, the positive difference between the capital gains and losses realized through the onerous transfer of elements of tangible fixed assets or as a result of compensation for claims occurring in these elements whenever the realizable value corresponding to all of the aforementioned elements is reinvested in the acquisition, manufacture or construction of elements of tangible fixed assets until the end of the third financial year following that of realization.

2. If there is only partial reinvestment of the realization value, the proportional part of the difference referred to in the previous paragraph that corresponds to it does not contribute to taxable profit.

3. Investments in which provisions for reconstitution of deposits are not likely to benefit from the regime provided for in the previous paragraphs.
4. For the purposes of the provisions of paragraphs<sup>s</sup>1 and 2, taxpayers will mention their intention to make the reinvestment in the periodic income declaration for the year in which the investment was made, proving in the same and in the declarations for the three following years the reinvestments made.
5. If the reinvestment is not carried out, the IRPC that is no longer paid due to the provisions of paragraph 1, plus the corresponding compensatory interest, is added to the value of the IRPC paid in relation to the third financial year following that of the investment, or, if there is no place to calculate the IRPC, correct the declared tax loss accordingly.
6. The value of the positive difference between capital gains and capital losses not taxed under the terms of paragraph 1 is deducted from the acquisition cost or production cost of the tangible fixed asset assets in which the reinvestment took place for the purposes of the respective reinstatement or determination of any income taxable under IRPC in relation to them.
7. The deduction referred to in the previous paragraph is made in proportion to the part of the total to be reinvested that represents the value of each asset in which the reinvestment took place.
8. The Minister who oversees the area of Finance, upon request presented by interested parties until the end of the year to which the capital gains relate, may authorize, in the case of an investment in which its period of completion justifies, that the reinvestment period be extended until the end of the fourth financial year following the one in which it was carried out, then applying the provisions of the previous paragraphs with the necessary adaptations.

## **SUBSECTION VI – Deduction of previously taxed profits**

### **ARTICLE 40 – (Elimination of double economic taxation of distributed profits)**

1. For the purposes of determining the taxable profit of commercial or civil companies in commercial form, cooperatives and public companies, with headquarters or effective management in Mozambican territory, income, included in the tax base, corresponding to profits distributed by entities with headquarters or effective management in the same territory, subject and not exempt from IRPC or subject to the Special Tax on Gaming, in which the taxpayer directly holds a capital interest of not less than 20%<sup>29</sup>, and provided that this participation has remained in your ownership, uninterruptedly, for two years prior to the date of making the profits available or, if held for less time, provided that the participation is maintained for the time necessary to complete that period .

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<sup>29</sup>The rate was changed from 25% to 20%.

2. The provisions of the previous paragraph are applicable regardless of the percentage of participation and the period in which it has remained in your ownership, to income from shareholdings in which the technical reserves of insurance companies, and mutual insurance companies and , as well as the income of venture capital companies.
3. The provisions of no. public company, with headquarters or effective management in Mozambican territory, regardless of the value of its contribution, in relation to income, which has been effectively taxed, distributed by members resident in the same territory.

## **SUBSECTION VII – Deduction of losses**

### **ARTICLE 41 – (Deduction of tax losses)**

1. Tax losses determined in a given year, in accordance with the previous provisions, are deducted from the taxable profits, if any, from one or more of the five subsequent years.
2. In years in which taxable profit is calculated based on indirect methods, tax losses are not deductible, even if they are within the period referred to in the previous paragraph, but deduction within that period is not affected. , of losses that have not previously been deducted.
3. When corrections are made to the tax losses declared by the taxpayer, the deductions made are altered accordingly, however no cancellation or assessment, even additional, of the IRPC is carried out if more than six years have elapsed in relation to the one to which taxable income respects.
4. If the taxpayer benefits from partial exemption and/or IRPC reduction, the tax losses suffered on the respective farms or activities cannot be deducted, in each year, from the taxable profits of the remaining ones.
5. The period mentioned in paragraph d) of paragraph 4 of article 7, when less than six months, does not count for the purposes of the temporal limitation established in paragraph 1.
6. Tax losses relating to companies mentioned in paragraph 1 of article 6 are deducted solely from the taxable profits of the same companies.
7. The provisions of paragraph 1 of this article cease to apply when it is found, at the end of the tax period in which the deduction is made, that the corporate purpose of the entity to which it relates has been modified or substantially altered. the nature of the activity previously carried out.

**ARTICLE 41-A – (Transferability of tax losses)<sup>30</sup>**

1. Losses of merged or split companies may be deducted from the taxable profits of the new company or the acquiring company until the end of the period referred to in paragraph 1 of article 41 of the Corporate Income Tax Code, counting from the financial year in which they report, as long as authorization is granted by the Minister supervising the area of Finance, upon request from interested parties, delivered to the General Directorate of Taxes by the end of the month following the registration of the merger at the Commercial Registry Office.
2. The granting of the authorization referred to in the previous paragraph is conditional on demonstrating that the merger is carried out for valid economic reasons, such as the restructuring or rechannelling of the activities of the intervening companies and is part of a medium or long-term business strategy, with positive effects on the productive structure, and for this purpose, all necessary or convenient elements must be provided for perfect knowledge of the intended operation, both its legal and economic aspects.
3. The provisions of the previous paragraphs may also be applied, with the necessary adaptations, in the split, in which the split company is extinguished, with the tax losses being transferred to each of the beneficiary companies, in proportion to the values transferred by that society.

**SECTION III – Legal entities and other resident entities that do not primarily carry out commercial, industrial or agricultural activities**

**ARTICLE 42 – (Determination of global income)**

1. The global income subject to tax of legal persons and entities mentioned in paragraph b) of paragraph 1 of article 4 is formed by the algebraic sum of the net income of the various categories determined in accordance with the IRPS Code, applying to the determination of profit the provisions of this Code are taxable.
2. The provisions that, for IRPS purposes, allow the attribution of income to years different from that of its receipt, are not applicable in determining the global income referred to in the previous paragraph.
3. Tax losses determined in relation to the exercise of commercial, industrial or agricultural activities and capital losses may only be deducted, for the purposes of determining global income, from the income of the respective categories in one or more of the five subsequent years.

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<sup>30</sup>Wording added by article 2 of Law 20/2009 of 10 September. Entry into force on January 1, 2010.

**ARTICLE 43 – (Common and other costs)**

1. Costs proven to be essential for obtaining income that have not been considered in determining the overall income under the terms of the previous article and that are not specifically linked to obtaining income not subject to or exempt from IRPC are deducted, in whole or in part, to this global income, for the purposes of determining the taxable amount, in accordance with the following rules:

a) If they are only linked to obtaining subject and non-exempt income, they are deducted in full from the overall income;

b) If they are linked to the obtaining of subject and non-exempt income, as well as non-subject or exempt income, the part of the common costs that is attributable to the subject and non-exempt income is deducted from the overall income.

2. For the purposes of the provisions of paragraph b) of the previous paragraph, the part of the common costs to be allocated is determined through the proportional distribution of those to the total of subject and non-exempt gross income and non-subject or exempt income, or in accordance with another criterion considered most appropriate accepted by the Tax Administration, and this distribution must be highlighted in the income declaration.

3. Income not subject to IRPC is considered to be, in particular, the fees paid by members in accordance with the statutes, as well as subsidies received and intended to finance the achievement of statutory purposes.

## **SECTION IV – Non-resident entities**

**ARTICLE 44 – (Taxable profit from a permanent establishment)**

1. The taxable profit attributable to permanent establishments of companies and other non-resident entities is determined by applying, with the necessary adaptations, the provisions of section III.

2. General administration costs that, in accordance with accepted distribution criteria and within limits considered reasonable by the Tax Administration, are attributable to the permanent establishment, may be deducted as costs for determining taxable profit, and these criteria must be justified in the income declaration and uniformly followed in the various financial years.

3. Without prejudice to the provisions of the previous paragraph, in cases where it is not possible to make an attribution based on the use by the permanent establishment of the goods and services to which the general charges relate, the following are admissible as distribution criteria, namely:

a) Turnover;

b) Direct costs;

c) Tangible fixed assets.

**ARTICLE 45 – (Income not attributable to a permanent establishment)**

Income not attributable to a permanent establishment located in Mozambican territory obtained by companies and other non-resident entities are determined in accordance with the rules established for the corresponding categories for IRPS purposes.

**SECTION V – Determination of taxable profit by indirect methods**

**ARTICLE 46 – (Application of Indirect methods)**

1. The determination of taxable profit by indirect methods occurs whenever any of the following facts occur:

- a) Lack of organized accounting or record books required in the tax codes, as well as the lack, delay or irregularity in their execution, bookkeeping or organization;
- b) Refusal to display accounting, record books and other legally required supporting documents, as well as their concealment, destruction, falsification or tampering
- c) Lack of several accounts or groups of books with the purpose of simulating reality before the tax administration;
- d) Errors or inaccuracies in the recording of transactions or well-founded indications that the accounts or record books do not reflect the exact asset situation and the result actually obtained.

2. The application of indirect methods as a result of accounting anomalies and inaccuracies can only occur when it is not possible to directly and accurately prove and quantify the elements essential for determining the taxable amount in accordance with the provisions of section III of this chapter .

3. Delays in carrying out accounting or keeping accounting books and records, as well as failure to immediately display that or these, only determine the application of indirect methods after the expiry of the period set out in the legislation for regularization or presentation, without the obligation has been fulfilled.

4. The period referred to in the previous paragraph must not be less than 15 nor more than 30 days and does not affect the application of the sanction that corresponds to the infraction eventually committed.

**ARTICLE 47 – (Simplified regime for determining taxable profit)**

1. Resident taxpayers who primarily carry out an activity of a commercial, industrial or agricultural nature are covered by the simplified regime for determining taxable profit, with the exception of those who are required to have duly organized and

that have a turnover not exceeding 2,500,000.00 MT and that have not opted for the simplified bookkeeping regime, nor for the determination of taxable profit provided for in Section III of this chapter.

2. When starting activity, the simplified regime is included, subject to other assumptions, in accordance with the estimated total annual value of income, contained in the declaration of beginning of activity, if the option to which the activity is initiated is not exercised. refers to the previous number.

3. The calculation of taxable profit results from the application of the following coefficients:

- a) 0.20 to the value of sales of goods and products; and the coefficient;
- b) 0.20 to the value of sales and provision of accommodation, restaurant and beverage services;
- c) 0.30 on remaining income.

4. The option to apply the general regime for determining taxable profit must be formalized by taxpayers:

- a) In the declaration of the beginning of activity;
- b) In the declaration of changes, until the end of the third month of the tax period in which the regime begins to apply.

5. The option referred to in the previous paragraph is valid from the beginning of the new tax period, after submission of the declarations provided for in the previous paragraph, as applicable.

6. The application of the simplified regime ceases when the total annual business limit referred to in paragraph 1 is exceeded, in which case the general regime for determining taxable profit applies from the financial year following that in which this fact is verified.

7. The base values necessary for calculating taxable profit are subject to correction by the Tax Administration in general terms, without prejudice to the provisions of the final part of the previous paragraph.

8. In case of correction to the base values referred to in the previous paragraph using indirect methods in accordance with article 46, the provisions of articles 48 and following are applicable with the necessary adaptations.

#### ARTICLE 48 – (Indirect Methods)

1. The determination of taxable profit by indirect methods is carried out by the Director of the tax area at the head office, effective management or permanent establishment of the taxpayer and is based on all the elements available to the tax administration, and in particular:

- a) The average net profit margins on sales and provision of services or purchases and supplies and services from third parties;
  - b) Average rates of return on invested capital in the sector;
  - c) The technical coefficients of consumption or use of raw materials and other direct costs;
  - d) Elements and information declared to the tax administration, including those relating to other taxes, as well as those relating to companies or entities that have economic relations with the taxpayer;
  - e) The location and size of production units;
  - f) Average costs depending on the specific conditions of carrying out the activity;
  - g) The taxable amount of the nearest year or years determined by the tax administration.
2. The elements referred to in the previous number are established in accordance with the terms to be regulated.

## **SECTION VI – Common and miscellaneous provisions**

### **SUBSECTION I – Corrections for the purposes of determining the taxable amount**

#### **ARTICLE 49 – (Transfer Pricing)**

1. The Tax Administration may make any corrections that are necessary to determine taxable profit whenever, due to special relationships between the taxpayer and another person, whether or not subject to IRPC, conditions have been established that differ from those that would normally be agreed between independent persons, resulting in the profit determined based on accounting being different from what would be determined in the absence of these relationships
2. The provisions of the previous paragraph are also observed whenever the profit determined in the accounts in relation to entities that do not have headquarters or effective management in Mozambican territory differs from what would be determined if it were a distinct and separate company that carried out identical or similar activities, under identical or similar conditions and acting with total independence.
3. The provisions of paragraph 1 also apply to people who simultaneously carry out activities subject to and not subject to the general IRPC regime, when identical deviations occur in relation to such activities.
4. When the provisions of paragraph 1 apply in relation to an IRPC taxable person due to special relationships with another taxable person of the same tax or IRPS, in determining the profit



of the latter, appropriate adjustments are made to reflect the corrections made in determining the taxable profit of the former.

**ARTICLE 50 – (Payments to entities resident in countries with a privileged tax regime)**

1. For the purposes of determining taxable profit, amounts paid or owed, in any capacity, to natural or legal persons residing outside Mozambican territory and subject to a clearly more favorable tax regime there are not deductible, unless the taxpayer can prove that such charges correspond to operations actually carried out and are not abnormal in nature or an exaggerated amount.

2. A natural or legal person is considered to be subject to a clearly more favorable tax regime when, in the territory of their residence, they are not subject to income tax or, in relation to the amounts paid or owed, mentioned in the previous paragraph, are subject to an effective tax rate equal to or lower than 60% of the rate provided for in paragraph 1 of article 61.

3. For the purposes of the provisions of the previous paragraph, taxpayers must, at the request of the Tax Administration, provide evidence of the effective tax rate.

4. The test referred to in paragraph 1 must take place after notification to the taxpayer, carried out at least 30 days in advance.

**ARTICLE 51 – (Attribution of profits of companies resident in countries with a privileged tax regime)**

1. Partners residing in Mozambican territory are attributed, in proportion to their shareholding and regardless of distribution, profits obtained by companies resident outside that territory and subject there to a clearly more favorable regime, provided that the partner holds, directly or indirectly, a shareholding of at least 25%, or, if the non-resident company is held, directly or indirectly, in more than 50%, by resident shareholders, a shareholding of at least 10%.

2. The imputation referred to in the previous paragraph is made on the tax base for the year that forms part of the end of the tax period of the non-resident company and corresponds to the profit obtained by the company, after deducting the income tax levied on these profits, as applicable in accordance with the tax regime applicable in the State of residence of that company.

3. For the purposes of paragraph 1, a company is considered to be subject to a clearly more favorable regime when, in the territory of residence of the company, it is not taxed on income tax or the effective tax rate is equal to or lower. at 60% of the rate provided for in paragraph 1 of article 61.

ARTICLE 52 – (Thin capitalization)

1. When the indebtedness of a taxpayer towards an entity that is not resident in Mozambican territory with which there are special relationships, as defined in this article, is excessive, the interest borne in relation to the part considered in excess is not deductible for the purposes of determining the taxable profit.
2. Special relationships are considered to exist between the taxpayer and a non-resident entity when:
  - a) The non-resident entity holds a direct or indirect participation in the capital of the taxpayer of at least 25%;
  - b) The non-resident entity, without reaching this level of participation, in fact exercises a significant influence on management;
  - c) The non-resident entity and the taxable person are under the control of the same entity, particularly as a result of being directly or indirectly involved.
3. For the purposes of applying paragraph 1, the existence of special relationships is equated to the situation of indebtedness of the taxable person towards a third party not resident in Mozambican territory, in which there has been a guarantee or guarantee provided by one of the entities referred to in previous number.
4. Excess indebtedness exists when the value of debts in relation to each of the entities referred to in paragraph 2, with reference to any date of the tax period, is greater than twice the value of the corresponding share in the taxpayer's own capital.
5. To calculate indebtedness, all forms of credit are considered, in cash or in kind, whatever the type of remuneration agreed, granted by the entities mentioned in paragraph 2, including credits resulting from commercial operations, when more than six months after the respective due date.
6. To calculate equity, the subscribed and paid-up share capital is added to the other items qualified as such by current accounting regulations, except those that reflect potential or latent capital gains or losses, namely those resulting from revaluations not authorized by specific legislation relating to tax matters or the application of the equity equivalence method.
7. The provisions of paragraph 1 do not apply if, having exceeded the coefficient established in paragraph 4, the taxpayer demonstrates, taking into account the type of activity, the sector in which it operates, the size of the companies and other criteria relevant, which could have obtained the same level of debt and under similar conditions as an independent entity.

8. The proof referred to in the previous paragraph must be presented within 30 days after the end of the tax period in question.

**ARTICLE 53 – (Corrections in cases of tax credit and withholding tax)**

1. When determining the taxable amount subject to tax:

- a) When there is income that gives the right to tax credit due to double economic taxation of profits distributed under the terms of article 64, the amount of the tax credit applicable must be added to the included income;
- b) When there is income obtained abroad that gives the right to tax credit for international double taxation under the terms of article 65, such income must be considered for taxation purposes at the respective gross amounts of income taxes paid abroad.

2. Whenever IRPC has been withheld at source in relation to income included for taxation purposes, the amount to be considered in determining the taxable amount is the respective gross amount of tax withheld at source.

**SUBSECTION II – Inflows of assets and exchanges of shares in Mergers and Spin-Offs**

**ARTICLE 54 – (Special regime applicable to asset contributions)**

1. When determining the realized capital gains and losses relating to the shares of share capital received in return for the contribution of assets, these shares of capital are considered at the net accounting value that the elements of the transferred assets and liabilities had in the company's accounts. company that makes the contribution of assets.

2. For the purposes of the previous paragraph, it is considered:

- a) Transfer of assets – the operation by which a company transfers, without being dissolved, the set of one or more branches of its activity to another company, in exchange for parts of the share capital of the acquiring company;
- b) Branch of activity – the set of elements that constitute, from an organizational point of view, an autonomous economic unit, that is, a set capable of functioning by its own means, which may include debts incurred for its organization or operation.

**ARTICLE 55 – (Regime applicable to partners of merged or split companies)**

1. In the case of mergers and divisions of resident companies under the terms to be regulated, there is no place, in relation to the shareholders of the merged companies, for the determination of gains or losses for tax purposes as a result of the merger, as long as the new shareholdings the value at which the old ones were registered.

2. The provisions of the previous paragraph do not prevent the taxation of the shareholders of the merged companies in relation to the amounts of money that may be attributed to them as a result of the merger.

**ARTICLE 56 – (Mergers, spin-offs and transfers of assets involving legal persons other than companies)**

For mergers and divisions, carried out under legal terms, of IRPC taxpayers resident in Mozambican territory that are not companies and their respective members, the provisions of the previous articles apply, with the necessary adaptations.

**ARTICLE 57 – (Exchange of shares)**

1. For the purposes mentioned in this article, an exchange of shares is considered to be the operation by which one company (acquiring company) acquires a stake in the share capital of another (acquired company), which has the effect of granting it the majority of rights voting rights of the latter, by granting to its shareholders, in exchange for their securities, securities representing the share capital of the first company and, possibly, a sum of money not exceeding 10% of the nominal value, or in the absence of such value nominal, of the book value equivalent to the nominal, of the securities delivered in exchange.

2. The attribution, as a result of an exchange of shares, of securities representing the share capital of the acquiring company to the shareholders of the acquired company does not give rise to any taxation of the latter if they continue to value, for tax purposes, the new shareholdings for the value at which the old ones were registered, determined in accordance with the provisions of this Code, which will be subject to autonomous accounting records in relation to other shares possibly held in relation to the same entity.

3. The provisions of the previous paragraph are only applicable provided that the following conditions are cumulatively met:

- a) The acquiring company and the acquired company are resident in Mozambican territory;
- b) The shareholders of the acquired company are people or entities resident in third States when the securities received represent the share capital of an entity resident in Mozambican territory.

4. The provisions of paragraph 2 do not prevent the taxation of partners in relation to the amounts in money that may be attributed to them under the terms of paragraph 1.

5. For the purposes of the provisions of the previous paragraphs, the partners of the acquired company must include the following elements in the tax documentation process:

- a) Declaration containing a description of the share exchange operation, date on which it took place, identification of the intervening entities, number and nominal value of shares delivered and shares

received, value at which the shares delivered were recorded in the accounts, amount of money eventually received, result that would be included in the tax base if the regime provided for in this article were not applied and demonstration of its calculation;

b) Declaration by the acquiring company that as a result of the share exchange operation it holds the majority of the voting rights of the acquired company.

### **SUBSECTION III – Constitution of companies with business assets owned by an individual**

#### **ARTICLE 58 – (Special fiscal neutrality regime)**

1. When the regime established in the IRPS Code is applicable, in relation to the entry of business assets to raise the capital of a new company, the assets that constitute the assets and liabilities of said assets subject to transfer must be recorded in the company's accounts to which they are transmitted with the values mentioned in the natural person's records.

2. When determining the taxable profit of the company referred to in the previous paragraph, the following must be taken into account:

a) The calculation of results relating to the assets that constitute the transferred heritage is calculated as if there had not been such transfer;

b) Reinstatements and amortizations on fixed asset elements are carried out in accordance with the regime that was being followed for the purposes of determining the taxable profit of an individual;

c) The provisions that have been transferred have, for tax purposes, the regime that was applicable to them for the purposes of determining the taxable profit of the individual.

3. In cases of realization of share capital resulting from the transfer of the entire assets allocated to the exercise of a professional business activity by a natural person, as provided for in paragraph 1, provided that cumulatively, the conditions set out in the IRPS Code are observed, the tax losses relating to the exercise by an individual of commercial, industrial or agricultural activity and not yet deducted from taxable profit may be deducted from the taxable profits of the new company until the end of the period referred to in article 41, counting from the year to which they relate, up to 50% of each of these taxable profits.

### **SUBSECTION IV – Derivative financial instruments**

#### **ARTICLE 59 – (General Rules)**

1. When considering income or gains and costs or losses relating to derivative financial instruments, except those provided for in the following article, the following is observed:

a) In the case of operations carried out on stock exchanges, in progress at the end of a financial year, those income or gains and costs or losses are attributable to that financial year and determined in accordance with the market value recorded on the last day of the same exercise, in the market in which the operation was carried out;

b) In the case of operations not carried out on a stock exchange, those income or gains and costs or losses are attributable to the year of settlement of the corresponding operation, except for income or gains already realized or costs or losses already incurred in previous years.

2. In relation to the operations referred to in paragraph a) of the previous paragraph whose exclusive objective is to cover operations to be carried out in the following year, in a market of a different nature and subject to different valuation criteria, the deferral of gains not realized, determined in one year, for, at most, the following two years, to the extent of losses not yet realized on the covered instrument.

3. Without prejudice to the provisions of paragraph 5 of this article, hedging operations are considered to be operations that justifiably contribute to the elimination or reduction of a real risk arising from a firm commitment, including future commitments of operations carried out in the financial year or in previous financial years, but still ongoing, or a future operation to be carried out, with high probability, in the following year, relating to a market of a different nature and subject to different valuation criteria, in such a way that there is an indisputable economic relationship between the covered element and the hedging operation and a high correlation between them is quantifiable, so that such an operation should be expected to neutralize, in whole or in part, but substantial, any losses on the covered element with the gains in the hedging operation.

4. For the purposes of the provisions of the previous paragraph, only the operation whose value does not exceed the coverage value considered necessary in view of the correlation between the hedging operation and the covered operation is considered hedging.

5. The following are not fiscally accepted as hedging operations:

a) Operations carried out in such capacity with a view to covering risks to be incurred by other people or entities or by establishments carrying out the operations whose income is not taxed under the normal taxation regime;

b) Operations carried out by investment funds, including funds of funds, venture capital funds, pension funds, insurance companies, credit institutions and other financial institutions, to which the provisions of no.s8 and 9;

c) Operations that are not properly identified in an appropriate model.

6. Failure to verify the requirements referred to in paragraph 3 of this article determines, from the date of such non-verification, the disqualification of the operation as coverage.
7. If the covered operation is not carried out, the amount of tax relating to the year in which it would have been carried out must be added to the tax that was no longer paid as a result of the provisions of paragraph 2, plus the corresponding compensatory interest, or, if there is no place for the calculation of the IRPC, the declared tax loss is corrected accordingly.
8. Without prejudice to the provisions of paragraph 9 of this article, the deduction of losses determined at the end of a year, in relation to contracts in progress at the end of that year, is limited to the amount by which they exceed gains not yet taxed on symmetrical positions.
9. Only costs or losses relating to symmetrical positions that are duly identified in an appropriate model that must be part of the tax documentation process are deductible.
10. For the purposes of the provisions of the previous paragraphs, it is considered that:
  - a) Symmetrical positions are positions in which the values of capital or income undergo correlated variations in such a way that the risk of variation in the value of one of them is compensated by the variation in value of capital or income in another position, regardless of their nature, location or duration;
  - b) Position means the holding, directly or indirectly, of contracts relating to derivative financial instruments, securities, currencies, negotiable credit instruments, loans contracted or granted or commitments made on these elements.
11. If the substance of an operation or set of operations differs from its form, the moment, source and character of payments and receipts, income and costs, gains and losses, resulting from that operation, may be characterized by the Tax Administration in order to take this substance into account.

#### ARTICLE 60 – (Swaps)

1. In the event of the assignment or cancellation of a swap or forward exchange transaction, with payment and receipt of settlement amounts, the following must be observed:
  - a) The amounts due are considered as income or cost of the exercise of contract annulment;
  - b) Any compensation payment that exceeds the regularization or terminal payments provided for in the original contract, or the market prices applicable to operations with identical characteristics, namely the remaining period, is not accepted as a cost for tax purposes, being the responsibility of the intervening entities the respective proof.

2. The cost attributed to the acquisition of a contractual position in a pre-existing swap that exceeds the regularization or terminal payments provided for in the original contract, or the market prices applicable to operations with identical characteristics, namely remaining period, with the intervening entities being responsible for providing proof.



## CHAPTER IV – FEES

### ARTICLE 61 – (General rate)

1. The IRPC rate is 32%, except in the cases provided for in the following numbers.
2. Agricultural and livestock activities benefit from a reduced rate of 10% until December 31, 2015.<sup>31</sup>
3. Taxpayers covered by paragraph 2 of this article, who carry out other activities, must detail in their declarations the taxable profits of activities subject to different rates.
4. Charges that are not properly documented and expenses of a confidential or illicit nature are taxed independently, at a rate of 35%, without prejudice to the provisions of paragraph g) of paragraph 1 of article 36.

### ARTICLE 62 – (Withholding rates)

1. Income subject to withholding tax in accordance with article 67 is taxed at 20%.
2. In the case of income from entities that do not have their headquarters or effective management in Mozambican territory and do not have a permanent establishment in Mozambique to which they are attributable, they are taxed at a tax rate of 20%.<sup>32</sup>
3. The income of the entities referred to in the previous paragraph is taxed at a tax rate of 10% as long as it is derived from:
  - a) Provision of telecommunications and international transport services, as well as those resulting from the assembly and installation of equipment;
  - b) Construction and rehabilitation of infrastructures for the production, transport and distribution of electrical energy in rural areas, within the scope of public rural electrification projects;

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<sup>31</sup>Wording given by article 1 of Law 4/2012 of 23 January Previous wording:

...

2. Agricultural and livestock activities benefit from a reduced rate of 10 percent until December 31, 2010.

<sup>32</sup>Wording given by article 1 of Law 4/2012 of 23 January Previous wording:

...

2. In the case of income from entities that do not have their headquarters or effective management in Mozambican territory and do not have a permanent establishment in Mozambique, to which they are attributable, they are taxed at a tax rate of 20%, except for income derived from the provision of telecommunications and international transport services, as well as those resulting from the assembly and installation of equipment carried out by the aforementioned entities, which are subject to a 10% tax.

c) Chartering of maritime vessels to carry out fishing and cabotage activities.<sup>33</sup>

4. Securities listed on the Mozambique Stock Exchange are also subject to a 10% release fee.<sup>34</sup>

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<sup>33</sup>Wording added by article 1 of Law 4/2012 of 23 January.

<sup>34</sup>Wording given by article 1 of Law 4/2012 of 23 January Previous wording:

...

3. Income from securities listed on the Mozambique Stock Exchange are also subject to a 10% release rate.

## CHAPTER V – SETTLEMENT

### ARTICLE 63 – (Competence for settlement)

IRPC settlement is carried out:

- a) As a rule, by the taxpayer himself, in the Periodic Declaration and in the Replacement Declaration;
- b) By the Tax Administration, in other cases.

### ARTICLE 64 – (Tax credit relating to double economic taxation of distributed profits)

1. The deduction relating to economic double taxation is applicable when the tax base of entities with headquarters or effective management in Mozambican territory has included income corresponding to profits distributed by entities with headquarters or effective management in the same territory, subject to IRPC and not exempt, in cases not covered by paragraph 1 of article 40.
2. The deduction consists of a tax credit of 60% of the IRPC corresponding to the distributed profits, included in the tax base, and will be made until the part of the amount determined under the terms of paragraph 1 of the previous article that proportionally corresponds to the said profits after the amount of this credit must be added in accordance with paragraph a) of paragraph 1 of article 53.
3. In cases of values attributed to each of the partners of a company in liquidation, due to sharing, the deduction referred to in the previous number is applicable to the difference that, when positive, is considered as income from investment of capital up to the maximum limit the difference between the value attributed and that which, in the accounts of the liquidated company, corresponds to contributions actually recorded for the realization of capital, with any excess having the nature of taxable surplus value.
4. The tax credit regime provided for in this article applies, with the necessary adaptations, in relation to the income that the member receives from the association in participation, with the distributed income being effectively taxed, and from the association to the quota.

### ARTICLE 65 – (Tax Credit for International Double Taxation)

1. The deduction relating to international double taxation is only applicable when income obtained abroad has been included in the taxable amount and will correspond to the lesser of the following amounts:
  - a) Tax on income paid abroad;
  - b) Fraction of IRPC, calculated before deduction, corresponding to income that may be taxed in the country in question.

2. When there is a convention to eliminate double taxation signed by Mozambique, the deduction to be made under the terms of the previous paragraph cannot exceed the tax paid abroad under the terms provided for by the convention.

3. Whenever it is not possible to make the deduction referred to in the previous paragraphs, due to insufficient tax collection in the year in which the income obtained abroad was included in the tax base, the remainder may be deducted until the end of the following five years.

#### ARTICLE 66 – (Tax credit relating to special payment on account)

1. The deduction relating to the special payment on account is made to the amount determined in the Periodic Income Declaration, for the year to which it relates or, if insufficient, in the following years up to a maximum of 3 tax years, after making the deductions relating to economic double taxation of distributed profits, international double taxation and that relating to tax benefits, which must be carried out until the IRPC is collected, with no refund being given.

2. Regarding the part that is not deducted under the terms of the previous number, until the end of the period provided for therein, the provisions of the final part of the previous number are observed.

#### ARTICLE 67 – (Withholding taxes)

1. IRPC is subject to withholding tax on the following income obtained in Mozambican territory:

a) Income from intellectual or industrial property and also from the provision of information regarding experience acquired in the industrial, commercial or scientific sector;

b) Income derived from the use or concession of the use of agricultural, industrial, commercial or scientific equipment,

c) Income from investment of capital not covered in the previous paragraphs and property income, as defined for the purposes of IRPS, when the debtor is a taxpayer of IRPC or when they constitute a charge related to the commercial, industrial or agricultural activity of the subject IRPS liabilities that must be accounted for;

d) Remuneration earned as a member of statutory bodies of legal entities and other entities;

e) Game prizes, lotteries, raffles and mutual bets, as well as the importance or prizes awarded to any draws or competitions, defined in the Social Entertainment Games Law, Law no. 9/94, of 14 September;

f) Income referred to in paragraph d) of no. 3 of article 5 of the IRPC Code obtained by entities not resident in Mozambican territory, when the debtor thereof is a taxable person of IRPC or

when they constitute a charge relating to the commercial, industrial or agricultural activity of IRPS taxpayers who must have organized accounting;

g) Income from intermediation in the conclusion of any contracts and income from other services provided or used in Mozambican territory.

2. For the purposes of the provisions of the previous paragraph, the income mentioned in paragraph 3 of article 5 is considered to be obtained in Mozambican territory, except for those referred to in paragraph 4 of the same article.

3. Withholdings at source are in the nature of tax on account, with the exception of cases in which the holder of non-property income is a non-resident entity that does not have a permanent establishment in Mozambican territory or that, having it, such income are not attributable to it, in which case the withholding tax is definitive.

4. Withholdings of income referred to in this article subject to IRPC are made at the rates set out in article 62.

5. The obligation to withhold IRPC at source occurs on the date of payment of income, its due date, even if presumed, its making available, its liquidation or the calculation of the respective amount, depending on the case, with the amounts due withheld be paid under the terms and deadlines established in the Personal Income Tax Code or in complementary legislation.<sup>35</sup>

6. The withholding tax referred to in paragraph f) of paragraph 1 takes place whenever the holder of the income mentioned therein does not provide proof to the entity responsible for the same, before making it available, that it is not directly controlled or indirectly by entertainment professionals or sportspeople.

#### ARTICLE 68 – (Exemption from withholding tax)

There is no obligation to withhold IRPC at source, when it is in the nature of a tax on account, in the following cases:

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<sup>35</sup>Wording given by article 1 of Law 4/2012 of 23 January Previous wording:

...

5. The obligation to withhold IRPC at source occurs on the date established for an identical obligation in the IRPS Code or, failing that, on the date the income is made available, and the amounts withheld must be delivered to the state in accordance with the terms and deadlines established in the IRPS Code or in complementary legislation.

- a) Interest and other forms of remuneration, arising from loans, credit openings or late payments, held by credit institutions, with headquarters or effective management in Mozambican territory, subject to IRPC, in relation to the aforementioned, income, even that exempt in relation to them;
- b) Interest or any increase in monetary credit, resulting from the extension of the respective due date or delay in payment, when those credits are a consequence of sales or provision of services by legal persons or other entities subject, in relation to the same, to IRPC, although exempt in relation to such income;
- c) Profits obtained by entities to which the regime established in article 40 applies;
- d) Income referred to in paragraphs b) and g) of paragraph 1 of the previous article, when obtained by legal persons or other entities subject, in relation to them, to IRPC, even if exempt in relation to such income;
- e) Remuneration referred to in paragraph d) of paragraph 1 of the previous article when earned by accounting firms that participate in the bodies indicated therein;
- f) Property income referred to in paragraph c) of paragraph 1 of the previous article when obtained by companies whose purpose is to manage their own properties and are not subject to the tax transparency regime, under the terms of paragraph c) of paragraph 1 of the article 6;
- g) Income obtained by a holding company (SGPS), of which the company they have participated in is a debtor for at least one year and the participation is not less than 10% of the capital with voting rights of the company in which it participates, either by itself, either jointly with shares in other companies in which the SGPS are dominant, resulting from supply contracts signed with those companies or obligations taken by them;

## CHAPTER VI – PAYMENT

### ARTICLE 69 – (Payment rules)

Without prejudice to the provisions of the following articles, entities that primarily carry out activities of a commercial, industrial or agricultural nature and non-residents with a permanent establishment in Mozambican territory pay the tax under the terms to be regulated.

### ARTICLE 70 – (Payments on account)

1. Payments on account are calculated based on the tax paid for the year immediately preceding that in which these payments are to be made, net of withholding taxes.
2. Payments on behalf of taxpayers will correspond to 80% of the amount of tax referred to in the previous paragraph divided into three equal amounts, rounded up, in accordance with the terms to be regulated.

### ARTICLE 71 – (Special payment on account)

1. The entities mentioned in article 68 are subject to a special payment on account, to be made in three installments, during the months of June, August and October of the year to which they relate or, in the case of adopting a tax period that does not coincide with the calendar year, in months 6, 8 and 10 of the respective tax period.
2. The amount of the special payment on account is equal to the difference between the value corresponding to 0.5% of the respective turnover, with a minimum limit of 30 000.00MZN and a maximum of 100 000.00 MZN, and the amount of the payment on account made in last year.
3. For the purposes of the provisions of the previous paragraph, turnover is determined based on the value of sales and/or services provided, carried out up to the end of the previous year, and may be rectified in the following year if it is found to be different from what served as the basis for the respective calculation.
4. The provisions of paragraph 1 are not applicable in the year in which the activity begins and to taxpayers covered by the simplified regime for determining taxable profit provided for in article 47.

### ARTICLE 72 – (Limitations on payments on account)

1. If the taxpayer verifies, from the information available to him, that the amount of the payment on account already made is equal to or greater than the tax that is due based on the taxable amount for the year, he may stop making a new payment on account, but he must forward to the tax services in the area of the headquarters, effective management or permanent establishment where the

accounting, a declaration limiting payment on account, of an official model, duly signed and dated, until the end of the deadline for the respective payment.

2. If it is verified, in view of the periodic declaration of income for the year to which the tax relates, that, as a result of the suspension of the payment on account provided for in the previous paragraph, it is no longer necessary to pay an amount greater than 20% of that which, under normal conditions, would have been delivered, compensatory interest is payable from the end of the period within which each delivery should have been made until the end of the period for submitting the declaration or until the date of payment of the self-assessment, if earlier.

3. If the delivery on account to be made is greater than the difference between the total tax that the taxpayer deems due and the deliveries already made, the taxpayer may limit the payment to that difference, applying the provisions of the previous paragraphs with the necessary adaptations.

#### ARTICLE 73 - (Minimum limit)

There is no charge when, due to settlement carried out by the competent Tax Area Department, the amount settled is less than 100.00MZN.

#### ARTICLE 74 - (Credit privileges)

For the payment of IRPC for the last 6 years, the National Treasury enjoys general movable privilege and real estate privilege over the assets existing in the taxpayer's assets at the date of seizure or other equivalent act.



## CHAPTER VII – ACCESSORY OBLIGATIONS

### SECTION I – Additional obligations of taxpayers

#### ARTICLE 75 – (Accounting obligations of companies)

1. Commercial or civil companies in commercial form, cooperatives, public companies and other entities that carry out, primarily, a commercial, industrial or agricultural activity, with headquarters or effective management in Mozambican territory, as well as entities that, although they do not have headquarters or effective management in that territory, they have a permanent establishment there, they are obliged to have organized accounting in accordance with commercial and tax law that, in addition to the requirements indicated in paragraph 3 of article 17, allows the control of taxable profit.
2. The companies and entities referred to in the previous number whose turnover, relative to the previous year, is less than 2,500,000.00 MT, may opt for the simplified bookkeeping regime, except in the case of public companies, companies anonymous and limited by shares.
3. When carrying out accounting, the following must be observed in particular:
  - a) All entries must be supported by supporting documents, dated and capable of being presented whenever necessary;
  - b) Operations must be recorded chronologically, without amendments or erasures, and any errors must be subject to accounting regularization as soon as they are discovered.
4. Delays in the execution of accounting exceeding 90 days are not permitted, counting from the last day of the month to which the operations relate.
5. Accounting books, auxiliary records and respective supporting documents must be kept in good order for a period of 10 years.
6. When accounting is established by computer means, the conservation obligation referred to in the previous paragraph is extensive documentation relating to the analysis, programming and execution of computer processing.
7. Documents supporting accounting books and records, which are not authentic or authenticated documents, may, after three years after the one to which they relate and prior authorization from the Tax Administration has been obtained, be replaced, for the conditions that are established for tax purposes, by microfilms that constitute its faithful reproduction and comply with the conditions that are established.

8. Companies operating in the mining and oil sectors must organize their accounting on an individual basis, clearly distinguishing the results of each unit.<sup>36</sup>

9. Without prejudice to the provisions of the previous number, in the case of co-ownership of mining licenses or concessions, the accounting must be organized independently, regarding each co-holder, clearly and unequivocally showing individual costs and profits.<sup>37</sup>

**ARTICLE 76 – (Simplified registration regime for entities that carry out commercial activities as their main purpose)**

1. Entities with headquarters or effective management in Mozambican territory that carry out, primarily, a commercial, industrial or agricultural activity, which do not have organized accounting in accordance with the previous article, must maintain the following records:

a) Book of records of purchases of goods and/or books of records of raw materials and consumption;

b) Book of records of sales of goods and/or books of records of manufactured products;

c) Record book of services provided;

d) Record book of expenses and operations linked to investment goods;

e) Book of registration of goods, raw materials and consumables, manufactured products and other stocks as of December 31st of each year.

2. Taxable persons, when they do not have organized accounting, are obliged to separately highlight in their respective record book the amounts relating to the reimbursement of expenses incurred in the name and on behalf of the client, which, when duly documented, do not influence the determination of the performance.

3. The bookkeeping of the books referred to no. 1 obeys the following rules:

a) Entries must be made within a maximum period of 60 days;

b) Amounts received as a provision, advance or any other purpose intended to cover expenses for which customers are responsible must be recorded in a current account and recorded in the respective book, being considered as income in the year following their receipt, without however exceeding the presentation of the final account for the work provided;

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<sup>36</sup>Wording added by article 1 of Law 4/2012 of 23 February. Entry into force on January 1, 2012.

<sup>37</sup>Wording added by article 1 of Law 4/2012 of 23 February. Entry into force on January 1, 2012.

c) Entries must always be supported by supporting documents;

d) Without prejudice to the provisions of the previous paragraphs, the recording of expenses can be carried out globally, when supported by individual customer current accounts where they are duly itemized and documented.

4. By order of the Minister who oversees the Finance area, other mandatory records may be established for determining taxable income.

5. The books referred to in this article must be presented, before use, with the pages duly numbered, to the respective tax area department so that their opening and closing terms can be signed and the respective pages initialed, allowing the seal to be used.

**ARTICLE 77 – (Simplified registration regime for entities that do not carry out commercial activity as a main activity)**

1. Entities with headquarters or effective management in Mozambican territory that do not primarily carry out commercial, industrial or agricultural activities, that do not have organized accounting in accordance with the previous article, must maintain the following records:

a) Income register, organized according to the various categories of income considered for IRPS purposes;

b) Register of charges, organized in such a way as to distinguish the specific charges for each category of income subject to tax and the other charges to be deducted, in whole or in part, from the overall income;

c) Inventory registration, on December 31st, of assets likely to generate taxable gains in the capital gains category.

2. The records referred to in the previous paragraph do not cover income from commercial, industrial or agricultural activities possibly carried out, on an ancillary basis, by the entities mentioned therein, and, if such income exists, an accounting must also be organized which, in accordance with article 75, allows control of the profit determined.

3. The records referred to in paragraph 1 and the inventory and balance books, ledger and diary corresponding to the accounting organized under the terms of paragraph 2 must be presented, before being used, with the pages duly numbered, to the respective tax department. For the opening and closing terms to be signed and the respective pages initialed, with the possibility of using the seal.

4. The provisions of paragraphs 3, 4, 5, 6 and 7 of article 75.

## WHY BDO?

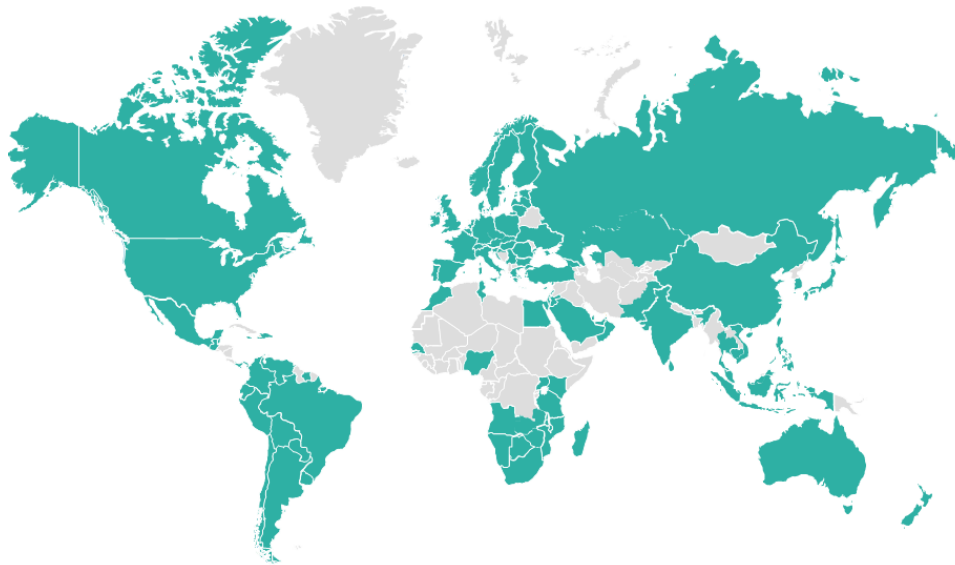
### 1.1 BDO at an international level

**BDO** was founded in 1963 in Europe through the merger of vision firms in England, Germany, Holland, USA and Canada. These firms founded BDO Seidman International.

Ten years later, the founding firms took on the name Binder Djiker Otte & Co: **BDO**

The current structure of the **BDO** has been maintained since 1988 with the adoption of the company's standards and corporate identity **BDO** by the 135 countries represented.

**BDO** is an international organization that provides services in the areas of Auditing, Consulting and Taxation. We are present worldwide through a network in 135 countries, encompassing a total human structure of around 50,000 people.



The global billing of **BDO**, amounted to around 5.7 billion US dollars in 2011:

	2011	2010	2009
USD Invoicing	5 677 000 000	5 284 000 000	5 026 000 000
Countries	135	119	110
Offices	1 118	1 082	1 138
Collaborators	48 890	46 930	46 035

The services provided by **BDO** they are integrated in such a way as to enable the provision of identical resources, with similar skills and which enhance success on a global scale.

## 1.2 BDO in Mozambique

**BDO** is in Mozambique, as in the rest of the world, one of the five largest auditing and consultancy firms, with around 90 professionals in Mozambique, full-time and on an exclusive basis, always able to respond to requests from entities seeking their services.

Due to the best relationship between the number of partners and the number of technicians, each client is accompanied by a so-called "Client Service Partner" who, thanks to his hierarchical position and decision-making capacity, is responsible for the quality of the services provided. This personalized way of acting combines the knowledge that **BDO** it has of its customers with the professional experience of its technicians and the way in which this experience is put at the service of customers.

Our customers recognize the ability of **BDO** Mozambique. In the last four years the **BDO** grew four times in turnover, no other audit, consultancy and tax firm recorded such growth in Mozambique.

"BDO is an example of professionalism and of selfless delivery to the work to be retained and the to recommend"

**Abubacar Chutumia**  
**Administrator**  
**Mcel**

"The in-depth knowledge of the local market, efficient advisory services, ongoing support and excellent style of presentation and reporting places BDO above others firms."

**Rui Lemos**  
**Financial Director**

### 1.3 Our Services

As throughout the world, the services we provide in Mozambique, to our Clients, national and foreign, public and private, are guided by a global vision and a clear local perspective supported by high standards of ethics and professional deontology.

BDO's proven experience allows companies and other organizations to benefit from practical and functional BDO solutions, applied in partnership with our Clients and tailored to their real needs.

"...and it was with BDO that we finally got our entry visa to the 1st world..."

**Adolfo Correia**

Businessperson

**Tropigalia**

#### 1.3.1 Consulting (Specialist Advisory Services)

In Consulting, BDO has qualified consultants to support solutions that generate added value for companies and other entities that increasingly seek our services. BDO's extensive experience allows companies to benefit from practical and functional solutions designed by our teams of consultants using advanced technological instruments and always taking into account the particularities of each business.

In this context, we deal, in particular:

- Valuation of companies and corporate parties;
- Viability studies
- Investments and Financing;
- Restructuring of companies and organizations;
- Strategic plans and business plans;
- Information systems consultancy, with particular emphasis on the implementation of integrated systems and customized developments;
- Human Resources consultancy;
- Specific training actions.

"The provision of services by BDO to the CNCS has always been characterized by a high sense of professionalism, embodied in service and response to requests in a timely manner and, above all, with an appreciable standard of quality. It is a partner to recommend surely!"

**Diogo Milagre**

**Deputy Executive Secretary**

### 1.3.2 Audit (Assurance Services)

With regard to auditing/account review, we work in Mozambique with some of the most qualified specialists in order to provide our Clients with professional services in accordance with the highest quality standards.

In auditing, in addition to validating the financial information of companies and institutions, we check not only the good application of standards and legislation, but also the internal control system and the continuity of operations.

Our professional intervention in this area includes:

- Complete audit of financial statements;
- Review of internal control;
- Review limited to financial statements;
- Examination of prospective financial information;
- Specific audits (incentives, accounting due-diligence, investigations, statistics);
- Internal, management, IT, tax and other audits.

"Intelligence is the only way to master change – BDO goes above and beyond in what it does to make its customers more intelligent.

We are together. It is we walk together. Good there are for the great work what he comes developing."

**Jorge Ribeiro**

General manager

Mediport

"The excellent quality of the work that BDO has carried out for the Mozambique Stock Exchange is only possible in an Organization that knows how to surround itself with competent, professional and profound staff."

**Jussub Nurmamade**

**President of the Board of Directors**

**Mozambique Stock Exchange**

### 1.3.3 Tax consultancy (Tax & Legal Services)

BDO, in the field of taxation, has extensive experience in preparing tax planning for our Clients, as well as verifying and monitoring compliance with their tax obligations.

The fundamental purpose of this action is to achieve less taxing solutions, namely through:

“The provision of services by BDO has been guided by quality, rigor and a high level of professionalism. AND a partner we can count on in the future.”

**Mamudo Ibraimo**  
Delegate Administrator  
telecommunications of

- Carrying out preventive tax audits
- Carrying out tax due-diligence
- Carrying out tax framework studies
- Assistance in the preparation of tax planning operations
- Verification and review of tax returns
- Support in the preparation of Transfer Pricing processes
- Preparation of VAT refund processes
- Preparation of tax complaints and challenges
- Permanent tax monitoring under a tax agreement regime

- Fusions and acquisitions
- Insolvency/bankruptcy process
- Tax framework studies
- Expatriate taxation
- Business creation
- Obtaining tax incentives
- Legalization of expatriates
- Legalization of capital transfer

“The vocation and range of activities of BDO comes to offer a boost to the competitive quality of national business, providing instruments suited to your challenges everyday.”

**Gerry Marketos**  
Businessperson  
**Platex**



### 1.3.4 Accounting (Business Outsourcing)

BDO is the largest company providing accounting services in the country, with more than 20 dedicated technicians and dozens of clients.

It presents the ideal solution for the entrepreneur or institution that wishes to focus on its core business, leaving high-risk specialized administrative tasks to competent and specialized professionals.

As main services we have:

- Transition and implementation of IFRS
- Accounting Assistance
- Accounting Outsourcing
- Salary Processing
- Account consolidation
- Training

"BDO is a partner fundamental to the development of techniques most modern in the financial and administrative areas of Company."

**Damião Fernandes**  
**Administrator**

## 1.4 Main Customers

We would like to highlight the experience that **BDO** has in the area of consultancy and related work embodied in several works, among others, for the following institutions, which can serve as a reference and information collection base:

Commerce and Industry	
- Autogas	- BAVARIA
- Bio Technologies	- Mozambique Explosives Factory
- FARMIL	- FARMOBRAZ
- FARMOZ	- FASOREL, SARL
- Fiberglass Mozambique	- North Pole Refrigerators
- João Ferreira dos Santos Group	- Gulamo Comercial
- HIGEST - Mozambique.	- Hyper Maputo
- IBA-VET	- Isowat Mozambique.
- Lusalite from Mozambique	- Mahomed and Company
- Maputo Shopping Center	- Mediport
- Médis Farmacêutica	- Modil
- Monoframes	- PARMALAT
- Pereira & Santos	- Galp Energia
- PLASTEX	- Plural Editors.
- ROLMAP	- Health and Pharmacy
- SGL	- Explosives Distribution Society
- Suleimane Esep Amuji	- Technique
- The Maputo Clothing Company	- Trentyre Mozambique.
- Tricos Mozambique	- Tropigalia
- UTOMI	

Financial Area Institutions	
- 786 Exchange	- Africambia
- Afzal Câmbios	- Al Meca Currency Exchange
- BMI - Mercantil and Investment Bank	- Mozambique Stock Exchange
- Coop Câmbios	- EMOSIS
- Exchange Executive	- Expresso Cambios
- FNB Mozambique	- Global Alliance CGSM
- Mozambique Banking Training Institute	- INTERBANCOS
- Multi Exchange	- World Currency Exchange
- World Exchange	- Sarbaz Exchange
- SOCREMO	

Public companies	
- Mozambique Airports	- Waters of Mozambique
- EDM Electricidade de Moçambique	- Teledata from Mozambique
- TDM-Telecommunications of Mozambique	- TPM Maputo Public Transport

### Public Sector

- National Road Administration (ANE)	- Maputo Municipal Council
- FUNAE Energy Fund	- Road Fund
- FUTURE	- FIPAG
- INAHINA	- INSS
- IDPPE	- IGEPE
- Ministry of Agriculture	- Ministry of Science and Technology
- Ministry <small>from the</small> Planning <small>It is</small>	- Ministry of Health
- Finance Ministry	- Ministry of Mineral Resources
- Ministry of Transport and Communications	- PIREP
- UTRESP	

### Non-Governmental Organizations

- Action Aid Mozambique	- LOVE
- AMMCJ	- ARK - Absolute Return For Kids
- Blood Diamond Charity Fund	- Care International
- center <small>Studies</small> Democracy	- Center for Public Integrity
- CNCS	- Christian Council of Mozambique
- Belgian Technical Cooperation	- Department For International Development
- Royal Danish Embassy	- Women's Forum
- FCC	- HelpAge International
- Portuguese Institute <small>in</small> Support <small>to the</small>	- KULIMA
- Doctors With Africa	- OTM
- MONASO	- SINAFP National Public Service Union
- Industrial Chemical Workers Union	- Skillshare International
- Swedish Embassy	- United Nations Development Program
- GAS Groups Africa Sweden	- PRAY
- UNFPA	- VETAID Mozambique
- Nweti	- UNICEF

### Extraction of Natural Resources

- ABM RESOURCES NL	- Southern Africa Mining
- Mozambique Mining Group	- Capitol Resources.
- Companhia Mineira do Gilé	- Mozambique Zimbabwe Pipeline Company
- Drilling Resources Mozambique	- SASOL
- Tantalum Mining	- Mamba Minerals

### Telecommunications, Media and Technology

- British Telecom	- Business Connection
- Bytes & Pieces.	- Cilix Software
- DCC	- Nokia International
- Radio Maria Mozambique	- SATA Southern Africa Telecom Association
- SIEMENS	- Tiga
- TIM - Independent Television of Mozambique	

### Hotel and Tourism

- Atoz Tourism	- Benguerra Lodge
- Big Blue	- Blue Water
- Rex House	- Mozambican Hotel
- Matopo Fix	- Fisherman
- Sanctuary Hotels	- Paradise Village
- Vilankulos Beach Lodge	

### services

- BEIRANAWE	- Cinemate
- CONSULT	- CONSULTTEC
- CUDHA, SARL	- Executive Protection
- FHBertling Logistics	- GNLD International
- Golder Associates	- H.Gamito, Couto and Associates
- Impact	- JV Consultores
- MHM	- Mozambique Diesel Electric
- Momentum Exp	- Omega Security
- Rohlig Grindrod.	- Select Vedior Mozambique
- SELMEC	- SMI Society Mozambican in Investment
- SOPREL (ISCTEM)	- STM - Terminal Society
- Supaswift Mozambique.	- TCM - Cabotage Terminal
- Trio Data Mozambique.	- UDM Technical University of Mozambique

### Construction and Real Estate

- Acosterras Mozambique	- Matola Citadel
- CPG Civil & Planning Group	- ECMEP NORTH
- Edimetal	- EMOCIL
- Ergogest	- Foster Wheeler
- Hooper & Louw	- Leirlslena
- Single phase	- Mota Engil
- Murray & Roberts	- OPCA
- PREDIMO	- Racegame Mozambique
- RIOLITES	- SGIS-Sociedade Geral Investimentos Serviços

Audit, Taxes and Consulting

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