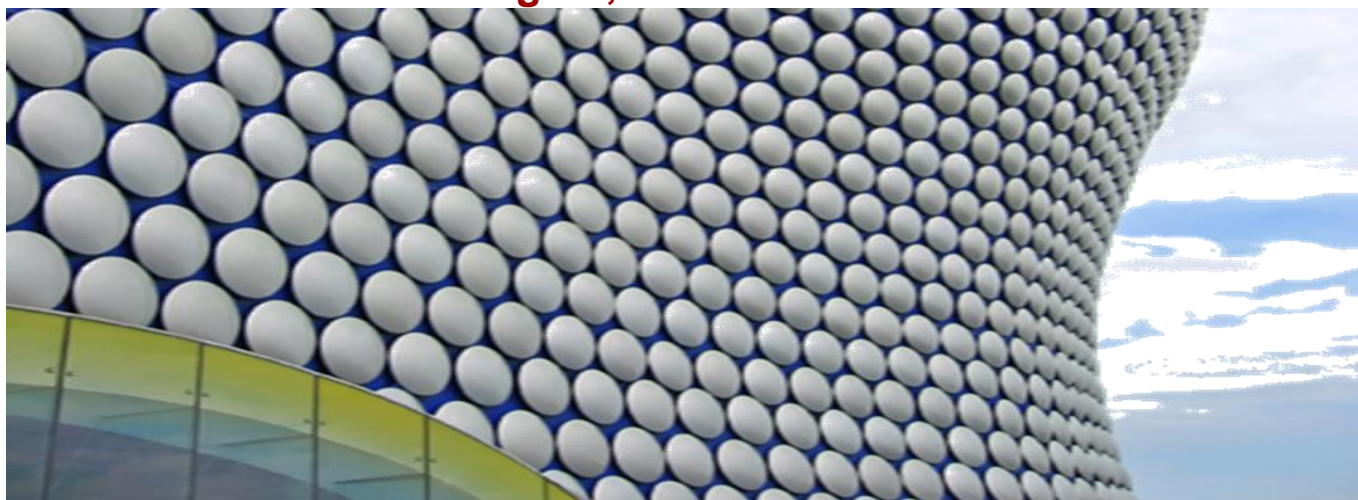




TAX NEWSLETTER - August, 2020



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INTRODUCTORY NOTE

The purpose of this Tax Newsletter is to draw attention to the relevant aspects of tax /parafiscal obligations of a periodic nature, as well as to highlight those in spite of not being of this nature should be complied during or from this month.

In particular, this month we highlight the Support for the treasury and investment of micro, small and medium-sized enterprises

However, it should be noted that this publication is not exhaustive and does not waive the consultation of the applicable legislation and is intended exclusively to be distributed to Mazars customers and partners.

Good reading!

(Joel Almeida)

AUGUST TAX CALENDER

Deadline	Obligation
Until 10 th	<p>Delivery, in the Directorate of Tax Areas, of the revenues collected by the Public Services in the previous month.</p> <p>Payment of contributions to the National Institute of Social Security (INSS) of the previous month-paragraph. 3, art. 13 of Decree no. 53/2007 of 3rd December.</p>
Until 15 th	<p>Delivery of VAT returns (normal regime) with Recoverable Tax - line a), paragraph 1, art. 32 of CIVA-Law no. 13/2016, of 30th December.</p>
Until 20 th	<p>Payment of PIT (IRPS) and CIT (IRPC) withheld at source in the previous month- paragraph 3 of article 29 of PIT Code Regulation, approved by Decree no. 8/2008, of 16th April and paragraph 5 of article 67 Of the CIT code, approved by Law no. 34/2007, of 31st December.</p> <p>Payment of tax stamp liquidated relative of previous month. Article 17 of Decree no. 6/2004 of April 1.</p> <p>Payment of the Petroleum Production Tax for the previous month, paragraph 2 of article 11 of the Regulation Specific Regime of Petroleum Taxation, approved by decree 32/2015 of December 31.</p> <p>Payment of Mining Tax for the previous month, paragraph 2 of article 9 of the Regulation of the Specific Regime of Mining Activity, approved by Decree 28/2015 of 28 December.</p>
Until the last day of the month	<p>Payment of VAT in respect of the previous month by the taxable persons of the normal regime - line b), paragraph. 1, article 32 of the VAT Code, approved by Law no. 13/2016, of 30th December, and the preceding quarter for those of the simplified taxation Scheme line b) of art. 49 of the CIVA, approved by law 32/2007, of 31st December.</p> <p>Payment of the 2nd installment of the payment on behalf of the IRPC; line a) of Article of the CIRPC Regulation, approved by Decree No. 9/2008, of 16th April.</p>

SUPPORT FOR THE TREASURY AND INVESTMENT OF MICRO, SMALL AND MEDIUM-SIZED COMPANIES

The COVID – 19 pandemic has been significantly impacting the performance of the world economy as well as negatively influencing the performance of the economic activity of domestic companies. It has affected, to a large extent, the treasury and investment capacity of micro, small and medium-sized companies.

Thus, as a way of mitigating its impact on the economic and social sectors, the Council of Ministers approved Decree No. 37/2020 of 2 June that approves additional, exceptional and temporary economic and social measures.

Chapter V of the previous Decree presents support for the treasury and investment of micro, small and medium-sized companies.

According to article 14 thereof, the support consists of a credit line, management by the Banco Nacional de Investimento (BNI), in the total amount of one billion Meticals which aims to provide short-term facilities to reinforce company's treasury and to support medium-term investment initiatives with an interest rate ranging from 8 to 12%.

Notwithstanding the foregoing in the previous paragraphs, the eligibility requirements and conditions for access to finance are defined by Ministerial Diploma No 35/2020 of 29th of July.

It should be added that the categories of companies are as shown in the table below:

Beneficiary category	Number of employees	Turnover (MZN)
Micro	1 to 4	Up to 1.200.000
Small	5 to 49	Up to 14.700.000
Average	50 to 99	Up to 29.000.000

Eligibility

According to article 4 of the retro Diploma presented, companies that meet the following requirements are eligible for the financing line:

- Who develops activities that fall within the Economic Activities Classifier;
- Have a permit or license to carry out the activity;
- Have, until 31st of December of 2019, the tax situation regularized;
- Be enrolled in the Mandatory Social Security System;
- Have a positive equity in the last approved balance sheet;
- The [previous retro](#) requirement does not apply to micro and small companies that have started business for less than twelve months. However, they must prove to have recorded a decrease of at least 30% in their billing due to the COVID – 19 pandemic;
- Do not present non-regularized debts with the Bank until 31st of December of 2019

Access Conditions

In order for the company to have access to financing, it must present to the Bank:

- Letter requesting financing;
- Registration certificate of legal entities and license/permit to exercise the activity;
- Statutes published in Official Gazeta and VAT Number;

- Balance sheet and Income Statement of the last 3 years, including a copy of the 10/20 model and the last accumulated balance sheet (not applicable to micro companies);
- Cash flow map and summary of the purchases and sales book of the last 3 financial years and summary of the purchase book (applicable only to companies in the simplified regime - ISPC);
- Brief note about the company and its activity;
- Exploration budget or business plan, depending on the purpose of the application (treasury or investment);
- Specific declaration of commitment to maintain permanent jobs;
- Correct completion of the financing request form.

It should be noted that, in addition to the previous presented conditions, the entity must comply with other provisions such as, for example, the delivery, on an annual basis and 90 days before the close of each financial year, audited reports and accounts;

Eligible operations

According to article 6 of the Diploma, only operations aimed at strengthening the company's treasury and those intended to encourage medium-term investment are eligible for financing. However, according to Article 7 of the same Diploma, are excluded from the scope of financing, operations intended to:

- Financial restructuring;
- Settle, replace or supplement, directly or indirectly, bank credits, namely previous financing granted by the Bank;
- Acquisition of real estate of general use that does not correspond to the specific characteristics appropriate to the technical requirements of the production process.

Financing limits

Regard treasury financing, the following limits shall be observed:

- Up to 2,500,000.00 (Two million and five hundred thousand meticaais) for micro companies;
- Up to 7,500,000.00 (Seven million and five hundred thousand meticaais) for small companies; and
- Up to 15,000,000.00 (Fifteen million meticaais) for medium-sized companies.

For investment support, the limits are as follows:

- Up to 7,500,000.00 (Seven million and five hundred thousand meticaais) for micro companies;
- Up to 22,500,000.00 (Twenty-two million five hundred thousand meticaais) for small companies; And
- Up to 45,000,000.00 (Forty-five million meticaais) for medium-sized companies.

Recently Published Legislation

Legislation	Description
Decree 51/2020 of 01st of July	Approves the administrative executing measures for the prevention and containment of the spread of the COVID-19 pandemic, to be in force during the State of Emergency, and repeals Decree No. 36/2020 of 2 nd of June.
Ministerial Diploma 27/2020 of 2nd July	Approves save university's staff, abbreviated as UniSave.
Decree 52/2020 of 03rd of July	Approves the legal framework for public investment management in the Republic of Mozambique.
Resolution 40/2020 of 10th of July	Approves the Strategy for Inclusive Education and Development of Children with Disabilities 2020-2029.
Decree 53/2020 of 13rd of July	Repeals paragraph 3 of article 4 and Article 5 of Decree No. 68/2011, 30 th of December and adds Article 72 (approved the Regulation of Law No. 16/2011 of 10 th of August, and revoked Decree No. 49/2002 of 26 th of December, which approved the Regulations of the National Liberation Fighter Statute).
Ministerial Diploma 30/2020 of 14th of July	Concerning the extension of the registry and notary network, to meet socio-economic development that take place in the country.
Agreement 7/CC/2020 of 16th of July	Declares the nullity of the acts relating to loans taken out by Proindicus, S.A. and Mozambique Asset Management (MAM, S.A) and the sovereign guarantees granted by the Government in 2013 and 2014, respectively, with all legal consequences.
Agreement 7/CC/2020 of 16th of July	It decides not to declare the unconstitutionality of point b) of Article 145(3) of the General Statute of State Officials and Agents, approved by Law No. 10/2017 of 1 st of August, which conditions the re-entry into the Civil Service to the course of four years on the date of the order of the public official's request for dismissal.
Decree 58/2020 of 17th of July	Approves the Regulation on the Procedures for Participation for National Sports Missions in International Events and the Reception of Foreign Delegations.

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