



TAX Newsletter

TAX Newsletter of April

forv/s
mazars

INTRODUTORY NOTE

The purpose of this Tax Newsletter is to highlight key aspects of periodic tax and parafiscal obligations while also drawing attention to non-periodic obligations that must be fulfilled during or from this month.

This month, we highlight the key aspects of financial credit received from abroad under Law no. 2/2006 of 22 March and the General Regime of Tax Offences.

However, we emphasize that this publication is for informational purposes only and is not exhaustive. It does not replace consultation of the applicable legislation or any specific guidance from the Tax Authority. Its content is intended exclusively for Forvis Mazars' clients and partners.

Good reading!

(Joel Almeida)

APRIL TAX CALENDAR

| Deadline | Obligation |
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| Until 5th | Submission of information on mineral production and sales – No. 7, Art. 4 of Decree Law No. 28/2015 of December 28. |
| Until 10th | Submission, by Public Services, to the Fiscal Area Directorates of revenues collected in the previous month. |
| | Payment of contributions to the National Institute of Social Security (INSS) for the previous month – No. 3, Art. 14 of Decree No. 51/2017 of October 9. |
| | Settlement of the tax on mining production – No. 1, Art. 7 of Decree Law No. 28/2015 of December 28. |
| | Settlement of the tax on petroleum production – No. 1, Art. 9 of Decree No. 32/2015 of December 31. |
| Until 15th | Submission of VAT returns (standard regime) with tax credit – Paragraph a), No. 1, Art. 32 of the VAT Code (CIVA), Law No. 13/2016 of December 30. |
| Until 20th | Payment of PIT (IRPS) and CIT (IRPC) withheld at source in the previous month- paragraph 3 of article 25 of PIT Code Regulation, approved by Decree no. 8/2008, amended and republished by Decree no. 51/2018, of 31 August, of 16th April and paragraph 5 of article 67 Of the CIT code, approved by Law no. 34/2007, of 31st December. |
| | Payment of stamp duty for the previous month – Art. 17 of Decree No. 6/2004 of April 1. |
| | Payment of the Petroleum Production Tax for the previous month – No. 2, Art. 11 of the Specific Petroleum Taxation Regime Regulation, approved by Decree No. 32/2015 of December 31. |
| | Payment of the Mining Activity Tax for the previous month – No. 2, Art. 9 of the Specific Mining Activity Regime Regulation, approved by Decree No. 28/2015 of December 28. |
| Until the last day of the month | Payment of VAT for the previous month by taxpayers under the standard regime – Paragraph b), No. 1, Art. 32 of the VAT Code (CIVA), approved by Law No. 13/2016 of December 30. |
| | Payment of the ISPC for the previous quarter, paragraph 1, article 15 of the ISPC Regulation, approved by Decree No. 14/2009, of 14 April. |
| | Delivery of the annual income tax return for the previous financial year by PIT taxpayers who have earned income beyond the 1st Category – no. 1, Article 10 of the PIT Code Regulation approved by Decree no. 8/2008, of 16 April, amended and republished by Decree no. 51/2018, of 31 August - Model 10 and Annexes. |
| During the month and until the last business day of May | Final payment of IRPS related to income from the previous year – Paragraph a), Art. 24 of the IRPS Regulation, approved by Decree No. 8/2008 of April 16. |
| | Delivery of the annual tax return for the previous financial year by CIT taxpayers - no. 1, art. 39 of the CIRPC Regulation approved by Decree no. 9/2008, of April 16 - Model 22 / 22A. |
| | Final payment of IRPC and IRPS (excluding individuals who have only received income from the 1st category) relating to income from the previous year - Alinea b) n° 1 art.27 of the CIRPC Regulation approved by Decree no. 9/2008, of 16 April and al. b), art.24 of the CIRPS approved by Decree no. 8/2009, of 16 April |

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| During the month and until the last business day of June | Submission of the Annual Accounting and Tax Information Statement for the previous fiscal year by IRPS taxpayers – 2nd category, and IRPC taxpayers – Form M20 and Annexes – No. 3, Art. 40 of the IRPC Regulation, approved by Decree No. 9/2008 of April 16, and Art. 35 of the IRPS Regulation, approved by Decree No. 8/2009 of April 16. |
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Tax Infractions and Penalties

Tax compliance is a fundamental pillar for the sustainability of businesses and taxpayers in Mozambique. The current legislation, including Law No. 2/2006 (General Tax Law) and the General Tax Infractions Regime, establishes clear obligations and imposes strict penalties to ensure the integrity of the tax system. Failure to comply with these regulations may result in significant financial penalties, administrative restrictions, and even criminal liability, jeopardizing the taxpayer's reputation and financial stability.

1. Key Tax Infractions

Mozambican legislation establishes various tax infractions, with penalties ranging from fines to more severe sanctions. The most common infractions include:

1. Tax Evasion (Tax Fraud)

Concealment of facts or values in declarations, accounting records, or tax documents. (Art. 199 of Law No. 2/2006)

Example: Underreporting revenue or using false documents to reduce the taxable base.

2. Omission of Revenue or Documentation

Failure to submit periodic tax returns (e.g., IRPS, VAT) or supporting documents. (Art. 25 and 26 of the RGIT)

Penalty: Fines ranging from 3,000.00 MT to 65,000.00 MT.

3. Irregular Accounting

Lack of accounting books, delays in bookkeeping, or incomplete records. (Art. 28 and 29 of the RGIT)

Penalty: Fines ranging from 3,000.00 MT to 300,000.00 MT.

4. Improper Withholding of Taxes

Failure to remit withheld taxes (e.g., IRPS withheld from salaries) to the tax administration. (Art. 201 of Law No. 2/2006)

Penalty: A fine equivalent to twice the amount not remitted and joint liability.

5. Customs Duty Evasion

Fraudulent import/export operations to avoid tax payments. (Art. 204-207 of Law No. 2/2006)

Penalty: Fines ranging from 20,000.00 MT to 100,000,000.00 MT and seizure of goods.

2. Applicable Penalties

The applicable penalties vary depending on the severity of the infraction and may include:

1. Financial Fines

- Minor infractions: Up to 70,000.00 MT. (Art. 12 of the RGIT)
- Serious infractions: Up to 2,500,000.00 MT for corporate entities. (Art. 13 of the RGIT)

2. Interest and Monetary Adjustments

- Compensatory interest: Calculated on overdue tax payments. (Art. 168-170 of Law No. 2/2006)
- Late payment interest: Applied after the due date at a higher rate than compensatory interest.

3. Additional Sanctions

- Suspension of tax benefits (e.g., exemptions)
- Business closure orders. (Art. 15 of the RGIT)
- Publication of the conviction ruling at the taxpayer's expense.

4. Criminal Penalties

- Prison sentences of up to 8 years for aggravated tax fraud. (Art. 200 of Law No. 2/2006)
- Joint liability of administrators and legal representatives. (Art. 23 of Law No. 2/2006).

2. Best Practices to Avoid Penalties

To avoid penalties and ensure compliance with tax regulations, it is recommended to:

1. Maintain Proper Accounting Records

Keep accounting books up to date and tax documents well-organized. (Art. 106 of Law No. 2/2006)

2. Meet Deadlines

Ensure timely submission of tax returns and payment of taxes within legal deadlines.

3. Conduct Preventive Audits

Perform regular reviews to identify and correct any inconsistencies or omissions.

4. Train Your Team

Provide employees with training on tax regulations, especially regarding legislative changes.

5. Seek Professional Advice

Consult qualified professionals for accurate interpretation and application of tax laws, including tax contracts and benefits.

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