



TAX NEWSLETTER

INTRODUTORY 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 end of the temporary VAT exemption on sugar, oil, and soap transmission; and
- The communication of withholdings at the source of income.

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)

February 2024

FEBRUARY TAX CALENDAR

| Deadline | Obligation |
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| Until 5 th | Presentation of the information on the production and sales of minerals - no. 7, art. 4 of the Law of Decree no. 28/2015 of 28 th December. |
| 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> <p>Settlement of the production tax (Mining Production Tax) – paragraph 1, article 7 of the Law of Decree No. 28/2015 of 28th December.</p> <p>Settlement of the tax on Petroleum Production – paragraph 1, Article 9 of Decree no. 32/2015 of 31st December.</p> |
| Until 15 th | Delivery of VAT returns (normal regime) with Recoverable Tax - line a), paragraph 1, art. 32 of CIVA-Law no. 13/2016, of 30 th December. |
| Until 20 th | <p>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.</p> <p>Payment of the stamp tax settled in respect of the preceding month-Art. 17 of Decree 6/2004 of 1 April</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 | 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 30 th December. |
| During the month and until the end of the month of March | <p>Payment of vehicle tax- paragraph 1, article 8 of the ISV regulation approved by Decree No. 19/02 of 23 July.</p> <p>Delivery of the Declaration of communication of withholding tax-paragraph 1, line c), of article 40 of the CIRPS regulation approved by Decree No. 8/2008 of 16 April, amended and republished by Decree no. 51/2018, of 31 August. – M 20H</p> <p>Delivery by the debtors of the annual income Declaration on income subject to withholding tax at withholding rates whose holders benefit from exemption or reduction of rate - Art. ° 45 of Decree No. 8/2008 of 16 April.</p> |
| During the month and until 30 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. |

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| During the month and until 31 May | Final payment of IRPS for the previous year's income - a), Art. 24 of the CIRPS regulation approved by Decree no. 8/2008, of 16 April |
| During the month and until the last working day of May | 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 |
| During the month until the last working day of June | Delivery of the Annual Return of Accounting and Tax Information for the previous financial year by IRPS taxpayers - 2nd category and IRPC taxpayers - M 20 and Annexes - no. 3 art. 40 of the CIRPC Regulation, approved by Decree 9/2008 of April 16 and art. 35 of the RCIRPS approved by Decree no. 8/2009 of April 16. |

The end of the temporary VAT exemption on sugar, oil, and soap transmissions

Background

In Mozambique, sugar, cooking oil and soap are essential products in the basic family basket and are considered basic necessities. They have been exempted from VAT for the last 22 years, with the aim of reducing the impact on consumer prices and giving greater incentive to the national industry.

The VAT exemption on cooking oil and soap was introduced by Decree 22/2001 of 14 August into the VAT Code, approved by Decree 51/98 of 29 September, and the VAT exemption on sugar transmissions was introduced into the VAT Code by Decree 4/2002 of 26 August and subsequently amended by Decree 55/2004 of 10 December.

After the approval of the new VAT Code by Law 32/2007, of 31 December, the following goods came to qualify a temporary exemption, which lasted until 31 December 2023, in accordance with the provisions of paragraph 13 of Article 9 of the VAT Code, amended and republished by Law 13/2016, of 30 December, and amended by Law 16/2020, of 23 December:

- a) the sale of sugar;
- b) the sale of raw materials, intermediate products, parts, equipment and

components for the national sugar industry;

- c) the sale of cooking oil and soap;
- d) the sale of goods resulting from the industrial production of cooking oil and soap, carried out by the respective factories;
- e) the sale of goods to be used as raw materials in the oil and soap industry, listed in the Customs Tariff and itemised in Annex II, which forms an integral part of this Code;
- f) the sale of goods and the supply of services carried out in the agricultural activity of sugar cane production and destined for industry.

Confirmation of the end of the exemption

The Directorate General of Taxation (DGT) published a notice in the *Jornal Noticias* on 17 January 2024 confirming that the temporary exemption from VAT on the sale of sugar, cooking oil and soap, as well as the purchase of raw materials, intermediate products, parts,

equipment and components by the respective national industries of these goods, ended on 31 December 2023.

According to the notice issued by the DGT, transactions relating to the transfer of sugar,

cooking oil and soap will be subject to VAT from 1 January 2024, at the current rate of 16%.

All taxable persons who sell these goods as part of their operations must pay VAT on their supplies, both on existing stock and on stock to be acquired or produced.

Delivery of the M/20H withholding communication statement

Introduction

The withholding tax are deductions of monetary amounts made to income paid or made available to the holder by the debtor and must be delivered by the debtor to the state coffers within the time limits determined by law.

The entities which have or must have organized accounts, when debtors of income subject to withholding tax, are obliged to deduct the tax, by applying the corresponding tax rate, on the gross income at the time of payment, the maturity, even if presumed, of their disposal to their beneficiaries, as set out in Article 65 of Law 33/2007, 31 December.

According to paragraph e) of article 112 of the Tax Legal System Law, approved by Law 2/2006 of 22 March, in addition to the obligation to withholding the tax, taxpayers with organized accounting are also obliged "to *submit to the tax administration a tax return relating to income deducted, in cases and according to the manner provided for in the applicable legislation*". The tax return to be delivered to the tax administration is Model 20H.

Model 20H

Model 20H is an annual accounting and tax reporting. This model sums up the amounts paid during the financial year as withholding tax and provides information to the beneficiaries of withholding income.

Deadlines for reporting income and withholding tax administration.

Entities debtors of income which are obliged to withhold the tax, they are obliged to submit to the tax administration a tax return Model 20H or on computer support, relating to those income, in triplicate, during the months of January to March, of each year, as established by line c) of paragraph 1 of Article 40 of the PIT Code Regulation adopted by Decree no. 8/2008, of April 16, as amended and republished by Decree no. 51/2018 of 31 August.

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