



TAX Newsletter

November TAX Newsletter

forv/s
mazars

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 foreign exchange procedures related to the opening of foreign currency accounts both within the national territory and abroad, in accordance with Notice No. 3/GBM/2024 and Law No. 28/2022 (Foreign Exchange Law).

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 ForvisMazars customers and partners.

Good reading!

(Joel Almeida)

NOVEMBER TAX CALENDAR

Deadline	Obligation
Until 5th	Presentation of the information on the production and sales of minerals - no. 7, art. 4 of the Law of Decree no. 28/2015 of 28th December.
Until 10th	Delivery, in the Directorate of Tax Areas, of the revenues collected by the Public Services in the previous month.
	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.
	Settlement of the production tax (Mining Production Tax) – paragraph 1, article 7 of the Law of Decree No. 28/2015 of 28th December.
	Settlement of the tax on Petroleum Production – paragraph 1, Article 9 of Decree no. 32/2015 of 31st December.
Until 15th	Delivery of VAT returns (normal regime) with Recoverable Tax - line a), paragraph 1, art. 32 of CIVA-Law no. 13/2016, of 30th December.
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 the stamp tax settled in respect of the preceding month-Art. 17 of Decree 6/2004 of 1 April
	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.
	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.
	Until the 20th – payment of the 3rd Installment of Payment on Account of IRPS, 2nd Category n° 1 art. 33 of the CIRPS Regulation, approved by Decree n° 8/2008, of April 16
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, and the previous quarter for those in the simplified tax regime - article 49 of the VAT Code, approved by Law no. 13/2016, of 30th December.

Opening of Foreign Currency Accounts

Introduction

The legal framework governing the opening and operation of foreign currency accounts in Mozambique underwent a significant consolidation and update with the entry into force of Notice No. 3/GBM/2024, of March 20, which expressly repealed the previous Notice No. 10/GBM/2019.

This new regulation, stemming from the Foreign Exchange Law No. 28/2022, of December 29, establishes clearer and more detailed rules and procedures applicable to all foreign exchange operations including, in particular, the rules governing the opening, operation, and management of foreign currency accounts by residents and non-residents.

Below are the main relevant provisions of the new regime, especially addressed to holders and potential holders of foreign currency accounts, focusing on its scope, limitations, and practical implications.

Opening Foreign Currency Accounts

Notice No. 3/GBM/2024 consolidates and clarifies the rules applicable to the opening and operation of accounts, expressly distinguishing between transactions carried out within the country and those abroad.

Foreign Accounts Held by Residents:

The request for authorization to open and operate accounts abroad by resident entities with foreign financial institutions must be duly supported by documentation proving the justification for opening the account and the source of the funds to be credited. Whenever possible, the account should be opened with a correspondent institution of a bank authorized to operate in Mozambique. The account holder is required to inform the Bank of Mozambique of the account number and domicile within 30 days from the date of opening, and to submit the bank statement on a quarterly basis (Notice No. 3/GBM/2024, Article 91).

Domestic Accounts Held by Residents and Non-Residents:

- The request for authorization to open and operate foreign currency accounts within the country, by residents or non-residents, must likewise be supported by documentation justifying the opening and by evidence of the source of the funds to be credited to the account (Notice No. 3/GBM/2024, Article 92).

Sources of Funding and Means of Operation

Foreign currency accounts may be funded from all legally authorized sources, provided that the specific rules applicable to each type of transaction are duly observed.

The main sources of funding include:

- Proceeds from exports;
- Income derived from investments abroad;
- Foreign direct investment;
- Loans or credits contracted abroad;
- Donations received from abroad (Notice No. 3/GBM/2024, Article 94).

Under Article 95 of Notice No. 3/GBM/2024, transactions on such accounts may be carried out through:

- Cash or cheque deposits;
- Cash withdrawals for travel abroad;
- Bank transfers;
- Other payment instruments recognized within the national banking system.

Rules for Operation and Conversion

This Notice establishes clear rules for the operation of foreign currency accounts, with direct implications for currency conversion.

General Rule of Operation:

Foreign currency accounts may be freely operated, either by credit or debit, in transactions with foreign counterparties. For payments abroad, account holders must primarily use the existing balance in these accounts. Transfers between foreign currency accounts held by the same person, within the same bank and in the same currency, are also permitted (Notice No. 3/GBM/2024, Article 97).

Debit Transactions in Domestic Operations:

As a general rule, debit transactions in domestic operations must first be converted into the national currency.

However, this requirement does not apply to the following situations:

- Repayment of bank loans in foreign currency;
- Payments to non-resident accounts domiciled in Mozambique;
- Establishment of term deposits with a minimum maturity of three months;
- Funding of another account held by the same person in a different bank, for the purpose of immediate transfer abroad (Notice No. 3/GBM/2024, Article 98).

Credit Transactions in Domestic Operations:

Credit transactions in domestic operations are restricted and only permitted in specific cases, such as operations exempt from conversion (as listed in Article 98), deposits of cash or cheques, or debits from a metical-denominated account of the same holder for the purpose of a transfer abroad, which must be executed within 48 hours (Notice No. 3/GBM/2024, Article 99).

Exchange Rate for Conversion:

For all transactions involving currency conversion, the applicable rate shall be the spot exchange rate practiced by the account-holding bank, on the date and at the time the transaction is executed (Notice No. 3/GBM/2024, Article 96).

Specific Limits and Controls

Withdrawals for Travel:

Withdrawals from foreign currency accounts are permitted exclusively for travel abroad and are limited to a maximum equivalent of USD 10,000.00 per individual aged 18 years or older. The bank must request and verify appropriate supporting documentation to justify the transaction (Notice No. 3/GBM/2024, Article 100).

Special Foreign Exchange Regimes:

The above provisions do not apply to holders of foreign currency accounts who, by virtue of law or specific regulations, benefit from a special foreign exchange regime that is incompatible with the general rules (Notice No. 3/GBM/2024, Article 101).

Transactions by Non-Residents:

Foreign currency accounts held by diplomatic, consular, or equivalent representations, as well as by entities operating within free trade or special economic zones, may be used for domestic transfers related to their operations involving goods, services, and other legitimate purposes (Notice No. 3/GBM/2024, Article 102).

Auxiliary Obligations and Sanctions

Asset Declaration:

Residents must declare to the Bank of Mozambique assets generated, acquired or held abroad, such as real estate and total securities equal to or greater than USD 250,000.00. The first declaration must be made within 30 days of the acquisition act, with an annual update by March 31 (Notice No. 3/GBM/2024, Article 8).

Sanctions:

Violation of the provisions set forth in this Notice constitutes a punishable offense under Law No. 28/2022, of December 29 (Exchange Law) (Notice No. 3/GBM/2024, Article 130).

Conclusion

Notice No. 3/GBM/2024 establishes a solid and comprehensive legal framework for the management of foreign currency accounts, reinforcing the supervisory role of the Bank of Mozambique. The regulation underscores the distinction between domestic and cross-border transactions, imposes strict controls on domestic movements in foreign currency, and introduces more transparent and systematic reporting obligations. Strict compliance with this new regime is essential for all resident and non-resident entities operating in Mozambique, given the significant sanctions applicable in cases of non-compliance.

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