



TAX Newsletter

December TAX Newsletter

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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 foreign exchange procedures applicable to stock exchange operations (BVM), including non-resident investment, the repatriation of funds, and the related documentary requirements, 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 Forvis Mazars customers and partners.

Good reading!

(Joel Almeida)

DECEMBER 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.
Until 15th	Settlement of the tax on Petroleum Production – paragraph 1, Article 9 of Decree no. 32/2015 of 31st December.
	Delivery of VAT returns (normal regime) with Recoverable Tax - line a), paragraph 1, art. 32 of CIVA-Law no. 13/2016, of 30th December.
	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.
Until 20th	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 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.

Operations on the Mozambique Stock Exchange (BVM)

Introduction

The Mozambican foreign exchange regime was significantly revised and consolidated with the entry into force of Notice No. 3/GBM/2024 of 20 March. This regulation sets out detailed rules for various foreign exchange operations, including a specific section dedicated to Stock Exchange Operations (Section II of Chapter IV). The new legal framework strengthens clarity and predictability in the regulation of foreign investment flows in securities, the repatriation of income, and the functioning of the Mozambican capital market in its interaction with foreign markets. This newsletter highlights the key provisions relevant to investors, financial intermediaries, and listed companies.

Scope of Application

Under Article 111, the regime applicable to stock exchange operations covers two major categories of transactions:

- Investment by Non-Residents in the Mozambique Stock Exchange (BVM)
- Covers investment operations, capital export (disinvestment), and the transfer of interest, dividends, and other income derived from securities admitted to trading on the BVM, carried out by non-resident entities.
- Transactions Involving Domestic and Foreign Securities

This regime also applies to:

- Securities issued by Mozambican entities, listed on the BVM, but traded on foreign capital markets.
- Securities issued by foreign entities, listed on their home exchanges, but traded in Mozambique.

Mandatory Financial Intermediation

Article 112 of Notice No. 3/GBM/2024 provides that all operations carried out by non-resident entities under this regime must be executed through a financial intermediary duly licensed as a stock exchange operator in Mozambique. This requirement centralized control and information

flows, making the financial intermediary the primary party responsible before the Bank of Mozambique for ensuring the compliance and regularity of such operations.

Transfer of Funds and Income Abroad

The repatriation of invested capital and the income derived from it (interest, dividends, capital gains) by non-resident investors is subject to the submission of supporting documentation to the intermediary bank, namely:

- Proof of the inflow of funds into the country through bank transfer.
- Evidence of compliance with all tax obligations and other legal requirements applicable to the income generated.

Documentary Regime

This legal provision sets out, in Articles 69 to 72, the documentation required for the foreign exchange registration of different categories of investment in securities:

- For investment by non-residents in securities and instruments traded on the capital market: the operation must be supported by an investment contract proposal.
- For investment abroad by residents in money market and capital market instruments: the required documentation includes identification of the foreign intermediary, the terms of the investment, the investor's financial statements, and proof of tax and social security compliance.
- For the export of capital resulting from the divestment of securities or from participation in collective investment schemes: it is necessary to present the original foreign exchange authorization registration letter confirming the investment made, together with proof that all tax obligations related to the transaction have been settled.

Information and Record-Keeping Duties for Intermediaries

Financial intermediaries authorized under Article 116 of Notice No. 3/GBM/2024 assume key reporting and record-keeping obligations:

Immediate Communication:

They must report to the Bank of Mozambique, within 48 hours, all operations carried out under this regime.

Dedicated Record-Keeping:

They are required to establish and maintain a dedicated file containing all information related to operations conducted on behalf of non-resident entities.

resident investors, the process of investing in the BVM and repatriating income is now more transparent, although it requires strict compliance with the obligations mentioned above, including the submission of evidence of tax regularization on the income earned.

For financial intermediaries, the core responsibilities of due diligence, reporting and record-keeping remain in place. For listed companies seeking to attract foreign investment, the regulatory environment becomes more predictable, secure and aligned with best practices in governance and transparency.

Sanctions

The violation of the rules governing stock exchange operations and investments (e.g., lack of authorization, failure to register, omission in the declaration of assets, non-compliance with repatriation rules, or the use of an unlicensed intermediary) constitutes a foreign exchange offence, punishable with fines calculated in minimum wages of the banking sector, as established under Article 60 of the Foreign Exchange Law:

- Individuals: 10 to 500 minimum wages;
- Legal Entities: 20 to 1,500 minimum wages;
- Financial Institutions: 50 to 2,500 minimum wages.

Fines may be increased up to double or up to an amount equivalent to the illicit benefit obtained.

Additional Sanctions

In addition to fines, the Bank of Mozambique may impose:

- Suspension or prohibition from carrying out foreign exchange operations for up to 1 year;
- Confiscation of the assets or funds involved, in favour of the State;
- Publication of the conviction in the press.

Companies are jointly liable for fines imposed on their representatives. The Bank of Mozambique is responsible for investigating and deciding on such cases, with appeals directed to the judicial courts.

Conclusion and Practical Implications

Notice No. 3/GBM/2024 establishes a clear and structured framework for foreign exchange operations linked to the capital market. For non-

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