

Investing in Mozambique

1. Introduction

Always remember the following:

- **Land** - In terms of the Mozambican Constitution of 2004 and the Land Act of 1997, land cannot be bought or sold in Mozambique, as all land is classified as public domain. Land is granted on a **titled concessionary basis on 50-year renewable lease** to both foreign and private entities.
- Foreigners may only acquire the rights to land use (DUAT), if they have a foreign investment status and if they are resident in the country for at least 5 years (individual persons), or if the company is registered in Mozambique.
- The land must be put to use within, six months to avoid revocation of the concession. Due to the institutional process in place **it may take up to one year** to secure the title to the land.

2. Company Registration

The Commercial Registry is responsible for registering that a single or collective person is engaged in business, a compulsory stage in the registration of companies. If a company is not registered it cannot use the title “business” in relation to third parties, but may still be required to answer for obligations and responsibilities contracted using this name. Non-compliance with the requirement to register can result in a fine or even criminal proceedings. The amount of the fine depends on the social capital of the company. Foreign companies wishing to establish a branch or any other type of representation in Mozambique may only register if they have the relevant certificate passed by a Mozambican consular agent proving that they are legally constituted and operate in accordance with the law of their home country, as well as attaching the same documents required by a Mozambican national company.

2.1 Forms of Business Organization

In Mozambique, individual(s) or companies can carry out business activities. Persons who wish to set up a company can choose between the two most common types of commercial companies:

- “Sociedades por Quotas de Responsabilidade Limitada” – the private limited liability company (LDA);
- “Sociedades Anónimas de Responsabilidade Limitada” – the public or joint limited liability company (SARL).

2.2 How to incorporate a company

1. Obtain certification of unique name at the Commercial Registrar Office of Maputo. Duration: 1 day. Costs: MZM 77
2. Open a provisional bank account, deposit minimum capital, and obtain a verification of deposit with a local bank.
Duration: 1 day. Costs: no charge or bank commission
Before having the articles of association notarized, limited liability Companies must open a bank account to prove that at least 50% of the required minimum capital has been paid. The bank account must be opened in the company name that was approved by the Registrar Office of Maputo, which issued the certification of the unique name.
3. Register with the Commercial Registrar Office of Maputo and request a commercial registry certificate; publish company statutes in the Official Gazette
Duration: 3 days to 1 week
Costs: - A nominal fixed fee is charged for company matriculation.
- The registration fees vary according to share capital: amounts up to MZN 5 million are taxable at a 2% rate, and amounts over MZN 5 million are taxable at a 1% rate.
- A variable fee is payable for administrative costs up to a maximum of MZN 1,000.
This registration is final because the Commercial Registrar coordinates the publication of the company statutes in the Official Gazette. The fixed fee for online publication is MZN 475 per year for a 25-line page. Publication can take 3 days to 1 week.
4. Register for taxes and obtain NUIT.
Duration: 1 day. Costs: no charge.
5. Apply for an operational license from the Presidente of Conselho Municipality. Duration: 14 days. Costs: MZM 266

To apply for an operating license, the company promoters must file the following documents:

- Letter of application with an authenticated signature, containing the company name and its head office, the proposed commercial activity, including the classes of merchandise offered or services provided, and the address of the company's registered offices.
- Certificate of incorporation issued by the Commercial Registrar or copy of the articles of association (the provisional registration is adequate).
- Personal identity documents (notarized copies).
- Lease (notarized copy). If the company owns the premises, it must evidence ownership by submitting the Real Estate Registrar Office certificate when applying for the operating license.
If the operational permit is required, the Ministry of Industry and

Commerce coordinates the necessary inspections by the health, fire, Public health and other relevant agencies.

Fee schedule for operating license application:

- Import-export company: MZN 2,500 plus MZN 500 for each class of goods imported or exported.
- Wholesaler or retailer: MZN 250 for each shop.
- Fire and public health inspections: MZN 160, payable to the Center for Environmental Hygiene.

Upon inspection, the company can obtain a provisional license which is a statement confirming that the company has passed the inspection. The final license takes longer because it is printed in a special format and signed. Owing to a recent reform, the licensing process can be completed at a one-stop shop, which offers a limited number of types of licenses. The one-stop shop forwards the documentation to the relevant agencies.

6. Receive inspection from Ministry of Health and Fire Department and Ministry of Commerce and Industry. Duration: 8 days, simultaneous with previous procedure. Costs: no charge
Although this inspection takes no more than an hour to complete, it can take more than a week to schedule an appointment with the Ministry of Health. The inspection is coordinated, so there is one joint inspection involving the different ministries.
7. Declare the beginning of activity at the tax department Duration: 1 day.
Costs: nominal
Form (Modelo 7) must be filed to register, under a different taxpayer number, for income tax withholding (imposto sobre o rendimento do trabalho) and Form 44 is used to register for complementary tax.

For VAT and corporate income tax, the notification of the beginning of business activity must be submitted 15 days before commencement. This notification must be submitted to the tax department of the appropriate fiscal district the form Modelo 6. In addition, this process requires the filing of Modelo 5 (in triplicate) and an authenticated copy of the operating license.

The company is assigned unique taxpayer number in 15 days and an individual file for all taxes is opened.

8. Declare the beginning of activity and register job candidates at the provincial employment center. Duration: 1 day, simultaneous with previous procedure.
To register employees at the provincial employment center, the employer must request work cards within 30 days of the start of employment agreements, submit a schedule of work hours, and declare the employment of national workers in 30 days of the start of their respective employment agreement.

An employer with more than 10 employees must open a file (processo individual) and prepare four copies of a specific form for each worker, listing the name, position, skills, sex, date of birth, identity card number, date of entry, date of last promotion, wage or salary, and number of hours worked each month. These four copies are presented to the Employment Center, which after stamping them keeps three copies and returns one to the employer for public posting. This chart must be updated and approved annually by the Ministry of Labor. Together with this form, the employer must submit the company's annual holiday plan and each employee's work card (MZN 5,000 each), which includes identity information and the employee's signature. Upon stamping, the Employment Center returns them to the company, which distributes them to each worker as an employee identification card.

Costs: each copy of the chart costs 5 Mtc, assuming 10 workers

9. Register workers with the social security system. Duration: 1 day, simultaneous with previous procedure. Costs: no charge
The employer must register the company within 15 days of the start of business activity and register employees within 15 days of the start of their employment agreements. A special form must be filled out for each employee and submitted to the Instituto Nacional de Seguranca Social within 15 days of signing the labor contract, accompanied by an authenticated copy of that employee's identity card, an authenticated copy of the operational license, and the company's Nuit number. A special form (ficha da empresa) must be filed for each company.
10. Subscribe a workmen's compensation insurance coverage, Simultaneously with previous procedure.
Duration: 1 day. Costs: no charge

3. Access to Land (DUAT)

In the Republic of Mozambique land is the property of the State and cannot be sold or in any other way transacted. The State determines the conditions land use. A land usage title may be given to individual or collective persons taking into consideration intended use. In issuing usage title the State takes into consideration rights obtained through inheritance or occupation unless the land is legally reserved or legally attributed to another person or entity. The right to use land may not be conceded in zones that are totally or partially protected, or zones of public use (i.e., zones destined for use in the public interest). Use of these zones requires special licensing. The approval of an application for usage title does not preclude the need to apply for other authorizations and licenses as required by the relevant legislation, depending on the activity to be undertaken (e.g., agro-industry, animal husbandry, industry, tourism, commercial, mining and environmental protection). These licenses have their own periods of validity according to the legislation applicable in each sector, and such periods are independent of the period for which the usage title is conceded. Land usage title for economic activity is valid for a maximum of 50 years, and is renewable for an equal period. Following this renewal a complete new request is submitted.

3.1 Who may apply

The following persons may apply for DUAT:

- National persons (individual or collective, male or female) including local communities.
- Foreign persons (individual or collective) when in possession of an **approved investment project** and in compliance with the following:
 1. Individual persons who have resided for at least 5 years in Mozambique.
 2. Collective persons legally constituted or registered in Mozambique. (A Mozambican Company)

3.2 Where to apply

The request for DUAT is made at the Provincial Mapping and Land Registry Service in the province where the land is situated.

3.3 Who Authorizes Requests

In areas not covered by town plans authorization is made as follows:

Provincial Governors may:

- Authorize requests for areas of up to 1,000Ha;
- Authorize special licenses in partial protection zones;
- Give opinions on requests directed to the Ministry of Agriculture and Fisheries.

The Minister of Agriculture may:

- Authorize requests for areas of between 1,000 and 10,000Ha;
- Authorize special licenses in total protection zones;
- Give opinions on requests directed to the Council of Ministers.

The Council of Ministers may:

- Authorize requests for areas larger than those approved by the Minister;
- Create, alter, or abolish total and partial protection zones.

In areas covered by town plans the mayor, village heads, and district administrators are authorized to issue usage title in their respective areas of competence as long as they have public map registry departments.

3.4 Required Documents

To obtain DUAT by authorization (rather than occupation) the following documents are required:

- Form (available from provincial mapping and registry department)

- Copy of personal or company identification (ID, residence document, company registration document)
- Plan of the area requested
- Plan of what will be done with the land, or approved project document in the case of economic activity
- Community consultation
- Copy of published notification of request for land
- Deposit slip for land tax paid
- Land tax receipt.

Submitted documents are passed from the provincial mapping and registry service to the relevant body for approval. (Who is relevant body for approval)

Provisional authorizations are valid for 5 years for nationals and **2 years for foreigners**. At the end of the provisional authorization period, the applicant must **request an inspection** to verify compliance with what was presented in the original proposal.

On approval of the inspection a definitive authorization is issued and the respective usage title issued.

3.5 Costs

- Process Costs

Table I Table 2

Description Amount to pay daily (in MT)

Location draft 200,00

Senior technician 600,00 / Mid-level technician 487,50 / Basic technician 397,50

Community Incentive 300,00 & Fuel 5,00 / Km

Application form 10,00

Formula for calculating land survey (R) and community consultation (C)

$$R = \text{Technician} \times \text{days} + (5,00\text{MT} \times K) = \text{___MT}$$

$$C = \text{Technician} \times \text{days} + (5,00\text{MT} \times K) = \text{___MT}$$

Where R = Survey, C = Community Consultation, K = Distance in KM from headquarters to land requested

The costs are borne by the applicant. Non-payment results in cancellation of the application.

- Tax Costs

TABLE 3. AUTHORIZATION TAXES

Type of authorization Value

Provisional authorization 600,00 Mt

Definitive authorization 300,00 Mt

TABLE 4. ANNUAL TAXES

Purpose Value

1. Cattle breeding, wildlife breeding, permanent crops 2,00MT/ha
2. Agriculture 15,00MT/ha
3. Other 30,00MT/ha
4. Tourism, temporary residential (holiday homes), commerce up to 1ha on the beach front 200,00MT

The value of the tax is calculated according to land location, size, and use.

3.6 Time Period

The maximum time period for land application processes is 90 days.

4. Environmental Licensing

Any activity that could affect the environment requires authorization based on an impact study and an environmental certificate from the Ministry for Environmental Action. The **environmental impact regulation** categorizes activities as follows:

- Category A: Must have an Environmental Impact Study;
- Category B: May have a simplified environmental study;
- Category C: Are subject to the norms of good environmental management

The law identifies activities that could have significant impact and for which an impact study is required (i.e., technical analysis of the consequences of implementing the activity and identification of possible negative measures). Activities not covered by the list are required to undergo a pre-evaluation to determine whether or not a full impact study is required. The Ministry for Environmental Action can also request an audit of activities that started before the current legislation came into force, or that were not originally covered by the legislation.

4.1 Who must apply

Environmental licensing must be applied for by those in the circumstances described above.

4.2 Where to apply

Environmental licensing is the responsibility of the Ministry for Environmental Action and its subsidiary provincial directorates.

1. Environmental viability is the way in which an activity can be implemented

- Without significant environmental damage or with negative measures.
2. Environmental impact is any change in the environment for better or worse in particular on air, land, water and the health of communities resulting from human activity.
 3. For a full list of activities in each category see annexes I, II and III of the Environmental Impact Assessment Regulation (Decree 45/2004 of 29 September).
 4. EIA is a technical and scientific study of the environmental consequences of development activities.
 5. Pre-evaluation categorizes the activity to decide what type of evaluation to Undertake other places where they are being established) have one-stop shops that support implementation of new investments and that provide information and technical assistance, particularly in moving registry and licensing processes along.

4.3 When to apply

Apply during project preparation and planning. Some other licenses (e.g., industrial operation, forestry concession, **tourism**, final CPI approval) depend on prior issue of an environmental license. Once the license has been issued the project must begin operation within 2 years or the license will expire. Extension of the validity of the license depends on approval by the Ministry for Environmental Action, which may require a new study. A decision on the application will be given in 30 working days, either extending the period or approving or requesting changes to the study undertaken. Licenses for Category A are valid for 5 years renewable on request. Such a request must be submitted at least 180 days before expiration of the license.

4.4 Application Requirements

For an EIA the following is required:

- Written description of activity
- Justification of activity
- Legal status of activity
- Socioeconomic and environmental information about area
- Current land use in area
- Information on stages to be covered during the AIA such as Terms of Reference (ToR) ,previability and scoping (EPDA), Environmental impact assessment (EIA) simplified EIA (EAS);
- Completed form.

4.5 Pre-evaluation

Pre-evaluation is undertaken based on the information above⁷ taking into consideration the criteria defined,⁸ previous knowledge and experience of this activity, and the location as well as existing categories. Pre-evaluation can have one of three outcomes: study not

required, or simplified study to be undertaken; rejection; or categorization of the type of activity and study required.

It must be noticed that public participation throughout all the process must be ensured. From the conception phase until the submission of the of EIA and EAS reports, public participation is of the proponent responsibility. In the phase of the ToR until the ambient licensing this responsibility is of the MICOA.

Pre-evaluation is the process whereby the project is studied in its preliminary concept form and its potential impacts identified.

Criteria: number of persons or communities affected; ecosystems plants and animals affected; location and size of area; probability, nature, duration, intensity and significance of the impact; direct and indirect effects; reversibility of impact.

4.5.1 **Pre-viability and scoping** (Compulsory category A, for cost of applicant)

Report undertaken and submitted along with ToR (plus supporting data). Report contains:

- Non-technical summary
- Identity of applicant and team undertaking EIA
- Details about the proposed area
- Description of activity including planning, construction demobilization etc.
- Key aspects to be investigated in EIA.

Revision of report: A technical commission will be created to study, revise, and provide final opinion on the report presented.

4.5.2 **EIA terms of Reference**

- Description of specialist studies identified in EPDA
- Viable alternatives to be investigated
- Methodology
- Description of public participation process
- Identification of applicant
- Identification of team responsible for EIA and EAS
- Other information to be required.

4.5.3 **EAS terms of Reference**

- Identification of applicant
- Location of activity including maps
- How activity fits with current land use and planning
- Description of activities
- Description of public participation process
- Identification of environmental areas to be studied
- Description of methodology
- Identification of team undertaking EAS.

EIA undertaken based on ToR and directives issued by MICOA (for category A this is entirely responsibility of the applicant).

EIA report. Submit at DNAIA with support documentation. The report contains the following:

- Non-technical summary
- Legal basis for activity
- Description of activity
- Geographical delimitation
- Comparison of alternative activities

EPDA aims to determine fatal questions on the activity implementation or the scope of the AIA on the design of ToR's.

- Identification of mitigative measures
- Environmental management plan
- Public participation report
- Specialists reports.

Revision of EIA. The same technical commission which evaluated the EPDA evaluates the EIA and provides a technical report and detailed opinion on the report.

Simplified EIA (EAS). Undertaken based on the ToR and specific directives (for category B it is for the cost of the applicant).

EAS report. Submit at DPCA. The report contains:

- Technical summary
- Location and description of activity
- Legal basis for activity
- Environmental description and diagnostic
- Identification and evaluation of impacts
- Environmental management plan
- Identification of team
- Public participation report.

Revision of report. The same technical commission that evaluated the EPDA evaluates the EIA and provides a technical report and detailed opinion on the report.

Deciding body can issue license or reject application totally or partially. Until national standards are developed those used for air, water, soil etc. Are those established by international bodies and conventions ratified by Mozambique.

4.6 Costs

Category A and B—0.1% of investment value; Category C—0.01% of investment value. The applicant bears the costs of the environmental impact study and of an environmental

monitoring program.

TIME PERIODS FOR PROVISION OF SERVICES

National-level processes:

- Pre-evaluation: up to 5 working days;
- EPDA and ToR: up to 30 working days
- EIA: up to 45 working days
- Issuance of license: 8 working days from payment of fee
- Partial or total rejection is notified within 5 working days.

Provincial-level processes:

- Pre-evaluation: up to 8 working days
- Terms of reference: up to 15 working days
- EAS: up to 30 working days
- Issuance of license: 8 working days from payment of fee
- Partial or total rejection is notified within 5 working days.

Whenever additional information is requested the time period is suspended until the information is provided. In exceptional cases with written notification, the time periods may be extended by up to 30 days.

5. Investment Promotion Centre - CPI

Investment Promotion Center (CPI)
Rua da Imprensa, 332 (ground Floor)
Caixa Postal 4635, Maputo
Tel: (258) (21) 313310/75 or (21) 313295/99
Fax: (258) (21) 313325
Internet: <http://www.cpi.co.mz/>

The status of a foreign investor is only awarded if the amount to be invested is over US\$50,000. For national investors, the investment amount is US\$ 5,000.

There are no restrictions on foreign ownership in Mozambique. However, in order to secure certain rights and guarantees, foreign investment proposals must be submitted for approval by the CPI.

The investment project proposals must be submitted for approval by the CPI, and shall contain the following information:

- A specific request by the investors for authorization;
- Particulars and curriculum vitae of all individuals who are investors, and where the investor is a company, the relevant financial statements;
- Description of technical, commercial and financial feasibility, details of management, human resources structure, implementation schedule of the implementing company;

- Minutes of articles of association of the project implementing company, in cases where that company does not exist;
- Any proposed alterations to be introduced in the articles of association, if the implementing company already exists;
- The shareholders' agreement or contract of association between the partners of the company, if applicable;
- Bank references for each prospective investor;
- An evaluation study of the environmental impact of the project (where applicable).

Under the Investment Act the following rights are guaranteed by the Government:

- Protection of property rights;
- Remittance of funds abroad;
- Concession of tax and customs incentives granted in the Code of Fiscal Benefits;

5.1 Usage and tenure of land

National Authority for registration on usage and tenure of land: **DINAGECA** - Direcção Nacional de Geografia e Cadastro - Ministério da Agricultura e Desenvolvimento Rural. 537 Av. Josina Machel, Tel: 422021/2 ou 426873; Fax: 421460 - Maputo.

Table I – Authorisation/Concession Tariffs

AUTHORISATION TAXES COST (MZM)

Provisory authorisation 600.00

Definitive authorisation 300.00

Annual Taxes for Type of Activity

Type of Activity Annual Taxes

Livestock; wildlife animals and permanent crops 2.00MZM/ha

Agriculture 15.00MZM/ha

Other activities 30.00MZM/ha

Tourism, accommodation, commerce up to 1 ha on coast line 200.00MZM/ha

The annual value owed to the government for the use of land varies according to the adjustment of the annual fee, related to the location, size and finality of the land.

Contact, Eng. Nelson Ventura

Telefax: 258 1 731382, Cell 258 82 484123

CPI – Investment promotion Centre,

Contact, Mss. Belarmina Capitine

Rua de Imprensa n. ° 332 – r/c – CP 4635,

Tel: 258 1 313310/75; 313295/99, Fax: 313325, cell: 258 82 309585

Email: cpi@cpi.co.mz

bcapitine@cpi.co.mz

6 Licensing of Hotels, Tourism, Restaurants and Similar Sectors

All types of economic activity must be licensed by the government. In the tourism, hotel, and catering industries, applicants must first obtain an **environmental impact certificate**. Starting construction of a hotel or tourism establishment without

authorization is subject to fines of between 50 and 100 thousand Meticaï, and unauthorized activity is subject to fines of between 20 and 50 thousand Meticaï (values updated by joint diploma of the Ministries of Plan & Finance and Tourism). Hotels are defined as “tourism establishments which provide accommodation with or without meals in exchange for payment.” Similar establishments are defined as “tourism businesses which provide to the public food and or drink to the public in exchange for payment. These establishments may also provide shows or dances.” The definition includes restaurants, drinking establishments, and dance halls. Hotels are divided into four groups: deluxe, 1st, 2nd and 3rd class. Hotels are further classified as follows:

Classification of types of lodging:

- Group I Hotels: one to five star
- Group II Boarding house: one to four star
- Group III Lodging house: single classification
- Group IV Inn: one to four star
- Group V Motel: one to four star
- Group VI Apartment hotel: one to four star
- **Group VII Tourist village: One to three star**
- Group VIII Guest house: single classification

Classification of complementary types of accommodation:

- Group I Tourist apartment: classes 1 to 3
- Group II Tourism accommodation unit: classes 1 to 3
- Group III Rural tourism units or agro-tourism: single class
- Group IV Lodges: 1st, 2nd and 3rd class
- Group V **Camp site: single class**
- Group VI **Personal lodging (holiday home): single class**

As the tourism sector is a fundamental contributor to development the government has approved a special customs regime for the hotel industry which allows for **the investor to present a list of items to be imported** to the Ministry of Plan and Finance. The approved goods then benefit from duty and VAT exemptions.

The classification given to an establishment may be altered either by the relevant authority or at the request of the license holder, whenever the type of accommodation offered means that the establishment falls into a lower category.

6.1 Who may apply

Any person, individual or collective, national or foreign may apply

6.2 Where to apply

Tourism accommodation licensing is the responsibility of the Minister of Tourism or the National Director of Tourism following delegation by the Minister. Restaurants and drinking establishment licensing is the responsibility of the Provincial Governor or the Provincial Director of Tourism following delegation by the Governor. In the cities of Quelimane, Tete, Pemba and Inhambane (and other places where they are being established) one-stop shops support the implementation of new investments, provide information and technical assistance, and move processes through the registry and licensing stages.

6.3 When to apply

The applicant must comply with the following time periods:

- Having been notified of the approval of their request the following documents must be submitted within 120 days: map of location, plan of establishment, written description. This period can be extended by a further 60 days on written request
- Once the initial project has been approved a further time period of 1 year for hotels and 60 to 90 days for other establishments to present the final project
- Once this project is approved the applicant has 180 days to request an inspection.

Non-compliance with any of these time periods results in cancellation of the authorization to proceed.

6.4 Application Requirements

- Application with notarized signature addressed to the relevant responsible authority. For individuals, the application must include name, nationality, and address. For collective persons, it must include details of a representative, headquarters, and a copy of the government gazette where the articles of association were published. The application must also include details of the location of the proposed establishment.
- Approval from municipal authorities if the establishment is located within an urban area.
- Environmental certificate.
- Construction project including topographical plan, implementation plan, water, drainage etc. plans.
- Written description including plans, photos, sketches etc. depending on whether the establishment exists already, or is to be constructed.
- Rental contract or proof of ownership.
- Request for inspection, approval of name, and price list.
- Request for issuance of license and registration of managers.
- Registration of the establishment is completed authorization to open is given. In order to register the following are required: identity of directors; company running the establishment including judicial status; identification of directors or managers; identity of person responsible for the establishment.

6.5 Costs

Costs (in meticaís) are payable for all acts subject to licensing.

Lodgings

Group I--Hotels, including lodges etc

- Project analysis 3.500
- Inspections 8.000
- License issuance 5.000
- License alteration 3.000
- Name approval 500
- Management certification 3.500
- Management registry 300
- Health & safety and fire brigade 2.000

Total 27.550

Group II to VII-- Boarding houses and inns

- Project analysis 3.000
- Inspections 5.000
- License issuance 3.500
- License alteration 3.800
- Name approval 350
- Health & safety and fire brigade 2.000

Total 17.650

Group VIII-- including residential tourism units, rural and agro-tourism

- Project analysis 2.500
- Inspections 3.500
- License issuance 3.000
- License alteration 2.600
- Name approval 300
- Health & safety and fire brigade 2.000

Total 13.900

Group I and III--Tourism apartments and rural tourism residential units

- Project analysis 1.500
- Inspections 3.000
- License issuance 2.500
- License alteration 2.300
- Name approval 250
- Health & safety and fire brigade 2.000

Total 11.550

Group II--Residential tourism units

- Project analysis 1.000
- Inspections 2.000
- License issuance 2.000
- License alteration 2.200

- Name approval 150
- Health & safety and fire brigade 2.000

Total 9.350

Restaurants and drinking establishments

- License issuance 2.000
- License renewal 1.000

Total 3.000

Travel and tourism agencies

- Project analysis 5.000
- Inspections 5.000
- License issuance 3.000
- License renewal 1.500
- Change of location of establishment 2.000
- Opening of branch 1.500
- Foreign delegation 6.000
- Change of location of establishment 5.000
- Bank guarantee 100.000
- Insurance 100.000

Total 232.000

6.6 Time periods for service provision

- Consideration of the process—60 days for accommodation establishments, and 30 days for restaurants and drinking establishments.
- Decision on application—8 days for accommodation establishments and 5 days for restaurants and drinking establishments.
- Inspections—20 days from date of submission of application.
- Inspection report approved by higher authority—8 days, then communicated to applicant within 7 days.
- Issuance of license—5 days following approval of inspection.

NB Pay attention to the applicant's time periods (See section on When to Apply.)

7 Tax Registration (NUIT)

Declare the beginning of activity at the tax department (Repartição de Finanças) Form (Modelo 7) must be filed to register, under a different taxpayer number, for income tax withholding (imposto sobre o rendimento do trabalho), secção A.

Form 44 is used to register for complementary tax.

For VAT and corporate income tax, the notification of the beginning of business activity must be submitted 15 days before commencement. This notification must be submitted to the tax department of the appropriate fiscal district the form Modelo 6. In addition, this process requires the filing of Modelo 5 (in triplicate) and an authenticated copy of the operating license. The company is assigned unique taxpayer number (numero unico de identificação tributária) in 15 days, and an individual file for all taxes is opened.

8 Labour and Salaries

Minimum monthly wages set by the Government since 1 April, 2008

The Mozambican government has approved new statutory minimum wages for nine sectors of activity, namely:

- Electricity, gas, water MZM 2,139.50
- Manufacturing industry MZM 1,975.00
- Financial services MZM 1,942.00
- Non-financial services MZM 1,925.50
- Agriculture, livestock and forestry MZM 1,315.00
- Construction MZM 1,909.00
- Fisheries MZM 1,892.50
- Mining MZM 1,892.50
- State employees MZM 1,826.00

Other minimum salaries are defined in accordance with categories specified in the professional collective agreements. These salaries also depend on the profitability, economic and financial situation of each company.

- **LABOR – Sociedade de Agências e Serviços, Lda**, 2366 Av. 24 de Julho, Telefax: 308493 – Maputo.
Delegation: 200 Poder Popular Street – First Floor, Fax: 329787 – Beira.

9 Work permit

The application for a work permit shall be lodged at the Provincial and Maputo City Delegations or the Employment Centre of the National Institute of Employment and Professional Training within thirty days before the activity begins, together with documentary evidence of the mandate conferred in terms of the company's articles of association and the applicable law and an authorization to conduct the activity in Mozambique issued by a competent authority.

The application shall contain:

- a) The name, headquarters and field of activity of the applicant;

b) The identification of the foreign citizen to be employed, the category, function and tasks he or she will take up and the duration of the contract.

The following shall be attached to the application:

- a) Three copies of the employment contract;
- b) Certificate of academic or technical-professional qualifications of the foreign worker to be employed or documentary evidence of his or her professional experience;
- c) Opinion of the enterprise trade union committee.

The work permit is valid for a period of two years, which is renewable for a further two years or for the time remaining until the end of the mandate, upon presentation of documentary evidence of the mandate conferred by bodies empowered to do so under the articles of association, with regard to man dataries or representatives of the employers.

10 Immigration

The entry into the country, by a non-citizen through any border is governed by requirements for entry and stay. Requests to enter Mozambique may be made for a variety of reasons. In Mozambique the following visas accommodate those wishing to enter:

- Diplomatic visa
- Courtesy visa
- Official visa
- Residence visa (for foreigners wishing to reside in Mozambique, this is valid for one entry and for 30 days, renewable up to 60 days. This visa is obtained prior to obtaining a residence permit)
- Tourist visa (for tourism travel, may not exceed 90 days)
- Transit visa (for those who must enter the country in order to reach their country of destination. May not exceed 7 days)
- Visitors visa (entry for any purpose not covered by the previous types of visa— valid for 15 days renewable up to 90 days)
- Business visa (business-related travel valid for 30 days renewable up to 90 days)
- Student visa (12 months renewable)
- Work visa (to enter the country to work for 30 days renewable to 60 days)
- Border visa (issued for those coming from countries where there is no Mozambican consulate or embassy - though when representation exists payment of 25% surcharge may be paid – the visa is issued at the border. Valid for 30 days renewable up to 60 days).

Visas may be individual, collective, single, or multiple. Foreigners with residence permits (DIRE) or from countries with which Mozambique has a suppression of visa agreement do not need a visa.

10.1 Who Can Apply

Any foreign national of legal age of majority, or minors with authorization from a parent or guardian, who has means to subsist and who has not been banned from entry or previously expelled.

10.2 Where to Apply

The Ministry of Foreign Affairs, the Immigration Service, and embassies and consulates.

10.3 When to Apply

Whenever necessary. In countries with Mozambican embassies and consulates it is as well to consult with them some time before travel as issuance of some types of visas may take several weeks.

10.4 Application Requirements

- **Visa to enter and/or stay**

- Completed form
- Valid passport
- Authenticated copy of passport
- Letter of responsibility from employer or institution if applicable
- Stamps to value of 1.220.00 Mt.

- **Work visa**

- Completed form
- Valid passport
- Authenticated copy of passport
- Declaration of responsibility from employer or institution
- Letter from employer expressing intention to employ
- Stamps to value of 1.220.00 Mt.

- **Residence authorization (DIRE) for workers**

- Completed form
- Valid passport
- Residence or work visa
- Legal authorization or permission to work issued by INEFP
- Letter confirming employment
- Criminal record check from home country
- 3 passport photographs
- Stamps to value of 1.220.00 Mt.

- **Residence authorization (DIRE) for company directors and mandate holders**

- Form
- Authenticated copy of valid passport
- Work or residence visa
- Authenticated copy of public deed
- Authenticated copy of operating license (*alvará*)
- Letter from the company confirming employment
- Criminal record check from home country
- 3 passport photographs
- Stamps to value of 1.220.00 Mt,

- **Residence authorization (DIRE) for non-working spouses**

- Form

- Authenticated copy of valid passport
- Residence visa
- Criminal record check from home country
- Declaration of responsibility from spouse
- Spouse's work contract
- 3 passport photographs
- Stamps to value of 1.220.00 Mt.

- **Residence authorization (DIRE) for minors**

- Form
- Authenticated copy of valid passport
- Residence visa
- Mother or father's work contract
- Declaration of responsibility from parent
- 3 passport photographs
- Stamps to value of 1.220.00 Mt.