

APIEX PROFILE

Investment and Exports Promotion Agency (APIEX) is a public institution that was formed as a result of the formation of a new organisation comprised of the Investment Promotion Centre (CPI), the Special Economic Zones Authority (GAZEDA) and the Institute for Export Promotion (IPEX), whose purpose is to promote and facilitate private and public investment and exports, special economic zones (SEZs), industrial free zones and rapid development zones.

MOZAMBIQUE PROFILE

GEOGRAPHICAL AND DEMOGRAPHIC INFORMATION

Location: Mozambique is situated on the south-eastern coast of Africa. It borders Tanzania to the north, Zambia, Malawi and Zimbabwe to the west and South Africa and Swaziland to the south. This location puts the country in a strategic position in the Southern African region with its ports giving easy access to international markets and being the first choice for regional importers and exporters. Mozambique has 11 provinces; from north to south: Cabo Delgado, Niassa, Nampula, Tete, Zambezia, Manica, Sofala, Inhambane, Gaza, Maputo Province and Maputo City.

Capital city: The capital city is Maputo

Area: Mozambique has an area of 799 390km² of which 786 390km² is land and 13 000km² is interior waters.

Population: Mozambique has a population of 24 366 112.

Religion: Christianity, Islam and Hinduism.

LANGUAGES

The official language is Portuguese. English is widely spoken in the main cities as a business language.

WHY INVEST IN MOZAMBIQUE?

Mozambique has both comparative and competitive advantages, which are supplemented with good governance.

- Strategic location (as a gateway to the Southern African Development Community, SADC): Providing infrastructure that gives access to land-locked SADC countries (ports, railways, pipelines and roads);
- Rich and diverse natural resources: Vast land reserves, mineral resources, water and a diverse cultural and historical heritage;
- Abundant labour force: availability of a competitive, educated and easily trainable labour force;
- Sustainable economic growth: one of the fastest growing economies in the Sub-Saharan Africa over the last 10 years;
- Increased investment into infrastructure: infrastructure development is one of the country's top priorities and public-private partnerships are encouraged;
- Access to preferential markets: Signatory to the Trade Protocols of SADC, AGOA (USA), EBAS and the Cotonou Agreement (EU), which provides duty-free/preferential access to the relevant markets;
- Protection of investments: Investments are adequately regulated by relevant laws. Membership of ICSD, MIGA and ICC; and a signatory to bilateral investment promotion and protection agreements with many countries around the globe including South Africa, Germany, Algeria, Belgium, Botswana, China, Cuba, Denmark, Egypt, USA, USA (OPIC), Finland, France, Indonesia, Italy, Mauritius, the Netherlands, Portugal, Sweden, United Kingdom (UK), Vietnam, Zimbabwe, India, Spain, Switzerland, Japan, Brazil, Singapore and Turkey;
- Competitive incentives: Fiscal and non-fiscal incentives, agreements to prevent double taxation and fiscal evasion with Portugal, Mauritius, the United Arab Emirates (UAE), the Administrative Region of Macau, Italy, South Africa, Botswana, India and Vietnam; and
- Good living environment: Sincerity, hospitality, friendliness, delicious food, beautiful beaches.

PROVINCIAL DELEGATIONS

Maputo (Head Office)

Rua da Imprensa, 332 R/C
Tel: +258 21 313310/
+258 21 313375
Fax: +258 21 313325
Email: cpi@cpi.co.mz
www.cpi.co.mz

Maputo Province

Edifício da Direcção
Provincial do Plano e Finanças,
Av. Saine-Saint-Denis n.º 11.051,
Matola
Tel: + 258 82 3305448/
+ 258 82 3087440
Email: cpimaputo@cpi.co.mz

Gaza Province

Rua Martires da Revolução 10
Bairro Cimento
Xai-Xai
cpi#gaza@cpi.co.mz

Inhambane Province

Bairro Chaiambe 1
Av. de Moçambique
Casa 158, Inhambane
Tel: +258 823305430
E-mail:
cpiinhambane@cpi.co.mz

Sofala Province

Rua Jaime Ferreira 158
Beira
Tel/Fax: +258 23 329275
Email: cpisofala@cpi.co.mz

Manica Province

Rua dos Operários,
Edifício do INSS, Chimiole
Tel/Fax: +258 25123961/
+258 823882830
Email: cpimanica@cpi.co.mz

Tete Province

Av. Eduardo Mondlane 15
Edifício do Hotel Zambeze
Tete
Tel: +258 825201980
Email: cpitete@cpi.co.mz

Zambezia Province

Av. Filipe Samuel Magala 244 R/C
Quelimane
Tel: +258 824880780
+258 823882830
Email: cpizambezia@cpi.co.mz

Nampula Province

Av. Eduardo Mondlane,
Edifício do Hotel Zambeze
Nampula
Tel: +258 26 216216
Fax: +258 26 216297
E-mail: cpinampula@cpi.co.mz

Niassa Province

Av. de Trabalho Casa 57
Bairro Cimento, Lichinga
Tel: +258 829844837
Email: cpiniassa@cpi.co.mz

Cabo Delgado Province

Rua 1o de Maio 594, Pemba
Tel: +258 829844837/
+258 828640610
Email: cpicabodelgado@cpi.co.mz



INVESTMENT REGULATIONS

The minimum value of FDI resulting from the inflow of own capital from foreign investors is set at the equivalent of MZM2.5 million for the specific purpose of transfer of profits abroad and then re-export invested capital. The real value of FDI for registration and eligibility for guarantees and incentives established for this purpose shall consist of the sum of the values of equity, shareholders' loans without interest and/ or supplementary capital provided by investors themselves, as well as exportable profits that might have been re-invested in the country.

INVESTMENT INCENTIVES

The Investment Law grants certain tax and customs benefits depending on the amount, location and sector of investment activity. The current incentive schemes are:

- Generic Fiscal and Customs Benefits: Investments carried out under the Investment Law are exempt from payment of customs duties and VAT on capital goods and their accompanying parts and accessories classified as Class K of the Customs Tariff.
- Tax Credit per Investment: Investments carried out in Maputo City benefit, for a period of five tax years, from a deduction (not to exceed the tax payable in respect of the investment project activity) from Corporate Income Tax (IRPC) that is equal to 5% of the total investment realised.

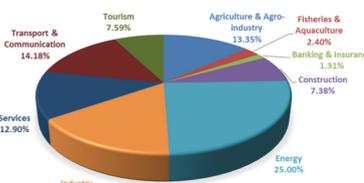
The percentage is 10% in all other remaining provinces. In addition, there are specific regimes for:

- Agriculture and Fisheries;
- Trade and Industry in Rural Areas;
- Manufacturing and Assembly Industry;
- Creation of Basic Infrastructure;
- Industrial Free Zones;
- Tourism and Hotels;
- Large Scale Projects.

INVESTMENT DATA

As a result of its increasing competitiveness, Mozambique has registered substantial inflows of private investment in the last decade. In the last five years, the country received an investment volume of nearly US\$28 billion.

INVESTMENT APPROVED BY SECTOR IN 2016 (US\$ 1.2 Billion)



Source: APIEX

SOCIAL SECURITY

The registration of workers and their respective employers with the National Social Security System is mandatory. The fee for social security is 7%, namely 4% paid by the employer; and 3% paid by the employee.

INVESTMENT OPPORTUNITIES

Agriculture

- Production of cereals, fruits, flowers, vegetables, for the local market and for exports.
- Production of baby-corn, flowers, citrus, cashew nuts, various fruits and paprika, to competitive markets in Europe.
- The Zambezi valley represents an excellent opportunity in the agricultural sector based on pre-feasibility studies.

Infrastructure

- The government is investing in the development of public infrastructure, namely roads, bridges and telecommunications, among other sectors, in partnership with the private sector.
- Public-private partnerships are encouraged by the government.

Energy

- Expanding its energy generation capacity potential of more than 20 000MW, mainly hydro, coal, gas and renewables.
- Growth opportunities in rehabilitation and/or construction of hydroelectric dams, energy facilities utilising natural gas, coal and renewable energies such as solar, oleic and biofuels (bioethanol, Bio-diesel and biogas) and transmission facilities.

Tourism and Hospitality

- Unique investment opportunities in national parks and reserves, the possibility of investment in private game farms in the interior of the country, benefiting from fauna and flora, combined with beach tourism along the 2 700 km coast and on islands and archipelagos.

Manufacturing

- Investment opportunities almost all over the country in textile industry and agro-industry. Aluminium, iron and steel, coal and gas are some examples to take into consideration.
- With the recently approved Industrial Strategy Policy, the government encourages the development of industrial parks in identified areas all over the country.

Fisheries and Aquaculture

- Established export market in the EU and Asia in terms of prawns, and various sea products.
- An enormous potential all along its 2 700 km Indian Ocean coastline, combined with the excellent natural conditions favorable for aquaculture.
- Mineral Resources
 - Investment opportunities for the exploration, extraction, processing and utilisation of various types of resources including natural gas, coal, gold, titanium, ilmenite, zircon, rutile, tantalite, marbles, and precious stones.

VISAS

Entry visas can be obtained from Mozambican embassies and consulates in various countries and Mozambique. Single entry is valid for 30 days and is extendable and a multiple entry is valid for 90 days and is non-extendable.

The visa can also be requested from the National Immigration Directorate, Av. Ho Chi Min No. 316 in Maputo, Tel +258 21 320 472. Fax: +258 21 321 075 or +258 21 320 395.

Under bilateral agreements, citizens and bearers of passports from the Republic of South Africa, Botswana, Seychelles, Swaziland, Mauritius, Malawi, Zambia, Tanzania, Zimbabwe and Namibia are exempt from the requirement to obtain entry visas.

Border visa may also be granted for tourist purposes to foreign nationals coming from a country where there is an embassy or consular representation of the Republic of Mozambique which, for duly substantiated reasons, has not been able to apply for a visa.

The border visa is valid for two entries and allows the holder to stay in the country for a period of up to 30 days, not extendable, counted from the first entry.

INVESTMENT ACTIVITY VISA is granted by the Diplomatic and Consular Missions of the Republic of Mozambique to a foreign citizen investor, representative, attorney-in-fact or holder of the management body of the investing company, observing the legal formalities for hiring foreign labor, to allow the holder to enter Mozambican territory for implementing investment projects of US\$500 000 or more approved by the competent authority.

FISCAL SYSTEM

The Taxation System in the Republic of Mozambique integrates national and municipal taxes. The taxes of the National Taxation System are classified as direct and indirect, acting at various levels, namely (i) direct taxation on income and wealth and (ii) indirect taxation on expenditure. DIRECT TAXATION on income is made through Corporate Income Tax (IRPC) and Personal Income Tax (IRPS).

Corporate Income Tax (IRPC) is taxable on gained income during the taxation period from tax payers, namely commercial or civil companies, cooperatives, public companies and other corporates, both public and private, entities with no legal existence whose incomes are not subject to taxation in the form of IRPS or IRPC.

- General 32%
- Agriculture and cattle breeding activities (from 2016 until 2025) 50%.

Personal Income Tax (IRPS) is imposed on the global annual value of income; is paid by singular persons residing in the Mozambican territory and by those not residing in the country but gaining income from it.

- Minimum 10%
- Maximum 32%

INDIRECT TAXATION, which comprises taxes on expenditure, integrates VAT, Specific Consumption Tax (ICE) and Customs Duties.

Value Added Tax (VAT) is imposed on the sale of goods and provision of services in the national territory by a tax payer acting as such, as well as on the importation of goods. 17%

Specific Consumption Tax (ICE) is imposed on the consumption of certain specified goods, produced or imported. 20%

Customs Duties are imposed on imported and exported goods. The rates vary as follows:

- Raw materials: 2.5%
- Capital goods (class K): 5%
- Intermediary goods: 7.5%
- Consumption goods: 20%
- Withholding tax: 20%

Under the SADC Trade Protocol implementation framework, various products from the SADC region countries benefit from exemptions from payment of customs duties.

The Taxation System is augmented by other taxes, namely the Stamp Duty, Tax on Successions and Donations, SISA, Special Tax on Gambling, National Reconstruction Tax, Vehicle Tax and other legally established taxes and specific charges.

PROCEDURES TO REGISTER A COMPANY IN MOZAMBIQUE

In light of the Commercial Code and complementary legislation the procedures approved by the Mozambican authorities for business registration have been simplified.

Approval of name: The first step in this type of process is to get approval of the name of the company to be set up and to indicate what type of company it will be.

Head office of the company: The Company must indicate the location where it will carry out its commercial activity. For this purpose, it is necessary to have the corresponding title (lease agreement or property registration).

Corporate structure: The identification documents or commercial certificates, according to whether individuals or legal entities are involved, of the shareholders or quota holders who will make up the corporate structure of the company are required. If the individuals or legal entities are foreign, the above documents must be legalised at the Mozambican consulate in the country of origin.

If the shareholders or quota holders are legal entities, it will also be necessary to have the written resolution - which may be from the board of directors or the general meeting, depending on which body has power to pass the resolution on this matter – approving the setting up of the Mozambican company and the shareholding to be held by the legal entity in question. The resolution must also name the representative(s) for signature of the articles of association and other relevant documentation.

Powers of attorney: In the event the share/quota holders are not necessary to travel to Mozambique to sign the documentation necessary for the process of incorporating the company, they must execute powers of attorney granting powers to representatives in Mozambique to enable the latter to deal with the respective legal steps of incorporation.

The powers of attorney must also include the name of the company to be incorporated. This means that they should only be executed once the respective certificate of admissibility approving the name of the company has been obtained.

Articles of association: This document establishes the rules that will govern the operation of the company.

Composition of the corporate bodies: The members who will form the first board of directors must be indicated at the moment of incorporation.

Commercial License: After dealing with the deed of incorporation and respective commercial registration, an application must be made requesting the issue of the commercial license. For this purpose, it will be necessary to have a plan and written description of the premises where the company will be based, as well as the respective lease agreement and/or assignment of the space giving the right to occupation, or the registration of the property.

PROCEDURE FOR OBTAINING INVESTMENT APPROVAL FROM APIEX

- Identification of location (land or premises);
- Elaborate a feasibility study of project;
- Apply for authorisation submitting a project proposal to APIEX (three copies) accompanied by the following documents:
 - Incorporate the implementing company at a Notary Public and publish its status in the Official Gazette;
 - Bank references and evidence of the necessary financial capacity to undertake the project;
 - Copy of the passport or identification card of each investor;
 - If it is a company that will be investing a copy of the certificate of registration of the same
 - List of equipment to be imported classified as "class K"

KEY ASPECTS OTHER THAN OBTAINING INVESTMENT APPROVAL FROM APIEX

- Apply for certification "certidão negativa" from the Commercial Registry that confirms that the name of the company is not already in use;
- Realise share capital by depositing the minimum share capital with a commercial bank and where appropriate, producing proof of incorporation of assets in kind into the company's capital;
- Notarise the documents of the formation of the company;
- Publish the company's statutes in the official gazette of Mozambique;
- Register the company in the Commercial Registry;
- Register the company in the local tax office in the district in which the company's registered office is situated or where it carries out its main activities;
- Apply for license or alvará from the Ministry in Title.

PROCEDURE FOR OBTAINING INVESTMENT APPROVAL FOR SPECIAL ECONOMIC ZONE

- Incorporation of the project implementing company;
- Register the company at the Commercial Registry Office and the Tax Authority Directorate;
- Prepare and submit to APIEX four copies of the document for approval;
- Make the reservation of the plot or premises if necessary;
- Start the process of getting the Land Use and Benefit Right (DUAT);
- Request Government Authorisation (after technical inspection of the premises) and other licenses required by the law;
- Start the business.

All types of economic activities are eligible for the respective SEZ benefits except those that by their nature are not permitted by law.

REGISTRATION OF FOREIGN DIRECT INVESTMENT - BANK OF MOZAMBIQUE

- In cases where the investment will be realised in freely convertible currency, the following documents must be submitted to the Bank of Mozambique:
 - Photo copy of the authorisation;
 - Extract of the deposit of the capital from the Commercial Bank.
- In cases where the investment will be realised in equipment and other materials the investors must submit the following documents to the Bank of Mozambique:
 - Photo copy of the bulletin of import registration (BRI);
 - Three copies of the list of equipment exempted from customs duties;
 - Invoices;
 - Certificate of inspection of the embarkation of equipment.

LICENSING REQUIREMENTS FOR IMPORTS/EXPORTS

- Licensing requirements (i) Name, age, nationality, place of birth, domicile, identity document number, place and date of issue - in the case of a natural person; (ii) Title, Public deed of the Social Pact or Bulletin of the Republic (BR) of your publication, address of the registered office, identification of the representative - in the case of a commercial company;
- Documents to be attached (i) Application for commercial activity license; (ii) Drawn part of the premises intended for the exercise of commercial activity; (iii) a public deed of incorporation or the bulletin of the Republic that published it together with the corresponding commercial register, in the case of commercial society; (iv) lease agreement or property title of the property intended for the exercise of commercial activity; (v) proof of tax registration, issued by the Ministry of Economy and Finance.
- Validity of Importer's License: one year from the date of issue of the respective card; exporter: (i) for the same period of validity of the authorisation to carry on the business of the enterprise.

USEFUL SITES

Mozambique's Official Page

www.mozambique.mz

Mozambique Government Portal

www.portaldogoverno.gov.mz

BM - Bank of Mozambique

www.bancomoc.mz

PROCEDURE FOR ESTABLISHING COMMERCIAL REPRESENTATION / BRANCH

Foreign commercial companies may choose to be represented in Mozambique through branches, agencies, delegations or other forms of representation. Representations are authorized to carry out activity in Mozambique in accordance within the applicable time limit. In the case of an agency, for example, the authorisation lasts as long as the respective agency agreement does. In the case of a delegation, the activity may only be carried out for a maximum period of three years, which may be renewed.

A branch is deemed to be a permanent establishment of the company which is not autonomous and does not have a legal personality different to that of the parent company (however, it must be registered at the legal entity registry office).

The parent company is responsible for the activity carried out by the branch and its liability is limited to the latter's net profits.

The management of the branch is done by one or more managers appointed by power of attorney. The branch is not legally required to have other management or supervision bodies.

The power of attorney must specify all the powers granted to the manager appointed and this manager will only be responsible for the diligent exercise of the powers delegated.

The branch does not formally have any share capital. However, the parent company must allocate a specific amount to the branch. Mozambican law does not establish a minimum amount for this purpose.

Make an application to the Ministry of Industry, Trade and Commerce, accompanied by the following documents:

- Identification of the applicant;
- Specify the form of representation (branch, delegation, agency etc.);
- Describe in details the economic and commercial objectives of the project;
- Notarised copy of the certificate of the registration of the company applying to establish a representation;
- Power of Authority of the person mandated to represent the applicant in Mozambique.

ACCESS TO LAND

Under the Constitution of the Republic of Mozambique all land is the property of the state and can be used on a lease basis, and the right to land use is regulated by the Land Law (Law N.º 19/97, 1 of October) and the Land Law Regulation (Decree N.º 66/98, 8 of December). The maximum period of a land lease is 50 years, renewable for a further 50-year period.

Land title is transferable for buildings and real property assets upon presentation of a public deed. The following conditions will apply in order to become a holder of land-use rights:

- Foreign individuals or collective persons with adequately approved investment projects and applicable to either;
- Single individuals who have been residing in Mozambique for at least five years; or
- Collective entities who are incorporated and registered in Mozambique.

A DUAT is first attributed on a provisory base of two years for foreign investors and renewable for two periods of 50 years.

- A community consultancy will be needed

There are three levels to allocate the land: Governor; Ministry of Land, Environment and Rural Development and Council of Ministers

The entity responsible for registration and information on land use is: MINISTRY OF LAND, ENVIRONMENT AND RURAL DEVELOPMENT
Rua Kassuende 167, Maputo
Tel: + 258 21492403

APIEX provides all the assistance necessary to ensure the investor obtains the necessary land use rights.

(Note: Information as of August, 2017)

General Customs Directorate

www.at.gov.mz

INE - National Statistics Institute

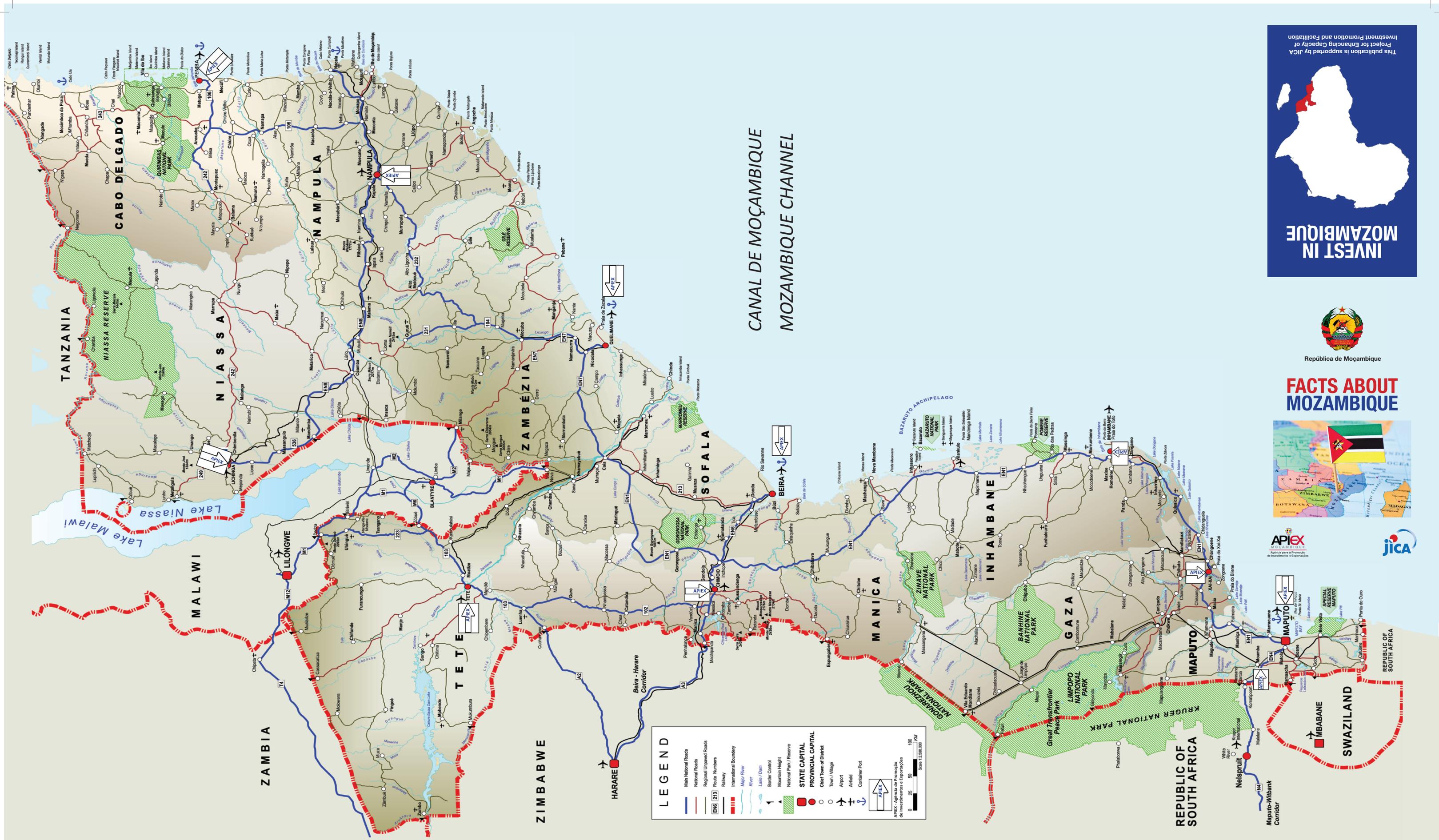
www.ine.gov.mz

Institute for Promotion of SMEs

www.ipeme.gov.mz

National Institute of Tourism

www.inatur.org.mz



CANAL DE MOÇAMBIQUE
MOZAMBIQUE CHANNEL



República de Moçambique

FACTS ABOUT
MOZAMBIQUE



APIEX
MOÇAMBIQUE
Agência para a Promoção de Investimentos e Exportações

JICA

LEGEND

- Main National Roads
- National Roads
- Regional Unpaved Roads
- EN6 213 Route Numbers
- Railway
- International Boundary
- Major River
- River
- Lake / Dam
- Border Control
- Mountain Height
- National Park / Reserve
- STATE CAPITAL
- PROVINCIAL CAPITAL
- Chief Town / District
- Town / Village
- Airport
- Airfield
- Container Port

APIEX - Agência de Promoção de Investimentos e Exportações

Scale 1:2,500,000

0 25 50 100 KM

REPUBLIC OF SOUTH AFRICA

SWAZILAND

REPUBLIC OF SOUTH AFRICA

GAZA

MANICA

INHAMBANE

SOFALA

ZIMBABWE

ZAMBÉZIA

TETE

MALAWI

ZAMBIA

NIASSA

CABO DELGADO

NAMPULA

TANZANIA

CABO DELGADO

Ilhas de Moçambique