IRPC — Corporate Income Tax

Reference guide to corporate income tax in Mozambique: taxable income, rates, withholding taxes, thin capitalisation, transfer pricing, tax incentives and the filing calendar. Updated for the Tax Package 2026.

LEGAL FRAMEWORK

Corporate Income Tax Code approved by **Law no. 34/2007 of 31 December**, as amended, including by the Tax Package published on 29 December 2025 and in force since 1 January 2026. Depreciation Regime approved by Decree no. 72/2013 of 23 December.

1 Taxable income

Taxable income comprises the profits of companies and other business entities resident in national territory or deriving income from it. It is adjusted for positive and negative changes in net assets not reflected in the accounting net result, applying the tax adjustments provided for in the Code.

Costs or losses are deductible where it is shown that they were incurred directly and necessarily for the purpose of generating taxable income or gains, or of maintaining the income-generating asset or activity. Disallowed or excessive deductions may result in adjustments to the tax base on audit, with additional liabilities, penalties or interest.

2 Rates

SITUATION	REGIME	RATE
Standard rate	Domestic and foreign companies	32%
Agriculture, livestock, aquaculture and transport activities	Reduced rate, in force	10%
Entities without head office or effective management and without permanent establishment	Depending on the type of income	10% or 20%
Dividends	Withholding. Exempt if paid to another local company with a holding of at least 20% for at least 2 years	20%
Bank interest	Withholding. No withholding if paid to a resident financial institution	20%
Royalties	Withholding	20%
Rents	Withholding. No withholding where obtained by real estate companies managing their own assets	20%
Fees	No withholding	—

3 Withholding tax

Payments by a resident to a non-resident in respect of certain income obtained in national territory are subject to corporate income tax at 10% or 20%. The rate may be reduced to as low as 0% under a double tax treaty.

3.1 When the obligation arises

The withholding obligation arises at whichever of the following occurs first: the date the cost is recognised; the date of payment for the service; the date the obligation falls due; the date the income is made available.

> **THE RULE THAT BLOCKS PAYMENTS ABROAD**
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> Where withholding tax is due on income of non-resident entities, evidence of payment of the tax must be presented to the commercial bank **before** the income is paid. In other words, the tax must be paid to the tax authorities before the transfer is made.

3.2 Income subject to 20%

- Intellectual or industrial property, including services relating to know-how in industrial, commercial or scientific fields;
- Use of equipment; investment and property income, including rental;
- Remuneration of the company's statutory bodies;
- Prizes from games of chance, competitions and raffles;
- Contract intermediation; supply of services.

3.3 Income subject to 10%

INCOME	RATE
Telecommunications, international transport, assembly and installation of related equipment, aircraft maintenance and freight	10%
Transmission and distribution of electricity in rural areas, under public rural electrification projects	10%
Shares listed on the Mozambique Stock Exchange, with exceptions	10%
Chartering of vessels for fishing and cabotage	10%
Securities issued on the MEE, other than treasury bill and debt security interest	10%
Commissions of electronic money agents	10%
Supply of digital goods or services	10%

The 20% withheld is normally treated as a payment on account of the final tax due. Where income is earned by non-residents without a permanent establishment in Mozambique, the 10% or 20% rate is final.

> **SEPARATE TAXATION — UNDOCUMENTED EXPENSES**
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> Under the Tax Package 2026, undocumented or unlawful expenses are taxed separately at **35%**. In practice, an expense without supporting documentation is no longer merely non-deductible: it generates additional tax. The applicable provision should be confirmed before relying on this in response to a notification.

4 Permanent establishment

Under the Tax Package 2026, a permanent establishment is deemed to exist in Mozambique where construction or installation activities last more than **90 days** — previously six months — or where services, including consultancy and other independent activities, are supplied in Mozambique for more than 90 days in a 12-month period, **even without physical presence**.

5 Double tax treaties

COUNTRY	DIVIDENDS	INTEREST	ROYALTIES	CAPITAL GAINS
Portugal	10%	10%	10%	0%*
Italy	15%	10%	10%	0%
Mauritius	8 / 10 / 15%**	8%	5%	0%

COUNTRY	DIVIDENDS	INTEREST	ROYALTIES	CAPITAL GAINS
United Arab Emirates	0%	0%	5%	0%*
South Africa	8 / 15%***	8%	5%	0%
Macau	10%	10%	10%	0%
Vietnam	10%	10%	10%	0%*
Botswana	0 / 12%****	10%	10%	0%*
India	7.5%	10%	10%	0%*

* Where the shares sold are in a company whose value is made up of more than 50% immovable property, the capital gains are taxable in Mozambique. · ** 8% where the Mozambican subsidiary is 25% or more held by the Mauritian parent; 10% where held below 25%; 15% in all other cases. · *** 8% where the Mozambican subsidiary is 25% or more held by the South African parent; 15% in all other cases. · **** 0% where the Mozambican subsidiary is 25% or more held by the Botswana parent; 12% in all other cases.

6 Thin capitalisation

Where a taxpayer's debt to a related non-resident entity exceeds twice its net equity and a special relationship exists between the parties, any excess interest paid is not deductible for tax purposes.

A special relationship is deemed to exist where the non-resident entity holds, directly or indirectly, at least 25% of the resident's share capital; where, holding less than 25%, it exercises significant influence over management; or where both are under common control of a third party through direct or indirect shareholding.

Interest and other payments on shareholder loans are not deductible where they exceed the applicable reference rate plus two percentage points. The rules do not apply if the taxpayer demonstrates, with adequate documentation, that it could have obtained comparable financing on similar terms from an independent party.

7 Transfer pricing

Transactions between related parties must observe the arm's length principle. The regime applies to legal and natural persons resident or domiciled in Mozambique transacting with related parties, resident or otherwise; to permanent establishments in Mozambique; to entities transacting with jurisdictions under a clearly more favourable tax regime; and to transactions intermediated by unrelated third parties but involving related parties abroad.

In the annual accounting and tax information return, the taxpayer must state whether there were transactions with related parties, the entities involved and the amounts by product or service, whether transfer pricing adjustments were made, and the method adopted.

DOCUMENTATION THRESHOLD

Taxpayers with net sales and other annual income below **MZN 2,500,000.00** are exempt from transfer pricing documentation obligations.

8 Tax benefits and incentives

8.1 Generic incentives

- **Investment Tax Credit:** deduction of 5% to 10% of tax payable on most acquisitions of new tangible fixed assets used in operations under the Investment Law.
- **Accelerated depreciation:** a 50% increase in the statutory rate, for new immovable property used in the activity of companies authorised under the Tax Benefits Code.
- **Modernisation and new technologies:** deduction of up to 10% of taxable income for the first 5 years, of the amount invested in specialised equipment.
- **Vocational training:** deduction of up to 5% of taxable income in the first 5 years, rising to 10% where directed at the use of technologically advanced equipment.

- **Public utility expenditure:** 110% or 120%, depending on the province, of expenditure on the construction and rehabilitation of roads, railways, airports, postal services, telecommunications, water, electricity, schools, hospitals and other public utility works, subject to prior authorisation.

8.2 Industrial free zones and special economic zones

CATEGORY	BENEFIT
IFZ operator	Exemption for the first 10 years; 50% reduction of the general rate from years 11 to 15; 25% reduction for the remaining years of the project
IFZ companies	Exemption for the first 5 years; 50% reduction from years 6 to 10; 25% reduction thereafter
SEZ operators	Exemption for the first 5 years; 50% reduction from years 6 to 10; 25% reduction thereafter
SEZ companies	Exemption for the first 3 years; 50% reduction from years 4 to 10; 25% reduction from years 11 to 15

8.3 Basic infrastructure and public utility projects

Exemption from customs duties and VAT on the import of goods classified as class "K" in the customs tariff, including accompanying spare parts and accessories. For corporate income tax: 80% reduction of the 32% rate for the first five tax years; 60% reduction from years 6 to 10; 25% reduction from years 11 to 15.

9 Filing calendar

OBLIGATION	DEADLINE
Corporate income tax return — Form 39 (withholding)	By the 20th day of the month following the transactions
Form 22 — annual corporate income tax return	By 31 May, or by the 5th month following the end of the financial year where a non-calendar year is adopted
Form 20 — annual accounting and tax information return, with annexes	By the last day of June each year
Returns 20H and 20I	By 31 March of the year following the withholdings
Payments on account — 1st, 2nd and 3rd instalments	31 May, 31 July and 30 September*
Special payments on account — 1st, 2nd and 3rd instalments	30 June, 31 August and 31 October**
Nominal list of employees	By 30 June each year
Economic Activity Fee	By 31 March each year
Municipal Vehicle Tax	By 31 March each year

* Taxpayers with a non-calendar tax period make payments on account in months 5, 7 and 9 of that period, using form M/39. · ** In those cases, special payments on account fall in months 6, 8 and 10 of the tax period.

The tax period coincides with the calendar year, although a taxpayer may adopt a different period provided it is duly justified and notified to the Tax Authority.

Corporate income tax support

RT Serviços handles corporate income tax compliance, the computation of taxable profit and the supporting documentation required on inspection.

RT SERVIÇOS

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Sources: Corporate Income Tax Code, Law no. 34/2007 of 31 December · Tax Package 2026, instruments of 29 December 2025, Boletim da República no. 248 · Tax Benefits Code, Law no. 4/2009 · RSM Mozambique, *Tax Pocket Guide 2026* · PLMJ, *Tax Reform in Mozambique* · Moore Mozambique, *Newsletter January 2026*.