Other taxes, municipal taxes and incentives

The taxes that fall outside the main codes but appear in almost every portfolio: property transfer tax, municipal taxes, excise duty, investment incentives, the mining and petroleum sectors, and exchange control.

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- Municipal Personal Tax, Municipal Vehicle Tax and the Economic Activity Fee;
- Excise duty, extended to 2027;
- Exchange control: 90-day repatriation and mandatory 30% conversion;
- Taxes specific to the mining and petroleum sectors.

1 SISA — property transfer tax

SISA is charged on transfers of immovable property located in Mozambique, on purchase options, and on long-term leases and subleases.

SITUATION	RATE
General rule	2%
Acquiring entity or its shareholders resident in a tax haven	**10%**

Local municipal taxes may also apply, depending on where the property is located.

2 Municipal taxes

2.1 Municipal Personal Tax

Charged on all residents, national and foreign with tax domicile, at the relevant Municipal Council, aged between **18 and 60**. The annual amount in each municipality is calculated by applying the rate to the highest national minimum wage as at 30 June of the previous year, according to the classification of municipalities. Rates range between **1% and 4%**.

2.2 Municipal Vehicle Tax

Payable by vehicle owners, on an annual basis. For light vehicles it may range between **MZN 50 and MZN 4,400**, depending on the specific type of vehicle.

2.3 Municipal deadlines

OBLIGATION	DEADLINE
Economic Activity Fee	By 31 March each year
Municipal Vehicle Tax	By 31 March each year

3 Excise duty

Excise duty rates were extended to **2027**. They apply, among other items, to alcoholic and non-alcoholic beverages, tobacco, fuels and derivatives. Revenue is allocated to sectors including Health, Roads, Energy, Transport, Housing, Culture and Sport.

PRACTICAL IMPACT

Direct effects on price setting, trading margins and financial planning for the businesses concerned. Clients trading in beverages, tobacco and fuels should review their pricing structure against the applicable rates.

4 Customs tariff and external trade

- Introduction of new tariff codes and relevant technical adjustments;
- Update to the tariff dismantling schedule under the African Continental Free Trade Area (AfCFTA);
- Reinforced measures protecting domestic industry, with temporary import restrictions on certain products.

This calls for a review of tariff classification, import costs and sourcing strategies.

5 Investment tax incentives

Investment projects registered with the Investment Promotion Centre may benefit from exemptions and incentives.

5.1 Generic incentives

INCENTIVE	BENEFIT
Investment Tax Credit	Deduction from tax payable of 5% to 10% of investment in most acquisitions of new tangible fixed assets used in operations under the Investment Law
Accelerated depreciation	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; up to 10% where directed at technologically advanced equipment
Public utility expenditure	110% or 120%, depending on the province, of expenditure on roads, railways, airports, postal services, telecommunications, water, electricity, schools, hospitals and other public utility works, subject to prior authorisation

There is also a specific incentive for tangible fixed assets used in hotel and tourism activities, consisting of a 50% increase in the statutory rates for calculating depreciation and amortisation accepted as costs of the period in determining the corporate or personal income tax base.

5.2 Basic infrastructure and public utility

Exemption from customs duties and VAT on the import of capital goods classified as class "K" in the customs tariff, including 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.

5.3 Science and technology parks

Investments in scientific research and in the development of information and communication technologies, as well as in research and development, benefit from exemption from customs duties and VAT under the Tax Benefits Code.

6 Exchange control

6.1 Liberalised transactions

The following do not require authorisation from the Central Bank, among others: foreign direct investment; investment abroad up to USD 1,000,000.00 per calendar year; real estate investment in Mozambique; transactions in securities on the capital and over-the-counter markets in Mozambique; credits linked to the supply of goods or services; and loans and financial credits made under the conditions of articles 6 and 7 of Notice no. 4/GBM/2024 of 21 March.

Capital and other foreign exchange transactions not listed in that Notice are subject to the authorisation regime.

6.2 Repatriation and conversion

TWO OBLIGATIONS THAT FREQUENTLY GIVE RISE TO BREACHES

Proceeds from the export of goods and services and from investment abroad must be repatriated within **90 days**, counted from shipment in the case of goods, from receipt of the price in the case of services, or from receipt of the income in the case of investment.

Proceeds from the export of goods and services and from investment abroad must be converted into local currency to the extent of **30% of the amount received**, at the time of receipt, at the prevailing spot exchange rate.

Not subject to conversion are proceeds from rent paid by non-residents for the use of property owned by residents and located in national territory, where paid into accounts held with the domestic banking system; nor remuneration for employment or services provided by residents to embassies, diplomatic or consular missions and equivalent bodies established in Mozambique.

6.3 Foreign investment

- Foreign direct investment must be registered with the Central Bank;
- Foreign investors must register all imports of goods or money with the Central Bank;
- Repatriation of capital, dividends and loan repayments is permitted provided the registration and pre-approvals are in place;
- Financial statements must be **audited by independent auditors** to allow repatriation of dividends;
- Foreign shareholder or third-party loans must be pre-approved and registered with the Central Bank, at reasonable interest rates and having regard to transfer pricing policies;
- Resident entities are permitted to hold funds in foreign currency.

7 Mining and petroleum sectors

7.1 Mining production tax

PRODUCT	RATE
Diamonds	8%
Precious metals (gold, silver, platinum) and precious stones	6%
Semi-precious stones and heavy sands	6%
Base minerals, coal, ornamental rock and other mineral products	3%
Sand and stone	1.5%

All mineral products used for the development of local industry benefit from a 50% reduction in the rate. Export is permitted only after payment of the tax due.

7.2 Petroleum and gas

PRODUCT	RATE
Crude oil	10%
Natural gas	6%

These rates are reduced by 50% where production is designated for use by local industry.

7.3 Mining Resource Rent Tax

A direct tax on the net cash flow of a mining project, applicable once developments exceed a pre-tax rate of return of 18%. The rate is **20%**. The annual return is filed on the same date as the annual corporate income tax return.

7.4 Common rules

- Each mining title and each petroleum concession contract must have its own tax registration number, with separate accounts and returns;
- Losses assessed in one mine or concession area may not be offset against gains assessed in another;
- Withholding at a flat rate of 10% on income paid to non-residents for services relating to mining activity;
- Gains of non-residents, with or without a permanent establishment, on the transfer of a mining title for consideration or otherwise are taxed at 32%, with the acquirer jointly liable where the recipient is a non-resident without a permanent establishment;
- Taxes specific to mining and petroleum activities are not accepted as costs for tax purposes;
- A Surface Tax applies annually, calculated by reference to the number of hectares under licence. Taxpayers are exempt from the annual land use and exploitation fee for the area of the mining title.

7.5 Depreciation specific to the petroleum sector

TYPE OF ASSET OR EXPENDITURE	RATE
Exploration and appraisal expenditure	100%
Development expenditure	25%
Petroleum production activities	25%
Petroleum production assets	10%
Premiums paid to acquire an interest in a concession contract	10%
Other assets	10%

Classification and tax incentives

RT Serviços supports the assessment of eligibility for incentives, compliance with municipal and exchange control obligations, and the classification of cross-border transactions.

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Sources: Tax Benefits Code, Law no. 4/2009 · Notice no. 4/GBM/2024 of 21 March · Foreign Exchange Law, Law no. 28/2022 of 29 December · Regulation on the Specific Regime for Mining Activity, Decree no. 28/2015 · Regulation on the Specific Regime for Petroleum Activity, Decree no. 32/2015 · RSM Mozambique, *Tax Pocket Guide 2026*.