Commercial and corporate framework

Mozambique's commercial framework now rests on the 2022 Commercial Code and the standalone instruments carved out of it. This issue sets out what changed, what remains, and the corporate decisions the new framework has made possible.

THE ESSENTIALS IN FOUR POINTS

- The Commercial Code in force is the one approved by **Decree-Law no. 1/2022 of 25 May**.
- Negotiable instruments and commercial contracts were removed from the Code into separate instruments.
- Commercial companies are now designated **business companies**.
- Single-member private limited companies may now be incorporated by **legal persons**, not only by individuals.

1 The current legislative architecture

What was a single code became three instruments published on the same date. The legal regimes governing negotiable instruments and commercial contracts were removed from the Commercial Code and are now regulated separately.

INSTRUMENT	SUBJECT MATTER
Decree-Law no. 1/2022 of 25 May	Commercial Code
Decree-Law no. 2/2022 of 25 May	Legal Regime for Negotiable Instruments
Decree-Law no. 3/2022 of 25 May	Legal Regime for Commercial Contracts
Law no. 28/2022 of 29 December	Foreign Exchange Law
Law no. 8/2023 of 9 June	Private Investment Law

PRACTICAL IMPACT

Commercial contracts, and bills of exchange, promissory notes or cheques, are no longer resolved by reference to the Commercial Code. Contract templates and standard clauses drafted before 2022 frequently cross-refer to provisions that no longer exist in that instrument, and should be reviewed.

2 Business companies

Commercial companies are now designated business companies. The change is not merely terminological: it follows the reorganisation of the Code around the concept of business activity.

2.1 Classification of companies

Rules classifying companies by headcount and turnover were introduced in article 5 of the Commercial Code, with micro, small, medium and large categories. This classification is now a precondition for access to a range of regimes and benefits.

2.2 Single-member private limited companies

Under the 2005 Commercial Code, approved by Decree-Law no. 2/2005, single-member private limited companies could be incorporated only by individuals. Under the 2022 Code, they may be incorporated by individuals or by legal persons.

PRACTICAL IMPACT — GROUP STRUCTURING

This change makes it possible for one company to hold another private limited company in full, without the need for a nominee second shareholder. For entrepreneurs with several activities, it allows a genuine holding structure, with risk separation between entities, and without the workarounds previously required.

2.3 Governance and operation

The new framework allows meetings to be formally held by videoconference and regulates companies in group relationships — matters that previously lacked express treatment.

3 Converting a sole trader into a company

The conversion of a sole trader into a single-member private limited company is one of the most common operations in Mozambican business, and the new Code clarified its framework. The implications go well beyond registration.

DIMENSION	WHAT CHANGES
Liability	Personal assets cease to answer for business debts, save for personal guarantees given
Taxation of profit	Moves from personal income tax to corporate income tax
Owner's remuneration	Becomes employment income or profit distribution, under different regimes
Existing contracts	Require assignment or novation — they do not transfer automatically
Licences and permits	Require endorsement or re-issue in the company's name
Tax number (NUIT)	The company is a new taxable person, with its own tax number

CRITICAL POINT

The most common error in these operations is to assume that contracts with customers, suppliers and employees follow the new entity automatically. They do not. Each legal relationship requires its own treatment, and the omission only surfaces at the first dispute or the first inspection.

4 Private investment and foreign exchange

Law no. 8/2023 of 9 June and Foreign Exchange Law no. 28/2022 of 29 December changed the investment and capital flow framework. Among the relevant changes:

- Liberalisation of certain capital transactions, which no longer require prior consent from the Bank of Mozambique;
- Reinforced reporting obligations for investments made and income generated abroad by Mozambican residents;
- Change to the minimum foreign direct investment threshold for eligibility under the Private Investment Law, now **MZN 6,500,000.00**;
- Adoption of different investment regimes — a simple registration regime and an authorisation regime;
- Extension of APIEX's powers over approval and amendment of investment projects.

PRACTICAL IMPACT

The reinforced reporting of income generated abroad affects residents holding shareholdings, accounts or assets outside Mozambique. Combined with the new tax residence test introduced in 2026, it significantly widens the population subject to these obligations.

5 Bookkeeping and retention

The Commercial Code maintains the duty of the commercial entrepreneur to keep commercial books in accordance with the law and appropriate to the business, enabling knowledge of all its transactions and information on its financial position and performance. Cessation of the business does not release the entrepreneur from this duty: on death it passes to the heirs, and on dissolution of a company it falls to the liquidators.

6 Anti-money laundering and compliance

The legal regime for the prevention, suppression and combating of terrorism and proliferation of weapons of mass destruction is set out in Law no. 14/2023 of 28 August, amended by Law no. 4/2024 of 22 March. Accountants and auditors fall within the population of entities subject to identification, due diligence and reporting duties, which requires formalised internal procedures.

RECOMMENDED CORPORATE REVIEW

1. Confirm whether the company's articles have been adapted to the 2022 Commercial Code.
2. Review commercial contract templates that cross-refer to repealed provisions.
3. Assess whether the current corporate structure would benefit from a single-member company held by a legal person.
4. Verify the company's classification under article 5 and the regimes it gives access to.
5. In sole trader conversions, map the contracts, licences and permits to be transferred.
6. Confirm compliance with reporting obligations on investments and income abroad.

Corporate restructuring and compliance

RT Serviços supports the conversion of sole traders into companies, the setting up of group structures, and the adaptation of articles of association to the Commercial Code in force.

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Sources: Decree-Law no. 1/2022, Decree-Law no. 2/2022 and Decree-Law no. 3/2022 of 25 May · Law no. 28/2022 of 29 December · Law no. 8/2023 of 9 June · Law no. 14/2023 of 28 August, amended by Law no. 4/2024 of 22 March · Mozambique Bar Association, *Notes on the legal regime of single-member private limited companies*, February 2024 · MDR Advogados, *Approval of the New Commercial Code*.

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