VAT — Value Added Tax

Reference guide to VAT in Mozambique: rates, exemptions, the right to deduct, credit and refunds, invoicing rules, credit notes and the treatment of services acquired from non-residents.

LEGAL FRAMEWORK

VAT Code approved by **Law no. 32/2007 of 31 December**, as amended by **Law no. 10/2025 of 29 December**. VAT Refund Regulation approved by Decree no. 78/2017 of 28 December, amended by Decree no. 30/2022 of 23 June and by **Decree no. 52/2025 of 29 December**.

1 Scope and rates

VAT is charged on supplies of goods and services made in national territory and on imports, meaning the entry of goods or services into national territory.

RATE	APPLICATION
16%	Standard rate, applicable to supplies generally
5%	Reduced rate, applicable to the supplies listed below

1.1 Supplies subject to the reduced 5% rate

- Medical and health services and closely related transactions, provided by private hospitals, clinics, dispensaries and similar establishments;
- Education services, and related supplies of goods and services, where provided by private establishments within the National Education System and recognised by the Ministry responsible for Education;
- Vocational training services, and related supplies such as accommodation, meals and teaching materials, provided by private entities;
- Services consisting of private tuition on school or higher education subjects.

For supplies at the reduced rate, the taxable amount is the consideration obtained or to be obtained from the customer, the recipient or third parties.

2 Exemptions

Exemptions may be **full** — zero-rated — or **partial**.

2.1 Full exemptions

These allow the economic operator to recover in full the VAT incurred on goods and services acquired, while exempting the goods sold or services supplied. This group includes exports of goods and related services, the import and sale of ships and aircraft for use in international trade, and other services relating to transport and distribution. The law also allows an operator to set up a bonded warehouse, permitting the storage and movement of goods under the full exemption mechanism.

2.2 Partial exemptions

These cover a wide range of transactions, including financial services and insurance — in both cases where subject to stamp duty — education provided by public establishments within the National Education System and recognised by the responsible Ministry, and healthcare provided by public institutes.

INTERPRETATIVE NOTE

VAT exemptions are construed narrowly. A good or service not expressly listed does not qualify by analogy of nature, raw material or trade description. Where there is doubt about a product's classification, the correct route is a binding ruling request to the Tax Authority, stating the customs tariff heading.

3 Right to deduct

The taxpayer is entitled to deduct VAT incurred on taxable, non-exempt transactions necessary for carrying on taxable activities. Deduction is subject to conditions, in particular that the invoices or equivalent documents are issued in the taxpayer's name and meet the other legal requirements, and to the period in which the invoices were issued.

TIME LIMIT

VAT on supplier invoices must be deducted within **90 days**, subject to the legal requirements.

4 Credit and refunds

A VAT credit shown on a return may be carried forward to the following month and used to offset VAT payable in future periods, with credits considered under the applicable lapse rules. Alternatively, the credit may be refunded on the taxpayer's application.

Refunds are not automatic: the Tax Authority assesses the accuracy of the claim by reviewing the information submitted. Under Decree no. 52/2025, claims must include, among other items, detailed customer, invoice and transaction listings; monthly analytical trial balances; duly acknowledged service agreements; and evidence of exports and repatriation of proceeds where applicable. All supporting documents must be signed and stamped.

The Tax Authority may suspend the refund period where further verification is required, issuing a suspension notice stating the reasons, identifying the legal basis, specifying the documentation required and setting a 30-day period for regularisation.

5 Services acquired from non-residents

Where a Mozambican entity acquires services from non-resident entities without a permanent establishment or tax representative in Mozambique, the transaction is subject to VAT depending on the type of service. The following are covered:

- Services connected with immovable property located in Mozambican territory, and the leasing of tangible movable property;
- Transfers and assignments of copyright, patents, licences, trademarks and similar rights;
- Advertising and telecommunications services;
- Services of consultants, engineers, consultancy firms, lawyers, accountants and similar, as well as data processing and the supply of information;
- Staff placement and secondment, and the services of intermediaries acting on behalf of others in supplying the above services;
- Digital goods and services.

5.1 Digital goods and services covered

- Website supply, web hosting, remote maintenance of programs and equipment;
- Supply of software and its updates;
- Supply of images, text and information, and making databases available;
- Supply of music, films and games, including games of chance, and of political, cultural, artistic, sporting, scientific and entertainment broadcasts and events;
- Distance learning and other similar services.

AUTOMATIC TAX REPRESENTATION

For the services listed, the customer is automatically appointed tax representative of the supplier where the supplier has none. In that capacity, the customer must assess and pay the VAT on the transaction. Payment is made through the isolated transactions return — **Form E**.

6 Invoicing

Invoices must be issued within **5 days** of the tax becoming chargeable. They may be issued manually or generated electronically, subject to the following:

- Computer-generated invoices must be issued through a system previously authorised by the tax authorities;
- Copies of invoices must be retained by the supplier of the goods or services.

The Tax Package 2026 reinforces the obligation to submit electronically the invoices or equivalent documents issued for each transaction, under terms to be regulated.

6.1 Credit notes

A FREQUENTLY OVERLOOKED REQUIREMENT

Credit notes must be duly **signed by the customer**, acknowledging the credit. Where this requirement is not met, the cancellation of the sale is disregarded and the transaction remains taxable.

7 Filing deadlines

SITUATION	DEADLINE
Credit returns and nil returns	By the 15th day of the month following the transactions
Payment returns	By the last day of the month following the transactions
Digital services supplied by non-resident suppliers	By the 10th day of the month following the transactions

8 Repealed regimes

The simplified taxation regime and the VAT exemption regime were **repealed**. Regularisation notes were also **abolished**, and a special refund regime was created for the mining and petroleum sectors.

IMPACT ACROSS THE CLIENT PORTFOLIO

All clients previously within the exemption or simplified regime moved, from 1 January 2026, to the normal regime with organised accounting. A full review of these cases is advisable, with a regularisation plan covering registration, invoicing with VAT and the exercise of the right to deduct.

RECURRING VAT CHECKS

1. Confirm that supplier invoices are in the taxpayer's name and meet the legal requirements.
2. Check whether any invoice is approaching the 90-day deduction limit.
3. Confirm that credit notes issued have been signed by the customer.
4. Identify services acquired from non-residents and account for the VAT through isolated transactions (Form E).
5. Review the classification of products covered by exemptions, by reference to the tariff heading.
6. In companies with recurring credits, ensure monthly closing and the analytical trial balances required for refunds.

VAT support

RT Serviços handles VAT computation and compliance, the preparation of refund claims and the analysis of cross-border transactions.

RT SERVIÇOS

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Sources: VAT Code, Law no. 32/2007 of 31 December · Law no. 10/2025 and Decree no. 52/2025 of 29 December, Boletim da República no. 248 · VAT Refund Regulation, Decree no. 78/2017, amended by Decree no. 30/2022 · RSM Mozambique, *Tax Pocket Guide 2026* and *Tax Alert — Tax Package 2026*.