MOORE

Corporate Income Tax Code

Law No. 34/2007 of 31 December

Amended by Laws No. 20/2009 of 10 September, 4/2012 of 23 January, 19/2013 of 23 September and 20/2022 of 30 December and Law No. 12/2025 of 29 December

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PREAMBLE

As there is a need to reformulate the income taxes established by Law No. 15/2002 of 26 June, introducing changes to the direct taxation on corporate income, the Assembly of the Republic, under the provisions of Article 127(2) in conjunction with Article 179(2)(*o*), of the Constitution of the Republic, determines:

Article 1: Articles 3, 5, 20, 62, 67 and 75 of the Corporate Income Tax Code, approved by Law No. 34/2007 of 31 December, amended successively by Law No. 20/2009 of 10 September, Law No. 4/2012 of 23 January, Law No. 19/2013 of 23 September and Law No. 20/2022 are hereby amended, of 30 December, which shall be replaced by the following:

Article 2. The following Article 61a is inserted:

Article 3: Articles 39, 47, paragraph 2 of article 75 and 76 of the Corporate Income Tax Code, approved by Law No. 4/2007 of 31 December, successively amended by Law No. 20/2009 of 10 September, Law No. 4/2012 of 23 January, Law No. 19/2013 of 23 September and Law No. 20/2022 are hereby repealed. of 30 December.

Article 4. Taxpayers included in the Simplified Bookkeeping and Simplified Taxable Income Determination Regime must be transferred to the organized accounting regime.

Article 5. It is incumbent upon the Government to regulate this Law within 180 days from the date of its publication.

Article 6. This Law enters into force on 1 January 2026.

Approved by the Assembly of the Republic, on 12 December 2025. — The President of the Assembly of the Republic, Margarida Adamugi Talapa.

Promulgated on December 29, 2025.

Public.

The President of the Republic, Daniel Francisco Chapo. [1]

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[1] Amended by article 1 of Law no. 12/2025 of 29 December. Entry into force on January 1, 2026. Previous wording: "In view of the need to reformulate the income taxes, established by Law No. 15/2002, of 26 June, introducing changes to the direct taxation on the income of legal persons, the Assembly of the Republic, under the provisions of paragraph 2 of article 127 in conjunction with paragraph o) of paragraph 2 of article 179, of the Constitution of the Republic, determines:

Article 1: The Corporate Income Tax Code, annexed to this Law, is hereby approved, and is an integral part thereof.

Article 2. It is incumbent upon the Council of Ministers to regulate this Law and establish the necessary procedures to simplify the forms of collection of this tax, within 90 days from the date of its publication.

Article 3: Decree No. 21/2002, of 30 July, its amendments and all complementary legislation that contradicts this Law is hereby repealed.

Article 4. This Law shall enter into force on 1 January 2008 and shall apply to income for the 2008 and subsequent financial years.

Approved by the Assembly of the Republic on 7 December 2007.

The President of the Assembly of the Republic, *Eduardo Joaquim Mulémbwè*.

Promulgated on 31 December 2007.

Public:

The President of the Republic, *ARMANDO EMÍLIO GUEBUZA*.

CHAPTER I – INCIDENCE

ARTICLE 1 – (Nature of the Tax)

Corporate income tax – IRPC, is a direct tax that is levied on income obtained, even when arising from unlawful acts, in the tax period, by the respective taxpayers, under the terms of this code.

ARTICLE 2 – (Taxable persons)

1. The following are taxable persons of the IRPC:

a) Commercial or civil companies in commercial form, cooperatives, public companies and other legal persons governed by public or private law with headquarters or effective management in Mozambican territory;

b) Entities without legal personality, with headquarters or effective management in Mozambican territory, whose income is not taxable in Personal Income Tax (IRPS) or Corporate Income Tax (IRPC) directly owned by natural or legal persons;

c) Entities, with or without legal personality, that do not have their headquarters or effective management in Mozambican territory, under the conditions established in articles 4 and 5 of this Code, whose income obtained therein is not subject to IRPS.

2. Paragraph 1(b) shall include , in particular, inheritances in abeyance, legal persons in respect of which invalidity is declared, civil associations and societies without legal personality, and commercial or civil companies in commercial form, prior to definitive registration.

3. For the purposes of this Code, legal persons and other entities that have their head office or effective management in Mozambican territory are considered residents.

ARTICLE 3 – (Permanent establishment)

1. A permanent establishment shall be considered to be any fixed facility through which an activity of a commercial, industrial or agricultural nature, including the provision of services, is carried out, in whole or in part.

2. The concept of permanent establishment referred to in the preceding paragraph includes:

a) A management site, branch, office, factory, workshop, mine, oil or gas well, quarry or any other place of extraction of natural resources located in Mozambican territory;

(b) a construction, installation or assembly site or site, where the duration of the site or the duration of the work or activity exceeds 90 days; [2]

(c) without prejudice to points (a) and (b) of paragraph 2 of this Article, the supply of services including consultancy services and the provision of professional services or other activities irrespective of physical presence, excluding digital services, but only where such services continue within Mozambican territory for a period or periods exceeding that; in aggregate, 90 days, in any 12-month period, beginning or ending in the relevant tax year.[3]

3. In the case of subcontracting, the subcontractor shall be deemed to have a permanent establishment on the site if he carries out his activity there for the same period referred to in paragraph b) of the preceding paragraph.

4. The coordination, supervision and supervision activities in connection with the establishments referred to in paragraph 2(b) and in the preceding paragraph, as well as the installations, platforms or drilling boats used for the prospection or exploitation of natural resources, shall also constitute a permanent establishment under the conditions referred to therein.

5. For the purposes of calculating the period referred to in paragraph 2(b) and paragraph 3, in the case of construction, installation or assembly sites, the period shall apply to each site individually, from the date of commencement of activity, including preparatory works, and temporary interruptions, the fact that the contract has been commissioned by several persons or subcontracts shall not be relevant.

6. A permanent establishment shall also be deemed to exist when a person who is not an independent agent under the terms of paragraph 7 acts in Mozambican territory on behalf of an undertaking and has, and habitually exercises, powers of intermediation and conclusion of contracts binding on the undertaking within the scope of the latter's activities.

7. A company is not considered to have a permanent establishment in Mozambican territory simply because it carries out its activity there through a broker, a commission agent or any other independent agent, provided that these persons act within the normal scope of their activity, bearing the business risk of the same.

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[2] Amended by article 1 of Law no. 12/2025 of 29 December. Previous wording: "six months"

[3] Text added by article 1 of Law no. 12/2025 of 29 December.

8. Without prejudice to the provisions of paragraph 2 (b) and paragraph 3 of this article, the concept of "permanent establishment" does not include activities of a preparatory or auxiliary nature, as exemplified below:

(a) premises used solely for storing, displaying or delivering goods belonging to the undertaking;

(b) a warehouse of goods belonging to the undertaking kept solely for the purpose of storing, displaying or delivering them;

(c) a warehouse of goods belonging to the undertaking maintained solely for processing by another undertaking;

(d) a fixed installation, maintained solely for the purpose of purchasing goods or gathering information for the undertaking;

e) A fixed installation, maintained solely for the purpose of carrying out, for the undertaking, any other activity of a preparatory or auxiliary nature;

(f) a fixed installation, maintained solely for the exercise of any combination of the activities referred to in points (a) to (e), provided that the combined activity of the fixed installation resulting from this combination is of a preparatory or ancillary nature.

9. For the purposes of the imputation provided for in article 6, the partners or members of the entities referred to therein who do not have their head office or effective management in Mozambican territory shall be deemed to obtain such income through a permanent establishment located therein.

ARTICLE 4 – (Objective incidence)

1. IRPC has an impact on:

a) The profit of commercial or civil companies in commercial form, cooperatives and public companies and other legal persons or entities referred to in Article 2(1)(a) and (b) which carry out, as their main activity, an activity of a commercial, industrial or agricultural nature;

b) The total income, corresponding to the algebraic sum of the income of the various categories considered for the purposes of IRPS, of the entities referred to in Article 2(1)(a) and (b) that do not carry out, as their main activity, an activity of a commercial, industrial or agricultural nature;

c) The profit attributable to a permanent establishment located in Mozambican territory of entities, with or without legal personality, which do not have their head

office or effective management in Mozambican territory and whose income obtained therein is not subject to IRPS;

d) Income of the various categories, considered for IRPS purposes, earned by entities mentioned in the previous paragraph that do not have a permanent establishment in Mozambican territory or that, if they do, are not attributable to it.

2. For the purposes of the preceding paragraph, profit shall consist of the difference between the values of net worth at the end and at the beginning of the tax period, with the corrections set out in this code.

3. The components of the profit attributable to the permanent establishment for the purposes of paragraph 1(c) are income of any nature obtained through it, as well as other income obtained in Mozambican territory from activities identical or similar to those carried out through that permanent establishment held by the entities referred to therein.

4. For the purposes of the provisions of this Code, all activities consisting of the performance of economic operations of a business nature, including the provision of services, shall be considered to be of a commercial, industrial or agricultural nature.

ARTICLE 5 – (Extension of the tax obligation)

1. Legal persons and other entities with head office or effective management in Mozambican territory shall be subject to IRPC on all their income, including that obtained outside that territory.

2. Legal persons and other entities that do not have their head office or effective management in Mozambican territory shall be subject to IRPC only in respect of the income obtained therein.

3. For the purposes of the preceding paragraph, income attributable to a permanent establishment located there shall be deemed to have been obtained in Mozambican territory, as well as income which, if not in these conditions, is indicated below:

a) Income relating to real estate located in Mozambican territory, including gains resulting from its transfer for consideration;

b) Gains resulting from the transfer for consideration of parts representing the capital of entities with head office or effective management in Mozambican territory or other securities issued by entities having their head office or effective management there, or even parts of capital or other securities when, in the

absence of these conditions, the payment of the respective income is attributable to a permanent establishment located in the same territory;

c) Income mentioned below whose debtor has residence, head office or effective management in Mozambican territory or whose payment is attributable to a permanent establishment located therein:

(i) income from intellectual or industrial property and from the provision of information relating to experience acquired in the industrial, commercial or scientific sector;

(ii) Income derived from the use or concession of the use of agricultural, industrial, commercial or scientific equipment;

(iii) Other income from capital investment;

(iv) Remuneration referred to as members of statutory bodies of legal persons and other entities;

(v) Prizes for social entertainment games, namely: lotteries, raffles and mutual bets, as well as the amounts or prizes awarded in any draws and other games provided for in Law No. 9/94, of 14 September;

(vi) Income from intermediation in the conclusion of any contracts;

(vii) Income derived from other services provided or used in Mozambican territory.

d) Income derived from the exercise in Mozambican territory of the activity of entertainment professionals or sportsmen, except when proof is provided that they do not directly or indirectly control the entity that obtains the income.

4. The income listed in paragraph c) of the preceding paragraph shall not be considered to have been obtained in Mozambican territory when it is the responsibility of the permanent establishment located outside that territory relating to the activity carried out through it.

5. Income derived from the transmission of goods or provision of digital services, carried out or used in Mozambican territory, when due by entities located or resident in Mozambique.[4]

[4] Amended by article 1 of Law no. 12/2025 of 29 December. Previous wording: "5. Gains resulting from the transfer, direct or indirect, onerous or free of charge between non-resident entities, of parts representing the share capital or other participatory interests and rights, involving assets located in Mozambican territory, are also considered to be obtained in Mozambican territory, regardless of the place where the sale takes place."

6. Gains resulting from the transfer, direct or indirect, onerous or free of charge, [5] of shares representing share capital or other participatory and direct interests, involving assets located in Mozambican territory, are also considered to be obtained in Mozambican territory, regardless of the place where the sale takes place.[6]

7. For the purposes of paragraph 5 of this Article, the following definitions shall apply:

a) digital assets, intangible assets represented, stored or transmitted in electronic form, endowed with economic value, and capable of appropriation, ownership, control, transfer or licensing, by digital means. This category includes, among others, software, digital content, digital data for economic purposes, cryptocurrencies, e-books, social media profiles and other assets. as well as functionally comparable accounts, accesses and digital identifiers.

b) digital services, services of an intangible nature carried out by electronic means, provided through software, platforms, networks, algorithms or digital infrastructures, which allow the user to access, generate, process, store, communicate or enjoy information, as well as to carry out operations or transactions remotely, regardless of the location of the parties. They cover services that are automated or provided with or without minimal human intervention, including access to platforms, applications made available as a service (SaaS), cloud computing services, media and streaming services, digital financial services, digital intermediation, and any comparable electronic functionalities made available remotely.[7]

ARTICLE 6 – (Tax transparency)

1. The following companies shall be charged to the shareholders, including, in accordance with the applicable legislation, in their taxable income for the purposes of IRPS or IRPC, as the case may be, the taxable amount, determined under the terms of this code, of the companies indicated below, with head office or

[5] Wording removed by article 1 of Law no. 12/2025 of 29 December. Previous wording: "between non-resident entities"

[6] Text renumbered by article 1 of Law no. 12/2025 of 29 December. Previous version: in paragraph 5:". For the purposes of the provisions of this Code, the Mozambican territory covers the entire land surface, maritime zone and airspace delimited by borders, including the areas where, in accordance with Mozambican law and international law, the Republic of Mozambique has sovereign rights in relation to the prospection, exploration and exploitation of the natural resources of the seabed, of its subsoil and the overlying waters

[7] Text added by article 1 of Law no. 12/2025 of 29 December.

effective management in Mozambican territory, even if there has been no distribution of profits:

a) Civil companies not incorporated in commercial form;

b) Societies of professionals;

c) Companies of simple asset management, whose majority of the share capital belongs, directly or indirectly, for more than 180 days of the fiscal year, to a family group or whose share capital belongs, on any day of the fiscal year, to a number of shareholders not exceeding five and none of them is a legal person governed by public law.

2. The imputation referred to in the previous paragraph shall be made to the members or members under the terms resulting from the articles of incorporation of the entities mentioned therein or, in the absence of elements, in equal parts.

3. For the purposes of paragraph 1, the following shall be considered:

a) Civil companies not incorporated in commercial form means partnerships of persons who do not aim to carry out commercial acts and who are subject to civil law;

b) A professional company, one established for the exercise of a professional activity included in the list of the Classification of Mozambican Economic Activities by Branches of Activity (CAE), in which all the partners are professionals in that activity and provided that these, if considered individually, would fall under the category of income from self-employment for the purposes of the IRPS;

c) A company for the simple administration of assets, a company that limits its activity to the administration of assets or values held as a reserve or for the enjoyment or purchase of buildings for the residence of its partners, as well as one that jointly carries out other activities and whose income from such assets, values or buildings reaches, on average in the last three years, more than 50% of the average, during the same period, of its total income;

d) Family group, consisting of persons united by marital or adoption bond, as well as kinship or affinity in the direct or collateral line up to and including the 4th degree.

ARTICLE 7 – (Tax Period)

1. Except as provided for in paragraph 3 of the following article, the CIT shall be due for each financial year that coincides with the calendar year, without prejudice to the exceptions provided for in this article.

2. Companies and other entities subject to CIT may adopt an annual tax period different from that established in the previous paragraph, when justified by reasons determined by the type of activity, and when they are more than 50% owned by entities that adopt a different tax period, which must be maintained for at least the following five financial years, provided that they are duly authorized by order of the Minister who supervises the area of Finance.[8]

3. In the case of companies and other entities subject to IRPC that do not have their head office or effective management in Mozambican territory and have a permanent establishment there, they may, by means of express communication to the Tax Administration, adopt an annual tax period different from that established in paragraph 1, to be considered from the end of the financial year in which the communication was made, which must be maintained for at least the following five financial years.

4. The tax period may, however, be less than one year in the following circumstances:

a) In the case of commencement of activity, in which the tax period is between the date on which activities begin or income that gives rise to taxation begins to be obtained and the end of the financial year;

b) In the case of cessation of activity, in which the tax period is between the beginning of the financial year and the date of cessation of activity;

c) When the conditions for taxation occur and cease to be met in the same financial year, in which it is constituted by the period actually elapsed;

d) In the financial year in which, in accordance with paragraphs 2 and 3, a tax period different from the one that had been followed in general terms is adopted, which is constituted by the period between the beginning of the calendar year and the day immediately preceding the beginning of the new period.

5. The tax period may be longer than one year in relation to companies and other entities in liquidation, in which it has the duration corresponding to the latter, and may not exceed three fiscal years, under the terms established in this Code.

[8] Text given by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014. Previous wording: "2. Companies and other entities subject to IRPC may adopt an annual tax period different from that established in the previous paragraph, when reasons determined by the type of activity justify it, which must be maintained for at least the following five financial years, provided that they are duly authorized by order of the Minister who supervises the area of Finance."

6. The limit established in the preceding paragraph may be extended by means of a reasoned request addressed to the Tax Administration.

7. For the purposes of this Code, the cessation of activity occurs:

a) In relation to entities with their head office or effective management in Mozambican territory, on the date of the closure of the liquidation, or on the date of the merger or spin-off, in the case of companies extinguished as a result thereof, or on the date on which the head office and effective management cease to be located in Mozambican territory, or on the date on which the acceptance of the inheritance in abeyance is verified or on which the declaration that it is vacant takes place in favour of the State or on the date on which the conditions for subjection to tax are no longer met;

b) In relation to entities that do not have their head office or effective management in Mozambican territory, on the date on which they cease to exercise their activity through a permanent establishment or cease to obtain income in Mozambican territory.

ARTICLE 8 – (Chargeable event)

1. A chargeable event for tax is the obtaining of income, whatever its source or origin, by the taxable person.

2. The chargeable event shall be deemed to have occurred on the last day of the tax period.

3. The following income, obtained by non-resident entities, which is not attributable to a permanent establishment located in Mozambican territory, is exempt from the provisions of the previous paragraph:

a) Gains resulting from the transfer for consideration of real estate, in which the taxable event is considered to have occurred on the date of transfer;

b) Gains resulting from the transfer for consideration of parts representing the capital of entities with head office or effective management in Mozambican territory or other securities referred to in paragraph b) of paragraph 3 of article 5, in which the chargeable event is considered to have occurred on the date of transfer;

c) Income subject to definitive withholding tax in which the taxable event is considered to have occurred on the date on which the obligation to carry out the latter occurs.

CHAPTER II – EXEMPTIONS

ARTICLE 9 – (State, Local Authorities and Social Security Institutions)

1. The following are exempt from this tax:

a) The State;

b) Local authorities and associations or federations of municipalities, when they carry out activities whose object is not to obtain profit;

c) Legally recognized social security institutions as well as social security institutions.

2. The exemption referred to in paragraph 1(a) and (b) does not cover public and state-owned companies, which are subject to tax under the terms of this Code.

ARTICLE 10 – (Public Utility Associations)

1. The following are exempt from IRPC:

a) Entities of public, social or cultural good, duly recognized, when these do not have commercial, industrial or agricultural activities as their object;

b) Public utility associations referred to in Law No. 8/91 of 18 July, duly recognised, in relation to the direct operation of social amusement games, provided for in Law No. 9/94 of 14 September, buffets, restaurants, nurseries and similar services, publishing or marketing of books or other publications that are exclusively intended to complement the achievement of their basic purpose;

c) Associations of mere public utility that predominantly pursue scientific or cultural purposes, of charity, assistance or beneficence in relation to the direct exploitation of social amusement games, provided for in Law No. 9/94, of 14 September, buffets, restaurants, nurseries and similar services, which are intended exclusively to complement the achievement of their basic purpose.

2. The exemptions provided for in subparagraph c) of the preceding paragraph shall be recognised by order of the Minister supervising the area of Finance at the request of the interested parties, which defines the extent of the respective exemption in accordance with the objectives pursued by the entities concerned.

ARTICLE 11 – (Cultural, recreational and sports activities)

1. Income directly derived from the exercise of cultural, recreational and sports activities shall be exempt from CIT, provided that such income and the social assets are intended for the purposes of their creation and in no case are distributed directly or indirectly among the members.

2. The exemptions provided for in the preceding paragraph may only benefit associations legally constituted for the exercise of these activities under the conditions established therein.

3. Income directly derived from the exercise of the activities indicated in paragraph 1 shall not be considered for the purposes of the exemption provided for therein, those arising from any commercial, industrial or agricultural activity carried out, even if on an ancillary basis, in connection with such activities.

ARTICLE 12 – (Cooperatives)

1. Agrarian, handicraft and cultural cooperatives are subject to a reduction of the general IRPC rate by 50%.

2. Income subject to withholding tax is not covered by the exemptions provided for in the previous paragraph.

ARTICLE 13 – (Other Exemptions)

1. Income directly resulting from the exercise of the activity subject to the Special Tax on Gaming established by Law No. 8/94, of 14 September, is also exempt from IRPC, under the terms of the law.

2. Companies and other entities to which, under the terms of article 6, the tax transparency regime is applicable shall not be taxed under corporate income tax.

ARTICLE 14 – (Withholding income)

The exemptions of articles 10, 11 and 12 of this Code do not cover income subject to withholding tax, paid to the entities referred to therein.

CHAPTER III – DETERMINATION OF THE TAXABLE AMOUNT

SECTION I – General provisions

ARTICLE 15 – (Rules defining the taxable amount)

1. For the purposes of this Code, the taxable amount shall be obtained:

a) By deducting from the taxable profit determined pursuant to articles 17 et seq., the tax losses, assessed in accordance with the provisions of this Code, in relation to the legal persons and entities referred to in paragraph a) of paragraph 1 of article 4;

b) Income by global deduction, determined in accordance with the provisions of this Code, of common and other costs attributable to income subject to tax and not exempt, in accordance with article 43, in relation to the legal persons and entities referred to in paragraph b) of paragraph 1 of article 4;

c) By deducting from the taxable profit attributable to that establishment, determined in accordance with the provisions of this Code, the tax losses attributable to that permanent establishment, calculated in accordance with the provisions of this Code, mutatis mutandis, including those prior to the cessation of activity by virtue of the cessation of activity by virtue of the cessation of the head office and effective management of the registered office and effective management of the Mozambican territory; to the extent attributable to it, in relation to non-resident entities with a permanent establishment in Mozambican territory;

d) Income of the various categories determined in accordance with article 45, in relation to non-resident entities that obtain in Mozambican territory income not attributable to a permanent establishment located there.

2. When taxable profit is determined by indirect methods, including the simplified regime, under the terms of article 46 et seq., as well as when the simplified bookkeeping regime is chosen, the provisions of subparagraphs a), b) and c) of the previous paragraph shall not apply.

3. The corrections provided for in Articles 49 et seq. shall apply, where appropriate, to the determination of the taxable amount of the legal persons and other entities referred to in paragraph 1(a), (b) and (c) of this Article.

4. For the purpose of determining the taxable amount, the tax benefits that may be granted under the terms of the Law shall also be deducted.

ARTICLE 16 – (Method of determining the taxable amount)

1. The declaratory method in which, as a rule, the taxable amount is determined on the basis of the taxpayer's declaration, subject to control by the tax authorities.

2. In the absence of a declaration, it is for the tax authorities, where appropriate, to determine the taxable amount.

3. Taxable profit may be determined by indirect methods under the terms and conditions referred to in Section V of this chapter.

SECTION II – Legal persons and other resident entities that carry out commercial, industrial or agricultural activities as their main activity

SUBSECTION I – General Rules

ARTICLE 17 – (Determination of taxable income)

The taxable profit of the legal persons and other entities referred to in Article 4(1)(a) shall consist of the algebraic sum of the net profit for the year and of the positive and negative changes in equity in the same period and not reflected in that result, determined on the basis of accounting and possibly corrected in accordance with this Code.

2. For the purposes of the preceding paragraph, the net surpluses of cooperatives shall be considered as net profit for the year.

3. For the purpose of calculating the net profit referred to in paragraph 1, the accounts shall:

a) Be organized in accordance with the General Accounting Plan and other legal provisions in force for the respective sector of activity, without prejudice to compliance with the provisions of this Code;

b) Reflect all the operations carried out by the taxable person;

c) Be organized in such a way that the results of operations and equity variations subject to the general IRPC regime can be clearly distinguished from those of the others.

4. The provisions of this article shall not apply to taxable persons included in the simplified regime for determining taxable profit provided for in article 47.

5. Taxpayers who are not required to have organized accounts and who opt for the simplified bookkeeping regime, determine the taxable profit on the basis of the records and rules established for this regime.

6. Without prejudice to the provisions of the preceding paragraphs, taxable persons operating in the mining and oil sectors shall report the profit calculated at the end of each financial year, for each of the concessions or licenses, on an individual basis.[9]

ARTICLE 18 – (Periodization of taxable income)

1. Income and costs and other positive or negative components of taxable profit shall be attributable to the financial year to which they relate, in accordance with the accrual principle.

2. The positive or negative components considered to relate to previous financial years are only attributable to the financial year when, on the date of closure of the accounts of the financial year to which they should be attributed, they were unforeseeable or manifestly unknown.

3. For the purposes of applying the accrual accrual principle:

a) Income from sales is generally considered to have been realised, and the corresponding costs incurred, on the date of delivery or dispatch of the corresponding goods or, if earlier, on the date on which the transfer of ownership takes place;

b) Income relating to the provision of services is generally considered to have been realised, and the corresponding costs incurred, on the date on which the service is terminated, except in the case of services consisting of the provision of more than one act or of a continuous or successive provision in which they must be achieved to a degree proportionate to the extent of their performance.

4. For the purposes of paragraph a) of the preceding paragraph, any retention of title clauses shall not be taken into account, and the sale with reservation of title shall be assimilated to a lease in which there is a binding transfer of ownership clause for both parties.

[9] Text added by article 1 of Law 4/2012 of 23 January. Entry into force on 1 January 2012.

5. Income and costs of multi-annual activities may be periodised taking into account the production cycle or construction time.

6. The share of the costs incurred by multi-annual forestry holdings during the production cycle equivalent to the percentage of the total production of the same product which the extraction carried out in the year represents in the previous financial year, and not yet taken into account in the previous financial year, shall be adjusted by applying the coefficients set out in the law referred to in Article 38.

7. Taxable persons whose object is the production and sale of agricultural products and other biological assets, who have adequate records and control over the production cycle, including budgeting and monitoring of costs or expenses, and whose final product has a market price previously estimated and disclosed, may periodise the taxable profit, The revenues and the respective costs are recognized as the production cycle evolves, according to the percentage of compliance with the cycle and measured, based on the estimated quotations and total budgeted costs.[10]

8. Income or gains and costs or losses, as well as any other equity variations, recorded in the accounts as a result of the use of the equity method, to value investments in associates, do not contribute to the determination of taxable profit, and profits attributed in the year in which the right to them are verified should be considered as income or gains for tax purposes.[11]

9. Government subsidies the receipt of which is not dependent on any condition or limitation shall be attributable to the exercise on a systematic basis, during the periods necessary to offset the costs related thereto.[12]

10. The costs and income arising from the financial instruments valued by the amortised cost method shall be allocated to the financial year to which they relate.[13]

ARTICLE 19 – (Multi-year works)

1. The determination of results in relation to works whose production cycle or construction time is longer than one year may be carried out as follows:

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[10] Text added by article 1 of Law 4/2012 of 23 January. Entry into force on 1 January 2012.

[11] Text added by article 1 of Law 4/2012 of 23 January. Entry into force on 1 January 2012.

[12] Text added by article 1 of Law 4/2012 of 23 January. Entry into force on 1 January 2012.

[13] Text added by article 1 of Law 4/2012 of 23 January. Entry into force on 1 January 2012.

a) By the criterion of the percentage of finishing;

b) By the criterion of completion of the work.

2. The use of the percentage of completion criterion shall be mandatory:

a) When there are partial invoices of the price established in the execution of public or private works carried out under a contract regime, even if they are not successive and they have reached the degree of completion corresponding to the amounts invoiced;

b) In the case of works carried out on own account sold in instalments, as they are completed and delivered to the buyers, even if the exact costs of the same are not known.

3. For the purposes of applying the criterion of closure of the work, the work shall be deemed to have been completed:

a) If the degree of completion of the work is equal to or greater than 95% and the price is established in the contract or the sale price is known:

b) When, in the case of public works under a contract regime, provisional acceptance takes place under the terms of the legislation in force.

4. The degree of completion of a work, for the purposes of the preceding paragraphs, shall be given by the ratio between the total costs already incorporated into the work and the sum of these costs with the estimated costs to complete the execution of the work.

5. In cases where, in accordance with the preceding paragraphs, results related to works are calculated, the total costs necessary for their completion have not yet been incurred, a part of the income corresponding to the estimated costs to be borne may be considered as anticipated revenue.

6. Companies involved in works of a multi-annual nature must adopt the same criterion for the calculation of results for works of the same nature, maintaining until the end of the work the method adopted for the calculation of results of the same, except in cases where there is prior authorization from the Tax Administration.

ARTICLE 20 – (Income or gains)

1. Income or gains, at their respective transaction value, shall be deemed to be derivatives of transactions of any nature as a result of a normal or occasional, basic or merely ancillary action, and in particular those resulting from:[14]

a) Sales or provision of services, discounts, bonuses and rebates, commissions and brokerages;

b) Income from real estate;

c) Financial income, such as interest, dividends and other profit sharing, discounts, goodwill, transfers, exchange rate differences provided that they are paid and bond issue premiums;[15]

d) Remuneration earned for the exercise of social positions;

e) Income from assets or values held as reserves or for enjoyment;

f) Income from industrial property or other similar aspects;

g) Provision of services of a scientific or technical nature;

h) Realised capital gains;

i) Compensation received in any way whatsoever;

j) Operating subsidies or subsidies.

2. Income or gains shall also be deemed to be income or gains derived from:[16]

a) Valuation of biological assets;

b) Cancellations of extraordinary depreciations, provided that these depreciations have been authorized by the Tax Authority under the terms of the specific complementary diploma provided for in paragraph 5 of article 26 of this Code;

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[14] Text given by article 1 of Law 20/2009 of 10 September. Previous wording: "Income or gains are those derived from operations of any nature as a result of a normal or occasional, basic or merely ancillary action, and in particular those resulting from:"

[15] Text given by article 1 of Law 20/2009 of 10 September. Previous wording: "c) Financial income, such as interest, dividends and other profit sharing, discounts, goodwill, transfers, exchange rate differences and bond issue premiums;"

[16] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

c) Gains resulting from commissions obtained by intermediation agents of electronic money financial operations.[17]

3. The following shall not be considered as income or gains for the year:[18]

a) Those resulting from mergers of business activities, such as company functions and acquisitions of assets and liabilities, provided that the assets, rights and obligations transferred constitute a universality;

b) Those resulting from increases in the market value of tangible investment assets;

(c) those resulting from changes in the market value of financial assets and financial liabilities, except where this is proven by reference to a stock exchange;

d) Those resulting from the deferral of Corporate Income Taxes and any other taxes that directly or indirectly affect profits.

ARTICLE 21 – (Positive equity variations)

1. Positive equity variations not reflected in the net profit for the year also contribute to the formation of taxable profit, except:

a) Capital contributions, including share share premiums, as well as loss coverage, in any capacity, made by the holders of the capital;

b) Potential or latent capital gains, even if expressed in the accounts, including legally authorised revaluation reserves;

c) Asset increases subject to inheritance and gift tax;

d) The contributions, including the participation in losses, of the member to the member, within the scope of the participating association and the association to the quota;

e) Those resulting from the effects of the deferral of Corporate Income Tax and any other taxes that directly or indirectly affect profits.[19]

[17] Text added by article 1 of Law no. 12/2025 of 29 December

[18] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[19] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

2. Positive equity variations, reflecting the calculation of the tax result, are, among others, the gains resulting from the sale of shares of equity and subsidies received not related to assets.

ARTICLE 22 – (Costs or losses)

Costs or losses are considered to be those that are proven to be indispensable for the realization of income or gains subject to tax or for the maintenance of the source of production, namely, the following:

a) Charges related to the production or acquisition of any goods or services, such as those related to the materials used, labor, energy and other general costs of manufacturing, conservation and repair;

b) Distribution and sale charges, including those for transport, advertising and placement of goods;

c) Charges of a financial nature, such as interest on foreign capital applied in the operation, discounts, goodwill, transfers, exchange rate differences as long as they are realized, expenses with credit operations, debt collection and issuance of shares, bonds and other securities, and repayment premiums;[20]

d) Administrative charges, such as remuneration, subsistence allowances, pensions or retirement supplements, current consumption material, transport and communications, rents, litigation, insurance, including life insurance and life operations, contributions to retirement savings losses, contributions to pension funds and to any supplementary social security schemes;

e) Costs with analyses, rationalization, research and consultation;

f) Tax and parafiscal charges to which the taxpayer is subject, without prejudice to the provisions of article 36;

g) Reinstatement and depreciation;

h) Impairment provisions or losses;

i) Less-realized values;

[20] Amended by Article 1 of Law 20/2009 of 10 September Entry into force on 1 January 2010.Previous wording: "c) Charges of a financial nature, such as interest on foreign capital applied in the operation, discounts, goodwill, transfers, exchange rate differences, expenses with credit operations, debt collection and issuance of shares, bonds and other securities, and reimbursement premiums;"

j) Compensation resulting from events whose risk is not insurable;

k) Expenses with advertising campaigns;[21]

l) Expenses with capital increases, legal transformation of companies, issuance of bonds, prospecting, research and studies;[22]

m) Charges relating to bonuses and other remuneration for the work of members of corporate bodies and employees of the company, as profit sharing, provided that the amounts are paid or made available to the beneficiaries by the end of the following financial year;[23]

n) Charges resulting from the valuation of biological assets.[24]

ARTICLE 23 – (Non-deductible costs)

1. The following are not accepted as costs or losses:

a) Unlawful expenditure, namely those resulting from conduct that justifiably indicates the violation of Mozambican legislation, especially criminal law, even if it occurs outside the territorial scope of its application;

b) The financial leasing annuities, in relation to the lessee in the art of the annuity intended for financial amortization.

2. Sickness and personal accident insurance premiums, as well as amounts spent on insurance and life operations, contributions to pension funds and any supplementary social security schemes, are not accepted as costs, except when they are covered by the provisions of articles 31 to 33 of the Code and are considered income from dependent work under the terms of the IRPS Code.

ARTICLE 24 – (Negative equity variations)

1. Under the same conditions referred to for costs or losses, negative equity variations not reflected in the net profit for the year also contribute to the formation of taxable profit, except:

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[21] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[22] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[23] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[24] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

a) Those that consist of gifts or are not related to the activity of the taxpayer subject to IRPC;

b) Potential or latent capital losses, even if expressed in the accounts;

c) Withdrawals, in cash or in kind, in favour of the holders of the capital, as remuneration or reduction thereof, or as sharing of assets;

d) The services provided by the member to the member, within the scope of the participating association;

e) Those resulting from the effects of the deferral of Corporate Income Tax and any other taxes that directly or indirectly affect profits;[25]

f) Those resulting from the reclassification of the shares or quotas themselves to liabilities.[26]

2. Negative equity variations relating to bonuses and other remuneration for the work of members of corporate bodies and employees of the company, as profit sharing, may be included in the taxable profit of the year to which the result in which they participate relates, provided that the amounts are paid or made available to the beneficiaries by the end of the following year.

3. Notwithstanding the provisions of the preceding paragraph, negative equity variations relating to bonuses and other remuneration for the work of members of the company's management body, as profit sharing, shall not contribute to the formation of taxable profit, when the beneficiaries hold, directly or indirectly, shares representing at least, 1% of the share capital the said amounts exceed twice the monthly remuneration earned in the year to which the result in which they participate relates, and the surplus part is assimilated, for taxation purposes, to distributed profits.

4. For the purposes of verifying the percentage set out in the preceding paragraph, the beneficiary shall be deemed to indirectly own the shares of the company's capital when they are owned by the spouse, their ascendants or descendants up to the 2nd degree, and the rules on the equivalence of ownership established in the Commercial Code and other commercial legislation shall also apply, mutatis mutandis.

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[25] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[26] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

5. In the event that the requirement set out in paragraph 2 is not met, the amount of the CIT paid for the following year shall be added to the CIT that has ceased to be paid as a result of the deduction of bonuses that have not been paid or made available to the interested parties within the period indicated therein, plus the corresponding compensatory interest.

ARTICLE 25 – (Financial relocation of assets) [27]

1. In the case of delivery of an asset subject to financial lease to the lessor, followed by the relocation of that asset to the same lessee, there is no place for the determination of any result for tax purposes as a result of that delivery, and the asset will continue to be reinstated for tax purposes by the lessee, in accordance with the regime that had been followed until then.

2. In the case of sale of goods followed by financial leasing, by the seller, of those same goods, the following shall be observed:

a) If the goods were part of the seller's fixed assets, the provisions of paragraph 1 shall apply, mutatis mutandis;

b) If the goods were part of the seller's stocks, there is no place for the calculation of any tax result as a result of that sale and they will be recorded in fixed assets at the initial acquisition or production cost, which is the value to be considered for the purposes of their reintegration.

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[27] Text given by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014. Previous wording: "In the case of delivery of an asset subject to financial lease to the lessor followed by the relocation of that asset to the same lessee, there is no place for the determination of any result for tax purposes as a result of that delivery, and the asset continues to be reinstated for tax purposes by the lessee, in accordance with the regime that had been followed until then.

a) In the case of sale of goods followed by financial leasing, by the seller, of those same goods, the following shall be observed:

b) If the goods were part of the fixed assets of the seller, the provisions of paragraph 1 shall apply, mutatis mutandis;

c) If the goods were part of the seller's stocks, there is no place for the calculation of any tax result as a result of that sale and they will be listed in the fixed assets at the initial cost of acquisition or production, this being the value to be considered for the purposes of their reintegration."

SUBSECTION II – Regime of reintegrations and depreciation

ARTICLE 26 – (Reintegrable or amortizable elements)

1. The reintegration and depreciation of fixed assets subject to disappearance, which are repetitively, suffer loss of value resulting from their use, the passage of time, technical progress or any other causes, shall be accepted as costs.

2. Mere fluctuations affecting the patrimonial values are not relevant for the classification of the respective elements as subject to perishing.

3. Unless there are duly justified reasons accepted by the tax authorities, fixed assets shall not be deemed to be subject to loss until after they have been put into operation.

4. The write-ups and depreciation of fixed assets subject to perishing may be deducted as costs for the year to which they relate, by the owner of the property or, in the case of leasing, by the entity that assumes the risk of loss or deterioration of the property.

5. The rates of reintegration and depreciation of fixed assets, as well as the other rules to be used, shall be established in a specific complementary diploma. [28]

ARTICLE 27 – (Write-ups and amortizations not accepted as cost)

The following are not accepted as costs:

a) The reintegration and depreciation of assets not subject to perishing;

b) The repossession of real estate in the part corresponding to the value of the land or in that which is not subject to perishing;

c) Reinstatements and depreciations that exceed the limits established in the previous articles;

d) Reinstatements and depreciations carried out beyond the maximum useful life period;

e) The repossession of light passenger or mixed vehicles, in the part corresponding to the acquisition or revaluation value exceeding 800,000.00 MZN, as well as recreational boats, helicopters and tourist aircraft and all related expenses, provided that such assets are not allocated to companies operating public

[28] Text given by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010. Previous wording: "5. The rates of reintegration and amortization of fixed assets, as well as the other rules to be used, shall be established in a specific complementary diploma."

transport services or are not intended to be rented in the exercise of the normal activity of the company that owns them;

f) The repossession of assets in which the reinvestment of the realisation value has been carried out, carried out under the terms of article 39, in the part corresponding to the deduction attributed to them under the terms of paragraph 6 of the same article.

SUBSECTION III – Impairment Provisions and Losses Regime

ARTICLE 28 – (Tax-deductible provisions and impairment losses)

1. For the purposes of Article 22(h), the following shall be considered as provisions or impairment losses only:[29]

a) Those whose purpose is to cover doubtful debts, calculated according to the sum of the credits resulting from the normal activity of the company existing at the end of the financial year;

b) Those intended to cover the losses of value suffered by the stocks, within the limit of the losses actually observed;

c) Those that are intended to occur obligations and charges arising from ongoing legal proceedings for facts that determine the inclusion of those among the costs of the year;

d) Those which, in accordance with the discipline imposed by the Bank of Mozambique, have been constituted by the companies subject to its supervision, as well as those which, in accordance with the discipline imposed by the General Insurance Inspectorate of Mozambique, have been constituted by the insurance companies subject to its supervision, including the legally established technical provisions,

e) Those that, constituted by companies that carry out the oil extractive industry, are intended for the reconstitution of deposits,

f) Those that, consisting of companies belonging to the extractive industries sector, are intended to meet the costs of the landscape and environmental recovery of the sites assigned to the exploitation, after the cessation of the exploitation, in accordance with the applicable legislation.

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[29] Text given by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010. Previous wording: "Provisions or impairment losses are only to be considered for the purposes of Article 22(h).

2. The provisions referred to in subparagraphs a) to d) of the preceding paragraph that should not be replaced because the events to which they refer have not occurred and those that are used for purposes other than those expressly provided for in this article shall be considered income from the respective financial year.

3. The tax cost, under the terms defined in this Code, shall be considered to be the reinforcements of provisions, made in the years following its constitution and calculated on the basis of its discounted value over the passage of time, and recognized in accounting as financial costs.[30]

ARTICLE 29 – (Provision for doubtful accounts)

1. For the purposes of the constitution of the provision referred to in paragraph 1 a) of the previous article, a rate of 1.5%, with a cumulative limit of 6%, shall be applied to the value of the credits resulting from the normal activity of the company existing at the end of the financial year.

2. The system of provisions referred to in this subsection shall be regulated.

SUBSECTION IV – Other charges regime

ARTICLE 30 – (Bad Credits)

Bad debts are only to be considered directly as costs or losses for the year to the extent that this results from enforcement, bankruptcy or insolvency proceedings.

ARTICLE 31 – (Achievements of social utility)

1. Expenses incurred with the optional maintenance of crèches, milk stations, kindergartens, canteens, libraries and schools, prevention and medical and drug assistance to patients infected with AIDS, as well as other achievements of social utility, recognized as such by the Tax Administration, made for the benefit of the company's staff and their families, are also considered costs or losses for the year, provided that they are of a general nature and do not have the nature of income from dependent work or, if they are of difficulty, are difficult or complex to individualize in relation to each of the beneficiaries.

2. Costs or losses for the year shall also be considered up to a limit of 10% of the personnel expenses recorded in respect of remuneration, wages or salaries, relating to the financial year, those incurred with health and personal accident insurance contracts, as well as life assurance contracts, contributions to pension and similar funds or to any supplementary social security schemes, that

[30] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

guarantee, exclusively, the retirement benefit, retirement supplement, disability or survivorship, in favor of the company's employees.

3. The limit established in the previous paragraph shall be raised to 20% if employees are not entitled to Social Security pensions.

4. For the purposes of the limits set out in paragraphs 2 and 3, the current values of the pensioners' expenses already existing in the company on the date of the conclusion of the insurance contract or of integration into supplementary social security benefit schemes provided for in the respective legislation shall not be considered, and this value, calculated actuarially, shall be certified by the insurers or other competent entities.

ARTICLE 32 – (Sickness, personal accident and life insurance and pension funds)

In the situations provided for in paragraphs 2 and 3 of the previous article, it is understood that the requirements set out therein are met, provided that the following conditions are cumulatively met, with the exception of paragraphs d) and e), in the case of sickness, personal accident or life insurance that exclusively guarantees the risks of death or disability:

a) Benefits must be established for the generality of the permanent workers of the company or within the scope of a collective labour regulation instrument for the professional classes to which the workers belong;

b) Benefits must be established according to an objective and identical criterion for all workers, even if they do not belong to the same professional class, except in compliance with collective labour regulation instruments;

c) Without prejudice to the provisions of paragraph 4 of article 31, the total premiums and contributions provided for in paragraphs 2 and 3 of the same article shall not exceed, annually, the limits established in those applicable to the case, and the surplus shall not be considered the cost of the year;

d) At least two thirds of the benefits in the event of retirement, disability or survivorship are effectively paid in the form of a monthly cash benefit for life, without prejudice to the remission of life annuities in payment that have not been judicially fixed, under the terms and conditions established in a regulatory rule issued by the respective supervisory body, and provided that proof of the respective assumptions is presented by the taxable person;

e) The provisions of the general social security scheme are monitored with regard to the retirement age and the holders of the right to the corresponding benefits, without prejudice to the special social security scheme, the scheme provided for in

a collective labour regulation instrument or another special legal scheme, where applicable;

f) The management and disposal of the amounts spent do not belong to the company itself and the insurance contracts are entered into with insurance companies that have their headquarters, effective management or permanent establishment in Mozambican territory and the pension funds or similar are constituted in accordance with national legislation;

g) Are not considered income from dependent work, under the terms of paragraph 1 of article 3 of the IRPS Code.

ARTICLE 33 – (Expenses with pensioners)

1. Appropriations intended to cover pension liabilities referred to in Article 31(2) of staff in active service on 31 December of the year preceding the conclusion of insurance contracts or entry into pension funds for periods of service prior to that date shall also be accepted as costs under the terms and conditions laid down in Articles 31 and 32, and in the event that those liabilities exceed the limits established in paragraphs 2 and 3 of article 31, but not twice as much, the amount of the excess may also be accepted as a cost, annually, for an amount corresponding to a maximum of one seventh of that excess, without prejudice to the consideration of this in those limits, and the current value of those liabilities must be certified by insurers, pension fund management companies or other competent entities.

2. Additional contributions intended to cover liabilities for pension costs, when made as a result of a change in the current assumptions on which the initial calculations of those liabilities were based and provided that they are duly certified by the competent authorities, may also be accepted as costs or losses under the following terms:

a) In the financial year in which they are carried out, within a maximum period of five financial years, counted from the year in which the change in the current assumptions occurred;

b) To the extent that they do not exceed the accumulated amount of the differences between the values of the limits provided for in paragraphs 2 or 3 of article 31, relating to the period constituted by the 10 immediately preceding financial years or, if less, to the period counted from the year of the transfer of responsibilities or the last change in the current assumptions and the values of the contributions made and accepted as costs in each of those years.

3. For the purposes of paragraph b) of the preceding paragraph, additional contributions intended to cover pensioners' liabilities shall not be taken into account, nor shall any contributions made to cover past liabilities under paragraph 1 be taken into account for the calculation of those differences.

ARTICLE 34 – (Donations within the scope of Patronage)

Donations in cash or in kind granted by taxpayers up to a limit of 5% of the previous year's taxable amount are also considered costs or losses for the year if the beneficiary entities:

a) Associations established under the terms of Law No. 8/91, of 18 July, and its regulations, and other associations or public or private entities, which, without the objectives of confessional or partisan proselytism, develop, on a non-profit basis, actions within the scope of Law No. 4/94, of 13 September;

b) Are private legal persons, natural or collective, that carry out or support, without profit for members or owners, actions within the scope of Law No. 4/94, of 13 September.

ARTICLE 35 – (Donations to the State and other entities)

Donations granted to the State and municipalities are considered costs or losses of the year, in their entirety.

ARTICLE 35-A – (Costs of pre-professional internships

The remuneration of final-year students in a pre-professional internship regime is also considered costs or losses of the year, up to a limit of 25% of the charges recorded in this respect in the respective year.[31]

ARTICLE 36 – (Non-deductible charges for tax purposes)

1. The following charges shall not be deductible for the purposes of determining taxable income, even when recorded as costs or losses for the year:

a) Corporate Income Tax and any other taxes that directly or indirectly affect profits;

b) Taxes and any other charges levied on third parties that the company is not legally authorized to bear;

[31] Article added by article 2 of Law 4/2012 of 23 February. Entry into force on 1 January 2012.

c) Fines and other charges for the practice of infractions, of any nature, which do not have a contractual origin, including compensatory interest;

d) Compensation for the occurrence of events whose risk is insurable;

e) 50% of the expenses with daily allowances and compensation for travel in the employee's own car, at the service of the employer, not invoiced to customers, recorded for any reason, except in the part where there is taxation under IRPS, in the sphere of the respective beneficiary;

f) 80% of the representation expenses, recorded for any reason;

g) Expenses not duly documented and expenses of a confidential or unlawful nature;

h) The amounts due for the rental without a driver of light passenger or mixed vehicles, in the part corresponding to the value of the reinstatements of these vehicles that are not accepted as a cost, under the terms to be regulated;

i) Fuel expenses to the extent that the taxable person does not prove that they relate to goods belonging to his assets or used by him on a lease basis and that normal consumption related to the company's corporate purpose is not exceeded;

j) Those resulting from reductions in the market value of tangible investment assets;[32]

k) Those resulting from changes in the market value of financial assets and financial liabilities, if this is not proven by reference to a stock exchange;[33]

l) Those resulting from outflows, in cash or in kind, in favour of the holders of the capital, as remuneration or reduction thereof, or as sharing of assets;[34]

m) Those resulting from losses estimated by taxpayers in multi-annual works that are in progress;[35]

n) Advertising expenses to the extent that it exceeds 1% of the volume of revenue for the respective financial year.[36]

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[32] Text added by article 1 of Law 20/2009 of 10 February. Entry into force on 1 January 2010.

[33] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[34] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[35] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

[36] Text added by article 1 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

(c) Specific taxes on mining and petroleum activities.[37]

p) Interest and other forms of remuneration on loans granted by the shareholders to the company, to the extent that they exceed the amount corresponding to the reference rate (MAIBOR - 12 months), plus 2 percentage points, in force on the date of liquidation;[38]

q) Charges evidenced in documents issued by taxable persons with a non-existent or invalid tax identification number or by taxable persons whose cessation of activity has been declared.[39]

2. In the case of professional companies subject to the tax transparency regime, the limitation contained in the IRPS Code, which consists of deducting them by only 50%, is also applicable to the expenses related to the use of light passenger or mixed vehicles.

3. Representation expenses are considered to be expenses incurred with receptions, meals, trips, tours and shows offered in the country or abroad to clients or suppliers or to any other persons or entities.

4. 50% of the expenses related to light passenger vehicles, namely rents or rentals, repairs and fuel, shall not be deductible for the purposes of determining taxable profit, except in the case of vehicles used for the operation of a public transport service or intended to be rented in the exercise of the normal activity of the respective taxable person and without prejudice to write-ups and depreciations not accepted as a tax cost, under the terms to be regulated and the provisions of paragraph 1 (h) and (i) of this article.

ARTICLE 36 A – (Regime of other charges) [40]

1. The charges referred to in Article 22(k) and (l) shall be considered as costs over three fiscal years.

2. For the purposes of Article 22(k), advertising campaigns shall be deemed to be expenditure on actions to launch brands, products and/or services with an economic projection over a time horizon of more than one year.

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[37] Text added by article 1 of Law 4/2012 of 23 February. Entry into force on 1 January 2012.

[38] Text added by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014.

[39] Text added by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014.

[40] Text added by article 2 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

SUBSECTION V – Regime of realised capital gains and losses

ARTICLE 37 – (Concept of capital gains and losses)

1. Realized capital gains or losses are the gains obtained or losses suffered in relation to fixed assets by means of transfer for consideration, regardless of the security under which they are operated, as well as those derived from claims or those resulting from the permanent allocation of those elements for purposes unrelated to the activity carried out.

2. Capital gains and losses shall be given as the difference between the realisation value net of the charges inherent thereto and the acquisition value less the reintegrations or depreciations practised, without prejudice to the provisions of paragraph 6 of article 39.

3. The following shall be considered to be realisation value:

(a) in the case of exchange, the market value of the goods or rights received, increased or decreased, as the case may be, by the amount of money jointly received or paid;

b) In the case of expropriations or damaged assets, the amount of the corresponding compensation;

c) In the case of assets permanently allocated to purposes unrelated to the activity carried out, their market value;

(d) in the case of mergers or divisions, the value at which the items are entered in the accounts of the entity to which they are transferred as a result of those acts;

(e) in the case of disposal of debt securities, the value of the transaction, net of accounting interest from the date of the last maturity or of the first issue, placement or endorsement, if no maturity has yet occurred, until the date of transfer, as well as the difference by the part corresponding to those periods, between the redemption value and the issue price, in the case of securities whose remuneration is constituted, in whole or in part, by that difference;

f) In other cases, the amount of the respective consideration.

4. In the case of exchange for future goods, the market value of these goods is what would correspond to them at the date of the exchange.

5. The promise of purchase and sale or exchange is also considered to be onerous transfer, as soon as the tradition of the goods is verified.

6. The following are not considered capital gains or losses:

a) The results obtained as a result of the delivery by the lessee to the lessor of the assets subject to financial leasing;

b) The results obtained in the transfer for consideration, or in the permanent allocation under the terms referred to in paragraph 1, of debt securities whose remuneration is constituted, in whole or in part, by the difference between the redemption or amortization value and the price of issue, first placement or endorsement.

ARTICLE 38 – (Monetary adjustment of capital gains and losses)

1. The acquisition value corrected under the terms of paragraph 2 of the previous article shall be updated by applying the currency devaluation coefficients published for this purpose by order of the Minister supervising the area of Finance, provided that at least two years have elapsed since the date of acquisition on the date of realization, and the value of such adjustment shall be deducted for the purposes of determining the taxable profit.

2. The inflation adjustment referred to in the preceding paragraph shall not apply to financial investments, except for investments in real estate and shares of capital.

3. For the purposes of paragraph 1, when, due to the transfer of assets and exchanges of shares in mergers and divisions of companies, and there is an appreciation of the shares received at the same value at which the old ones were registered, the date of acquisition of the former shall be considered to be the date of acquisition that corresponds to that of the latter.

ARTICLE 39 – (Reinvestment of realization values)

Repealed.[41]

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[41]Text repealed by article 3 of Law no. 12/2025 of 29 December. Previous wording: "1. The positive difference between capital gains and losses realised through the transfer for consideration of tangible fixed assets or as a result of compensation for claims occurring on these items shall not contribute to the taxable profit for the financial year that has influenced the taxable base, provided that the realisation value corresponding to all of those items is reinvested in the acquisition, manufacture or construction of tangible fixed assets by the end of the third financial year following the year in which it was realized.

2. In the event that there is only a partial reinvestment of the realisation value, the proportional part of the difference referred to in the preceding paragraph shall not contribute to the taxable profit.

3. An investment in which the provisions for the reconstitution of the deposits have been used shall not be eligible for the regime provided for in the preceding paragraphs.

4. For the purposes of paragraphs 1 and 2, taxpayers shall mention their intention to make the reinvestment in the periodic income statement for the year of realization, proving in the same and in the statements of the following three years the reinvestments made.

SUBSECTION VI – Deduction of previously taxed profits

ARTICLE 40 – (Elimination of economic double taxation of distributed profits)

1. For the purposes of determining the taxable profit of commercial or civil companies in commercial form, cooperatives and public companies, with head office or effective management in Mozambican territory, the income included in the taxable base corresponding to profits distributed by entities with head office or effective management in the same territory, subject and not exempt from IRPC or subject to Special Gaming Tax, shall be deducted. in which the taxable person directly holds a capital holding of not less than 20%,[42] and provided that that shareholding has remained in his possession uninterruptedly for two years preceding the date on which the profits are made available or, if held for a shorter period, provided that the holding is maintained for the time necessary to complete that period.

2. The provisions of the preceding paragraph shall apply, regardless of the percentage of participation and the period for which it has remained in its ownership, to income from shareholdings in which the technical reserves of insurance companies and mutual insurance companies have been applied, as well as to the income of venture capital companies.

3. The provisions of paragraph 1 shall also apply to holding companies, in accordance with the respective legislation, and to other types of companies, as well as in the partnership in participation, to the member constituted as a commercial or civil company in the form of a commercial company, cooperative or public company, with head office or effective management in Mozambican

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5. If the reinvestment is not carried out, the IRPC amount paid for the third year following the year in which the payment is made shall be added to the IRPC that has ceased to be paid by virtue of the provisions of paragraph 1, plus the corresponding compensatory interest, or, if there is no need for the CIT to be calculated, the declared tax loss shall be corrected accordingly.

6. The value of the positive difference between capital gains and losses, not taxed under paragraph 1, shall be deducted from the acquisition cost or the cost of production of the tangible fixed assets in which the reinvestment was carried out, for the purposes of their reintegration or determination of any taxable income in IRPC in relation to them.

7. The deduction referred to in the previous paragraph shall be made in proportion to the part that represents the value of each asset in which the reinvestment took place in the total to be reinvested.

8. The Minister responsible for the area of Finance, at the request submitted by the interested parties until the end of the financial year to which the capital gains relate, may authorise, in the case of an investment in which its realisation period justifies, that the reinvestment period be extended until the end of the fourth financial year following the year in which it was realised, and the provisions of the preceding paragraphs shall then apply mutatis mutandis."

[42] The rate was changed from 25% to 20%.

territory, regardless of the amount of its contribution, in relation to income, which has actually been taxed, distributed by members resident in the same territory.

SUBSECTION VII – Relief of losses

ARTICLE 41 – (Deduction of tax losses)

1. Tax losses assessed in a given financial year, under the terms of the previous provisions, shall be deducted from taxable profits, if any, of one or more of the five subsequent financial years.

2. In the financial years in which the taxable profit is calculated on the basis of indirect methods, tax losses shall not be deductible, even if they are within the period referred to in the preceding paragraph, but the deduction within that period of losses that have not been previously deducted shall not be prejudiced.

3. When corrections are made to the tax losses declared by the taxpayer, the deductions made shall be amended accordingly, but no cancellation or assessment, even additional, of the CIT shall be carried out if more than six years have elapsed in relation to the one to which the taxable profit relates.

4. In the event that the taxpayer benefits from partial exemption and/or reduction of IRPC, the tax losses suffered in the respective farms or activities may not be deducted, in each financial year, from the taxable profits of the remaining ones.

5. The period referred to in paragraph d) of paragraph 4 of article 7, when less than six months, does not count for the purposes of the time limitation established in paragraph 1.

6. Tax losses relating to companies referred to in Article 6(1) shall be deducted only from the taxable profits of those companies.

7. The provisions of paragraph 1 of this article shall cease to apply when it is verified, on the date of the end of the tax period in which the deduction is made, that the corporate purpose of the entity to which it relates has been modified or substantially altered the nature of the activity previously carried out.

ARTICLE 41-A – (Transferability of tax losses)[43]

1. The losses of merged or spun-off companies may be deducted from the taxable profits of the new company or of the acquiring company until the end of the period referred to in paragraph 1 of article 41 of the Corporate Income Tax Code,

[43] Text added by article 2 of Law 20/2009 of 10 September. Entry into force on 1 January 2010.

counted from the financial year to which they relate, provided that authorisation is granted by the Minister of Supervision of the area of Finance, upon request of the interested parties, submitted to the Directorate-General of Taxes by the end of the month following the registration of the merger at the Commercial Registry Office.

2. The granting of the authorisation referred to in the preceding paragraph shall be subject to demonstration that the merger is carried out for valid economic reasons, such as the restructuring or rationalisation of the activities of the intervening companies and is part of a medium- or long-term business strategy with positive effects on the production structure, and for this purpose, the following shall be provided: all the elements necessary or convenient for the perfect knowledge of the operation in question, both its legal and economic aspects.

3. The provisions of the preceding paragraphs may also apply, mutatis mutandis, in the case of a spin-off, in which the spun-off company is wound up, and the tax losses shall then be transferred to each of the beneficiary companies, in proportion to the amounts transferred by that company.

SECTION III – Legal persons and other resident entities that do not carry out commercial, industrial or agricultural activities as their main activity

ARTICLE 42 – (Determination of the overall income)

1. The total income subject to tax of the corporations and entities mentioned in paragraph b) of paragraph 1 of article 4 shall be formed by the algebraic sum of the net income of the various categories determined under the terms of the IRPS Code, and the provisions of this Code shall apply to the determination of taxable profit.

2. Provisions which, for the purposes of IRPS, allow the attribution of income to years other than the year in which it is received shall not be applicable in the determination of the overall income referred to in the previous paragraph.

3. Tax losses incurred in relation to the exercise of commercial, industrial or agricultural activities and capital losses may only be deducted, for the purposes of determining the overall income, from the income of the respective categories in one or more of the five subsequent financial years.

ARTICLE 43 – (Common costs and others)

1. Costs proven to be indispensable to the obtaining of income that have not been taken into account in the determination of the overall income under the terms of

the previous article and that are not specifically linked to the obtaining of income not subject to or exempt from corporation tax shall be deducted, in whole or in part, from that total income, for the purposes of determining the taxable amount, according to the following rules:

a) If they are only linked to the obtaining of subject and non-exempt income, they are deducted in full from the total income;

b) If they are linked to the obtaining of subject and non-exempt income, as well as to that of non-subject or exempt income, the part of the common costs that is attributable to subject and non-exempt income shall be deducted from the overall income.

2. For the purposes of paragraph b) of the preceding paragraph, the share of common costs to be allocated shall be determined by proportionally apportioning those to the total of gross income subject to and not exempt and income not subject or exempt, or according to another criterion deemed more appropriate accepted by the Tax Administration, and such distribution shall be evidenced in the income statement.

3. Income not subject to IRPC is considered to be, namely, the dues paid by the members in accordance with the statutes, as well as the subsidies received and intended to finance the achievement of the statutory purposes.

SECTION IV – Non-resident entities

ARTICLE 44 – (Taxable income of permanent establishment)

1. The taxable profit attributable to permanent establishment of companies and other non-resident entities shall be determined by applying, mutatis mutandis, the provisions of Section III.

2. General administration costs which, in accordance with accepted apportionment criteria and within limits considered reasonable by the tax authorities, are attributable to the permanent establishment, may be deducted as costs for the determination of taxable profit, and these criteria must be justified in the income statement and uniformly followed in the various financial years.

3. Without prejudice to the provisions of the preceding paragraph, in cases where it is not possible to make an allocation on the basis of the use by the permanent establishment of the goods and services to which the general costs relate, the following shall be admissible as allocation criteria:

a) Turnover;

b) Direct costs;

c) Tangible fixed assets.

ARTICLE 45 – (Income not attributable to a permanent establishment)

Income not attributable to a permanent establishment located in Mozambican territory obtained by companies and other non-resident entities is determined in accordance with the rules established for the corresponding categories for IRPS purposes.

SECTION V – Determination of taxable profit by indirect methods

ARTICLE 46 – (Application of Indirect Methods)

1. The determination of taxable profit by indirect methods occurs whenever any of the following occurs:

a) Absence of organized accounting or the registration books required in the tax codes, as well as the absence, delay or irregularity in their execution, bookkeeping or organization;

b) Refusal to produce the accounts, record books and other legally required supporting documents, as well as their concealment, destruction, disablement, falsification or vitiation

c) Lack of several accounts or groups of books with the purpose of simulating reality before the tax administration;

d) Errors or inaccuracies in the registration of transactions or well-founded indications that the accounts or the record books do not reflect the exact patrimonial situation and the result actually obtained.

2. The application of indirect methods as a result of anomalies and inaccuracies in the accounts may only take place when it is not possible to prove and quantify directly and accurately the elements essential for the determination of the taxable amount in accordance with the provisions of Section III of this chapter.

3. The delay in the execution of the accounts or in the bookkeeping of the accounting books and records, as well as the failure to immediately display the book(s) of the book(s), shall only determine the application of the indirect methods after the expiry of the period established in the legislation for regularization or presentation, without the obligation being complied with.

4. The period referred to in the preceding paragraph shall not be less than 15 nor more than 30 days and shall not prejudice the application of the penalty corresponding to the infringement that may have been committed.

ARTICLE 47 – (Simplified regime for determining taxable income)

Revoked[44]

ARTICLE 48 – (Indirect Methods)

1. The determination of the taxable profit by indirect methods shall be carried out by the Director of the tax area of the taxable person's registered office, effective management or permanent establishment and shall be based on all the information available to the tax authorities, in particular on:

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[44] Text repealed by article 3 of Law no. 12/2025 of 29 December. Previous wording: "1. The simplified regime for determining taxable profit shall apply to resident taxpayers who carry out as their main activity a commercial, industrial or agricultural activity, with the exception of those who are required to have duly organized accounts and who have a turnover not exceeding 2 500 000.00 MT and who have not opted for the simplified bookkeeping regime, or by determining the taxable profit provided for in Section III of this Chapter.

2. In the exercise of the commencement of activity, the classification in the simplified regime shall be made, once the other assumptions have been verified, in accordance with the total estimated annual value of income, contained in the declaration of commencement of activity, if the option referred to in the previous paragraph is not exercised.

3. The calculation of taxable profit results from the application of the following coefficients:

a) 0.20 to the value of sales of goods and products; and the coefficient;

b) 0.20 to the value of sales and provision of accommodation, food and beverage services;

c) 0.30 in other income.

4. The option for the application of the general regime for determining taxable profit must be formalized by the taxable persons:

a) In the declaration of the commencement of activity;

b) In the declaration of amendments, until the end of the third month of the tax period in which the regime begins to apply.

5. The option referred to in the previous paragraph shall be valid from the beginning of the new tax period, after the submission of the declarations provided for in the previous paragraph, as the case may be.

6. The application of the simplified regime shall cease when the total annual business limit referred to in paragraph 1 is exceeded, in which case the general regime for determining taxable profit shall apply from the year following the verification of this fact.

7. The basic values necessary for the calculation of taxable profit are subject to correction by the Tax Administration in general terms, without prejudice to the provisions of the final part of the previous paragraph.

8. Where the basic values referred to in the preceding paragraph are corrected by indirect methods in accordance with Article 46, it shall apply mutatis mutandis to the provisions of Articles 48 et seq.."

(a) the average margins of net profit on sales and provision of services or purchases and supplies and services of third parties;

b) The average rates of return on the capital invested in the sector;

c) The technical coefficients of consumption or use of raw materials and other direct costs;

d) Elements and information declared to the tax administration, including those relating to other taxes, as well as those relating to companies or entities that have economic relations with the taxable person;

e) The location and size of the production units;

f) The average costs depending on the specific conditions of the exercise of the activity;

g) The taxable amount of the nearest year or years that is determined by the tax administration.

2. The elements referred to in the preceding paragraph shall be established in accordance with the terms to be regulated.

SECTION VI – Common and miscellaneous provisions

SUBSECTION I – Corrections for the purpose of determining the tax base

ARTICLE 49 – (Transfer Pricing)

1. The tax authorities may make the necessary corrections for the determination of taxable profit where, by virtue of the special relationship between the taxpayer and another person, whether or not subject to IRPC, conditions have been established that are different from those that would normally be agreed between independent persons, with the result that the profit calculated on the basis of the accounts is different from that which would have been determined in the absence of such relationships

2. The provisions of the preceding paragraph shall also be observed whenever the profit calculated in relation to the accounts in relation to entities that do not have their head office or effective management in Mozambican territory deviates from what would be determined if it were a distinct and separate company that carried out identical or similar activities, under identical or similar conditions and acting with total independence.

3. The provisions of paragraph 1 shall also apply to persons who simultaneously carry out activities subject to and not subject to the general IRPC regime, when there are identical deviations in relation to such activities.

4. When the provisions of paragraph 1 apply to a taxable person of the IRPC by virtue of special relations with another taxable person of the same tax or of the IRPS, in the determination of the taxable profit of the latter, the appropriate adjustments shall be made that reflect the corrections made in the determination of the taxable profit of the former.

5. Special relationships shall be considered to exist between two entities in situations where one has the power to exercise, directly or indirectly, significant influence over the management decisions of the other.[45]

ARTICLE 50 – (Payments to entities resident in countries with a privileged tax regime)

1. Amounts paid or due, in any way, to natural or legal persons resident outside Mozambican territory and subject to a clearly more favourable tax regime there, shall not be deductible for the purposes of determining taxable profit, unless the taxable person can prove that such charges correspond to transactions actually carried out and are not of an unusual nature or an exaggerated amount.

2. A natural or legal person shall be deemed to be subject to a much more favourable tax regime when in the territory of residence of that person is not subject to income tax or, in respect of the sums paid or due, mentioned in the preceding paragraph, is subject to an effective rate of taxation equal to or less than 60% of the rate provided for in paragraph 1 of article 61.

3. For the purposes of the preceding paragraph, taxpayers must, at the request of the Tax Administration, provide evidence of the effective tax rate.

4. The test referred to in paragraph 1 shall take place after notification of the taxable person, made at least 30 days in advance.

ARTICLE 51 – (Imputation of profits of companies resident in countries with a privileged tax regime)

1. Shareholders resident in Mozambican territory shall be charged in proportion to their shareholding and regardless of distribution, for profits obtained by companies resident outside that territory and subject to a clearly more favourable

[45] Text added by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014.

regime therein, provided that the shareholder holds, directly or indirectly, a shareholding of at least 25%, or, in the case of the non-resident company, directly or indirectly, in more than 50%, by resident members, a shareholding of at least 10%.

2. The imputation referred to in the preceding paragraph shall be made against the taxable amount for the financial year at the end of the tax period of the non-resident company and shall correspond to the profit obtained by the latter, after deduction of the income tax levied on those profits, which may be made in accordance with the tax regime applicable in the State in which that company is resident.

3. For the purposes of paragraph 1, a company shall be deemed to be subject to a significantly more favourable regime when in the territory of its residence it is not subject to income tax or the effective rate of taxation is equal to or less than 60% of the rate provided for in paragraph 1 of article 61.

ARTICLE 52 – (Thin capitalization)

1. When the indebtedness of a taxable person to an entity not resident in Mozambican territory with which there are special relationships, as defined in this article, is excessive, the interest borne in relation to the part considered to be in excess shall not be deductible for the purposes of determining the taxable profit.

2. Special relationships shall be deemed to exist between the taxable person and a non-resident entity where:

a) The non-resident entity holds a direct or indirect participation in the capital of the taxable person of at least 25%;

(b) the non-resident entity, without achieving that level of participation, actually exercises significant influence over management;

c) The non-resident entity and the taxable person are under the control of the same entity, namely by virtue of being directly or indirectly participated by it.

3. For the purposes of the application of paragraph 1, the situation of indebtedness of the taxable person to a third party not resident in Mozambican territory, in which there has been a guarantee or guarantee provided by one of the entities referred to in the previous paragraph, shall be equivalent to the existence of special relationships.

4. There is excess indebtedness when the value of the debts in relation to each of the entities referred to in paragraph 2, with reference to any date of the tax period,

is greater than twice the value of the corresponding participation in the taxpayer's own capital.

5. For the calculation of indebtedness, all forms of credit, in cash or in kind, regardless of the type of remuneration agreed, granted by the entities referred to in paragraph 2, including credits resulting from commercial operations, when more than six months have elapsed after the date of maturity.

6. For the calculation of equity, the subscribed and paid-up share capital shall be added with the other items classified as such by the accounting regulations in force, except for those that reflect potential or latent capital gains or losses, namely those resulting from revaluations not authorised by a specific law relating to tax matters or from the application of the equity method.

7. The provisions of paragraph 1 shall not apply if, in the event of exceeding the coefficient set out in paragraph 4, the taxable person demonstrates, taking into account the type of activity, the sector in which he is a part, the size of the undertakings and other relevant criteria, that he could have obtained the same level of indebtedness and under similar conditions as an independent entity.

8. The proof referred to in the preceding paragraph must be submitted within 30 days after the end of the tax period in question.

ARTICLE 53 – (Corrections in cases of tax credit and withholding tax)

1. In determining the taxable amount subject to tax:

a) When there is income that gives rise to a tax credit for economic double taxation of distributed profits under the terms of article 64, the amount of the tax credit to which it is due must be added to the aggregated income;

(b) Where there is income obtained abroad which gives rise to a tax credit for international double taxation under Article 65, such income shall be taken into account for the purposes of taxation at the respective gross amounts of income taxes paid abroad.

2. Whenever there has been a withholding tax of CIT in relation to income included for taxation purposes, the amount to be considered in determining the taxable amount is the respective gross amount of the withholding tax.

SUBSECTION II – Transfers of assets and exchanges of shares in Mergers and Divisions

ARTICLE 54 – (Special regime applicable to the transfer of assets)

1. In determining the realised capital gains and losses in respect of the shares of capital received in return for the transfer of assets, those shares of capital shall be taken into account at the net book value which the transferred assets and liabilities had in the accounts of the company making the transfer.

2. For the purposes of the preceding paragraph, the following shall be considered:

a) Asset transfer – the operation by which a company transfers, without being dissolved, all of one or more branches of its activity to another company, in return for parts of the share capital of the acquiring company;

b) Branch of activity – the set of elements that constitute, from an organizational point of view, an autonomous economic unit, that is, a group capable of operating by its own means, which may comprise the debts contracted for its organization or operation.

ARTICLE 55 – (Regime applicable to the shareholders of merged or spun-off companies)

1. In the case of mergers and divisions of resident companies under the terms to be regulated, there shall be no basis, in relation to the shareholders of the merged companies, for the calculation of gains or losses for tax purposes as a result of the merger, provided that in their accounts the value at which the old ones were registered is kept in their accounts.

2. The provisions of the preceding paragraph shall not preclude the taxation of the shareholders of the merged companies in relation to the sums of money that may be attributed to them as a result of the merger.

ARTICLE 56 – (Mergers, divisions and transfers of assets in which legal persons other than companies participate)

The provisions of the previous articles shall apply mutatis mutandis to mergers and divisions, carried out in accordance with the law, of IRPC taxpayers residing in Mozambican territory other than companies and to their respective members.

ARTICLE 57 – (Exchange of shares)

1. For the purposes of this article, an exchange of shares shall be deemed to be an operation by which a company (acquiring company) acquires a share in the share capital of another company (acquired company), which has the effect of conferring

on it the majority of the voting rights of the latter, by attributing to the shareholders of the latter, in exchange for their securities, securities representing the share capital of the first company and, possibly a sum of money not exceeding 10% of the nominal value, or, in the absence of a nominal value, of the book value equivalent to the nominal value, of the securities delivered in exchange.

2. The assignment, as a result of an exchange of shares, of securities representing the share capital of the acquiring company to the shareholders of the acquired company shall not give rise to any taxation of the latter if they continue to value, for tax purposes, the new shares at the value at which the old ones were registered, determined in accordance with the provisions of this Code, which will be subject to autonomous accounting records in relation to other shares that may be held in relation to the same entity.

3. The provisions of the preceding paragraph shall only apply provided that the following conditions are met:

a) The acquiring company and the acquired company are resident in Mozambican territory;

b) The shareholders of the acquired company are persons or entities resident in third States when the securities received are representative of the share capital of an entity resident in Mozambican territory.

4. The provisions of paragraph 2 shall not prevent the taxation of the shareholders in relation to the sums of money that may be attributed to them under the terms of paragraph 1.

5. For the purposes of the preceding paragraphs, the shareholders of the acquired company must include the following elements in the tax documentation process:

a) Declaration containing a description of the share exchange operation, the date on which it was carried out, identification of the intervening entities, number and nominal value of the shares delivered and the shares received, the value at which the shares delivered were recorded in the accounts, any amount of money received, a result that would have been included in the taxable base if the regime provided for in this article were not applied and a statement of its calculation;

b) Declaration by the acquiring company of how as a result of the share exchange operation it held the majority of the voting rights of the acquired company.

SUBSECTION III – Incorporation of companies with business assets of a natural person

ARTICLE 58 – (Special regime of fiscal neutrality)

1. When the regime established in the IRPS Code is applicable, regarding the transfer of business assets for the payment of the capital of a new company, the assets that constitute the assets and liabilities of the said assets subject to transfer must be recorded in the accounts of the company to which they are transferred with the amounts mentioned in the records of the natural person.

2. In determining the taxable profit of the company referred to in the preceding paragraph, the following shall be taken into account:

a) The calculation of the results relating to the assets that constitute the assets transferred is calculated as if there had been no such transfer;

b) Write-ups and depreciations on fixed assets are carried out in accordance with the regime that has been followed for the purposes of determining the taxable profit of a natural person;

c) The provisions that have been transferred have, for tax purposes, the regime that was applicable to them for the purposes of determining the taxable profit of the natural person.

3. In cases of the payment of share capital resulting from the transfer of all the assets allocated to the exercise of a professional business activity by a natural person, as provided for in paragraph 1, provided that cumulatively, the conditions provided for in the IRPS Code are observed, the tax losses related to the exercise by the natural person of the commercial activity, industrial or agricultural profits and not yet deducted from the taxable profit may be deducted from the taxable profits of the new company until the end of the period referred to in article 41, counted from the year to which they relate, until the competition of 50% of each of these taxable profits.

SUBSECTION IV – Derivative financial instruments

ARTICLE 59 – (General Rules)

1. In the consideration of income or gains and costs or losses related to derivative financial instruments, except those provided for in the following article, the following shall be observed:

a) In the case of operations carried out on stock exchanges, in progress at the end of a financial year, those income or gains and costs or losses are attributable to

that financial year and determined according to the market value recorded on the last day of the same financial year in the market in which the operation has been carried out;

b) In the case of operations not carried out on the stock exchange, those income or gains and costs or losses are attributable to the settlement of the corresponding operation, except for income or gains already realised or costs or losses already incurred in previous years.

2. In the case of operations referred to in paragraph a) of the preceding paragraph, the exclusive purpose of which is to cover operations to be carried out in the following financial year, in a market of a different nature and subject to different valuation criteria, the deferral of unrealised gains, ascertained in one financial year, shall be allowed to be deferred to a maximum of two following financial years, to the extent of losses not yet realized on the hedged instrument.

3. Without prejudice to paragraph 5 of this Article, hedging transactions shall mean transactions which justifiably contribute to the elimination or reduction of a real risk arising from a firm commitment, including future commitments from transactions carried out in the financial year or in previous years, but still in progress, or from a future transaction to be carried out, with a high probability, in the following financial year, relating to a market of a different nature and subject to different valuation criteria, in such a way that there is an indisputable economic link between the covered and the hedging element and a high correlation between them can be quantified, so that such an operation must be expected to be neutralised, total or partial, but substantial, of the eventual losses on the hedged item with the gains on the hedging transaction.

4. For the purposes of the preceding paragraph, only the transaction whose value does not exceed the coverage value considered necessary in view of the correlation between the hedging operation and the hedged transaction shall be considered hedging.

5. The following are not accepted for tax purposes as hedging operations:

a) Transactions carried out on this basis with a view to covering risks to be incurred by other persons or entities or by establishments of which the transactions are carried out whose income is not taxed under the normal tax regime;

(b) transactions carried out by investment funds, including funds of funds, venture capital funds, pension funds, insurance undertakings, credit institutions and other financial institutions, to which the provisions of paragraphs 8 and 9 shall also not apply;

c) Operations that are not properly identified in an appropriate model.

6. Failure to comply with the requirements referred to in paragraph 3 of this article determines, from the date of such non-verification, the disqualification of the operation as a hedging operation.

7. If the covered transaction is not carried out to the amount of the tax relating to the year in which it would be carried out, the tax that has ceased to be paid by virtue of the provisions of paragraph 2 shall be added, plus the corresponding compensatory interest, or, if there is no place for the IRPC to be calculated, the declared tax loss shall be corrected accordingly.

8. Without prejudice to the provisions of paragraph 9 of this article, the deduction of losses ascertained at the end of a financial year, in relation to contracts in progress at the end of that financial year, shall be limited to the amount in excess of the gains not yet taxed in symmetric positions.

9. Only costs or losses related to symmetrical positions that are duly identified in an appropriate template that must be part of the tax documentation process are deductible.

10. For the purposes of the preceding paragraphs, it shall be deemed that:

(a) symmetric positions are positions in which the values of capital or income are correlated in such a way that the risk of changes in the value of one position is offset by changes in value, capital or income in another position, regardless of the nature, place or duration of the position;

(b) Position means the holding, directly or indirectly, of contracts relating to derivative financial instruments, transferable securities, currencies, marketable credit securities, loans contracted or granted or commitments made on such items.

11. If the substance of a transaction or set of transactions differs from its form, the timing, source and nature of the payments and receipts, income and costs, gains and losses, arising from that transaction may be characterised by the tax authorities in such a way as to take account of that substance.

ARTICLE 60 – (*Swaps*)

1. In the event of the assignment or cancellation of a *swap* or forward exchange transaction, with payment and receipt of regularization amounts, the following shall be observed:

(a) the sums due shall be regarded as profit or cost of the exercise of the cancellation of the contract;

b) Any compensation payment that exceeds the regularization or terminal payments provided for in the original contract, or the market prices applicable to operations with identical characteristics, namely with a remaining term, is not accepted as a cost for tax purposes, and it is up to the intervening entities to prove it.

2. The cost imputed to the acquisition of a contractual position of a pre-existing swap that exceeds the regularization payments, or terminals, provided for in the original contract, or the market prices applicable to operations with identical characteristics, namely with a remaining term, shall not be accepted as a tax cost, and it is up to the intervening entities to prove it.

CHAPTER IV – TAXA

ARTICLE 61 – (General fee)

1. The corporate income tax rate shall be 32%, except in the cases provided for in the following paragraphs.

2. Agricultural, livestock, aquaculture and urban transport activities shall benefit, until 31 December 2025, from a reduced rate of 10%.[46]

3. Taxpayers covered by paragraph 2 of this article, who carry out other activities, must itemize in the declarations, the taxable profits of the activities subject to the different rates.

4. Expenses not duly documented and expenses of a confidential or unlawful nature shall be taxed autonomously, at the rate of 35%, without prejudice to the provisions of paragraph g) of paragraph 1 of article 36.

ARTICLE 61-A – (Autonomous tax on capital gains)

Income arising from capital gains is taxed autonomously, at the rate of 32%.[47]

ARTICLE 62 – (Withholding tax rates)

1. Income subject to withholding tax pursuant to Article 67 shall be taxed at 20%.

2. In the case of income from entities that do not have their head office or effective management in Mozambican territory and do not have a permanent establishment in the Republic of Mozambique, and which are attributable, they shall be taxed at a 20% rate in withholding tax, except for income derived from interest from external financing for agricultural projects, which are exempt until 31 December 2025.[48]

[46] Text given by article 1 of Law 20/2022 of 30 December Previous wording: "2. Agricultural and livestock activity benefits until 31 December 2015, from a reduced rate of 10%."

[47] Text added by article 2 of Law no. 12/2025 of 29 December.

[48] Text given by article 1 of Law 20/2022 of 30 December Previous wording:"2. In the case of income from entities that do not have their headquarters or effective management in Mozambican territory and do not have a permanent establishment in Mozambique to which they are attributable, they are taxed at a rate of 20% in withholding taxes"

3. Income of entities with head office and effective management in Mozambican territory, arising from:

a) Interest on treasury bills and debt securities listed on the stock exchange;

b) Interest on liquidity exchanges between banks, with or without collateral.[49]

4. Income derived from:

a) Provision of telecommunications and international transport services, as well as those for the assembly and installation of equipment related to these services and also those related to aircraft maintenance and freight;

b) Provision of services for the construction and rehabilitation of electricity production, transmission and distribution infrastructures in rural areas, within the scope of public rural electrification projects;

c) Chartering of maritime vessels to carry out fishing and cabotage activities;

d) Securities listed on the Mozambique Stock Exchange, except those provided for in paragraph a) of paragraph 3 of this article.[50]

5. Income from the provision of services by non-resident entities to national agricultural enterprises until 31 December 2025 shall also be taxed at the rate of 10%.[51]

6. The following shall be taxed at the rate of 10%:

a) Commissions obtained by electronic money agents;

(b) income obtained from the transfer of goods or provision of digital services.[52]

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[49] Text given by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014. Previous wording:"3. The income of the entities referred to in the previous paragraph shall be taxed at the rate of 10%, provided that they are derived from:

a) Provision of telecommunications and international transport services, as well as those resulting from the assembly and installation of equipment;

b) Construction and rehabilitation of infrastructures for the production, transmission and distribution of electricity in rural areas, within the scope of public rural electrification projects;"

c) Chartering of maritime vessels to carry out fishing and cabotage activities.

[50] Text given by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014. Previous wording: "4. Securities listed on the Mozambique Stock Exchange are also subject to a 10% levy

[51] Text given by article 1 of Law 20/2022 of 30 December.

[52] Text added by article 1 of Law no. 12/2025 of 29 December.

CHAPTER V – LIQUIDATION

ARTICLE 63 – (Competence for liquidation)

The IRPC settlement is carried out:

a) As a rule, by the taxpayer himself, in the Periodic Declaration and in the Replacement Declaration;

b) By the Tax Administration, in other cases.

ARTICLE 64 – (Tax credit related to economic double taxation of distributed profits)

1. The deduction relating to economic double taxation is applicable when the taxable amount of entities with head office or effective management in Mozambican territory has included income corresponding to profits distributed by entities with head office or effective management in the same territory, subject to IRPC and not exempt, in cases not contemplated in paragraph 1 of article 40.

2. The deduction consists of a tax credit of 60% of the IRPC corresponding to the distributed profits, included in the taxable base, and shall be made until the concurrence of the part of the amount calculated under paragraph 1 of the previous article that proportionally corresponds to the said profits after adding the amount of such credit under the terms of paragraph a) of paragraph 1 of article 53.

3. In the case of amounts attributed to each of the shareholders of a company in liquidation, by virtue of distribution, the deduction referred to in the preceding paragraph shall apply to the difference which, when positive, is considered as income from capital investment up to the maximum limit of the difference between the amount attributed and that, in view of the accounts of the liquidated company, corresponds to contributions actually verified for the payment of capital, and any excess is in the nature of taxable capital gain.

4. The tax credit regime provided for in this article shall apply, mutatis mutandis, to the income that the member receives from the participating association, the distributed income having been effectively taxed, and from the quota association.

ARTICLE 65 – (Tax Credit for International Double Taxation)

1. The deduction for international double taxation shall only apply when income obtained abroad has been included in the taxable amount and shall be the lesser of the following amounts:

a) Tax on income paid abroad;

b) Fraction of the IRPC, calculated before the deduction, corresponding to the income that may be taxed in the country in question.

2. Where there is a double taxation convention entered into by Mozambique, the deduction to be made under the terms of the preceding paragraph may not exceed the tax paid abroad under the terms of the convention.

3. Whenever it is not possible to make the deduction referred to in the preceding paragraphs, due to insufficient collection in the year in which the income obtained abroad was included in the taxable amount, the remainder may be deducted until the end of the following five years.

ARTICLE 66 – (Tax credit related to the special payment on account)

1. The deduction relating to the special payment on account shall be made from the amount determined in the Periodic Income Statement, for the same year to which it relates or, if insufficient, in the following years up to a maximum of 3 tax years, after the deductions relating to economic double taxation of distributed profits, international double taxation and tax benefits have been made, which must be made until the IRPC collection is concurred, with no refund.

2. In relation to the part that is not deducted under the terms of the previous paragraph, until the end of the period provided for therein, the provisions of the final part of the previous paragraph shall be observed.

ARTICLE 67 – (Withholding Taxes)

1. The IRPC is subject to withholding tax on the following income obtained in Mozambican territory:

a) Income from intellectual or industrial property and from the provision of information relating to experience acquired in the industrial, commercial or scientific sector;

(b) income derived from the use or concession of the use of agricultural, industrial, commercial or scientific equipment;

c) Income from the application of capital not covered in the previous paragraphs and property income, as defined for IRPS purposes, when its debtor is a IRPC taxpayer or when they constitute a charge related to the commercial, industrial or agricultural activity of IRPS taxpayers who must have accounting;

d) Remuneration earned as a member of statutory bodies of legal persons and other entities;

e) Match prizes, lotteries, raffles and mutual bets, as well as the amount or prizes awarded in any draws or contests, defined in the Law on Social Entertainment Games, Law No. 9/94, of 14 September;

f) Income referred to in paragraph d) of paragraph 3 of article 5 of the Corporate Income Tax Code obtained by entities not resident in Mozambican territory, when the debtor of the same is a IRPC taxpayer or when it constitutes a charge related to the commercial, industrial or agricultural activity of IRPS taxpayers who must have organized accounting;

g) Income from intermediation in the conclusion of any contracts and income from other services provided or used in Mozambican territory.

2. For the purposes of the preceding paragraph, the income referred to in paragraph 3 of article 5 shall be considered to have been obtained in Mozambican territory, except for those referred to in paragraph 4 of the same article.

3. Withholding taxes are in the nature of tax on account, except in cases where the holder of the income, not in real estate, is a non-resident entity that does not have a permanent establishment in Mozambican territory or that, if it does, such income is not attributable to it, in which case the withholding tax is definitive.

4. The withholding taxes on the income referred to in this article subject to IRPC shall be made at the rates provided for in article 62.

5. The obligation to withhold income tax at source occurs on the date of recognition of the cost[53], on the date of payment of the income, its maturity, even if presumed, its making available, its settlement or the determination of the respective amount, as the case may be, and the amounts withheld must be paid under the terms and deadlines established in the Personal Income Tax Code or in complementary legislation. [54]

6. The withholding tax referred to in paragraph 1(f) shall be made whenever the holder of the income referred to therein does not prove to the entity liable for the same, before making it available, that it is not directly or indirectly controlled by entertainment professionals or sportsmen.

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[53] Text added by article 1 of Law no. 12/2025 of 29 December.

[54] Text given by article 1 of Law 4/2012 of 23 January Previous wording: "5. The obligation to withhold income tax occurs on the date established for an identical obligation in the IRPS Code or, failing that, on the date on which the income is made available, and the amounts withheld must be delivered to the state under the terms and deadlines established in the IRPS Code or in complementary legislation."

7. In the case of income subject to taxation at the withholding rate provided for in paragraph 6 of article 62 of this Code, withholding tax shall be carried out in accordance with the terms to be regulated.[55]

ARTICLE 68 – (Exemption from withholding tax)

There is no obligation to withhold IRPC, when it has the nature of a tax on account, in the following cases:

a) Interest and other form of remuneration, arising from loans, credit openings or late payments, held by credit institutions, with head office or effective management in Mozambican territory, subject to IRPC, in relation to the aforementioned income, even if exempt from the same;

b) Interest or any increase in pecuniary credit, resulting from the extension of the respective maturity or delay in its payment, when such credits are the result of sales or provision of services by legal persons or other entities subject to IRPC in relation to them, even if exempt from such income;

c) Profits obtained by entities to which the regime established in article 40 applies;

d) Income referred to in paragraphs b) and g) of paragraph 1 of the previous article, when obtained by legal persons or other entities subject to IRPC, even if exempt from such income;

e) Remuneration referred to in paragraph d) of paragraph 1 of the previous article when earned by accounting firms participating in the bodies indicated therein;

f) Property income referred to in paragraph 1 c) of the previous article when obtained by companies whose purpose is the management of their own properties and are not subject to the tax transparency regime, under the terms of paragraph 1 c) of article 6;

g) Income obtained by holding companies (holding companies) of which a company in which they have a shareholding for at least one year is liable and the holding is not less than 10% of the voting capital of the investee company, either alone or jointly with shares in other companies in which the holding companies are dominant, resulting from supply contracts entered into with those companies or from the assumption of obligations of the former;

[55] Text added by article 1 of Law no. 12/2025 of 29 December.

CHAPTER VI – PAYMENT

ARTICLE 69 – (Payment rules)

Without prejudice to the provisions of the following articles, entities that carry out commercial, industrial or agricultural activities as their main activity and non-residents with a permanent establishment in Mozambican territory shall pay the tax in accordance with the terms to be regulated.

ARTICLE 70 – (Payments on account)

1. Advance payments shall be calculated on the basis of the tax assessed for the financial year immediately preceding the year in which such payments are to be made, net of withholding taxes.

2. Payments on behalf of taxpayers shall correspond to 80% of the amount of the tax referred to in the previous paragraph, divided into three equal amounts, rounded up, in accordance with the terms to be regulated.

ARTICLE 71 – (Special payment on account)

1. The entities referred to in article 68 shall be subject to a special payment on account, to be made in three instalments, during the months of June, August and October of the year to which it relates or, in the case of adopting a tax period that does not coincide with the calendar year, in months 6, 8 and 10 of the respective tax period.

2. The amount of the special payment on account shall be equal to the difference between the amount corresponding to 0.5% of the respective turnover, with a minimum limit of 30 000.00 MZN and a maximum of 100 000.00 MZN, and the amount of the payment on account made in the previous year.

3. For the purposes of the preceding paragraph, turnover shall be determined on the basis of the value of sales and/or services rendered up to the end of the previous financial year, and may be rectified in the following year if it is found that it was different from that on which the respective calculation was based.

4. The provisions of paragraph 1 shall not apply in the financial year in which the activity begins and to taxable persons covered by the simplified regime for determining taxable profit provided for in article 47.

ARTICLE 72 – (Limitations on payments on account)

1. If the taxpayer finds, from the information at his disposal, that the amount of the payment on account already made is equal to or greater than the tax that is due on the basis of the taxable amount for the year, he may not make a new payment

on account, but must send it to the Directorate of the Tax Area of the headquarters, effective management or permanent establishment where the accounting is centralized, an official form declaration of limitation of payment on account, duly signed and dated, fifteen days before the deadline for payment.[56]

2. If, in view of the periodic income statement for the year to which the tax relates, it is found that, as a result of the suspension of the payment on account provided for in the preceding paragraph, it has failed to pay an amount greater than 20% of that which, under normal conditions, would have been paid, compensatory interest is payable from the end of the period in which each delivery should have been made until the end of the period for submitting the return or until the date of the of the reverse charge payment, if earlier.

3. If the delivery on account to be made is greater than the difference between the total tax that the taxpayer deems due for the supplies already made, he may limit the payment to that difference, and the provisions of the preceding paragraphs shall be applied mutatis mutandis.

ARTICLE 73 – (Minimum limit)

There is no collection or refund of the IRPC when, due to liquidation, even if additional, reform or revocation of liquidation, the amount to be collected or refunded is less than 500.00MT.[57]

ARTICLE 74 – (Credit privileges)

For the payment of the IRPC for the last 6 years, the National Treasury enjoys a general movable privilege and real estate privilege over the assets existing in the taxpayer's assets on the date of the seizure or other equivalent act.

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[56] Text given by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014. Previous wording: "1. If the taxpayer finds, from the information at his disposal, that the amount of the payment on account already made is equal to or greater than the tax due on the basis of the taxable amount for the year, he may refrain from making a new payment on account, but must remit it to the tax services of the area of the registered office, effective management or permanent establishment where the accounts are centralized, an official form declaration of limitation of payment on account, duly signed and dated, by the end of the deadline for payment. "

[57] Text given by article 1 of Law 19/2013 of 23 September. Entry into force on January 1, 2014. Previous wording: "There is no collection when, due to an assessment made by the competent Tax Area Directorate, the amount paid is less than 100.00MZN."

CHAPTER VII – ACCESSORY OBLIGATIONS

SECTION I – Ancillary obligations of taxable persons

ARTICLE 75 – (Accounting obligations of companies)

1. Commercial or civil companies in commercial form, cooperatives, public companies and other entities that carry out, as their main activity, a commercial, industrial or agricultural activity, with headquarters or effective management in Mozambican territory, as well as entities that, although they do not have their head office or effective management in that territory, have a permanent establishment there, are required to have organized accounts under the terms of the commercial and tax law which, in addition to the requirements set out in Article 17(3), it shall allow the control of taxable profit.

2. Revoked[58]

3. In the execution of the accounts, the following shall be observed in particular:

a) All entries must be supported by supporting documents, dated and capable of being submitted whenever necessary;

b) Operations must be recorded chronologically, without amendments or erasures, and any errors must be subject to accounting adjustment as soon as they are discovered.

4. Delays in the execution of the accounts of more than 90 days, counted from the last day of the month to which the operations relate, are not permitted.

5. The accounting books, auxiliary records and supporting documents shall be kept in good order for a period of 10 years.

6. Where the accounts are established by computer means, the retention obligation referred to in the preceding paragraph shall include documentation relating to the analysis, programming and execution of computer processing.

7. The supporting documents of the accounting books and records, which are not authentic or authenticated documents, may, after three years after the year to which they refer and prior authorization from the Tax Administration has been

[58] Text repealed by article 3 of Law no. 12/2025 of 29 December. Previous wording: "2. The companies and entities referred to in the previous paragraph whose turnover in the previous year is equal to or less than 2,500,000.00 MT, may opt for the simplified bookkeeping regime, except in the case of public companies, public limited companies and limited partnerships.

obtained, be replaced, for the conditions that are established for tax purposes, by microfilms that constitute their faithful reproduction and comply with the conditions that are established.

8. Companies operating in the mining and oil sectors must organize their accounts individually, clearly distinguishing the results of each unit.[59]

9. Without prejudice to the provisions of the preceding paragraph, in the case of co-ownership of mining licences or concessions, the accounts shall be organised independently, with respect to each co-holder, clearly and unequivocally showing the individual costs and income.[60]

10. The entities referred to in paragraph 1 of this article shall organise their accounts by computerised means, in accordance with the terms to be regulated. [61]

ARTICLE 76 – (Simplified bookkeeping regime for entities carrying out commercial activity as the main activity)

Repealed. [62]

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[59] Text added by article 1 of Law 4/2012 of 23 February. Entry into force on 1 January 2012.

[60] Text added by article 1 of Law 4/2012 of 23 February. Entry into force on 1 January 2012.

[61] Text added by article 1 of Law no. 12/2025 of 29 December

[62] Text repealed by article 3 of Law no. 12/2025 of 29 December. Previous wording: "1. Entities with their head office or effective management in Mozambican territory that carry out, as their main activity, a commercial, industrial or agricultural activity, which do not have accounts organised under the terms of the previous article, must have the following records:

a) Register book of purchases of goods and/or register books of raw materials and consumption;

b) Register book of sales of goods and/or register books of manufactured products;

c) Record book of services rendered;

d) Register book of expenses and operations related to capital goods;

e) Register book of goods, raw materials and consumption, manufactured products and other stocks as of 31 December of each year.

2. Taxable persons, when they do not have organized accounts, are obliged to show separately in the respective register the amounts relating to the reimbursement of expenses incurred in the name and on behalf of the client, which, when duly documented, do not influence the determination of income.

3. The bookkeeping of the books referred to in paragraph 1 shall comply with the following rules:

a) Entries must be made within a maximum period of 60 days;

b) The amounts received as provision, advance or any other, intended to defray expenses under the responsibility of the clients must be recorded in a current account and recorded in the respective book, being considered as income in the year following their receipt, without exceeding the presentation of the final account relating to the work performed;

c) Entries must always be supported by supporting documents;

ARTICLE 77 – (Simplified bookkeeping regime for entities that do not carry out commercial activity as their main activity)

1. Entities with their head office or effective management in Mozambican territory that do not carry out, as their main activity, a commercial, industrial or agricultural activity, which do not have organised accounts under the terms of the previous article, must have the following records:

a) Income register, organised according to the various categories of income considered for IRPS purposes;

b) Registration of charges, organised in such a way as to distinguish the specific charges of each category of income subject to tax and the other charges to be deducted, in whole or in part, from the overall income;

c) Registration of inventory, on 31 December, of assets likely to generate taxable gains in the capital gains category.

2. The records referred to in the preceding paragraph shall not cover income from commercial, industrial or agricultural activities that may be carried out, on an ancillary basis, by the entities mentioned therein, and, if such income exists, an accounting shall also be organized which, in accordance with Article 75, allows the control of the ascertained profit.

3. The records referred to in paragraph 1 and the inventory and balance sheets, ledger and journal books corresponding to the accounts organised in accordance with paragraph 2 shall be submitted, before being used, with the sheets duly numbered, to the respective tax department so that their opening and closing terms may be signed and the respective sheets initialed, the seal can be used.

4. The provisions of paragraphs 3, 4, 5, 6 and 7 of article 75 shall apply to the bookkeeping referred to in paragraph 1 and to the accounts organised in accordance with paragraph 2 .

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d) Without prejudice to the provisions of the preceding paragraphs, the bookkeeping of expenses may be carried out globally, when supported by individual current accounts of the clients in which they are duly itemized and documented.

4. By order of the Minister supervising the area of Finance, other mandatory records may be established for the calculation of taxable income.

5. The books referred to in this article must be presented, before being used, with the duly numbered sheets, at the Directorate of the respective tax area so that their opening and closing terms can be signed and the respective sheets initialed, and the seal may be used"

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