



PERSONAL INCOME TAX CODE

LAW No. 33/2007 OF DECEMBER 31

AMENDED BY LAW No. 19/2017 OF 28 DECEMBER AND BY LAW No.
11/2025 OF 29 DECEMBER



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PREAMBLE

If there is a need to amend the Personal Income Tax Code, approved by Law No. 33/2007, of 31 December, amended by Law No. 20/2013, of 23 September, and amended and republished by Law No. 19/2017, of 28 December, under the provisions of paragraph 2 of article 127, in conjunction with paragraph 1 and paragraph o), of paragraph 2 of article 178, both of the Constitution of the Republic, the Assembly of the Republic determines:

Article 1: Articles 21, 22, 26, 34, 48, 50, 57, 65, 65-A and 72 of the Personal Income Tax Code approved by Law No. 3/2007 of 31 December, amended by Law No. 20/2013 of 23 September, and amended and republished by Law No. 19/2017 of 28 December 2017 are amended. replaced by the following: .

Article 2: The following Article 54a is added:

Article 3: Article 30(1)(b) and (c) 33, Article 52(2)(b) and Article 65(4), 73 and 74 of this Code are hereby repealed.

Article 4: Taxpayers in the second category integrated in the Simplified Bookkeeping Regime or in the Simplified Taxable Income Determination Regime must be transferred to the organized accounting regime.

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

Article 6: This Law shall enter 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

¹ Text given by article 1 of Law no. 11/2025 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 natural 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, both of the Constitution of the Republic, determines:

Article 1: The Personal 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. 20/2002, 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 financial year 2008 and subsequent 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

SECTION I – Actual impact

ARTICLE 1 – (Nature of the Tax)

1. The Personal Income Tax – IRPS, is a direct tax that is levied on the annual global value of income, even when it comes from unlawful acts.

2. The income referred to in the preceding paragraph shall come from the following categories, after the corresponding deductions and allowances have been made:

First Category: income from dependent work;

Second Category: business and professional income;

Third Category: income from capital and capital gains;

Fourth Category: property income;

Fifth Category: other income.

3. Income, whether in cash or in kind, regardless of where it is obtained, the currency and the manner in which it is earned, shall be subject to taxation.

ARTICLE 2 – (First Category)

1. This category includes income from employment and pensions and annuities for life or income of a comparable nature.

2. Income from employment shall be considered to be all remuneration paid or made available to the holder thereof, arising from:

a) Employment performed under an individual employment contract or another legally equivalent contract;

b) Work performed under a contract for the acquisition of services or other work of a similar nature, whether performed under the authority and direction of the person or the purchaser of the services;

c) Exercise of public function, service or position;

d) Situations of pre-retirement, pre-retirement or reserve, with or without the provision of work as well as benefits granted, in any capacity, before the requirements required by the compulsory social security schemes applicable for retirement have been met or, even if the employment contract does not exist, are subject to the condition that they are due until such requirements are met, even if

owed by pension funds or other entities, which replace the entity originally liable to do so.

3. The remuneration referred to in the preceding paragraph includes, in particular, wages, salaries, wages, bonuses, percentages, commissions, participations, subsidies or premiums, attendance tickets, emoluments, participation in fines and other ancillary remuneration, even if periodic, fixed or variable, of a contractual or non-contractual nature.

ARTICLE 3 – (Ancillary remuneration)

1. Ancillary remuneration shall be considered to include all rights, benefits or advantages not included in the principal remuneration which are received as a result of or in connection with the performance of work and which constitute an economic advantage for the respective beneficiary, such as:

- a) Family allowances and respective supplementary benefits, except to the extent that they do not exceed the established legal limits;
- b) The meal allowance, to the extent that it exceeds the legally established minimum wage;
- c) Residence allowances or equivalents or the use of a dwelling house provided by the employer, except for own houses located on the premises of the development;
- d) Those resulting from the personal use by the employee or member of the corporate body, of a motor vehicle that generates charges for the employer, when there is a written agreement between the employee or member of the corporate body and the employer, on the attribution to the employer of said motor vehicle;
- e) The amounts spent by the employer on trips and stays, tourism and the like, not related to the functions performed by the employee in the service of the same entity;
- f) Taxes and other legal charges due by the employee and that the employer takes upon him/herself.

2. For the purposes of the preceding paragraph, the employee's income is considered to be the benefits or benefits granted by the employer to any person in his household or who is linked to him by family or affinity.

3. For the purposes of this tax, an employer shall be deemed to be any entity that pays or makes available remuneration that constitutes income from dependent work under the terms of this article, and any other entity that is in a control or group relationship with it, regardless of its geographical location, shall be treated as an employer.

ARTICLE 4 – (Other income from dependent work)

Income from employment is also considered:

- a) The remuneration of the members of the statutory bodies of legal persons and similar entities;
- b) The amounts that individual entrepreneurs write as remuneration for their work or that provided by people who are part of their household;
- c) Allowances for failures due to those who have to move cash during their work, to the extent that it exceeds 5% of the fixed monthly remuneration;
- d) Allowances and amounts earned for the use of one's own car in the service of the employer, to the extent that both exceed the limit of the amounts established for State employees, with equivalent or more approximate fixed remuneration;
- e) Funds for travel, travel or representation expenses for which accounts have not been rendered by the end of the financial year;
- f) Any compensation resulting from the establishment, extinction or modification of a legal relationship that gives rise to income from dependent work, including those relating to non-compliance with contractual conditions or due to a change of place of work;
- g) Bonuses received for the performance or for the performance of work, when not granted by the respective employer.

ARTICLE 5 – (Pensions)

1. Pensions included in the First Category of this tax shall be considered to be:
 - a) Benefits due in the form of retirement or retirement, old-age, disability or survivor's pensions, as well as other pensions of the same nature, as well as maintenance pensions;
 - b) Benefits payable by insurance companies, pension funds, or any other entities, due under supplementary social security schemes due to employer contributions;
 - c) Pensions and subsidies not included in the previous paragraphs;
 - d) Temporary or lifelong annuities.
2. The redemption or any other form of anticipation of the availability of the income provided for in the previous paragraph does not alter the nature of pensions.
3. The income referred to in this article shall be subject to taxation as long as it is paid or made available to the respective holders.

ARTICLE 6 – (Non-taxable income from dependent work)

The following do not constitute taxable income, and are therefore not considered in the determination of taxable income:

- (a) benefits provided by employers for compulsory social security schemes and those payable for supplementary social security schemes, which are intended exclusively to provide benefits in the event of retirement, invalidity or survivors;
- b) The benefits attributable to the use and enjoyment of social and leisure utility activities maintained by the employer, provided that the criteria established in articles 31 and 33 of the Corporate Income Tax Code are observed;
- (c) services relating exclusively to vocational training for workers, whether provided by the employer or by bodies governed by public law or by bodies governed by public law or by bodies recognised as having competence in the fields of vocational training and rehabilitation by the competent ministries;
- d) Severance pay, provided for by law, received or made available to the employee, arising from the termination of the employment contract, on the initiative of the employer or employee, with just cause.

ARTICLE 7 – (Exempt income of the first category)

The pensions provided for in article 5 and the death allowance are exempt from IRPS.

ARTICLE 8 – (Second Category)

1. Business and professional income shall be included in this category.
2. Business and professional income shall be considered to:
 - a) Those resulting from the exercise of any commercial, industrial, agricultural, forestry or livestock activity;
 - b) Those earned in the exercise, on their own account, of any activity of provision of services, even if related to any activity mentioned in the previous paragraph;
 - c) That derives from intellectual or industrial property or from the provision of information relating to experience acquired in the industrial, commercial or scientific sector, when received by its original owner;
 - d) Those resulting from artistic, sporting and/or cultural activities.
3. Income in this category shall also be considered:
 - a) Property income attributable to business and professional activities;
 - b) Capital income attributable to business and professional activities;

- c) Capital gains ascertained within the scope of business and professional activities, defined under the terms of the IRPC code, namely those resulting from the transfer to the private assets of the entrepreneurs of any assets allocated to the company's assets;
- d) The amounts earned, by way of compensation, related to the activity carried out, namely its reduction, suspension and termination, as well as for the change of the place of the respective exercise;
- e) The amounts related to the temporary assignment of the operation of an establishment;
- f) Subsidies or subsidies within the scope of the exercise of the activity covered by paragraph 2(a);
- g) Subsidies or subsidies within the scope of the exercise of the activity covered by paragraph 2(b);
- h) Those resulting from the practice of isolated acts relating to the activity covered by paragraph 2(a);
- i) Those resulting from the practice of isolated acts referring to the activity covered by paragraph 2(b);

4. For the purposes of subparagraphs h) and i) of the preceding paragraph, income from isolated acts shall be considered to be income that does not result from a foreseeable or repeated practice.

5. For the purposes of this tax, copyright and related rights are considered to derive from intellectual property

ARTICLE 9 – (Commercial and industrial, agricultural, forestry or livestock activities)

1. For the purposes of the preceding article, commercial and industrial activities shall be deemed to be, namely, the following:

- a) Purchase and sale;
- b) Manufacturing;
- c) Fishing;
- d) Mining and other extractive industries;
- e) Transport;
- f) Civil construction;
- g) Urban planning and operation of allotments;

- h) Hotel and similar activities, restaurants and beverages, as well as the sale or exploitation of the right in rem of temporary housing;
- i) Travel and tourism agencies;
- j) Handicrafts;
- k) Agricultural and livestock activities not related to the exploitation of the land or in which the latter is manifestly ancillary;
- l) Agricultural, forestry and livestock activities integrated with others of a commercial or industrial nature.

2. For the purposes of the preceding article, agricultural, forestry or livestock activities shall be considered to be, namely, the following:

- a) Commercial or industrial farms, merely ancillary or complementary to them, which use, exclusively, the products of the agricultural, forestry or livestock holdings themselves;
- b) Hunting and exploitation of natural pastures, water and other spontaneous products, exploited directly or by third parties;
- c) Explorations of salt, algae and other marine vessels;
- d) Beekeeping farms;
- e) Research and obtaining of new animal and plant varieties, dependent on those activities.

ARTICLE 10 – (Third Category)

- 1. This category includes income from capital and income from capital gains.
- 2. Capital income shall be considered to:
 - (a) interest and profits, including those determined on liquidation, made available to the members of the companies or to the member in a partnership agreement or a share agreement, as well as sums made available to the members of the cooperatives by way of return on capital; income derived from shareholdings; certificates of investment funds, bonds, and other similar or repo operations;
 - b) Income arising from the deferral of an instalment or late payment;
 - (c) income from contracts for the temporary assignment or use of intellectual or industrial property rights or the provision of information relating to experience acquired in the industrial, commercial or scientific sector, when not received by the author or original holder, or income derived from technical assistance and the

use or concession of the use of agricultural equipment, industrial, commercial or scientific.

3. Capital income is also considered to be the fruits and other economic advantages, whatever their nature or denomination, whether pecuniary or in kind, deriving, directly or indirectly, from assets, assets, rights or legal situations, of a movable nature, as well as from their modification, transfer or cessation, with the exception of gains and other income taxed in other categories.

4. The fruits and economic advantages referred to in the preceding paragraph include, in particular:

- a) Interest and other forms of remuneration arising from loan, credit opening, carryover and other contracts that provide, for consideration, the temporary availability of money or other fungible things;
- b) Interest and other forms of remuneration derived from term deposits in financial institutions;
- c) Interest, amortisation or redemption premiums and other forms of remuneration on public debt securities, bonds, participation securities, consignment certificates, cash bonds or other similar securities, issued by public or private entities and other instruments of financial investment, namely bills, promissory notes and other negotiable credit instruments, as long as they are used under such conditions;
- d) Interest and other forms of remuneration for capital supplies, allowances or advances made by the partners to the company;
- e) Interest and other forms of remuneration due to the fact that the partners do not withdraw the profits or remuneration made available to them;
- f) The balance of interest calculated in a current account agreement;
- g) Interest or any increase in pecuniary credit resulting from the postponement of the respective maturity or delay in its payment, whether legal or contractual, with the exception of interest due to the state or other public entities for delay in the settlement or delay in the payment of any contributions, taxes or fees;
- h) The profits of entities subject to IRPC made available to their respective members or holders, including advances on account of profits, excluding those referred to in article 24;
- i) The amount attributed to the members as a result of the distribution that, under the terms of corporate income tax, is considered income from the application of capital, as well as the value attributed to the members in the amortization of shares without capital reduction;

- j) Income from participation units in investment funds;
- k) The income earned by the member in the participating association and in the quota association, as well as, in the latter, the income referred to in paragraph h) and earned by the member after deducting the benefit due by him to the member;
- l) Income from contracts for the assignment or temporary use of intellectual or industrial property rights or the provision of information relating to experience acquired in the industrial, commercial or scientific sector, when not received by the respective author or original holder, as well as those derived from technical assistance;
- m) Income arising from the use or concession of the use of agricultural and industrial, commercial or scientific equipment, when they do not constitute property income, and income from the transfer, sporadic or continuous, of computer equipment and networks, including data transmission or provision of installed computer capacity in any of its possible forms;
- n) Interest that is not included in other items of this article posted in any current accounts;
- o) Any other income derived from the simple investment of capital;
- p) The gain arising from foreign exchange swaps, interest rate swaps, interest rate and currency swaps and forward foreign exchange operations, provided that, in the latter case, they have an underlying element, namely deposits or transferable securities, which ensures the coverage of the risk.

5. In the case of derivative financial instruments, the provisions of paragraph 11 of article 59 of the PIT Code shall apply, mutatis mutandis, for the purposes of PTI.

ARTICLE 11 – (Determination of Swap Gains)

1. Without prejudice to the provisions of the following paragraph, in the cases provided for in paragraph 4(p) of the previous article, the gain subject to tax shall be constituted:
 - a) In the case of *foreign exchange swaps or forward foreign exchange operations, by the positive difference between the agreed exchange rate for the sale or purchase on the future date and the spot exchange rate verified on the day of conclusion of the contract for the same currency pair;*
 - b) In the case of *interest rate or currency swaps, by the positive difference between the interest and, in the second case, by the exchange gains relating to the capital exchanged.*

2. In the event of the assignment or cancellation of a swap or a forward foreign exchange operation, with payment and receipt of regularization amounts, the respective gains shall constitute income for the purposes of paragraph 4(p) of the previous article, and the provisions of article 60 of the IRPC Code shall apply mutatis mutandis.

ARTICLE 12 – (Taxable event for capital income)

1. The income referred to in article 10 shall be subject to taxation from the moment when:

- a) If they win;
- b) Maturity is presumed;
- c) They are made available to their holder;
- d) They are liquidated; or
- e) From the date of the calculation of the respective quantity.

2. In the case of loans, deposits and credit openings, interest, including partially presumed interest, shall be deemed to fall due on the stipulated date or, failing that, on the date of repayment of the capital, except in the case of fully presumed interest, which shall fall due on 31 December of each year or on the date of repayment, if previous.

ARTICLE 13 – (Concept of capital gains)

1. Capital gains referred to in paragraph 1 of article 10 shall constitute gains obtained which, not being considered commercial, industrial, agricultural, capital or property income, result from:

- a) Sale for consideration of rights in rem over immovable property and allocation of any assets of private property to the business and professional activity carried out in an individual name by its owner;
- b) Onerous disposal of shares, including their redemption and amortization with reduction of capital and other securities;
- c) Sale for consideration of intellectual or industrial property or experience acquired in the commercial, industrial or scientific sector, when the transferor is not its original owner;
- d) Assignment for consideration of contractual positions or other rights inherent to contracts relating to immovable property;

e) Positive net income, calculated each year, from operations relating to derivative financial instruments, with the exception of the gains provided for in paragraph 4(p) of article 10.

2. Gains shall be deemed to have been obtained at the time of the performance of the acts provided for in paragraph 1, without prejudice to the provisions of the following paragraphs:

a) In cases of promise of purchase and sale or exchange, it is presumed that the gain is obtained as soon as the tradition or possession of the goods or rights object of the contract is verified;

b) In cases where any assets of private assets are allocated to the business and professional activity carried out by their owner, the gain is only considered to have been obtained at the time of the subsequent onerous disposal of the assets in question or the occurrence of another fact that determines the determination of results under similar conditions.

3. The gain subject to IRPS is constituted:

(a) the difference between the realisation value and the acquisition value, net of the part qualifying as capital income, where applicable, in the cases referred to in subparagraphs (a), (b) and (c);

b) By the amount received by the transferor, less the price at which he may have obtained the rights and assets subject to assignment, in the case provided for in paragraph 1(d).

ARTICLE 14 – (Exchange of shares)

1. In the event of an exchange of shares under the conditions mentioned in paragraphs 1 and 3 of article 57 of the CIT Code, the attribution, as a result of that exchange, of the securities representing the share capital of the acquiring company to the shareholders of the acquired company does not give rise to any taxation of the latter if they continue to appreciate, for tax purposes, new shares at the value of the old ones, determined in accordance with the provisions of this Code, without prejudice to the taxation of the sums of money that may be attributed to them:

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

a) If the shareholder loses the status of resident in Mozambican territory, before the expiry of the period corresponding to the sum of the periods in which the shares delivered and the shares received in exchange were held, it shall be considered in the third category, for the purposes of taxation relating to the year in which that

loss of resident status occurs, of the value that, by virtue of the provisions of paragraph 1 of this article, was not taxed at the time of the exchange of shares, which corresponds to the difference between the real value of the shares received and the acquisition value of the old ones, determined in accordance with the provisions of this code

b) The special regime applicable to mergers and divisions of resident companies shall apply, mutatis mutandis.

3. The provisions of paragraphs 1 and 2 shall also apply, mutatis mutandis, in relation to the allocation of shares, quotas or shares, in the case of mergers or divisions and transfer of assets involving persons other than companies under the terms to be regulated.

ARTICLE 15 – (Fourth Category).

1. This category of property income includes the rents of rustic or urban properties, paid or made available to the respective owners, as well as those arising from the assignment of the operation of commercial or industrial establishments, including that of movable property existing therein.

2. The following are considered as rents:

a) The amounts relating to the transfer of the use of the building or part of it and the services related to that transfer;

b) The amounts related to the rental of machinery and furniture, installed in the leased property;

c) The difference, earned by the sublessor, between the rent received from the subtenant and that paid to the landlord;

d) The amounts related to the assignment of the use, in whole or in part, of real estate, for advertising or other special purposes;

e) The amounts related to the transfer of the use of common parts of buildings under the horizontal property regime;

f) Amounts related to the constitution, for consideration, of temporary rights in rem of enjoyment, even if for life, over rustic or urban properties.

ARTICLE 16 – (Fifth Category)

The following income is included in this category:

a) Cash winnings, actually paid or made available, from games of social entertainment, namely: lotteries, raffles, mutual betting, lotto, totoloto, bingo,

raffles, competitions and other modalities governed by Law No. 9/94, of 14 September; and

b) Equity increases, provided that they are not considered income from other categories.

ARTICLE 17 – (Equity increases)

The following constitute equity increases, provided that they are not considered income from other categories:

- a) Compensation aimed at compensating for unproven emerging damage and loss of profit, considering as such only those intended to compensate for the net benefits lost as a result of the injury;
- b) Amounts attributed by virtue of the assumption of non-compete obligations, regardless of the respective source or title;
- c) Unjustified increases in assets, which have been determined indirectly.

SECTION II – Personal impact

ARTICLE 18 – (Taxable person)

1. Individuals who reside in Mozambican territory and those who, not residing there, obtain income here are subject to IRPS.
2. Where there is a household, the tax shall be payable individually, by each person who constitutes it and by the income held by that person.
3. The household shall consist of:
 - a) For each of the spouses, and the dependents in their dependence;
 - b) By the unmarried father or mother and the dependents in their care;
 - c) By the unmarried adopter and the dependents in his or her care.
4. For the purposes of this tax, the following shall be considered dependent:
 - a) Children, adopted children and stepchildren, non-emancipated minors;
 - b) Children, adopted children and stepchildren, of legal age, who, not being over 25 years of age and not earning annually higher than the minimum provided for in article 56, have attended a secondary or higher education establishment in the year to which the tax relates to the 12th grade or have completed normal effective military service;

- c) Children, adopted children and stepchildren, of legal age, unfit for work and to earn means of subsistence, when they do not earn more than the minimum provided for in article 56, in the year to which the tax relates;
- d) Minors under guardianship, provided that they do not earn any income;
- e) Dependent ascendants of the taxable person, who are unable to work or to earn a living, when they do not earn more than the minimum provided for in article 56, in the year to which the tax relates.

5. Repealed.²

6. The persons referred to in the previous paragraph may not be part of more than one household at the same time, nor may they be included in more than one income statement.

7. The personal and family situation of the taxable persons relevant for the purposes of taxation is that which occurs on the last day of the year to which the tax relates.

ARTICLE 19 – (De facto unions)

Repealed.

ARTICLE 20 – (Scope of subjection)

- 1. The IRPS due by persons residing in Mozambican territory is levied on all their income, including those obtained outside that territory.
- 2. In the case of non-residents, the IRPS is levied only on income obtained in Mozambican territory.

ARTICLE 21 – (Residence)

1. Persons **who**:

- a) his main residence is in Mozambique, for all his income, including that obtained outside Mozambique;
- b) they carry out professional activity in Mozambique, paid or unpaid, in national territory, unless they can prove that it is a secondary activity;

²Text repealed by article 3 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018. Previous wording: "5. The provisions of subparagraphs a), b), c) and e) of the previous paragraph shall not prejudice the autonomous taxation of the persons referred to therein unless, in the case of children, adopted children or stepchildren, unemancipated minors, the administration of the income earned by them does not belong to them in full."

- c) have the center of their economic interests in Mozambique; and
- d) Are crew members of ships or aircraft, provided that they are at the service of entities with residence, headquarters or effective management in Mozambican territory.³

2. The persons who make up the household shall always be considered to be resident in Mozambican territory, provided that any of the persons who are responsible for the management of the household resides therein.

3. **Nationals who perform their duties or are on assignment in a foreign country and are not subject to income tax on their total income in that country are also considered domiciled in Mozambique for tax purposes.⁴**

⁴5. It is mandatory to communicate the taxpayer's residence to the Tax Administration.

ARTICLE 22 – (Income obtained in Mozambique)

1. The following shall be considered to have been obtained in Mozambican territory:

- a) Income from dependent work resulting from activities carried out therein, or when such income is due by entities that have their residence, headquarters, effective management or permanent establishment to which payment must be imputed;
- b) The remuneration of the members of the statutory bodies of legal persons and other entities, due by entities that have their residence, headquarters, effective management or permanent establishment to which the payment must be imputed;

³ Text amended by article 1 of Law no. 11/2025 of 29 December. Previous wording: "persons who, in the year to which their income relates:

- a) Have remained in it for more than 180 days, consecutive or interpolated;
- b) Having stayed for a shorter period of time, they have housing there in conditions that suggest the intention to maintain and occupy it as a permanent residence;
- c) Perform functions or commissions of a public nature abroad, at the service of the Republic of Mozambique;
- d) Are crew members of ships or aircraft, provided that they are at the service of entities with residence, headquarters or effective management in Mozambican territory."

⁴ Text added by article 1 of Law no. 11/2025 of 29 December.

⁵ Text renumbered by article 1 of Law no. 11/2025 of 29 December without change in content. Previously worded in paragraph 3.

- c) Income from work performed on board ships and aircraft, provided that its beneficiaries are in the service of an entity with residence, headquarters or effective management in that territory;
- d) Income from intellectual or industrial property, from the provision of information relating to experience acquired in the commercial, industrial or scientific sector, or from the use or concession of the use of agricultural, commercial or scientific equipment, when it does not constitute property income, as well as income derived from technical assistance, due from entities that have their residence therein, registered office, effective management or permanent establishment to which the payment is to be imputed;
- e) Income from business and professional activities attributable to a permanent establishment located therein, including income from intermediation in the conclusion of any contracts or derived from other services provided or used in Mozambican territory;
- f) Other income from the application of capital due by entities that have their residence, headquarters, effective management or permanent establishment to which the payment must be imputed;
- g) Income relating to real estate located therein, including capital gains resulting from its transfer;
- h) Capital gains resulting from the transfer for consideration of shares of capital of entities that have their head office or effective management therein or other securities issued by entities that have their head office or effective management, or even of shares 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 therein;
- i) Capital gains resulting from the sale of the assets referred to in paragraph 1 c) of article 13, when the registration or equivalent formality has been carried out therein;
- j) Pensions and winnings from lotteries, totalisator betting or other games, due by an entity that has its residence, headquarters, effective management or permanent establishment to which payment must be imputed;
- k) Income from isolated acts carried out therein;
- l) Asset increases not included in the previous paragraphs, when the assets, rights or legal situations to which they relate are located;

m) 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.⁶

2. A permanent establishment shall mean any fixed establishment or permanent representation through which one of the activities referred to in Article 8 is carried out, in whole or in part.

3. The provisions of paragraphs 4 and 5 of article 5 and paragraphs 2 to 9 of article 3 of the IRPC Code shall apply to the IRPS, mutatis mutandis.

4. For the purposes of paragraph 1(m) 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 means

digital networks. This category includes, among others, software, digital content, digital data for economic purposes, cryptocurrencies, e-books, social media profiles and other virtual 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 at a distance, 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, SaaS applications, cloud computing services, media and streaming services, digital financial services, digital intermediation, and any comparable electronic functionalities made available remotely.⁷

ARTICLE 23 – (Co-ownership of income)

Income that belongs in common to several persons is imputed to them in proportion to their respective shares, which are presumed to be equal when undetermined.

⁶ Text added by article 1 of Law no. 11/2025 of 29 December.

⁷ Text added by article 1 of Law no. 11/2025 of 29 December.

ARTICLE 24 – (Special imputation)

1. The income of the partners or members of the entities referred to in article 6 of the Corporate Income Tax Code, who are natural persons, shall be the income resulting from the imputation made under the terms and conditions contained therein.
2. For the purposes of the preceding paragraph, the respective amounts shall be included as taxable income in the Second Category.
3. The income of the partners who are natural persons shall be the income resulting from the imputation effected under the terms and conditions of article 51 of the Corporate Income Tax Code, and the regime established therein shall apply for this purpose, mutatis mutandis.
4. For the purposes of the preceding paragraph, the respective amounts shall be included as taxable income in the Second Category, in cases where the shareholding is allocated to a business and professional activity, or in the Third Category, in other cases.

ARTICLE 25 – (Tax substitution)

When, by means of tax substitution, this Code requires the total or partial payment of the IRPS to a person other than the one in relation to whom the respective assumptions are verified, the substitute is considered, for all legal purposes, as the main debtor of the tax, except for the provisions of article 67.

CHAPTER II – DETERMINATION OF TAXABLE INCOME

SECTION I – General rules

ARTICLE 26 – (Inclusion)

1. The taxable income in IRPS is that which results from the aggregation of the income of the various categories earned in each year, after making the deductions and deductions provided for in the following sections.
2. In situations of co-ownership, the aggregation shall be carried out in the following terms:
 - a) In the case of income of the Second Category, each co-holder includes the part of the taxable profit that is due to him, in proportion to his respective shares;
 - b) In the case of income from the other categories, each co-holder includes the gross income and the deductions legally allowed, in proportion to the respective shares.
3. The following are not included for the purposes of their taxation:
 - a) Income from dependent work;
 - b) The income referred to in article 57;
 - c) Income benefiting from exemption.
 - d) income subject to autonomous taxation.⁸
4. Even if not included for the purposes of its taxation, exempt income, when the law requires the respective aggregation, is always included for the purpose of determining the rate to be applied to the remaining income.
5. Repealed.⁹
6. Where the taxable person receives income giving rise to a credit for international double taxation tax provided for in Article 61, the corresponding income shall be considered at the respective gross amounts of income taxes paid abroad.

⁸ Text added by article 1 of Law no. 11/2025 of 29 December

⁹ Text repealed by article 3 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018.
Previous wording: "5. When the taxable person exercises the option referred to in paragraph 3(a), he is, for this reason, obliged to declare all the income included in each of the paragraphs of article 57, in respect of which he has opted for aggregation."

CHAPTER II – DETERMINATION OF TAXABLE INCOME

7. Repealed.¹⁰

8. Repealed.¹¹

ARTICLE 27 – (Amounts fixed in currency other than the metical)

1. The equivalence in meticais of income or charges expressed in another currency shall be determined by the official exchange rate in Mozambique of the respective currency, in accordance with the following rules:

- a) In the case of income transferred abroad, the selling rate on the date of the effective transfer or withholding tax shall apply, if applicable;
- b) In the case of income from abroad, the purchase exchange rate shall apply from the date on which it was paid or made available to the taxable person in Mozambique;
- c) In the case of foreign income obtained and paid that is not transferred to Mozambique by the end of the year, the purchase exchange rate will be applied on the date on which it is paid or made available to the taxable person;
- d) In the case of charges, the rule provided for in paragraph a) of this article shall apply.

2. If it is not possible to prove any of the dates referred to in the previous paragraph, the exchange rate of 31 December shall apply, the year to which the income or charges relate.

3. If there is no exchange rate on the dates referred to in paragraph 1, the exchange rate of the last previous exchange rate shall apply to those dates.

ARTICLE 28 – (Income in kind)

1. The equivalence in meticais of income in kind shall be made in accordance with the following rules, which shall be applied successively:

- a) At the officially fixed price;
- b) By the official purchase price;

¹⁰ Text repealed by article 3 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018. Previous wording: "7. Whenever the law imposes the aggregation of exempt income, these shall be considered, without deductions, for the purposes of the provisions of article 55, where appropriate, and for the determination of the rate to be applied to the remaining taxable income."

¹¹ Text repealed by article 3 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018. Previous wording: "8. For the purposes of the preceding paragraph, when the provisions of article 55 are to be applied, the quotient of the division by two exempt incomes shall be imputed proportionally to the fraction of income to which the rate to be applied corresponds."

c) At market value, under competitive conditions.

2. In the case of the use of housing, the income in kind corresponds to the difference between the value of the respective use and the amount paid in this respect by the beneficiary, observing the following rules in the determination of the latter:

- The value of the use is equal to the rent borne in place of the beneficiary;
- If there is no income, the value of the use is equal to the value of the rent determined, according to the market value, conditions of competition, but must not exceed one sixth of the total remuneration received by the beneficiary;
- When a residence allowance or equivalent is fixed by law for the situation in question when no dwelling house is provided, the use value may not exceed, in any case, that amount.

3. In the case of interest-free loans or at a reduced interest rate, the income in kind corresponds to the value obtained by applying to the respective principal the difference between the reference interest rate for the type of operation in question, which corresponds, for this purpose, to the rediscount rate of the Bank of Mozambique, disclosed by Notice of that Institution and in force at the beginning of each calendar year, and the interest rate that may be borne by the beneficiary.

4. In the case of the employer's allocation of the use of a motor vehicle, the annual income corresponds to the product of 0.25% of its acquisition or production cost, for the number of months of use of the vehicle.

5. In the case of the acquisition of a vehicle, which has been used under the conditions referred to in the previous paragraph, by the employee or member of the company's governing body, the income corresponds to the positive difference between the respective average market value considered by the associations of the automotive sector and the sum of the annual income taxed as income arising from the attribution of use, with the amount paid as the purchase price.

SECTION II – Income from employment

ARTICLE 29 – (Determination of taxable income)

Income from dependent work subject to tax is that made available to its holder, and no deductions are made.

SECTION III – Business and professional income

ARTICLE 30 – (Methods of determining taxable income)

1. The determination of business and professional income, as the case may be, shall be made on the basis of:
 - a) Repealed;¹²
 - b) Repealed¹³
 - c) In the application of the rules arising from the simplified regime for determining taxable income.¹⁴
2. If the income earned is derived from services provided to a single entity, the taxable person may opt for taxation in accordance with the rules established for the First Category, and this option shall be maintained for a period of three years.

ARTICLE 31 – (Imputation)

1. In determining income, only income and costs are those relating to goods or values that are part of the assets of the taxable person's sole proprietorship or that are allocated to the business and professional activities carried out by him.
2. Where any property belonging to the taxable person's private assets is assigned to his or her business and professional activity, the acquisition value at which those assets are considered to be shall be the market value at the date of assignment.
3. In the case of the transfer to the taxable person's private assets of assets used for his business and professional activity, the value of the assets corresponds to the market value of the assets at the date of the transfer.
4. The market value referred to in the preceding paragraphs, attributed by the taxable person at the time of the allocation or transfer of the assets, may be subject to correction whenever the tax authorities consider, with reasons, that it does not correspond to what would be practiced between independent persons.

ARTICLE 32 – (Isolated Acts)

Repealed.

¹² Wording repealed by article 3 of Law no. 11/2025 of 29 December. Previous wording: "b) In the simplified bookkeeping regime; or"

¹³ Wording repealed by article 3 of Law no. 11/2025 of 29 December. Previous wording: "c) In the application of the rules arising from the simplified regime for determining taxable income"

ARTICLE 33 – (Simplified Taxable Income Determination Regime) Repealed¹⁵**ARTICLE 34 – (Remission)**

In determining the business and professional income of taxpayers¹⁶, the rules established in the IRPC Code for the determination of taxable income are followed, with the adaptations resulting from the following articles.

ARTICLE 35 – (Non-deductible charges for tax purposes)

1. In addition to the limitations provided for in the IRPC Code, the expenses of travel, travel and stay of the taxable person or member of his household, who works with him, in the part that exceeds, are not deductible for the purposes of determining the income of the Second Category, even when accounted for or

¹⁵ Wording repealed by article 3 of Law no. 11/2025 of 29 December. Previous wording: "1. The simplified regime for determining taxable income shall apply to taxpayers falling into the Second Category, who have not opted for the organised accounting regime or the simplified bookkeeping regime, provided for in articles 72 and 73, respectively, and present, in the financial year prior to the application of the regime, a total annual turnover not exceeding 2 500 000.00 MT:

2. In the exercise of the commencement of activity, the classification of this simplified regime shall be made, subject to the other assumptions, in accordance with the total annual value of estimated 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 income results from the application of the following coefficients:

- a) 0.20 to the value of sales of goods and products;
- b) 0.20 to the value of sales and provision of accommodation, food and beverage services;
- c) 0.30 for the remaining income.

4. The option referred to in paragraph 1 shall be formalised by taxable persons:

- a) In the declaration of the commencement of activity;
- b) By the end of March of the year in which they intend to use organised accounting or simplified bookkeeping as a means of determining income, by submitting a declaration of changes.

5. The application of the simplified regime shall cease when the total annual business limit referred to in paragraph 1 is exceeded, in which case taxation under the organised accounting regime shall be carried out from the year following the verification of this fact.

6. The basic values necessary for the calculation of taxable income are subject to correction by the Tax Administration under the terms of article 38, and the provisions of the preceding paragraph shall apply when the assumptions referred to therein are met.

7. In the event of correction to the base values referred to in the previous paragraph by resorting to indirect methods in accordance with article 38, the provisions of articles 48 et seq. of the Personal Income Tax Code shall apply mutatis mutandis.

8. The following are excluded from the simplified regime:

- a) Taxable persons whose turnover exceeds the amount referred to in paragraph 1;
- b) Partners or members of entities covered by the provisions of article 6 of the Corporate Income Tax Code.

¹⁶ Wording removed by article 1 of Law no. 11/2025 of 29 December. Previous wording: "not covered by the simplified regime for determining taxable income, as provided for in article 33"

CHAPTER II – DETERMINATION OF TAXABLE INCOME

recorded as costs or losses for the year, in the part that exceeds, as a whole, 10% of the total income accounted for, subject to and not exempt from this tax.

2. When the taxable person assigns part of the property intended for his residence to his business and professional activity, the deductible charges related to it, namely depreciation, interest, rent, energy, water and landline telephone, may not exceed 25% of the total income accounted for, subject to and not exempt from this tax.

3. If the taxable person carries on his activity jointly with other professionals, the deductible charges shall be apportioned according to the respective use of the respective services or means of work or, in the absence of elements that allow apportionment, in proportion to the gross income earned.

4. Unlawful expenses are not deductible, namely those arising from conduct that justifiably indicates the violation of Mozambican criminal legislation, even if they occur outside the territorial scope of its application.

5. The remuneration of income holders in this category, as well as that attributed to members of their household who provide them with services, as well as other benefits in the form of subsistence allowances, use of their own car in the service of the activity, meal allowances and other remunerative allowances, shall not be deductible in the part that exceeds, as a whole, 10% of the total income accounted for, subject to and not exempt from this tax.

ARTICLE 36 – (Deduction of tax losses)

In cases of succession by death, the deduction of tax losses provided for in article 41 of the IRPC Code only benefits the taxpayer who succeeds the one who bore the loss.

ARTICLE 37 – (Payment of the capital stock with the contribution of the business assets)

1. There shall be no taxable income calculated by virtue of the payment of share capital resulting from the transfer of all assets allocated to the exercise of a business and professional activity by a natural person, provided that, cumulatively, the following conditions are met:

a) The entity to which the assets are transferred is a company and has its headquarters and effective management in Mozambican territory;

b) The transferor natural person holds at least 50% of the company's capital and the activity carried out by the latter is substantially identical to that carried out individually;

CHAPTER II – DETERMINATION OF TAXABLE INCOME

- c) The assets and liabilities subject to the transfer are taken into account for the purposes of the transfer with the same values as they were recorded in the accounts or in the books of the natural person, i.e., those resulting from the application of the provisions of this Code or from revaluations made under tax legislation;
- d) The shares of capital received in return for the transfer are valued, for the purpose of taxing the gains or losses related to their subsequent transfer, at the net value corresponding to the assets and liabilities transferred, valued in accordance with the preceding paragraph;
- e) The company referred to in paragraph a) undertakes, by means of a declaration, to comply with the provisions of article 58 of the Corporate Income Tax Code, which must be attached to the periodic income statement of the individual relating to the exercise of the transfer.

2. The provisions of paragraph 1 shall not apply to cases in which assets in respect of which there has been a deferral of taxation of the respective gains are part of the transferred assets, pursuant to paragraph 2 (b) of article 13.

3. Gains arising from the transfer for consideration, whatever their title, and from the shares of capital received in return for the transfer referred to in paragraph 1 shall be considered, before five years have elapsed from the date of the transfer, as business and professional income.

ARTICLE 38 – (Application of Indirect Methods)

1. The determination of taxable profit by indirect methods occurs whenever any of the following occurs:
 - a) Absence of organised accounting or of the record books required by article 73, as well as the absence, delay or irregularity in their execution, bookkeeping or organisation;
 - b) Refusal to show the accounts, record books and other legally required supporting documents, as well as their concealment, destruction, disuse, falsification or vitiation;
 - c) Existence of several accounts or groups of books with the purpose of concealing reality from the Tax Administration;
 - d) Errors or inaccuracies in the registration of operations or indications, based on the fact 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 or in the record books can only take place when it is not possible to

prove and quantify directly and accurately the elements essential for the correct determination of the taxable profit.

3. The delay in the execution of the accounts or in the bookkeeping of the books, as well as the failure to immediately display the record or books, shall only determine the application of the indirect methods after the expiry of the period set for regularization or presentation, without the obligation being complied with.

4. The time limit referred to in paragraph 3 shall not be less than fifteen nor more than thirty days and shall be without prejudice to the penalty to be imposed for any infringement committed.

5. The determination of taxable profit by indirect methods also complies with the provisions of article 48 of the Corporate Income Tax Code, *mutatis mutandis*.

SECTION IV – Capital income and capital gains

ARTICLE 39 – (Determination of capital income)

The capital income provided for in article 10 of this Code, subject to tax, is that made available to its holder or that paid, as the case may be, without any deductions being made.

ARTICLE 40 – (Determination of capital gains)

1. The value of the income qualified as capital gains is that corresponding to the balance between the capital gains and losses realised in the same year, determined in accordance with the following articles.

2. The balance referred to in the preceding paragraph, relating to the transfers provided for in Article 13(l)(a), (c) and (d), whether positive or negative, shall only be considered at 50% of its value.

3. The balance referred to in paragraph 1, relating to the transfers provided for in paragraph 1 b) of article 13, positive or negative, shall only be considered:

a) At 100% of its value, when the shares or other securities are held for 12 months;

b) By 85% of its value, when the shares or other securities are held for a period between 12 and 24 months;

c) By 65% of its value, when the shares or other securities are held for a period between 24 and 60 months;

d) By 55% of its value, when the shares or other securities are held for 60 or more months.

4. For the purposes of the preceding paragraph, it shall be considered that:

- a) The date of acquisition of the securities whose ownership has been acquired by the taxable person by incorporation of reserves or by substitution of them, namely by change in the nominal value or modification of the corporate purpose of the issuing company, is the date of acquisition of the securities that gave rise to them;
- b) In the case of securities of the same nature and conferring identical rights, those sold are considered to be those acquired for a longer time;
- c) In the case of exchanges of shares under the conditions mentioned in paragraphs 1 and 3 of article 57 of the Corporate Income Tax Code, the holding period corresponds to the sum of the periods in which the shares received in exchange were held;
- d) The regime of the previous paragraph is applicable, mutatis mutandis, to the acquisition of shares, quotas or shares in the case of mergers or divisions of resident companies, as well as those applicable to article 56 of the Corporate Income Tax Code.

5. In the case of capital gains obtained by non-resident taxpayers and without a permanent establishment located in Mozambican territory, as provided for in paragraph 5 of article 5 of the Corporate Income Tax Code, the balance referred to in paragraph 1, relating to the transfers provided for in paragraph b) of paragraph 1 of article 13, shall be considered in full, regardless of the period of holding of the shareholding.

ARTICLE 41 – (Realization values)

- 1. For the determination of gains subject to IRPS, the following are considered to be realisation value:
 - a) In the case of exchange, the value attributed in the contract to the goods or rights received, or the market value, when it does not exist or is higher, increased or decreased, one or the other, of the amount of money to be received or paid;
 - b) In the case of expropriation, the amount of compensation;
 - c) In the case of the allocation of any assets of the private assets of the holder of income of the Second Category to business and professional activity, the market value at the date of allocation;
 - d) In other cases, the amount of the respective consideration.
- 2. In the cases referred to in subparagraphs a), b) and c) of the preceding paragraph, in the case of rights in rem over immovable property, the values at which the assets have been considered for the purposes of the settlement of the property or, in the absence of such liquidation, those that should have been, if it were due, shall prevail, when higher.

3. In the case of exchange for future goods, the values referred to in paragraph 1(a) refer to the date of conclusion of the contract.

4. In the case provided for in paragraph 1(c) of this article, the amount resulting from the correction referred to in paragraph 4 of article 31 shall prevail, if any.

ARTICLE 42 – (Free acquisition value)

1. For the purpose of determining the gains subject to IRPS, in the case of goods or rights acquired free of charge, the acquisition value shall be considered to be that which has been considered for the purpose of assessing inheritance and gift tax.

2. If the tax referred to in the previous paragraph is not assessed, the amounts that would serve as the basis for it, if due, shall be determined in accordance with the rules of that tax.

ARTICLE 43 – (Value of acquisition for consideration of real estate)

1. In the case of Article 13(1)(a), if the immovable property has been acquired for consideration, the acquisition value shall be considered to be that which has been used for the purposes of SISA settlement.

2. If there is no SISA assessment, the amount that would serve as the basis for it, if due, shall be considered determined in accordance with the rules of that tax.

3. The acquisition value of real estate built by the taxpayers themselves corresponds to the patrimonial value registered in the matrix, plus the duly proven construction costs, if higher than that.

ARTICLE 44 – (Equivalence to the value of the acquisition)

In the case of transfer to the private assets of the holder of income of the Second Category of any assets allocated to business and professional activity, the acquisition value is considered to be the market value at the date of the transfer.

ARTICLE 45 – (Acquisition value for consideration of shares and other securities)

In the case of Article 13(1)(b), the acquisition value, when it has been made for consideration, is as follows:

a) In the case of securities listed on the Stock Exchange, the documentary cost or, in its absence, the cost of the lowest price recorded in the two years prior to the date of sale, if a lower one is not declared;

b) In the case of quotas or other securities not listed on the Stock Exchange, the documentary cost or, in the absence thereof, the respective nominal value.

ARTICLE 46 – (Acquisition value for consideration of other assets and rights)

In the cases of Article 13(1)(c) and (e), the acquisition value, when made for consideration, is constituted by the price paid by the seller, with documentary evidence.

ARTICLE 47 – (Expenses and charges)

For the determination of capital gains subject to tax, the acquisition value is supplemented:

- a) The costs of valuing the assets, proven to have been incurred in the last 5 years, and the necessary and effectively incurred expenses, inherent to the acquisition and disposal, in the situations provided for in Article 13(1)(a);
- b) The necessary and effectively incurred expenses inherent to the disposal, in the situations provided for in Article 13(1)(b) and (c).

SECTION V – Property income

ARTICLE 48 – (Determination of property income)

1. At the time of aggregation, **the gross income referred to in article 15 of this Code shall be deducted**¹⁷ from the maintenance and conservation expenses **proven to be borne**¹⁸ by the taxable person, up ¹⁹ **to a limit of**²⁰ 30% of the income,²¹ as well as the interest paid to Mozambican credit institutions,²² resulting from loans for the construction of own housing²³.
2. The municipal property tax that is levied on the value of the buildings or part of buildings whose income has been included shall also be deducted.
3. In the case of an autonomous fraction of a building under the horizontal property regime, the conservation, enjoyment and other costs which, under the

¹⁷ Text added by article 1 of Law no. 11/2025 of 29 December.

¹⁸ Text added by article 1 of Law no. 11/2025 of 29 December.

¹⁹, Text removed by article 1 of Law no. 11/2025 of 29 December. Previous wording: "assuming they match"

²⁰ Text added by article 1 of Law no. 11/2025 of 29 December.

²¹ Wording removed by article 1 of Law no. 11/2025 of 29 December. Previous wording: "unless, if superior, the taxable person proves by documentary evidence;"

²² Wording removed by article 1 of Law no. 11/2025 of 29 December. Previous version: "properly documented"

²³ Wording removed by article 1 of Law no. 11/2025 of 29 December. Previous wording: ", provided that the value of the respective rents is included and until the competition of this amount."

terms of civil law, the joint-owner must necessarily bear, are borne by him, and are documentally proven, shall also be deducted.

4. In the case of subletting, the difference between the rent received by the sublessor and that paid by the sublessor shall not be deductible.

SECTION VI – Other income

ARTICLE 49 – (Determination of taxable income)

In determining the taxable income of income qualified as equity increases, no deductions are made.

SECTION VII – Relief of losses

ARTICLE 50 – (Deductions of losses)

1. Without prejudice to the provisions of the following paragraphs, the negative net result calculated in any category of income shall be deductible from all net income subject to taxation.

2. The negative net result recorded in the Second and Third categories, as well as the percentage of the negative balance referred to in paragraph 2 of article 40, may only be carried forward for the five years following the year to which they relate, deducting the net income of the same category or the percentage of the positive balance between the capital gains and losses realised in the year in question, in accordance with the applicable part of article 41 of the IRPC Code.

3. In the Second Category, losses resulting from the exercise of agricultural, forestry and livestock activities are not deductible when these activities are carried out with others covered by the same category of income, without prejudice to their reporting to positive net income of the same nature, and the holders of such income must ensure the accounting procedures that are required to separately calculate the losses of those activities, **unless they are subject to the simplified regime for determining taxable income.²⁴**

4. The percentage of the negative balance referred to in paragraph 3 of article 41 may only be carried forward to the two years following the year to which it relates, deducting the net income of the same nature or the percentage of the positive balance calculated between the capital gains and losses realised in the year in question, in accordance with the applicable part of article 41 of the CIPC Code.

²⁴ Text added by article 1 of Law no. 11/2025 of 29 December.

SECTION VIII – Rebates

ARTICLE 51 – (Rebates to total net income)

Repealed.

SECTION IX – Taxable Income Determination Process

ARTICLE 52 – (Income statement)

1. Taxable persons shall submit, annually, an official model declaration, relating to the income of the previous year and other information relevant to their specific tax situation.
2. Without prejudice to the provisions of paragraph 1 of this article, taxpayers who, in the year to which the tax relates, have only earned:
 - a) Income taxed at the rates provided for in article 57;
 - b) **Repealed.**²⁵

ARTICLE 53 – (Bases for the calculation, determination or alteration of income)

1. The taxable income of IRPS shall be calculated in accordance with the rules established in the previous sections and with the rules relating to tax benefits to which taxpayers are entitled, based on the annual income tax return submitted within the legal deadline and other elements available to the Tax Administration.
2. The tax authorities shall determine all net income subject to taxation when:
 - a) Any of the situations or facts provided for in paragraph 4 of article 31 and article 38 occur;
 - b) The income tax return provided for in article 52 has not been submitted, when it should be.
3. In the case provided for in paragraph b) of the preceding paragraph, the taxable person shall be notified in advance to submit the missing declaration within fifteen days, without prejudice to the applicable penalties.
4. The Tax Administration shall amend the elements declared whenever, in the absence of a determination to be made in paragraph 2, corrections must be made as a result of errors in the declarations themselves, omissions made therein or corrections resulting from divergences in the classification of acts, facts or documents relevant to the assessment of the tax.

²⁵ Text repealed by article 3 of Law no. 11/2025 of 29 December. Previous wording: "b) Income from dependent work, subject to withholding tax, under the terms of article 65-A."

5. The competence to carry out the acts of clearance, determination and alteration referred to in this article shall be exercised by the Director of the Tax Area where the tax domicile of the taxable persons is located.

CHAPTER III – TAXA

ARTICLE 54 – (General fees)

1. The tax rates are as follows:

Annual Taxable Income in Meticais (A)	Fees (B)	Parcela a abater (MT) (C)
Up to 42,000	10%	-
From 42,001 to 168,000	15%	2.100
From 168,001 to 504,000	20%	10.500
From 504,001 to 1,512,000	25%	35.700
Beyond 1,512,000	32%	141.540

2. The percentages indicated in column B represent marginal rates, each of which is valid within the limits of the corresponding income bracket. The amounts in column C are intended to enable the tax to be calculated in practice, which is collected by applying to the total taxable income the maximum rate corresponding to it, according to column B, and then deducting the portion indicated in column C.

3. In the case of taxable persons that only include income from the Second Category in the aggregation, arising from agricultural or livestock activities, the tax resulting from the application of the rates set out in paragraph 1 may not be higher than that resulting from the application of the reduced rate of 10% referred to in paragraph 2 of article 61 of the Corporate Income Tax Code, to taxable income, during the term of the same reduced rate.

ARTICLE 54-A – (Autonomous tax rates)

1. Capital gains determined under this code shall be taxed autonomously at the time of realisation, in accordance with the following table:

Annual Taxable Income in Meticais (A)	Fees (B)
Up to 42,000	10%
From 42,001 to 168,000	15%
From 168,001 to 504,000	20%
From 504,001 to 1,512,000	25%
Beyond 1,512,000	32%

2. 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 of the CIRPC.²⁶

ARTICLE 55 – (Marital quotient)

Repealed.

ARTICLE 56 – (Non-taxable minimum)

1. Annual taxable income less than or equal to 225,000.00 MT shall not be taxed, and the excess shall be subject to tax.

2. In the case of taxation by the household, the non-taxable minimum referred to in paragraph 1 shall apply to the income of each holder up to its amount.

ARTICLE 57 – (Discharge fees)

1. Income obtained in Mozambican territory listed in the following paragraphs as well as the income mentioned in paragraph 3 b) of article 65 shall be subject to withholding tax, on a definitive basis, at the withholding rates provided for therein.²⁷

2. The following shall be taxed at the rate of 20%:

a) Income from shares, registered or bearer;

b) Income from employment and income provided for in paragraph 2 b) of article 8 and in paragraphs d), e) and g) of paragraph 3 of the same article, earned by non-residents in Mozambique;

c) Profits made available to the respective members or holders, including advances on account of profits, due by entities subject to IRPC, earned by non-residents in Mozambique;

d) The income referred to in paragraph 4 (p) of article 10;

e) Income from debt securities listed on the Mozambique Stock Exchange;

f) The income from capital referred to in Article 10(4)(l) and (m);

g) Any capital income not expressly taxed at a different rate;

²⁶ Text added by article 2 of Law no. 11/2025 of 29 December

²⁷ Text given by article 1 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018. Previous wording: "1. The income obtained in Mozambican territory listed in the following paragraphs is subject to withholding tax, on a definitive basis, as well as the income mentioned in paragraph 4 b) of article 65, at the rates provided for therein."

- h) Commissions for intermediation in the conclusion of any contracts and income derived from other services referred to in paragraph 1 e) of article 22, paid or made available to non-residents in Mozambican territory;
- i) Income from intellectual or industrial property or from the provision of information relating to experience in the industrial, commercial or scientific sector, earned by original owners, who are not resident in Mozambique.
- j) Income from debt securities, registered or bearer, including bonds, as well as income from repo operations, credit assignments, securities accounts with price guarantee or other similar or similar operations;
- k) Income from isolated acts.

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

- a) Interest on term deposits;
- b) Income from securities listed on the Mozambique Stock Exchange, except for debt securities;
- (c) cash winnings from social and entertainment games such as lotteries, raffles, totalisator betting, lotteries, bingo, prize draws and competitions;
- d) Remuneration earned by theatre, dance, variety or circus artists, film actors and extras, musicians, singers or sportsmen and other related professions, whether or not domiciled in the national territory, except when they receive remuneration on a regular basis for the exercise of activity as an employee.
- e) The commissions obtained by electronic money agents.
- (f) Income obtained from the transfer of goods or digital services by non-residents or for whom the person liable to pay the income is not a taxable person
- g) Income obtained from the transfer of goods or provision of digital services made to IRPS taxpayers.²⁸

4. The rates provided for in paragraphs 2 and 3 shall be levied on gross income.

5. Repealed

6. Repealed

²⁸ Text added by article 1 of Law no. 11/2025 of 29 December.

CHAPTER IV – LIQUIDATION

ARTICLE 58 – (Competence for liquidation)

1. The IRPS is the responsibility of the Tax Administration services;
2. The reverse charge is mandatory for holders of income in the Second Category, with organized and optional accounting for the others, and must, in any case, be carried out in the respective declarations, when submitted within the deadlines provided for in the regulations of this Code.

ARTICLE 59 – (Deduction from the tax collection)

1. The following deductions shall be made from the collection of IRPS, under the terms of the following articles:
 - a) The personal and family situation of the taxable person;
 - b) International double taxation.
2. Payments on account of the tax and amounts withheld at source of that nature, relating to the same tax period, shall also be deducted from the IRPS collection.
3. The deductions referred to in this article shall be made in the order indicated therein and only those provided for in paragraph 2 of this article, when higher than the tax due, shall give rise to the right to a refund of the difference.²⁹
4. The deductions provided for in paragraph 1 of this article shall apply only to taxable persons residing in Mozambican territory.³⁰

ARTICLE 60 – (Deductions related to personal and family situation)

1. The following shall be deducted annually from the collection of IRPS due by taxpayers residing in Mozambican territory and up to its amount:
 - a) 1,800.00 MT for each taxable person;
 - b) 600.00 MT, when there is a dependent; 900.00MT when there are two dependents; 1,200.00MT when there are three dependents and 1,800.00MT when there are four or more dependents, provided that they are not taxable persons of this tax.
2. In the event of a fractionation of income resulting from the formation of the conjugal partnership or from the dissolution by declaration of nullity or annulment of the marriage, by divorce or by legal separation, the deductions referred to in

²⁹ Text added by article 2 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018.

³⁰ Text added by article 2 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018.

paragraph 1 shall be considered as relating to the full year, the part relating to each period being determined by the number of days contained therein.

ARTICLE 61 – (Tax Credit for International Double Taxation)

1. Holders of income of the different categories obtained abroad are entitled to a tax credit for international double taxation, deductible until the concurrence of the part of the IRPS collection proportional to such net income, considered in accordance with paragraph 6 of article 26, which corresponds to the lesser of the following amounts:
 - a) Tax on income paid abroad;
 - b) Fraction of the IRPS collection, 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 deductions referred to in the previous 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 from the part of the IRPS collection proportional to the net income of the respective category.

ARTICLE 62 – (Minimum Limits)

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

ARTICLE 63 – (Unofficial Tax Refund)

1. The difference between the tax due at the end and that which has been paid to the State Treasury as a result of withholding tax or payments on account, in favour of the taxable person, must be refunded by the end of the third month following the end of the period provided for in the regulations of this tax for payment for the previous year.
2. If, for reasons attributable to the services, the deadline provided for in the previous paragraph is not met, compensatory interest shall be payable as provided for in Law No. 2/2006 of 22 March.

CHAPTER V – PAYMENT

ARTICLE 64 – (Payment of Tax)

1. Personal Income Tax shall be paid in the year following the year to which the income relates, without prejudice to the provisions of the following articles.
2. The deadlines and terms for payment of the tax shall be subject to regulation.

ARTICLE 65 – (Withholding Tax)

1. In the cases provided for in the following paragraphs and in others established by law, the entity liable for the income subject to withholding tax shall be obliged, **on the date of recognition of the cost**,³¹ at the time of payment, of the maturity, even if presumed, of its making available, of its settlement or of the determination of the respective amount, as the case may be, or, in the case of commissions, for intermediation in the conclusion of any contracts, at the time of their payment or making available, to deduct from them the amounts corresponding to the application of the rates provided for therein on account of the tax relating to the year in which these acts occur.
2. Entities which have or should have organised accounts shall be required to withhold tax by applying the rates of 20% to the gross income for which they are liable at the rates of 20%, in the case of income from capital and in the fourth category, income from intellectual or industrial property or from the provision of information relating to experience in the industrial sector, earned by original holders, as well as income from self-employment or commissions for intermediation in the conclusion of any contracts, without prejudice to the provisions of the following paragraph.
3. In the case of income subject to taxation by the withholding rates provided for in article 57:
 - a) The entities that are liable for the income deduct the amount corresponding to the rates set therein;
 - b) Entities that pay or make available to their respective holders, resident in Mozambican territory, on behalf of entities that do not have a residence, headquarters, effective management or permanent establishment to which the payment may be imputed, income from registered or bearer securities, deduct the amount corresponding to the rate of 20%.

³¹ Text added by article 1 of Law no. 11/2025 of 29 December.

4. **Repealed.**³²

5. For the purposes of paragraph 2, income from self-employment shall be deemed to be income corresponding to payments made in remuneration for technical or scientific work, carried out on a free basis, including consultancy services, studies, opinions and other work or activities of the same nature, whenever the scientific, technical or artistic nature of the respective profession predominates in its performance.³³

6. In the case of income subject to taxation at the withholding rate provided for in Article 57(3)(e), (f) and (g), withholding tax shall be made in accordance with the terms to be regulated.³⁴

ARTICLE 65-A – (Withholding tax on employment income)

1. Entities liable for fixed or variable employment income from employment shall be obliged to withhold the tax at the time of its payment or making available to the respective holders, in accordance with the table **below**³⁵, with the exception of the income provided for in Article 3(1)(c) and (d), provided that it is not certain and regular, pensions, death allowances and those referred to in Article 4(g) of this Code.

³² Text Repealed by Law No. 11/2025 of 29 December. Previous wording: "4. For the application of the 20% rate provided for in paragraph 2, the deduction of 30% from income in respect of maintenance and conservation expenses, referred to in paragraph 1 of article 48 of this Code, shall be taken into account for income in the Fourth Category."

³³ Text given by article 1 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018. Previous wording: "5. For the purposes of paragraph 3, income from self-employment shall be considered to be that corresponding to payments that take place in remuneration for technical or scientific work, carried out on a free basis, including consultancy services, studies, opinions and other work or activities of the same nature, whenever the scientific, technical or artistic nature of the respective profession predominates in its performance."

³⁴ Text added by article 1 of Law no. 11/2025 of 29 December.

³⁵ Text amended by article 1 of Law no. 11/2025 of 29 December. Previous version: "annexed to this Code"

Note: The sign (-) means that there is no tax to withhold and that the coefficient

Limits of Monthly Gross Salary Ranges (Mts)	IRPS amount to be withheld relative to the limit of the gross salary range, by number of dependents ((Mts))					Coefficient applicable to each additional unit of the lower limit of gross salary
	0	1	2	3	4 or more	
Up to 20,249.99	-	-	-	-	-	0%
From 20,250.00 to 20,749.99	0	-	-	-	-	10%
From 20,750,00 to 20,999,99	50	0	-	-	-	10%
From 21,000.00 to 21,249.99	75	25	0	-	-	10%
From 21,250.00 to 21,749.99	100	50	25	0	-	10%
From 21,750,00 to 22,249,99	150	100	75	50	0	10%
From 22,250.00 to 32,749.99	200	150	125	100	50,	15%
From 32,750.00 to 60,749.99	1.775	1.725	1.700	1.675	1.625	20%
From 60,750.00 to 144,749.99	7.375	7.325	7.300	7.275	7.225	25%
From 144,750.00 onwards	28.375	28.325	28.300	28.275	28.225	32%

does not apply;

The (0) means that only the coefficient applies.

2. The withholding of the IRPS shall be equal to the sum of the amount of the IRPS contained in the table **provided for in paragraph 1 of this article³⁶**, corresponding to the range in which the remuneration paid or made available to its holders falls and the result of the application of the coefficients corresponding to the value of the

³⁶ Text added by article 1 of Law no. 11/2025 of 29 December

difference between these remunerations and the minimum value of the range in which they fall.

3. Monthly remuneration is considered to be the amount paid as fixed remuneration, plus any other amounts that have the nature of income from dependent work, as defined in articles 2 and 4 of the IRPS Code, the ³⁷bonuses received for the provision or due to the provision of work when not granted by the respective employer, paid or made available to its holder in the same period, even if referring to previous periods.

4. In the case of fixed remuneration for periods of less than the month, the sum of the sums awarded, paid or made available in each month shall be considered as monthly remuneration.

5. Holiday allowances and other similar allowances, as well as the additional benefits corresponding to the 13th and 14th months, shall always be subject to autonomous withholding tax, and may not be added to the remuneration of the months in which they are paid or made available.³⁸

6. The withholding tax on employment income shall be made definitively.

ARTICLE 66 – (Payments on account)

The ownership of income in the Second Category determines, for the respective taxable persons, the obligation to make three payments on account of the tax due at the end, of equal amounts, rounded up, whose total payments on account is equal to 80% of the amount resulting from the application of the percentage resulting from the participation of income in the Second Category in the total income included, to the IRPS of the previous year, under the terms to be regulated.

ARTICLE 66-A – (Collaboration of Local Authorities in the collection of the tax)³⁹

1. Local Authorities shall cooperate with the Tax Authority in the collection of Personal Income Tax levied on income derived from real estate located therein, under the terms to be regulated.

2. In return for the collaboration referred to in paragraph 1, 10% of the revenue collected, under the terms of paragraph 1 of this article, shall be allocated to Local Authorities.

³⁷ Wording removed by article 1 of Law no. 11/2025 of 29 December. Previous wording :"and at the request of the holder"

³⁸ Text added by article 2 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018.

³⁹ Text added by article 2 of Law no. 19/2017 of 28 December. Entry into force on January 1, 2018.

3. The percentage referred to in paragraph 2 of this article shall constitute the Local Authority's own revenue, in accordance with the applicable legislation.

ARTICLE 67 – (Liability in case of substitution)

1. In the event of tax substitution, the entity obliged to withhold the withholding shall be liable for the amounts withheld and not delivered to the State coffers, and the substituted entity shall be relieved of any responsibility for their payment, without prejudice to the provisions of the following paragraphs.
2. Where the withholding is made merely as a payment on account of the tax due at the end, the substituted party shall be responsible for the original liability for the tax not withheld and the substitute liable for the subsidiary liability, the latter being subject to the compensatory interest due from the expiry of the deadline for submission of the return by the original liable party or until the date of delivery of the withheld tax, if previous.
3. In other cases, the substituted party is only subsidiarily liable to pay the difference between the amounts that should have been deducted and those that were actually deducted.

ARTICLE 68 – (Offsetting)

1. The IRPS obligation may be extinguished by offsetting, in whole or in part, with the debtor crediting the IRPS refund.
2. Set-off shall be effected by the delivery by the taxable person of the respective credit note.

ARTICLE 69 – (Default interest)

When the tax assessed or assessed by the Tax Administration, plus any compensatory interest due, is not paid within the period in which it should be paid, default interest will begin to count from the end of that period, calculated in accordance with the law.

ARTICLE 70 – (Credit privileges)

For the payment of IRPS, 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.

ARTICLE 71 – (Payment of income to non-resident taxpayers)

Transfers abroad of income subject to IRPS obtained in Mozambican territory by non-resident taxpayers cannot be made without the tax due being paid or secured.

CHAPTER VI – ACCESSORY OBLIGATIONS

ARTICLE 72 – (Accounting obligations)

1. Holders of income in the Second Category⁴⁰ are required to have accounts organized in accordance with the commercial and tax law, which allows the control of the income calculated.
2. The provisions of article 75 of the Corporate Income Tax Code shall apply to the taxable persons referred to in the previous paragraph.

ARTICLE 73 – (Simplified bookkeeping regime)

Revoked⁴¹

ARTICLE 74 – (Option for organized accounting)

Revoked⁴²

⁴⁰ Wording removed by article 1 of Law no. 11/2025 of 29 December. Previous wording: "whose turnover in the previous year is greater than 2 500 000.00 MT"

⁴¹ Text repealed by article 3 of Law no. 11/2025 of 29 December. Previous wording: "1. Taxable persons who, carrying out any commercial or industrial activity, are not required to have organised accounts, must have:

- a) Register of purchases of goods and/or registers of raw materials and consumption;
- b) Record book of sales of goods and/or record 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. By order of the Minister responsible for the area of Finance, other mandatory records may be established for the calculation of taxable income.

4. The books referred to in this article must be recorded in accordance with the terms to be regulated."

⁴² Text repealed by article 3 of Law no. 11/2025 of 29 December. Previous wording: "1. Taxpayers falling into the Second Category of the simplified bookkeeping regime, whose annual turnover is equal to or less than 2,500,000.00 MT may opt for accounting organized under the terms of the commercial and tax law, which allows the control of the income calculated. 2. The provisions of article 75 of the Corporate Income Tax Code shall apply to the taxable persons referred to in the previous paragraph.

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