Notice No. 4/GBM/2024

of 21 March

Establishes the Capital Operations Liberalization Regime

TABLE OF CONTENTS

TABLE OF CONTENTS

CHAPTER I – GENERAL PROVISIONS

ARTICLE 1 – (Purpose)

This Notice establishes the regime for the liberalization of capital operations and other foreign exchange operations.

ARTICLE 2 – (Scope)

This Notice applies to all participants in foreign exchange operations carried out under the Foreign Exchange Law.

CHAPTER II - CAPITAL OPERATIONS AND OTHER LIBERALIZED FOREIGN EXCHANGE OPERATIONS

Section I – Liberalization of Capital Operations and Other Foreign Exchange Operations in general

ARTICLE 3 – (Capital and other liberalized foreign exchange operations)

1. The capital operations and other foreign exchange operations set out in this Notice do not require authorization from the Bank of Mozambique.

2. Capital operations and other foreign exchange operations not indicated in this Notice shall be subject to the authorization regime provided for in the Notice on Rules and Procedures for Conducting Foreign Exchange Operations.

ARTICLE 4 – (Liberalized capital operations)

The following capital operations do not require authorization from the Bank of Mozambique:

a) foreign direct investment;

b) investment abroad, in the maximum amount equivalent to USD 1,000,000.00 (one million United States dollars) for each calendar year;

c) real estate investment in Mozambique;

d) operations in securities and other instruments traded in the off-exchange capital market in Mozambique;

(e) claims relating to the transaction of goods or the provision of services;

f) export of Metical banknotes and coins for numismatic purposes and public exhibition, by a resident or non-resident entity, up to an amount equivalent to USD 250.00 (two hundred and fifty United States dollars);

g) loans and financial credits, made in accordance with the conditions determined in articles 6 and 7 of this Notice;

(h) guarantees related to current transactions;

(i) other guarantees where at least one of the following circumstances occurs:

i. is provided for a period equal to or less than 1 year;

ii. is provided in favour of a non-resident or on behalf of a resident under a transaction that has been previously authorised by the Bank of Mozambique;

iii. it is provided on behalf of a non-resident for any purpose, provided that it is counter-guaranteed by a deposit of the same amount, payable at the first request;.

iv. whether on behalf of a resident or non-resident, is provided in favour of the customs authority, in the course of business regarding the lack of documents, authenticity of signatures and redemption of goods under receipt.

j) Transactions on participation certificates in collective investment undertakings;

k) transfers in execution of an insurance contract related to current transactions and capital operations already authorized;

l) export of invested capital, in the case of partial or total divestment or liquidation.

ARTICLE 5 – (Other liberalized foreign exchange operations)

The following other foreign exchange operations do not require authorization from the Bank of Mozambique:

a) receipts not qualified as current transactions;

b) opening of an account by non-residents in national or foreign currency in Mozambique, when related to capital operations;

c) opening of a foreign currency account in Mozambique by residents, provided that they have a proven relationship with foreign or non-resident and the flow of values in foreign currency results from it,

namely:

i. exporters;

ii. companies or organizations;

III. workers or employees of diplomatic, consular or equivalent representations;

IV. Other entities that generate or receive foreign currency.

Section II – Liberalization of Capital Operations and Other Foreign Exchange Operations in particular

ARTICLE 6 – (Supplies or credit from a related company)

1. The contracting of supplies or credit of a resident company with a related non-resident company shall be freely carried out, provided that:

a) contracted at an interest rate of 0%, with a maturity equal to or greater than 3 years, not conditional on the provision of a guarantee and without commissions or charges;

b) contracted at an interest rate above 0% and not higher than the reference rate (base lending rate) of the currency of denomination of the credit, with a maturity of more than 3 years, not conditional on the provision of a guarantee and without commissions or charges, up to an amount equivalent to USD 5,000,000.00 (five million United States dollars) for individuals and USD 10,000,000.00 (ten million United States dollars) for legal persons.

2. For the purposes of recording the exchange of the operation, the process must be conducted in accordance with paragraph g) of article 69 of the Notice on Rules and Procedures for Carrying Out Foreign Exchange Operations, and the presentation of the statements is waived

financial statements of the last two financial years or proof of the source of funds for the repayment of the credit.

ARTICLE 7 – (Financial credit received from abroad)

The contracting of financial credit up to the equivalent of USD 5,000,000.00 (five million United States dollars) for individuals and USD 10,000,000.00 (ten million United States dollars) for legal persons, does not require authorization from the Bank of Mozambique, provided that:

a) the interest rate is not higher than the reference rate (base lending rate) of the currency of denomination of the credit, plus 4 percentage points;

b) the maturity is equal to or greater than 3 years;

c) the sum of commissions and other administrative costs does not exceed 5% of the value of the credit.

ARTICLE 8 – (Supplementary benefits)

The payment and repayment of additional instalments does not require authorisation from the Bank of Mozambique, provided that the requirements established in the Commercial Code are met.

ARTICLE 9 – (Ancillary benefits)

The provision of ancillary services in favour of a resident company does not require authorisation from the Bank of Mozambique, provided that:

a) made at an interest rate of 0%, with a maturity of 3 years or more and without commissions or charges; or

b) made at an interest rate higher than 0% and not higher than the reference rate (base lending rate) of the currency of denomination of the credit, with a maturity equal to or greater than 3 years and without commissions or charges.

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CHAPTER III - CAPITAL OPERATIONS AND OTHER LIBERALIZED FOREIGN EXCHANGE OPERATIONS

ARTICLE 10 – (Sanctioning regime)

Violation of the provisions set out in this Notice constitutes a misdemeanor punishable under Law No. 28/2022, of 29 December.

ARTICLE 11 – (Clarification of doubts)

Questions regarding the interpretation and application of this Notice should be submitted to the Licensing and Exchange Control Department of the Bank of Mozambique.

ARTICLE 12 – (Entry into force)

This Notice enters into force 30 days after its publication. Bank of Mozambique, in Maputo, February 2, 2024.

– The Governor, Rogério Lucas Zandamela.

WHY MOORE?

Moore in the world

Founded in London in 1907, Moore is a leading international accounting and consulting group, with a network of 558 firms. Our goal is not only to meet clients' needs in the most effective and cost-effective way, but also to help them develop and achieve future success. We seek to establish the necessary trust in our client relationships, ensuring that we are their first choice for their business needs.

As one of the top 10 international accounting firms, Moore is growing rapidly, taking a modern and dynamic approach. The firm prioritizes client needs over mere expansion, fostering a unique culture through organic growth. This client-centric philosophy is based on strong relationships and highly personalized service.

Among our main strategic objectives is the construction of a competitive and quality group, with a strong international customer base, focused on profitability and strengthening each region. Customers have access to a wide range of essential services, including:

- Auditing
- Business Secretarial
- Business Finance
- Accounting
- Recruitment and Training
- Tax Consulting
- Taxation
- Payroll
- Risk Management, Corporate Governance and Internal Audit

Member firms offer a wide range of professional services and specialist skills to support clients' cross-border objectives while maintaining high standards of service at the local level. They adhere to common terms of membership, objectives and auditing standards, with the quality of services being regularly assessed to maintain Moore's tradition of excellence.

As a global network, we are at the heart of communities around the world. We help you better understand your country, industry and local community – to plan for the present and prepare for the future.

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Moore Mozambique, aligned with the global network, is an auditing and consulting firm recognized for innovation, quality and commitment to the future. Present in Mozambique since 1999, it was initially associated with the BDO network.

We have a team of approximately 100 highly qualified professionals, dedicated to offering solutions adapted to the needs of our customers.

We believe in a personalized service, in which each client is accompanied by a "Client Service Partner", ensuring proximity, efficiency and excellence in the provision of services. By combining technical expertise, experience and innovation, we create value for our clients.

In recent years, Moore Mozambique has recorded significant growth, consolidating its position in the market and continuously investing in the development of solutions that anticipate the challenges of the future

Our Services

Expert Consulting Services

Moore Mozambique has qualified consultants to develop solutions that add value to companies and other entities that seek our services. Our extensive experience allows us to offer functional and practical solutions, designed by our team with the use of advanced technological tools and always considering the particularities of each business.

Our services include:

- Company valuation
- Feasibility studies
- Investments and financing
- Restructuring of companies and organizations
- Strategic and business plans

- Information systems consulting, focusing on the implementation and development of integrated systems
- Human Resources Consulting
- Specific training

Auditing

In addition to validating financial information from companies and institutions, we analyze not only the correct application of standards and legislation, but also the internal control system and the continuity of operations.

Our professional performance in this area includes, in particular:

- Full audit of financial statements
- Review of internal control
- Limited review of financial statements
- Examination of forward-looking financial information
- Specific audits (incentives, due diligence, accounting, research, statistics)
- Internal audit, management, information technology, taxation and others

Accounting Services

Moore Mozambique is the largest accounting service provider in the country, with more than 30 technicians and several client companies.

We offer the ideal solution for entrepreneurs and institutions that want to focus on their core business, delegating specialized administrative tasks to experienced and qualified professionals.

Our main services include:

- IFRS transition and implementation
- Accounting Services
- Accounting outsourcing
- Payroll services

- Account consolidation
- Education

Taxation

Moore Mozambique monitors the compliance with tax obligations of companies, institutions and individuals, reviewing strategies to optimize tax solutions and minimize tax risks.

Our services include:

- Monitoring compliance with tax obligations and charges
- Mergers and acquisitions
- Insolvency proceedings
- Complete diagnosis of the fiscal situation
- Tax planning and prevention
- Studies on the tax framework
- Capture of tax incentives
- Support in the taxation of expatriates
- Preparation of the Transfer Pricing Dossier
- Advice on capital transfer

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