MOORE

Convention between the Government of the Republic of Mozambique and the Government of the Macao Special Administrative Region of the Republic of China

Resolution No. 33/2008 of 16 October



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RESOLUTION NO. 33/2008 OF 16 OCTOBER

As it is necessary to formalise the legal instruments for the entry into force of the Convention between the Government of the Republic of Mozambique and the Government of the Macao Special Administrative Region of the Republic of China for the Avoidance of Double Taxation and Prevention of Tax Evasion in Matters of Income Taxes, under the provisions of Article 204(1)(g) of the Constitution of the Republic, the Council of Ministers determines:

Article 1. The Convention between the Government of the Republic of Mozambique and the Government of the Macao Special Administrative Region of the Republic of China for the Avoidance of Double Taxation and Prevention of Fiscal Evasion in Matters of Income Taxes, signed on 15 June 2007 in Macao, the attached text of which is an integral part of this Resolution, is hereby ratified.

Article 2. The power conferred on the competent authorities of the contracting parties by Article 4(2)(d) of the Convention is understood to be without prejudice to the fact that in no case shall the Mozambican citizen in the Republic of Mozambique be granted any nationality other than Mozambique.

Art. 3. The Ministries of Finance and Foreign Affairs and Cooperation are responsible for carrying out all the necessary procedures for the effectiveness of this accession.

Approved by the Council of Ministers on 12 August 2008.

Public.

the Prime Minister, Luísa Dias Diogo.

CONVENTION BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE AND THE GOVERNMENT OF THE MACAO SPECIAL ADMINISTRATIVE REGION FOR THE AVOIDANCE OF DOUBLE TAXATION AND THE PREVENTION OF FISCAL EVASION IN RESPECT OF INCOME TAXES

The Government of the Republic of Mozambique and the Government of the Macao Special Administrative Region of the People's Republic of China

Desirous of promoting and strengthening economic relations by granting a Convention for the avoidance of double taxation and the prevention of tax evasion in respect of income taxes, agree on the following provisions:

ARTICLE 1 – Persons concerned

This Convention applies to persons residing in one or both of the Contracting Parties.

ARTICLE 2 – Taxes concerned

1. This Convention shall apply to the income taxes required by each of the Contracting Parties, their political or administrative subdivisions and their local authorities, whatever the system used for their perception.

2. Taxes on income shall be taxes levied on total income, or on portions of income. including taxes on gains derived from the disposal of movable or immovable property, taxes on the total amount of salaries paid by companies. as well as taxes on capital gains.

3. The current taxes to which this Convention applies are, in particular:

(a) in the case of Mozambique:

(i) Personal Income Tax (IRPS);

(ii) Corporate Income Tax (IRPC);

(hereinafter referred to as "Mozambican tax")

b) In the case of Macao:

(i) Supplementary Income Tax;

(ii) The Professional Tax;

(iii) The Urban Property Tax:

(iv) Stamp duty on bills of collection in the Urban Property Tax;

(hereinafter referred to as "Macao tax")

4. The Convention shall also apply to taxes of the same or similar nature as may be established by the Contracting Parties. after the date of signature of the Convention and which may be added to or replace the existing ones referred to in paragraph 2. The competent authorities of the Contracting Parties shall communicate to each other any substantial changes made to their respective tax laws.

ARTICLE 3 – General definitions

1. For the purposes of this Convention, unless the context requires a different interpretation:

(a) The terms "a Contracting Party" and "the other Contracting Party" shall designate, depending on the context, the Republic of Mozambique or the Macao Special Administrative Region;

(b) The term "Mozambique" includes the territory of the Republic of Mozambique and its territorial sea, as well as other areas, including islands, where, in accordance with Mozambican law and international law, the Republic of Mozambique has sovereign rights in relation to the exploration and exploitation of natural resources, the seabed. its subsoil and overlying waters;

c) The term "Macao" shall include the Macao Peninsula and the islands of Taipa and Coloane;

(d) The term "tax" means the Mozambican tax or the Macao tax, depending on the context;

(e) the term "person" means a natural person, a company or any other group of persons;

(f) The term "company" means any legal person or any entity which is treated as a legal person for tax purposes:

(g) the terms "enterprise of a Contracting Party" and "enterprise of the other Contracting Party" shall mean, respectively, an enterprise operated by a resident of a Contracting Party and an enterprise operated by a resident of the other Contracting Party;

h) The term "national of Mozambique" means:

(i) a natural person holding the nationality of that State; e

(ii) a legal person, partnership or association formed in accordance with the legislation in force in that State;

(i) the term "international traffic" means any carriage by ship, ship or aircraft operated by an undertaking whose effective address is situated in a Contracting Party, except where the ship, boat or aircraft is operated only between places situated in the other Contracting Party;

(j) The term "competent authority" means:

(i) in respect of Mozambique: the Minister of Finance or his authorised representative;

(ii) Regarding Macao: The Chief Executive or his authorized representatives.

2. With respect to the application of this Convention. at any given time by a Contracting Party, any expression not otherwise defined shall have, unless the context requires otherwise. the meaning given to it at that time by the legislation of that Party governing taxes to which the Convention applies, and the interpretation resulting from that tax legislation shall prevail over that resulting from other legislation of that Contracting Party.

ARTICLE 4 – Resident

1. For the purposes of this Convention, the term "resident of a Contracting Party" means any person who. is subject to tax by virtue of his domicile, residence, place of management or any other criterion of a similar nature therein, and shall apply equally to that Party and its political subdivisions or local authorities. However, this term does not include any person who is subject to tax in that Party only in respect of income from sources located in that Contracting Party.

2. Where, pursuant to paragraph 1, a natural person is resident of both Contracting Parties, the situation shall be determined as follows:

(a) shall be deemed to be resident only in the Party where he has a permanent residence at his disposal. If he has a permanent residence at his disposal in both Contracting Parties, he shall be deemed to be a resident only of the Party with which his personal and economic relations are closest (centre of vital interests);

(b) If the Party in which it has the centre of vital interests cannot be determined or if it does not have a permanent residence at its disposal in either Party, it shall be deemed to be a resident only of the Contracting Party in which it habitually stays:

c) If he/she habitually stays in both Parties or if he/she does not habitually stay in either of them. he/she will be considered a resident only of Mozambique, if he/she is a national of it;

(d) In any situation not provided for in the preceding paragraphs, the competent authorities of the Contracting Parties shall settle the case by mutual agreement.

3. When. by virtue of paragraph 1, a person. who is not a natural person, is a resident of both Contracting Parties, shall be deemed to be resident only of the Contracting Party in which its effective management is situated.

ARTICLE 5 – Permanent establishment

1. For the purposes of this Convention, the term "permanent establishment" means a fixed facility through which the undertaking carries on all or part of its business.

2. The term "permanent establishment" includes: namely:

a) A place of direction;

b) A branch;

c) An office;

d) A factory;

e) A workshop; e

(f) a mine, an oil or gas well. a quarry or any natural resource extraction site.

3. The term "permanent establishment" shall also include:

(a) a building site or the construction, installation or assembly of a project, or the supervision activities connected therewith, but only if that site, project or activity is maintained for a period exceeding 6 months;

(b) the provision of services, including consultancy services, by an undertaking of a Contracting Party through employees or other personnel employed in the other Contracting Party, provided that such activities continue for the same or a related project, for a period or periods totalling more than 6 months in any 12-month period.

4. Notwithstanding the provisions of paragraphs 1 to 3, the term "permanent establishment" shall not include:

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

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

(c) a warehouse of goods or merchandise belonging to the undertaking, kept solely for processing by another undertaking;

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

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

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

5. Notwithstanding paragraphs 1 and 2, where a person — who is not an independent agent, to whom paragraph 6 applies — acts in a Contracting Party on behalf of an undertaking of the other Contracting Party, and has and normally exercises the power to conclude contracts on behalf of the undertaking, that undertaking shall be deemed to have a fixed establishment in the first mentioned Part in respect of any activity which that person carries on for the undertaking, unless the activities of such person are limited to those referred to in paragraph 4. which, if carried on through a fixed installation, would not allow that fixed installation to be regarded as a permanent establishment in accordance with the provisions of that paragraph.

6. An undertaking shall not be deemed to have a permanent establishment in a Contracting Party merely because it carries on its business in that Party through a broker. a Commissioner-General or any other independent agent, provided that those persons act in the normal course of their business. However, if the activity of such an independent agent is devoted exclusively or almost exclusively to that undertaking, he shall not be regarded as an independent agent for the purposes of this paragraph.

7. The fact that a resident company of a Contracting Party controls or is controlled by a resident company of the other Contracting Party or carries on its business in that other Contracting Party (whether through a permanent establishment or otherwise) is not in itself sufficient to make any of those companies a permanent establishment of the other.

ARTICLE 6 – Income from immovable property

1. Income which a resident of one Contracting Party receives from immovable property (including income from agricultural or forestry holdings) situated in the other Contracting Party may be taxed in that other Contracting Party.

2. The term "immovable property" shall have the meaning given to it by the law of the Contracting Party in which such property is situated. The term shall always include the accessories, livestock and equipment of agricultural and forestry holdings, rights to which the provisions of private law relating to the ownership of immovable property apply. usufruct of immovable property and rights to variable or fixed remuneration for the exploitation or concession of the exploitation of mineral deposits, sources and other natural resources; ships, boats and aircraft shall not be considered immovable property.

3. The provision of paragraph 1 shall apply to income derived from the direct use, lease or any other form of use of immovable property.

4. Paragraphs 1 and 3 shall also apply to income from the immovable property of an undertaking and to income from immovable property used for the exercise of self-employed professions.

ARTICLE 7 – Corporate profits

1. The profits of an undertaking of a Contracting Party may be taxed in that Contracting Party only unless the undertaking carries on its business in the other Contracting Party through a permanent establishment situated there. If the undertaking carries on its business in this way, its profits may be taxed in the other Contracting Party, but only in so far as they are attributable to that permanent establishment.

2. Subject to paragraph 3, where an undertaking of a Contracting Party carries on its business in the other Contracting Party through a permanent establishment situated therein, each Contracting Party shall be charged to that permanent establishment the profits which it would make if it were a separate and distinct undertaking engaged in the same or similar activities under the same or similar conditions and dealt with the undertaking of which it is a permanent establishment with absolute independence.

3. In determining the profit of a permanent establishment, it shall be permissible to deduct expenditure incurred in achieving the purposes pursued by that permanent establishment, including management and general administration costs, incurred for the purpose referred to, either in the Contracting Party in which that permanent establishment is situated or outside it.

4. Where it is customary for a Contracting Party to determine the profits attributable to a permanent establishment on the basis of an apportionment of the total profits of the undertaking among its various parts, the provision of paragraph 2 shall not prevent that Contracting Party from determining the taxable profits in accordance with the usual apportionment; the apportionment method adopted shall, however, lead to a result in accordance with the principles set out in this Article.

5. No profit shall be attributed to a permanent establishment by reason of the mere purchase of goods or merchandise by that permanent establishment for the undertaking.

6. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be calculated each year according to the same method, unless there are valid and sufficient reasons for proceeding differently.

7. Where profits comprise elements of income specifically dealt with in other articles of this Convention, the provisions thereof shall not be affected by those of this Article.

ARTICLE 8 – Sea, inland and air navigation

1. Profits from the operation of ships or aircraft in international traffic may be taxed only in the Contracting Party in which the effective management of the undertaking is situated, with the exception of profits arising from carriages carried out by ships or aircraft operated exclusively between places located in the other Contracting Party, which may be taxed in the latter Contracting Party.

2. Profits from the operation of vessels used for inland waterway transport may be taxed only in the Contracting Party in which the effective management of the undertaking is situated.

3. Where the effective management of a shipping company or inland waterway company is located on board a ship or boat, the effective management shall be deemed to be located in the Contracting Party in which the port in which that ship or boat is registered is located, or, in the absence of a Port of Registry, in the Contracting Party of which the person operating the ship or boat is resident.

4. Paragraph 1 shall also apply to profits from participation in a pool, joint operation or an international operating organisation.

ARTICLE 9 – Associated companies

1. When:

(a) an undertaking of a Contracting Party participates, directly or indirectly, in the management, control or capital of an undertaking of the other Contracting Party; or

(b) the same persons participate, directly or indirectly, in the management, control or capital of an undertaking of one Contracting Party and of an undertaking of the other Contracting Party, and in either case the two undertakings, in their commercial or financial relations, are linked by accepted or imposed conditions which differ from those which would be established between independent undertakings, profits which, in the absence of those conditions, would have been obtained by one of the undertakings but were not because of those conditions, may be included in the profits of that undertaking and consequently taxed.

2. Where a Contracting Party includes in the profits of an enterprise of that Contracting Party — and taxes accordingly — the profits on which an enterprise of the other Contracting Party has been taxed in that other Contracting Party, and the profits thereby constituted constitute profits which would have been obtained by the enterprise of the first Contracting Party, if the conditions imposed between the two enterprises had been those which would have been established between independent enterprises, the other Contracting Party shall make an appropriate adjustment to the amount of tax levied therein on the profits referred to. In determining this adjustment, the other provisions of this Convention shall be taken into account and the competent authorities of the Contracting Parties shall consult each other if necessary.

ARTICLE 10 – Dividends

1. Dividends paid by a resident company of one Contracting Party to a resident of the other Contracting Party may be taxed only in that other Contracting Party.

2.Such dividends may, however, also be taxed in the Contracting Party of which the company paying the dividends is resident and in accordance with the law of that

Contracting Party, but if the person receiving the dividends is the beneficial owner of the dividends, the tax so provided for shall not exceed 10% of the gross amount of those dividends.

3. The term "dividends" as used in this Article means income from shares, shares or enjoyment bonuses, shares in mines, shares in founders or other rights, other than credits, which enable them to participate in profits, as well as income derived from other shares subject to the same tax regime as income from shares under the law of the Contracting Party of which the company distributing them is resident. The term "dividends" also includes income derived from the joint venture.

4. Paragraphs 1 and 2 shall not apply where the beneficial owner of the dividends, who is resident of a Contracting Party, carries on business in the other Contracting Party of which the company paying the dividends is resident, through a permanent establishment situated there, or pursues in that other Contracting Party a self-employed profession, by means of a fixed facility situated there, and the shareholding in respect of which the dividends are paid is actually linked to that permanent establishment or fixed facility. In such a case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Where a resident company of a Contracting Party derives profits or income from the other Contracting Party, that other Contracting Party shall not levy any tax on dividends paid by the company, except in so far as such dividends are paid to a resident of that other Contracting Party or in so far as the shareholding in respect of which the dividends are paid is actually linked to a permanent establishment or fixed facility situated in that other Contracting Party or to subject the undistributed profits of the company to a tax on undistributed profits, even if the dividends paid or undistributed profits consist wholly or partly of profits or income from that other Contracting Party.

ARTICLE 11 – Interest

1. Interest originating in a Contracting Party and paid to a resident of the other Contracting Party may be taxed in that other Contracting Party.

2.Such interest may, however, also be taxed in the Contracting Party from which it originates and in accordance with the law of that Contracting Party, but if the beneficial owner of the interest is a resident of the other Contracting Party, the tax so established shall not exceed 10% of the gross amount of such interest.

3. The term "interest" as used in this Article means income from claims of any kind secured or unsecured by a mortgage and whether or not entitled to share in the debtor's profits, and in particular income from government debt and loan obligations, including premiums on such securities. For the purposes of this Article, penalties for late payment shall not be considered to be interest.

4. Paragraphs 1 and 2 shall not apply where the beneficial owner of the interest, who is resident of a Contracting Party, carries on an activity in the other Contracting Party from which the interest accrues, through a permanent establishment situated there, or pursues in that other Contracting Party a self-employed profession, through a fixed facility situated there, and the claim on which the interest is paid is actually linked to that permanent establishment or fixed facility. In such a case, the provisions of Article 7 or Article 14, as the case may be, shall apply.

5. Interest shall be deemed to have accrued from a Contracting Party where the debtor is that Contracting Party itself, a political or administrative subdivision thereof, a local authority or a resident of that Contracting Party. However, where the person liable for interest, whether or not a resident of a Contracting Party, has a permanent establishment or fixed facility in respect of which the obligation for which the interest is paid has been contracted and that permanent establishment or fixed facility bears the payment of that interest, such interest shall be deemed to accrue from the Contracting Party in which the permanent establishment or fixed facility is situated.

6. Where, by reason of special relationships between the debtor and the beneficial owner or between them and any other person, the amount of interest paid, taking into account the claim on which it is paid, exceeds the amount that would have been agreed between the debtor and the beneficial owner in the absence of such relationships, the provisions of this Article shall apply only to the latter amount. In such a case, the excess may continue to be taxed in accordance with the law of each Contracting Party, taking into account the other provisions of this Convention.

ARTICLE 12 – Royalties and remuneration for technical work

1. Royalties and remuneration for technical work from a Contracting Party and paid to a resident of the other Contracting Party may be taxed on that other Contracting Party.

2. However, such royalties and remuneration for technical work may also be taxed in the Contracting Party from which they originate and in accordance with the legislation of that Contracting Party, but if the person receiving the royalty or remuneration for technical work is the beneficial owner of the royalties, the tax so established shall not exceed 10% of the gross amount of the royalty or remuneration for technical work.

3. The term "royalties" as used in this article means consideration of any kind granted for the use or grant of use of copyright in a literary, artistic or scientific work, including cinematographic films, films or recordings for radio or television broadcasting, of a patent, a trade mark, a design, a plan, a formula or a secret process, and for the use or grant of use of industrial, commercial or scientific equipment or information relating to experience acquired in the industrial, commercial or scientific sector.

4. The term "remuneration for technical work" as used in this Article means payments of any kind to any person other than the employee of the person making the payments in consideration for any service of a technical, managerial or consulting nature, unless the payment is by way of reimbursement of expenses incurred by that person in respect of the service.

5. Paragraphs 1 and 2 shall not apply where the beneficial owner of the royalty or remuneration for technical work, who is resident in a Contracting Party, carries on an activity in the other Contracting Party from which the royalty or remuneration for technical work is derived, through a permanent establishment situated there, or pursues in that other Contracting Party a self-employed profession, by means of a fixed facility located there, and the right or property in respect of which the royalty or remuneration for technical work is actually linked to that permanent establishment or fixed installation. In this case, the provisions of Article 7 or Article 14 shall apply, as the case may be.

6. Royalties or remuneration for technical work shall be deemed to accrue from a Contracting Party where the debtor is that Contracting Party itself, a political or administrative subdivision thereof, its local authority or a resident of that Contracting

Party. However, where the person liable for royalties or remuneration for technical work is or is not a resident of a Contracting Party, has a permanent establishment or fixed installation in a Contracting Party in respect of which the obligation has been entered into by which the royalty or remuneration for technical work is paid, and that permanent establishment or fixed installation supports the payment of such royalty or remuneration for technical work, such royalty or remuneration for technical work shall be deemed to have come from the Contracting Party in which the permanent establishment or fixed installation is situated.

7. Where, because of special relationships existing between the debtor and the beneficial owner of the royalty or remuneration for technical work or between them and any other person, the amount of the royalty, having regard to the use, right or information for which they are paid, or of the remuneration for technical work, exceeds the amount that would be agreed between the debtor and the beneficial owner in the absence of such relationships, the provisions of this Article shall apply only to the latter amount. In such a case, the excess may continue to be taxed in accordance with the legislation of each Contracting Party, taking into account the other provisions of this Convention.

ARTICLE 13 – Capital gains

1. Gains which a resident of a Contracting Party derives from the disposal of immovable property referred to in Article 6 and situated in the other Contracting Party may be taxed in that other Contracting Party.

2. Gains arising from the disposal of movable property forming part of the assets of a permanent establishment which an undertaking of one Contracting Party has in the other Contracting Party or of movable property assigned to a fixed installation which a resident of one Contracting Party has at the other Contracting Party for the purpose of pursuing a self-employed profession, including gains arising from the disposal of that permanent establishment (alone or with the whole of the undertaking) or such fixed installation, may be taxed in that other Contracting Party.

3. Gains arising from the disposal of ships or aircraft operated in international traffic, of vessels used in inland waterway or of movable property used for the operation of such ships, aircraft or boats may be taxed only in the Contracting Party in which the effective management of the undertaking is situated.

4. Gains arising from the disposal of any assets other than those mentioned in the preceding paragraphs of this article may be taxed only in the Contracting Party of which the seller is resident.

ARTICLE 14 – Independent professions

1. Income obtained by a resident of a Contracting Party by pursuing a profession or other activities of a self-employed nature may be taxed in that Contracting Party only.

(a) if that resident normally has a fixed facility in the other Contracting Party for the exercise of his activities. In such a case, the income attributable to that fixed installation may be taxed in the other Contracting Party; or

(b) if the resident remains in the other Contracting Party for a period or periods exceeding a total of 183 days in any 12-month period beginning or ending in the tax year in question. In this case, only the portion of the income obtained from the activities carried out in that other Contracting Party may be taxed in the other Contracting Party.

2. The term "liberal professions" covers, in particular, self-employed activities of a scientific, literary, artistic, educational or pedagogical nature, as well as the self-employed activities of doctors, lawyers, engineers, architects, accountants and dentists.

ARTICLE 15 – Dependent professions

1. Subject to Articles 16, 18, 19 and 20, wages, salaries and similar remuneration obtained from employment by a resident of a Contracting Party may be taxed only in that Contracting Party, unless the employment is carried out in the other Contracting Party. If the employment is carried out there, the corresponding remuneration may be taxed in that other Contracting Party.

2. Notwithstanding paragraph 1, remuneration received by a resident of one Contracting Party from employment in the other Contracting Party may be taxed in the first mentioned Contracting Party only if:

(a) the beneficiary remains in the other Contracting Party for a period or periods not exceeding a total of 183 days in any 12-month period beginning or ending in the relevant tax year;

(b) the remuneration is paid by an employer or on behalf of an employer who is not a resident of the other Contracting Party; e

(c) the remuneration is not borne by a permanent establishment or a fixed facility which the employer has in the other Contracting Party.

3. Notwithstanding the foregoing provisions of this Article, remuneration derived from employment on board a ship, ship or aircraft may be taxed only in the Contracting Party in which the effective management of the undertaking is situated.

ARTICLE 16 – Members of the councils and technical staff

1. Percentages, attendance tickets and similar remuneration earned by a resident of a Contracting Party as a member of the board of directors of a resident company of the other Contracting Party may be taxed in that other Contracting Party.

2. Salaries, wages and similar remuneration received by a resident of a Contracting Party in his capacity as senior management of an enterprise resident in the other Contracting Party may be taxed in that other Contracting Party.

ARTICLE 17 – Artists and sportsmen

1. Notwithstanding Articles 14 and 15, income received by a resident of a Contracting Party as an entertainment professional, such as a theatre, cinema, radio or television performer, or musician, as well as a sportsman, from his personal activities carried out in that capacity in the other Contracting Party may be taxed in that other Contracting Party.

2. Notwithstanding Articles 7, 14 and 15, income from the activity personally carried out by entertainment professionals or sportspeople in that capacity attributed to another person may be taxed in the Contracting Party in which the activities of the entertainment professionals or sportspeople are carried out.

3. Notwithstanding paragraphs 1 and 2 of this Article, the income from these activities carried out under a Cultural Agreement between the Contracting Parties shall be exempt from tax in the Contracting Party in which they are carried out if the visit to that

Contracting Party is financed by the Government of a Contracting Party, local authority or public institution directly or by public funds of both Contracting Parties, and the activities are not carried out for profit.

ARTICLE 18 – Pensions

Subject to Article 19(2), pensions and other similar remuneration paid to a resident of a Contracting Party as a result of previous employment may be taxed only in that Contracting Party.

ARTICLE 19 – Public remuneration

1. (a) salaries, wages and other similar remuneration, excluding pensions, paid by a Contracting Party or by a political or administrative subdivision or local authority thereof to a natural person as a result of services rendered to that Contracting Party or subdivision or local authority may be taxed only in that Contracting Party;

(b) Notwithstanding the provisions of point (a), wages, salaries and other similar remuneration may, however, be taxed in the other Contracting Party only if the services are provided in that Contracting Party and if the natural person is a resident of that Contracting Party who:

(i) Is a national of the country, in the case of the exercise of the activity in Mozambique; or;

(ii) That he or she did not become its resident solely for the purpose of providing such services.

2. (a) Any pension paid by a Contracting Party or by a political or administrative subdivision or local authority thereof, either directly or through funds set up by them, to a natural person, as a result of services rendered to that subdivision or local authority, may be taxed only in that Contracting Party;

(b) Notwithstanding the provisions of subparagraph (a), such pensions may, however, be taxed in the other Contracting Party only if the natural person is a resident of that Contracting Party, or in the case of Mozambique, if that natural person is a resident or national thereof.

3. The provisions of Articles 15, 16, 17 and 18 shall apply to wages, salaries and other similar remuneration and pensions paid as a result of services rendered in connection with a commercial or industrial activity carried on by a Contracting Party or by a political or administrative subdivision or local authority thereof.

ARTICLE 20 – Teachers and researchers

1. A person who is a resident of, or has been, a resident of a Contracting Party immediately before going to the other Contracting Party solely for the sole purpose of teaching and/or conducting scientific research at a university, college, school or other educational or scientific research institution recognised by the Government of that Contracting Party as non-profit-making for a period not exceeding two years from the date of his or her arrival in that other Contracting Party shall be exempt from tax in that other Contracting Party for remuneration received as a result of such teaching or research.

2. The exemption provided for in paragraph 1 shall not apply to research income if it is carried out not in the public interest, but essentially for the private benefit of a particular person or persons.

ARTICLE 21 – Students and interns

The sums which a student or trainee who is or was, immediately prior to his stay in a Contracting Party, resident of the other Contracting Party and whose stay in the Contracting Party first mentioned is for the sole purpose of pursuing his studies or training there, receives to meet the costs of his maintenance, studies or training, provided that they come from sources outside that Contracting Party, shall be exempt from tax in that other Contracting Party.

ARTICLE 22 – Other income

1. Items of income of a resident of a Contracting Party and from which it originates not expressly dealt with in the preceding Articles of this Convention may be taxed only in that Contracting Party.

2. Paragraph 1 shall not apply to income other than income from immovable property as defined in Article 6(2) received by a resident of a Contracting Party who pursues an activity in the other Contracting Party through a permanent establishment situated there or who pursues in that other Contracting Party a self-employed profession through a fixed establishment situated there, the right or property in respect of which the income is paid being effectively linked to that permanent establishment or fixed installation. In this case, the provisions of Article 7 or Article 14 shall apply, as the case may be.

3. However, the items of income of a resident of a Contracting Party which are not dealt with in the preceding Articles of this Convention and which originate from the other Contracting Party may also be taxed on that other Contracting Party.

ARTICLE 23 – Method for eliminating double taxation

1. For Mozambique, double taxation shall be eliminated as follows:

(i) When a resident of Mozambique obtains income which, in accordance with the provisions of this Convention, may be taxed in Macao, Mozambique shall deduct from the income tax of that resident an amount equal to the income tax paid in Macao;

(ii) The amount deducted may not, however, exceed the fraction of the income tax calculated before the deduction corresponding to the income that may be taxed in Macao;

(iii) Where, in accordance with the provisions of this Convention, the income earned by a resident of Mozambique is exempt from tax in that State, Mozambique may, in calculating the amount of tax on the remainder of that resident's income, take into account the exempt income.

2. In relation to Macao, double taxation shall be eliminated as follows: when a Macao resident obtains income which, in accordance with the provisions of this Convention, may be taxed in Mozambique, they shall be exempt from Macao tax.

ARTICLE 24 – Non-discrimination

1. Nationals of Mozambique and residents of Macao shall not be subject in the other Contracting Party to any taxation or related obligation different from or more onerous than that to which Macao residents or nationals of Mozambique who are in the same situation are or may be subject, respectively. Notwithstanding the provisions of Article 1,

this provision shall also apply to nationals of Mozambique who are not residents of one or both of the Contracting Parties.

2. The taxation of a permanent establishment which an undertaking of one Contracting Party has in the other Contracting Party shall not be less favourable in that other Contracting Party than that of undertakings of that other Contracting Party engaged in the same activities.

3.This provision shall not be interpreted as requiring a Contracting Party to grant to residents of the other Contracting Party personal deductions, tax allowances and reductions granted on the basis of marital status or family expenses granted to its own residents.

4. Undertakings of a Contracting Party whose capital, in whole or in part, directly or indirectly, is owned or controlled by one or more residents of the other Contracting Party, shall not be subject, in the Contracting Party first mentioned, to any taxation or related obligation other than or more onerous than that to which similar undertakings of that first Contracting Party are or may be subject.

ARTICLE 25 – Mutual Settlement Procedure

1. Where a person considers that the measures taken by a Contracting Party or both Contracting Parties lead or may lead to taxation against him which is not in accordance with the provisions of this Convention, he may, independently of the remedies provided for by the law of those Parties, submit in writing the grounds of his complaint to the competent authority of the Contracting Party of which he is resident. The case shall be submitted within three years from the date of the first notification of the measure giving rise to taxation not in accordance with the provisions of this Convention.

2.If the complaint appears to it to be well founded and is not in a position to give it a satisfactory solution, it shall endeavour to settle the matter by amicable agreement with the competent authority of the other Contracting Party in order to avoid taxation not in accordance with this Convention. Any agreement reached shall be applied irrespective of the time limits laid down in the domestic law of the Contracting Parties.

3. The competent authorities of the Contracting Parties shall endeavour to settle, by amicable settlement, any difficulties or doubts which may give rise to the interpretation or application of the Convention. They may also consult each other with a view to eliminating double taxation in cases not provided for in this Convention.

4. The competent authorities of the Contracting Parties may, where necessary, communicate directly with each other with a view to the implementation of this Convention with a view to reaching agreement in accordance with the terms set out in the preceding paragraphs.

ARTICLE 26 – Exchange of information

1. The competent authorities of the Contracting Parties shall exchange with each other the information necessary to apply this Convention or the domestic laws of the Contracting Parties relating to the taxes covered by this Convention, to the extent that the taxation provided for therein is not contrary to this Convention. The exchange of information shall not be restricted by the provisions of Articles 1 and 2. Any information received by a Contracting Party shall be considered secret, in the same way as information obtained on the basis of the domestic law of that Contracting Party, and may

be communicated only to the persons or authorities (including courts and administrative authorities) responsible for the levying or collection of taxes covered by this Convention, or for declaratory or enforcement proceedings relating to such taxes, or for deciding appeals relating to these taxes.

2. Paragraph 1 shall never be interpreted as imposing on the competent authorities of a Contracting Party the obligation to:

(a) to take administrative measures contrary to its own legislation and administrative practice or to those of the other Contracting Party;

(b) to provide information that cannot be obtained on the basis of its own law or in the context of its normal administrative practice or that of the other Contracting Party;

(c) to transmit information revealing commercial, industrial or professional secrets or processes, or information the communication of which would be contrary to public policy.

ARTICLE 27 – Members of consular posts

The provisions of this Convention shall be without prejudice to the tax privileges enjoyed by members of consular posts by virtue of general rules of international law or the provisions of special agreements.

ARTICLE 28 – Entry into force

Each Contracting Party shall notify the other Contracting Party of the completion of the procedures required by its legislation for the entry into force of this Convention.

This Convention shall enter into force on the date of the last of these notifications and shall have effect:

(a) with respect to taxes payable at source in respect of amounts paid or credited, from the first day on which this Convention enters into force;

(b) in respect of other taxes: in respect of income accrued in the tax period commencing after 1 January of the year in which this Convention enters into force.

ARTICLE 29 – Denunciation

This Convention shall remain in force until it is denounced by a Contracting Party. Any Contracting Party may terminate the Convention by appropriate means by giving notice of termination at least six months before the end of any calendar year, beginning in the fifth year following its entry into force. In such a case, the Convention shall cease to apply:

a) With regard to taxes levied by means of withholding tax, to sums attributed or paid, immediately after 1 January of the year in which the complaint was notified; e

(b) in respect of other income taxes, the taxes applicable for taxable periods commencing immediately after 1 January of the year in which the termination is notified.

In witness whereof the signatories, duly authorized by their respective Governments, sign this Convention.

Done in duplicate in Macao on 15 June 2007, in Portuguese and Chinese, both texts being equally authentic.

For the Government of the Republic of Mozambique, Manuel Chang (Minister of Finance).

On behalf of the Government of the Macao Special Administrative Region of the People's Republic of China, Ho Hau Wah.

ADDITIONAL PROTOCOL

At the time of signing the Convention between the Government of the Republic of Mozambique and the Government of the Macao Special Administrative Region of the People's Republic of China, for the avoidance of double taxation and the prevention of tax evasion in matters of income taxes, the signatories agree on the following provision, which is an integral part of the Convention:

Ad article 27

Between the Republic of Mozambique and the Macao Special Administrative Region of the People's Republic of China, it is agreed that the Economic and Trade Delegations that may be established in their respective territories, as well as the personnel who will serve in them, will be granted all the rights and privileges in matters of tax privileges enjoyed by the Consular Posts and their staff, under the Vienna Convention on Consular Relations of 1963, and this Protocol cannot be understood as conferring on the Head of Delegation or other personnel the status that that same Convention determines for the Heads of Consular Post or Consular Personnel.

In witness whereof the signatories, duly authorized by their respective Governments, sign this Protocol.

Done in duplicate in Macao on 15 June 2007, in Portuguese and Chinese, both texts being equally authentic.

For the Government of the Republic of Mozambique, Manuel Chang (Minister of Finance).

On behalf of the Government of the Macao Special Administrative Region of the People's Republic of China, Ho Hau Wah.

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.

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MOORE



MOORE MOÇAMBIQUE

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

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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
- Support in the taxation of expatriates
- Preparation of the Transfer Pricing Dossier
- Advice on capital transfer

MOORE

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