MOORE

Agreement between the Government of the Republic of Mozambique and the Government of the Republic Vietnamese Socialist

Resolution No. 22/2011 of 9 June



TABLE OF CONTENTS

RESOLUTION NO. 22/2011 OF 9 JUNE 1

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM 2

ARTICLE 1 – Persons concerned 2

ARTICLE 2 – Taxes concerned 2

ARTICLE 3 – General definitions 2

ARTICLE 4 – Resident 3

ARTICLE 6 – Income from immovable property 6

ARTICLE 7 – Corporate profits 6

ARTICLE 8 – Maritime and Air Navigation 7

ARTICLE 9 – Associated companies 7

ARTICLE 10 – Dividends 8

ARTICLE 11 – Interest 8

ARTICLE 12 – Royalties 9

ARTICLE 13 – Remuneration for technical work 10

ARTICLE 14 – Capital gains 11

ARTICLE 15 – Independent Professions 11

ARTICLE 16 – Employment Income 12

ARTICLE 17 – Fees of Council Members 12

ARTICLE 18 – Artists and Sportsmen 12

ARTICLE 19 – Pensions and social security payments 13

ARTICLE 20 – Public remuneration 13

ARTICLE 21 – Students and Apprentices 13

ARTICLE 22 – Other Income 14

ARTICLE 23 – Assets 14

ARTICLE 24 – Method for eliminating double taxation 14

ARTICLE 25 – Non-discrimination 15

ARTICLE 26 – Mutual Settlement Procedure 15

ARTICLE 27 – Exchange of information 16

ARTICLE 28 – Members of Diplomatic Missions and Consular Posts 17

ARTICLE 29 – Entry into force 17

ARTICLE 30 – Denunciation 17

WHY MOORE? 19

TABLE OF CONTENTS

MOORE IN THE WORLD 19

MOORE MOÇAMBIQUE 21

OUR SERVICES 21

Expert Consulting Services 21

Auditing 21

Accounting Services 22

Taxation 22

..... 23

RESOLUTION NO. 22/2011 OF 9 JUNE

As it is necessary to formalize the existing legal instruments for the entry into force of the Agreement between the Government of the Republic of Mozambique and the Government of the Socialist Republic of Vietnam to avoid Double Taxation and prevent 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 Agreement between the Government of the Republic of Mozambique and the Government of the Socialist Republic of Vietnam for the Avoidance of Double Taxation and the Prevention of Tax Evasion in Matters of Income Taxes and the respective Additional Protocol, signed on 3 September 2010, in Hanoi, Vietnam, is hereby ratified; the attached text of which is an integral part of this Resolution.

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

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

Approved by the Council of Ministers, on February 8th, 2011.

Public.

The Prime Minister, Aires Bonifácio Baptista Ali.

AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF MOZAMBIQUE AND THE GOVERNMENT OF THE SOCIALIST REPUBLIC OF VIETNAM

To avoid double taxation and prevent tax evasion in terms of Income and Wealth Taxes.

The Government of the Republic of Mozambique and the Government of the Republic of Vietnam, desirous of concluding an Agreement with a view to avoiding double taxation and preventing tax evasion in matters of Income and Wealth Taxes, Agree on the following provisions:

ARTICLE 1 – Persons concerned

This Agreement shall apply to persons residing in one or both of the Contracting States.

ARTICLE 2 – Taxes concerned

1. This Agreement shall apply to income and wealth taxes required by each of the Contracting States or their local authorities, regardless of the system used for their collection.

2. Taxes on income and wealth shall be deemed to be taxes levied on total income or on items of income or assets, including taxes on gains derived from the disposal of movable or immovable property, taxes on the total amount of salaries paid by undertakings, and taxes on capital gains.

3. The current taxes to which this Agreement applies are, inter alia:

(a) in the case of Mozambique:

i) Personal Income Tax (IRPS); e

ii) Corporate Income Tax (IRPC) (hereinafter referred to as the "Mozambican tax").

(b) in the case of Vietnam:

i) Personal Income Tax;

ii) Corporate Income Tax; e

(iii) Wealth tax (if any) (hereinafter referred to as 'Vietnamese tax'.

4. The Agreement shall also apply to taxes of the same or substantially similar nature which are established after the date of signature of the Agreement and which may be added to or replace the existing ones. The competent authorities of the Contracting States shall communicate to each other any significant changes made to their respective tax laws.

ARTICLE 3 – General definitions

1. For the purposes of this Agreement, unless the context requires otherwise:

(a) The term "Mozambique" refers to the entire territorial extension of the Republic of Mozambique and its territorial sea, as well as other areas, including the 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, including the seabed, its subsoil and the underlying waters;

(b) The term "Vietnam" means the Socialist Republic of Vietnam. When used in the geographical sense, it means its entire national territory, Islands, inland seabed waters and airspace, areas including the sea and airspace, maritime areas including the sea territory and the subsoil, where the Socialist Republic of Vietnam exercises sovereign rights and jurisdiction in accordance with national law and international law;

(c) the terms 'Contracting State' and 'the other Contracting State' shall designate, depending on the context, the Republic of Mozambique or the Socialist Republic of Vietnam;

(d) the term 'person' includes a natural person, a company and any other group of persons;

(e) the term 'undertaking' shall apply to the exercise of any economic activity;

(f) the terms 'undertaking of a Contracting State' and 'undertaking of the other Contracting State' mean respectively an undertaking operated by a resident of a Contracting State and an undertaking operated by a resident of the other Contracting State;

(g) The term 'national', in relation to a Contracting State, means:

(i) any individual holding the nationality of a Contracting State;

(ii) any legal person, partnership or association formed in accordance with the legislation in force in that Contracting State.

(h) the term 'international traffic' means any carriage carried out by a ship or aircraft operated by an undertaking registered in a Contracting State, except where the ship or aircraft is operated only between places situated in the other Contracting State;

(i) The term 'competent authority' means:

i) In the case of Mozambique, the Minister of Finance or his authorized representative;

(ii) in the case of Vietnam, the Minister of Finance or his authorised representative.

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

ARTICLE 4 – Resident

1. For the purposes of this Agreement, the term 'resident of a Contracting State' means any person who, under the law of that State, is subject to tax there by reason of his domicile, residence, place of management or any other criterion of a similar nature, and also includes that State and its local authorities. However, that term does not include any person who is subject to tax in that State only in respect of income from sources located in that State or property situated therein.

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

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

(b) if the State in which he has the centre of vital interests cannot be determined or if he does not have a permanent residence at his disposal in any of the States, he shall be deemed to be a resident only of the Contracting State in which he habitually resides;

(c) if he/she habitually stays in both States, or if he/she does not habitually stay in either of them, he/she shall be deemed to be resident only in the State of which he/she is a national;

(d) If he is a national of both States, or if he is not a national of either of them, the competent authorities of the Contracting States shall settle the case by mutual agreement.

3. Where, by virtue of paragraph 1, a person who is not a natural person is resident of both Contracting States, he shall be deemed to be resident only in the State in which his effective management is situated.

ARTICLE 5 – State Establishment

1. For the purposes of this Agreement, 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' shall include, inter alia:

a) A place of direction;

b) A branch;

c) An office;

d) A factory;

e) A workshop;

f) A warehouse; e

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

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

(a) a site of the building or construction site or an installation or assembly project or the supervision activities in connection 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, through employees or other personnel employed by the undertaking for such purposes, but only if such activities continue for the same or a related project) in a Contracting State for a period or periods totalling more than six months in any 12-month period.

4. Notwithstanding the provisions of this Article, the term permanent establishment shall be understood as not comprising:

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

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

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

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

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

5. Notwithstanding paragraphs 1 and 2 of this Article, where a person — other than an independent agent, to whom paragraph 7 applies — acts in a Contracting State on behalf of an undertaking of another Contracting State, that undertaking shall be deemed to have a permanent establishment in the first Contracting State in respect of any activity which that person carries on for the undertaking, if that person:

(a) has and habitually exercises in that State the power to conclude contracts on behalf of that undertaking, unless the activities of such person are limited to those referred to in paragraph 4, which, if carried out by means of a fixed installation, would not allow such fixed installation to be regarded as a fixed establishment in accordance with the provisions of this paragraph; or

(b) it does not have such an authority but usually maintains in the first State a stock of goods or merchandise belonging to the undertaking from which it regulates supplies goods and merchandise on their behalf.

6. Without prejudice to the foregoing provisions of this Article, an insurance undertaking of a Contracting State shall, except in respect of reinsurance, be deemed to have a permanent establishment in the other Contracting State if it collects premiums in the territory of that other Contracting State, or insures risks situated there through a person other than an independent agent to whom the provisions of paragraph (7) apply.

7. An undertaking shall not be deemed to have a permanent establishment in a Contracting State merely because it carries on its business in that State through the intermediary of 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 and conditions have been imposed between the undertaking and the agent in their commercial and financial relations which differ from those which could be established between independent undertakings, it shall not be regarded as an agent for the purposes of this paragraph.

8. The fact that a company resident in a Contracting State controls or is controlled by a company which is resident in the other Contracting State or carries on its business in that other State, whether through a permanent establishment or otherwise, is not in itself sufficient to make either of those companies a permanent establishment of the other.

ARTICLE 6 – Income from immovable property

1. Income which a resident of a Contracting State receives from immovable property, including income from agricultural or forestry holdings, situated in the other Contracting State may be brought to the courts in that other Contracting State.

2. The term 'immovable property' shall have the meaning given to it by the law of the Contracting State in which such property was 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, aircraft shall not be regarded as immovable property.

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

4. The provisions of paragraphs (1) and (3) shall apply equally 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 in a Contracting State may be taxed in that State only unless the undertaking carries on its business in the other Contracting State through a permanent establishment situated there. If the undertaking carries on its business in this way, its profits may be taxed in the other State but only in so far as they are attributable to:

a) Such permanent establishment;

(b) sales in that other Contracting State of goods or merchandise of the same or similar nature as those sold through that permanent establishment;

(c) other activities carried out in that other Contracting State of the same or similar nature as those carried out through the permanent establishment.

2. Subject to paragraph 3 of this Article, where an undertaking of a Contracting State carries on its business in the other Contracting State through a permanent establishment situated there, the profits which it would make if it were a separate and separate undertaking carrying on the same or similar activities under the same or similar conditions and dealing with the undertaking of which it is a permanent establishment shall be charged to that Contracting State for the profits which it would make if it were a separate and separate undertaking carrying on the same or similar activities and dealing 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 order to achieve the purposes pursued by that permanent establishment, including management costs and general administration costs, incurred for that purpose, either in the State in which that permanent establishment is situated or outside it. However, no deduction shall be allowed with respect to the amounts, if any, paid (unless it is a question of reimbursement of expenses incurred) by the permanent establishment in favour of the head office of the undertaking,

or any other of its establishments, in the form of royalties, remuneration or other similar payments in return for the use of patents or other rights, or through commissions, for specific services performed or for management, or except in the case of banking undertakings, as Interest on loans to the permanent establishment: Similarly, in determining the profits of a permanent establishment, the amounts charged (other than reimbursement of expenses incurred) by the permanent establishment to the principal place of business or any other of its establishments, by way of royalties, remunerations, or other similar payments in return for the use of patents or other rights, or by way of commissions, for specific services performed or for management, or, except in the case of banking undertakings, by way of interest on loans contracted to the head office of the undertaking or any of its establishments.

4. If it is customary for a Contracting State 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 provisions of paragraph 2 shall not prevent that Contracting State 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. For the purposes of the preceding paragraphs, the profits to be attributed to the permanent establishment shall be calculated in each year according to the same method, unless there are valid and sufficient reasons for proceeding differently.

6. Where profits comprise elements of income specifically dealt with in other articles of this agreement, the respective provisions shall not be effected by the provisions of this article.

ARTICLE 8 – Maritime and Air Navigation

1. The profits of an undertaking of a Contracting State from the operation of ships and aircraft, in international traffic and vessels used for transport in inland waters, may be taxed only in the Contracting State in which it is registered.

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

ARTICLE 9 – Associated companies

1. When:

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

(b) the same persons participate, directly or indirectly, in the management, control or capital of an undertaking of a Contracting State and of an undertaking of another Contracting State.

2. And in both cases, where the two undertakings, in their commercial or financial relations, are linked by accepted or imposed conditions which differ from those which would have been established between independent undertakings, profits which, in the absence of those conditions, would have been obtained by one of the undertakings, but were not obtained because of those conditions, may be included in the profits of that undertaking and consequently taxed.

ARTICLE 10 – Dividends

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

2. However, such dividends may also be taxed in the Contracting State of which the company paying the dividends is resident and in accordance with the legislation of that State, but if the beneficial owner of the dividends is a resident of the other Contracting State, the tax thus established may not exceed 10 per cent of the gross amount of the dividends.

This paragraph shall tax the company on the profits to which the dividends have been distributed.

3. The term 'dividends' as used in this article means income from shares, shares or enjoyment bonuses, shares in the shares of founders or other rights other than credits, which enable them to participate in profits, as well as income derived from other units subject to the same tax regime as income from shares under the law of the State of which the company distributing them is resident.

4. The distributions in paragraphs (1) and (2) shall not apply if the beneficial owner of the dividends, who is resident in a Contracting State, carries on business in the other Contracting State of which the company paying the dividends is resident through a permanent establishment situated there or pursues a self-employed profession in that Contracting State through 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 15 shall apply, as the case may be.

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

ARTICLE 11 – Interest

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

2. Such interest may, however, be taxed in the Contracting State from which it originates and in accordance with the legislation of that Contracting State, but if the actual recipient of the interest is a resident of the other Contracting State, the tax so established may not exceed 10 per cent of the gross amount of interest.

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

4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the interest, who is resident in a Contracting State, carries on an activity in the other Contracting State from which the interest accrues, through a permanent establishment situated there, or pursues in that Contracting State a self-employed profession, through a fixed facility situated there, and the claim in respect of which the interest is paid is actually linked to (a) that permanent establishment or fixed facility or (b) to the activities referred to in subparagraph (c) of paragraph 1 of Article 7.

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

6. Where, by reason of special relationships existing 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 this case, the excess may continue to be taxed in accordance with the law of each Contracting State; taking into account the other provisions of this Agreement.

ARTICLE 12 – Royalties

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

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

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

4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the beneficial owner of the royalty, who is resident in a Contracting State, carries on an activity in the other Contracting State from which the royalty is derived, through a permanent establishment situated there, or pursues in that Contracting State a self-employed profession by means of a fixed installation situated there, and the right or property in respect of which the roylties are paid is actually linked to (a) that permanent establishment or fixed installation (b) the economic activities referred to in Article 7(1)(c). In this case, the provisions of Article 7 or Article 15 shall apply, as the case may be.

5. Royalties shall be deemed to have accrued from a Contracting State where the debtor is that State, a political subdivision thereof, a local authority or a resident of that State. However, where the person liable for the royalty is or is not a resident of a Contracting State, has in the Contracting State a permanent establishment or fixed installation in connection with which the obligation giving rise to the payment of the royalty has been entered into and that permanent establishment or fixed installation supports the payment of such royalties.

6. Where, by reason of special relationships existing between the debtor and the beneficial owner of the royalty or between them and any other person, the amount of the royalty, taking into account the instalment for 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 State, taking into account the other provisions of this Agreement.

ARTICLE 13 – Remuneration for technical work

1. Remuneration for technical work originating in a Contracting State and paid to a resident of the other Contracting State may be taxed in that other State.

2. However, such remuneration for technical work may also be taxed in the Contracting State from which it originates and in accordance with the legislation of that State, but the person receiving the remuneration for technical work is the beneficial beneficiary of those remunerations, the tax thus established shall not exceed 10 per cent of the gross amount of remuneration for technical work.

3. 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 technical, managerial or advisory service.

4. The provisions of paragraphs 1 and 2 of this Article shall not apply if the actual recipient of the remuneration for technical work, resident in a Contracting State, pursues an activity in the other Contracting State from which the remuneration for technical work originates, through a permanent establishment situated there, or pursues in that Contracting State a self-employed profession through a fixed installation situated there and the right in respect of which the remuneration for technical work is paid, is actually linked to (a) that permanent establishment or fixed installation (b) the economic activities referred to in subparagraph (c) of paragraph 1 of Article 7. In such a case, the provisions of Article 7 or Article 15, as the case may be, shall apply.

5. Remuneration for technical work shall be deemed to have come from a Contracting State where the person liable for payment is that State, a political subdivision thereof, a local authority or a resident of that State. However, where the person liable for remuneration for technical work, whether or not he is a resident of a Contracting State, has in the Contracting State a permanent establishment or fixed facility in connection with which the obligation giving rise to the payment of the remuneration for technical work has been entered into, and that permanent establishment or fixed installation supports the payment of such remuneration for technical work, such remuneration for technical work shall be deemed to come from the Contracting State in which the permanent establishment or fixed installation is situated.

6. Where, as a result of special relationships existing between the debtor and the beneficial owner of the remuneration for technical work or between them and any other person, the amount of the remuneration for technical work, taking into account the service for which they are paid, 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 this case, the excess may continue to be taxed in accordance with the legislation of each Contracting State, taking into account the provisions of this agreement.

ARTICLE 14 – Capital gains

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

2. Gains arising from the disposal of movable property forming part of the assets of a permanent establishment which an undertaking of one Contracting State has in the other Contracting State or from assets assigned to a fixed establishment which a resident of a Contracting State has in the other Contracting State 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 from the fixed installation, may be taxed in that other State.

3. The profits of an undertaking of a Contracting State arising from the disposal of ships, aircraft operating in international traffic or vessels operating in inland waterways, or movable property used for the operation of such vessels, aircraft or vessels may be taxed only in the State in which the undertaking is registered.

4. Gains arising from the disposal of shares in the share capital of an undertaking, or from an interest in a partnership, joint venture or real estate, the ownership of which consists directly or indirectly principally of real estate situated in the other Contracting State, may be taxed in that other Contracting State. For the purposes of this paragraph, the term 'principally' in relation to ownership of real estate means the value of such real estate property exceeding 30% of the aggregate value of the assets belonging to the company, partnership, joint venture or real estate.

5. Gains arising from the disposal of any assets other than those referred to in paragraph 4 of this Article may be taxed only in that State.

6. Gains from the disposal of any assets other than those referred to in paragraphs 1, 2, 3, 4 and 5 may be taxed only in the Contracting State of which the seller is resident.

ARTICLE 15 – Independent Professions

1. Income obtained by a resident of a Contracting State by pursuing a profession or other activities of a self-employed nature may be taxed in that State only except, in the following circumstances, that such income may be taxed in the other Contracting State:

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

(b) if the resident remains in the other Contracting State for a period or periods exceeding a total of 183 days in any 12-month period beginning and ending in the tax year in

question. In this case, only the portion of income obtained from the activities carried on in that Contracting State may be taxed in that Contracting State;

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

ARTICLE 16 – Employment Income

1. Subject to Articles 17, 19, 20 and 21, wages, salaries and other similar remuneration obtained from employment by a resident of a Contracting State may be taxed only in that State, unless the employment is carried on in the other Contracting State.

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

(a) the beneficiary remains in the other Contracting State for a period or periods not exceeding a total of 183 days in any twelve-month period beginning or ending in the tax year in question; e

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

(c) the remuneration is not borne by a permanent establishment which the employer has in the other Contracting State.

3. Notwithstanding the foregoing provisions of this Article, remuneration derived from employment on board a ship, aircraft operated in international traffic or vessels operated inland waterway by an undertaking of a Contracting State may be taxed in the State in which the undertaking is registered.

ARTICLE 17 – Fees of Council Members

Fees and other similar remuneration received by a resident of a Contracting State as a member of the Board of Directors of a company which is resident in the other Contracting State may be taxed in that other State.

ARTICLE 18 – Artists and Sportsmen

1. Notwithstanding the provisions of Articles 15 and 16, income received by a resident of a Contracting State as a professional performer, such as a theatre, cinema, radio, television or musician performer, as well as a sportsman, arising from his personal activities pursued in that capacity in the other Contracting State may be taxed in that other State.

2. Notwithstanding the provisions of Articles 7, 15 and 16, income from activities personally carried out by entertainment professionals or sportsmen in that capacity, attributed to another person, may be taxed in the Contracting State in which those activities of the entertainment professionals or sportsmen are carried out.

3. Notwithstanding paragraphs 1 and 2 of this Article, income derived from the activities of artists and sportsmen residing in one Contracting State from activities carried out in the other Contracting State under a cultural agreement and exchange of experience between the Governments of both Contracting States shall be exempt from taxes in that other Contracting State.

ARTICLE 19 – Pensions and social security payments

1. Subject to Article 20(2), pensions and other similar remuneration originating in a Contracting State and paid to a resident of another Contracting State as a result of previous employment may be taxed only in that Contracting State.

2. Notwithstanding the provisions of paragraph 1, pensions paid and other payments made under public schemes which are part of the social security system of a Contracting State or a local authority may be taxed only in that State.

ARTICLE 20 – Public remuneration

1. (a) Wages, salaries and other similar remuneration, other than pensions, paid by a Contracting State or by a political subdivision or local authority to a natural person, as a result of services rendered to that State or by that subdivision or local authority, may be taxed only in that State.

(b) However, such salaries, wages and other similar remuneration may be taxed in the other Contracting State only if the services are provided in that Contracting State and if the natural person is a resident of that State who:

(i) you are a national of that Contracting State; or

ii) That he did not become its resident solely for the purpose of providing said services;

2. (a) any pension or other similar remuneration paid by a Contracting State or a local authority to a natural person who directly, or through funds set up by them, to a natural person, as a result of services rendered to that State or authority, may be taxed only in that State.

(b) However, such pensions or similar remuneration may be taxed in the other Contracting State only if the natural person is a resident and a national of that State.

3. The provisions of Articles 16, 17, 18 and 19 of this Agreement shall apply to salaries, wages, remuneration and pensions paid as a result of services rendered in connection with an activity carried out by a Contracting State, its political subdivisions or one of its local authorities.

ARTICLE 21 – Students and Apprentices

The sums which a student or trainee who is or was, immediately prior to his stay in a Contracting State, a resident of the other Contracting State and whose stay in the Contracting State first mentioned has the sole purpose of pursuing his studies or vocational training there, receives in order to meet the costs of his maintenance, studies or training shall not be taxed in that State, provided that:

a) Come from sources located outside that State, to meet the expenses of their maintenance, studies or training; e

(b) Notwithstanding the provisions of Articles 15 and 16, payments made by such person for activities rendered shall not exceed in a fiscal year USD 3,000.00 or equivalent in the currency of the Contracting State.

ARTICLE 22 – Other Income

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

2. The provisions of paragraph 1 of this Article shall not apply to income, other than income from immovable property as defined in Article 6(2), if the recipient of such income, being a resident of a Contracting State, pursues an activity in the other Contracting State through a permanent establishment or pursues in that other Contracting State a self-employed profession through a fixed establishment situated there, and the right or property in respect of which the income is paid is actually connected with that permanent establishment or fixed installation. In this case, the provisions of Article 7 or 15 shall apply, as the case may be.

3. Notwithstanding the provisions of paragraphs 1 and 2, items of income of a resident of a Contracting State not mentioned in the preceding Articles of this Agreement and originating in the other Contracting State may be taxed in that other State.

ARTICLE 23 – Assets

1. Property consisting of immovable property referred to in Article 6 owned by a resident of a Contracting State and situated in the other Contracting State may be taxed in that other State.

2. Assets consisting of movable property forming part of the assets of a permanent establishment which an undertaking of one Contracting State has in the other Contracting State or movable property belonging to a fixed installation at the disposal of a resident of a Contracting State in the other Contracting State to carry on activities of a self-employed nature may be taxable in that other Contracting State.

3. Assets consisting of ships and aircraft used in international traffic or vessels used for transport in inland waters, as well as movable property used for the operation of such ships, aircraft or boats may be taxed only in the State in which the company is registered.

ARTICLE 24 – Method for eliminating double taxation

1. In the case of Mozambique and Vietnam, double taxation will be eliminated as follows:

(a) Where a resident of a Contracting State obtains income which, in accordance with the provisions of this Agreement, may be taxed in the other Contracting State, the first mentioned State shall deduct from the income tax of that resident an amount equal to the income tax paid in the other Contracting State.

The amount deducted in accordance with the provisions of the preceding paragraph may not, however, exceed the fraction of the income tax calculated before the deduction corresponding to the income taxed in the other Contracting State, according to the rates applicable in that State.

(b) Where a resident of a Contracting State obtains income which, according to the provisions of this Agreement, may be taxable only in another Contracting State, the first mentioned State may, when calculating the amount of tax on the remaining income of that resident, include that income in the taxable amount but only for the purpose of establishing the applicable rate in accordance with the legislation of that State.

2. For the purposes of paragraph 1 of this Article, the tax payable in Mozambique or Vietnam, depending on the context, shall include amounts which could have been paid in a Contracting State but which have not been paid by reason of the reduction or exemption granted under the provisions of the legislation of the Contracting State on the promotion of economic development. In the case of the provisions of paragraph 2 of Article 10, paragraph 2 of Article 11, paragraph 2 of Article 12 and paragraph 2 of Article 13, such tax shall be considered on the basis of the rates set out in those paragraphs.

ARTICLE 25 – Non-discrimination

Nationals of a Contracting State shall not be subject in the other Contracting State to any taxation or related obligation which is different or more onerous than that to which nationals of that other Contracting State who are in the same situation are or may be subject.

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

3. Unless the provisions of paragraph 1 of Article 9, paragraph 6 of Article 11, paragraph 6 of Article 12, or paragraph 6 of Article 13 apply, interest, royalties, remuneration for technical work and other sums paid by an enterprise of a Contracting State to a resident of the other Contracting State shall be deductible, for the purpose of determining the taxable profit of such enterprise under the same conditions as if they were paid to a resident of the State first mentioned.

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

5. Nothing in this article shall be construed as requiring a Contracting State to extend to non-residents of that State the personal deductions, allowances and reductions for tax purposes granted to its own residents.

6. The provisions of this Article shall apply only to taxes covered by this Agreement.

ARTICLE 26 – Mutual Settlement Procedure

1. Where a person who is a resident of a Contracting State considers that the measures taken by the competent authorities of one or both of the Contracting States lead or may lead to taxation against him which is not in accordance with the provisions of this Agreement, he may, independently of the remedies provided for by the national law of those States, submit in writing the grounds for his complaint to the competent authority of the Contracting State of which he is a resident. The case shall be lodged 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 Agreement.

2. If the complaint appears to it to be well founded and is not in a position to give it a satisfactory solution, the competent authority shall endeavour to settle the matter by amicable agreement with the competent authority of the other Contracting State in order to avoid taxation which is not in accordance with this Agreement. Any agreement

reached shall be applied irrespective of the time limits laid down in the domestic law of the Contracting States.

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

4. The competent authorities of the Contracting States may, where necessary, communicate directly with each other with a view to the implementation of this Agreement in order to reach agreement in accordance with the preceding paragraphs.

ARTICLE 27 – Exchange of information

1. The competent authorities of the Contracting States shall exchange with each other information that is foreseeably relevant for the application of the provisions of this Agreement or for the administration or application of domestic laws relating to taxes of any nature and denomination levied for the benefit of the Contracting States, their political subdivisions or local authorities, to the extent that the taxation provided for therein is not contrary to this Agreement.

2. Any information received pursuant to paragraph 1 by a Contracting State shall be considered secret, in the same way as information obtained on the basis of the domestic law of that State, and shall only be communicated to the persons or authorities (including courts and administrative bodies) entrusted with the levying or collection, declaratory or enforcement procedures or the decision on appeals relating to the taxes referred to in paragraph 1 or obtained only for the purposes referred to. Such information may be disclosed in the speech of public court hearings or in judicial decisions.

3. Paragraphs 1 and 2 shall never be interpreted as imposing on the competent authorities of a Contracting State the obligation to:

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

(b) to provide information which cannot be obtained on the basis of its legislation or in the context of its normal administrative practice or that of the other Contracting State; e

c) To transmit information revealing a business, industrial, commercial or professional secret or commercial process or information the disclosure of which would be contrary to public policy.

4. If, in accordance with the provisions of this Article, information is requested by a Contracting State, the other Contracting State shall use its powers to obtain the requested information, even if that other State does not need such information for its own tax purposes.

The obligation in the preceding sentence shall be subject to the limitations set out in paragraph 3, but such limitations shall in no case be interpreted as permitting a State to refuse to provide such information on the sole ground that it is not of interest to it in its domestic context.

5. Paragraph 3 shall in no case be interpreted as permitting a Contracting State to refuse to provide information solely because it is held by a bank, other financial institution, an

agent or by a person acting as an agent or trustee, or because such information is connected with the property rights of a person.

ARTICLE 28 – Members of Diplomatic Missions and Consular Posts

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

ARTICLE 29 – Entry into force

1. Each of the Contracting States shall notify the other Contracting State in writing through diplomatic channels of the completion of the procedures required by its legislation for the entry into force of this Agreement. This Agreement shall enter into force on the date of receipt of the last such notification.

2. The provisions of this Agreement shall have effect:

(a) with respect to withholding taxes, for amounts paid or credited, as of the first day of January immediately following the entry into force of the Agreement; e

b) With regard to other taxes, in relation to income produced in the tax period commencing on 1 January immediately following the date on which the Agreement enters into force.

ARTICLE 30 – Denunciation

This Agreement shall remain in force as long as it is not terminated by a Contracting State. Any Contracting State may terminate the Agreement through diplomatic channels, by giving prior notice to another Contracting State, in writing, at least six months before the end of any calendar year, from the fifth year following the entry into force of the Agreement. In this case, the Agreement shall cease to apply:

a) With regard to withholding taxes, amounts paid or credited from 1 January: in the year immediately following that of notification of the complaint; e

(b) in respect of other taxes on income, the taxes applicable to tax periods commencing on or after the first day of January of the year following the year in which the notification is made.

In witness whereof, the signatories, duly authorized by their respective Governments, have signed this Agreement.

Done in duplicate in Hanoi in September 2010 in Portuguese, Vietnamese and English, all texts being equally authentic. In the event of divergence of interpretation, the text in the English language shall prevail.

For the Government of the Republic of Mozambique, Deputy Minister of Finance, Pedro da Conceição Couto. — For the Government of the Socialist Republic of Vietnam, Deputy Minister of Finance, Do Hoang Anh Tuan.

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.

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

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

MOORE

CONTACTS:

Avenida 25 de Setembro, nº 1230, 3º
Andar, Bloco 5, CP 4200

Maputo

Republic of Mozambique

Tel.: +258 21 300720

Email: eferreira@mooremz.co.mz

Moore Global is an association of independent firms of which Moore – Sociedade de Contabilistas e Auditores Certificados, Lda is part as an independent company, with legal authorization to carry out Audit and Certification of Accounts activities, by order of 27/10/99 of the Vice-Minister of Planning and Finance.

Copyright © Moore – Sociedade de Contabilistas e Auditores Certificados, Lda. All rights reserved.

Please think about the environment before printing this document.