

# REGULATION OF THE PRIVATE INVESTMENT LAW

DECREE NO. 8/2024, OF 7 MARCH



March 2024

**Decree No. 8/2024 of 7 March was published, approving the Regulation of the Private Investment Law, a regulation establishing the procedures applicable to the process of approving and carrying out private investments in the Republic of Mozambique, eligible to enjoy tax and non-fiscal guarantees and incentives.**

Scope of application

The law applies to all economic ventures taking place in Mozambican territory, namely:

- National and foreign private investments; and
- Public-private partnerships, large-scale projects and business concessions.

On the other hand, and as previewed under the Private Investment Law, the regime does not apply, among others, to investments made or to be made under specific legal frameworks, in the areas of prospecting, exploration and production of oil, gas and mineral resources extraction industry, applying however - when not regulated by specific legislation - to undertakings related to the processing, commercialization and transport of mining and/or oil products and others, provided that these activities are carried out by entities dedicated exclusively to their development.

Minimum amount of foreign direct investment

The minimum amount of foreign direct investment for the purposes of transferring profits abroad and invested and re-exportable capital is now of MZN 6,500,000.00, being its registration subject to the rules set forth under the foreign exchange legislation in force.

Investment regimes and procedures

Investment projects are subject to the application of one of the following regimes for the purposes of being granted with tax incentives and other applicable benefits:

- mere registration regime;
- authorization regime.

The application for mere registration can be submitted by the investor or its legal representative, either in physical or digital format, being the investment certificate, the document serving as a proof of the project's registration, issued after prior verification of compliance and fulfilment of the requirements.

In turn, the application for authorization is made by submitting the technical and economic-financial feasibility study drawn up in accordance with a specific model, and the application is preceded by an assessment of its conformity by both the entity coordinating the investment authorisation process and the Ministry overseeing the sector. The investment authorisation is approved, depending on the case, by means of a Resolution of the Council of Ministers or Order of the Minister overseeing the area of Finance.

National and/or foreign direct investment projects worth more than the equivalent to MZN 32,000,000,000.00 are subject to the authorization regime.

Decision-making entities

The decision on investment project requests under the mere registration regime is made by the:

- Provincial Governor, as regards projects involving national and/or foreign direct investment of a value not exceeding the equivalent to MZN 3,500,000,000.00;
- Director-General of APIEX, IP, for national and/or foreign direct investment projects, including projects eligible for the special economic zone and industrial free zone regime, of a value not exceeding the equivalent to MZN 6,500,000,000.00; and
- The Minister overseeing the Finance area, with regard to national and/or foreign direct investment projects with a value not exceeding the equivalent to MZN 32,000,000,000.00.



In relation to requests under the authorization regime:

- The Minister overseeing the area of Finance is responsible for approving and deciding on investment projects whose object is the industrial processing of mining and/or oil products, as well as investment projects whose activity has foreseeable economic, environmental, safety or public health implications.
- The Council of Ministers is responsible for approving investment projects:
  - a) whose value exceeds the equivalent to MZN 32,000,000,000.00;
  - b) which concern public-private partnerships and business concessions;
  - c) requiring an extension of land equal to or greater than 10,000 hectares;
  - d) requiring forestry concessions of more than 100,000 hectares.

#### Start of project implementation

The implementation of the project must begin within 120 days from the date of notification of the registration or authorization of the investment to the proposing investor.

#### Social responsibility of investors

Investors proposing to carry out investment projects subject to the authorization regime must ensure that they carry out a number of social responsibility initiatives, being the investments made in this area seen as a valuation factor for the projects subject to the referred regime.

The Regulation repealed Decree No. 43/2009 of August 21st and Decree No. 20/2021 of April 13<sup>th</sup> and came into force on March 7<sup>th</sup>.

# Contacts



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