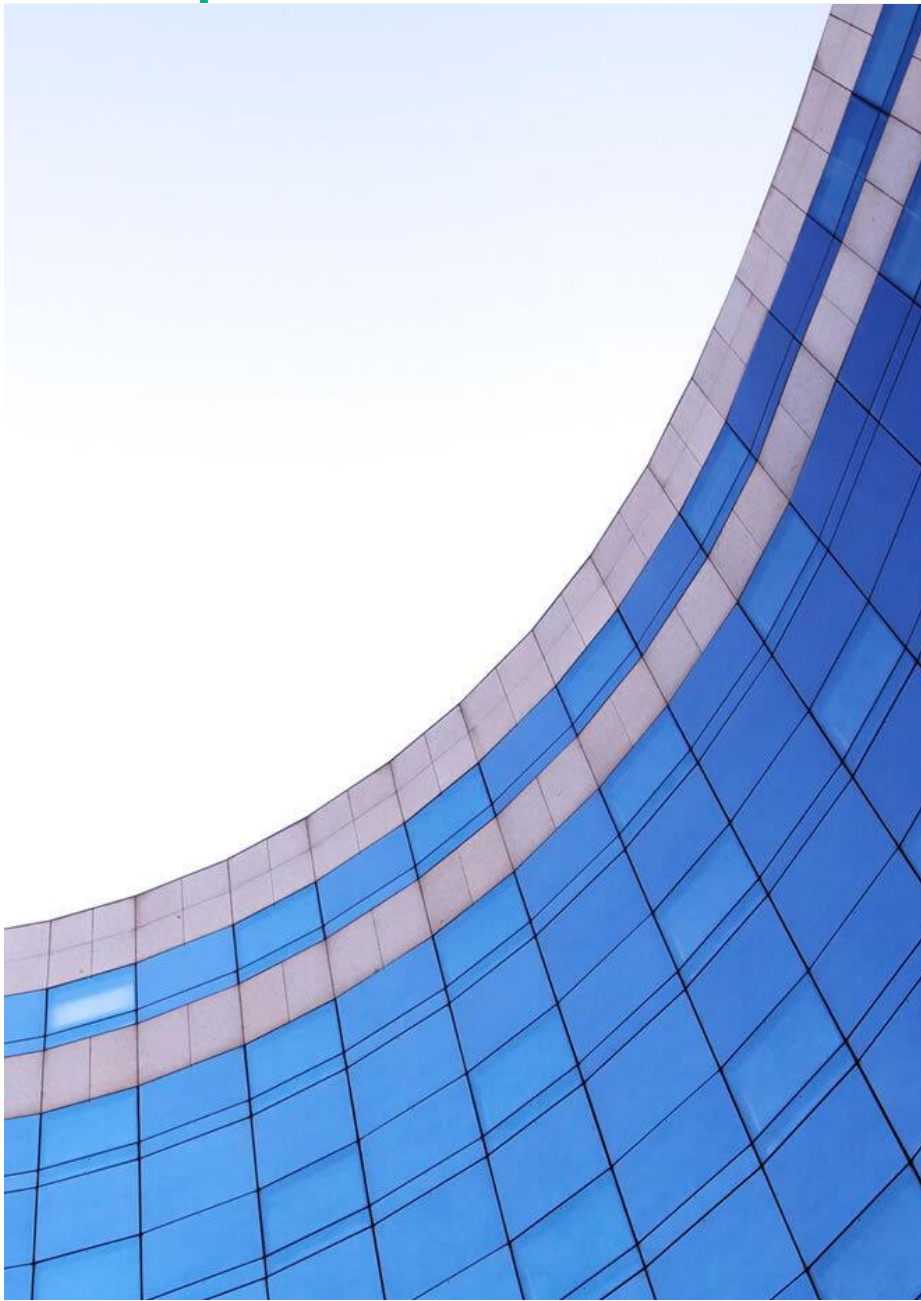


RULES AND PROCEDURES TO CARRY OUT FOREIGN EXCHANGE OPERATIONS

NOTICE NO. 3/GBM/2024, OF 20 MARCH



April of 2024.

Notice No. 3/GBM/2024 was published on 20 March, which establishes the rules and procedures for carrying out foreign exchange operations.

Scope

This Notice applies to all resident and non-resident entities covered by the Foreign Exchange Law (approved by Law No. 28/2022 of 29 December 2022) and entities authorised to carry out trade and partial trade in foreign exchange. In addition, the Notice also applies to:

- forms of representation of resident and non-resident legal persons;
- concessionaires, special purpose vehicles, main subcontractors, lenders, non-resident subcontractors and expatriate staff intervening in the oil and gas sector operating in Mozambique; and
- regulatory, supervisory and justice administration entities, within the scope of the powers conferred on them by law.

Declaration of assets

Both resident entities and foreign citizens who acquire the status of resident in national territory must declare any assets generated, acquired or held abroad to the Bank of Mozambique, namely:

- valuables and rights in the total amount equal to or greater than the equivalent of USD 250,000.00 (two hundred and fifty thousand United States dollars); and
- assets of a real estate nature (real estate and movable property subject to ownership registration).

The first declaration must be made no later than 30 days after the asset is acquired, generated, or held abroad, and any updates must be made by 31 March of each calendar year.

Foreign exchange operations

The payments and receipts relating to the following operations are qualified as current transactions (among others):

- a) imports and exports of goods and services;
- b) income generated from capital operations; and
- c) unilateral transfers.

For the purposes of registration of current transactions, the applicants are required to submit the documents which identify and characterize the operation, without prejudice to the other specific requirements and procedures laid down in the present Notice according to operation.

With regard to the import and export of goods:

- the term of commitment and contract containing the terms and conditions of the operation (where applicable) are now mandatory documents, regardless of the payment method adopted for the import and export of goods;
- it is forbidden to make payments to settle imports of goods for commercial purposes using a bank card.

With regard to operations related to the import and export of services:

- the telecommunications, IT and information services, as well as insurance and pension fund services, are now listed as operations subject to the procedures applicable to such operations.

With regard to income transfers:

- the real estate investment in the form of rents is subject to the foreign exchange rules relating to the operations of transfer to and from abroad, of income generated from authorised capital operations;
- the income generated by commercial representations of non-resident entities and non-resident entities providing services in national territory is subject to the procedures applicable to the transfer of income resulting from other forms of capital investment;
- the commercial representations of non-resident entities that have imported capital by way of investment are subject to the procedures for the transfer of income from foreign direct investment.

The operations of transfers related to social security pensions and pension funds, made to and from abroad, are covered by unilateral transfers.

Capital operations

The capital operations are subject to authorisation by the Bank of Mozambique, except for those expressly liberalised under Notice no. 4/GBM/2024 of 21 March. The capital operations that are not subject to authorisation must be submitted by the interested party to the intermediary bank of the operation and the underlying operation must be carried out within 5 working days upon the date of receipt of the request.

This Notice sets out the procedures and requirements applicable to investment in Mozambique by non-resident entities, in the following forms:

- a) Foreign direct investment;
- b) Reinvestment of profits;
- c) Debt conversion;
- d) Real Estate investment;
- e) Participation in collective investment organisations;
- f) Securities and other instruments traded on capital markets off the stock exchange;
- g) Investment through loans or credit from a related company;
- h) Supplementary and ancillary contributions.

Physical entry and exit of national and foreign banknotes and coins

The limit on the physical entry and exit of foreign notes and coins into national territory is set at the equivalent to USD 10,000.00 (ten thousand United States dollars).

The physical entry and exit of foreign notes and coins above the mentioned amount must be declared to the customs authority.

The limit for the physical entry and exit of national banknotes and coins is set at MZN 10,000.00 (ten thousand meticaís), and the amount above this limit must be declared to the customs authority.

Special foreign exchanges regimes

With regard to oil and gas operations, which foreign exchange matters are set forth under the Foreign Exchange Law, this Notice sets out the procedures applicable to:

- Transfers of profits and dividends, which must comply with the provisions for the transfer of income from foreign direct investment
- registration of flows of capital operations carried out abroad; and
- financing of operations through the cash pooling mechanism, including financing of non-resident related companies.

Entry into force

The Notice enters into force on 19th April and revokes the following legislation:

- Notice No. 3/GBM/2022, of 14 July, which amends articles 81 and 83 of Notice No. 20/GBM/2017, of 27 December;
- Notice No. 6/GBM/2020, of 10 June, which amends articles 8 and 20 of Notice No. 20/GBM/2017, of 27 December;
- Notice No. 10/GBM/2019, of 20 December, which approves the Regulations for Opening and Operation of Foreign Currency Accounts;
- Notice No. 5/GBM/2019, of 4 April, which regulates the conditions for buying and selling foreign currency on the foreign exchange market;
- Notice No. 7/GBM/2018, of 19 September, which approves the complementary rules and procedures for the special foreign exchange regime for oil and gas operations.
- Notice No. 11/GBM/2018, of 7 December, which concerns the limit on the sale, withdrawal, entry and exit of foreign currency; and
- Notice No. 20/GBM/2017, of 27 December, which approves the foreign exchange rules and procedures to be observed when carrying out foreign exchange operations.

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