

International Comparative Legal Guides

Alternative Investment Funds 2026

A practical cross-border resource to inform legal minds

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1 Regulatory Framework

1.1 What is the key legislation that governs the establishment and operation of Alternative Investment Funds?

Activity involving the management, investment and marketing of Alternative Investment Funds (AIFs) is mainly regulated by: the Undertakings for Collective Investment Law, enacted by Decree no. 54/99 of 8 September 1999 and amended by Decree no. 36/2005 of 29 August 2005 (UCI Law), which sets out most of the rules relating to AIFs; Law no. 20/2020 of 31 December 2020 (Banking Law); Decree no. 50/2024 of 11 July; Decree-Law no. 4/2009 of 24 July 2009 (Mozambique Securities Market Code); and Ministerial Ordinance no. 10/99 of 24 February 1999 (Financial Intermediation Activities Regulation).

The Bank of Mozambique (BoM) is the relevant supervisory authority.

1.2 Are managers to Alternative Investment Funds required to be licensed, authorised or regulated by a regulatory body?

Yes. Fund managers, as financial institutions, are subject to the BoM's supervision; accordingly, the relevant authorisation procedure shall be filed with the BoM.

The UCI Law does not foresee any *de minimis* exception or fast-track authorisation procedure; therefore, all fund managers, regardless of the type of assets under management, will need to comply, in general terms, with the same requirements.

1.3 Are Alternative Investment Funds themselves required to be licensed, authorised or regulated by a regulatory body?

Yes. The setting up of AIFs is subject to authorisation from the BoM, which is the competent regulator to conduct the supervision of AIF management activity and ancillary service providers as well as distribution and compliance with the general rules applying to AIFs, notably in connection with the protection of investors' interests.

1.4 Does the regulatory regime distinguish between open-ended and closed-ended Alternative Investment Funds (or otherwise differentiate between different types of funds or strategies (e.g. private equity vs hedge funds))?

Yes. In general terms, the UCI Law distinguishes between AIFs investing in (i) securities or financial assets, and (ii) real estate (real estate investment funds). Both AIF types may be open- or closed-ended.

In general terms, open-ended AIFs target the retail market and closed-ended AIFs target high-net-worth or professional investors; thus, in open-ended AIFs, scrutiny by the BoM tends to be tighter.

1.5 What does the authorisation process involve for managers and, if applicable, Alternative Investment Funds, and how long does the process typically take?

In a nutshell, the authorisation request for setting up AIFs is filed with the BoM, and the relevant AIF manager must provide the BoM with the relevant AIF documentation, notably the regulation and a copy of the agreement to be executed between the fund manager and the depositary.

Furthermore, the BoM may request further information from the fund manager.

If applicable, authorisation should be given within 45 days of receipt of either the relevant documentation or any supplementary information or amendments to the documents required by the BoM. If, at the end of such period, the applicants have not been notified of the authorisation, this means it has been tacitly refused.

However, considering that the BoM has discretion to request further information, which will halt the term for granting authorisation, and that few AIFs are being constituted in Mozambique, the term for completing the process may vary significantly from case to case.

The marketing of the AIF's units shall begin within 90 days of the granting of the relevant authorisation.

1.6 Are there local residence or other local qualification or substance requirements for managers and/or Alternative Investment Funds?

No, there are no specific requirements in this respect.

1.7 Are any service providers specifically required to be appointed in respect of Alternative Investment Funds?

In Mozambique, an AIF is legally required to have a fund manager, a depositary and an auditor and, in the case of real estate AIFs, real estate appraisers.

It should be noted that the UCI Law does not expressly foresee the existence of an auditor or, in the case of real estate AIFs, real estate appraisers; however, the existence of two such entities in the case of real estate assets is fundamental in light of the fact that the AIF itself will need to be assessed and is subject to accounting control.

Furthermore, the AIF may also have, but is not legally compelled to have, distributors or entities that will market its units, although such entities are more common in open-ended AIFs.

1.8 What rules apply to foreign managers wishing to manage funds domiciled in your jurisdiction?

In accordance with the Banking Law, the same rules established for national managers will apply to foreign managers.

However, the foreign managers will need to be properly authorised to conduct their activities in Mozambique and will need to have a local establishment.

1.9 Are advisers (including foreign advisers) to Alternative Investment Funds required to be licensed, authorised or regulated by a regulatory body?

In Mozambique, the regulation of advisers to AIFs is not as developed or comprehensive as in some other jurisdictions. Consequently, it is important for both local and foreign advisers to carefully consider the scope of their activities and seek guidance from the relevant authorities to ensure compliance with any applicable licensing or regulatory requirements.

Local advisers who provide investment advice to AIFs within Mozambique are generally required to be licensed or authorised by the relevant regulatory authority. This typically involves meeting certain fit and proper requirements, demonstrating adequate expertise and complying with ongoing regulatory obligations.

With regard to foreign advisers, there is no specific legal framework that expressly addresses the licensing or regulation of foreign advisers to AIFs in Mozambique. However, if a foreign adviser intends to provide services within Mozambique or to Mozambican investors, it is likely that local regulatory requirements would apply, and the adviser may need to obtain authorisation from the BoM or another relevant authority.

2 Fund Structures

2.1 What are the principal legal structures used for Alternative Investment Funds (including reference where relevant to local asset holding companies)?

Under the UCI Law and subject to the licensing procedures described in question 1.5 above, an AIF may only adopt the contractual structure with no legal personality. This is the classic structure and requires that the AIF be managed by a separate fund manager. The investors' or unitholders' interests in such funds are called units (*unidades de participação*).

2.2 Do any of the legal structures operate as an umbrella structure with several sub-funds, and if yes, is segregation of assets between the sub-funds a legally recognised feature of the structure?

No umbrella structures are established under the UCI Law.

2.3 Please describe the limited liability of investors in respect of the different legal structures used for Alternative Investment Funds.

The assets of an AIF are only liable for its debts. Accordingly, the AIF will not bear liability for the debts of investors, fund managers, depositaries, distributors or other AIFs. Likewise, the investors are not personally liable for the debts of the AIF.

The statement of the preceding paragraph does not expressly stem from the UCI Law, but rather from general legal principles applicable to investment in AIFs.

2.4 What are the principal legal structures used for managers and advisers of Alternative Investment Funds?

An AIF must be managed, depending on its scope, by a:

- fund manager (financial institution), which may only manage AIFs investing in securities and other financial assets;
- real estate fund manager (financial institution), which may only manage AIFs investing in real estate funds; or
- commercial or investment bank, but only in the case of closed-ended AIFs.

2.5 Are there any limits on the manager's ability to restrict redemptions in open-ended funds or transfers in open-ended or closed-ended funds?

The UCI Law is silent in respect of the fund manager's ability to limit redemptions in open-ended funds, but considering that such type of AIF is, in general, targeted towards retail investors, the BoM will most certainly scrutinise this matter. In fact, such possibility would need to be clearly set out in the AIF's regulation, which is analysed throughout the authorisation procedure.

Moreover, the draft AIF regulation, approved by the UCI Law, includes a field where conditions set out for redemptions must be described, but only refers to applicable fees, settlement dates and the criteria for the determination of which units will be redeemed.

The fund manager may suspend the units' redemption, in the case of an abnormal situation that may impact the usual running of the market or jeopardise the interests of the unitholders, provided the BoM is immediately informed of said suspension.

As far as restriction of transfers in open-ended funds is concerned, the same rationale as described above in respect of redemptions is applicable.

Conversely, in the case of closed-ended AIFs – mainly those targeting professional investors – it should be considered that it is possible to establish, in the AIF's regulation, restrictions on the transfer of the units from investors to third parties.

2.6 Are there any legislative restrictions on transfers of investors' interests in Alternative Investment Funds?

No. However, it is important to bear in mind the limitations

established on foreign investment, which place constraints on transfers abroad of profits or dividends obtained in Mozambique. Therefore, prior to an investment in a Mozambique AIF being performed, the thresholds and requirements to be met by such an investment shall be assessed on a case-by-case basis, as well as the provisions applicable to the transfer abroad of the profits or dividends obtained pursuant to the redemption of the units/shares or liquidation of the AIF.

2.7 Are there any other limitations on a manager’s ability to manage its funds (e.g. diversification requirements, asset stripping rules)?

The ability of the manager to manage its funds will be mainly limited by the investment policy established in the AIF’s prospectus or regulation, as applicable, by the general investment limits by type of AIF, if any, established in the UCI Law and by the obligation to conduct its activity in the best interest of the investors.

The UCI Law has a list of acts that a manager cannot carry out, such as granting loans, executing certain transactions on its own account, executing transactions relating to the assets held by the AIF with related parties, e.g. entities of its group, the depositary, etc.

2.8 Does the fund remunerate investment managers through management fee or performance fee/carried interest or by a combination of management fee and carried interest? In the case of carried interest, how is this typically structured?

The remuneration of the fund manager may consist of:

- a subscription fee payable by the investor;
- a management fee payable by the AIF; and
- a redemption fee payable by the investor.

The UCI Law is silent as to other limitations of the fees’ structure and thus, the principle of contractual freedom shall prevail in this regard, provided that the applicable fees are established in the relevant documentation of the AIF.

3 Marketing

3.1 What is the key legislation that governs the production and use of marketing materials?

Please refer to question 1.1 above, as well as to the Consumer Law, approved by Law no. 22/2009 of 28 September 2009, the Advertising Code, approved by Decree no. 38/2016 of 31 August 2016, and Notice no. 3/GBM/2018 of 18 April 2018.

3.2 What are the key content requirements for marketing materials, whether due to legal requirements or customary practice?

There are no drafts available, nor does the UCI Law set out express provisions addressing marketing materials. However, providing information on the investment policy, markets targeted, main features (identification of the relevant entities, terms and conditions of the investment, links to the legal documents) and historic returns of the AIF is perceived as common practice for fund managers and other distribution entities.

However, the law states that marketing materials must observe the need to be offered investors’ explanations for a

careful decision of investment. If marketing material contains projections of future outcomes of the investment, it shall state what the base of that projection was and whether the outcome is certain or uncertain, among other legal requirements.

Lastly, as a general note, the information contained in the marketing materials must comply with the following principles: legality; identifiability; truthfulness; objectivity; adequacy; opportunity; and clarity.

3.3 Do marketing documents need to be registered with or approved by the local regulator?

Yes. AIFs’ prospectuses, as well as their amendments, are subject to prior BoM authorisation.

Furthermore, all marketing actions in respect of an AIF shall inform the addressee of the existence of the prospectus and the place where it may be consulted.

3.4 What restrictions (and, if applicable, ongoing regulatory requirements) are there on marketing Alternative Investment Funds?

The concept of marketing or distribution of AIFs is not defined in the UCI Law. Nevertheless, it should be construed as comprising all activity directed towards investors with a view to promoting or proposing the subscription of the relevant AIF’s units, regardless of the means of communication used.

Nonetheless, the general principles laid down in question 3.2 above in respect of marketing will be equally applicable to all marketing activities and materials.

Furthermore, attention is drawn to the fact that the reverse solicitation is not officially recognised or defined under Mozambique law and it is thus not an official exemption expressly foreseen in the applicable legal framework, but rather a tolerated practice. Such practice consists of an investor, on its own initiative and without having been engaged for such purpose by the distributor, requesting information on a specific AIF. However, a case-by-case assessment must be conducted, considering that the use of the reverse solicitation exemption may come under the BoM’s scrutiny.

3.5 Is the concept of “pre-marketing” (or equivalent) recognised in your jurisdiction? If so, how has it been defined (by law and/or practice)?

Similar to that of marketing, the concept of pre-marketing is not expressly recognised in the UCI Law (please refer to question 3.4 above).

Nevertheless, if the pre-marketing has only a general nature, i.e. it seeks to present to the investor the existence and activity carried out by the fund manager or an overall look at the market, without recommending or referring to any investment opportunity in particular, there are grounds to sustain that it will not be facing marketing activity subject to the UCI Law requirements.

3.6 Can Alternative Investment Funds be marketed to retail investors (including any specific treatment for high-net-worth individuals or semi-professional or similar categories)?

Yes, they can.

3.7 Do any additional regimes need to be considered where investors are retail investors?

No, there are no additional regimes.

3.8 What qualification requirements must be met in relation to prospective investors?

There is no particular requirement to be fulfilled in relation to investors in AIFs. However, all marketing materials must make reference to the existence of the AIF's prospectus and the place where it may be consulted by the investor.

Nonetheless, the fund manager shall ensure that the "know your customer" and investment adequacy analyses are properly carried out in relation to the investor, and that the procedures against money laundering and the financing of terrorism are closely respected.

3.9 Are there additional restrictions on marketing to public bodies such as government pension funds?

No, there are no additional restrictions.

3.10 Are there any restrictions on the participation in Alternative Investment Funds by particular types of investors (whether as sponsors or investors)?

No. However, the holding of AIFs' units may have an impact on credit institutions' and financial institutions' own funds, which must be assessed on a case-by-case basis.

3.11 Are there any restrictions on the use of intermediaries to assist in the fundraising process?

No. However, the relationship established between the intermediaries and the AIF shall be laid down in a written agreement and disclosed in the AIF's legal documents.

Furthermore, the intermediary, when carrying out the fundraising process, must act within the scope of activities that it is authorised to conduct, i.e. if the fundraising process corresponds to AIF marketing, the intermediary will need to be an authorised institution under the applicable legal terms in order to carry out the distribution of securities.

4 Investments

4.1 Are there any restrictions on the types of investment activities that can be performed by Alternative Investment Funds?

Yes. AIFs may only focus on investment activities, and their investments must comply with the general rules applicable to financial instruments markets.

4.2 Are there any limitations on the types of investments that can be included in an Alternative Investment Fund's portfolio, whether for diversification reasons or otherwise?

Yes. The assets eligible for the portfolio of an AIF will depend on its specific type.

In general terms, an AIF cannot hold in its portfolio: (i) units from a UCI managed by the same fund manager; (ii) assets encumbered with *in rem* security, liens or precautionary proceedings; (iii) securities issued or held by its fund manager; (iv) securities issued or held by entities that hold more than 10% of the fund manager share capital; (v) securities issued or held by entities 20% or more of whose share capital is held by the fund manager; (vi) securities issued or held by entities that are members of the management body of the fund manager; (vii) securities issued or held by entities 20% or more of whose share capital is held by members of the management body of the fund manager; (viii) securities issued or held by entities whose management bodies comprise one or more directors of the fund manager; (ix) securities issued or held by entities, pursuant to a placement agreement, by the fund manager, depositary or entities that hold 10% or more of the share capital of the fund manager, save for public subscription offers targeting securities envisaged to be admitted to trading in a stock exchange; or (x) real estate assets in co-ownership.

The prohibitions laid down in points (iv) to (viii) do not apply if the securities at stake are admitted to trading in the Mozambique Stock Exchange.

Moreover, in general terms, an AIF investing in securities or financial assets may have on its portfolio securities as defined in the Mozambique Securities Code, which comprise shares, bonds, participation titles in public funds, units and any other similar instruments, as well as instruments stemming from rights detached from the previous securities, provided that they are exchangeable in a secondary market.

An AIF investing in real estate may hold in its portfolio real estate assets registered in the Land Registry Office as pertaining to an investment fund, and holdings of 50% or more in companies listed in a stock exchange and whose scope consists of acquiring, selling, renting and exploring real estate assets.

4.3 Are there any local regulatory requirements that apply to investing in particular investments (e.g. derivatives or loans)?

As a matter of principle, the investment in derivatives by AIFs is generally limited to risk management purposes.

Loans originated by AIFs are not permitted under Mozambique law.

4.4 Are there any restrictions on borrowing by the Alternative Investment Fund?

Fund managers may obtain loans on behalf of AIFs under their management, but the loan period cannot exceed 120 days, consecutive or not, within a period of one year and up to a maximum of 10% of the AIF's global value.

Moreover, the assets of the AIF can only be encumbered, in any way whatsoever, in order to obtain loans within the conditions referred to in question 4.2 above.

4.5 Are there any restrictions on who holds the Alternative Investment Fund's assets?

As per the UCI Law, an AIF's assets must be entrusted to a single depositary, namely commercial banks and investment banks operating in Mozambique. That notwithstanding, the Mozambican Minister for Planning and Finance, in consultation with the Governor of the BoM, may determine that other financial institutions, other than those mentioned above, may exercise the functions of a depositary.

5 Disclosure of Information

5.1 What disclosure must the Alternative Investment Fund or its manager make to prospective investors, investors, regulators or other parties, including on environmental, social and/or governance factors?

AIFs' legal documents and their updates shall be made available to investors, in the premises of the fund manager, the depositary and, if applicable, the distributor.

Considering that legal documents must describe the identity of the fund manager, depositary, auditor, distributors and other AIF service providers, the majority of data in connection with the AIF will be made available to the public.

However, the identity of the investors in the AIF is not mandatorily subject to public disclosure.

There are no developments in respect of disclosures relating to environmental, social and/or governance factors.

5.2 Are there any requirements to provide details of participants (whether owners, controllers or investors) in Alternative Investment Funds or managers established in your jurisdiction (including details of investors) to any local regulator or record-keeping agency, e.g., for the purposes of a public (or non-public) register of beneficial owners?

The fund manager shall implement anti-money laundering/counter-terrorist financing (AML/CTF) proceedings in respect of the investors and their beneficial owners, and the relevant authorities may request information on the fund manager's compliance of its obligations in this regard. However, there is no public record-keeping or register of beneficial owners.

5.3 What are the reporting requirements to investors or regulators in relation to Alternative Investment Funds or their managers, including on environmental, social and/or governance factors?

Fund managers must prepare annual accounts of the AIFs under management by 31 December of each year. In the following four months, the fund manager shall publish the balance sheets and profit and loss accounts.

The fund manager shall also prepare biannual accounts after the end of the relevant semester.

The annual and biannual accounts shall be made available to investors, as they become ready, in the premises of the fund manager, the depositary and, if applicable, the distributor.

Additionally, with regard to such data, the fund manager shall publish a report containing the activities carried out during the last term, which shall comprise information on the units, transactions, portfolio evaluation and evolution, etc.

In cases where the marketing entity of the AIF is also a bank of which the investor is a client, it can provide the above information together with the investor's bank statement.

The fund manager shall publish in the Mozambique Stock Exchange's official journal, on a monthly basis with reference to the last day of the immediately preceding month, an inventory of the AIF's asset portfolio, its global net value and the number of units currently in circulation. The fund manager shall remit this information to the BoM within three days after its publication.

Lastly, the fund manager shall submit to the BoM its monthly trial balances, by the 15th day of the following month.

There are no developments in respect of reporting relating to environmental, social and/or governance factors.

5.4 Is the use of side letters restricted?

The use of side letters that set out particular terms and conditions in respect of governance, investment, etc. of an AIF is not specifically addressed by the UCI Law.

However, in the case of open-ended AIFs, considering that they usually target retail investors and/or a broader unrestricted scope of investors, the use of side letters that alter any relevant provision of the legal documents shall be deemed illegal, considering that fund managers need to abide by the AIF's legal documents as a general principle during the provision of its activity.

In closed-ended AIFs, notably in AIFs targeting only professional investors, we trust that there is a wider margin to set out specific provisions, namely through a side letter, in respect of certain matters. However, in general terms, as the provisions of the UCI Law are imperative, any side letter providing for actions in breach of such legal provisions will be deemed illegal and may subject the fund manager to administrative offence proceedings.

6 Taxation

6.1 What is the tax treatment of the principal forms of Alternative Investment Funds and local asset holding companies identified in question 2.1?

Considering there is no special tax regime applicable to Collective Investment Vehicles, the general tax regime applies, under which Mozambican-resident entities are subject to corporate income tax (CIT) at the rate of 32% (*Imposto sobre o Rendimento das Pessoas Coletivas* – IRPC) to be levied on taxable profits obtained on a worldwide basis (including income obtained abroad).

6.2 What is the tax treatment of the principal forms of investment manager/adviser identified in question 2.4?

There is no special tax treatment or rules applicable in Mozambique for investment managers or advisers. Therefore, as Mozambican-resident entities, they will also be subject to the general taxation regime referred to in question 6.1 above (32% IRPC rate to be levied on taxable profits obtained on a worldwide basis).

6.3 Are there any establishment or transfer taxes levied in connection with an investor's participation in an Alternative Investment Fund or the transfer of the investor's interest?

No establishment or transfer taxes are applicable.

6.4 What is the local tax treatment of (a) resident, (b) non-resident, and (c) pension fund investors (or any other common investor type) in Alternative Investment Funds?

For tax purposes, income deriving from a fund's units is qualified as investment income, while income deriving from the sale of said units is qualified as capital gains.

Resident investors

Personal income tax (*Imposto sobre o Rendimento das Pessoas Singulares* – IRPS): investment income earned by resident beneficiaries is subject to final withholding tax at a 20% rate.

The positive difference between capital gains and capital losses assessed by resident beneficiaries on the sale of fund units is included in the taxable income of the beneficiary and subject to taxation at progressive income rates (currently between 10% and 32%). Such balance may be partially exempt in different proportions according to the holding period of fund units.

IRPC: investment income payments to a resident entity are subject to withholding tax at a rate of 20% (to be paid on account of the final CIT bill). Such income will subsequently be included in the entity's final IRPC tax result.

Capital gains earned on the sale of fund units are also included in the final IRPC tax result of the resident entity and are subject to IRPC at a 32% rate.

Non-resident investors

IRPS: investment income earned by non-resident beneficiaries is subject to a final withholding tax at a rate of 20%.

As a rule, capital gains taxation on the sale of fund units is similar to that which is set out above for resident individuals. Nevertheless, capital gains obtained by non-resident investors do not benefit from partial exemption according to the fund units' holding period and are fully taxed.

IRPC: investment income paid to a non-resident entity is subject to a 20% final withholding tax rate.

As a rule, capital gains taxation on the sale of fund units is similar to that which is set out above for resident corporate beneficiaries, with the exception that capital gains obtained by non-resident investors do not benefit from partial exemption according to the fund units' holding period and are fully taxed.

Pension funds

Pension funds established and operating according to Mozambique law are subject to a similar tax treatment to that mentioned above for resident investors subject to IRPC.

Pension funds established and operating according to the laws of a foreign jurisdiction are subject to a similar tax treatment to that mentioned above for non-resident investors subject to IRPC.

6.5 Is it necessary or advisable to obtain a tax ruling from the tax or regulatory authorities prior to establishing an Alternative Investment Fund or local asset holding company?

Mozambique legislation provides for a tax ruling system in which tax authorities may provide a binding ruling by request. In this respect, since there is no specific tax regime for investment funds, we would recommend the request for a tax ruling in order to obtain more certainty on the taxation that will be applicable. This results from the fact that, after the ruling is issued, the decision obtained by the taxpayer (which it may request previously to a potential transaction or the setting up of a fund) is binding on the tax authorities and may only be amended or changed by a court decision.

6.6 What steps have been taken to implement the US Foreign Account Tax Compliance Act 2010 (FATCA) and other similar information reporting regimes such as the OECD's Common Reporting Standard?

Mozambique has not entered into any treaty or adhered in any

way to any mechanism in order to implement either FATCA or the Common Reporting Standard and, to the best of our knowledge, no initiative has been undertaken by the Mozambique authorities regarding this matter. Nevertheless, commercial banks may apply FATCA rules in accordance with international standards and best market practices.

6.7 What steps have been or are being taken to implement the OECD's Action Plan on Base Erosion and Profit Shifting (BEPS), in particular Actions 2 (hybrids/reverse hybrids/shell entities) (e.g. ATAD I and II), 6 (prevention of treaty abuse) (e.g. the MLI), and 7 (permanent establishments), insofar as they affect Alternative Investment Funds' and local asset holding companies' operations?

Mozambique is not an OECD Member State, nor has it joined the Inclusive Framework on BEPS, which means that the country has not yet adopted the OECD/G20 Inclusive Framework on BEPS, meaning that the Master File and Country-by-Country Reporting is not supported in Mozambique; moreover, we are not aware of any initiative by the Mozambican tax authorities regarding this subject. In addition, Mozambique is not a signatory state of the MLI.

However, the OECD's Commissioners General and Heads of Delegations of the Revenue Authorities of Botswana, Lesotho, Mozambique, Namibia, South Africa, Swaziland and Zambia gathered in Pretoria, South Africa on 16 July 2015 in order to discuss BEPS, among other matters. No further relevant developments have occurred so far on these topics.

6.8 What steps have been or are being taken to implement the OECD's Global Anti-Base Erosion (GloBE) rules, insofar as they affect Alternative Investment Funds' and local asset holding companies' operations? Do the domestic rules depart significantly from the OECD's model rules, insofar as they affect Alternative Investment Funds' and local asset holding companies' operations?

There are no steps being taken to implement Global Anti-Base Erosion (GloBE) rules. Therefore, there are no domestic rules that replicate the OECD model rules, as Mozambique is not part of the countries that have joined the Inclusive Framework on BEPS, which means that the country has not yet adopted the OECD/G20 Inclusive Framework on BEPS.

6.9 Are there any tax-advantaged asset classes or structures available? How widely are they deployed?

No, there are not.

6.10 Are there any other material tax issues for investors, managers, advisers or Alternative Investment Funds?

No, there are not.

6.11 Are there any meaningful tax changes anticipated in the coming 12 months other than as set out at question 6.6 above?

No, there are not.

7 Trends and Reforms

7.1 What have been the main trends in the Alternative Investment Funds space in the last 12 months?

The Mozambique capital markets framework has been subject to several updates in recent years. However, at the present date, the UCI Law remains in urgent need of a complete revamp in order to address its shortfalls and increasing market needs, particularly as far as real estate AIFs are concerned.

Nonetheless, we are not aware of any legislative initiatives aimed at amending or updating the UCI Law currently in effect.

7.2 In your opinion, what reforms (if any) in the Alternative Investment Funds space would be advantageous for the evolution of the private markets?

A revamp of the UCI Law and applicable framework to support the evolution of Mozambique’s private markets, including operational standards, licensing and investor protections, would boost confidence among both domestic and international investors. Tax incentives, such as exemptions on capital gains and dividends for investments in strategic sectors like infrastructure, energy and agriculture, could encourage the influx of private capital – essentially, aligning AIF development with Mozambique’s economic priorities and enhancing its financial ecosystem.



Pedro Simões Coelho joined VdA in 1998. He is a Partner in the Banking & Finance practice and currently head of the firm's Investment Funds practice. He is also responsible for the Agency & Trust practice and member of the firm's aviation finance team. He has been actively involved in several transactions, in Portugal and abroad, mainly focused on the advising, structuring and setting up of collective investment schemes such as mutual funds and real estate investment funds, infrastructure vehicles, venture capital funds and private equity structures.

He has been responsible for several transactions, including non-performing loans, asset finance, particularly in the aviation finance field, notably financing, leasing, sale or purchase of aircraft, and capital markets, retail banking, financial services and securities' law.

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Carlos Couto joined VdA in 2011. He is a Partner in the Banking & Finance practice, where he works on transactions related to securities, the banking sector and insurance industry. He provides ongoing support to several Portuguese asset management companies in regulatory and legal issues, as well as in transactions involving the acquisition and sale of assets under management or the disposal of the respective shareholdings.

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Carolina Telles Ferreira joined VdA in 2023. She is an Associate in the Tax practice, specialising in tax law across the Angolan, Mozambican, Cape Verdean, São Toméan and Timorese markets. She has been actively involved in transactional tax matters and financial markets, as well as in tax structuring and restructuring operations and tax litigation. Before joining VdA, she worked at a Big Four firm, where she was, since 2018, part of a Corporate Tax team focusing on the Angolan market.

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