

Appendix A. Survey Questionnaire

I) Interviewer:

Name: _____ Signature: _____

II) Data collection date: ____/____/____

III) Institution surveyed:

Activity: Commerce Industry Tourism Service Agriculture Other

Location: North Centre South

N. ° workers: Equal to or more than: 250 125 25 less than 25

Annual turnover: MT USD ZAR vale _____

Make sure that the data is as up to date as possible!

1. Access to Land

a. If the institution recently requested access to land was it:

Urban Rural

Purpose: Residential Industrial Commercial Agricultural Mining

Other

Requested from which body: _____ Location: _____

b. How many days did it take to receive title:

Provisional: Urban: Rural

Definitive: Urban Rural

c. How many days after receiving the title did it take for the process to be registered in the Conservatory?

Days

- d. How much did it cost in terms of official payments?
MT USD ZAR Value: _____

- e. If you were asked to make unofficial payments how much did you pay?
MT USD ZAR Value: _____

What level was the functionary who requested the payment?

- f. If you paid unofficially did this facilitate the process?
Yes No How _____

- g. In your opinion what are the major problems in terms of land access which cause delays and costs?

- h. What other comments and suggestions do you have in regard to improving the situation?

- i. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

2. Company Registration

- a. If you recently registered a company?
Did you undertake the process yourself Contract a third party
Where did you undertake the process: _____

- b. The whole process:
Cost MT USD ZAR Value: _____
Took Days

- c. The name certificate:
Cost MT USD ZAR Value: _____
Took Days

- d. If you were asked to make an unofficial payment how much did you, or do you usually pay?
MT USD ZAR value: _____

What level was the functionary who requested the payment?

e. If you paid unofficially did this facilitate the process?

Yes No How? _____

f. Notary procedure:

Cost MT USD ZAR Value: _____

Took Days

g. If you were asked to make an unofficial payment how much did you, or do you usually pay?

MT USD ZAR Value: _____

h. If you paid unofficially did this facilitate the process?

Yes No

How _____

i. The Commercial Registry:

a. Provisional registration:

Cost MT USD ZAR Value: _____

Took Days

b. Definitive registration

Cost MT USD ZAR Value: _____

Took Days

j. If you were asked to make an unofficial payment how much did you, or do you usually pay?

MT USD ZAR Value: _____

k. If you paid unofficially did this facilitate the process?

Yes No How _____

l. Publication in BR:

Cost MT USD ZAR Value: _____

Took Days

- m. If you were asked to make unofficial payments how much did you pay?
MT USD ZAR Value: _____

What level was the functionary who requested the payment?

- n. If you paid unofficially did this facilitate the process?
Yes No How _____
- o. In your opinion what are the major problems in terms of company registration which cause delays and costs?
- p. What other comments and suggestions do you have in regard to improving the situation?
- q. Progress
In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

3. Licensing Activities

- a. What type of Alvará or license does your company have?
Commercial Industrial Service Tourism Mining Agriculture Other
- b. If you requested a license recently what type of activity was it for?
Commercial Industrial Service Tourism Mining Agriculture Other

Where did you submit the process: _____
- c. Issuing the license or alvará:
Cost MT USD ZAR Value: _____
Took Days
- d. If you were asked to make an unofficial payment how much did you, or do you usually pay?
MT USD ZAR Value: _____
- e. If you were asked to make unofficial payments how much did you pay?
MT USD ZAR Value: _____

What level was the functionary who requested the payment?

- f. In your opinion what are the major problems in terms of obtaining licenses which cause delays and costs?
- g. What other comments and suggestions do you have in regard to improving the situation?
- h. Progress
In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

4. State Payment of Debts

- a. If your company supplies goods or services to the government how long on average does it take from presentation of invoice to payment?
 Days
- b. If you were asked to make an unofficial payment how much did you, or do you usually pay?
MT USD ZAR % Value: _____
- c. If you paid unofficially did this facilitate the process?
Yes No How _____
- d. In your opinion what are the major problems in terms of payment of debts by the government which cause delays and costs?
- e. What other comments and suggestions do you have in regard to improving the situation?
- f. If your company is regularly owed VAT rebates by the government on average what are:
The amounts owed: _____
The delays in repayment: Days
- g. If you were asked to make unofficial payments how much did you pay?
MT USD ZAR Value: _____
What level was the functionary who requested the payment?

h. If you paid unofficially did this facilitate the process?

Yes No How _____

i. In your opinion what are the major problems in terms of VAT rebates which cause delays and costs?

j. What other comments and suggestions do you have in regard to improving the situation?

k. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

5. Labor

a. In relation to the illness subsidy and retirement benefit payable by INSS:

How many workers in your company are eligible for retirement benefit?

How many have already requested sickness benefit? Retirement benefit?

How long does it take on average for INSS to pay these benefits? Days

b. If you were asked to make unofficial payments how much did you pay?

MT USD ZAR Value: _____

What level was the functionary who requested the payment?

c. If you paid unofficially did this facilitate the process?

Yes No How _____

d. In your opinion what are the major problems in terms of payments by INSS which cause delays and costs?

e. What other comments and suggestions do you have in regard to improving the situation?

f. During the last 3 years how many workers has your company contracted?

Permanent ; Temporary ; Casual

g. What costs are implicit in the firing or termination of contracts of workers:

Permanent _____
 Temporary _____
 Casual _____

h. What other factors have a significant impact in your company in relation to the hiring and firing of workers?

Permanent _____
 Temporary _____
 Casual _____

i. Minimum wage

Do you agree that a national minimum wage should be legally established: Yes No

The actual rates established are: High Low Reasonable

j. Holidays and missed days (faltas)

The paid leave and days off established by law are: Too high Low Reasonable

k. Probation periods

The probation period established by law is: High Low Reasonable

l. Indemnity and notice

The value of indemnity and notice periods established by law are: Too high Low
 Reasonable

m. Discipline and productivity

The current labour law in relation to high standards of discipline and productivity is:
 Favorable ; Unfavourable ; Irrelevant

n. Creation of employment

The current labour law in relation to creation of employment is:
 Favorable ; Unfavourable ; Irrelevant

o. If your company contracts or has in management, foreigners how long did it take for the approval, or non-approval of:

Work authorisation (ordinary foreign employee) Work permission
 (company director or mandate holder)

p. If you were asked to make unofficial payments how much did you pay?

MT USD ZAR Value: _____

What level was the functionary who requested the payment?

q. If you paid unofficially did this facilitate the process?

Yes No How _____

r. In your opinion what are the major problems which cause delays and costs in this area?

s. What other comments and suggestions do you have in regard to improving the situation?

t. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

6. Dispute Resolution

a. If your company has recently been involved in a court case, between the submission of the complaint and the resolution of the case:

How long did it take? Days

Cost MT USD ZAR Value: _____

Which institution ran the process? _____

Where? _____

b. If you were asked to make unofficial payments how much did you pay?

MT USD ZAR Value: _____

What level was the functionary who requested the payment? _____

c. If you paid unofficially did this facilitate the process?

Yes No How _____

d. In your opinion what are the major problems which cause delays and costs in this area?

e. What other comments and suggestions do you have in regard to improving the situation?

f. If your company was involved in debt recovery through the court process:

How long did it take to obtain a court sentence? Days

How long did it take to execute a seizure of goods? Days

How much did the process cost? _____

g. If you were asked to make unofficial payments how much did you pay?

MT USD ZAR Value: _____

What level was the functionary who requested the payment? _____

h. If you paid unofficially did this facilitate the process?

Yes No How _____

i. In your opinion what are the major problems which cause delays and costs in this area?

j. What other comments and suggestions do you have in regard to improving the situation?

k. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

7. Licenses for Construction

a. If your company recently requested a construction license which level was it at:

Provincial Municipal

Where? _____

b. In order for the license to be issued:

It took Days

It cost

c. If you were asked to make unofficial payments how much did you pay?

MT USD ZAR Value: _____

What level was the functionary who requested the payment? _____

d. If you paid unofficially did this facilitate the process?

Yes No How _____

e. In your opinion what are the major problems which cause delays and costs in this area?

f. What other comments and suggestions do you have in regard to improving the situation?

g. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

8. Immigration

a. If your company recently requested the following documents please complete:

Description	Time taken in days	Cost	Where requested
Dire			
Work visa			
Passport			

b. If you were asked to make unofficial payments how much did you pay?

MT USD ZAR Value: _____

What level was the functionary who requested the payment?

c. If you paid unofficially did this facilitate the process?

Yes No How _____

d. In your opinion what are the major problems which cause delays and costs in this area?

e. What other comments and suggestions do you have in regard to improving the situation?

f. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

9. Environmental License

a. If your company recently requested an environmental license:

How long did it take from the submission of the request to the issuance of the license?

Days

How much did it cost? _____

Where was the process done: _____

- b. If you were asked to make unofficial payments how much did you pay?

MT USD ZAR Value: _____

What level was the functionary who requested the payment? _____

- c. If you paid unofficially did this facilitate the process?

Yes No How _____

- d. In your opinion what are the major problems which cause delays and costs in this area?

- e. What other comments and suggestions do you have in regard to improving the situation?

- f. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

10. Import and Export Processes

- a. Import

- i. Importer profile:

For how long have you been importing goods into Mozambique? Years;

Do you import regularly every: Year; Month;

Week;

Have you imported into other countries? Yes; No;

If yes, where _____

- ii. Despachante processes:

Does your company have the capacity internally to dispatch goods from Customs? Yes; No

For how long have you used the same despachante? Years; Months;

[Including the company's own despachante if you have one]

How long does it take your despachante to get a DU issued

What is the percentage cost of goods imported charged by the despachante %

On a scale of 1 to 4 evaluate the efficiency of your despachante 1 2 3 4

(NB: 1 bad; 2 Reasonable; 3 good; 4 very good)

iii. Customs processes:

Which terminals does your company use *:

TIAR TIMAR TIRO TIAUTO

What is the average time, in days, taken to process a dispatch in Customs?

TIAR TIMAR TIRO TIAUTO

On a scale of 1 to 4 evaluate the efficiency of Customs in the respective terminals:

TIAR TIMAR TIRO TIAUTO

(NB: 1 bad; 2 Reasonable; 3 good; 4 very good)

*TIAR: Terminal Internacional Aérea; TIMAR: Terminal Internacional Marítimo; TIRO: Terminal Internacional Rodoviária; TIAUTO: Terminal Internacional de Automóveis.

In the case of companies outside Maputo please indicate where you clear your goods and rate each clearing point 1-4 accordingly

If applicable how long does the issuance of the DU certified by the pre-inspection agency take? Days.

If you were asked to make an unofficial payment how much did you, or do you usually pay? MT USD ZAR Value: _____

If you paid unofficially did this facilitate the process?
Yes No In what way _____

What was the level of the functionary who requested the payment? _____

iv. Procedures related to operators in the terminals:

On average the clearing of goods from the cargo terminal:

1. Cost in % value of goods:

TIAR % TIMAR % TIRO % TIAUTO % Other _____

Time taken in days:

TIAR TIMAR TIRO TIAUTO

Other _____

On a scale of 1-4 evaluate the efficiency of the terminal operators:

TIAR TIMAR TIRO TIAUTO

Other _____

(NB: 1 bad; 2 Reasonable; 3 good; 4 very good)

b. Export

i. Profile of exporter:

For how long have you been exporting from Mozambique Years;

Do you export regularly every: Year; Month; Week;

Have you exported from other countries? Yes; No

If yes, where _____

ii. If you are an exporter on average how long does it take for the issue of (in days):

Export license - maximum minimum

Certificate of Origin? maximum ; minimum N/A

Phytosanitary certificate? maximum ; minimum N/A

Manifest? maximum ; minimum N/A

iii. If you are an exporter on average:

An export license costs % of the value of the goods.

A certificate of origin costs % of the value of the goods.

A phytosanitary certificate costs % of the value of the goods.

A manifest costs % of the value of the goods.

iv. Customs procedures:

What terminal do you use to export *:

TIAR TIMAR TIRO TIAUTO

Other _____

How long does the Customs process take :

TIAR TIMAR TIRO TIAUTO

Other _____

On a scale of 1-4 evaluate the efficiency of Customs at the terminal:

TIAR TIMAR TIRO TIAUTO

Other _____

(NB: 1 Bad; 2 Reasonable; 3 Good; 4 Very good)

TIAR: Terminal Internacional Aérea; TIMAR: Terminal Internacional Marítimo; TIRO: Terminal Internacional Rodoviário; TIAUTO: Terminal Internacional de Automóveis.

d. If you were asked to make an unofficial payment how much did you, or do you usually pay?

MT USD ZAR Value: _____

If you paid unofficially did this facilitate the process? Yes No

In what way _____

What was the level of the functionary who requested the payment? _____

c. In your opinion what are the major problems which cause delays and costs in this area?

d. What other comments and suggestions do you have in regard to improving the situation?

a. Imports

b. Exports

e. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

11. IRPS/IRPC/IVA

a. How does the new tax system and respective taxes affect your company, in comparison to the previous system?

Direct costs: Better Worse Same

Indirect costs: Better Worse Same

Time: Better Worse Same

Complexity: Better Worse Same

Fiscal justice: Better Worse Same

What should the maximum IRPC rate be? 10% 15% 20% 25% 30%

What should the maximum IRPS rate be? 10% 15% 20% 25% 30%

What should the maximum IVA rate be? 5% 10% 15% other _____

1. What other comments and suggestions do you have in regard to improving the situation?

b. Progress

In your opinion in the last five years this issue has:

Improved greatly Improved Remained the same Worsened Worsened a lot

12. Other

a. Companies in difficulties

What is the solution for companies in prolonged financial difficulties? Leave them to their fate Government intervention Government subsidy until things improve Liquidation

The reform of the company bankruptcy legislation is: Very urgent Urgent Not urgent Not a problem

If you think reform is necessary which interests should take priority (number priorities 1-5 1 being most important): Shareholders Creditors Workers State Other

b. Credit

Access to credit would help the development of your company? Yes No

Have you recently tried to obtain credit? Yes No .

If you obtained credit, in which currency: MT USD ZAR

What is the interest rate? _____ %

Were guarantees requested? Yes No If so what? _____

What percentage of the credit requested was the guarantee? %

If you did not get credit what was the reason : Interest rate Guarantees

Unexplained refusal

What are the problems in obtaining credit (number from 1 -5 with 1 being most important)? Interest rate Guarantees Repayment periods Bribes

Discrimination

Do you consider interest rates: High Low Normal

What is the reason for the interest rates(number from 1 -5 with 1 being most important)?? Banking monopoly Central bank rates Treasury rates Supply and demand Bad credit

13. Other comments on subjects not dealt with above:

Power, infrastructure, transport, etc.

14. Summary

- a. In the last 5 years the general business environment in Mozambique has:

Improved greatly Improved Remained the same Worsened Worsened greatly

- b. This change has been influenced by:

<u>Positively</u>	<u>Agent</u>	<u>Negatively</u>
<input type="checkbox"/>	Actions and Financing by donors	<input type="checkbox"/>
<input type="checkbox"/>	International economic environment	<input type="checkbox"/>
<input type="checkbox"/>	National political environment	<input type="checkbox"/>
<input type="checkbox"/>	Corruption	<input type="checkbox"/>
<input type="checkbox"/>	Iraq war	<input type="checkbox"/>
<input type="checkbox"/>	Legal reform	<input type="checkbox"/>
<input type="checkbox"/>	Government's political will	<input type="checkbox"/>
<input type="checkbox"/>	Economic associations and business people	<input type="checkbox"/>
<input type="checkbox"/>	Disasters	<input type="checkbox"/>
<input type="checkbox"/>	World Bank and IMF policies	<input type="checkbox"/>
<input type="checkbox"/>	11th September	<input type="checkbox"/>
<input type="checkbox"/>	Access to credit	<input type="checkbox"/>
<input type="checkbox"/>	Foreign investment	<input type="checkbox"/>
<input type="checkbox"/>	SADC commercial agreements	<input type="checkbox"/>

Appendix B. Access to Land (DUAT)

In the Republic of Mozambique land is the property of the State and cannot be sold or in any other way transacted. The State determines the conditions land use. A land usage title may be given to individual or collective persons taking into consideration intended use. In issuing usage title the State takes into consideration rights obtained through inheritance or occupation unless the land is legally reserved or legally attributed to another person or entity. The right to use land may not be conceded in zones that are totally or partially protected, or zones of public use (i.e., zones destined for use in the public interest). Use of these zones requires special licensing. The approval of an application for usage title does not preclude the need to apply for other authorizations and licenses as required by the relevant legislation, depending on the activity to be undertaken (e.g., agro-industry, animal husbandry, industry, tourism, commercial, mining and environmental protection). These licenses have their own periods of validity according to the legislation applicable in each sector, and such periods are independent of the period for which the usage title is conceded. Land usage title for economic activity is valid for a maximum of 50 years, and is renewable for an equal period. Following this renewal a complete new request is submitted.

Who May Apply

The following persons may apply for DUAT:

- National persons (individual or collective, male or female) including local communities.
- Foreign persons (individual or collective) when in possession of an approved investment project and in compliance with the following:
 - Individual persons who have resided for at least 5 years in Mozambique.
 - Collective persons legally constituted or registered in Mozambique.

How to Apply

The right to use land may be acquired by

- Occupation by single persons and local communities following norms and practices which of not contravene the Constitution;

B-2

- Occupation by single national persons who have in good faith occupied the land for at least 10 years; or
- Authorization of request submitted in accordance with the law

WHERE TO APPLY

The request for DUAT is made at the Provincial Mapping and Land Registry Service in the province where the land is situated.

WHO AUTHORIZES REQUESTS

In areas not covered by town plans authorization is made as follows:

- Provincial Governors may
 - Authorize requests for areas of up to 1,000Ha;
 - Authorize special licenses in partial protection zones;
 - Give opinions on requests directed to the Ministry of Agriculture and Fisheries.
- The Minister of Agriculture may
 - Authorize requests for areas of between 1,000 and 10,000Ha;
 - Authorize special licenses in total protection zones;
 - Give opinions on requests directed to the Council of Ministers.
- The Council of Ministers may:
 - Authorize requests for areas larger than those approved by the Minister;
 - Create, alter, or abolish total and partial protection zones.

In areas covered by town plans the mayor, village heads, and district administrators are authorized to issue usage title in their respective areas of competence as long as they have public map registry departments.

WHERE TO APPLY

Single persons must have attained legal majority or be legally represented by a parent or guardian. Collective persons must be constituted or legally recognized.

REQUIRED DOCUMENTS

To obtain DUAT by authorization (rather than occupation) the following documents are required:

- Form (available from provincial mapping and registry department)
- Copy of personal or company identification (ID, residence document, company registration document)

- Plan of the area requested
- Plan of what will be done with the land, or approved project document in the case of economic activity
- Community consultation
- Copy of published notification of request for land
- Deposit slip for land tax paid
- Land tax receipt.

Submitted documents are passed from the provincial mapping and registry service to the relevant body for approval. Provisional authorizations are valid for 5 years for nationals and 2 years for foreigners. At the end of the provisional authorization period, the applicant must request an inspection to verify compliance with what was presented in the original proposal. On approval of the inspection a definitive authorization is issued and the respective usage title issued.

Costs

Process Costs

Table 1		Table 2	
<u>Description</u>	<u>Amount to pay (in MT)</u>	<u>Description</u>	<u>Amount to pay daily (in MT)</u>
Location draft	200.000,00	Senior technician	600.000,00
Fees	600.000,00	Mid-level technician	487.500,00
Recognition and consultation	See Table 2	Basic technician	397.500,00
Community Incentive	300.000,00	Fuel	5.000,00 / Km
Application form	10.000,00		

Formula for calculating land survey (R) and community consultation (C)

$$R = \text{Technician} \times \text{days} + (5.000,00\text{MT} \times K) = \text{___MT}$$

$$C = \text{Technician} \times \text{days} + (5.000,00\text{MT} \times K) = \text{___MT}$$

Where R = Survey, C = Community Consultation, K = Distance in KM from headquarters to land requested

The costs are borne by the applicant. Non-payment results in cancellation of the application.

Tax Costs

TABLE 3. AUTHORIZATION TAXES

<u>Type of authorization</u>	<u>Value</u>
Provisional authorization	600.000,00 Mt
Definitive authorization	300.000,00 Mt

TABLE 4. ANNUAL TAXES

<i>Purpose</i>	<i>Value</i>
1. Cattle breeding, wildlife breeding, permanent crops	2.000,00MT/ha
2. Agriculture	15.000,00MT/ha
3. Other	30.000,00MT/ha
4. Tourism, temporary residential (holiday homes), commerce up to 1ha on the beach front	200.000,00MT

The value of the tax is calculated according to land location, size, and use.

TABLE 5. ANNUAL TAX ADJUSTMENT

<i>Location</i>	Maputo province	2,0
	Land in partial protection zones	1,5
	Priority development zones	0,5
	All other zones	1,0
<i>Size</i>	Up to 100 hectares	1,0
	From 101 to 1000 hectares	1,5
	Over 1000 hectares	2,0
<i>Purpose</i>	Community Based Associations	0,5
Annual applicable rate for single national persons		0,8

The indicator relative to size is not applicable to those in No. 1 of Table 4. The “location in Maputo province” indicator does not apply to cattle breeding.

TIME PERIOD

The maximum time period for land application processes is 90 days.

Legislation

Law 19/97 of 01 October - Land Law.¹ The Land Law comprises 35 articles and covers general issues (definition and scope), public land ownership, land usage rights, economic activity, areas of competence for issuance of usage titles etc., process for authorization of requests for usage titles, payments, and final issues.

¹ BR 40, I Series, 3rd Supplement of Tuesday, 07 October 1997, pgs 200(14) to 200 (19).

Decree 66/99 of 08 December—Regulation of the Land Law.² This regulation comprises 47 articles covering general issues, public land, usage rights, process of obtaining usage title, inspections, taxes, and final issues.

Decree 1/2003, of 18 February,³ approved by **Decree 66/98 of 08 December.** This decree comprises only 2 articles which alter Articles 20 and 39 of Regulation of the Land Law. The first alters procedures relative to acts subject to registration and the place where these must be carried out, and the second refers to infractions and penalties.

Ministerial Diploma 29-A/2000, of 17 March. This approves the Technical Annex to the Regulation of the Land Law.⁴ The annex comprises 21 articles and deals with procedures related to delimitation of areas occupied by local communities according to customary practice, delimitation of areas occupied in good faith for over 10 years by single national persons and legal procedures for demarcation as part of a title process, of (1) areas occupied by local communities according to customary practice; (2) areas occupied in good faith for at least 10 years by single national persons; (3) areas covered by a provisional authorization. The annex has 5 forms attached concerning:

- Information and dissemination;
- Approval of process of delimitation of community area of or area belonging to good faith occupant;
- Phases of participative survey;
- Written description of map;
- Devolution.⁵

Decree 77/99 of 15 October. This decree updates the values of taxes to be paid by DUAT applicants and title holders and the respective tax adjustments.⁶ It comprises 7 articles and updates the taxes in the Regulation of the Land Law, taking into account specific characteristics of certain activities.

² BR 48, I Series, 3rd Supplement of Tuesday, 08 December 1998, pgs 225 (33) to 225 (40).

³ BR 7, I Series, 2nd Supplement of Tuesday, 18 February 2003, pgs 40 (3) to 40 (4).

⁴ BR 11, I Series, Supplement of Friday, 17 March 2000, pgs 50 (29) to 50 (36).

⁵ "Devolution" is the obligatory provision of information to local communities and neighbors.

⁶ BR 41, I Series, 2^o Supplement of Friday, 15 October 1999, pgs 180 (30) to 180 (4).

Appendix C. Company Registration

The Commercial Registry is responsible for registering that a single or collective person is engaged in business, a compulsory stage in the registration of companies. If a company is not registered it cannot use the title “business” in relation to third parties, but may still be required to answer for obligations and responsibilities contracted using this name. Non-compliance with the requirement to register can result in a fine or even criminal proceedings. The amount of the fine depends on the social capital of the company. Foreign companies wishing to establish a branch or any other type of representation in Mozambique may only register if they have the relevant certificate passed by a Mozambican consular agent proving that they are legally constituted and operate in accordance with the law of their home country, as well as attaching the same documents required by a Mozambican national company.

Who May Apply

Single or collective persons both national and foreign can apply to register a company.

Where to Apply

The Commercial Registry Departments or *Conservatórias de Registo Comercial* are responsible for registration. The registry office responsible is the one covering the area in which the company is headquartered or has its main office. For companies registered outside Mozambique, the responsible registry is the one covering the area where the company has its main office in Mozambique. In the cities of Tete, Pemba and Inhambane (and others where they have been created), registry may be carried out at the one stop shops or *Balcões Únicos*.

When to Apply

Foreign nationals can register at any time. Registration of a branch or other representation of a company registered outside Mozambique must occur within 30 days of a operating license being granted.

Application Requirements

- **Negative certificate.** This document is obtained from the Commercial Registry and provides proof that there is not another company with the same or a similar name operating in the same geographical area. The certificate is obtained by means of submitting an application letter.
- **Opening of a bank account.** A bank account must be opened in the name of the future company. It is important to define the number of signatures on the checks (e.g., in a company with 3 quota holders 2 signatures should be sufficient; in a company with 2 quota holders both could sign). Most banks will not allow the account to be used until the public deed is presented.¹
- **Present Company articles of association.** Present company articles containing the following information:
 - **Type of company.** This should take into consideration the types of company existing in Mozambique which are SARL; in drafting articles of association consider that four kinds of corporate persons exist in Mozambique: the limited liability share corporation (*sociedade anónima de responsabilidade limitada* or SARL), the partnership association (*sociedade em comandita*), the general partnership (*sociedade em nome colectivo*), and the limited liability quota company (*sociedade por quotas de responsabilidade limitada* or Lda). SARLs and Ldas are most frequently used to incorporate.
 - **Number of participants, share, or quote holders and social capital.** SARLs must have at least 10 shareholders but no specified minimum capital. If the State is one of the shareholders then there can be two shareholders. Limited liability quota-held companies must have at least two quota holders and a minimum social capital of 1.500.000Mt.
 - **Finality and shares/quotas.** SARL is commonly used for large investments while an Lda is for small and medium investments where quota holders operate on a basis of mutual trust and personal acquaintance. In a SARL, the ownership interest in the equity is represented by shares, which may be bearer or nominative. Shares must be in nominative form for as long as the par value of the shares subscribed has not been fully paid.

A condition of incorporation for limited liability quota-held companies is that at least 50 percent of the capital be contributed.

- **Societal bodies.** A SARL must have an administrative council, a general assembly, and a financial council. Executive direction is entrusted to an administration, and financial aspects, such as auditing, are entrusted to the financial council, both of which are elected by the general assembly. The general assembly is the highest body and contains all the shareholders. People can be elected to office from outside the SARL.

¹ Banks require different documents. In some provinces, banks requests license and sometimes the NUIT (tax) number.

A limited liability quota-held company has management and a general assembly. The management is represented by one or more managers who may be chosen from among the quota holders or appointed from outside the company. The general assembly comprises all the quota holders and they may decide whether or not to have a financial council.

PUBLIC DEED

Documents Required

- Negative certificate
- Identity documents of shareholders
- Proof of deposit of initial social capital (bank deposit slip for deposit in account in name of future company)
- Articles of association.

Deed

- The documents are submitted to the notary for calculation of the value of the deed (normally approximately 10% of social capital).
- Set date to sign the document and pay.

Provisional Registration

Once the public deed has been signed a certificate and an extract are issued permitting the provisional registration of the company at the commercial registry office.

Publication of Articles in Government Gazette

The extract of the public deed is sent to be published.

Definitive Registration

Definitive registration is carried out after the articles are published in the government gazette. Registration is carried out at the commercial registry on application in writing with a copy of the government gazette and public deed attached.

POST-REGISTRATION AND PRE-OPERATION PROCEDURES

- **Obtaining company tax number (NUIT).** Once the company is constituted (i.e., has its public deed) a NUIT can be obtained from the local tax office by completing a form and attaching a copy of the public deed.
- **Inspection.** Before an operating license can be issued, the place where the activity is to occur is inspected by a line ministry (e.g., tourism, industry, agriculture) and other bodies such as the health and safety department, fire brigade.

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- **Communication to labor department.** Having obtained a NUIT and operating license the company must indicate its intention to start operating by writing to the municipal authorities and the provincial directorate of labor.
- **Social security registration.** The company must register all workers with the social security institute. Complementary social security systems are permitted but all companies have to be registered with the INSS (national social security institute). The employer withholds the monthly contribution value and pays it directly (by the 10th of each month) to the INSS.
- **Time periods for registration of branches and representative offices of foreign companies.** Registration is carried out within 30 days following licensing of the branch of representative office following presentation of a certificate passed by the relevant Mozambican consular agent proving that the company exists in its country of origin.

Costs

All acts undertaken in the registration process are subject to payments and taxes unless legally exempt.

- Negative certificate: 76.100.00 Mt.²
- For notarial acts and registration of companies with social capital up to the value of 5 billion meticaís costs are calculated at a rate of two per thousand for each process.
- For acts above the value of 5 billion the cost is calculated at 0.1 per thousand.

When the value represented is in foreign currency the exchange rate used is that of the day prior to submission.

LEGAL TIME PERIODS FOR STATE SERVICES

- Negative certificate: 2 to 3 days
- Public deed certificate: 4 to 5 days
- Publication in government gazette: 90 days
- Final registration: 7 days.

Legislation

Commercial Code. The commercial code in force in Mozambique³ was approved by the law of 28 of June 1988 and came into force through the decree of 23 of August 1988. The code contains 691 Articles, in three books, each divided into titles and chapters. The first book deals with general commerce, the second with special types of commercial contract, and the third with maritime commerce. The section referring to registration is dealt with in Articles 45 to 61 of Title

² Regional differences have been noticed on the amount of taxes.

³ Under revision.

V of the first book and basically deals with the following: office competent to carry out registration, acts requiring compulsory and optional registration, requirements for registration, dealing with companies registered outside Mozambique, provisional and definitive registration, legitimacy of application, cancellation and publicizing of registration, and recourse in case of doubts or recusal by the conservator.

Decree-Law 42 644 of 14 November 1959 – General principles of commercial registration. This document contains 20 articles and deals with the completion of commercial registration, facts subject to registration, compulsory nature of registration, status of those not registered, sanctions for non-registration, notarial justification, registration of ships, payment of costs. The decree-law is accompanied by an annex of costs, which has recently been updated.

Decree-Law 42 645 of 14 November 1959 – Regulation of Commercial Registry. This is organized in three different titles subdivided into chapters and sections totaling 93 Articles. The contents are as follows:

- Title I. Organization of the commercial registry: which are the competent bodies, and respective rules to define the competence of each, procedures for change of headquarters, cancellation of registration, organization and stamps required for registration books;
- Title II. About general acts of the registry: what comprises registration, how registrations are recorded, signatures, legitimacy, record of presentation, special registrations, types of enrolment, organization of registers, types of documents, enrolment of foreign companies, boats, female commercial operators, alterations and additions to registered items, non-use of enrolment and cancellation;
- Title III Final issues. Deals with alterations and revokes previous legislation.

Ministerial Diploma 19/98 of 04 March – Table of payments and Taxes for Commercial Registration. The table of payments and taxes for commercial registration and notarial service contains 7 Articles and 7 tables dealing with payments for civil, commercial, vehicular, and property registration as well as notarial acts, criminal registration, and the registration of associations.

Ministerial Diploma 150/2001 of 03 of October . This updates the costs payable for notarial acts and registration of companies and societies with social capital up to 5 billion meticalais. It contains two Articles. Article 1 establishes costs payable for notarial acts and registration of companies and Article 2^o establishes the entry into force of the diploma.

Appendix D. Commercial Licensing

All commercial activities must be licensed. The license proves the company's suitability to practice the activity for which the license has been requested. A new authorization is required for each new type of activity to be undertaken. Operating without a license is considered illegal trading and is subject to punishment by fine, suspension of operations, or closure of the establishment depending on the gravity of the case. The Inspector General, provincial director, or district administrator of industry and commerce are able to take such measures. Commercial establishments are subject to pre-announced inspections, the aim of which is to educate, and unannounced inspections whenever necessary to ensure proper operation of the commercial sector or when irregularities have been denounced.¹

Who Can Apply

An operating license can be issued to single national or foreign persons with fixed residence in Mozambique and commercial companies duly registered in Mozambique. They can be external commerce operators, national or foreign.² Foreign companies can operate at the same time if in the possession of licensing of foreign representation and agency. The following can be classified as external commerce operators:

- Commercial establishments with license issued by the Ministry of Industry and Commerce, including importation and exportation.
- Economic agents with authorization to exercise productive activities, issued by the respective authority.
- Rehabilitation and development projects duly certified by State authorities.
- Non-governmental organizations and religious confessions with projects approved by State authorities.

Only the operators referred to in the first two items can register as operators.

¹ If operators are in compliance with the law they may be issued an inspection exemption certificate valid for 6 months. This does not cover the need for inspections resulting from denunciations.

² The following entities are exempt of registration as external commerce operators: (a) those qualifying for the simplified import regime; (b) those importing personal use goods; (c) those importing samples of articles, without commercial value, by companies based in Mozambique.

Where to Apply

The bodies responsible for commercial activity licensing are the Ministry of Industry and Commerce, local representations of the same, and municipal authorities. The request for licensing must be sent to the licensing body in the area where the commercial establishment is situated. The body competent to issue the license depends on levels of authorization:

Body	Type of activity ^a
Minister of Industry and Commerce	Delegations, agencies or other forms of representation of foreign bodies. Note: the renewal of a license for these bodies is undertaken by the National Director of Commerce.
Provincial Governor	Commercial agent, agricultural commercialization agent, banca, barraca, cantina, ambulatory commerce, cumulative commerce, general commerce, wholesale and retail commerce, rural commerce, import, export, shops, service provision, tenda and other commercial activities not covered by specific legislation, including registration of external commerce operators (applicants for licenses to be exporters) Bodies and single persons from outside Mozambique with contractual arrangements with national companies for a period not exceeding 6 months.
District Administrator	Commercial activities undertaken in barracas, tendas or bancas and ambulatory commerce when undertaken in rural areas. The activities referred to above when carried out in an urban area where they are not covered by either of the competent authorities mentioned above.

^a Different types of activity are as follows:

- Commercial agent: individual or collective commercial person who has a commercial organization and uses the same to carry out trade in the name of one or more bodies, either national or foreign, through an agency contract, or as mandate holder, as well as importers and producers.
- Agricultural commercialization agent: S/he who purchases agricultural products in rural areas and sells them in other places.
- Banca: Small space in the form of a table or display case installed in a market or other area where a variety of products, excluding arms, munitions, industrial machinery, tractors, airplanes, cars, tires etc. are sold.
- Barraca: commercial establishment of temporary construction larger than 5 m² where a wide range of products excluding arms, munitions, industrial machinery, tractors, airplanes, cars, tires etc. are sold.
- Cantina: retail commercial establishment in rural and suburban areas selling a range of products except for arms, munitions, industrial machinery, tractors, airplanes, and cars.
- Ambulatory commerce: commercial activity undertaken by individuals comprising retail sales of a variety of products in a number of different places, with products carried by hand and volume of products not exceeding 500kg, excluding arms, munitions, industrial machinery, tractors, airplanes, cars, tires.
- Cumulative commerce: simultaneous exercise of retail and wholesale commerce.
- General commerce: retail sale of various types of merchandise, non-specialized.
- Wholesale commerce: wholesale of products to retailers.
- Retail commerce: commercial activity comprising the sale of products to the consuming public either in specific establishments or through ambulatory commerce.
- Rural commerce: the exercise of retail commerce in rural areas namely in a shop, barraca or banca and also including ambulatory commerce.
- Export: sale or placement of products in markets outside the country.
- Import: acquisition of products outside the country, their entry into and transaction within national territory.
- Shop: commercial retail sales establishment which has a principal specialism.
- Service provision: obligation by one party to provide the other with certain results of their work, be it intellectual or manual, in exchange for compensation.
- Foreign commercial representation: economic activity undertaken within the Republic of Mozambique via a delegation, agency, or other form of representation of an entity based outside Mozambique.
- Tenda: small-scale temporary commercial establishment selling a range of products excluding arms, munitions, industrial machinery, tractors, airplanes, cars, tires etc.
- Rural area: any countryside area not falling under a municipal authority.

In the cities of Quelimane, Tete, Pemba, and Inhambane (and other places where they are being established) one-stop shops support the implementation of new investments and provide information services and technical assistance to move registry and licensing along.

When to Apply

Application can be made at any time.

Application Requirements

NATIONAL COMMERCIAL ESTABLISHMENT

Licensing request letter, with notarized signature, addressed to the licensing authority of the area where the establishment is situated, containing the following:

- Identification
 - For single persons, name, age, nationality, address, ID number and date and place of issuance.
 - For collective persons, name, public deed or government gazette, address of headquarters of company, identity of representative.
- Type of commercial activity
 - Classification number of economic activity (CAE-rev 1)³
 - Classes of goods to be commercialized⁴

The request must be accompanied by the following:

- A sketch plan of the installation to be used for the commercial activity
- Public deed or government gazette accompanied by the respective commercial registration (where applicable)
- Proof of commercial registration issued by the Ministry of Finance
- Request for inspection⁵

FOREIGN COMMERCIAL REPRESENTATIONS

Request letter applying for license with notarized signature, addressed to the relevant authority containing the following:

- Identification (same as that for national establishments)
- Identification of commercial activity
 - Location of representation/establishment in home country and in Mozambique
 - Detailed description of objectives

³ Published in Decree 58/99 of 08 of September.

⁴ As per annexes I and II of the Decree Law regulating licensing of commercial activity.

⁵ The inspection team comprises one representative from the licensing body, the local administrative authority (district, municipal), the local health body, the fire service, and others as necessary. Notification of date of inspection is issued following approval of the request. For foreign commercial representations, notification is issued on receipt of the request for issuance of a license.

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- Specification of type of representation to be opened
 - Period of time for which the activity will take place
 - Period when inspection can take place, except in the case of agencies.
- Request for inspection⁶
 - Authenticated copies of constitution and registration of parent company in home country
 - Power of attorney in favor of the person mandated to represent the company in Mozambique. The power of attorney must specify details of the type of representation to be opened (delegation, agency etc.)
 - Authenticated copy of the ID document of the mandate holder/official representative, or alvará of Mozambican company acting as representative
 - Opinion of the body responsible for the sector.

Undertaking commercial activity as a foreign individual. All the requirements as per those for a national operator as well as a business visa and/or residence permit compatible with the activity requested.⁷

Commercial activity in a rural area in a tenda, barraca or banca, ambulatory commerce or commercialization of agricultural products

- The request for license is made on a specially designed form
- The applicant must be in possession of the following:
 - National person: BI or other civil identification document
 - Foreign person: Residence authorization compatible with the activity requested, and issued by the relevant authority. For commercialization of agricultural products a business visa is required.
- Inspection request⁸

External trade operators⁹—application for registration as an external trade operator is made by completing a form, such as those used for registration as an importer or exporter. The application is accompanied by the following:

- Operating license issued by the relevant body,
- Proof of fiscal registration issued by the Ministry of Plan and Finance.

⁶ Foreign commercial representation undertaken as an agency does not require an inspection.

⁷ The license is issued for the same period of time as the validity of the visa or residence permit.

⁸ Commercial licensing of activities in rural areas does not require an inspection.

⁹ The following are exempt from registration as an external trade operator: (a) importers in simplified regime as covered by art. 3 of Decree 56/98 of 11 of November; (b) any person national or foreign (resident in Mozambique), single or collective importing goods for personal use; (c) companies based in Mozambique when importing demonstration models and publicity and propaganda materials with no commercial value.

Costs

Taxes and costs are payable for all types of licensing and are regularly reviewed by joint ministerial diploma between the Ministries of Industry and Commerce and Plan and Finance.

Activity	Cities			Towns	Rural areas
	Group 1 ^a	Group 2 ^b	Group 3 ^c		
I S S U A N C E O F O P E R A T I N G L I C E N S E P E R C L A S S (M E T I C A I S)					
Retail and wholesale commerce or wholesale only with import and export	500.000	400.000	300.000	150.000	50.000
Service provision	1.000.000	750.000	500.000	100.000	50.000
Additions	1.500.000	1.000.000	750.000	500.000	200.000
Wholesale and retail commerce	400.000	300.000	250.000	100.000	50.000
Wholesale only	300.000	250.000	200.000	1.500.000 *	750.000 ^d
Retail or general commerce with or without export	250.000	150.000	100.000	1.000.000 *	500.000 ^d
C O S T S F O R I N S P E C T I O N S (M E T I C A I S)					
Hypermarkets, supermarkets, commercial centers, vehicle and parts Sales stands, video clubs including sale of household electrical items, wholesale and retail Sales with import and export, hardware, interior design, household and furnishing shops	2.500.000	1.500.000	1.000.000	750.000	300.000
Grocery, general store, bakeries, chilled food stores, domestic goods, fishmongers, florists, chemist, auction houses, discos, sales of seeds, plants and medicinal herbs, sporting goods, decorative items, fashion outlets, hairdressers, watch sellers, optometrists, drinking establishments, butchers, video clubs and service	1.500.000	1.000.000	750.000	500.000	200.000
Tobacconists, perfume shops, photographers, cinemas, bread deposits, shoemakers, dressmakers, watch menders, repair of small electrical goods	1.000.000	750.000	500.000	300.000	100.000

Note: Any supplementary service or issuance of second copy of alvará costs 50% of the value stated above.

^a Maputo, Matola, Beira, Nampula, Nacala

^b Pemba, Quelimane Tete Inhambane Maxixe, Xai-Xai Chimoio, Chokwé

^c Lichinga, Other Cities

^d Cost for each license.

TAXES FOR COMMERCIAL REPRESENTATIONS

- Licensing - 12.000.000,00 Mt;
- Licensing of this activity by a national company - 5.000.000,00 Mt.

TIME PERIODS FOR PROVISION OF GOVERNMENT SERVICES

The process must move according to the following time frame:

- Provincial level: 15 days;
- District level: 8 days.

For authorization for commercialization of agricultural products the authorization requires the physical presence of the applicant.

- The license for an external trade operator is issued within 7 days.
- The process of licensing a foreign representation is completed in 10 days.

Start of activity is conditional on inspection as requested by the applicant and carried out within the time periods above for issuance of a license. Notification of decision is within 5 days, independent of the level of competency (i.e., district should be the same as national). For foreign commercial representation notification is within 2 days of the decision.

Legislation

Decree Law 49/2004 of 17 of November.¹⁰ This regulation approves the new Commercial Activity Regulation and comprises 40 articles in 4 chapters as follows:

- I. Preliminary issues: legal definitions, objective and scope of application, concept of illegal trade
- II. About commercial activities: necessity of licensing, external trade, process for obtaining licenses (request, documents to annex, competencies and other procedures)
- III. Inspections, penalties and taxes: competencies, types of inspection, notifications, punishments, taxes
- IV. Transitional issues – regularization of those licensed before this legislation.

Seventeen annexes contain the following documents:

- References of type of activity and product traded
- List of goods
- Model license
- Form for rural trade licensing
- Model license for rural commercial operator
- Model of commercial representation license (delegation)
- Model of commercial representation license (agency)
- Form for exporter
- Form for importer
- Model ID card for external trade operator
- Form for licensing commercial establishments (individual name)

¹⁰ BR 46, I Série de Quarta-feira, 17 de Novembro de 2004, pgs 474 à 504.

- Form for licensing commercial establishments (commercial companies)
- Form requesting alterations (commercial establishments)
- Form for licensing foreign representations (agencies)
- Form for licensing foreign representations (delegation)
- Form for registering exporter.

Ministerial Diploma 46/2001 of 07 March.¹¹ Approves taxes for licensing commercial activities (inspection and issuance of license) and presents 7 articles on taxes and costs for inspections and issuance of licenses, costs for supplementary processes, destination of monies received, places where payments can be made, and entry into force of the diploma. Two annexes cover inspection costs and license issuing costs per class.

Ministerial Diploma 220/98 of 30 December.¹² Establishes taxes for licensing foreign commercial representations and comprises four articles. Article 1 establishes costs for licensing and additions; Article 2 establishes costs for foreign commercial representation by a national company; Article 3 establishes the destination of monies received; and Article 4 stipulates time period for entry into force of this diploma.

¹¹ BR 10, I Series, Wednesday, 07 March 2001, pgs 48 (60 to 48 (8)).

¹² BR 52, I Series, Supplement of Wednesday, 30 December 1998, pg. 240 (1).

Appendix E. Industrial Activity Licensing

The start up of industrial operations in Mozambique must be licensed. Activities likely to have an impact on the environment,¹ including those not officially listed, require an environmental license before an industrial license. The license is valid for an indeterminate period though it may be revoked by the issuing agency if any laws or regulations are violated. Other penalties include fines and others depending on the gravity of the situation. Penalizing authorities include the National Director, who may suspend activities, the Minister or Provincial Governor, who may close an industrial establishment, and the Inspector General and provincial directors in all other cases. Industries are classified as large, medium, small, and micro and categorized according to value of initial investment, electrical potential installed or to be installed, and number of workers.² A company may fit two out of the three categories. Micro-scale industries are the only ones not requiring authorization to begin operating. They are, however, required to register. Transforming, or value-added industries in agro-industry, food, textiles, metallo-mechanical, graphics, chemical industries, plastics and rubber sectors benefit from a special tax regime. This regime is currently being revised and likely to be change in the near future. (See section on Customs Regime)

Who Can Apply

Any person entity, individual or collective, national or foreign can apply.

¹ See Annex of the Decree Law 45/2004 of 29 of September, Regulation of the Environmental Impact Evaluation Process.

²

Categories	Init'l investment (US\$)	Electrical capacity (KvA)	No. Workers
Large	10.000.000 or more	1000 or more	250 or more
Medium	2.500.000 or more	500 or more	125 or more
Small	25.000 or more	10 or more	25 or more
Micro	25.000 or less	10 or less	25 or less

Where to Apply

The Ministry of Industry and Commerce is responsible for licensing large companies and can delegate the licensing of medium companies to Provincial Governors, who handle small-scale companies. Micro-scale companies must register but do not require authorization to operate.

Pre-licensing is undertaken by the National Directorate of Industry for large and medium-scale industries (medium-scale can be delegated to the provincial directorates). Local industry and commerce departments are responsible for licensing small-scale companies. In the cities of Quelimane, Tete, Pemba, and Inhambane (and other places where they are being established) are one-stop shops that support the implementation of new investments and provide information and technical assistance to moving processes through the registry and licensing stages.

When to Apply

As part of the licensing process the following temporary obligations exist:

- The process having been approved the applicant has a maximum of 180 days to begin implementing the project. Non-compliance with this requirement without previous authorization leads to cancellation of the authorization conceded.
- Once the license has been issued work must begin within 90 days or the license is cancelled.

Application Requirements

For large, medium, and small-scale industries the following are required:

- Request letter with notarized signature addressed to the relevant authority. In the case of large or medium-scale industries processes may be submitted locally and passed up to the relevant authority. The application must contain name, nationality and address in the case of individual persons, or details of headquarters, representative, and copy of the government gazette or public deed in the case of collective persons. The application must also include the location where the industry is to operate.
- The application must be accompanied by an “industrial project” that includes:
 - Topographical plan to scale of the area (including buildings, roads, water courses etc.)
 - Scale plan of the industrial site including workshops, warehouses, stores and offices and anything else necessary for the operation of the industry.
 - Written description of the project and how it will be implemented (including manufacturing processes, production capacity, security systems and other requirements).
- Large and medium scale enterprises may only begin installing their industrial unit after receiving approval of their project.

- Small-scale industries must present their project to the provincial industry and commerce department up to 30 days before applying for an inspection. Approval of project documents for small-scale industry is not required.
- Micro-scale industries do not require authorization and do not have to prepare a project document³.
- Environmental Impact Study approved by the Environment Ministry or proof of exemption from the same.
- Whenever civil construction is required the project must also provide proof of permission to construct given by the relevant authority (Ministry of Public Works or Municipal authority)
- Rental contract or proof of ownership.

If the planned establishment is in an urban area or covered by an urban plan the request will only be authorized if the establishment is within the areas identified as industrial zones.

Costs

When the licensed is approved, taxes are paid according to tables. Payment is made at the finance department in the area where the industrial establishment is to be situated using a special form. The factor used to calculate the taxes owed is minimum wage (SM). The value of minimum wage is multiplied by the number in the table to give the amount payable.⁴

Scale	Issuance of license x SM	Approval of alterations x SM	Inspections x SM	Cert. /decert of Industrial Equipment x SM	Transport Mt/Km
Large	5	4	6	1	5000
Medium	4	3	4	1	5000
Small	2	2	2	1	5000
Micro	1	-	-	-	5000

TIME PERIODS FOR PROVISION OF SERVICES

- Decision on the application: 8 days including day or receipt
- Notification of decision: 3 days including day of decision
- Opinions of health and safety, fire brigade etc: 15 days
- Evaluation of project: 30 days from reception of the same
- Notification of decision on the project: 3 days from date of approval
- Inspection: Must be undertaken within 6 days of receipt of application for inspection and concluded within 8 days.

³ With the exception of the food and pharmaceuticals industries which are governed by specific legislation.

⁴ Minimum wage is updated annually and published in a joint ministerial diploma from the Ministries of Plan & Finance and Labor. The 2004 wage is 1.120.297.00 Mt for workers in industry, commerce and other sectors and 805.444.00 Mt for workers in the agriculture sector and was approved in Decree 75/2004 of 28 April.

LEGISLATION

Decree 39/2003 of 26 November, Regulation of licensing of industrial activity.⁵ This regulation comprises 46 articles which essentially deal with scope of coverage, classification of industry, procedures for registering each, documents required, bodies responsible, obligations and rights of those licenses, inspection and penalties. Four annexes include a model license, registration form for small-scale industry, costs, and licensing form.

⁵ BR 48, Series I, Supplement Wednesday, 26 November 2003, pg. 495 to 507.

Appendix F. Licensing of Hotels, Tourism, Restaurants and Similar Sectors

All types of economic activity must be licensed by the government. In the tourism, hotel, and catering industries, applicants must first obtain an environmental impact certificate. Starting construction of a hotel or tourism establishment without authorization is subject to fines of between 50 and 100 million Meticaï, and unauthorized activity is subject to fines of between 20 and 50 million Meticaï (values updated by joint diploma of the Ministries of Plan & Finance and Tourism). Hotels are defined as “tourism establishments which provide accommodation with or without meals in exchange for payment.” Similar establishments are defined as “tourism businesses which provide to the public food and or drink to the public in exchange for payment. These establishments may also provide shows or dances.” The definition includes restaurants, drinking establishments, and dance halls. Hotels are divided into four groups: deluxe, 1st, 2nd and 3rd class. Hotels are further classified as follows¹:

- Classification of types of lodging
 - Group I Hotels: one to five star
 - Group II Boarding house: one to four star
 - Group III Lodging house: single classification
 - Group IV Inn: one to four star
 - Group V Motel: one to four star
 - Group VI Apartment hotel: one to four star
 - Group VII Tourist village: One to three star
 - Group VIII Guest house: single classification

- Classification of complementary types of accommodation
 - Group I Tourist apartment: classes 1 to 3
 - Group II Tourism accommodation unit: classes 1 to 3

¹ As the tourism sector is a fundamental contributor to development the government has approved a special customs regime for the hotel industry which allows for the investor to present a list of items to be imported to the Ministry of Plan and Finance. The approved goods then benefit from duty and VAT exemptions.

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- Group III Rural tourism units or agro-tourism: single class
- Group IV Lodges: 1st, 2nd and 3rd class
- Group V Camp site: single class
- Group VI Personal lodging (holiday home): single class

The classification given to an establishment may be altered either by the relevant authority or at the request of the license holder, whenever the type of accommodation offered means that the establishment falls into a lower category.

Who Can Apply

Any person, individual or collective, national or foreign may apply

Where to Apply

Tourism accommodation licensing is the responsibility of the Minister of Tourism or the National Director of Tourism following delegation by the Minister. Restaurants and drinking establishment licensing is the responsibility of the Provincial Governor or the Provincial Director of Tourism following delegation by the Governor. In the cities of Quelimane, Tete, Pemba and Inhambane (and other places where they are being established) one-stop shops support the implementation of new investments, provide information and technical assistance, and move processes through the registry and licensing stages.

When to Apply

The applicant must comply with the following time periods:

- Having been notified of the approval of their request the following documents must be submitted within 120 days: map of location, plan of establishment, written description. This period can be extended by a further 60 days on written request
- Once the initial project has been approved a further time period of 1 year for hotels and 60 to 90 days for other establishments to present the final project
- Once this project is approved the applicant has 180 days to request an inspection.

Non-compliance with any of these time periods results in cancellation of the authorization to proceed.

Application Requirements

- Application with notarized signature addressed to the relevant responsible authority. For individuals, the application must include name, nationality, and address. For collective persons, it must include details of a representative, headquarters, and a copy of the government gazette where the articles of association were published. The application must also include details of the location of the proposed establishment.
- Approval from municipal authorities if the establishment is located within an urban area.
- Environmental certificate.
- Construction project including topographical plan, implementation plan, water, drainage etc. plans.
- Written description including plans, photos, sketches etc. depending on whether the establishment exists already, or is to be constructed.
- Rental contract or proof of ownership.
- Request for inspection, approval of name, and price list.
- Request for issuance of license and registration of managers.
- Registration of the establishment is completed authorization to open is given. In order to register the following are required: identity of directors; company running the establishment including judicial status; identification of directors or managers; identity of person responsible for the establishment.

Costs

Costs (in meticaís) are payable for all acts subject to licensing.

LODGINGS

- Group I--Hotels, including lodges etc.
 - Project analysis 3.500.000
 - Inspections 8.000.000
 - License issuance 5.000.000
 - License alteration 3.000.000
 - Name approval 500.000
 - Management certification 3.500.000
 - Management registry 300.000
 - Health & safety and fire brigade 2.000.000
- Total 27.550.000**
- Group II to VII-- Boarding houses and inns
 - Project analysis 3.000.000

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— Inspections	5.000.000
— License issuance	3.500.000
— License alteration	3.800.000
— Name approval	350.000
— Health & safety and fire brigade	2.000.000

Total 17.650.000

• Group VIII-- including residential tourism units, rural and agro-tourism

— Project analysis	2.500.000
— Inspections	3.500.000
— License issuance	3.000.000
— License alteration	2.600.000
— Name approval	300.000
— Health & safety and fire brigade	2.000.000

Total 13.900.000

• Group I and III--Tourism apartments and rural tourism residential units

— Project analysis	1.500.000
— Inspections	3.000.000
— License issuance	2.500.000
— License alteration	2.300.000
— Name approval	250.000
— Health & safety and fire brigade	2.000.000

Total 11.550.00

• Group II--Residential tourism units

— Project analysis	1.000.000
— Inspections	2.000.000
— License issuance	2.000.000
— License alteration	2.200.000
— Name approval	150.000
— Health & safety and fire brigade	2.000.000

Total 9.350.000

RESTAURANTS AND DRINKING ESTABLISHMENTS

— License issuance	2.000.000
— License renewal	1.000.000

Total 3.000.000

TRAVEL AND TOURISM AGENCIES

— Project analysis	5.000.000
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— Inspections	5.000.000
— License issuance	3.000.000
— License renewal	1.500.000
— Change of location of establishment	2.000.000
— Opening of branch	1.500.000
— Foreign delegation	6.000.000
— Change of location of establishment	5.000.000
— Bank guarantee	100.000.000
— Insurance	100.000.000
Total	232.000.000

TIME PERIODS FOR SERVICE PROVISION

- Consideration of the process – 60 days for accommodation establishments, and 30 days for restaurants and drinking establishments.
- Decision on application – 8 days for accommodation establishments and 5 days for restaurants and drinking establishments.
- Inspections – 20 days from date of submission of application.
- Inspection report approved by higher authority – 8 days, then communicated to applicant within 7 days.
- Issuance of license – 5 days following approval of inspection.

Pay attention to the applicant's time periods (See section on When to Apply.)

Legislation

Presidential Decree 9/2000 of 23 May. Defines attributes and responsibilities of the Ministry of Tourism (created by Presidential Decree 1/2000 of 17 January, which restructured the Ministry of Industry, Commerce and Tourism)²; comprises 5 articles on Ministry responsibilities.

Law 4/2004 of 17 June. Approves the Tourism Law.³ The Tourism Law comprises 30 articles that deal with objectives and scope, planning tourism activities, training and promotion, tourism activities, rights of operators and consumers, quality standards, inspections and control, penalties and prevention of sex tourism. The law has an annex of technical definitions.

Decree 69/99 of 05 October. Approves the Hotel Industry and Similar Regulation.⁴ This regulation comprises 279 articles covering location of establishments, classification, rules for

² BR 20, Series I Supplement Tuesday, 23 May 2000, pgs 78 (1) to 78 (2).

³ BR 24, Series I, Supplement Thursday, 17 June 2004, pgs 210 (1) to 210 (5).

⁴ BR 39, Series I, 4th Supplement Tuesday, 05 October 1999, pgs 174 (19) to 174 (64).

operation of each class, responsibilities of those involved in licensing, documents and procedures required, taxes and costs, infractions and penalties. Seven annexes contain:

- Table of minimum dimensions for accommodation;
- Notices and signs;
- Model license;
- Management certificate;
- Model complaint books;
- Model accommodation price table;
- Model food and drink price list.

Decree 70/99 of 5 October. Approves the tourism and travel agency regulation.⁵ This regulation and comprises 72 articles on scope of application, types of activity covered, processes to be followed, licensing procedures, guarantees and insurance, costs, inspections, and statistical requirements. Five annexes contain

- Model license,
- Model operating license,
- Model of tourism guide ID document,
- Model of trainee tourism guide ID document, and
- Model complaints book.

⁵ BR 39, Series I, 4th Supplement Tuesday , 05 October 1999, pg. 174 (65) to 174 (86).

Appendix G. Labor

In the contracting of labor it is necessary to comply with the rules established by the State, which aim to create a work environment that protects all parties, while being more protective of the worker, who is considered “the weaker party.” All workers have the right to a fair wage, rest, holidays, and a safe and healthy working environment. Workers may only be dismissed in accordance with the law. They have the right to unionize and to strike, while lock-outs may not be used. Below are a number of specific aspects relevant to investors. This information is general and in the instance of specific cases employers are recommended to consult the relevant legislation. The business community has been urgently seeking revision of the labor legislation to make it more flexible; a review process is underway.

Types of Labor Contract

Mozambican law defines two types of employment contract for full-time work: fixed period contract and permanent contract. The two are not interchangeable. Fixed period contracts may only be used for positions that exist for a fixed period, for seasonal activities, or to provide substitution for workers who are absent. Even in these circumstances the maximum length of such a contract is two years, renewable once for an equal period. All contracts not specifically for a fixed period are considered permanent. The probation period for a fixed period contract is 30 days (15 days in the case of contracts of less than 6 months) and 90 days for a permanent contract. During the probation period the worker may be dismissed without implications for payment of indemnity. On completion of the probation period the worker has all the same rights as the other employees, in terms of indemnity etc.

Holidays and Absences

Workers have the right to 21 paid holidays for the first year worked and 30 days for each subsequent year. Workers are permitted to be justifiably absent from their posts for a variety of reasons including marriage (6 days), death of close family member (6 days), death of other relative (2 to 3 days) and sickness or accident (no limit).

Any absences not considered “justified” under the terms of the labor law are considered unjustified. Workers taking unjustified absences can be penalized by loss of pay for the period of absence, and loss of rights to leave without prejudice to a future disciplinary process.¹

Discipline and Contract Termination

Disciplinary actions other than verbal warnings follow an administrative process. Each process has stages to be followed with specific time periods. These must be scrupulously complied with.

Following a disciplinary infraction the employer, having undertaken a successful disciplinary process, has a number of options. In selecting from among these, employers must take into consideration the gravity of the offence, damage caused, as well as the fault, circumstances, economic situation and conduct of the worker. Sanctions include suspension without pay, fine, demotion, or termination of contract.

The calculation of indemnity to which a worker is entitled on termination (not resulting from a disciplinary process) depends on time served. Workers employed for more than 3 years on a permanent contract receive three months’ salary for every two years or additional fraction worked (e.g., a worker who has been with a company for six years and one day is entitled to one year’s salary on termination). If it is proven that a contract was rescinded unlawfully the value of indemnity payable may be doubled.² For fixed-period contracts, the value payable in indemnity if the contract is terminated prior to its conclusion is the value of the amount of time remaining on the contract.

Contracting Foreign Workers

Those wishing to enter Mozambique to work must obtain a work permit from their nearest Mozambican consulate or embassy (see Immigration Procedures). For a long time, the difficulty of contracting foreigners was the most persistent complaint of the business community. But legislation covering this area of employment has been revised recently resulting in some improvement.

All foreign citizens wishing to work in Mozambique are subject to authorization by the Ministry of Labor, even if such work is to be unpaid. Foreign directors, managers, mandate holders and other representatives of companies are also subject to authorization. For workers, authorization depends on approval of their work contract; such authorization is usually valid for 2 years. Directors, managers, and mandate holders are conceded a work permit that lasts as long as their

¹ Absences without justification of three consecutive days or of six non-consecutive days per semester justify disciplinary or when the presented reason of absence is proved to be false.

² Without prejudice of payment of another three months of prior notice, in the case of this requirement has not been followed.

mandate or management contract. The process for work permission is less involved than work authorization. .

Projects in industrial free zones or “*zona franca*” are covered by their own regime which permits the employment of foreigners as up to 15 percent of their workforce for up to 7 years.

Who Can Apply

Any company, national or foreign, with any non-Mozambican citizen working for them, either as management or a member of their workforce, even in a non-remunerated capacity must apply.

Where to Apply

Provincial delegations (or Maputo city delegation) of the National Institute for Employment and Professional Training (INEFP) which is delegated by the Ministry of Labor to deal with issues around employment of foreign workers

When to Apply

- Temporary workers using a work visa and employed for 90 days or less—existence of such workers must be communicated to the Ministry of Labor within 15 days of their arrival and departure.
- Company managers, directors, and mandate holders—application must be submitted at least 30 days prior to start of operations.

Application Requirements

CONTRACT

- National workers. A written contract should be signed. The labor law contains guidelines of what should be included (e.g., identification of the parties, professional category or job description, place of work, contract duration, conditions for renewal if applicable, amount form and periodicity of remuneration, start date). Other clauses may be introduced by agreement.
- Foreign workers—Work Authorization

- Request letter containing applicant company's name, address, and sector of activity of; identity foreign worker to be employed, including category, job description and contract duration, plus copy of passport or residence document;
 - Proof from INEFP that the proposed employee is qualified and that there are either none or insufficient national workers with the same qualifications;
 - Three copies of the proposed employment contract;
 - Notarized copies of qualifications or proof of relevant professional experience (officially translated into Portuguese)
 - Approval from company Union representation.
 - In the case of employers with projects approved by the Investment Promotion Center (CPI) application requires a request letter, 3 copies of the contract and a copy of the CPI authorization of the investment project.
- Foreign Workers—Work visa (temporary work). The law permits a special regime for foreign workers employed temporarily (e.g., undertaking specific projects on secondment from the parent company). Such a worker may be employed for 90 days or less by simply communicating the fact to the Ministry of Labor. Permission for this type of employment may be extended for another 90 days if justified.
 - Foreign Workers—Work permission
 - Written request as per that for work authorization
 - Documentary proof of mandate held in terms of the law and company articles
 - Photocopy of passport or residence document
 - Authorization for the company to operate in Mozambique in the form of an operating license or *alvará*.
 - Work Schedule. Complete a form available in government stationers, in duplicate and submit both copies to the Provincial Directorate of Labor for approval.
 - Name List of Workers. Using a form available in government stationers complete a list of all workers, including their professional level, salary, etc. and submit to the Provincial Directorate of Labor annually.³
 - Employment Card. This must be provided by a national worker when employed and a copy must be kept on the personnel file.⁴
 - Payroll or document proving payment of salary. This is submitted to the Provincial Directorate of Labor in duplicate each month.
 - Uniforms Where Necessary. Certain sectors and activities have specific health and safety requirements.

³ This information is used for administrative support and statistical information.

⁴ Because this is not used on a regular basis by companies, the Labor Inspection does not verify its existence. However, a number of small businesses still use them.

- Registration with Social Security Institute. Both the company itself and each worker are required to register. Registration of workers and deduction of social security dues is the responsibility of the company.
- Medical Examination of Workers. Prior to employment each worker must undergo a series of medical examinations, and in certain sectors tests such as the catering trade, tests must be undertaken on a regular basis.
- Insurance. Companies must have collective insurance to cover work-related accidents and illness. For activities that represent a particular risk, companies must cover workers for that risk.

Costs

- Work authorization – 12 percent of contractual monthly salary.
- Work permission – five times minimum wage.⁵

Legislation

Law 8/98 of 20 July, Labor Law ^{6,7}. The labor law comprises 218 articles on general aspects (scope, objective, special regimes and sources of labor law), relationships, rights, and obligations, work contract including duration, suspension, salary, cessation etc., special work regimes, collective rights, strikes, health and safety, workers health, work related accident and sickness, professional training, foreign workers, social security, inspection and contravention.

Law 5/93 of 28 December.⁸ Establishes the legal regime for foreigners in Mozambique (the “Immigration Law”). Comprises 58 articles on scope, definitions and glossary, rights and guarantees, entry into the country, types of visa, and responsibility for concession of entry documents, residence authorization, control, and departure from the country, inspection, infractions, and sanctions.

Decree 57/2003 of 29 November.⁹ Defines legal regime for foreigners working in Mozambique and contains 15 articles on work contracts, work permission, control, and sanctions.

Decree 75/99 of 12 October.¹⁰ The conditions of work in Industrial Free Zones and operation of companies established in such zones. Contains 10 articles on authorization and permission to work, initiation and duration of activity, procedures for obtaining authorization and

⁵ Minimum wage is subject to annual adjustment by joint ministerial diploma from the Ministries of Plan & Finance and Labor. The current wage for 2004 is 1.120.297 Mt for industry, commerce and other sectors and 805.444 Mt for agricultural workers as approved by Decree 75/2004 of 28 April.

⁶ BR 28, Series I, 2nd Supplement Tuesday 20 July 1998, pgs 108 (9) to 108 (39).

⁷ The current labor law is being revised; a simplified version is expected to be in force by early 2006.

⁸ BR 51, Series I, 2nd Supplement Tuesday, 28 December de 1993, pgs 222 (4) to 222 (8).

⁹ BR 52, Series I, Supplement Wednesday, 20 December 2003, pgs 626 (5) to 626 (6).

¹⁰ BR 40, Series I, 2nd Supplement Tuesday, 12 October 1999, pgs 178 (9) to 178 (10).

permission, exemptions obligations of the employer, contraventions, collective relations, and areas of responsibility.

Appendix H. Social Security

The social security system ensures subsistence and minimum security to enrolled workers in case of illness, incapacity, or retirement, and affords certain rights to the families of workers who die. The system is administered by the National Institute of Social Security (INSS). Both workers and employers are obliged to contribute 7 percent of the worker's monthly wage, 4 percent by the employer and 3 percent by the worker. Employers retain the contribution at source and then pay it monthly to the INSS. Seasonal, domestic, and temporary workers are not covered, though the system may be expanded to cover them should capacity and conditions permit. Expansion of the scope of the social security system is the responsibility of the Council of Ministers.¹ Workers rights are as follows:

- **Illness payment.** ² For accident or sickness not related to work or for absence of parent worker taking children to the hospital.
- **Retirement.** For women 55 years of age and men of 60 years with INSS subscription for at least 20 years and 120 months of contributions; or workers with at least 30 years of subscription and 300 months of contributions, independent of age.
- **Anticipated Retirement.** Workers of 50 years suffering premature physical or mental decline.
- **Old-age Allowance.** Worker of retirement age, who ceases remunerative activity without meeting other requirements, or who is 50 years old but suffers premature decline without meeting other requirements for retirement.
- **Disability Retirement.** Worker who has suffered a permanent reduction in physical and mental capacities because of accident or non-work related illness and who is unable to earn more than one-third of the remuneration of a comparable worker, or worker who has reached the limit of foreseen time to benefit of the illness payment (365 days continuous).

The rights of families of enrollees:

¹ When Social Security was established in 1989, entities with less than 10 workers were not covered. This changed in 1997.

² Illness payment is not paid in the first three days of the illness and will be paid in a time frame less than 365 days; from that time forward the worker is covered by Disability Retirement.

- **Survivor's Pension.** For widow or widower not earning wages or disabled, disabled widow or widower that had been under the care of the deceased, and minors that had been under the care of the deceased, in case of the death of the
 - Bearer of the old-age allowance, anticipated retirement, or disability retirement;
 - Worker who met conditions required to obtain retirement benefits due to disability or old age;
 - Worker who had at least 60 months of payment to the INSS.
- **Survivor's Allowance.** For survivors of a worker who had not yet acquired rights to the retirement due to disability and who had less than 60 months of contributions.³
- **Death Subsidy.** Surviving spouse of fact or minors who had been under the care of the deceased, or descendants, or a fund destined to grant workers with complementary and extraordinary benefits, in case of death of the worker with 6 months of registration and 3 months with payment of contributions.
- **Sanitary and Social Share.** The resources of the sanitary and social share will be used, in accordance with a settled program, to:
 - Concession of not pecuniary installments to workers' families;
 - Create and manage sanitary and social centers for protection of mothers and babies, to battle disease, and to hygiene and medical services
 - Financial aid or participation in public or private institutions, in sanitary and social domain that have interest for the population covered by the system;
 - Aid in the construction and improvement of housing conditions of the families of the workers.

Who Must Register

All employers and their workers, national or foreign must register. Foreigners able to prove that they are registered in the social security system of another country need not register.

Where to Register

At the local of provincial delegations of INSS. In the cities of Quelimane, Tete, Pemba, and Inhambane (and other places where they are being established) one-stop shops support the implementation of new investments and provide information and technical assistance in moving registry and licensing processes along.

³ The deceased who received old-age allowance will not benefit from this payment.

When to Register

Employers must register 15 days from start of operation of the company; 15 days from start of contract of employment of employee.

Registration Requirements

- Request for registration is made on a form issued by INSS and includes
 - Name of company;
 - Name of commercial establishment (if different);
 - Complete address, and in the case of branches, branch and head office;
 - Date of start of activity;
 - If relevant date of acquisition of company and name of predecessor;
 - Type of activity undertaken
- The form must be signed and stamped;
- Documents proving legal existence of the company (government gazette);
- Operating license;
- ID documents of proprietor;
- Identification of workers.

If the worker is already registered with INSS then s/he may be transferred using an existing registration number, by completing a form issued by INSS.

Costs

- Monthly costs payable to INSS – 7% of monthly wage (4% paid by the employer and 3% by the worker).
- Costs of forms, receipt books etc. issued by INSS vary per province.

TIME PERIODS FOR PROVISION OF SERVICE

When the documents are delivered to INSS registration is undertaken immediately.

Legislation

Law 8/98 of 20 July, Labor Law.⁴ The Labor Law contains 218 articles divided into 8 chapters. Social security is dealt with in chapter VI, articles 182 to 206 which elaborate the following:

⁴ BR 28, Series I, 2nd Supplement Tuesday, 20 July 1998, pgs 108 (9) to 108 (39).

objectives of the system, scope of application, retirement ages, compulsory and voluntary registration, management, and accounting of the system.

Law 5/89 of 18 September.⁵ Creates the social security system and has 34 articles and essentially deals with the following: scope of application, objectives, exemptions, compulsory and voluntary registration, internal organization of the system.

Law 8/2001 of 07 July, Alters Article 28 of Law 5/89 of 18 September.⁶ Contains 3 articles dealing with alteration of article 28 no 1 of Law 5/89 of 06 May, defining responsibility for extending the scope of social security.

Decree 17/88 of 27 December.⁷ Creates the National Social Security Institute (INSS) and contains 21 articles dealing with: nature and objectives of INSS, administrative council, management and employees.

Decree 46/89 of 28 December.⁸ Approves regulation for application of the social security law. Comprises 49 articles dealing with sickness subsidy, pensions, death subsidy (including conditions for payment), financial organization and sanctions.

Decree 4/90 of 13 April.⁹ Establishes the contribution to INSS at seven percent and contains of 5 articles dealing with contributions, their payment and division, and possibility for revision.

Ministerial Diploma 45/90 of 09 May.¹⁰ Approves standards for application and procedures of regulation of social security law. Contains 79 articles dealing with the following: enrollment of workers, maintenance of voluntary contributions, administration, financial organization, payment, claims, forms to be used, centralized payment and penalties.

Dispatch 07 of May 1997.¹¹ Extends the social security system to companies with ten or fewer employees.

⁵ BR 37, Series I, 3rd Supplement Monday, 18 September 1989, pgs 348 (5) 349 (9).

⁶ BR 27, Series I, Supplement Saturday, 07 July 2001, pg. 150 (1).

⁷ BR 51, Series I, 4th Supplement Tuesday 27 December 1988, pgs 441 (21) to 441 (24).

⁸ BR 52, Series I, 4th Supplement Thursday 28 December 1989, pgs 454 (23) to 424 (29).

⁹ BR 15, Series I, Supplement Friday 13 April 1990.

¹⁰ BR 19, Series I, Supplement Wednesday 09 May 1990, pgs 110 (1) to 110 (8).

¹¹ BR 21, Series I, Wednesday 21 May 1997.

Appendix I. Immigration

The entry into the country, by a non-citizen through any border is governed by requirements for entry and stay. Requests to enter Mozambique may be made for a variety of reasons. In Mozambique the following visas accommodate those wishing to enter:

- Diplomatic visa
- Courtesy visa
- Official visa
- Residence visa (for foreigners wishing to reside in Mozambique, this is valid for one entry and for 30 days, renewable up to 60 days. This visa is obtained prior to obtaining a residence permit)
- Tourist visa (for tourism travel, may not exceed 90 days)
- Transit visa (for those who must enter the country in order to reach their country of destination. May not exceed 7 days)
- Visitors visa (entry for any purpose not covered by the previous types of visa – valid for 15 days renewable up to 90 days)
- Business visa (business-related travel valid for 30 days renewable up to 90 days)
- Student visa (12 months renewable)
- Work visa (to enter the country to work for 30 days renewable to 60 days)
- Border visa (issued for those coming from countries where there is no Mozambican consulate or embassy - though when representation exists payment of 25% surcharge may be paid - the visa is issued at the border. Valid for 30 days renewable up to 60 days).

Visas may be individual, collective, single, or multiple. Foreigners with residence permits (DIRE) or from countries with which Mozambique has a suppression of visa agreement do not need a visa.

Who Can Apply

Any foreign national of legal age of majority, or minors with authorization from a parent or guardian, who has means to subsist and who has not been banned from entry or previously expelled.

Where to Apply

The Ministry of Foreign Affairs, the Immigration Service, and embassies and consulates.

When to Apply

Whenever necessary. In countries with Mozambican embassies and consulates it is as well to consult with them some time before travel as issuance of some types of visas may take several weeks.

Application Requirements

- Visa to enter and/or stay
 - Completed form
 - Valid passport
 - Authenticated copy of passport
 - Letter of responsibility from employer or institution if applicable
 - Stamps to value of 1.220.00 Mt.
- Work visa
 - Completed form
 - Valid passport
 - Authenticated copy of passport
 - Declaration of responsibility from employer or institution
 - Letter from employer expressing intention to employ
 - Stamps to value of 1.220.00 Mt.
- Residence authorization (DIRE) for workers
 - Completed form
 - Valid passport
 - Residence or work visa
 - Legal authorization or permission to work issued by INEFP
 - Letter confirming employment
 - Criminal record check from home country
 - 3 passport photographs
 - Stamps to value of 1.220.00 Mt.

- Residence authorization for company directors and mandate holders
 - Form
 - Authenticated copy of valid passport
 - Work or residence visa
 - Authenticated copy of public deed
 - Authenticated copy of operating license (*alvará*)
 - Letter from the company confirming employment
 - Criminal record check from home country
 - 3 passport photographs
 - Stamps to value of 1.220.00 Mt,
- Residence authorization for non-working spouses
 - Form
 - Authenticated copy of valid passport
 - Residence visa
 - Criminal record check from home country
 - Declaration of responsibility from spouse
 - Spouse's work contract
 - 3 passport photographs
 - Stamps to value of 1.220.00 Mt.
- Residence authorization for minors
 - Form
 - Authenticated copy of valid passport
 - Residence visa
 - Mother or father's work contract
 - Declaration of responsibility from parent
 - 3 passport photographs
 - Stamps to value of 1.220.00 Mt.

Costs

Tax	Concession	Extension
B O R D E R V I S A		
Tax	240.000,00	120.000,00
Surcharge	60.000,00	30.000,00
Total	300.000,00	150.000,00
W O R K V I S A		
Tax	907.200,00	453.600,00
Surcharge	181.440,00	90.720,00
Total	1.088.640,00	544.320,00

Tax	Type of Document	Cost by Type of Processing (MT)			
		Normal	Urgent	Very Urgent	Outside normal working hours
E N T R Y V I S A (N O T C O V E R E D B Y T H E A B O V E) ¹					
Tax	Transit visa	43.200.00	64.800.00	75.600.00	86.400.00
Surcharge		8.640.00	12.640.00	15.120.00	17.280.00
Total		51.840.00	77.760.00	90.720.00	103.680.00
Tax	Single entry visa 1/30 days	86.400.00	129.800.00	151.200.00	172.800.00
Surcharge		17.280.00	12.960.00	30.240.00	34.560.00
Total		103.680.00	77.760.00	181.440.00	207.360.00
Tax	Single entry visa 30/60 days	172.800.00	259.200.00	302.400.00	345.600.00
Surcharge		34.560.00	51.840.00	60.480.00	69.120.00
Total		207.360.00	311.040.00	362.880.00	114.720.00
Tax	Single entry visa 60/90 days	259.200.00	388.800.00	453.600.00	518.400.00
Surcharge		51.840.00	77.760.00	90.720.00	103.680.00
Total		311.040.00	466.560.00	544.320.00	622.080.00
Tax	Multiple entry visa 3 months	288.000.00	432.000.00	504.000.00	576.000.00
Surcharge		58.600.00	86.400.00	100.800.00	115.200.00
Total		345.600.00	518.400.00	604.800.00	691.200.00
Tax	Multiple entry visa 6 months	576.000.00	864.000.00	1.008.000.00	1.152.000.00
Surcharge		115.200.00	172.800.00	201.600.00	230.400.00
Total		691.200.00	1.036.800.00	1.209.600.00	1.382.400.00
Tax	Multiple entry visa 12 months	864.000.00	1.296.000.00	1.512.000.00	1.758.000.00
Surcharge		172.800.00	259.200.00	302.400.00	345.600.00
Total		1.036.800.00	1.555.200.00	1.814.400.00	2.073.600.00
R E S I D E N C E A U T H O R I Z A T I O N					
Tax	DIRE adults	360.000.00	540.000.00	630.000.00	720.000.00
Surcharge		72.000.00	108.000.00	126.000.00	144.000.00
Total		432.000.00	648.000.00	756.000.00	864.000.00
Tax	DIRE minors	192.000.00	360.000.00	420.000.00	384.000.00
Surcharge		38.400.00	72.000.00	84.000.00	76.800.00
Total		230.400.00	311.040.00	504.000.00	460.800.00

TIME PERIODS FOR PROVISION OF SERVICES

Not applicable. Visas must be used for initial entry into the country within 60 days of the date of issuance.

¹ The differentiation in the payment of the taxes consonant the order is normal, urgent or very urgent, it estimates the attainment of the document in little time. However, the legislation that fixes the cited taxes does not mention the period that each tax applies to.

Legislation

Law 5/93 of 28 December.² Establishes legal regime for foreigners including norms for entry, stay, and departure. Comprises 56 articles on scope and glossary of terms used, rights and guarantees, obligations, documentation, types of visa, authorization to reside, control, departure from the country, infractions and penalties.

Ministerial Diploma 113/96 of 16 October.³ Updates fees charged by Immigration Service. Contains 2 articles that introduce new charges for services. Five annexes cover prices for border posts, passports, alterations, travel documents, entry visas, DIRE (including extensions) and other documents taking into account costs for normal, urgent, and very urgent processing, as well as for processing on Saturday afternoon, Sundays, and public holidays and other times outside normal working hours.

Decree 26/99 of 24 May.⁴ Establishes work visa and comprises 4 articles on the creation of a new type of visa, who is covered, what are the conditions for application responsibility of the employer to repatriate foreign employees, costs of the new visa.

Ministerial Diploma 144/2000 of 1 November.⁵ Establishes fees for work visa and extension of the same and comprises 6 articles on cost and extension.

Decree no. 38/2000 of 17 October.⁶ Creates a border visa and comprises 8 articles on creation of a new type of visa, eligibility, and cost.

² BR 51, Series I, 2nd Supplement Tuesday, 28 December 1993, pgs 222 (3) to 222 (8).

³ BR 42, Series I, Supplement Thursday 16 October 1996, pgs 212 (1) to 212 (6).

⁴ BR 20, 2º Supplement Monday 24 May 1999

⁵ BR 44, Series I, Thursday 01 November 2000, pg. 188.

⁶ BR 41, Series I, 2nd Supplement 17 October 2000, pgs 178 (13) to 178 (14).

Appendix J. Environmental Licensing

Any activity that could affect the environment requires authorization based on an impact study¹ and an environmental certificate from the Ministry for Environmental Action. The environmental impact regulation² categorizes activities as follows³:

- Category A: Must have an Environmental Impact Study⁴;
- Category B: May have a simplified environmental study;
- Category C: Are subject to the norms of good environmental management

The law identifies activities that could have significant impact and for which an impact study is required (i.e., technical analysis of the consequences of implementing the activity and identification of possible mitigative measures). Activities not covered by the list are required to undergo a pre-evaluation to determine whether or not a full impact study is required.⁵ The Ministry for Environmental Action can also request an audit of activities that started before the current legislation came into force, or that were not originally covered by the legislation.

Who Must Apply

Environmental licensing must be applied for by those in the circumstances described above.

Where to Apply

Environmental licensing is the responsibility of the Ministry for Environmental Action and its subsidiary provincial directorates. The cities of Quelimane, Tete, Pemba and Inhambane (and

¹ Environmental viability is the way in which an activity can be implemented without significant environmental damage or with mitigative measures.

² Environmental impact is any change in the environment for better or worse in particular on air, land, water and the health of communities resulting from human activity.

³ For a full list of activities in each category see annexes I, II and III of the Environmental Impact Assessment Regulation (Decree 45/2004 of 29 September).

⁴ EIA is a technical and scientific study of the environmental consequences of development activities.

⁵ Pre-evaluation categorizes the activity to decide what type of evaluation to undertake

other places where they are being established) have one-stop shops that support implementation of new investments and that provide information and technical assistance, particularly in moving registry and licensing processes along.

When to Apply

Apply during project preparation and planning. Some other licenses (e.g., industrial operation, forestry concession, tourism, final CPI approval) depend on prior issue of an environmental license. Once the license has been issued the project must begin operation within 2 years or the license will expire. Extension of the validity of the license depends on approval by the Ministry for Environmental Action, which may require a new study. A decision on the application will be given in 30 working days, either extending the period or approving or requesting changes to the study undertaken. Licenses for Category A are valid for 5 years renewable on request. Such a request must be submitted at least 180 days before expiration of the license

Application Requirements

For an AIA the following is required:⁶

- Written description of activity
- Justification of activity
- Legal status of activity
- Socioeconomic and environmental information about area
- Current land use in area
- Information on stages to be covered during the AIA such as Terms of Reference (ToR), pre-
viability and scoping (EPDA), Environmental impact assessment (EIA) simplified EIA (EAS);
- Completed form.

PRE- EVALUATION

Pre-evaluation is undertaken based on the information above⁷ taking into consideration the criteria defined,⁸ previous knowledge and experience of this activity, and the location as well as existing categories. Pre-evaluation can have one of three outcomes: study not required, or simplified study to be undertaken; rejection; or categorization of the type of activity and study required.

⁶ It must be noticed that public participation throughout all the process must be ensured. From the conception phase until the submission of the of EIA and EAS reports, public participation is of the proponent responsibility. In the phase of the ToR until the ambient licensing this responsibility is of the MICOA.

⁷ Pre-evaluation is the process whereby the project is studied in its preliminary concept form and its potential impacts identified.

⁸Criteria: number of persons or communities affected; ecosystems plants and animals affected; location and size of area; probability, nature, duration, intensity and significance of the impact; direct and indirect effects; reversibility of impact.

PRE-VIABILITY AND SCOPING (COMPULSORY CATEGORY A, FOR COST OF APPLICANT)⁹

Report undertaken and submitted along with ToR (plus supporting data). Report contains

- Non-technical summary
- Identity of applicant and team undertaking EIA
- Details about the proposed area
- Description of activity including planning, construction demobilization etc.
- Key aspects to be investigated in EIA.

Revision of report: A technical commission will be created to study, revise, and provide final opinion on the report presented.

EIA TERMS OF REFERENCE

- Description of specialist studies identified in EPDA
- Viable alternatives to be investigated
- Methodology
- Description of public participation process
- Identification of applicant
- Identification of team responsible for EIA and EAS
- Other information to be required.

EAS TERMS OF REFERENCE

- Identification of applicant
- Location of activity including maps
- How activity fits with current land use and planning
- Description of activities
- Description of public participation process
- Identification of environmental areas to be studied
- Description of methodology
- Identification of team undertaking EAS.

EIA undertaken based on ToR and directives issued by MICOA (for category A this is entirely responsibility of the applicant).

EIA report. Submit at DNAIA with support documentation. The report contains the following:

- Non-technical summary
- Legal basis for activity
- Description of activity
- Geographical delimitation
- Comparison of alternative activities

⁹ EPDA aims to determine fatal questions on the activity implementation or the scope of the AIA on the design of ToR's.

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- Identification of mitigative measures
- Environmental management plan
- Public participation report
- Specialists reports.

Revision of EIA. The same technical commission which evaluated the EPDA evaluates the EIA and provides a technical report and detailed opinion on the report.

Simplified EIA (EAS). Undertaken based on the ToR and specific directives (for category B it is for the cost of the applicant).

EAS REPORT. Submit at DPCA. The report contains:

- Technical summary
- Location and description of activity
- Legal basis for activity
- Environmental description and diagnostic
- Identification and evaluation of impacts
- Environmental management plan
- Identification of team
- Public participation report.

Revision of report. The same technical commission that evaluated the EPDA evaluates the EIA and provides a technical report and detailed opinion on the report

Deciding body can issue license or reject application totally or partially. Until national standards are developed those used for air, water, soil etc. Are those established by international bodies and conventions ratified by Mozambique.

Costs

Category A and B—0.1% of investment value; Category C—0.01% of investment value. The applicant bears the costs of the environmental impact study and of an environmental monitoring program.

TIME PERIODS FOR PROVISION OF SERVICES

- National-level processes:
 - Pre-evaluation: up to 5 working days;
 - EPDA and ToR: up to 30 working days
 - EIA: up to 45 working days
 - Issuance of license: 8 working days from payment of fee
 - Partial or total rejection is notified within 5 working days .
- Provincial-level processes:

- Pre-evaluation: up to 8 working days
- Terms of reference: up to 15 working days
- EAS: up to 30 working days
- Issuance of license: 8 working days from payment of fee
- Partial or total rejection is notified within 5 working days.

Whenever additional information is requested the time period is suspended until the information is provided. In exceptional cases with written notification, the time periods may be extended by up to 30 days.

Legislation

Law 20/97 of 01 October, Environment Law.¹⁰ Comprises 33 articles on definition of technical terms, objective and scope, principles, responsibility, environmental protection measures, prevention of environmental damage, environmental evaluation, environmental audit, rights and responsibilities, infractions and sanctions.

Decree 32/2003 of 12 August.¹² Approves the environmental audit regulation and comprises 17 articles on types of audit, objectives and responsibilities, auditors, costs and licensing of auditors, infractions, and sanctions.

Decree 45/2004 of 29 September. Approves environmental evaluation regulation. Comprises 28 articles on definition of terms, scope, categorization of activities, responsibility, processes, public participation, time periods, and costs. Four annexes on activity categories and a form for preliminary application.

Decree 18/2004 of 02 June.¹³ Approves environmental quality standards. Comprises 26 articles on definitions, objective and scope, responsibility quality parameters, pollution and adoption of standards. Six annexes cover air quality; industrial gases; industrial effluents; domestic effluent; receiving body (sea/ocean) standards; and classification and qualification of laboratory analysis of soil and water.

Decree 26/2004 of 30 June. Approves environmental regulation for mining and comprises 30 articles on definitions, scope and responsibility, mining activities, environmental management, inspections and penalties, application to existing licenses.

¹⁰ BR 40, Series I, 3rd Supplement Tuesday 07 October 1997, pgs 200 (19) to 200 (24).

¹² BR 34, Series I, Supplement Wednesday 20 August 2003, pgs 379 to 381.

¹³ BR 22, Series I, Supplement Wednesday, 02 June 2004, pgs 206 (6) to 206 (29).

Appendix K. Import and Export Customs Regime

To improve procedures related to foreign trade, the Government has been adopting legislative measures to simplify processes for imports and exports. The most significant for imports was abolition of the requirement of licensing of individual imports. Beginning in December 1998, the Single Unified Document (DU) has been the principal document controlling goods entering and leaving the country. Some imports are subject to pre-departure inspection (IPE), a procedure undertaken by Intertek Testing Services, (ITS) who are contracted by the government. Inspections include verification of quality, quantity, price, tariff, and indication of duties payable. Products requiring pre-inspection are on a “positive list” that includes items such as grain, flour, sugar, cooking oil, chemicals, pharmaceuticals, tires, used clothes, and vehicles. Duties are calculated according to the customs value of the goods as indicated by Article VII of GATT, on the basis of “ad valorem” taxes, and vary between 2.5% (raw materials) and 25% (non-essential goods). As well as customs duties imported products are subject to value-added tax at a rate of 17% and an ICE or specific consumption tax ranging between 15% and 65%. Luxury products such as tobacco, alcohol, perfume, beauty products etc. are subject to ICE. There are also other taxes on certain products such as anti-dumping tax, surcharge, customs service charges etc. Export duties have been suspended.

Any form of customs process must be carried out through an official “*despachante*” who is licensed by the Director General of Customs. The operator must also be licensed as an importer or exporter, with a license issued annually by the Ministry of Industry and Commerce.

Special Regime for Transforming Industries¹

To encourage national industry the government has introduced fiscal incentives on the import of materials for manufacture and processing. Individuals and companies undertaking industrial activity in certain sectors are eligible for these incentives. The incentives are based on the non-

¹ Already some modifications to this regime have been approved by the Government, namely widening the enclosed branches of activity and diminishing the necessary income volume for the eligibility. However until this date such modifications had not been published in the BR.

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payment of duties. To be eligible, companies must be legally registered and invoice more than US\$250,000 per year. They must also prove added value of at least 20 percent. The following sectors are eligible to apply for exemptions under this scheme:

- Agro-industry
- Food
- Textiles
- Metal-Mechanical
- Graphics
- Chemicals, plastic, and rubber.

To be eligible companies must

- Have no fiscal debt,
- Not have been bankrupt,
- Not have a criminal record (company shareholders and managers) for a variety of listed crimes,
- Have secure premises to guard the imported items,
- Be able to provide adequate information to enable supervision and inspection of the goods imported by the customs department including provision of office facilities, and
- Have registered methods of control including accounts, audits etc. enabling inspection and reconciliation.

Obtaining the incentives requires the applicant to put up a guarantee to the following value:

- 20% of value of imports equal to or less than USD 500.000.00
- 10% on the additional value for imports of between USD 500.000.00 and USD 1.000.000,00
- 3% on the additional value of values over USD 1.000.000.00.

Guarantees can be made as follows:

- Cash deposit
- Treasury bond
- Bank guarantee
- Mortgage.

The exemption only applies to duties and does not cover other taxes and costs charged by customs.

This regime is under review, with a view to extending it to other sectors and reducing the rate of VAT payable.

Who Can Apply

All entities, singular or collective, that import or export in the national territory pay rights and customs impositions except if another customs regime applies. They can be operators of the

external commerce, as much national as the foreign ones.² The foreign companies can exert in parallel the activity of operator of external commerce, if they possess licensing of foreign representation under agency form. The following entities could qualify as operators of external commerce:

- Traders licensed by the Ministry of Industry and Commerce that import and export;
- Economic agents authorized to undertake productive activity, emitted for the respective agency superintendent of the area;
- Development or whitewashing projects duly confirmed by the competent agencies of the State;
- NGOs and religious organizations with projects approved for the competent agencies of the State.

Only operators under the first two areas can register themselves as exporting.

Where to Apply

Application for registration as an importer or exporter – Provincial Directorate of Industry and Commerce; submit Customs declarations and import/export documents to the relevant customs authority.

When to Apply

Applications can be made at any time.

Application Requirements

While import and export processes themselves are only subject to customs processes those involved in external trade must be registered as importers or exporters. Registration requires the following:

- Completion of form
- Operating license, including the right to import and export
- Proof of tax registration
- Payment.

Having received the documents and payment the provincial industry and commerce department will inform the relevant departments. The process is centralized at the Ministry of

² The following entities need not register as operators of external commerce: (a) those that fit the simplified import regime; (b) those importing good for personal use; (c) those importing samples without commercial value (companies domiciled in Mozambique).

Industry and Commerce and a license is issued. Once in possession of the license the operator may proceed to gather the documents necessary for an import or export process.

Export Requirements

- Customs dispatch is undertaken using a DU.³ Export duties are currently zero rated.
- Having secured a market for the goods an invoice is issued in favor of the buyer.⁴ The certificate of origin is attached along with other necessary documentation depending on the product.

Examples

- Timber—Phytosanitary certificate issued by Provincial Directorate of Agriculture Ministry of Agriculture.
- Fish—Health certificate issued by the Provincial Fisheries Department.
- Charcoal—Declaration from the Provincial Directorate of Minerals and Power.

The register of operator of external commerce has the following validity⁵:

- Importation—one year to count of the date of the emission of the respective card.
- Exportation:
 - For the same period of the validity of authorization of exercise of the activity of the company.
 - For 5-year period for companies with activity licenses or licenses without definitive periods of validity; For companies of extractive industry (mining) or another ones with licenses of exploration with validity for more than four years.

Import Requirements

- Pro-forma invoice from the supplier
- Dispatch is carried out using a DU or DUS (for simplified import regime) and on payment of duties and other costs
- If preshipment inspection is required the supplier must contact ITS for an inspection. If no inspection is required the goods may be shipped;
- In the case of inspection, following issuance of the ITS certificate the goods may be shipped;

³ The Cabinet created the DU in 1998 to simplify administrative procedures for gradual liberalization of commerce and to harmonize procedures with international standards, especially those applied by Austral Africa. DU summarizes all previous documents and models used in importation and exportation of goods.

⁴ The origin certificate is obtained near the Mozambique Chamber of the Commerce.

⁵ Please note that this date validity is included with new Commercial Activity Licensing Decree approved by the Council of Ministries and published in the BR n.º 46, I Série, 17.11.2004.

A license to import is valid for one year. Goods no longer have to be pre-declared.

Costs

Export

- Registration and renovation – 250.000.00 Mt
- Duties are zero-rated

Import

- Registration and renovation – 1.250.000.00 Mt
- ICE – Varies according to tariff heading
- Customs service tax – On all goods regardless of duties, value, exemptions etc. US\$50
- Duties – Customs value
- Surcharge – Calculated on an individual basis where required
- VAT – 17%, the taxable value is calculated after the addition of all other possible taxes such as duties, ICE, surcharge.

TIME PERIODS FOR PROVISION OF SERVICE

Not applicable.

Legislation

Decree 30/2002 of 2 December.⁶ Approves the general rules for customs clearance and contains 50 articles on definition and scope, formalities and processes, specific aspects of the customs regime, benefits and exemptions, and control. Nine annexed tables cover

- Prohibited goods (import);
- Prohibited goods (export);
- Special regimes (import);
- Special regimes (export);
- Goods benefiting from duty reduction or exemption;
- Goods eligible for temporary import;
- Goods eligible for temporary export;
- Re-importable goods;
- Time periods of temporary import for vehicles.

Decree 39/2002 of 26 December.⁷ Approves the tariff book and comprises 22 articles on scope, tariff headings and classification, duty values, dispute resolution, abbreviations used etc.

⁶ BR 48, Series I, Supplement Monday 02 December 2002, pgs 352 (1) to 352 (13).

⁷ BR 52, Series I, Supplement Thursday 26 December 2002, p. 386 (2) to 386 (422).

Annexed by the tariff book listing all products subject to duties and other customs fees, and the respective duty values.

Decree 56/98 of 11 November.⁸ Abolishes licenses for individual processes and creates the DU and comprises 13 articles on abolition of licensing for individual processes, creation of DU and DUS, and associated costs. Two annexes contain model of DU and form for controlling the same; and a model of Simplified DU.

Ministerial Diploma 202/98 of 12 November. Approves regime for registration of an external trade operator and comprises 20 articles on objectives, scope, process, period of registration and renovation, cancellation and costs related to the processes. Two annexes contain registration forms for the importer and for the exporter.

Ministerial Diploma 203/98 of 12 November.⁹ Defines a single charge for issuance of a license to be an importer and comprises 7 articles dealing with the single charge, values, cost of issuance of the license, and destination of monies collected.

Ministerial Diploma 21/2003 of 19 February. Approves the customs value regulation and annexes.¹⁰

Ministerial Diploma 99/2003 of 13 August.¹¹ Approves the customs regime for transforming industries¹² and comprises 20 articles on technical terms, scope nature, and conditions of the benefit, requirements to obtain exemption, process for requesting exemption, authorization, and penalties. Annexes contain model authorization requests, forms for calculating percentage value added, requests for exemption from duties, authorizations of exemption, and quarterly report.

Decree 29/2002 of 02 December.¹³ Abolishes predeclaration for importing goods and comprises three articles dealing with abolition of the need to predeclare, and revocation of previous legislation

⁸ BR 45, Series I, Supplement Wednesday 11 November 1998, p. 180 (11) to 180 (17).

⁹ BR 45, Series I, 3rd Supplement Thursday 12 November 1998, p. 180 (24).

¹⁰ BR 8, Series I, Wednesday, 19 February 2003, p. 47-59.

¹¹ BR 8, Series I, Wednesday 19 February 2003, pgs 47 to 59.

¹² BR 33, Series I, Wednesday 13 August 2003, pgs 363 to 374.

¹³ BR 48, Series I, Supplement Monday 02 December 2002, pg. 352 (1).