



# LEGISLATIVE AMENDMENTS CUSTOMS TARIFF, TAX SYSTEM BASIC LAW AND VAT CODE.



As expected, within the scope of the package of Economic Acceleration Measures announced by the Government in August 2022, the Legislative amendments were approved by the Assembly of the Republic with effect from January 1, 2023, which we quote below:

## Amendments summary

- **Law No. 17/2022**  
Approves the Customs Tariff text and the respective preliminary instructions.
- **Law No. 21/2022**  
Amends Articles 68, 69 and 70 of Law No. 15/2002 of 26 June, which sets out the principles of the Organization of the Tax System of the Republic of Mozambique.
- **Law No. 22/2022**  
Amends articles 9, 10, 12, 15, 17, 19, 20 and 21 of the Value Added Tax Code.

### Amendment to the Customs Tariff - Law No. 17/2022

The text of the Customs Tariff and the respective Preliminary Instructions was approved with a view to guaranteeing the international standardization of the designations and codification of goods, as well as facilitating the application of international conventions within the scope of the SADC Protocol on Trade and Economic Partnership Agreements with the European Union (EPA's).

### Amendment of Law No. 15/2002 of 26 June, which sets out the principles of the Organization of the Tax System of the Republic of Mozambique - Law No. 21/2022

This revision aims to integrate into the Mozambican Tax System namely:

- The reference to the Simplified Tax for Small Taxpayers;
- The elimination of the fuel tax, which becomes part of the Specific Consumption Tax, which selectively taxes the consumption of certain goods contained in specific legislation and is levied at once on the producer or importer, depending on the case.

Customs duties levied on goods imported and exported in the customs territory that are included in the Customs Tariff.

### Amendment to the VAT Code – Law No. 22/2022

The main amendments to the Value Added Tax Code (CIVA) are as follow:

#### Exemption

The following exemptions were introduced:

- Transmission of iron bicycles up to 4 speeds.
- Provision of garbage removal services carried out by public entities or contracted by them.

### Amendment to the VAT Code – Law No. 22/22 ( Cont.)

- Transmission of solar panel production factors for rural electrification, as set out in Annex IV of the VAT Code – until 12/31/2025

It should be noted that the exemptions relating to :

- Sugar transmission,
- Transmission of raw materials, intermediate products, parts, equipment and components, carried out by the national sugar industry,
- Transmission of cooking oils and soaps,
- Transmission of goods resulting from the industrial activity of producing cooking oil and soap carried out by the respective factories, Transmission of goods to be used as raw material in the oil and soap industry,
- Transmission of goods and services carried out within the scope of the agricultural activity of sugarcane production and intended for industry.

#### Tax Rate

The standard Tax Rate decreases from 17% to 16%.

#### Transmission of goods and provision of services subject to a reduced rate of 5%

The following transmission of goods and services are subject to a reduced rate of 5%:

- a) The provision of medical and health services and operations closely related to them, carried out by private hospitals, clinics, dispensaries and similar establishments;
- b) The provision of services whose object is education, as well as the transmission of goods and related services, when carried out by private establishments integrated in the National Education System and recognized by the Ministry that oversees the area of Education;
- c) The provision of services aimed at professional training, as well as the transmission of goods and related services, such as the provision of accommodation, food and teaching material, carried out by private entities;
- d) The provision of services consisting of lessons given on a personal basis on school or higher education subjects.

**It is excluded from the right to deduct, the tax paid on the transmission of goods and provision of services referred to above.**

#### VAT refund

**The taxpayer may request the corresponding refund when he has registered a credit in his favor in excess of 500,000.00MT in a given month, having to sequentially consider the credits in the current year;**

**If 12 months have elapsed from the period in which you started the excess, you maintain systematic Value Added Tax credits, you must request, if you do not wish to do so in full, a refund of at least 50% of the accumulated VAT credit.**




For more details, please contact us.



### Summary

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