



MOZAMBIQUE

Mozambique - Civil Law (Portuguese)



Incorporate Now



Consultation

Click request a call for a free, no obligation consultation.

In a hurry? Click incorporate now, and startup your company immediately.

Incorporating a company in Mozambique

Mozambique taxes

If you want to do business in Mozambique, you have to know about taxation for a LLC(Lda) which is the most common company structure in Mozambique.

Mozambique taxes corporate income, whether it is accrued onshore or offshore. The headline standard tax rate for offshore income, from our research, and your results may vary, is 32%. Mozambique may not have exemptions to bring in foreign earned profits. Taxes are higher than average in Mozambique as the effective rate of taxation on a LLC(Lda) entity is 32%. This ranks Mozambique as 156th overall in terms of corp. taxation rate internationally.

The value added tax (VAT) rate in Mozambique is 17.00%, that ranks the country as 109th overall with regards to value added tax rate worldwide. In terms of other taxation, an employer will contribute 4% to the equivalent of a social security fund and an employee will contribute 3%. The overall complexity of the tax system is medium. This is measured by average time to comply with a country's labor tax requirements is as it is 60hours. Contributing to this is the number of yearly labor tax payments, which is 4 in MZ.

Thin capitalization standards are officially enacted. Thin capitalisation refers to any sort of requirements on companies' debt-to-asset ratios. Dividends received from a resident company may be excluded from taxation if company holds more than 20% of shares for more than two years, or 10% and 1 year in the case of holdings. A dividend is a distribution of a portion of a company's earnings, decided by the board, to a class of its shareholders. Dividends can be one of the following stock, cash, or property. Capital Gains are usually subject to corporate income tax, although, there may be some exemptions if gains are reinvested. A capital gains tax is levied on the profits that a corporation or natural person realizes when they sell a capital asset for a price that is higher than the purchase price.

The interest withholding tax rate is estimated at 20%. Which means that the taxman expects LLC(Lda)'s to automatically withhold 20% of interests remitted abroad. The dividends withholding tax rate is 20%. Which means that the taxman expects companies to automatically withhold 20% of dividends paid to non-residents. The royalties withholding tax rate is 20%. Which means that the tax authorities expects LLC(Lda)'s to automatically withhold 20% of payments on royalties to non-residents. Mozambique has signed several tax treaties that may reduce or eliminate withholding taxes.

There is no tax on net wealth in Mozambique. There are no inheritance taxes. There are transfer and real property taxes. We are not aware of any widely used research and development breaks on taxation in Mozambique.

The above is not tax or legal advice for your company circumstances. We are able to help you to find an expert in Mozambique who can give you an answer. Contact us today. Click incorporate now if you are in a hurry, or press the free consultation button above.

The vat rate in Mozambique is 17% which ranks 109 in the world.

- ✗ **Patent box**
- ✗ **RND credit**
- ✗ **Wealth tax**
- ✓ **Estate tax**
- ✓ **Transfer taxes**
- ✗ **Asset taxes**
- ✗ **Capital duties**

- 8 **Tax treaties**
- 32% **Offshore Tax**
- 32% **Corp rate**
- **Loss carryback years**
- 50 **Corporate time**
- 17% **VAT rate**
- 32% **Capital gains**
- No **AEOI planned**

Mozambique Legalese

When examining a jurisdiction in which to incorporate, the first thing to look at is the legal code. The underlying law in Mozambique is civil law (portuguese) law. You will want to get some local advice as to how to best structure a company in Mozambique. From our research, electronic signatures are not permitted. Get with the program Mozambique, this internet thing is here to stay.

The abbreviation MZ is for Mozambique and the most common company structure in Mozambique is a LLC (Lda).

The average time to incorporate is 26 days to setup a LLC (Lda) in MZ. The min share capitalization is 0, This means you don't have any minimum share capital. The types of cash you can use to fund your legal entity is often any legal currency.

Yes, one is allowed to re-domicile a LLC (Lda) from MZ. You are usually allowed to change the jurisdiction of the company, pending certain procedures.

There must be at least 1 shareholder. This makes it possible for you to own a LLC (Lda) in MZ by yourself. Corporate Shareholders are allowed, meaning you could have a company as a shareholder. Foreign ownership is tolerated, up to % of the ownership of the legal entity.

A company is only required to have one director. Additionally, corporate directors are permitted. Directors should not expect to be private, as they are disclosed. There is a requirement to have annual meetings of shareholders.

A registered legal firm must be retained for an address, paid by the company on an annual basis, for a legal services company which can receive any lawsuit papers on behalf of the company. A related requirement, a company secretary is not a requirement.

There is an obligation to file yearly tax returns. Furthermore, there is oftentimes a requirement to have these accounts audited.

Overall we think Mozambique is a bad option and have given it a score of 27 as an IO score, using the Incorporations.IO proprietary formula.

- ✗ Directors not disclosed in a public registry
- ✗ Shareholders not disclosed in a public registry
- ✓ Redomiciliation permitted
- ✓ Registered office required
- ✓ Corporate director permitted
- ✗ Local Secretary not required
- ✓ Local Director not required
- ✗ Electronic signature

- 1 Shareholders required
- 1 Directors required
- 26 days to form



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Country Info



🚩 National Flag of

**República de
Moçambique (por)**

\$ Currency

MZN

☎ Area Code

+258

🏛 Capital

Maputo

📍 Region

Eastern Africa

🌿 Native Languages

Portuguese