

## ANNEX VI: BUSINESS ACCOUNT REQUIREMENTS

### WHAT TO DO?

The process of opening a bank account for the company begins with an application letter to the commercial bank, which will then trigger the completion of several forms and provision of the applicant's information, which may vary from bank to bank, but is generally related to the following:

- I.** Who will be the signatories and provide for signatures;
- II.** Company's taxpayer number;
- III.** Signatories' taxpayer numbers;
- IV.** Company's updated commercial certificate;
- V.** Company's licence;
- VI.** Company's by-laws published in the official gazette;
- VII.** Power of attorney issued in favour of the signatories or minutes of the company's corporate body meeting in which such signatories were appointed; and
- VIII.** The signatories' identification documents.

In case of bank accounts in foreign currency, an application must be submitted to the Central Bank by the applicant directly or through his or her commercial bank. It is concluded through the submission of a specific form duly completed in which the applicant must indicate the following:

- I.** Name of applicant/account holder;
- II.** Taxpayer number;
- III.** Address;
- IV.** Type of account;
- V.** Type of payments that can be credited in such account, among: (i) exportation of goods revenues; (ii) exportation of services revenues; (iii) payment of cross-border loans; (iv) foreign direct investment; (v) revenues of investment abroad; (vi) revenues in the country – rents and salaries, etc., and (vii) others;
- VI.** Initial amount to be deposited;
- VII.** Justification for the opening of such account; and
- VIII.** Other relevant information.

The applicant's identification documents must also be delivered to the Central Bank and no fee is due. The Central Bank has to decide within 15 days of receipt of all the information requested to the applicant. After obtaining the approval of the Central Bank, the applicant shall notify the commercial banks (if the application process hasn't been intermediated by such bank) in order to conclude the process of opening a bank account in foreign currency.

### WHAT DOCUMENTS AND INFORMATION ARE REQUIRED?

Please refer to the previous point – 'What to do?'

### HOW MUCH TIME WILL IT TAKE?

The opening of bank accounts in local currency, in case of individuals, may take up to two business days, whilst for companies it usually takes up to two weeks. For bank accounts in foreign currency, a period of 15 business days (to obtain the Central Bank approval) shall be added to that time.

### WHAT ARE THE COSTS?

Once the bank account is opened, the holder shall receive a letter indicating the bank account number, NIB (bank identification number) and IBAN (international bank account number), along with the requested bank cards or chequebook.

In relation to the mandatory investment levels, please refer to Step 1, as a minimum foreign investment is only mandatory to be eligible for an investment project approved by the APIEX. Also, the investment to be made, as better explained in Step 1, may be in cash or in equipment.

### INWARD REMITTANCE PROCEDURES

All transactions, acts, deals and operations of all kinds (i) taking place between residents and non-residents and resulting or that may result in payments to or receipts from foreign countries or (ii) that are classified as foreign exchange transactions by law, are governed by the Foreign Exchange Law (Law no. 11/2009 of 11 March) and subject to the limitations and procedures described below. The Foreign Exchange Law also applies to foreign exchange transactions related to foreign investment.

Note that all foreign exchange transactions are subject to registration with the Central Bank, but not all require prior authorization such as foreign exchange transactions classified as current transactions.

The following foreign exchange transactions require approval of the Bank of Mozambique:

- I.** Acquisition and sale of gold and silver coins;
- II.** Export of gold, silver, platinum and other precious metals in bar, ingot or other not-worked form;
- III.** Opening and using accounts by non-residents in domestic currency, when related to capital transactions;
- IV.** Opening and using accounts in foreign currency or in units of account used in international settlements or payments;
- V.** Granting credit to residents in foreign currency, including by means of discounting bills, promissory notes, invoice statements, expressed or payable in domestic or foreign currency, where one party is a non-resident;
- VI.** Purchase and sale of foreign credit securities;
- VII.** Transactions denominated in foreign currency in units of account that involve or may involve total or partial settlement of capital transactions carried out between residents and non-residents;
- VIII.** Transactions denominated in domestic currency in units of account that involve or may involve total or partial settlement of capital transactions carried out between residents and non-residents;
- IX.** Transfer to and receipt from abroad of monetary instruments or means of payment;
- X.** Exchange rate arbitrage; and
- XI.** Import, export or re-export of foreign currency or other means of payment as well as bills of exchange, promissory notes and invoice statements, shares or bonds, whether domestic or foreign, or coupons and public debt securities.

Other capital transactions that require prior authorization by the Bank of Mozambique include the following:

- I.** Foreign direct investment;
- II.** Real estate investment;
- III.** Transactions involving participation units of collective investment undertakings;
- IV.** Opening and using bank accounts with financial institutions abroad;
- V.** Credits related to the transaction of goods or provision of services;
- VI.** Financial loans and credits;
- VII.** Guarantees;
- VIII.** Transfers in execution of insurance contracts;
- IX.** Transactions on securities and other instruments traded on the money and capital;
- X.** Markets;
- XI.** Physical import and export of monetary instruments; and
- XII.** Personal loans.

## THE NEW FOREIGN EXCHANGE REGULATIONS

Current transactions include all payments or receipts in foreign currency that are not for the purpose of transfer of capital. This includes payments due in connection with foreign trade, remittances for family expenses, transfers abroad of the income generated by capital transactions previously approved by the Bank of Mozambique (including dividends from foreign direct investment, interest, dividends and other capital gains on portfolio investment, interest on loans, including shareholders' loans, and income from other forms of capital investment) and other current obligations, under the terms of the newly enacted Foreign Exchange Regulation (Order no. 20/GBM/2017 of 27 December 2017).

The Central Bank is responsible for analysing all applications relating to the importation of funds from abroad and whenever transactions fall under those that require an authorization, the applicant must submit a request to the Central Bank requesting a prior authorization before proceeding with the importation of funds.

The applicant shall justify the request and submit the supporting documentation that, despite varying from case to case, usually includes the identification documents of the parties involved, proof of financial capability and, in some cases, clearance certificates from the tax authorities and Mozambique National Institute of Social Security (INSS) with respect to local vehicles. The Central Bank shall analyse the requests within 15 business days and do not charge any fee for it.

## WHAT WILL YOU OBTAIN?

Upon approval of the application, the foreign investor will receive a letter with the Central Bank's decision. If the letter allows it, it will provide reference numbers of the applicant and parties involved with the Central Bank to be used in any correspondence and a registration request related to that application. If denied, the letter will demand that some requirements are met and suspend approval subject to the fulfilment of the Central Bank's indications.

## WHAT IS THE NEXT STEP?

After obtaining the respective authorization (when applicable) and the funds have been transferred into Mozambique, a registration procedure must be complied with within 90 days of the entry of the funds in the country by completing a form and presenting the supporting documentation.

While the previous foreign exchange regulations established that this registration should be carried out by the intervening parties directly with the Central Bank, according to the new legal regime, the applicant shall submit the documentation and necessary information to the commercial bank that intermediated the respective transaction and the bank shall request the registration of the funds with the Central Bank.

The foreign exchange registration procedure includes: (i) collecting all information about the foreign exchange transaction, including the identity of the parties, the nature, amount, purpose and legitimacy of the transaction; (ii) electronic or manual processing of the information; (iii) the filing of copies of supporting documents; and (iv) the issue of the Foreign Exchange Registration Bulletin (Boletim de Importação de Capitais Privados – BICP).