



ANNEX IV: OBTAINING AN INVESTMENT CERTIFICATE

WHERE TO GO?

Under the Mozambican Investment Law (Law no. 3/93 of 24 June) and Investment Act Regulation (Decree no. 43/2009 of 21 August, as amended), a foreign investor may apply for an investment project (i.e. an investment certificate) through a company or a branch registered in Mozambique with the Agency for Investment and Export Promotion (APIEX), which operates under the tutelage of the Ministry of Trade and Industry. (See Step 2 for more detailed information.)

WHAT TO DO?

Foreign investors (individuals and companies) must comply with certain requirements and procedures, such as the minimum amount to be invested in Mozambique, to be eligible for an investment project with APIEX. This step is one of the first to be taken; deciding whether an investment of at least MT 2.5 million is going to be carried out through equity or any of the other modalities will be met (generating a certain amount of annual turnover, present a certain amount of annual exports or hire at least 25 Mozambicans).

The investment project or investment contract will be registered in the name of the implementing company (if a company has already been incorporated in Mozambique) or under the company name that was already reserved (if the company is still in the process of being incorporated – in this case, for APIEX, the delivery of the company name reserved at the Legal Entities Registrar Office is sufficient).

WHAT DOCUMENTS AND INFORMATION ARE REQUIRED?

The investment project proposal shall be presented in triplicate to APIEX, including for projects that will be located in SEZs or IFTZs and were previously submitted to the GAZEDA.

The application includes submitting the official form duly completed in either English or Portuguese (which used to be available in electronic format, but, given the recent changes in the structure, resulting in the creation of APIEX, the websites are not yet operational and it shall now be requested at the respective establishments), accompanied by the required documents for its analysis, namely:

- I.** Copy of the applicant's identification document;
- II.** Commercial registration certificate or reservation of corporate name of the implementing company;

- III.** Plan or drawing of the location where the project will be implemented or the respective lease agreement; and
- IV.** Copy of the commercial representation licence (only when the project implies the establishment of a foreign commercial representation).

The application form is divided in the following sections:

- I.** Name of project;
- II.** Details of project's representative;
- III.** Project summary (i.e. description of type of project, sector of activity, location of project, brief description of project and land ownership);
- IV.** Project sponsors (i.e. identification of project proponents, name of implementing company and share capital distribution);
- V.** Financing of project (i.e. total investment value and proposed sources of financing);
- VI.** Technical details of project (i.e. description of the main infrastructure, technology to be used, details of products to be produced, raw material inputs and sources, chemical products to be used, quantity and sources of water and electricity, fuel, raw material inputs, destination of final goods, labour requirement, salary and level of skill, and environmental information);
- VII.** Investment breakdown schedule, which shall reflect the implementing company's financial plan for the first five years of implementation (or for a lesser period); and
- VIII.** Tables to be completed to request exemption from Customs duties, detailing the goods to be imported.

The information provided by the applicant shall be as complete as possible (being only necessary to fill in the applicable fields) and, despite being an estimate that the foreign investors commit to (especially in relation to the amount of investment), it shall be as true as possible. Note that, since the information provided to APIEX is an estimate, at any time it is allowed to request an amendment to the terms and conditions initially proposed and approved.

Lastly, APIEX may always, during the analysis period of the proposals submitted and taking into account the nature and dimension of the project, request additional information deemed relevant to their decision.



HOW MUCH TIME WILL IT TAKE?

The analysis of the proposals submitted by the applicants usually takes between two and four weeks, even though the law establishes different timelines (such as three to five business days or 30 business days for higher investments – which may be the time taken despite the investments not fulfilling such requirement).

The APIEX should then notify the applicants within 48 hours after a decision has been made by the competent committee informing if it has been approved or not.

WHAT ARE THE COSTS?

The APIEX charges a fee for each investment project, calculated on the total amount to be invested by the foreign investors, at a rate of 1/1000, e.g. if the total investment amounts to \$200,000, the fee due will be \$200. This fee is paid after conclusion of the analysis of the proposal by APIEX and prior to the issuance of the Terms of Authorization, further detailed below.

WHAT WILL YOU OBTAIN?

Once APIEX has approved the investment project proposal, it will issue the Terms of Authorization (in Portuguese, Termos de Autorização), which details the following:

- I.** Identification of the project proponents;
- II.** Project name and scope of business;
- III.** Identification of the implementing company;
- IV.** Location;
- V.** Amount and means of investment;
- VI.** Benefits and guarantees;
- VII.** Number of national workforce and foreign workforce to be employed;
- VIII.** Deadline and conditions for the commencement of the operations;
- IX.** Any other conditions that may be relevant.

The Terms of Authorization (which is an agreement with the Mozambican Government) shall be archived at the company's head office.

WHAT IS THE NEXT STEP?

Once the investment project proposal is approved and the Terms of Authorization are issued, its implementation must occur within 120 days (unless another deadline has been set in the authorization). The foreign investor must also register the direct foreign investment with the Bank of Mozambique within 90 days of the date of authorization by the relevant authority or of the actual entry of the amount of the investment, in order to comply with the foreign exchange legislation.

- For doing so, the investor must submit a letter to the Central Bank, accompanied by the respective bank slip, which contains the transfer of funds and a duly completed form.