
INVESTMENT LAW

By: Álvaro Duarte & Karen Aly

Law no. 8/2023 of 9 June (“New Investment Law”) was published in the Gazette of the Republic no. 111, 1st Series. It revokes Law no. 3/93 of 24 June (“Previous Investment Law”) and will come into force 90 days after its publication, which is on 07 September 2023.

The new Investment Law establishes the legal framework, the bases and the general principles applicable to the implementation of private investments in the Republic of Mozambique and eligible to the enjoyment of guarantees and fiscal and non-fiscal incentives.

Below we present the main novelties introduced by the legislator:

- i. The extension of the scope of application of the Private Investment Law to include undertakings and public-private partnerships, large-scale projects and business concessions, as well as the application of benefits to undertakings of an economic nature related to the processing, marketing and transport of mining and/or petroleum products (when not regulated by specific legislation) provided that such activities are carried out by entities which are exclusively dedicated to the development of such activities (article 2);
- ii. The investment policy enshrined the following general principles: the respect for the right to property and other real rights, competition and ethics among economic agents, respect for free economic initiative and the guarantee of free movement of goods and capital (article 4);
- iii. The addition of the protection and enhancement of the values of natural resources as an investment goal, as well as the detailing of already existing investment goals (article 5);
- iv. The provision of investors' duties, as well as their social responsibility (article 22 e 13);

- v. The addition of forms of direct national investment, namely: the assignment of the Right of Use and Utilization of Land (DUAT), the incorporation of technologies and knowledge susceptible to pecuniary valuation, the application of capital in national territory within the scope of reinvestment (article 15);
- vi. The increase in the forms of foreign direct investment, namely: the provision of specialized services from abroad for the benefit of economic projects in the country, the conversion of the value of Mozambique's foreign debt, relative to loans and financing registered with the competent authority, the application of capital in national territory within the scope of reinvestment (article 16);
- vii. The possibility of establishing, within national territory, industrial parks and special economic zones, industrial free zones and fast development zones with special tax, customs, labour or foreign exchange regimes, under the terms to be regulated by a specific statute approved by the Council of Ministers (article 20);
- viii. The provision for offences resulting from non-compliance with the mandatory provisions of the law and the respective penalties (article 27 e 28).