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## THE RULES AND PROCEDURES FOR CARRYING OUT FOREIGN EXCHANGE TRANSACTIONS

### NOTICE NO. 3/GBM/2024

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**Notice no. 3/GBM/2024** was published on 20 March 2024, setting out the rules and procedures for carrying out foreign exchange transactions. With the publication of this Notice, Notice no. 20/GBM/2017 - Regulation of the Foreign Exchange Law and other separate Notices amending Notice no. 20/GBM/2017 were revoked, namely: Notice no. 3/GBM/2022, Notice no. 6/GBM/2020, Notice no. 10/GBM/2019, Notice no. 5/GBM/2019, Notice no. 7/GBM/2018 and Notice no. 11/GBM/2018.

The Notice entered into force 30 days after his publication.

#### Main changes:

- a) Form for carrying out foreign exchange transactions: a form has been introduced for carrying out foreign exchange transactions containing the terms of the applicant's declaration, in which the applicant assumes and confirms the veracity of the information provided, the authenticity of the documents and that they are informed about the foreign exchange rules relating to the transaction.
- b) Declaration of assets: residents are required to declare to the Central Bank the assets generated, acquired or held abroad, namely: (i) assets of a real nature, real estate and movable property subject to registration of ownership; (ii) securities and rights totaling the equivalent of USD 250,000.00 or more. The first declaration must be made within 30 days of the acquisition, generation or holding of the asset abroad, and must be updated by 31 March of each calendar year. It should also be noted that assets generated, acquired or held by foreign citizens before they became resident are exempt from the obligation to declare.
- c) Repatriation: the duty to repatriate income from the export of goods and services and income from investment abroad is maintained; income from credits and loans granted abroad is treated as income from investment abroad.
- d) Payments and receipts abroad: for payments and receipts abroad and for capital operations and other foreign exchange operations not subject to authorization by Central Bank, after notifying the banks and requesting them to send information and supporting documents, clients have 30 days to send them, at the risk of the funds being returned.
- e) Terms of Commitment: In import and export processes, the parties involved must ensure that the terms of commitment are associated with the single document. The intermediary bank can approve the term of

commitment for which payment was made by means of a bank card issued by it, provided that the payment for the import of goods was not for commercial purposes. Please note that, it is forbidden to make payments to settle imports of goods for commercial purposes using a bank card, but it is free to use this means of payment for other purposes. To this end, the bank must prove the legitimacy of the transaction, which consists of confirming the movement in the account associated with the card, which must be equal to the value of the commitment term.

- f) Investment in Mozambique by non-resident entities: financial credits, shareholder loans, credits from a related company, supplementary or ancillary instalments whose disbursement is conditional on the issue of state guarantees are not authorized, unless the Attorney General's Office provides a favorable opinion, which must mention, in the applicable cases, authorization by the competent body.
- g) Debiting foreign currency accounts: debiting foreign currency accounts in domestic transactions is done by converting them into the national currency. Exceptions are, among other things, when the debit is for the purpose of setting up a term deposit, provided that the minimum maturity is 3 months.
- h) Contributions to complementary social security: registration for complementary social security abroad by residents or non-residents of the country no longer requires prior approval from the Bank of Mozambique; however, a contract proposal and a favorable opinion from the pension fund regulator and supervisor must be submitted.