

CHANGES TO THE SIMPLIFIED TAX FOR SMALL TAXPAYERS

LAW NO. 9/2025 OF DECEMBER 29

By: Gisela Vaz

Law No. 9/2025 of December 29 was approved, introducing changes and republishing Law No. 5/2009 of January 12, which creates the Simplified Tax for Small Taxpayers ("STST"). This law came into force on January 1, 2026, with the following changes:

- i.** Extension of the scope of the STST to the following activities: forestry, fishing, livestock, agriculture, poultry and beekeeping, small-scale industrial and commercial activities, including handicrafts and services.
- ii.** The annual billing limit increased from MZN 2.500.000,00 to MZN 4.000.000,00.
- iii.** The STST is not available to individuals or legal entities that:
 - a) have shares in other commercial companies registered with the STST;
 - b) have shares in public limited companies and other companies where it is not possible to identify the shareholders;
 - c) carry out activities other than those provided for in point (i) of this article;
 - d) distribute their activity across several establishments;
 - e) provide professional services, such as lawyers, economists, geologists, engineers, accountants, to the same entity for a period exceeding 183 days during the year;
 - f) provide other services not provided for in the STST Code.
- iv.** Natural persons who do not carry out an activity but perform any taxable transaction are considered STST taxpayers, provided that such transaction meets the requirements for the actual levying of Personal Income Tax;
- v.** Taxpayers who opt for STST taxation on the transfer of goods and provision of services are not subject to Value Added Tax, and the income obtained is not subject to Personal Income Tax or Corporate Income Tax;
- vi.** The STST taxation period has been changed to a quarterly basis, as opposed to the annual basis previously applicable;
- vii.** New progressive tax rates have been introduced to replace the previous fixed annual rate of MZN 75.000,00 or the alternative of 3% of turnover, as follows:
 - a) Commercial, industrial, agricultural, and related activities:
 - 3% – up to MZN 1.000.000,00;
 - 4% – from MZN 1,000,001.00 to MZN 2.500.000,00;

- 5% – from MZN 2.500.001,00 to MZN 4.000.000,00.
 - b) Provision of plumbing, carpentry, masonry, electrical, barber, gardening, and mechanical services: 12%;
 - c) Liberal professions such as lawyers, economists, geologists, accountants, engineers, consultants, among others: 15%;
 - d) Excess of the maximum limit: 20% on the excess portion.
- viii.** Liberal professions now have a maximum period of 5 years of permanence in the STST, regardless of annual turnover;
- ix.** STST taxpayers are required to issue an invoice or equivalent document for each transfer of goods or provision of services, as well as to register them;
- x.** There is no requirement to pay the quarterly STST installment when the application of taxes on sales or services rendered results in a tax payable of less than MZN 500.00.