

Flash News 06 /04/2020

DECLARATION OF THE STATE OF EMERGENCY IN MOZAMBIQUE

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Following the publication of the following legal diplomas, namely: (i) Law no. 1/2020, of 31 March, which ratifies the Declaration of the State of Emergency ("Law") and Presidential Decree no. 11/2020, of 30 March, which declares the State of Emergency in Mozambique ("Decree"), Decree no. 12/2020, of 2 April, that approves the administrative implementing measures and of preventing and containment of the spread of COVID-19 in Mozambique ("Implementing Measures").

Among the strong measures to limit the entry and exit of people at crossing points and airports, the closure of educational and professional education establishments, the limitation of the performance of certain activities, namely religious and funeral ceremonies, and the establishment of certain duties of the media outlets, we must highlight the following:

Compulsory Quarantine:

The following are subject to home quarantine: (i) all persons who have entered Mozambique in the last two weeks, therefore, since March 15, 2020; (ii) all those who have had direct contact with confirmed cases of COVID-19; (iii) those which the health authorities determine. Hospital visits were reduced to a maximum of two people per day and hospital visits to patients with COVID-19 are prohibited.

Special protection:

Special protection measures were approved for people: (i) aged 60 years or over (ii) carriers of a disease, considered of risk, according to the guidelines of the health authorities, namely, the immunocompromised, kidney patients, hypertensive, diabetic, cardiovascular patients, patients with chronic respiratory diseases and cancer patients; (iii) pregnant women.

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Suspension of issuance of documents:

The issuance of the following documents has been suspended: travel, civil identification, with the exception of birth and death registration; marriage certificate; property registration; criminal record, vehicle registration, registration of legal entities; driving license; booklet and property titles; licenses; and unique tax identification number.

Suspension and cancellation of visas and visa suppression agreements:

The issuance of entry visas has been canceled and visas already issued have been cancelled. On the other hand, visa suppression agreements have been suspended.

Validity of expired official documents:

The following expired documents will be valid until 30 June 2020, namely, the following: (i) identity card; (ii) driving license; (iii) identification and residence document for foreigners and temporary visas; and (iv) *verbete* of importation of motor vehicles.

Licenses and Authorisations:

They remain valid regardless of the length of the respective period.

Prohibited and closed activities:

All cultural, recreational and sporting activities in public spaces were banned. The following activities and establishments were closed: nightclubs; games rooms; bars and tents for the sale of alcoholic beverages; sports gyms, with the exception of therapeutics activities; public swimming pools; gymnasium pavilions; recreational activities such as collective training and official or recreational collective games; playgrounds; museums; libraries; theaters; and monuments and the like, except in the case of State ceremonies, provided that the maximum limit of 20 (twenty) participants is observed. On the other hand, it has been forbidden to go to beaches for leisure reasons, except in cases of fishing activity, and the holding of fairs and exhibitions has been suspended.

Functioning of public and private institutions:

Public and private entities remain in operation, and are required to adopt COVID-19 prevention and control measures, namely the following: (i) interpersonal distance of at least 1.5m; (ii) cough etiquette; (iii) frequent hand washing; (iv) disinfecting of facilities and equipment and not sharing personal use utensils; (v) airing of the facilities and reduction, in meetings or places of agglomeration, the number of

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Note: It was decreed to reduce the number of workers to no more than 1/3 (one third), with a rotation of service teams every 15 days. During the period of the reduction, the employer must adopt mechanisms that ensure the continuation of work at home, subject to conditions.

Duties for public and private entities in operation:

A duty was established to adopt individual protection measures for workers in activity during the State of Emergency. Note that the main conclusions to remember at this stage are:

- (i) the companies may operate normally until otherwise indicated, provided that they adopt security measures; and/ or
- (ii) it will be up to each company, at least at this stage, to make the decision to close or create flexible work mechanisms. We emphasize in any case that the conclusions presented fit in a scenario of uncertainty and omissions both in the Law and Decree, therefore, there is always the risk that the Public Authorities will interpret or proceed in a different direction from the one presented in the note *supra*.

Labour aspects:

The termination of legal-labour relations has been prohibited on the grounds of absence of workers from the workplace, as a result of measures taken to prevent and control COVID-19.

Leases:

A measure was provided for leases, resulting in the prohibition of evictions of tenants in the lease agreements for housing purposes, without releasing the tenant from the duty to pay the rent due.

Markets:

The markets remain in operation, between 6 am and 5 pm. No measures were provided for informal street markets, except for the general prohibitions in force and applicable to the agglomeration of people.

Licensing to importation of essential goods:

Licensing of food, medicines, biosafety material, diagnostic tests and other essential products is subject to the exceptional licensing regime.

Tax aspects:

Regarding tax aspects, it was established that the payment of taxes on the importation of food, medicine and other essential goods is subject to *a posteriori* regularization regime, nothing more referring to other taxes, meaning that tax obligations remain in force.

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Bank credits:

As for the credits granted by credit institutions and financial companies, it has been established that interpellations, constitution of default and executions resulting from the delay in fulfilling obligations that cannot be fulfilled due to the application of the Implementing Measures, are null and void. Note in this regard that measures have been provided in regards to other financial operations, transactions and contracts in general, thus leaving room for discussion and a possible framework in the State of Emergency (or its cause) as situations of (i) force majeure; (ii) fortuitous or onerous.

Note for the companies:

The Implementing Measures have been in force since 3 April 2020. The information in this newsletter is of a general nature and without prejudice of a detailed analysis case to case. We, thus, make ourselves available to clarify any further questions which may arise from the measures imposed, affecting your business.