



LEGAL NEWS

Mozambique

August through October 2018

OIL & GAS

PETROLEUM OPERATIONS REGULATIONS AMENDED

By means of Decree No. 48/2018, of 6 August 2018, the Council of Ministers amended two articles of the Petroleum Operations Regulations, enacted by Decree No. 34/2015, of 12 October 2015. On the one hand, it is clarified that only the companies incorporated and registered in accordance with Mozambican law, with registered office in the Country and held in their majority by Mozambican citizens are subject to the requirement of registration with the Mozambique Stock Exchange after the approval of a Development Plan. On the other hand, the amount above which the concessionaires are required to launch a public tender for the procurement of goods and services was increased to MZN 80 million (around USD 1.3 million). The amendments came into force on 7 August 2018.

APPROVAL OF NEW PETROLEUM EXPLORATION AND PRODUCTION CONCESSION CONTRACTS (EPCC)

Council of Ministers approved, through Decrees Nos. 52/2018, 53/2018, 54/2018, 55/2018, 56/2018 and 57/2018, all of 3 September 2018, the terms of six new EPCCs for the following areas:

- (i) Angoche offshore area (A5-A and A5-B);

- (ii) Zambeze Delta offshore area (Z5-C and Z5-D);
- (iii) Mazenga onshore area; and
- (iv) Pande and Temane onshore area (PT5-C).

PETROLEUM PRODUCTS CHARACTERISTICS SUBJECT TO NEW CONTROL MECHANISM

The Ministry of Energy and Mineral Resources (MIREME) approved, by means of Ministerial Statute No. 90/2018, of 11 October 2018, a new mechanism aimed at ensuring the quality of petroleum products produced, imported, stored, distributed or traded in the Country and their compliance with the specifications in force. The new rules and procedures became effective on 12 October 2018.

MODEL REPORT FOR FUEL STOCKS' MONITORING

Via Ministerial Statute No. 91/2018, of 11 October 2018, MIREME approved a new model report for the monitoring of the stocks of fuel traded in-Country and fuel in transit, when stored in the national territory. The distribution and storage license holders shall henceforth have to submit to MIREME a weekly fuel stock monitoring report.

FOREIGN EXCHANGE

SUPPLEMENTARY RULES AND PROCEDURES TO THE SPECIAL FOREIGN EXCHANGE REGIME FOR OIL AND GAS OPERATIONS

The Bank of Mozambique approved, by way of Notice No. 7/GBM/2018, of 12 September 2018, supplementary rules for the execution of foreign exchange transactions relating to the funding of the activities of the concessionaires, special purpose entities and non-resident affiliated entities. The Notice, which came into force on 13 September 2018, brings in greater flexibility in carrying out foreign exchange transactions, for example through a cash pooling mechanism between resident and non-resident entities.

CONVERSION OF REMITTANCES FROM ABROAD SUBJECT TO NEW TERMS

In view of the need to clarify the terms applicable to the conversion into national currency of goods and services export proceeds, income from external investments and other funds received from abroad, the Bank of Mozambique issued Notice No. 8/GBM/2018, of 16 October 2018. By virtue of this Notice, it is clarified that the conversion shall be made in accordance with the purchase exchange rate of the commercial bank involved in the transaction.

REAL ESTATE

NEW REAL ESTATE REGISTRATION CODE

By means of Decree-Law No. 2/2018, of 23 August 2018, the Council of Ministers approved the new Real Estate Registration Code and created the Real Estate Registry Integrated System. The new Code aims at improving the efficiency and effectiveness of the registration services through the use of technological means in the registry and notary offices. In force since 21 November 2018, the new Code revoked the former Real Estate Registration Code, approved by Decree-Law No. 47,611, of 28 March 1967.

BANKING

LOAN GRANTING RATIOS SUBJECT TO NEW CALCULATION RULES

New requirements to be observed by credit institutions in granting loans to their clients were set by the Bank of Mozambique, as per Notice No. 9/GBM/2018, of 29 October 2018. Consequently, as of 30 October 2018, the loan-to-value (LTV) ratio and the debt-to-income (DTI) ratio became subject to new calculation forms and information, as well as new limits.

IDENTIFICATION REQUIREMENTS FOR CREDIT INSTITUTIONS OF SYSTEMIC IMPORTANCE

On 29 October 2018, the Bank of Mozambique approved Notice No. 10/GBM/2018, which sets forth the requirements to determine the credit institutions having systemic importance (D-SIBs), meaning those whose financial imbalance or insolvency may cause significant disruption in the financial system and the economy overall. Henceforth, the Bank of Mozambique shall annually publish the list of credit institutions deemed D-SIBs or almost D-SIBs by 30 April.

TAX

PERSONAL INCOME TAX CODE REGULATIONS AMENDED

By means of Decree No. 51/2018, of 31 August 2018, of the Council of Ministers the Personal Income Tax Code Regulations were amended and republished. It is worth highlighting the amendments concerning the deadlines for the filing of tax returns, as well as those pertaining to the cooperation amongst governmental bodies, in particular between the municipalities and the Tax Authority. The amendments came into force on 1 September 2018.

CRIMINAL

MARITIME ENACTMENT OF NEW FRAMEWORK FOR PREVENTION, REPRESSION AND FIGHT AGAINST TERRORISM

Through Law No. 5/2018, of 2 August 2018, the Assembly of the Republic enacted the specific legal framework applicable to the prevention, repression and fight against terrorism. Other than providing for a comprehensive definition of the terrorism criminal offence, the new statute sets forth the sanctions applicable to those who practice acts of terrorism or are members of terrorist organizations, including the freezing, seizure and loss of funds and assets. In force since 18 August 2018, the new Law revokes Article 382 of the Criminal Code, approved by Law No. 35/2014, of 31 December 2014, and is still to be regulated by the Council of Ministers.

ENVIRONMENT

RADIOLOGIC PROTECTION WITH NEW RULES

The Council of Ministers approved, via Decree No. 49/2018, of 21 August 2018, the new regulations setting forth the rules for the use of ionizing radiation sources or generators. In force since 22 August of 2018, the new rules apply to all entities carrying out this type of activities.

INVESTMENT

INTERNAL REGULATIONS OF INVESTMENT AND EXPORTS PROMOTION AGENCY (APIEX) GAZETTED

The Ministry of Industry and Commerce approved the internal regulations of APIEX, by way of Ministerial Statute No. 78/2018, of 10 August 2018. The new regulations, which came into force on 11 August 2018, details the powers of APIEX, its internal structure and financial and asset management matters. Other noteworthy provisions pertain to the confidential duty to which all APIEX officials are subject and the mandatory issuance of receipt for all payments made in consideration for APIEX services.

MARITIME

NEW TRAINING AND CERTIFICATION STANDARDS FOR SEAFARERS

The Council of Ministers approved, by means of Decree No. 63/2018, of 25 October 2018, the Regulations on the Training, Certification and Watchkeeping for Seafarers, thus repealing Decree No. 44/2001, of 21 December 2001. The new regulations, which came into force on 26 October 2018, provides for the standards applicable to national and foreign seafarers having watch-keeping duties, namely in connection with records and medical fitness, as well as the training and certification

procedures.

CONTAINER GROSS WEIGHT VERIFICATION AND DECLARATION REGULATED

So as to ensure safe transportation of containers, the Council of Ministers approved, by way of Decree No. 58/2018, of 4 September 2018, the Regulations on the Mandatory Verification and Declaration of Container Gross Weight. The general requirements of such verification and declaration, the gross weight determination methods and the responsibilities of each party intervening in the transportation chain are thus established. The new rules came into effect on 5 September 2018.

MARITIME LABOUR CONVENTION RATIFIED

The Parliament, through Resolution No. 5/2018, of 18 September 2018, ratified the Maritime Labour Convention and related Amendments, adopted on 23 February 2006 and 9 June 2016. The Convention, which became effective in Mozambique as of 19 September 2018, aims at ensuring better working conditions for seafarers.

For further information about the content of this Legal News, please contact:

Paulo Pimenta

Paulo.Pimenta@mirandalawfirm.com