



LEGAL NEWS

Mozambique

May through July 2019

OIL & GAS

MEASURES TO ENABLE ROVUMA BASIN LIQUIFIED NATURAL GAS (LNG) PROJECT APPROVED

Resolutions Nos. 29/2019 and 30/2019 and Decree No. 47/2019, all of 5 June 2019, which set forth a set of measures to enable Rovuma Basin LNG undertakings were approved. By way of such statutes the Government approved:

- (i) the Development Plan regarding the Area 4 LNG Project, to enable the construction of two offshore LNG trains;
- (ii) the Unitization and Unit Operations Agreement entered into in 2105 between the Rovuma Block Area 1 and Area 4 Concessionaires;
- (iii) the terms and conditions of the Supplementary Agreement to the Petroleum Exploration and Production Concession Contract for Area 4.

APPROVAL OF FINANCING STRUCTURE FOR GOLFINHO/ATUM LNG PROJECT

Through Decree No. 51/2019, of 12 June 2019, the Council of Ministers approved the financing structure for the Golfinho/Atum LNG Project in Area 1 of the Rovuma Block. The financing structure approval allowed the subsequent final investment decision in connection with this project which was announced by the Area 1 Concessionaires.

TAX AND CUSTOMS

EXCEPTIONAL REGIME FOR SETTLEMENT OF TAX DEBTS

In order to foster the tax debts collection process and incentivize taxpayers to settle their tax status, the Parliament approved, by means of Law No. 1/2019, of 30 May 2019, an exceptional regime for settlement of tax debts, which entailed the granting of an exemption of all penalties, interest and court costs arising from national or local taxes, as well as from the failure to fulfill ancillary obligations. This special regime will only be in force for 12 months as of 31 May 2019.

LOCAL MUNICIPALITIES TO COLLABORATE WITH TAX AUTHORITIES

The Ministry of Economy and Finance approved, by means of Ministerial Statute No. 71/2019, of 15 July 2019, the Regulations on Collaboration of Local Municipalities in the Collection of Personal Income Tax – Fourth Category. Henceforth, Local Municipalities will have access to the Tax Authorities data base in respect of rented properties to confirm whether all the information is accurate and complete. The Local Municipalities shall report to the Tax Authorities information on rented properties, including copies of the existing rental agreements.

NEW CUSTOMS CLEARANCE REGULATIONS

By means of Ministerial Statute No. 51/2019, of 24 May 2019, the Ministry of Economy and Finance approved the new Customs Clearance Regulations, thus repealing the Ministerial Statute No. 16/2012, of 1 February 2012. Among other matters, the Regulations provide for the mandatory custom procedures, including the customs agents' duties, the necessary documentation for custom clearance and the corresponding deadlines.

CORPORATE & COMMERCIAL

INSOLVENCY ADMINISTRATOR STATUE APPROVED

The Council of Ministers approved, through Decree No. 36/2019, of 16 May 2019, the Insolvency Administrator Statute. The regime to which the Insolvency Administrator is subject while performing its duties, the appointment requirements, the ethical guidelines that shall guide his activity, as well as the applicable disciplinary procedures are thus regulated. The statute came into force on 14 August 2019.

TRANSPORTS

NEW REGULATIONS ON TRANSPORT IN MOTOR VEHICLES AND TRAILERS

By means of Decree No. 35/2019, of 10 May 2019, the Council of Ministers approved the Regulations on Transport in Motor Vehicles and Trailers, thus repealing Decree No. 11/2009, of 29 May 2009, on the same subject. New rules and procedures applicable to transportation of passengers and/or cargo in these vehicles, including international transport, are thus set forth. The Regulations came into force on 8 July 2019.

TRANSPORT OF DANGEROUS CARGO WITH NEW RULES

The Council of Ministers approved, by means of Decree No. 50/2019, of 10 June 2019, the Regulations on the Road Transportation of Dangerous Cargo. Among other matters, the new statute sets forth strict transport conditions for vehicles, including the certification and inspection procedures to be carried out by the relevant authorities, involved in this type of transportation, the required on-board documentation and safety equipment. The new Regulations shall enter into force on 11 September 2019.

BANKING

ENHANCED REGULATIONS FOR INVESTMENT FUNDS

The Bank of Mozambique issued Order No. 6/GBM/2019, of 27 May 2019, thereby establishing prudential ratios and limits for Investment Funds and Investment Funds' Management Companies. This Order came into force on 28 May 2019.

TELECOMMUNICATIONS

HIGHER PROTECTION FOR TELECOMMUNICATIONS' CONSUMERS

The Council of Ministers approved, by way of Decree No. 44/2019, of 22 May 2019, the Regulations on Protection of the Telecommunication Service's Consumer, which lays down the rights and obligations for both parties, including the right to privacy, security and the complaints mechanisms. The Regulations, which entered into force on 22 July 2019, applies to all telecommunications services' providers for public use, as well as to consumers.

NEW COMPETITION RULES FOR TELECOMMUNICATIONS' MARKET

With a view to ensure fair competition amongst telecommunications operators, the Council of Ministers approved the Regulations to Determine the Operator with a Significant Position in the Telecommunications Market through Decree No. 46/2019, of 23 May 2019. The Operators deemed to have a dominant position are henceforth subject to new obligations, both in terms of reporting of accounting or technical information to the Regulatory Authority and in terms of adjusting their prices to prevent the dominant position. These Regulations also establish a penalty regime.

STATE

MOZAMBIQUE DIGITAL CERTIFICATION SYSTEM CREATED

In order to ensure a safe electronic environment, the Council of Ministers approved, through Decree No. 59/2019, of 3 July 2019, the Mozambique Digital Certification System (SCDM), including the rules applicable to such system. The SCDM applies to physical and legal persons, either public or private, and provides for an electronic trust system that allows the (i) execution of electronic transactions, (ii) safe authentication and (iii) authenticity, integrity, confidentiality and legal validity of electronic signatures in electronic transactions or documents.

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