

## LEGAL ALERT

### AMENDMENT TO THE INVESTMENT LAW REGULATION

Decree no. 20/2021, of 13 April, was published, amending the Investment Law Regulation, approved by Decree no. 43/2009, of 21 August (previously revised by Decree no. 48/2013, of 13 September).

#### **Main objective:**

Following the creation of the Agency for the Promotion of Investment and Exports (“APIEX”) in 2016, the Council of Ministers has decided to adapt the Investment Law Regulation to the new institutional framework regarding the coordination of investment processes as well as to the current context which is focused in attracting and facilitating domestic and foreign investment. The main changes are the following:

#### **a) Competent entities**

The Minister who oversees the area of Finance becomes the competent entity to coordinate the investment processes under the terms of the Investment Law (Law no. 3/93, of 24 June). APIEX is the entity responsible for the provision of institutional assistance to investors, during the implementation and effective realization of authorized projects, as well as monitoring and verification of compliance with the project’s terms of authorization and the provisions of the foreign investment legislation.

#### **b) New minimum investment amount**

The minimum amount of foreign direct investment was fixed at the equivalent of MZN 2,500,000.00. Now, it has been increased to MZN 7,500,000.00, for the purpose of guaranteeing the right to transfer profits and re-exportable invested capital.

Also, the minimum value of annual exports of goods and services is increased from MZN 1,500,000.00 to MZN 4,500,000.00 as one of the eligibility requirements of the foreign investor's right to transfer profits and re-exportable invested capital.

**c) Transfer of investor's position in an investment project authorization**

The transfer of the investor's position is allowed but requires an express and justified request to the entity that authorized the project and must be submitted to APIEX along with proof of compliance of the relevant tax obligations.

**d) Hiring foreign workers**

An authorization for hiring foreign workers must be made by means of a request addressed to the competent entity, with the knowledge of APIEX.

**e) Additional rules applicable to Special Zones**

The applications to create Integrated Tourism Resort Zones ("ITRZ") and of Industrial Free Zones ("IFZ") must include (besides other documents): (i) an economic and financial feasibility study; and (ii) a plan for hiring national workforce and professional interns. The certification of Special Economic Zone ("SEZ") Operators and ITRZ Companies requires, in addition to the other documents, a plan for hiring national workforce and professional interns. Also, the initial investment to be made by companies wishing to be located out of the zone of an IFZ area and benefit from the applicable regime has now increased from MZN 25,000,000.00 to MZN 75,000,000.00.

HRA Advogados

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