

## LEGAL ALERT

### NEW INVESTMENT LAW

Law no. 8/2023, of June 9<sup>th</sup>, was recently published, which revokes the Law no. 3/93, of June 24<sup>th</sup> (previous Investment Law), which approves the new Investment Law, entering into force 90 days after its publication, that is, on August 10<sup>th</sup>, 2023.

The new Investment Law establishes the legal framework, the bases and the general principles applicable to the implementation of private investments at the Republic of Mozambique and eligible to the guarantees and tax and non-tax incentives, having been approved to address the need to promote improvements in the investment and business environment in Mozambique, and to adapt the legislative framework to the current context and dynamics of the national, regional and world economy, considering the profound changes that have occurred since the previous Investment Law came into force.

We present a brief comparative note on the main differences between the previous Investment Law and the new Investment Law, in which we highlight the main novelties introduced by the legislator in this regard:

- The extension of the scope of application of the private investment law, which now includes undertakings and public-private partnerships, large-scale projects and business concessions as beneficiaries (if they wish) of the guarantees and tax and non-tax incentives brought in by the regime of this new law;
- The extension of the application of the benefits to the undertakings of an economic nature related with the processing, marketing and transport of mining and petroleum products, and others – when not regulated by specific legislation – provided that such activities are carried out by entities exclusively dedicated to the development of the said activities;
- The express establishment as general principles of investment policy, of the principles of respect for the law and other real rights, of competition and ethics among economic agents,

of respect for the economic initiative and the guarantee of free circulation of goods and capitals;

- The specification of the already existing investments objectives and, as well as the addition of the protection and increase of the values of natural resources as an investment objective;
- The increase of forms of national direct investment such as, for example, the transfer of the Right of Land Use and Enjoyment (DUAT – *Direito de Uso e de Aproveitamento de Terra*), the inclusion of technologies and knowledge susceptible of pecuniary evaluation, among others;
- The increase of forms of foreign direct investment such as, for example, the provision of specialized services from abroad for the benefit of economic projects in the country, the conversion of the value of Mozambique's external debt, related to the loans and financing registered with the competent authority, among others;
- The possibility of creating within the national territory, industrial parks and special economic zones, industrial free zones and rapid developing zones with special tax, customs, labour or foreign exchange regimes;
- The provision of the investor's duties and their social responsibility;
- The provision of infractions resulting from non-compliance with some of the mandatory provisions of the above law and the corresponding sanctions.

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