

A World Bank Group Flagship Report

16TH EDITION

# DOING BUSINESS 2019

## Training for Reform

### Economy Profile Mozambique



Comparing Business Regulation  
for Domestic Firms in **190** Economies

## ***Economy Profile of Mozambique***

*Doing Business 2019 Indicators  
(in order of appearance in the document)*

<b>Starting a business</b>	Procedures, time, cost and paid-in minimum capital to start a limited liability company
<b>Dealing with construction permits</b>	Procedures, time and cost to complete all formalities to build a warehouse and the quality control and safety mechanisms in the construction permitting system
<b>Getting electricity</b>	Procedures, time and cost to get connected to the electrical grid, and the reliability of the electricity supply and the transparency of tariffs
<b>Registering property</b>	Procedures, time and cost to transfer a property and the quality of the land administration system
<b>Getting credit</b>	Movable collateral laws and credit information systems
<b>Protecting minority investors</b>	Minority shareholders' rights in related-party transactions and in corporate governance
<b>Paying taxes</b>	Payments, time, total tax and contribution rate for a firm to comply with all tax regulations as well as post-filing processes
<b>Trading across borders</b>	Time and cost to export the product of comparative advantage and import auto parts
<b>Enforcing contracts</b>	Time and cost to resolve a commercial dispute and the quality of judicial processes
<b>Resolving insolvency</b>	Time, cost, outcome and recovery rate for a commercial insolvency and the strength of the legal framework for insolvency
<b>Labor market regulation</b>	Flexibility in employment regulation and aspects of job quality

## About Doing Business

The *Doing Business* project provides objective measures of business regulations and their enforcement across 190 economies and selected cities at the subnational and regional level.

The *Doing Business* project, launched in 2002, looks at domestic small and medium-size companies and measures the regulations applying to them through their life cycle.

*Doing Business* captures several important dimensions of the regulatory environment as it applies to local firms. It provides quantitative indicators on regulation for starting a business, dealing with construction permits, getting electricity, registering property, getting credit, protecting minority investors, paying taxes, trading across borders, enforcing contracts and resolving insolvency. *Doing Business* also measures features of labor market regulation. Although *Doing Business* does not present rankings of economies on the labor market regulation indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business, it does present the data for these indicators.

By gathering and analyzing comprehensive quantitative data to compare business regulation environments across economies and over time, *Doing Business* encourages economies to compete towards more efficient regulation; offers measurable benchmarks for reform; and serves as a resource for academics, journalists, private sector researchers and others interested in the business climate of each economy.

In addition, *Doing Business* offers detailed [subnational reports](#), which exhaustively cover business regulation and reform in different cities and regions within a nation. These reports provide data on the ease of doing business, rank each location, and recommend reforms to improve performance in each of the indicator areas. Selected cities can compare their business regulations with other cities in the economy or region and with the 190 economies that *Doing Business* has ranked.

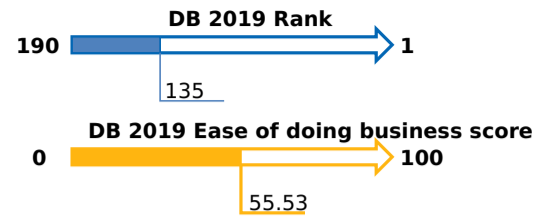
The first *Doing Business* report, published in 2003, covered 5 indicator sets and 133 economies. This year's report covers 11 indicator sets and 190 economies. Most indicator sets refer to a case scenario in the largest business city of each economy, except for 11 economies that have a population of more than 100 million as of 2013 (Bangladesh, Brazil, China, India, Indonesia, Japan, Mexico, Nigeria, Pakistan, the Russian Federation and the United States) where *Doing Business* also collected data for the second largest business city. The data for these 11 economies are a population-weighted average for the 2 largest business cities. The project has benefited from feedback from governments, academics, practitioners and reviewers. The initial goal remains: to provide an objective basis for understanding and improving the regulatory environment for business around the world.

More about [Doing Business](#) (PDF, 5MB)

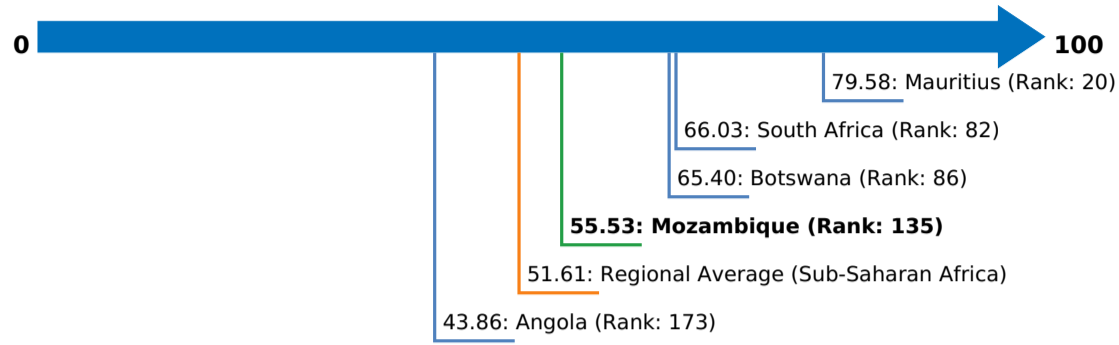
Ease of Doing Business in Mozambique



Region	Sub-Saharan Africa
Income Category	Low income
Population	29,668,834
City Covered	Maputo

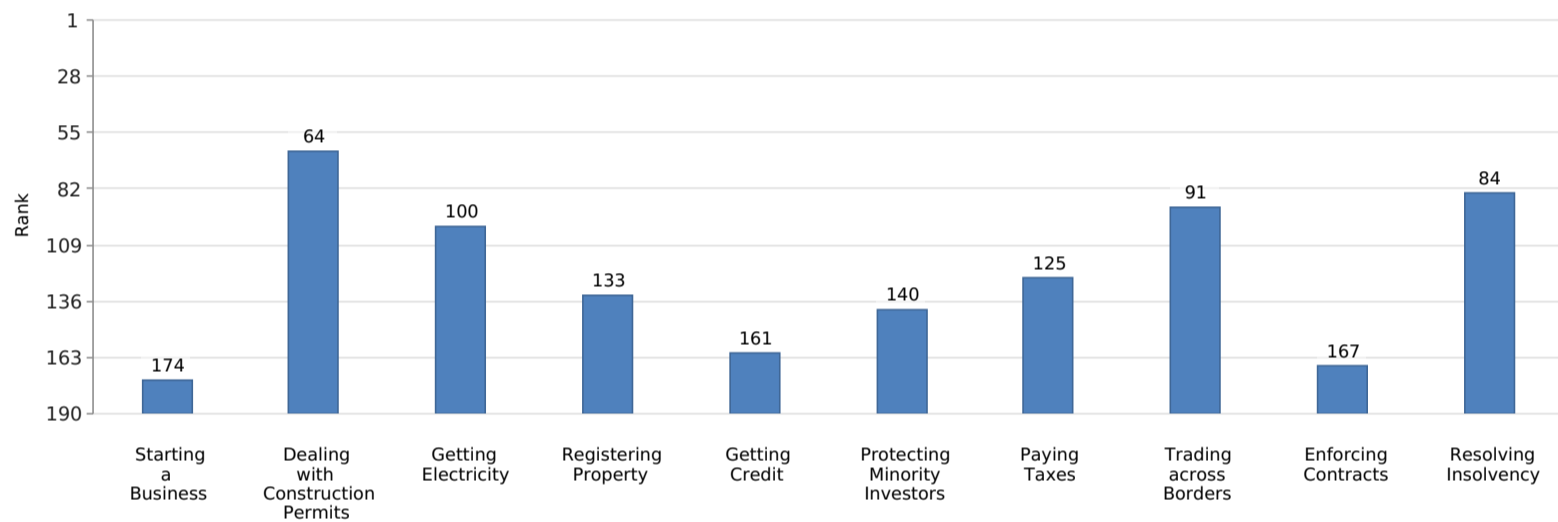


DB 2019 Ease of Doing Business Score

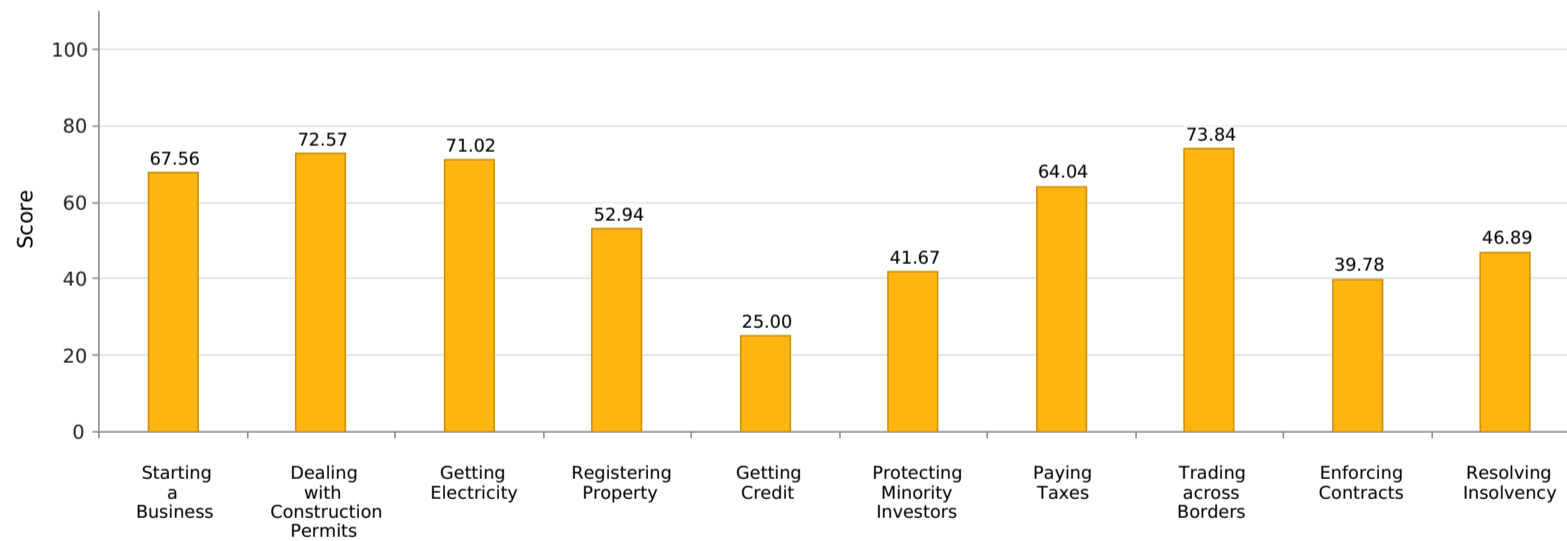


Note: The ease of doing business score captures the gap of each economy from the best regulatory performance observed on each of the indicators across all economies in the *Doing Business* sample since 2005. An economy's ease of doing business score is reflected on a scale from 0 to 100, where 0 represents the lowest and 100 represents the best performance. The ease of doing business ranking ranges from 1 to 190.

Rankings on Doing Business topics - Mozambique



Ease of Doing Business Score on Doing Business topics - Mozambique



## Starting a Business

This topic measures the number of procedures, time, cost and paid-in minimum capital requirement for a small- to medium-sized limited liability company to start up and formally operate in each economy's largest business city.

To make the data comparable across 190 economies, *Doing Business* uses a standardized business that is 100% domestically owned, has start-up capital equivalent to 10 times the income per capita, engages in general industrial or commercial activities and employs between 10 and 50 people one month after the commencement of operations, all of whom are domestic nationals. Starting a Business considers two types of local limited liability companies that are identical in all aspects, except that one company is owned by 5 married women and the other by 5 married men. The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to legally start and formally operate a company (number)

- Preregistration (for example, name verification or reservation, notarization)
- Registration in the economy's largest business city
- Postregistration (for example, social security registration, company seal)
- Obtaining approval from spouse to start a business or to leave the home to register the company
- Obtaining any gender specific document for company registration and operation or national identification card

#### Time required to complete each procedure (calendar days)

- Does not include time spent gathering information
- Each procedure starts on a separate day (2 procedures cannot start on the same day)
- Procedures fully completed online are recorded as ½ day
- Procedure is considered completed once final document is received
- No prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- No professional fees unless services required by law or commonly used in practice

#### Paid-in minimum capital (% of income per capita)

- Funds deposited in a bank or with third party before registration or up to 3 months after incorporation

### Case study assumptions

To make the data comparable across economies, several assumptions about the business and the procedures are used. It is assumed that any required information is readily available and that the entrepreneur will pay no bribes.

#### The business:

- Is a limited liability company (or its legal equivalent). If there is more than one type of limited liability company in the economy, the most common among domestic firms is chosen. Information on the most common form is obtained from incorporation lawyers or the statistical office.
- Operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- The entire office space is approximately 929 square meters (10,000 square feet).
- Is 100% domestically owned and has five owners, none of whom is a legal entity; has a start-up capital of 10 times income per capita and has a turnover of at least 100 times income per capita.
- Performs general industrial or commercial activities, such as the production or sale of goods or services to the public. The business does not perform foreign trade activities and does not handle products subject to a special tax regime, for example, liquor or tobacco. It does not use heavily polluting production processes.
- Leases the commercial plant or offices and is not a proprietor of real estate and the amount of the annual lease for the office space is equivalent to the income per capita.
- Does not qualify for investment incentives or any special benefits.
- Has at least 10 and up to 50 employees one month after the commencement of operations, all of whom are domestic nationals.
- Has a company deed that is 10 pages long.

#### The owners:

- Have reached the legal age of majority. If there is no legal age of majority, they are assumed to be 30 years old.
- Are sane, competent, in good health and have no criminal record.
- Are married and the marriage is monogamous and registered with the authorities.
- Where the answer differs according to the legal system applicable to the woman or man in question (as may be the case in economies where there is legal plurality), the answer used will be the one that applies to the majority of the population.

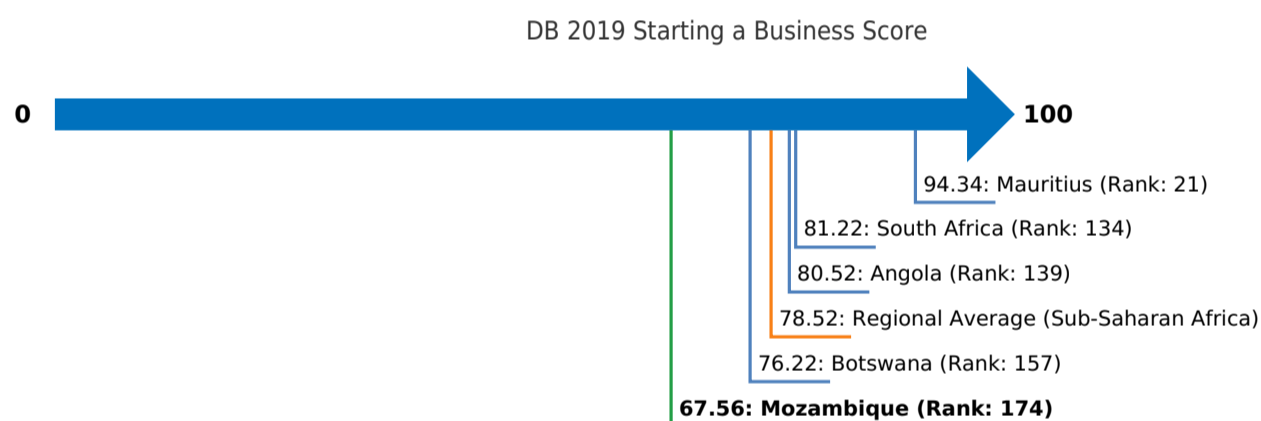
## Starting a Business - Mozambique

## Standardized Company

Legal form	Sociedade por Quotas (LDA) - Closely-Held Limited Liability Company
Paid-in minimum capital requirement	MZN 0
City Covered	Maputo

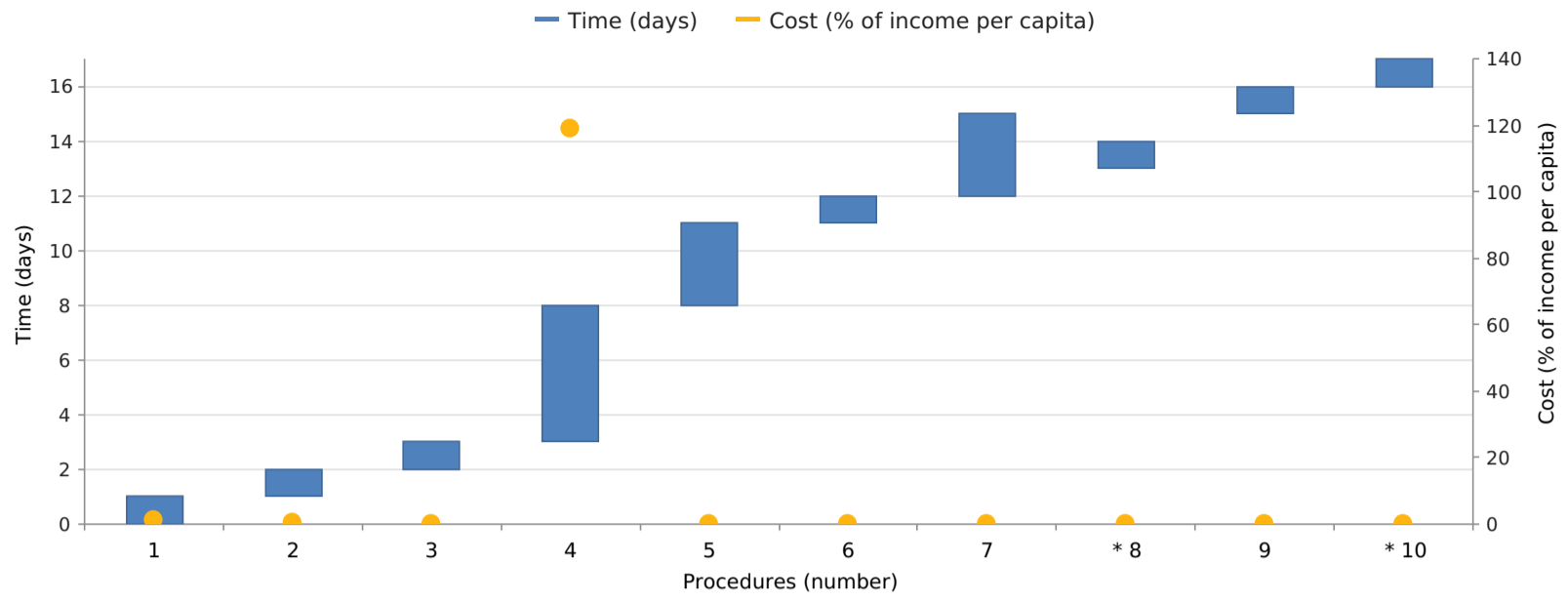
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedure - Men (number)	10	7.4	4.9	1 (New Zealand)
Time - Men (days)	17	23.3	9.3	0.5 (New Zealand)
Cost - Men (% of income per capita)	120.5	44.4	3.1	0.0 (Slovenia)
Procedure - Women (number)	10	7.6	4.9	1 (New Zealand)
Time - Women (days)	17	23.4	9.3	0.5 (New Zealand)
Cost - Women (% of income per capita)	120.5	44.4	3.1	0.0 (Slovenia)
Paid-in min. capital (% of income per capita)	0.0	10.0	8.6	0.0 (117 Economies)

Figure - Starting a Business in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of starting a business is determined by sorting their scores for starting a business. These scores are the simple average of the scores for each of the component indicators.

Figure - Starting a Business in Mozambique - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

## Details - Starting a Business in Mozambique - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a certificate of name reservation (certidão de reserva de nome)</b>  <i>Agency</i> : Legal Entities Registrar of Maputo (Conservatória do Registo das Entidades Legais)</p> <p>One must verify the availability of the company name. The Registrar Office's administrative system was computerized, and name verification can be done in a day. The certificate of name reservation costs MZN 200 and the application form costs MZN 100.</p>	1 day	MZN 300
2	<p><b>Sign the company deed before a notary</b>  <i>Agency</i> : One-Stop Shop (Balcão de Atendimento Único)</p> <p>According to Article 90 of Commercial Code, the Articles of Association are issued in written form and signed by all partners in the presence of a notary. There is no need for a public deed. The partners' identification documents must be submitted. This can be done at the notary's office, at the One-Stop-Shop (Balcão de Atendimento Único) or at the Legal Entities Registrar (Conservatoria do Registo das Entidades Legais). The fee charged can be found in the Fee Schedules of the Legal Entities Registrar (Tabela de Emolumentos do Registo das Entidades Legais) in Diploma Ministerial Diploma 2/2016.</p>	1 day	MZN 100
3	<p><b>Open a bank account and pay the company registration fees</b>  <i>Agency</i> : Bank</p> <p>The registration fees can be paid by a deposit at a bank or using the "kiosk" at the Legal Entities Registrar of Maputo (Conservatória do Registo das Entidades Legais). For companies with annual sales (or volume de negócios) above MZN 2,500,000, according to the Tax department a bank account in the company's name would be required for tax registration purposes.</p>	1 day	included in Procedure 4
4	<p><b>Register the company and request the publication of the company statutes in the official gazette (Boletim da República)</b>  <i>Agency</i> : Legal Entities Registrar of Maputo (Conservatória do Registo das Entidades Legais)</p> <p>In order to register a company, the signed Articles of Association must be submitted at the Legal Entities Registrar. Registration fees vary according to the share capital of the company. A fixed fee of MZN 1,450 applies for each registration, plus: amounts of the company's capital up to MZN 5 million are taxable at a 0.4% rate, and amounts exceeding MZN 5 million are taxable at a 0.03% rate. This fee is published in the Fee Schedules of the Legal Entities Registrar (Tabela de Emolumentos do Registo das Entidades Legais) in Diploma Ministerial 2/2016 of January 6. A Registry Certificate is issued once the registration process has been completed.</p> <p>The company's statutes must be published in the Official Gazette (Boletim da República). The Imprensa Nacional of Mozambique is the institution in charge of the Gazette. Applicants must submit a hard copy and a digital copy of the publication summary to the Imprensa Nacional in Maputo.</p> <p>The total payable amount for publishing the statutes extract will vary according to the number of pages of the company's statutes, and it is estimated by the Imprensa Nacional. The fee for publication of the Articles of Association is MZN 2,820 per 25-line page (Diploma Ministerial nº 79/2017 of December 27). Applicants must make the corresponding payment to the Imprensa Nacional's bank account and submit a copy of the payment receipt to the Imprensa Nacional. The Legal Entities Registrar coordinates the publication of the company statutes in the Official Gazette, which are also published online at <a href="http://www.portaldogoverno.gov.mz/por/Governo/Legislacao/Boletins-da-Republica">http://www.portaldogoverno.gov.mz/por/Governo/Legislacao/Boletins-da-Republica</a>.</p>	5 days	see procedure details
5	<p><b>Register for taxes and obtain a Unique Tax Identification Number (NUIT)</b>  <i>Agency</i> : Tax Department (Repartição de Finanças)</p> <p>The company must be registered at the tax department (Repartição de Finanças). In order to apply for a NUIT (tax ID), two copies of M/01C form must be filled out and submitted to the Tax Authority. In addition, the following documents must be submitted: the partners' personal NUIT, the certificate of name reservation and the company's registry certificate.</p>	3 days	no charge



6	<p><b>Notify the commencement of business at the One-Stop Shop</b>  <i>Agency</i> : One-Stop Shop (Balcão de Atendimento Único)</p> <p>Depending on its sector of activity, a newly-established company would be required to submit a notification of commencement of business or to obtain a business license. Companies in sectors such as clothing, shoes, office supplies shops, or service providers in legal, accounting and engineering areas, can notify the One-Stop Shop (Balcão de Atendimento Único) of their commencement of business at no cost.</p> <p>The requirements for submitting a notification of commencement of business are:</p> <ul style="list-style-type: none"> <li>i) Application form;</li> <li>ii) A copy of a valid Identification Document or Passport or Driving License or Professional Registration Card or Voter Registration Card (for Mozambican citizens);</li> <li>iii) A legal entity registration certificate or copy of the publication of the articles of association in the Government Gazette (Boletim da República) and proof of the quality of the applicant, for legal persons;</li> <li>iv) Copy of the proof of issuance of the NUIT (Unique Tax Identification Number).</li> </ul> <p>For some other sectors, a simplified business license must be obtained at the One-Stop Shop with payment of a fee of 50% the minimum wage for the public sector.</p>	1 day	no charge
7	<p><b>Declare the beginning of activity and register employees with the Provincial Directorate of Labor, Employment and Social Security</b>  <i>Agency</i> : Provincial Directorate of Labor, Employment and Social Security (Direcção Provincial do Trabalho, Emprego e Segurança Social)</p> <p>The company must notify the beginning of any activity, admission of employees and the schedule of work hours at the Provincial Directorate of Labor. The three documents can be submitted together. The declaration of commencement of activity and the communication of the workers' admission can be done the same day, but the validation of the schedule of work hours by the Provincial Directorate of Labor takes 3 days.</p> <p>In addition, it is necessary to notify the staff nominal roll to the Provincial Employment Center. This can be done online on the Ministry of Labour, Employment and Social Security website (<a href="http://www.mitess.gov.mz:7081/FolhaNominal/RG/RegistarEmpresa.aspx">http://www.mitess.gov.mz:7081/FolhaNominal/RG/RegistarEmpresa.aspx</a>). The company must complete and submit the staff nominal roll within 30 days of its declaration of commencement of activity (as per Diploma Ministerial n° 104/2015 of November 27) and update it every April based on data from the previous month. The following documents must be attached for the staff's nominal roll relation: license, declaration of commencement of activity, NUIT (tax ID) assignment statement and declaration of attribution of the Taxpayer Number by the INSS (social security agency).</p>	3 days	no charge
8	<p><b>Declare the beginning of activity at the tax department</b>  <i>Agency</i> : Tax Department (Repartição de Finanças)</p> <p>For VAT and corporate income tax purposes, the beginning of business activity must be notified at least 15 days before the actual starting date. After the documentation is submitted and registered, the applicant receives the original stamped M/02 form and a letter signed by the Director of the Tax Authority indicating the date of start of activity.</p>	1 day (simultaneous with previous procedure)	no charge
9	<p><b>Register the company and the employees with the National Social Security Institute (INSS)</b>  <i>Agency</i> : National Social Security Institute (Instituto Nacional de Segurança Social, INSS)</p> <p>The applicant must register the company and those employees who are still not registered with the social security system within 15 days of the start of business activity, as per Decree n° 51/2017 of December 3.</p> <p>The company's registration must be done in person and the following information should be submitted: an approved copy of the M/02 form for tax registration, identity documentation, birth certificate or DIRE, Unique Tax Identification Number (NUIT) and the Business License. These documents can be submitted within 30 days of their date of issuance. Once the company is registered a password is provided, and employees can be registered online by completing an electronic form available on the Social Security website (<a href="http://www3.inss.gov.mz/Seguranca/Acesso/Login?ReturnUrl=%2f">http://www3.inss.gov.mz/Seguranca/Acesso/Login?ReturnUrl=%2f</a>).</p> <p>In order to confirm and issue each beneficiary's identity card, the company is required to submit the following documents within 30 days of registering the employees:</p> <ul style="list-style-type: none"> <li>a) Valid identity documentation, birth certificate or DIRE</li> <li>b) Unique Tax Identification Number (NUIT)</li> </ul>	1 day	no charge
10	<p><b>Subscribe to a workers' compensation insurance coverage</b>  <i>Agency</i> : Insurance company</p> <p>The company must have a group insurance plan (seguro colectivo) covering every employee from workplace accidents and occupational illnesses that are not covered by the Social Security Health System, as per Article 231 of Law 23/2007. It is not required to submit any documents regarding the insurance. However, the company must have the documents available in case of inspection or of an employee's accident or illness.</p>	1 day (simultaneous with previous procedure)	no charge

⇄ Takes place simultaneously with previous procedure.

## Dealing with Construction Permits

This topic tracks the procedures, time and cost to build a warehouse—including obtaining necessary the licenses and permits, submitting all required notifications, requesting and receiving all necessary inspections and obtaining utility connections. In addition, the Dealing with Construction Permits indicator measures the building quality control index, evaluating the quality of building regulations, the strength of quality control and safety mechanisms, liability and insurance regimes, and professional certification requirements. The most recent round of data collection was completed in May 2018. [See the methodology for more information](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally build a warehouse (number)</b></p> <ul style="list-style-type: none"> <li>• Submitting all relevant documents and obtaining all necessary clearances, licenses, permits and certificates</li> <li>• Submitting all required notifications and receiving all necessary inspections</li> <li>• Obtaining utility connections for water and sewerage</li> <li>• Registering and selling the warehouse after its completion</li> </ul>	<p>To make the data comparable across economies, several assumptions about the construction company, the warehouse project and the utility connections are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day—though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The construction company (BuildCo):</b></p> <ul style="list-style-type: none"> <li>- Is a limited liability company (or its legal equivalent) and operates in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Is 100% domestically and privately owned; has five owners, none of whom is a legal entity. Has a licensed architect and a licensed engineer, both registered with the local association of architects or engineers. BuildCo is not assumed to have any other employees who are technical or licensed experts, such as geological or topographical experts.</li> <li>- Owns the land on which the warehouse will be built and will sell the warehouse upon its completion.</li> </ul>
<p><b>Cost required to complete each procedure (% of income per capita)</b></p> <ul style="list-style-type: none"> <li>• Official costs only, no bribes</li> </ul>	<p><b>The warehouse:</b></p> <ul style="list-style-type: none"> <li>- Will be used for general storage activities, such as storage of books or stationery.</li> <li>- Will have two stories, both above ground, with a total constructed area of approximately 1,300.6 square meters (14,000 square feet). Each floor will be 3 meters (9 feet, 10 inches) high and will be located on a land plot of approximately 929 square meters (10,000 square feet) that is 100% owned by BuildCo, and the warehouse is valued at 50 times income per capita.</li> <li>- Will have complete architectural and technical plans prepared by a licensed architect. If preparation of the plans requires such steps as obtaining further documentation or getting prior approvals from external agencies, these are counted as procedures.</li> <li>- Will take 30 weeks to construct (excluding all delays due to administrative and regulatory requirements).</li> </ul>
<p><b>Building quality control index (0-15)</b></p> <ul style="list-style-type: none"> <li>• Quality of building regulations (0-2)</li> <li>• Quality control before construction (0-1)</li> <li>• Quality control during construction (0-3)</li> <li>• Quality control after construction (0-3)</li> <li>• Liability and insurance regimes (0-2)</li> <li>• Professional certifications (0-4)</li> </ul>	<p><b>The water and sewerage connections:</b></p> <ul style="list-style-type: none"> <li>- Will be 150 meters (492 feet) from the existing water source and sewer tap. If there is no water delivery infrastructure in the economy, a borehole will be dug. If there is no sewerage infrastructure, a septic tank in the smallest size available will be installed or built.</li> <li>- Will have an average water use of 662 liters (175 gallons) a day and an average wastewater flow of 568 liters (150 gallons) a day. Will have a peak water use of 1,325 liters (350 gallons) a day and a peak wastewater flow of 1,136 liters (300 gallons) a day.</li> <li>- Will have a constant level of water demand and wastewater flow throughout the year; will be 1 inch in diameter for the water connection and 4 inches in diameter for the sewerage connection.</li> </ul>

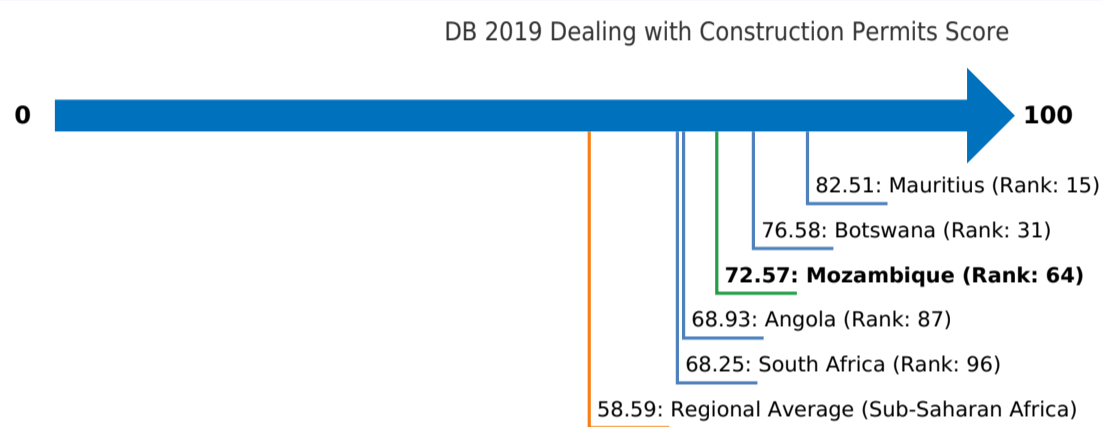
Dealing with Construction Permits - Mozambique

Standardized Warehouse

Estimated value of warehouse	MZN 1,289,849.80
City Covered	Maputo

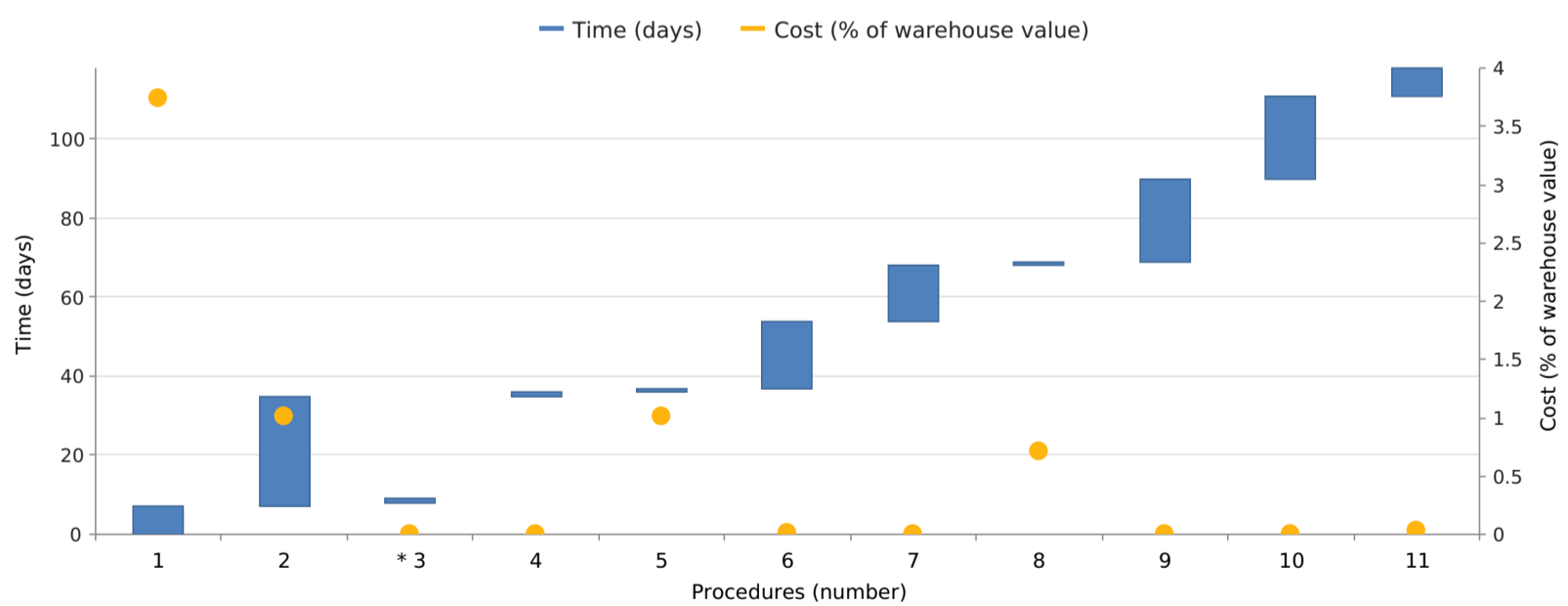
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	11	14.7	12.7	None in 2017/18
Time (days)	118	145.7	153.1	None in 2017/18
Cost (% of warehouse value)	6.5	8.8	1.5	None in 2017/18
Building quality control index (0-15)	11.0	8.5	11.5	15.0 (3 Economies)

Figure - Dealing with Construction Permits in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of dealing with construction permits is determined by sorting their scores for dealing with construction permits. These scores are the simple average of the scores for each of the component indicators.

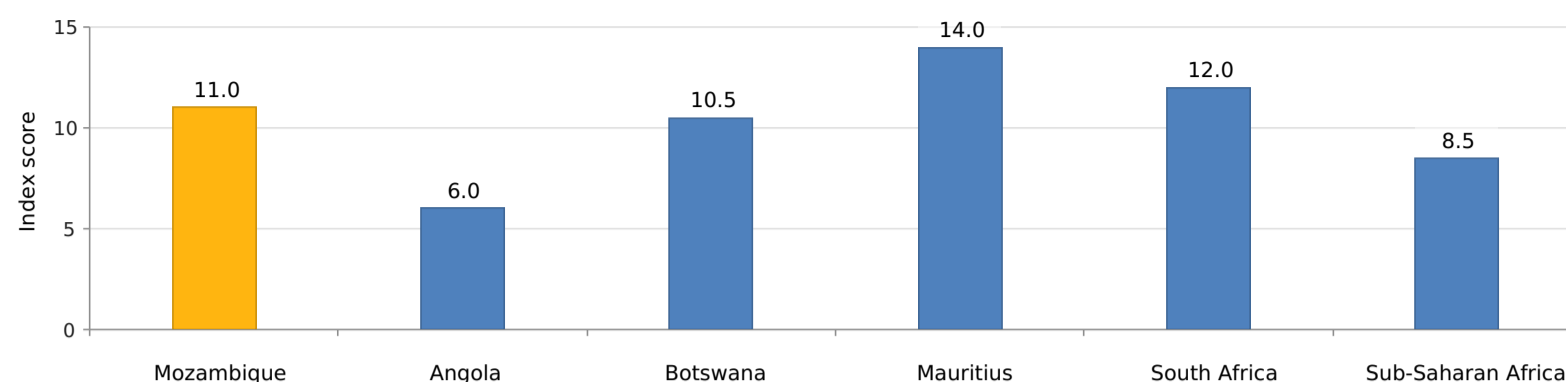
Figure - Dealing with Construction Permits in Mozambique - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Dealing with Construction Permits in Mozambique and comparator economies - Measure of Quality



## Details - Dealing with Construction Permits in Mozambique - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<b>Obtain results of topographic study</b> <i>Agency : Private licensed company</i>	7 days	USD 785
2	<b>Request and obtain building permit from the Department of Construction and Urbanization</b> <i>Agency : Municipal Council of Maputo City - Department of Construction and Urbanization</i> <p>Before obtaining the building permit, BuildCo must also obtain the right to the use and enjoyment of the land from the Municipal Council of Maputo City. According to Article 19 of Law 19/97 of 1 October and Article 24/2 of Decree No. 66/98 of 8 December, an exploration plan must be obtained prior to requesting an approval for the right to the use and enjoyment of the land and it costs MZN 320. Obtaining the right to the use and enjoyment of the land from the Municipal Council of Maputo City is often a timely procedure which can sometimes take several months and costs MZN 750. However, these procedures are not recorded because the Doing Business case study assumptions state that BuildCo already owns the land that it intends to build the warehouse on. For the building permit, BuildCo must submit an application to the Municipal Council with the full detailed plan attached.</p> <p>BuildCo has the right to make a request of prior information to the authority responsible for issuing the building permit, in order to be informed about the planning instruments for the area, as well as the requirements to be met for the construction. The validity of the building permit and the renewal and extension cannot exceed 10 years (Article 27 of Decree No. 2/2004 of March 31).</p>	28 days	MZN 13,006
3	<b>Receive inspection from Municipality - I</b> <i>Agency : Municipal Council of Maputo City</i> <p>Inspections may occur during construction. According to the law, 2 - 3 inspections should be carried out by the Municipal Council and by the Labor Inspectorate. However, in practice, these inspections rarely occur. When they are undertaken, these inspections are announced by the inspector, who informs BuildCo of the inspection date. Normally, an inspection is carried out when the concrete is poured. BuildCo must keep a construction book where all the important information about the construction is entered. The inspectors use this book to check the actual state of the construction, as well as its conformity with the submitted project.</p>	1 day	no charge
4	<b>Receive inspection from Municipality - II</b> <i>Agency : Municipal Council of Maputo City</i> <p>Once this phase of construction is achieved, BuildCo. is apt to receive another inspection.</p>	1 day	no charge
5	<b>Request water and sewage connection</b> <i>Agency : Water Department</i> <p>Upon the termination of the inspection phase, BuildCo. is ready to request the water and sewage services.</p>	1 day	MZN 13,069
6	<b>Receive inspection and obtain approval of the plumbing plan from the Water Department</b> <i>Agency : Water Department</i> <p>BuildCo must supply the (layout) drawings. The typical waiting time for the approval is about 3 weeks.</p>	17 days	MZN 151
7	<b>Obtain connection to water and sewage</b> <i>Agency : Water Department</i> <p>Upon the reception of the inspection by the utility company, connection can be received.</p>	14 days	no charge

8	<p><b>Request final inspection for occupancy permit and certidão de benfeitoria</b>  <i>Agency</i> : Municipal Council of Maputo City – Department of Construction and Urbanization</p> <p>BuildCo can request a final inspection only when the construction is fully complete. The final inspection must take place within 30 days of the request. Under the new initiative of streamlining the process of building control and fighting corruption the Municipality of Maputo requires the request for the final inspection to be made at the main office of the Department of Construction and Urbanization. The rationale behind this step is that before, companies would request the final inspection from their respective district office of the Department of Construction and Urbanization where they could possibly have already established personal ties. These ties might have been used to wield their favorable decision.</p> <p>According to Decree No. 2/2004 of March 31 the cost associated to this procedure is 5 MZN per square meter for the certidao de benfeitorias and 2 MZN per square meter for the occupancy permit. Therefore, the total cost is <math>7 \times 1300.6 = 9104.2</math> MZN.</p>	1 day	MZN 9,104
9	<p><b>Receive final inspection</b>  <i>Agency</i> : Municipal Council of Maputo City and other departments (Fire, Health, Water, etc.)</p> <p>The final inspection is carried out by the Fire Department, the Health Department, the Water Department, and other relevant agencies. This inspection is coordinated by the Municipal Authority, and its cost is included in the fee for the occupancy permit.</p>	21 days	no charge
10	<p><b>Obtain occupancy permit</b>  <i>Agency</i> : Municipal Council of Maputo City – Department of Construction and Urbanization</p> <p>Once the final inspection is complete, BuildCo can request the Occupancy permit. And in order to do so, it is necessary to submit the certificate of improvements, pay all relevant taxes, and attach the building permit. At the same time, the owner should obtain the certidao de benfeitorias, which is a certificate of the works done on the land. This certificate needs to be presented at the land registry for the first registration.</p>	21 days	no charge
11	<p><b>Register the new building at the Property Registry</b>  <i>Agency</i> : Property Registry (Conservatória do Registo Predial)</p> <p>Finally, BuildCo. is ready to register the new warehouse. For that purpose, it is necessary to register the building for real property tax purposes. BuildCo must present the occupancy permit. So it cannot be simultaneous with the previous procedure. According to Article 3, Paragraph 1 of the Ministerial Diploma N.º 19/98 of 4 March, the registration cost is MZN 200.00. However, other fees are added to this charge such as administrative costs (MZN 150) and the fee for a new certificate (MZN 75) to issue the registration certificate.</p>	7 days	MZN 425

⚡ Takes place simultaneously with previous procedure.

## Details - Dealing with Construction Permits in Mozambique - Measure of Quality

	Answer	Score
<b>Building quality control index (0-15)</b>		<b>11.0</b>
<b>Quality of building regulations index (0-2)</b>		<b>1.0</b>
How accessible are building laws and regulations in your economy? (0-1)	Available online; Free of charge.	1.0
Which requirements for obtaining a building permit are clearly specified in the building regulations or on any accessible website, brochure or pamphlet? (0-1)	List of required documents; Fees to be paid.	0.0
<b>Quality control before construction index (0-1)</b>		<b>1.0</b>
Which third-party entities are required by law to verify that the building plans are in compliance with existing building regulations? (0-1)	Licensed architect; Licensed engineer.	1.0
<b>Quality control during construction index (0-3)</b>		<b>2.0</b>
What types of inspections (if any) are required by law to be carried out during construction? (0-2)	Inspections by in-house engineer; Unscheduled inspections.	1.0
Do legally mandated inspections occur in practice during construction? (0-1)	Mandatory inspections are always done in practice.	1.0
<b>Quality control after construction index (0-3)</b>		<b>3.0</b>
Is there a final inspection required by law to verify that the building was built in accordance with the approved plans and regulations? (0-2)	Yes, final inspection is done by government agency.	2.0
Do legally mandated final inspections occur in practice? (0-1)	Final inspection always occurs in practice.	1.0
<b>Liability and insurance regimes index (0-2)</b>		<b>0.0</b>
Which parties (if any) are held liable by law for structural flaws or problems in the building once it is in use (Latent Defect Liability or Decennial Liability)? (0-1)	No party is held liable under the law.	0.0
Which parties (if any) are required by law to obtain an insurance policy to cover possible structural flaws or problems in the building once it is in use (Latent Defect Liability Insurance or Decennial Insurance)? (0-1)	No party is required by law to obtain insurance .	0.0
<b>Professional certifications index (0-4)</b>		<b>4.0</b>
What are the qualification requirements for the professional responsible for verifying that the architectural plans or drawings are in compliance with existing building regulations? (0-2)	Minimum number of years of experience; University degree in architecture or engineering; Being a registered architect or engineer.	2.0

What are the qualification requirements for the professional who supervises the construction on the ground? (0-2)

Minimum number of years of experience; 2.0  
University degree in engineering, construction or construction management;  
Being a registered architect or engineer.

## ⚡ Getting Electricity

This topic measures the procedures, time and cost required for a business to obtain a permanent electricity connection for a newly constructed warehouse. Additionally, the reliability of supply and transparency of tariffs index measures reliability of supply, transparency of tariffs and the price of electricity. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Procedures to obtain an electricity connection (number)

- Submitting all relevant documents and obtaining all necessary clearances and permits
- Completing all required notifications and receiving all necessary inspections
- Obtaining external installation works and possibly purchasing material for these works
- Concluding any necessary supply contract and obtaining final supply

#### Time required to complete each procedure (calendar days)

- Is at least 1 calendar day
- Each procedure starts on a separate day
- Does not include time spent gathering information
- Reflects the time spent in practice, with little follow-up and no prior contact with officials

#### Cost required to complete each procedure (% of income per capita)

- Official costs only, no bribes
- Value added tax excluded

#### The reliability of supply and transparency of tariffs index (0-8)

- Duration and frequency of power outages (0-3)
- Tools to monitor power outages (0-1)
- Tools to restore power supply (0-1)
- Regulatory monitoring of utilities' performance (0-1)
- Financial deterrents limiting outages (0-1)
- Transparency and accessibility of tariffs (0-1)

#### Price of electricity (cents per kilowatt-hour)\*

- Price based on monthly bill for commercial warehouse in case study

\*Note: *Doing Business* measures the price of electricity, but it is not included in the ease of doing business score nor the ranking on the ease of getting electricity.

### Case study assumptions

To make the data comparable across economies, several assumptions about the warehouse, the electricity connection and the monthly consumption are used.

#### The warehouse:

- Is owned by a local entrepreneur and is used for storage of goods.
- Is located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Is located in an area where similar warehouses are typically located and is in an area with no physical constraints. For example, the property is not near a railway.
- Is a new construction and is being connected to electricity for the first time.
- Has two stories with a total surface area of approximately 1,300.6 square meters (14,000 square feet). The plot of land on which it is built is 929 square meters (10,000 square feet).

#### The electricity connection:

- Is a permanent one with a three-phase, four-wire Y connection with a subscribed capacity of 140-kilo-volt-ampere (kVA) with a power factor of 1, when 1 kVA = 1 kilowatt (kW).
- Has a length of 150 meters. The connection is to either the low- or medium-voltage distribution network and is either overhead or underground, whichever is more common in the area where the warehouse is located and requires works that involve the crossing of a 10-meter road (such as by excavation or overhead lines) but are all carried out on public land. There is no crossing of other owners' private property because the warehouse has access to a road.
- Does not require work to install the internal wiring of the warehouse. This has already been completed up to and including the customer's service panel or switchboard and the meter base.

#### The monthly consumption:

- It is assumed that the warehouse operates 30 days a month from 9:00 a.m. to 5:00 p.m. (8 hours a day), with equipment utilized at 80% of capacity on average and that there are no electricity cuts (assumed for simplicity reasons) and the monthly energy consumption is 26,880 kilowatt-hours (kWh); hourly consumption is 112 kWh.
- If multiple electricity suppliers exist, the warehouse is served by the cheapest supplier.
- Tariffs effective in January of the current year are used for calculation of the price of electricity for the warehouse. Although January has 31 days, for calculation purposes only 30 days are used.



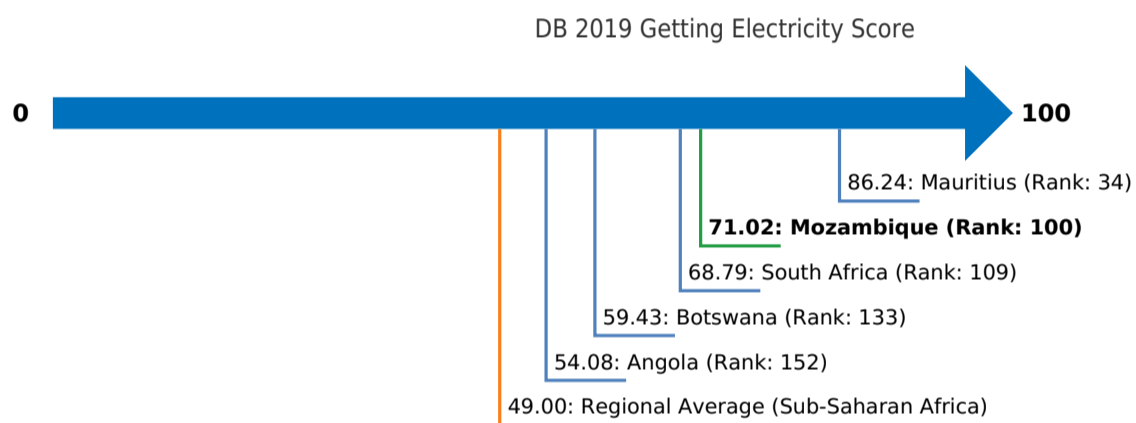
Getting Electricity - Mozambique

Standardized Connection

Price of electricity (US cents per kWh)	10.4
Name of utility	Electricidade de Mozambique
City Covered	Maputo

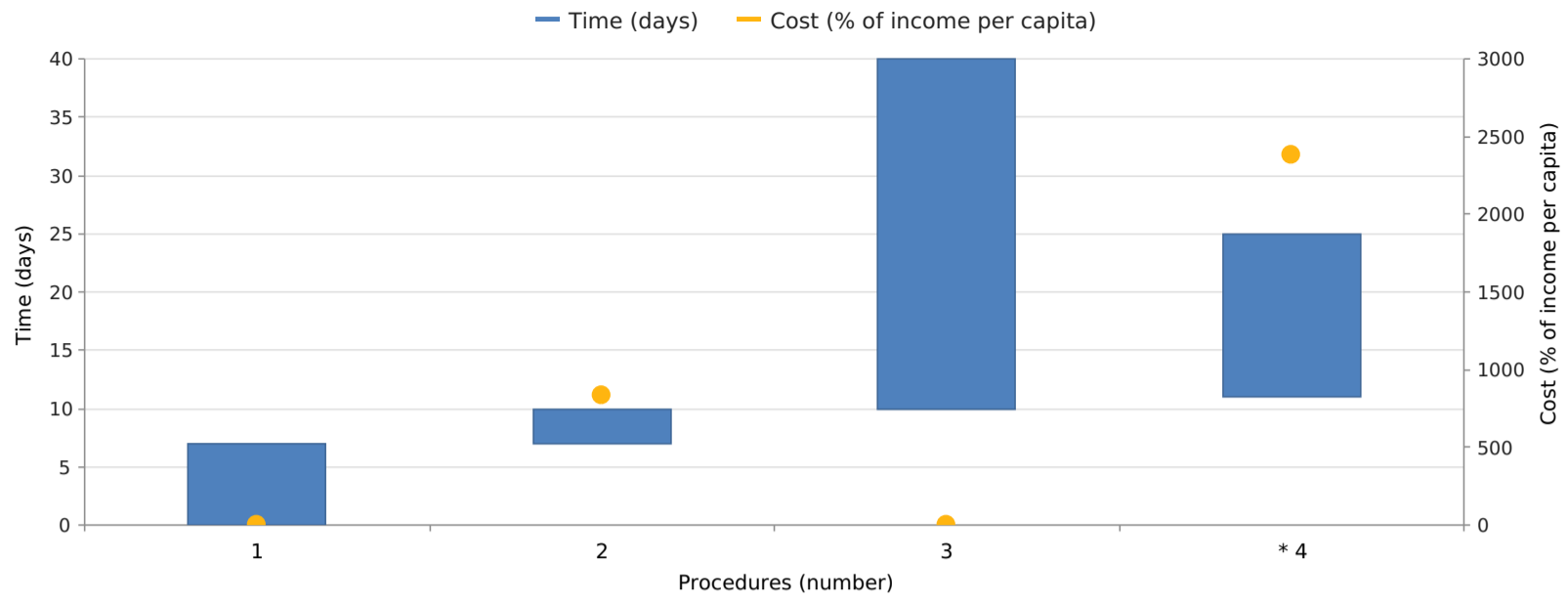
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	4	5.2	4.5	3 (25 Economies)
Time (days)	40	112.0	77.2	18 (3 Economies)
Cost (% of income per capita)	3214.4	3456.5	64.2	0.0 (3 Economies)
Reliability of supply and transparency of tariff index (0-8)	4	1.6	7.5	8.0 (27 Economies)

Figure - Getting Electricity in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting electricity is determined by sorting their scores for getting electricity. These scores are the simple average of the scores for all the component indicators except the price of electricity.

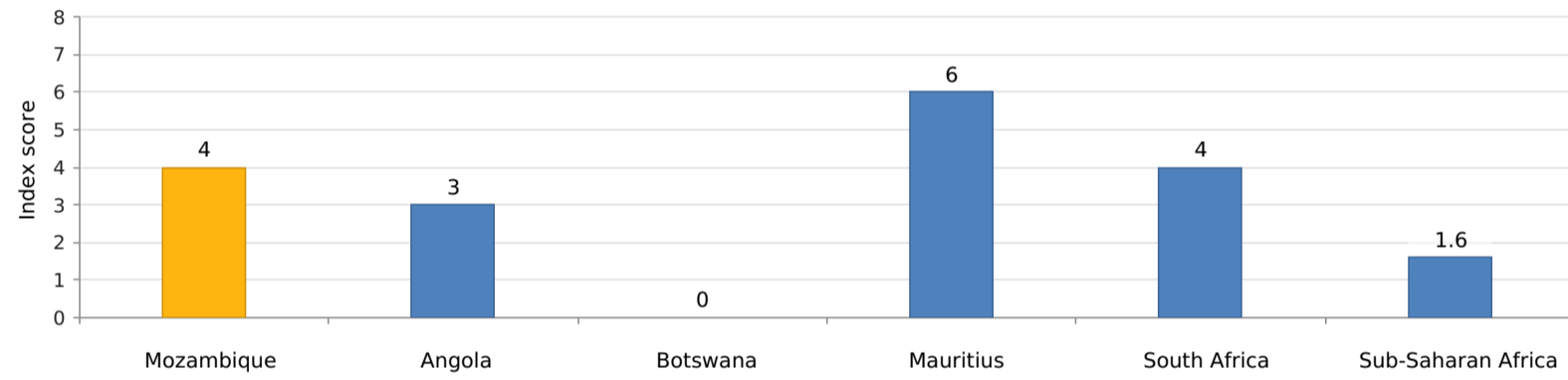
Figure - Getting Electricity in Mozambique - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Getting Electricity in Mozambique and comparator economies - Measure of Quality



## Details - Getting Electricity in Mozambique - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Submit application to EDM and await technical report and estimate</b>  <i>Agency : EDM</i>            The Customer submits the request form signed at a commercial agency or send it by email. The Client authorizes EDM to, on its behalf, request the issuance of the necessary licenses from the National Directorate of Energy after the Client has paid the fees to EDM. Once the form has been completed and signed by the Client and the necessary documents have been handed in (1) copy of the Identity Card of the client; 2) design of an electrician; 3) location map of the warehouse; 4) Property Title or District Declaration), the technical and commercial team of the commercial agency analyzes the application, draws up the connection budget, calculates the values of the applicable license fees and the contract, and communicates all these elements to the Customer.</p>	7 calendar days	USD 0
2	<p><b>Sign supply contract and pay the license, bond and contract fees</b>  <i>Agency : EDM</i>            The Exploration License costs 1,517.89 Meticaï for a standard solution in the 160 KVA transformer EDM. The estimated value for the License of Establishment is 1,768.33 Meticaï. With the signing of the contract the Client must pay the value of 6.300,00 Meticaï for a power of 140 KVA. The budget estimated for the connection in the assumptions of the case study and assuming an aerial connection of 150 meters, is 205,000 Meticaï. The total charges for the Customer amount to about 215,000 Meticaï.</p>	3 calendar days	MZN 215,000
3	<p><b>Obtain external works, inspection, meter installation and electricity flow from EDM.</b>  <i>Agency : EDM</i>            EDM or a subcontractor carries out the works. In the case of general task installations with more than 9 workers, the work is carried out with the participation of the National Energy Directorate for the purpose of inspecting the installation. The bulk of the material is not available in Mozambique in more than 50% of cases, which often delays the connection works. EDM also performs the inspection and commissioning and energizing jobs, installs the meter and activates the Customer's contract</p>	30 calendar days	USD 0
⇄ 4	<p><b>Buy and install transformer</b>  <i>Agency : Electrician</i>            Since the connection is done in medium voltage, the entrepreneur has to install a transformer for 140 KVA. A transformer of this type is usually imported.</p>	14 calendar days	USD 10,000

⇄ Takes place simultaneously with previous procedure.

## Details - Getting Electricity in Mozambique - Measure of Quality

	Answer
<b>Reliability of supply and transparency of tariff index (0-8)</b>	4
<b>Total duration and frequency of outages per customer a year (0-3)</b>	0
System average interruption duration index (SAIDI)	80.0
System average interruption frequency index (SAIFI)	30.0
What is the minimum outage time (in minutes) that the utility considers for the calculation of SAIDI/SAIFI	5.0
<b>Mechanisms for monitoring outages (0-1)</b>	1
Does the distribution utility use automated tools to monitor outages?	Yes
<b>Mechanisms for restoring service (0-1)</b>	0
Does the distribution utility use automated tools to restore service?	No
<b>Regulatory monitoring (0-1)</b>	1
Does a regulator—that is, an entity separate from the utility—monitor the utility's performance on reliability of supply?	Yes
<b>Financial deterrents aimed at limiting outages (0-1)</b>	1
Does the utility either pay compensation to customers or face fines by the regulator (or both) if outages exceed a certain cap?	Yes
<b>Communication of tariffs and tariff changes (0-1)</b>	1
Are effective tariffs available online?	Yes
Link to the website, if available online	<a href="http://www.edm.co.mz/index.php?option=com_content&amp;view=article&amp;id=121&amp;Itemid=83&amp;lang=pt">http://www.edm.co.mz/index.php?option=com_content&amp;view=article&amp;id=121&amp;Itemid=83&amp;lang=pt</a>
Are customers notified of a change in tariff ahead of the billing cycle?	Yes

**Note:**

If the duration and frequency of outages is 100 or less, the economy is eligible to score on the Reliability of supply and transparency of tariff index.

If the duration and frequency of outages is not available, or is over 100, the economy is not eligible to score on the index.

If the minimum outage time considered for SAIDI/SAIFI is over 5 minutes, the economy is not eligible to score on the index.

## Registering Property

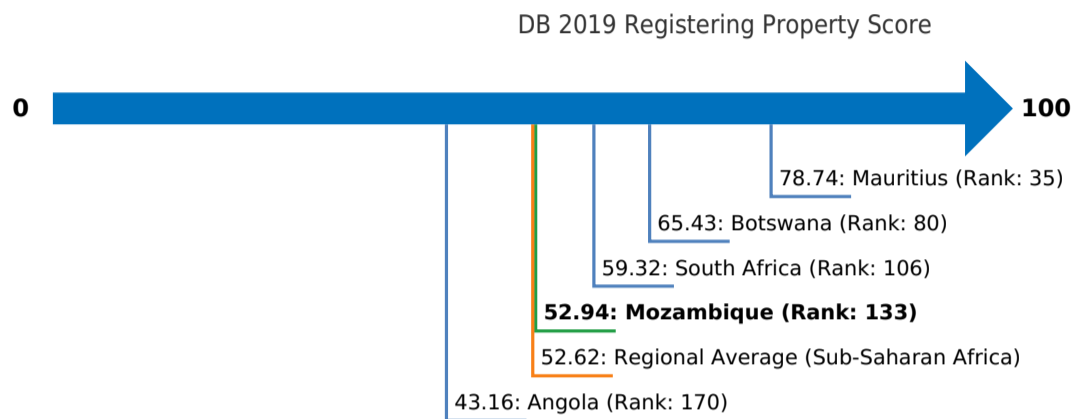
This topic examines the steps, time and cost involved in registering property, assuming a standardized case of an entrepreneur who wants to purchase land and a building that is already registered and free of title dispute. In addition, the topic also measures the quality of the land administration system in each economy. The quality of land administration index has five dimensions: reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution, and equal access to property rights. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Procedures to legally transfer title on immovable property (number)</b></p> <ul style="list-style-type: none"> <li>• Preregistration procedures (for example, checking for liens, notarizing sales agreement, paying property transfer taxes)</li> <li>• Registration procedures in the economy's largest business city.</li> <li>• Postregistration procedures (for example, filling title with municipality)</li> </ul>	<p>To make the data comparable across economies, several assumptions about the parties to the transaction, the property and the procedures are used.</p>
<p><b>Time required to complete each procedure (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Does not include time spent gathering information</li> <li>• Each procedure starts on a separate day - though procedures that can be fully completed online are an exception to this rule</li> <li>• Procedure is considered completed once final document is received</li> <li>• No prior contact with officials</li> </ul>	<p><b>The parties (buyer and seller):</b></p> <ul style="list-style-type: none"> <li>- Are limited liability companies (or the legal equivalent).</li> <li>- Are located in the periurban area of the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Are 100% domestically and privately owned.</li> <li>- Have 50 employees each, all of whom are nationals.</li> <li>- Perform general commercial activities.</li> </ul>
<p><b>Cost required to complete each procedure (% of property value)</b></p> <ul style="list-style-type: none"> <li>• Official costs only (such as administrative fees, duties and taxes).</li> <li>• Value Added Tax, Capital Gains Tax and illicit payments are excluded</li> </ul>	<p><b>The property (fully owned by the seller):</b></p> <ul style="list-style-type: none"> <li>- Has a value of 50 times income per capita, which equals the sale price.</li> <li>- Is fully owned by the seller.</li> <li>- Has no mortgages attached and has been under the same ownership for the past 10 years.</li> <li>- Is registered in the land registry or cadastre, or both, and is free of title disputes.</li> <li>- Is located in a periurban commercial zone, and no rezoning is required.</li> <li>- Consists of land and a building. The land area is 557.4 square meters (6,000 square feet). A two-story warehouse of 929 square meters (10,000 square feet) is located on the land. The warehouse is 10 years old, is in good condition, has no heating system and complies with all safety standards, building codes and legal requirements. The property, consisting of land and building, will be transferred in its entirety.</li> <li>- Will not be subject to renovations or additional construction following the purchase.</li> <li>- Has no trees, natural water sources, natural reserves or historical monuments of any kind.</li> <li>- Will not be used for special purposes, and no special permits, such as for residential use, industrial plants, waste storage or certain types of agricultural activities, are required.</li> <li>- Has no occupants, and no other party holds a legal interest in it.</li> </ul>
<p><b>Quality of land administration index (0-30)</b></p> <ul style="list-style-type: none"> <li>• Reliability of infrastructure index (0-8)</li> <li>• Transparency of information index (0-6)</li> <li>• Geographic coverage index (0-8)</li> <li>• Land dispute resolution index (0-8)</li> <li>• Equal access to property rights index (-2-0)</li> </ul>	

Registering Property - Mozambique

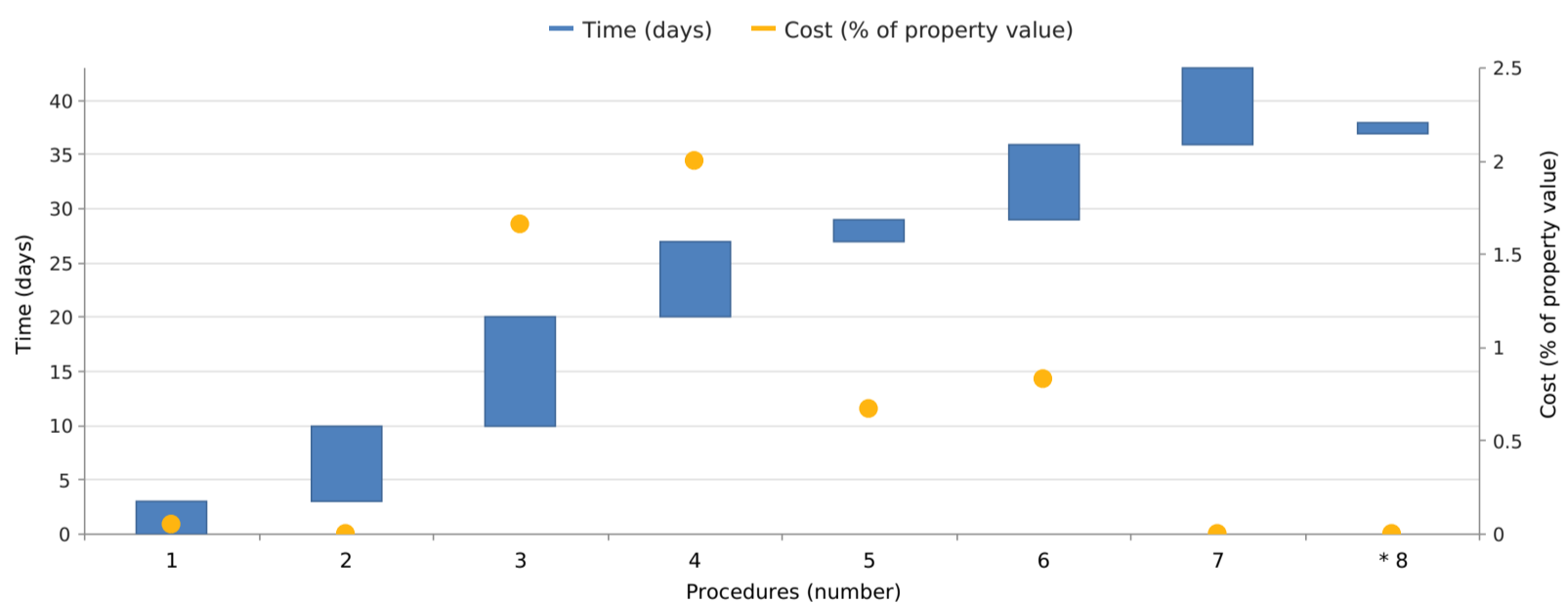
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Procedures (number)	8	6.2	4.7	1 (4 Economies)
Time (days)	43	53.9	20.1	1 (New Zealand)
Cost (% of property value)	5.2	7.6	4.2	0.0 (Saudi Arabia)
Quality of the land administration index (0-30)	7.5	8.8	23.0	None in 2017/18

Figure - Registering Property in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of registering property is determined by sorting their scores for registering property. These scores are the simple average of the scores for each of the component indicators.

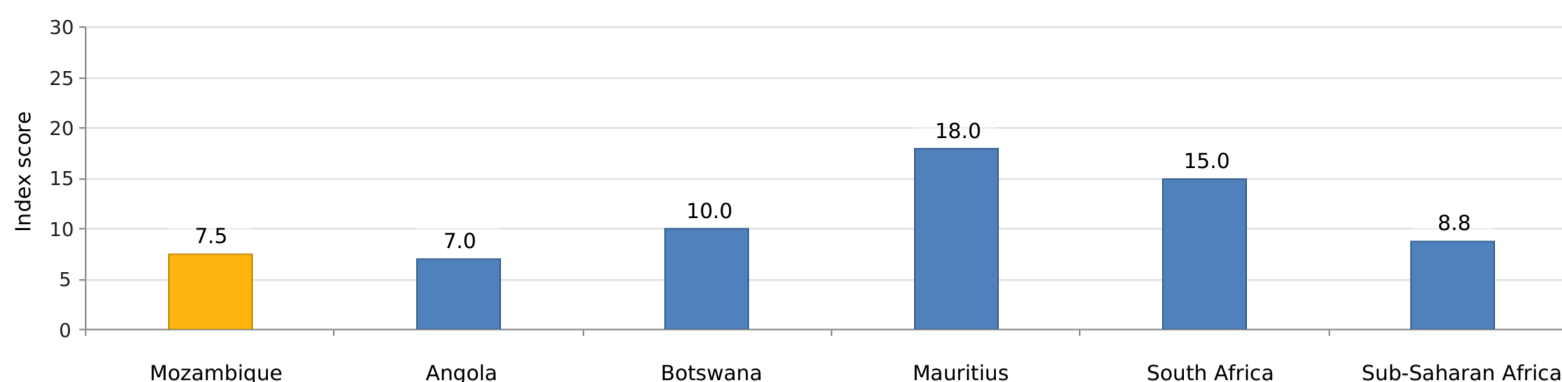
Figure - Registering Property in Mozambique - Procedure, Time and Cost



\*This symbol is shown beside procedure numbers that take place simultaneously with the previous procedure.

Note: Online procedures account for 0.5 days in the total time calculation. For economies that have a different procedure list for men and women, the graph shows the time for women. For more information on methodology, see the *Doing Business* website (<http://doingbusiness.org/en/methodology>). For details on the procedures reflected here, see the summary below.

Figure - Registering Property in Mozambique and comparator economies - Measure of Quality



## Details - Registering Property in Mozambique - Procedure, Time and Cost

No.	Procedures	Time to Complete	Associated Costs
1	<p><b>Obtain a Real Estate Registry certificate of the property from the Real Estate Registry Office</b></p> <p><i>Agency</i> : Real Estate Registry (Conservatória do Registo Predial)</p> <p>A Real Estate Registry certificate is obtained at the Conservatória do Registo Predial. This certificate provides information regarding all the owners of the property/ beneficiaries of the use and benefits right and is valid for 90 days. If the owner does not have a copy of the current real property registration, then the DCU (Town Planning Directorate) reference number must be obtained in order for the Registrar to locate the book and page on which the property is registered. As of 2013, the registry has been computerized, and titles have been scanned.</p> <p>The documents required to obtain the certificate are the following: Request form (as per the official form), Real Estate Registry certificate of the property copy or registry reference number.</p>	3 days	MZN 700
2	<p><b>Obtain a certificate from the Fiscal Cadastre confirming the property's registration with the Municipal Tax Office and its tax payment status (certidão matricial)</b></p> <p><i>Agency</i> : Municipal Tax Office (Repartição das Finanças e Conselho Municipal)</p> <p>A certificate (certidão do registo matricial) with the value of the property is obtained from the Municipal Tax Office (Repartição das Finanças).</p> <p>The documents required to obtain the certificate are the following: Request form (as per the official form), property and personal tax payment confirmation documents, Real Estate Registry certificate of the property (90 days), economic activity tax payment proof</p>	7 days	no charge
3	<p><b>Lawyer prepares the draft sale and purchase agreement</b></p> <p><i>Agency</i> : Lawyer's office</p> <p>A lawyer prepares the sale and purchase agreement. It is necessary to have the underlying land and property title, and real property registration in order to have the description of the property, the land plot, and the demarcation details. The form of the description varies from rural areas to municipalities. The actual sales instrument is relatively simple, but the additional administrative/registry detail complicates the preparation. Although not required by law, most companies and individuals hire the services of a lawyer to prepare the sale and purchase agreement.</p>	10 days	MZN 21,400; (MZN 12,000 – MZN 30,800)
4	<p><b>Payment of transfer tax (SISA) at the Municipal Tax Office</b></p> <p><i>Agency</i> : Municipal Tax Office (Secretaria Municipal de Fazenda)</p> <p>The property must have been registered for real property taxes (municipal and national). All of the real property tax must have been paid (for which a tax clearance must be obtained), and the owner and the purchaser must be registered for tax purposes (NUIT). A SISA tax receipt is obtained and has to be submitted with the sale and purchase agreement to the notary. Then, the name of the buyer is registered with the Tax Office. The SISA tax has been reformed by Decree 46/2004 of October 27, cutting it from previous levels around 10%. In the past, the 10% tax that applied to Maputo was not fully paid since the market value of the property was never quoted. This change unifies the level of the transfer tax with the rest of the country that already had taxes around 2%.</p> <p>The documents required to pay SISA are the following: Request form (as per the official form), copy of previous SISA, property tax payment confirmation document, personal tax payment confirmation document (seller and buyer), economic activity tax payment proof (companies), draft sale and purchase agreement.</p>	7 days	MZN 25,797; (2% of property value (SISA-transfer tax))

5	<p><b>Submit the draft sale and purchase agreement to the public notary to verify and issue the notarial deed of purchase</b></p> <p><i>Agency</i> : Notary or BAU (Balcão de Atendimento Único)</p> <p>The lawyer/parties submit the draft sale and purchase agreement to the public notary, who verifies the documentation and prepares the deed for signature. The Real Estate Registry certificate and the SISA payment certificate must be submitted, together with Companies' Registry certificates of the parties and copies of the ID's of their representatives who will execute the notarial deed on their behalf. Copies of quota-holders/directors resolutions and/or powers of attorney may also be required pursuant to the relevant companies' articles of association. In some cases, it may be possible to notarize the deed faster if the parties, instead of the notary, prepare the deed themselves and give it to the notary on a disk to notarize.</p> <p>The documents required to sign a notarial deed are the following: Sale and purchase agreement, seller-buyer identification, certificate with the property value, Real Estate Registry certificate of the property, Registry certificate of Legal entities, SISA payment proof, Companies minutes including the buying-selling resolution</p>	2 days	<p>MZN 8,659.1; ((i) 0.2% of property value for stamp duty + (ii) Notarial fees 0.4% of property value up to the first MZN 5 million (0.03% for the amounts exceeding MZN 5 million) + (iii) MZN 250 for notarial deed stamp duty+ (iv) MZN 150 for each one-act deed and MZN 50 for each page (3 pages) + (v) MZN 100 for the request + (vi) MZN 50 for each notarial deed (2 copies one for the seller and one for the buyer) + (vii) MZN 20 for each additional page (3 pages for 2 copies) + (viii) MZN 50 for each entry in the notarial registration book)</p>
6	<p><b>Apply for registration of the building at the Real Estate Registry Office</b></p> <p><i>Agency</i> : Real Estate Registry (Conservatória do Registo Predial)</p> <p>The notary deed of sale and purchase is submitted to the Real Estate Registry Office, together with an application requesting the registration of ownership over the property, on the buildings and of the right of use and fruition over the land, in the name of the buyer. Simultaneously with the request for registration (or sequentially depending on the practice), a certificate of the registration is requested, usually an integral certificate which provides the owner with copies of the pages on which the title is recorded. This is a cautionary measure in the event that the registry books are damaged or destroyed (as happened in the 2000 floods) or disappears somehow.</p> <p>The documents required to register the property are the following: Request form (as per the official form), seller-buyer identification, Complete certificate of purchase notarial deed</p>	7 days	<p>MZN 10,759.4; (Registration fees according to the following schedule: (i) 0.4% of property value up to the first MZN 5 million (0.03% of property value above MZN 5 million) + (ii) MZN 250 for each entry in the Gazette + (iii) MZN 1,500 for each inscription on the Registry + (iv) MZN 700 for registration certificate of a property transfer (3 copies) + (v) MZN 1000 for the pre-registration process study and organization + (vi) MZN 500 for the request + (vii) MZN 250 for property titles verification)</p>
7	<p><b>Submit the updated Real Estate Registry certificate of the property at the Municipal Urban Office</b></p> <p><i>Agency</i> : Municipal Urban Office (Departamento de Cadastro Legal - Direção de Planeamento Urbano e Ambiente)</p> <p>The buyer must submit an original copy of the updated Real Estate Registry certificate of the property to the municipal urban office to update the description of the property in the name of the buyer, and right of use and fruition over the land (Título de uso de aproveitamento do solo urbano).</p>	7 days	no charge
8	<p><b>Submit the updated Real Estate Registry certificate of the property at the Municipal Tax Office</b></p> <p><i>Agency</i> : Municipal Tax Office (Departamento de Receitas -Direção Municipal de Finanças)</p> <p>The buyer must submit an original copy of the updated Real Estate Registry certificate of the property to the municipal tax office to update the description of the property in the name of the buyer (registo matricial) for the purpose of property tax payments (Imposto Predial Autárquico - IPRA).</p>	1 day	no charge

⚡ Takes place simultaneously with previous procedure.



## Details - Registering Property in Mozambique - Measure of Quality

	Answer	Score
<b>Reliability of infrastructure index (0-8)</b>		<b>2.0</b>
What is the institution in charge of immovable property registration?	Conservatória do Registo Predial de Maputo	
In what format are the majority of title or deed records kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for checking for encumbrances (liens, mortgages, restrictions and the like)?	No	0.0
Institution in charge of the plans showing legal boundaries in the largest business city:	Conselho Municipal de Maputo	
In what format are the majority of maps of land plots kept in the largest business city—in a paper format or in a computerized format (scanned or fully digital)?	Computer/Scanned	1.0
Is there an electronic database for recording boundaries, checking plans and providing cadastral information (geographic information system)?	No	0.0
Is the information recorded by the immovable property registration agency and the cadastral or mapping agency kept in a single database, in different but linked databases or in separate databases?	Separate databases	0.0
Do the immovable property registration agency and cadastral or mapping agency use the same identification number for properties?	No	0.0
<b>Transparency of information index (0-6)</b>		<b>1.5</b>
Who is able to obtain information on land ownership at the agency in charge of immovable property registration in the largest business city?	Anyone who pays the official fee	1.0
Is the list of documents that are required to complete any type of property transaction made publicly available—and if so, how?	Yes, in person	0.0
Link for online access:		
Is the applicable fee schedule for any property transaction at the agency in charge of immovable property registration in the largest business city made publicly available—and if so, how?	Yes, in person	0.0
Link for online access:		
Does the agency in charge of immovable property registration commit to delivering a legally binding document that proves property ownership within a specific time frame—and if so, how does it communicate the service standard?	Yes, on public boards	0.5
Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the agency in charge of immovable property registration?	No	0.0
Contact information:		
Are there publicly available official statistics tracking the number of transactions at the immovable property registration agency?	No	0.0
Number of property transfers in the largest business city in 2017:		
Who is able to consult maps of land plots in the largest business city?	Only intermediaries and interested parties	0.0
Is the applicable fee schedule for accessing maps of land plots made publicly available—and if so, how?	Yes, in person	0.0
Link for online access:		
Does the cadastral or mapping agency commit to delivering an updated map within a specific time frame—and if so, how does it communicate the service standard?	Yes, in person	0.0

Link for online access:		
Is there a specific and separate mechanism for filing complaints about a problem that occurred at the cadastral or mapping agency?	No	0.0
Contact information:		
<b>Geographic coverage index (0-8)</b>		<b>0.0</b>
Are all privately held land plots in the economy formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the largest business city formally registered at the immovable property registry?	No	0.0
Are all privately held land plots in the economy mapped?	No	0.0
Are all privately held land plots in the largest business city mapped?	No	0.0
<b>Land dispute resolution index (0-8)</b>		<b>4.0</b>
Does the law require that all property sale transactions be registered at the immovable property registry to make them opposable to third parties?	Yes	1.5
Is the system of immovable property registration subject to a state or private guarantee?	Yes	0.5
Is there a specific compensation mechanism to cover for losses incurred by parties who engaged in good faith in a property transaction based on erroneous information certified by the immovable property registry?	No	0.0
Does the legal system require a control of legality of the documents necessary for a property transaction (e.g., checking the compliance of contracts with requirements of the law)?	Yes	0.5
If yes, who is responsible for checking the legality of the documents?	Registrar; Notary;	
Does the legal system require verification of the identity of the parties to a property transaction?	Yes	0.5
If yes, who is responsible for verifying the identity of the parties?	Registrar; Notary;	
Is there a national database to verify the accuracy of identity documents?	Yes	1.0
For a standard land dispute between two local businesses over tenure rights of a property worth 50 times gross national income (GNI) per capita and located in the largest business city, what court would be in charge of the case in the first instance?	Civil Section of the Maputo City Judicial Court (Corte judicial de Maputo, Seção Cível)	
How long does it take on average to obtain a decision from the first-instance court for such a case (without appeal)?	More than 3 years	0.0
Are there any statistics on the number of land disputes in the first instance?	No	0.0
Number of land disputes in the largest business city in 2017:		
<b>Equal access to property rights index (-2-0)</b>		<b>0.0</b>
Do unmarried men and unmarried women have equal ownership rights to property?	Yes	
Do married men and married women have equal ownership rights to property?	Yes	0.0

## Getting Credit

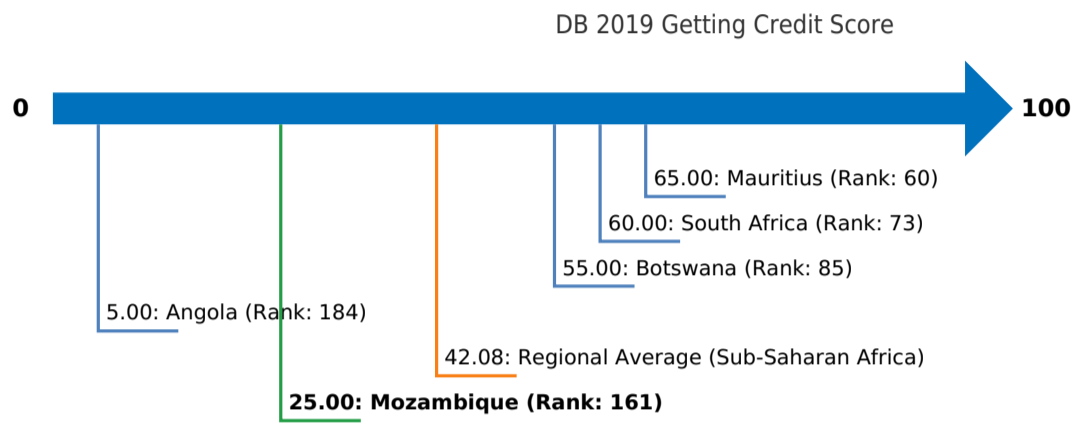
This topic explores two sets of issues—the strength of credit reporting systems and the effectiveness of collateral and bankruptcy laws in facilitating lending. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Strength of legal rights index (0-12)</b></p> <ul style="list-style-type: none"> <li>• Rights of borrowers and lenders through collateral laws (0-10)</li> <li>• Protection of secured creditors' rights through bankruptcy laws (0-2)</li> </ul> <p><b>Depth of credit information index (0-8)</b></p> <ul style="list-style-type: none"> <li>• Scope and accessibility of credit information distributed by credit bureaus and credit registries (0-8)</li> </ul> <p><b>Credit bureau coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in largest credit bureau as a percentage of adult population</li> </ul> <p><b>Credit registry coverage (% of adults)</b></p> <ul style="list-style-type: none"> <li>• Number of individuals and firms listed in credit registry as a percentage of adult population</li> </ul>	<p><i>Doing Business</i> assesses the sharing of credit information and the legal rights of borrowers and lenders with respect to secured transactions through 2 sets of indicators. The depth of credit information index measures rules and practices affecting the coverage, scope and accessibility of credit information available through a credit registry or a credit bureau. The strength of legal rights index measures the degree to which collateral and bankruptcy laws protect the rights of borrowers and lenders and thus facilitate lending. For each economy it is first determined whether a unitary secured transactions system exists. Then two case scenarios, case A and case B, are used to determine how a nonpossessory security interest is created, publicized and enforced according to the law. Special emphasis is given to how the collateral registry operates (if registration of security interests is possible). The case scenarios involve a secured borrower, company ABC, and a secured lender, BizBank.</p> <p>In some economies the legal framework for secured transactions will allow only case A or case B (not both) to apply. Both cases examine the same set of legal provisions relating to the use of movable collateral.</p> <p><b>Several assumptions about the secured borrower (ABC) and lender (BizBank) are used:</b></p> <ul style="list-style-type: none"> <li>- ABC is a domestic limited liability company (or its legal equivalent).</li> <li>- ABC has up to 50 employees.</li> <li>- ABC has its headquarters and only base of operations in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- Both ABC and BizBank are 100% domestically owned.</li> </ul> <p>The case scenarios also involve assumptions. In case A, as collateral for the loan, ABC grants BizBank a nonpossessory security interest in one category of movable assets, for example, its machinery or its inventory. ABC wants to keep both possession and ownership of the collateral. In economies where the law does not allow nonpossessory security interests in movable property, ABC and BizBank use a fiduciary transfer-of-title arrangement (or a similar substitute for nonpossessory security interests).</p> <p>In case B, ABC grants BizBank a business charge, enterprise charge, floating charge or any charge that gives BizBank a security interest over ABC's combined movable assets (or as much of ABC's movable assets as possible). ABC keeps ownership and possession of the assets.</p>

Getting Credit - Mozambique

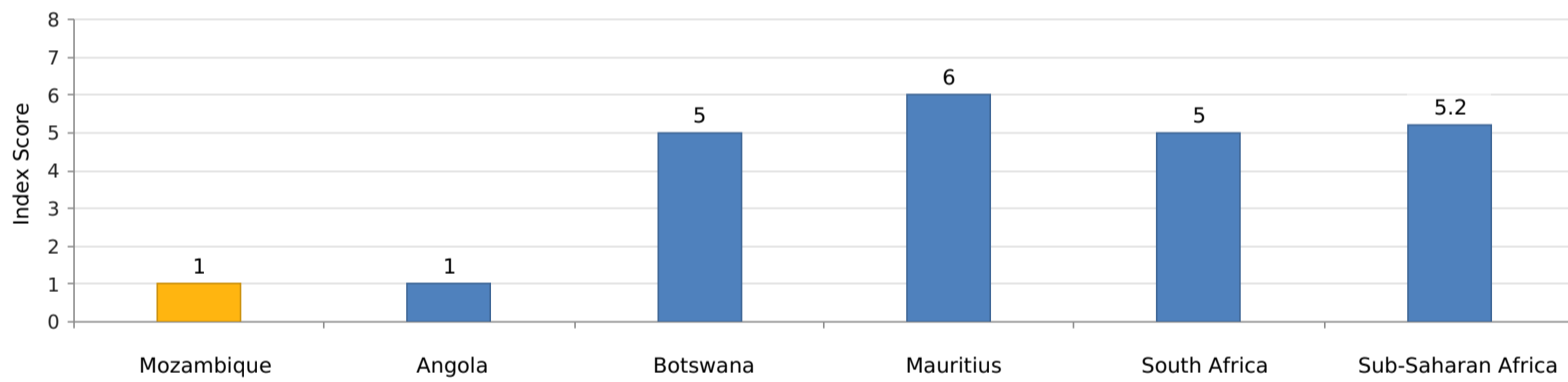
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Strength of legal rights index (0-12)	1	5.2	6.1	12 (5 Economies)
Depth of credit information index (0-8)	4	3.3	6.7	8 (42 Economies)
Credit registry coverage (% of adults)	7.3	7.0	21.8	100.0 (4 Economies)
Credit bureau coverage (% of adults)	0	8.9	65.3	100.0 (25 Economies)

Figure - Getting Credit in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of getting credit is determined by sorting their scores for getting credit. These scores are the sum of the scores for the strength of legal rights index and the depth of credit information index.

Figure - Legal Rights in Mozambique and comparator economies

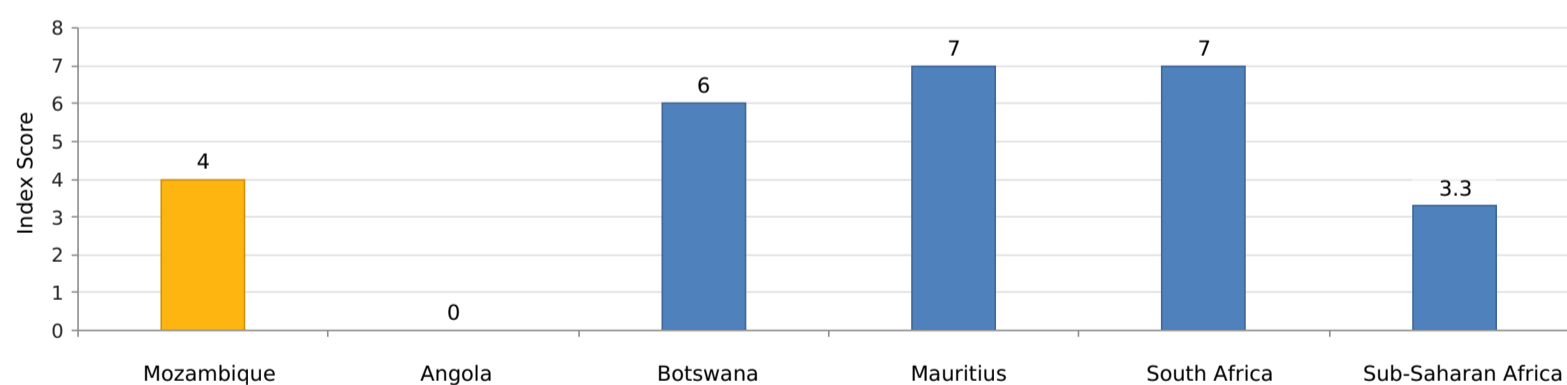


Details - Legal Rights in Mozambique

**Strength of legal rights index (0-12)** **1**

Does an integrated or unified legal framework for secured transactions that extends to the creation, publicity and enforcement of functional equivalents to security interests in movable assets exist in the economy?	No
Does the law allow businesses to grant a non possessory security right in a single category of movable assets, without requiring a specific description of collateral?	No
Does the law allow businesses to grant a non possessory security right in substantially all of its assets, without requiring a specific description of collateral?	No
May a security right extend to future or after-acquired assets, and does it extend automatically to the products, proceeds and replacements of the original assets?	No
Is a general description of debts and obligations permitted in collateral agreements; can all types of debts and obligations be secured between parties; and can the collateral agreement include a maximum amount for which the assets are encumbered?	No
Is a collateral registry in operation for both incorporated and non-incorporated entities, that is unified geographically and by asset type, with an electronic database indexed by debtor's name?	No
Does a notice-based collateral registry exist in which all functional equivalents can be registered?	No
Does a modern collateral registry exist in which registrations, amendments, cancellations and searches can be performed online by any interested third party?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a debtor defaults outside an insolvency procedure?	No
Are secured creditors paid first (i.e. before tax claims and employee claims) when a business is liquidated?	No
Are secured creditors subject to an automatic stay on enforcement when a debtor enters a court-supervised reorganization procedure? Does the law protect secured creditors' rights by providing clear grounds for relief from the stay and sets a time limit for it?	No
Does the law allow parties to agree on out of court enforcement at the time a security interest is created? Does the law allow the secured creditor to sell the collateral through public auction or private tender, as well as, for the secured creditor to keep the asset in satisfaction of the debt?	Yes

Figure - Credit Information in Mozambique and comparator economies



## Details - Credit Information in Mozambique

Depth of credit information index (0-8)	Credit bureau	Credit registry	Score
Are data on both firms and individuals distributed?	No	Yes	1
Are both positive and negative credit data distributed?	No	No	0
Are data from retailers or utility companies - in addition to data from banks and financial institutions - distributed?	No	No	0
Are at least 2 years of historical data distributed? (Credit bureaus and registries that distribute more than 10 years of negative data or erase data on defaults as soon as they are repaid obtain a score of 0 for this component.)	No	No	0
Are data on loan amounts below 1% of income per capita distributed?	No	Yes	1
By law, do borrowers have the right to access their data in the credit bureau or credit registry?	No	Yes	1
Can banks and financial institutions access borrowers' credit information online (for example, through an online platform, a system-to-system connection or both)?	No	Yes	1
Are bureau or registry credit scores offered as a value-added service to help banks and financial institutions assess the creditworthiness of borrowers?	No	No	0
<b>Total Score ("yes" to either public bureau or private registry)</b>			<b>4</b>

Note: An economy receives a score of 1 if there is a "yes" to either bureau or registry. If the credit bureau or registry is not operational or covers less than 5% of the adult population, the total score on the depth of credit information index is 0.

Coverage	Credit bureau	Credit registry
Number of individuals	0	1,107,932
Number of firms	0	23,462
Total	0	1,131,394
<b>Percentage of adult population</b>	<b>0</b>	<b>7.3</b>

## Protecting Minority Investors

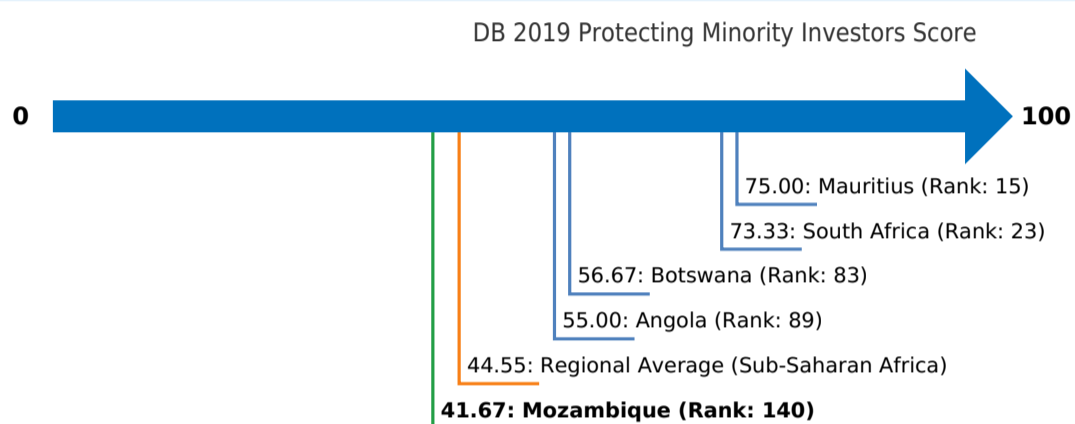
This topic measures the strength of minority shareholder protections against misuse of corporate assets by directors for their personal gain as well as shareholder rights, governance safeguards and corporate transparency requirements that reduce the risk of abuse. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<ul style="list-style-type: none"> <li>• <b>Extent of disclosure index (0-10):</b> Review and approval requirements for related-party transactions; Disclosure requirements for related-party transactions</li> <li>• <b>Extent of director liability index (0-10):</b> Ability of minority shareholders to sue and hold interested directors liable for prejudicial related-party transactions; Available legal remedies (damages, disgorgement of profits, fines, imprisonment, rescission of the transaction)</li> <li>• <b>Ease of shareholder suits index (0-10):</b> Access to internal corporate documents; Evidence obtainable during trial and allocation of legal expenses</li> <li>• <b>Extent of conflict of interest regulation index (0-10):</b> Simple average of the extent of disclosure, extent of director liability and ease of shareholder indices</li> <li>• <b>Extent of shareholder rights index (0-10):</b> Shareholders' rights and role in major corporate decisions</li> <li>• <b>Extent of ownership and control index (0-10):</b> Governance safeguards protecting shareholders from undue board control and entrenchment</li> <li>• <b>Extent of corporate transparency index (0-10):</b> Corporate transparency on ownership stakes, compensation, audits and financial prospects</li> <li>• <b>Extent of shareholder governance index (0-10):</b> Simple average of the extent of shareholders rights, extent of ownership and control and extent of corporate transparency indices</li> <li>• <b>Strength of minority investor protection index (0-10):</b> Simple average of the extent of conflict of interest regulation and extent of shareholder governance indices</li> </ul>	<p>To make the data comparable across economies, a case study uses several assumptions about the business and the transaction.</p> <p><b>The business (Buyer):</b></p> <ul style="list-style-type: none"> <li>- Is a publicly traded corporation listed on the economy's most important stock exchange. If there are fewer than ten listed companies or if there is no stock exchange in the economy, it is assumed that Buyer is a large private company with multiple shareholders.</li> <li>- Has a board of directors and a chief executive officer (CEO) who may legally act on behalf of Buyer where permitted, even if this is not specifically required by law.</li> <li>- Has a supervisory board in economies with a two-tier board system on which Mr. James appointed 60% of the shareholder-elected members.</li> <li>- Has not adopted bylaws or articles of association that go beyond the minimum requirements. Does not follow codes, principles, recommendations or guidelines that are not mandatory.</li> <li>- Is a manufacturing company with its own distribution network.</li> </ul> <p><b>The transaction involves the following details:</b></p> <ul style="list-style-type: none"> <li>- Mr. James owns 60% of Buyer, sits on Buyer's board of directors and elected two directors to Buyer's five-member board.</li> <li>- Mr. James also owns 90% of Seller, a company that operates a chain of retail hardware stores. Seller recently closed a large number of its stores.</li> <li>- Mr. James proposes that Buyer purchase Seller's unused fleet of trucks to expand Buyer's distribution of its food products, a proposal to which Buyer agrees. The price is equal to 10% of Buyer's assets and is higher than the market value.</li> <li>- The proposed transaction is part of the company's principal activity and is not outside the authority of the company.</li> <li>- Buyer enters into the transaction. All required approvals are obtained, and all required disclosures made—that is, the transaction was not entered into fraudulently.</li> <li>- The transaction causes damages to Buyer. Shareholders sue Mr. James and the executives and directors that approved the transaction.</li> </ul>

Protecting Minority Investors - Mozambique

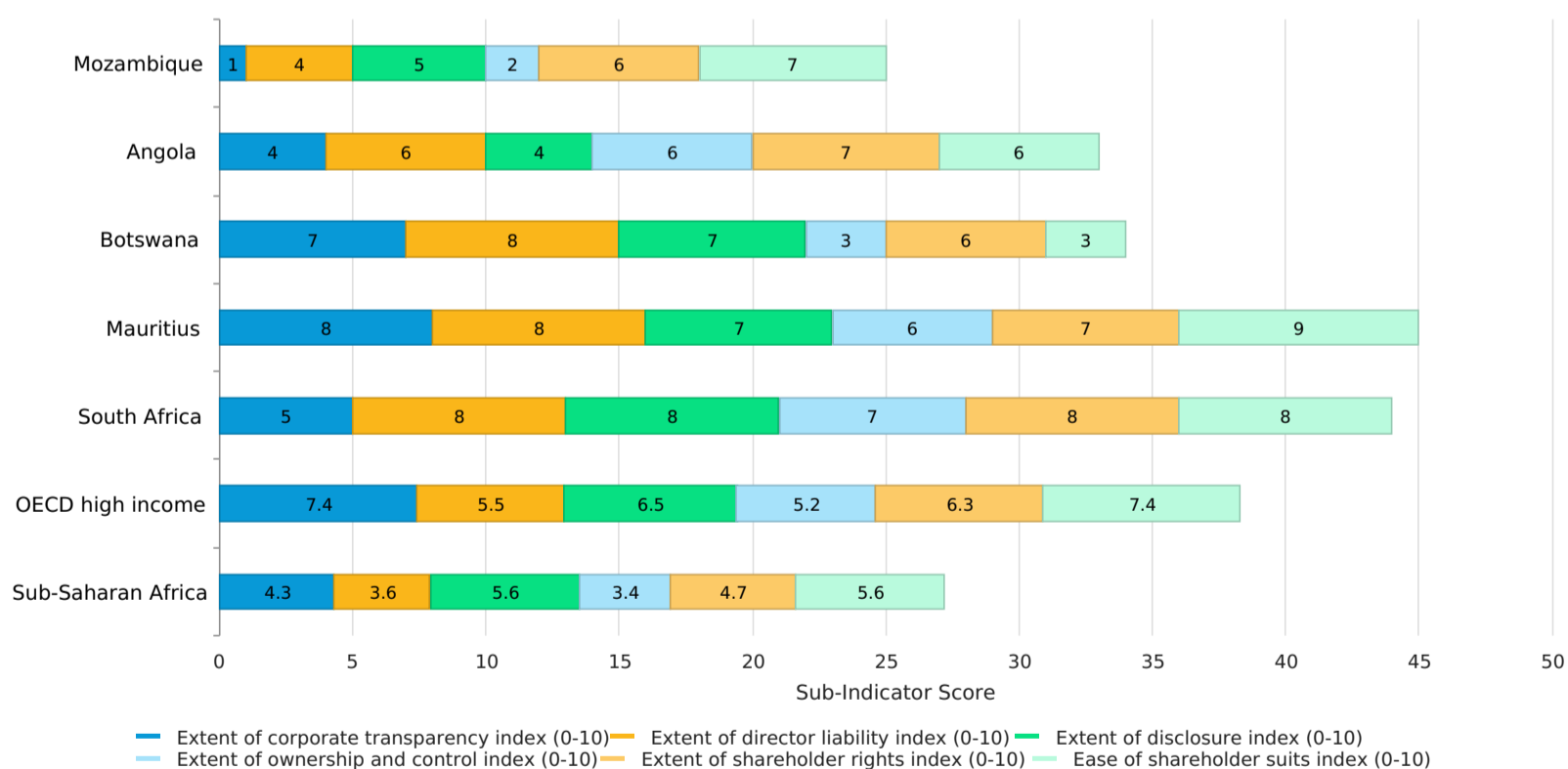
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Extent of disclosure index (0-10)	5.0	5.5	6.5	10 (13 Economies)
Extent of director liability index (0-10)	4.0	3.5	5.3	10 (Cambodia)
Ease of shareholder suits index (0-10)	7.0	5.5	7.3	10 (Djibouti)
Extent of shareholder rights index (0-10)	6.0	4.6	6.4	10 (Kazakhstan)
Extent of ownership and control index (0-10)	2.0	3.4	5.4	None in 2017/18
Extent of corporate transparency index (0-10)	1.0	4.1	7.6	10 (6 Economies)

Figure - Protecting Minority Investors in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the strength of minority investor protections is determined by sorting their scores for protecting minority investors. These scores are the simple average of the scores for the extent of conflict of interest regulation index and the extent of shareholder governance index.

Figure - Protecting Minority Investors in Mozambique and comparator economies - Measure of Quality





## Details - Protecting Minority Investors in Mozambique - Measure of Quality

	Answer	Score
<b>Extent of conflict of interest regulation index (0-10)</b>		<b>5.3</b>
<b>Extent of disclosure index (0-10)</b>		<b>5.0</b>
Whose decision is sufficient to approve the Buyer-Seller transaction? (0-3)	Board of directors excluding interested members	2.0
Must an external body review the terms of the transaction before it takes place? (0-1)	No	0.0
Must Mr. James disclose his conflict of interest to the board of directors? (0-2)	Existence of a conflict without any specifics	1.0
Must Buyer disclose the transaction in periodic filings (e.g. annual reports)? (0-2)	Disclosure on the transaction only	1.0
Must Buyer immediately disclose the transaction to the public? (0-2)	Disclosure on the transaction only	1.0
<b>Extent of director liability index (0-10)</b>		<b>4.0</b>
Can shareholders representing 10% of Buyer's share capital sue for the damage the transaction caused to Buyer? (0-1)	Yes	1.0
Can shareholders hold Mr. James liable for the damage the transaction caused to Buyer? (0-2)	Liable if negligent	1.0
Can shareholders hold the other directors liable for the damage the transaction caused to Buyer (0-2)	Liable if negligent	1.0
Must Mr. James pay damages for the harm caused to Buyer upon a successful claim by shareholders? (0-1)	Yes	1.0
Must Mr. James repay profits made from the transaction upon a successful claim by shareholders? (0-1)	No	0.0
Is Mr. James disqualified upon a successful claim by shareholders? (0-1)	No	0.0
Can a court void the transaction upon a successful claim by shareholders? (0-2)	Only in case of fraud or bad faith	0.0
<b>Ease of shareholder suits index (0-10)</b>		<b>7.0</b>
Before suing, can shareholders representing 10% of Buyer's share capital inspect the transaction documents? (0-1)	Yes	1.0
Can the plaintiff obtain any documents from the defendant and witnesses at trial? (0-3)	Any relevant document	3.0
Can the plaintiff request categories of documents from the defendant without identifying specific ones? (0-1)	Yes	1.0
Can the plaintiff directly question the defendant and witnesses at trial? (0-2)	No	0.0
Is the level of proof required for civil suits lower than that of criminal cases? (0-1)	Yes	1.0
Can shareholder plaintiffs recover their legal expenses from the company? (0-2)	Yes if successful	1.0
<b>Extent of shareholder governance index (0-10)</b>		<b>3.0</b>
<b>Extent of shareholder rights index (0-10)</b>		<b>6.0</b>
Does the sale of 51% of Buyer's assets require shareholder approval?	No	0.0
Can shareholders representing 10% of Buyer's share capital call for a meeting of shareholders?	Yes	1.0
Must Buyer obtain its shareholders' approval every time it issues new shares?	Yes	1.0
Do shareholders automatically receive preemption rights every time Buyer issues new shares?	No	0.0

Must shareholders approve the election and dismissal of the external auditor?	No	0.0
Are changes to the rights of a class of shares only possible if the holders of the affected shares approve?	Yes	1.0
Assuming that Buyer is a limited company, does the sale of 51% of its assets require member approval?	No	0.0
Assuming that Buyer is a limited company, can members representing 10% call for a meeting of members?	Yes	1.0
Assuming that Buyer is a limited company, must all or almost all members consent to add a new member?	Yes	1.0
Assuming that Buyer is a limited company, must a member first offer to sell their interest to the existing members before they can sell to non-members?	Yes	1.0
<b>Extent of ownership and control index (0-10)</b>		<b>2.0</b>
Is it forbidden to appoint the same individual as CEO and chairperson of the board of directors?	Yes	1.0
Must the board of directors include independent and nonexecutive board members?	No	0.0
Can shareholders remove members of the board of directors without cause before the end of their term?	Yes	1.0
Must the board of directors include a separate audit committee exclusively comprising board members?	No	0.0
Must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Must Buyer pay declared dividends within a maximum period set by law?	No	0.0
Is a subsidiary prohibited from acquiring shares issued by its parent company?	No	0.0
Assuming that Buyer is a limited company, must Buyer have a mechanism to resolve disagreements among members?	No	0.0
Assuming that Buyer is a limited company, must a potential acquirer make a tender offer to all shareholders upon acquiring 50% of Buyer?	No	0.0
Assuming that Buyer is a limited company, must Buyer distribute profits within a maximum period set by law?	No	0.0
<b>Extent of corporate transparency index (0-10)</b>		<b>1.0</b>
Must Buyer disclose direct and indirect beneficial ownership stakes representing 5%?	No	0.0
Must Buyer disclose information about board members' primary employment and directorships in other companies?	No	0.0
Must Buyer disclose the compensation of individual managers?	No	0.0
Must a detailed notice of general meeting be sent 21 days before the meeting?	Yes	1.0
Can shareholders representing 5% of Buyer's share capital put items on the general meeting agenda?	No	0.0
Must Buyer's annual financial statements be audited by an external auditor?	No	0.0
Must Buyer disclose its audit reports to the public?	No	0.0
Assuming that Buyer is a limited company, must members meet at least once a year?	No	0.0
Assuming that Buyer is a limited company, can members representing 5% put items on the meeting agenda?	No	0.0
Assuming that Buyer is a limited company, must Buyer's annual financial statements be audited by an external auditor?	No	0.0

## Paying Taxes

This topic records the taxes and mandatory contributions that a medium-size company must pay or withhold in a given year, as well as the administrative burden of paying taxes and contributions and complying with postfiling procedures (VAT refund and tax audit). The most recent round of data collection for the project was completed in May 2018 covering for the Paying Taxes indicator calendar year 2017 (January 1, 2017 – December 31, 2017). [See the methodology for more information.](#)

### What the indicators measure

#### Tax payments for a manufacturing company in 2017 (number per year adjusted for electronic and joint filing and payment)

- Total number of taxes and contributions paid or withheld, including consumption taxes (value added tax, sales tax or goods and service tax)
- Method and frequency of filing and payment

#### Time required to comply with 3 major taxes (hours per year)

- Collecting information, computing tax payable
- Preparing separate tax accounting books, if required
- Completing tax return, filing with agencies
- Arranging payment or withholding

#### Total tax and contribution rate (% of commercial profits)

- Profit or corporate income tax
- Social contributions, labor taxes paid by employer
- Property and property transfer taxes
- Dividend, capital gains, financial transactions taxes
- Waste collection, vehicle, road and other taxes

#### Postfiling Index

- Time to comply with a VAT refund (hours)
- Time to obtain a VAT refund (weeks)
- Time to comply with a corporate income tax correction (hours)
- Time to complete a corporate income tax correction (weeks)

### Case study assumptions

Using a case scenario, *Doing Business* records taxes and mandatory contributions a medium size company must pay in a year, and measures the administrative burden of paying taxes, contributions and dealing with postfiling processes. Information is also compiled on frequency of filing and payments, time taken to comply with tax laws, time taken to comply with the requirements of postfiling processes and time waiting.

To make data comparable across economies, several assumptions are used:

- TaxpayerCo is a medium-size business that started operations on January 1, 2016. It produces ceramic flowerpots and sells them at retail. All taxes and contributions recorded are paid in the second year of operation (calendar year 2017). Taxes and mandatory contributions are measured at all levels of government.

#### The VAT refund process:

- In June 2017, TaxpayerCo. makes a large capital purchase: the value of the machine is 65 times income per capita of the economy. Sales are equally spread per month (1,050 times income per capita divided by 12) and cost of goods sold are equally expensed per month (875 times income per capita divided by 12). The machinery seller is registered for VAT and excess input VAT incurred in June will be fully recovered after four consecutive months if the VAT rate is the same for inputs, sales and the machine and the tax reporting period is every month. Input VAT will exceed Output VAT in June 2017.

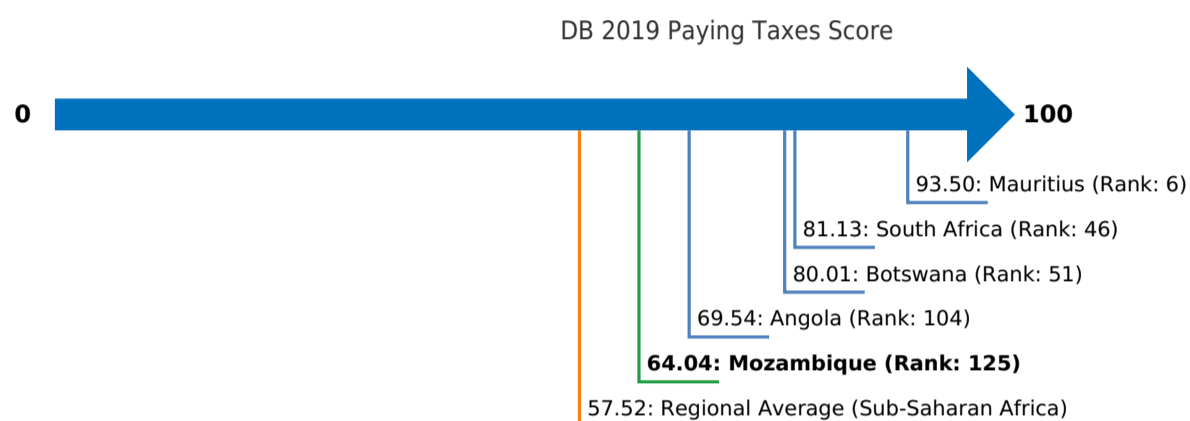
#### The corporate income tax audit process:

- An error in calculation of income tax liability (for example, use of incorrect tax depreciation rates, or incorrectly treating an expense as tax deductible) leads to an incorrect income tax return and a corporate income tax underpayment. TaxpayerCo. discovered the error and voluntarily notified the tax authority. The value of the underpaid income tax liability is 5% of the corporate income tax liability due. TaxpayerCo. submits corrected information after the deadline for submitting the annual tax return, but within the tax assessment period.

Paying Taxes - Mozambique

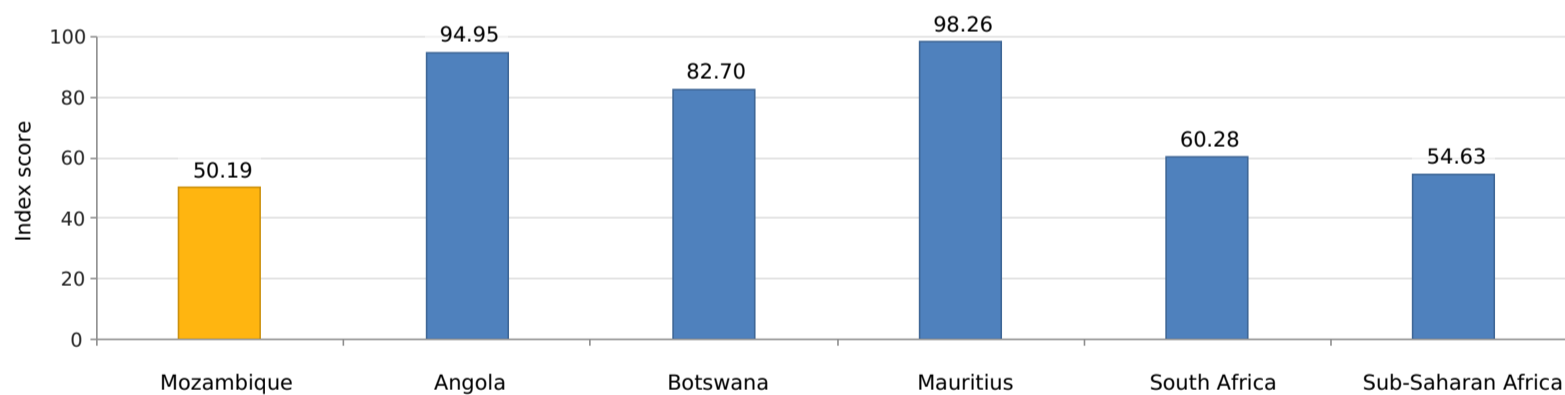
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Payments (number per year)	37	37.4	11.2	3 (Hong Kong SAR, China)
Time (hours per year)	200	280.6	159.4	49 (Singapore)
Total tax and contribution rate (% of profit)	36.1	46.8	39.8	26.1% (32 Economies)
Postfiling index (0-100)	50.19	54.63	84.41	None in 2017/18

Figure - Paying Taxes in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of paying taxes is determined by sorting their scores for paying taxes. These scores are the simple average of the scores for each of the component indicators, with a threshold and a nonlinear transformation applied to one of the component indicators, the total tax and contribution rate. The threshold is defined as the total tax and contribution rate at the 15th percentile of the overall distribution for all years included in the analysis up to and including Doing Business 2015, which is 26.1%. All economies with a total tax and contribution rate below this threshold receive the same score as the economy at the threshold.

Figure - Paying Taxes in Mozambique and comparator economies - Measure of Quality



## Details - Paying Taxes in Mozambique

Tax or mandatory contribution	Payments (number)	Notes on Payments	Time (hours)	Statutory tax rate	Tax base	Total tax and contribution rate (% of profit)	Notes on TTCR
Corporate income tax	7.0		50.0	32%	taxable profit	30.80	
Social security contributions	12.0		30.0	4%	gross salaries	4.51	
Municipal property tax	2.0			0.1% to 1%	building value	0.54	
Tax on interest	0.0			20%	interest income	0.51	not included
Municipal tax on economical activity	1.0			MZN 4,500	fixed fee	0.15	
Vehicle tax	1.0				fixed fee based on production year and capacity of vehicle	0.07	
Value added tax (VAT)	12.0		120.0	17%	value added	0.00	not included
Fuel tax	1.0					0.00	small amount
Individual Municipality Tax	0.0			MZN 295 (fixed fee)	fixed fee	0.00	withheld
Social security contributions on employee	0.0			3%	gross salaries	0.00	withheld
Stamp duty	1.0					0.00	small amount
Totals	37		200			36.1	

## Details - Paying Taxes in Mozambique - Tax by Type

Taxes by type	Answer
Profit tax (% of profit)	30.8
Labor tax and contributions (% of profit)	4.5
Other taxes (% of profit)	0.8

## Details - Paying Taxes in Mozambique - Measure of Quality

	Answer	Score
<b>Postfiling index (0-100)</b>		<b>50.19</b>
<b>VAT refunds</b>		
Does VAT exist?	Yes	
Does a VAT refund process exist per the case study?	Yes	
Restrictions on VAT refund process	None	
Percentage of cases exposed to a VAT audit (%)	50% - 74%	
Is there a mandatory carry forward period?	Yes	
Time to comply with VAT refund (hours)	28.0	44
Time to obtain a VAT refund (weeks)	36.7	35.3
<b>Corporate income tax audits</b>		
Does corporate income tax exist?	Yes	
Percentage of cases exposed to a corporate income tax audit (%)	25% - 49%	
Time to comply with a corporate income tax correction (hours)	28.0	51.38
Time to complete a corporate income tax correction (weeks)	9.6	70.09

**Notes:** Names of taxes have been standardized. For instance income tax, profit tax, tax on company's income are all named corporate income tax in this table.

The hours for VAT include all the VAT and sales taxes applicable.

The hours for Social Security include all the hours for labor taxes and mandatory contributions in general.

The postfiling index is the average of the scores on time to comply with VAT refund, time to obtain a VAT refund, time to comply with a corporate income tax correction and time to complete a corporate income tax correction.

N/A = Not applicable.

## Trading across Borders

*Doing Business* records the time and cost associated with the logistical process of exporting and importing goods. *Doing Business* measures the time and cost (excluding tariffs) associated with three sets of procedures—documentary compliance, border compliance and domestic transport—within the overall process of exporting or importing a shipment of goods. The most recent round of data collection for the project was completed in May 2018. [See the methodology for more information.](#)

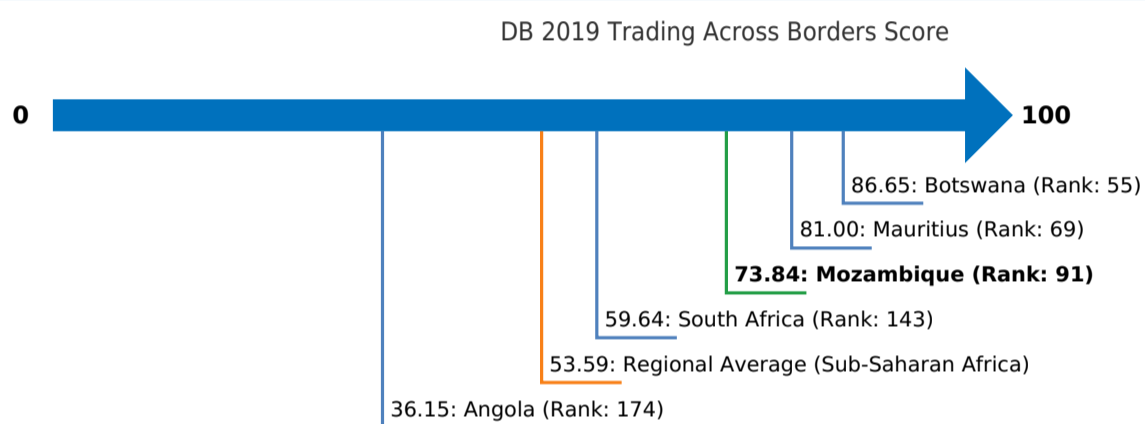
What the indicators measure	Case study assumptions
<p><b>Documentary compliance</b></p> <ul style="list-style-type: none"> <li>• Obtaining, preparing and submitting documents during transport, clearance, inspections and port or border handling in origin economy</li> <li>• Obtaining, preparing and submitting documents required by destination economy and any transit economies</li> <li>• Covers all documents required by law and in practice, including electronic submissions of information</li> </ul> <p><b>Border compliance</b></p> <ul style="list-style-type: none"> <li>• Customs clearance and inspections</li> <li>• Inspections by other agencies (if applied to more than 20% of shipments)</li> <li>• Handling and inspections that take place at the economy's port or border</li> </ul> <p><b>Domestic transport</b></p> <ul style="list-style-type: none"> <li>• Loading or unloading of the shipment at the warehouse or port/border</li> <li>• Transport between warehouse and port/border</li> <li>• Traffic delays and road police checks while shipment is en route</li> </ul>	<p>To make the data comparable across economies, a few assumptions are made about the traded goods and the transactions:</p> <p><b>Time:</b> Time is measured in hours, and 1 day is 24 hours (for example, 22 days are recorded as 22×24=528 hours). If customs clearance takes 7.5 hours, the data are recorded as is. Alternatively, suppose documents are submitted to a customs agency at 8:00a.m., are processed overnight and can be picked up at 8:00a.m. the next day. The time for customs clearance would be recorded as 24 hours because the actual procedure took 24 hours.</p> <p><b>Cost:</b> Insurance cost and informal payments for which no receipt is issued are excluded from the costs recorded. Costs are reported in U.S. dollars. Contributors are asked to convert local currency into U.S. dollars based on the exchange rate prevailing on the day they answer the questionnaire. Contributors are private sector experts in international trade logistics and are informed about exchange rates.</p> <p><b>Assumptions of the case study:</b></p> <ul style="list-style-type: none"> <li>- For all 190 economies covered by <i>Doing Business</i>, it is assumed a shipment is in a warehouse in the largest business city of the exporting economy and travels to a warehouse in the largest business city of the importing economy.</li> <li>- It is assumed each economy imports 15 metric tons of containerized auto parts (HS 8708) from its natural import partner—the economy from which it imports the largest value (price times quantity) of auto parts. It is assumed each economy exports the product of its comparative advantage (defined by the largest export value) to its natural export partner—the economy that is the largest purchaser of this product. Shipment value is assumed to be \$50,000.</li> <li>- The mode of transport is the one most widely used for the chosen export or import product and the trading partner, as is the seaport or land border crossing.</li> <li>- All electronic information submissions requested by any government agency in connection with the shipment are considered to be documents obtained, prepared and submitted during the export or import process.</li> <li>- A port or border is a place (seaport or land border crossing) where merchandise can enter or leave an economy.</li> <li>- Relevant government agencies include customs, port authorities, road police, border guards, standardization agencies, ministries or departments of agriculture or industry, national security agencies and any other government authorities.</li> </ul>



Trading across Borders - Mozambique

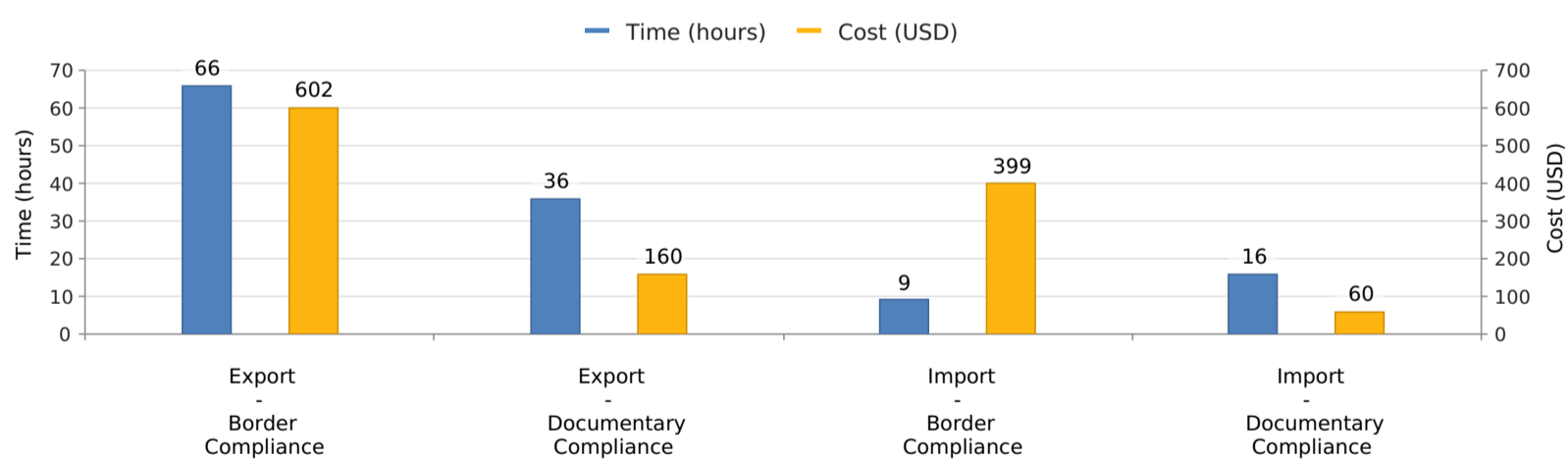
Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time to export: Border compliance (hours)	66	97.3	12.5	1 (19 Economies)
Cost to export: Border compliance (USD)	602	605.8	139.1	0 (19 Economies)
Time to export: Documentary compliance (hours)	36	72.8	2.4	1 (26 Economies)
Cost to export: Documentary compliance (USD)	160	168.8	35.2	0 (20 Economies)
Time to import: Border compliance (hours)	9	126.3	8.5	0 (25 Economies)
Cost to import: Border compliance (USD)	399	684.3	100.2	0 (28 Economies)
Time to import: Documentary compliance (hours)	16	97.7	3.4	1 (30 Economies)
Cost to import: Documentary compliance (USD)	60	283.5	24.9	0 (30 Economies)

Figure - Trading across Borders in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of trading across borders is determined by sorting their scores for trading across borders. These scores are the simple average of the scores for the time and cost for documentary compliance and border compliance to export and import.

Figure - Trading across Borders in Mozambique - Time and Cost



## Details - Trading across Borders in Mozambique

Characteristics	Export	Import
Product	HS 76 : Aluminium and articles thereof	HS 8708: Parts and accessories of motor vehicles
Trade partner	Netherlands	South Africa
Border	Maputo port	Ressano Garcia border crossing
Distance (km)	14	85
Domestic transport time (hours)	4	4
Domestic transport cost (USD)	300	400

## Details - Trading across Borders in Mozambique - Components of Border Compliance

	Time to Complete (hours)	Associated Costs (USD)
Export: Clearance and inspections required by customs authorities	27.0	275.0
Export: Clearance and inspections required by agencies other than customs	0.0	0.0
Export: Port or border handling	48.0	326.7
Import: Clearance and inspections required by customs authorities	6.0	285.0
Import: Clearance and inspections required by agencies other than customs	0.0	0.0
Import: Port or border handling	7.0	114.0

## Details - Trading across Borders in Mozambique - Trade Documents

Export	Import
Commercial invoice	Commercial invoice
Packing list	Packing list
Certificate of Origin	SADC Certificate of Origin
Bill of lading	Guia de Circulação de Mercadorias (Inland bill of lading)
Relatório de Assistência Fiscal (Fiscal Assistance Report)	Bill of entry
Exit Authorization	Manifesto Rodoviário de Carga (Road Cargo Manifest)
Termo de Compromisso Bancário (Bank Letter of Commitment)	Autorização de Saída (Cargo Release Order)
Customs export declaration	Customs import declaration (Documento Único)
Inspection report from scanner (Kudumba)	Inspection report from scanner (Kudumba)
Terminal handling receipts	Terminal handling receipts
SOLAS certificate	

## Enforcing Contracts

The enforcing contracts indicator measures the time and cost for resolving a commercial dispute through a local first-instance court, and the quality of judicial processes index, evaluating whether each economy has adopted a series of good practices that promote quality and efficiency in the court system. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<p><b>Time required to enforce a contract through the courts (calendar days)</b></p> <ul style="list-style-type: none"> <li>• Time to file and serve the case</li> <li>• Time for trial and to obtain the judgment</li> <li>• Time to enforce the judgment</li> </ul> <p><b>Cost required to enforce a contract through the courts (% of claim)</b></p> <ul style="list-style-type: none"> <li>• Attorney fees</li> <li>• Court fees</li> <li>• Enforcement fees</li> </ul> <p><b>Quality of judicial processes index (0-18)</b></p> <ul style="list-style-type: none"> <li>• Court structure and proceedings (-1-5)</li> <li>• Case management (0-6)</li> <li>• Court automation (0-4)</li> <li>• Alternative dispute resolution (0-3)</li> </ul>	<p>The dispute in the case study involves the breach of a sales contract between 2 domestic businesses. The case study assumes that the court hears an expert on the quality of the goods in dispute. This distinguishes the case from simple debt enforcement.</p> <p>To make the data comparable across economies, <i>Doing Business</i> uses several assumptions about the case:</p> <ul style="list-style-type: none"> <li>- The dispute concerns a lawful transaction between two businesses (Seller and Buyer), both located in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.</li> <li>- The buyer orders custom-made goods, then fails to pay alleging that the goods are not of adequate quality.</li> <li>- The value of the dispute is 200% of the income per capita or the equivalent in local currency of USD 5,000, whichever is greater.</li> <li>- The seller sues the buyer before the court with jurisdiction over commercial cases worth 200% of income per capita or \$5,000.</li> <li>- The seller requests the pretrial attachment of the defendant's movable assets to secure the claim.</li> <li>- The dispute on the quality of the goods requires an expert opinion.</li> <li>- The judge decides in favor of the seller; there is no appeal.</li> <li>- The seller enforces the judgment through a public sale of the buyer's movable assets.</li> </ul>

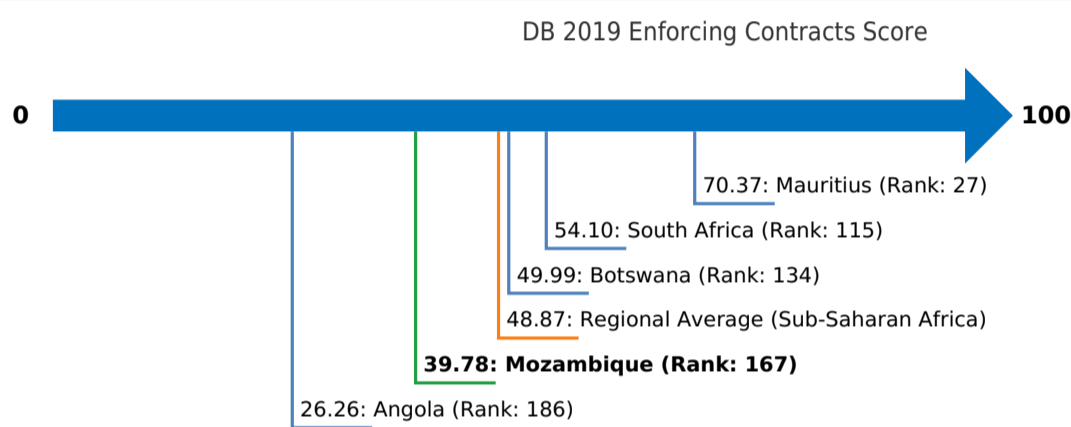
Enforcing Contracts - Mozambique

Standardized Case

Claim value	MZN 244,149
Court name	Maputo City Judicial Court, Civil Division
City Covered	Maputo

Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Time (days)	950	655.1	582.4	None in 2017/18
Cost (% of claim value)	53.3	42.3	21.2	None in 2017/18
Quality of judicial processes index (0-18)	8.5	6.7	11.5	None in 2017/18

Figure - Enforcing Contracts in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of enforcing contracts is determined by sorting their scores for enforcing contracts. These scores are the simple average of the scores for each of the component indicators.

Figure - Enforcing Contracts in Mozambique - Time and Cost

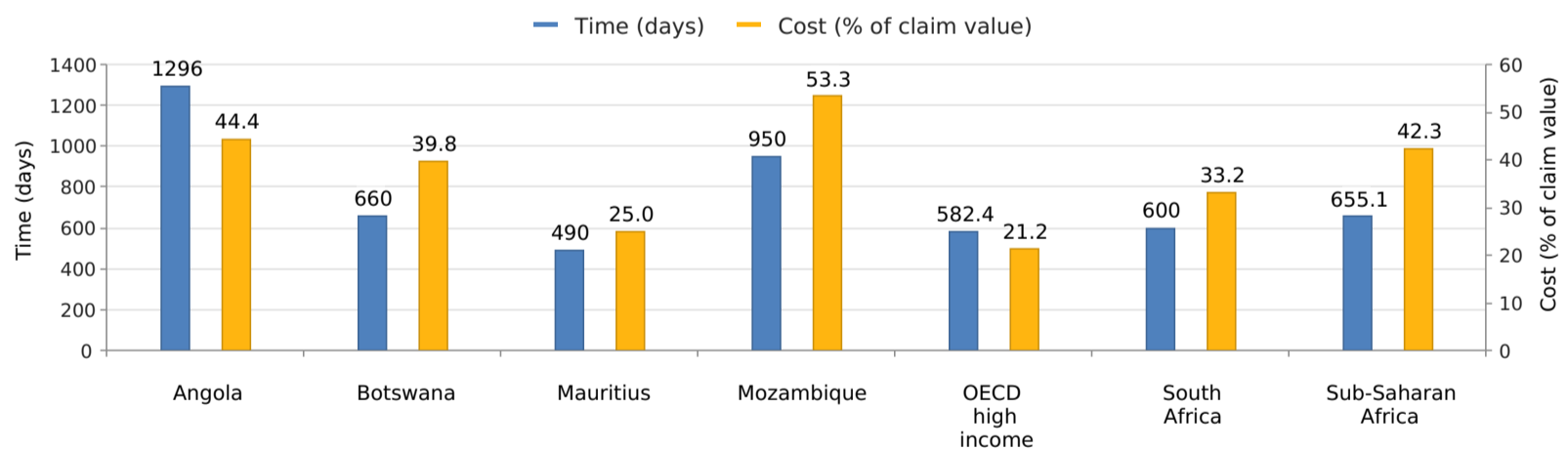
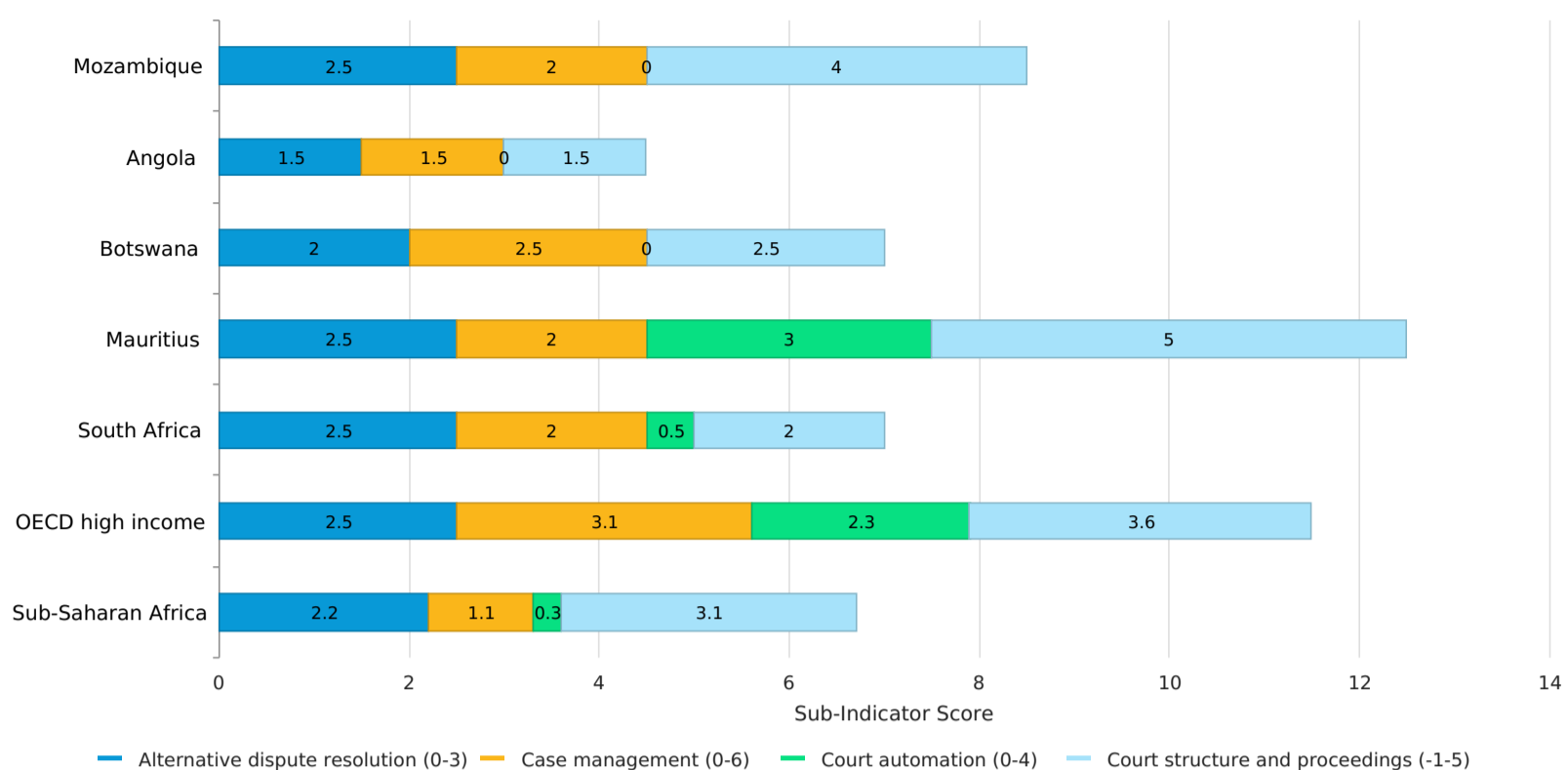


Figure - Enforcing Contracts in Mozambique and comparator economies - Measure of Quality



Details - Enforcing Contracts in Mozambique

	Indicator
<b>Time (days)</b>	<b>950</b>
Filing and service	90
Trial and judgment	640
Enforcement of judgment	220
<b>Cost (% of claim value)</b>	<b>53.3</b>
Attorney fees	35
Court fees	9.4
Enforcement fees	8.9
<b>Quality of judicial processes index (0-18)</b>	<b>8.5</b>
Court structure and proceedings (-1-5)	4.0
Case management (0-6)	2.0
Court automation (0-4)	0.0
Alternative dispute resolution (0-3)	2.5

## Details - Enforcing Contracts in Mozambique - Measure of Quality

	Answer	Score
<b>Quality of judicial processes index (0-18)</b>		<b>8.5</b>
<b>Court structure and proceedings (-1-5)</b>		<b>4.0</b>
1. Is there a court or division of a court dedicated solely to hearing commercial cases?	Yes	1.5
2. Small claims court		1.0
2.a. Is there a small claims court or a fast-track procedure for small claims?	Yes	
2.b. If yes, is self-representation allowed?	No	
3. Is pretrial attachment available?	Yes	1.0
4. Are new cases assigned randomly to judges?	Yes, but manual	0.5
5. Does a woman's testimony carry the same evidentiary weight in court as a man's?	Yes	0.0
<b>Case management (0-6)</b>		<b>2.0</b>
1. Time standards		0.5
1.a. Are there laws setting overall time standards for key court events in a civil case?	Yes	
1.b. If yes, are the time standards set for at least three court events?	Yes	
1.c. Are these time standards respected in more than 50% of cases?	No	
2. Adjournments		0.5
2.a. Does the law regulate the maximum number of adjournments that can be granted?	No	
2.b. Are adjournments limited to unforeseen and exceptional circumstances?	Yes	
2.c. If rules on adjournments exist, are they respected in more than 50% of cases?	Yes	
3. Can two of the following four reports be generated about the competent court: (i) time to disposition report; (ii) clearance rate report; (iii) age of pending cases report; and (iv) single case progress report?	No	0.0
4. Is a pretrial conference among the case management techniques used before the competent court?	Yes	1.0
5. Are there any electronic case management tools in place within the competent court for use by judges?	No	0.0
6. Are there any electronic case management tools in place within the competent court for use by lawyers?	No	0.0
<b>Court automation (0-4)</b>		<b>0.0</b>
1. Can the initial complaint be filed electronically through a dedicated platform within the competent court?	no	0.0
2. Is it possible to carry out service of process electronically for claims filed before the competent court?	No	0.0
3. Can court fees be paid electronically within the competent court?	No	0.0
4. Publication of judgments		0.0
4.a. Are judgments rendered in commercial cases at all levels made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
4.b. Are judgments rendered in commercial cases at the appellate and supreme court level made available to the general public through publication in official gazettes, in newspapers or on the internet or court website?	No	
<b>Alternative dispute resolution (0-3)</b>		<b>2.5</b>
1. Arbitration		1.5

1.a. Is domestic commercial arbitration governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all its aspects?	Yes	
1.b. Are there any commercial disputes—aside from those that deal with public order or public policy—that cannot be submitted to arbitration?	No	
1.c. Are valid arbitration clauses or agreements usually enforced by the courts?	Yes	
2. Mediation/Conciliation		1.0
2.a. Is voluntary mediation or conciliation available?	Yes	
2.b. Are mediation, conciliation or both governed by a consolidated law or consolidated chapter or section of the applicable code of civil procedure encompassing substantially all their aspects?	Yes	
2.c. Are there financial incentives for parties to attempt mediation or conciliation (i.e., if mediation or conciliation is successful, a refund of court filing fees, income tax credits or the like)?	No	



## Resolving Insolvency

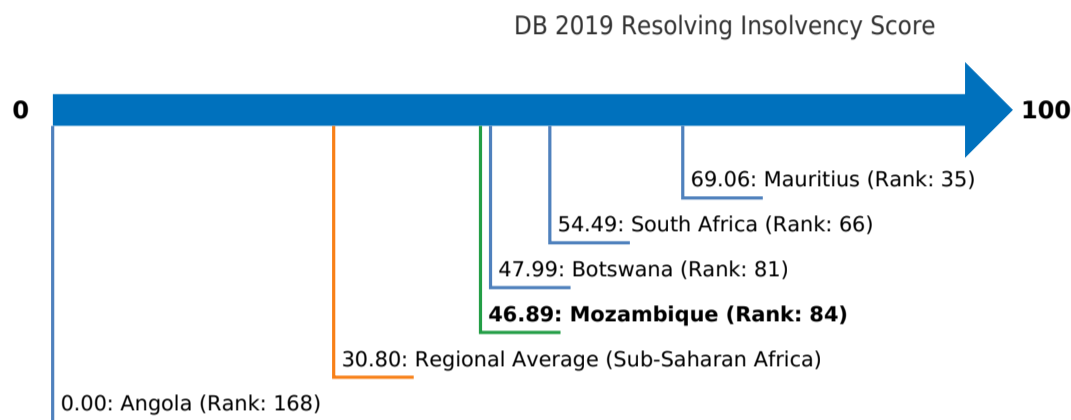
*Doing Business* studies the time, cost and outcome of insolvency proceedings involving domestic legal entities. These variables are used to calculate the recovery rate, which is recorded as cents on the dollar recovered by secured creditors through reorganization, liquidation or debt enforcement (foreclosure or receivership) proceedings. To determine the present value of the amount recovered by creditors, *Doing Business* uses the lending rates from the International Monetary Fund, supplemented with data from central banks and the Economist Intelligence Unit. The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

What the indicators measure	Case study assumptions
<b>Time required to recover debt (years)</b>	To make the data on the time, cost and outcome comparable across economies, several assumptions about the business and the case are used:
<ul style="list-style-type: none"> <li>• Measured in calendar years</li> <li>• Appeals and requests for extension are included</li> </ul>	<ul style="list-style-type: none"> <li>- A hotel located in the largest city (or cities) has 201 employees and 50 suppliers. The hotel experiences financial difficulties.</li> </ul>
<b>Cost required to recover debt (% of debtor's estate)</b>	<ul style="list-style-type: none"> <li>- The value of the hotel is 100% of the income per capita or the equivalent in local currency of USD 200,000, whichever is greater.</li> </ul>
<ul style="list-style-type: none"> <li>• Measured as percentage of estate value</li> <li>• Court fees</li> <li>• Fees of insolvency administrators</li> <li>• Lawyers' fees</li> <li>• Assessors' and auctioneers' fees</li> <li>• Other related fees</li> </ul>	<ul style="list-style-type: none"> <li>- The hotel has a loan from a domestic bank, secured by a mortgage over the hotel's real estate. The hotel cannot pay back the loan, but makes enough money to operate otherwise.</li> </ul>
<b>Outcome</b>	In addition, <i>Doing Business</i> evaluates the quality of legal framework applicable to judicial liquidation and reorganization proceedings and the extent to which best insolvency practices have been implemented in each economy covered.
<ul style="list-style-type: none"> <li>• Whether business continues operating as a going concern or business assets are sold piecemeal</li> </ul>	
<b>Recovery rate for creditors</b>	
<ul style="list-style-type: none"> <li>• Measures the cents on the dollar recovered by secured creditors</li> <li>• Outcome for the business (survival or not) determines the maximum value that can be recovered</li> <li>• Official costs of the insolvency proceedings are deducted</li> <li>• Depreciation of furniture is taken into account</li> <li>• Present value of debt recovered</li> </ul>	
<b>Strength of insolvency framework index (0- 16)</b>	
<ul style="list-style-type: none"> <li>• Sum of the scores of four component indices:</li> <li>• Commencement of proceedings index (0-3)</li> <li>• Management of debtor's assets index (0-6)</li> <li>• Reorganization proceedings index (0-3)</li> <li>• Creditor participation index (0-4)</li> </ul>	

Resolving Insolvency - Mozambique

Indicator	Mozambique	Sub-Saharan Africa	OECD high income	Best Regulatory Performance
Recovery rate (cents on the dollar)	29.1	20.3	70.5	None in 2017/18
Time (years)	1.5	2.9	1.7	0.4 (Ireland)
Cost (% of estate)	20.5	22.7	9.3	1.0 (Norway)
Outcome (0 as piecemeal sale and 1 as going concern)	0	..	..	..
Strength of insolvency framework index (0-16)	10.0	6.4	11.9	None in 2017/18

Figure - Resolving Insolvency in Mozambique and comparator economies - Ranking and Score



Note: The ranking of economies on the ease of resolving insolvency is determined by sorting their scores for resolving insolvency. These scores are the simple average of the scores for the recovery rate and the strength of insolvency framework index.

Figure - Resolving Insolvency in Mozambique - Time and Cost

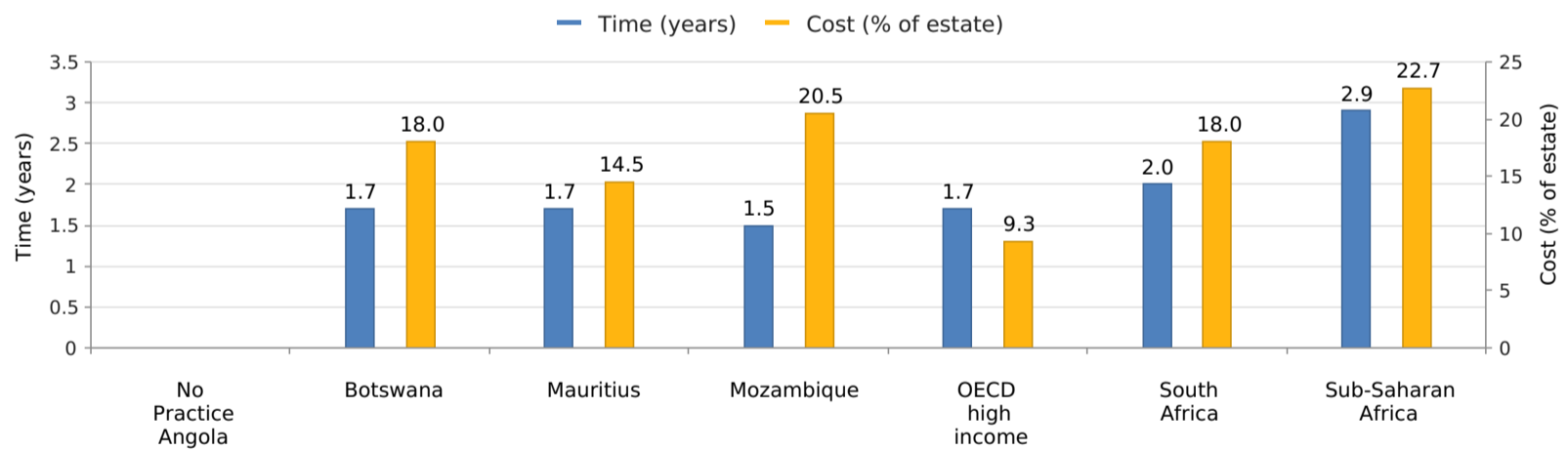
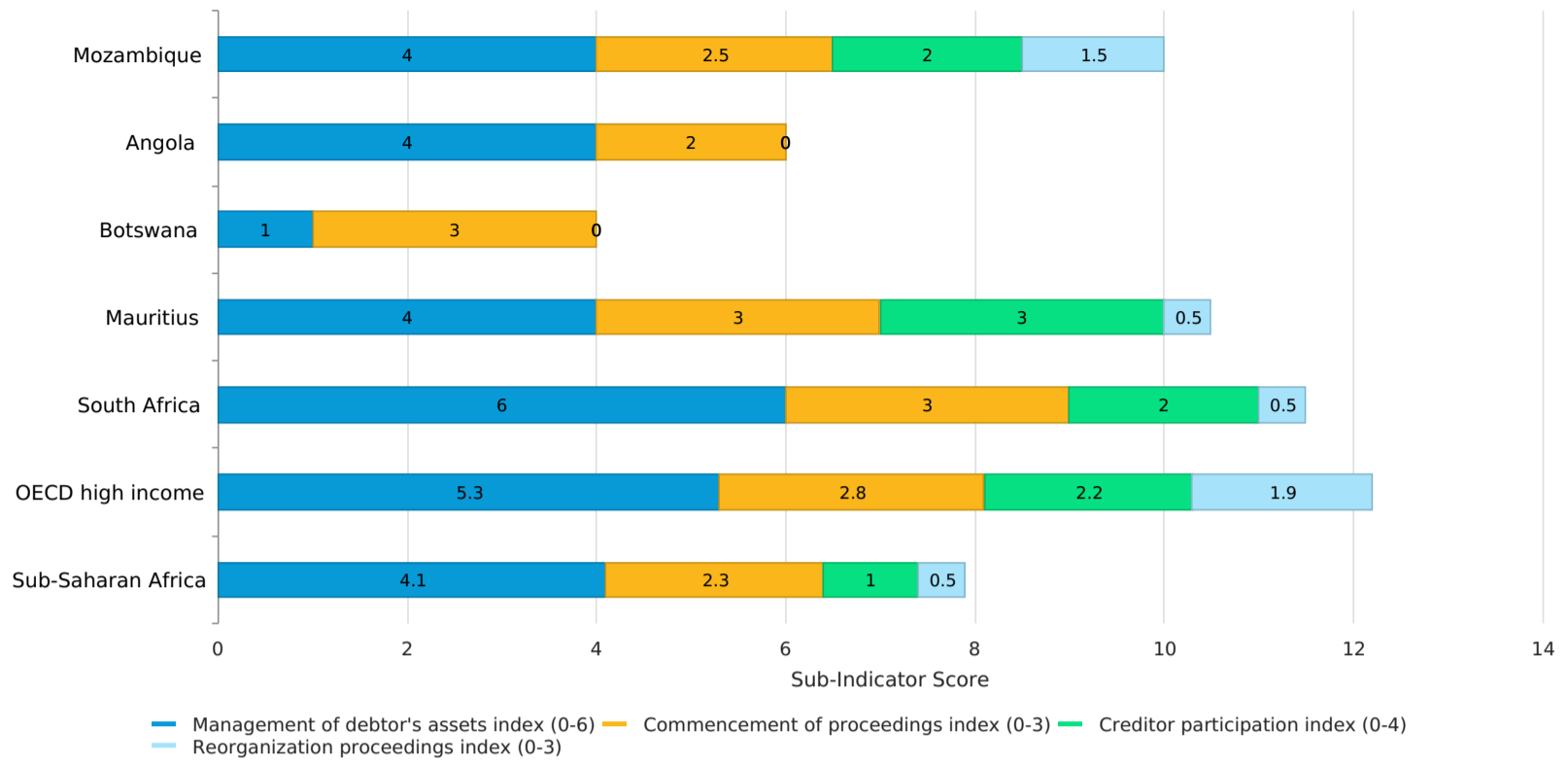
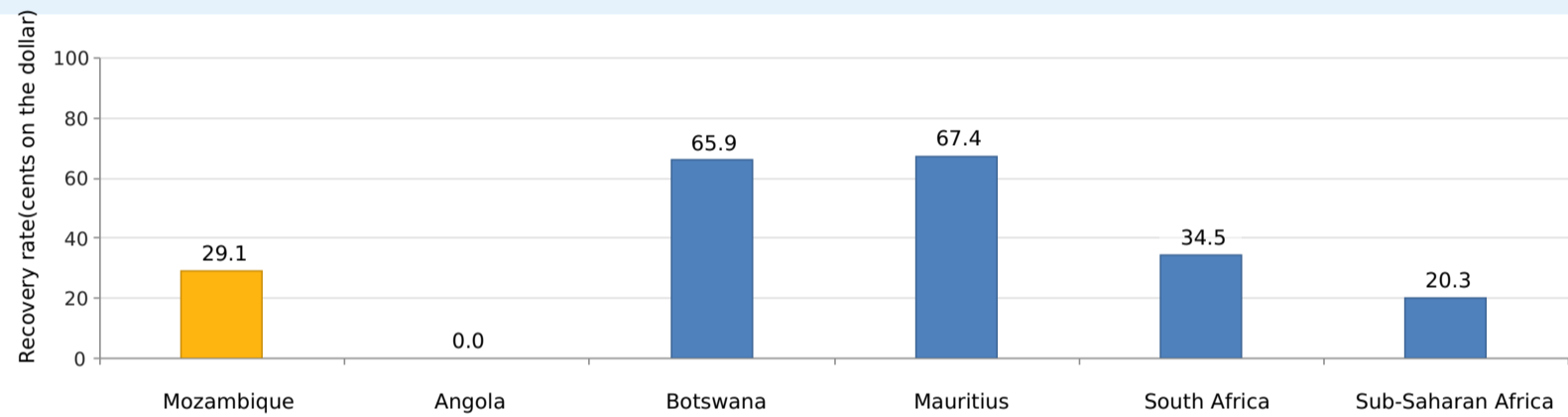


Figure - Resolving Insolvency in Mozambique and comparator economies - Measure of Quality



Note: Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

Figure - Resolving Insolvency in Mozambique and comparator economies - Recovery Rate



## Details - Resolving Insolvency in Mozambique

Indicator	Answer	Score
Proceeding	foreclosure	BizBank will commence enforcement proceedings ("processo de execução") before the Commercial Section of the Maputo City Judicial Court. The Court needs first to validate the title. Then it will give Mirage 30 days to pay. If Mirage does not pay, the assets are seized and will be published in a local journal in order to enable other creditors to file claims. After the judge decides on the claims, the auction is organized.
Outcome	piecemeal sale	Upon the completion of foreclosure proceedings, the hotel will stop operating and Mirage assets will be sold piecemeal.
Time (in years)	1.5	It takes 1.5 years from Mirage's default until BizBank is repaid some of the money owed to it through the "processo de execução".
Cost (% of estate)	20.5	Cost incurred during the entire foreclosure procedure mainly include court fees (8.5%), which includes the "imposto" and the enforcement costs; as well as attorney's fees (12%).
Recovery rate (cents on the dollar)		29.1

## Details - Resolving Insolvency in Mozambique - Measure of Quality

	Answer	Score
<b>Strength of insolvency framework index (0-16)</b>		<b>10.0</b>
<b>Commencement of proceedings index (0-3)</b>		<b>2.5</b>
What procedures are available to a DEBTOR when commencing insolvency proceedings?	(a) Debtor may file for both liquidation and reorganization	1.0
Does the insolvency framework allow a CREDITOR to file for insolvency of the debtor?	(b) Yes, but a creditor may file for liquidation only	0.5
What basis for commencement of the insolvency proceedings is allowed under the insolvency framework?	(a) Debtor is generally unable to pay its debts as they mature	1.0
<b>Management of debtor's assets index (0-6)</b>		<b>4.0</b>
Does the insolvency framework allow the continuation of contracts supplying essential goods and services to the debtor?	Yes	1.0
Does the insolvency framework allow the rejection by the debtor of overly burdensome contracts?	Yes	1.0
Does the insolvency framework allow avoidance of preferential transactions?	Yes	1.0
Does the insolvency framework allow avoidance of undervalued transactions?	Yes	1.0
Does the insolvency framework provide for the possibility of the debtor obtaining credit after commencement of insolvency proceedings?	No	0.0
Does the insolvency framework assign priority to post-commencement credit?	(c) No priority is assigned to post-commencement creditors	0.0
<b>Reorganization proceedings index (0-3)</b>		<b>1.5</b>
Which creditors vote on the proposed reorganization plan?	(a) All creditors	0.5
Does the insolvency framework require that dissenting creditors in reorganization receive at least as much as what they would obtain in a liquidation?	No	0.0
Are the creditors divided into classes for the purposes of voting on the reorganization plan, does each class vote separately and are creditors in the same class treated equally?	Yes	1.0
<b>Creditor participation index (0-4)</b>		<b>2.0</b>
Does the insolvency framework require approval by the creditors for selection or appointment of the insolvency representative?	No	0.0
Does the insolvency framework require approval by the creditors for sale of substantial assets of the debtor?	No	0.0
Does the insolvency framework provide that a creditor has the right to request information from the insolvency representative?	Yes	1.0
Does the insolvency framework provide that a creditor has the right to object to decisions accepting or rejecting creditors' claims?	Yes	1.0

**Note:** Even if the economy's legal framework includes provisions related to insolvency proceedings (liquidation or reorganization), the economy receives 0 points for the strength of insolvency framework index, if time, cost and outcome indicators are recorded as "no practice."

## Labor Market Regulation

*Doing Business* presents detailed data for the labor market regulation indicators on the *Doing Business* website (<http://www.doingbusiness.org>). The report does not present rankings of economies on these indicators or include the topic in the aggregate ease of doing business score or ranking on the ease of doing business.

The most recent round of data collection was completed in May 2018. [See the methodology for more information.](#)

### What the indicators measure

#### Hiring

(i) whether fixed-term contracts are prohibited for permanent tasks; (ii) maximum cumulative duration of fixed-term contracts; (iii) length of the probationary period; (iv) minimum wage.

#### Working hours

(i) maximum number of working days allowed per week; (ii) premiums for work: at night, on a weekly rest day and overtime; (iii) whether there are restrictions on work at night, work on a weekly rest day and for overtime work; (iv) whether nonpregnant and nonnursing women can work same night hours as men; (v) length of paid annual leave.

#### Redundancy rules

(i) whether redundancy can be basis for terminating workers; (ii) whether employer needs to notify and/or get approval from third party to terminate 1 redundant worker and a group of 9 redundant workers; (iii) whether law requires employer to reassign or retrain a worker before making worker redundant; (iv) whether priority rules apply for redundancies and reemployment.

#### Redundancy cost

(i) notice period for redundancy dismissal; (ii) severance payments due when terminating a redundant worker.

#### Job quality

(i) whether law mandates equal remuneration for work of equal value and nondiscrimination based on gender in hiring; (ii) whether law mandates paid or unpaid maternity leave; (iii) length of paid maternity leave; (iv) whether employees on maternity leave receive 100% of wages; (v) availability of five fully paid days of sick leave a year; (vi) eligibility requirements for unemployment protection.

### Case study assumptions

To make the data comparable across economies, several assumptions about the worker and the business are used.

#### The worker:

- Is a cashier in a supermarket or grocery store, age 19, with one year of work experience.
- Is a full-time employee.
- Is not a member of the labor union, unless membership is mandatory.

#### The business:

- Is a limited liability company (or the equivalent in the economy).
- Operates a supermarket or grocery store in the economy's largest business city. For 11 economies the data are also collected for the second largest business city.
- Has 60 employees.
- Is subject to collective bargaining agreements if such agreements cover more than 50% of the food retail sector and they apply even to firms that are not party to them.
- Abides by every law and regulation but does not grant workers more benefits than those mandated by law, regulation or (if applicable) collective bargaining agreements.

## Labor Market Regulation - Mozambique

## Details - Labor Market Regulation in Mozambique

	Answer
<b>Hiring</b>	
Fixed-term contracts prohibited for permanent tasks?	Yes
Maximum length of a single fixed-term contract (months)	24.0
Maximum length of fixed-term contracts, including renewals (months)	72.0
Minimum wage applicable to the worker assumed in the case study (US\$/month)	90.0
Ratio of minimum wage to value added per worker	1.3
Maximum length of probationary period (months)	3.0
<b>Working hours</b>	
Standard workday	8.0
Maximum number of working days per week	6.0
Premium for night work (% of hourly pay)	25.0
Premium for work on weekly rest day (% of hourly pay)	100.0
Premium for overtime work (% of hourly pay)	50.0
Restrictions on night work?	No
Whether nonpregnant and nonnursing women can work the same night hours as men	Yes
Restrictions on weekly holiday?	Yes
Restrictions on overtime work?	No
Paid annual leave for a worker with 1 year of tenure (working days)	12.0
Paid annual leave for a worker with 5 years of tenure (working days)	30.0
Paid annual leave for a worker with 10 years of tenure (working days)	30.0
Paid annual leave (average for workers with 1, 5 and 10 years of tenure, in working days)	24.0
<b>Redundancy rules</b>	
Dismissal due to redundancy allowed by law?	Yes
Third-party notification if one worker is dismissed?	Yes
Third-party approval if one worker is dismissed?	No
Third-party notification if nine workers are dismissed?	Yes
Third-party approval if nine workers are dismissed?	No
Retraining or reassignment obligation before redundancy?	No
Priority rules for redundancies?	No
Priority rules for reemployment?	No
<b>Redundancy cost</b>	
Notice period for redundancy dismissal for a worker with 1 year of tenure	4.3
Notice period for redundancy dismissal for a worker with 5 years of tenure	4.3
Notice period for redundancy dismissal for a worker with 10 years of tenure	4.3
Notice period for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	4.3
Severance pay for redundancy dismissal for a worker with 1 year of tenure	2.2

Severance pay for redundancy dismissal for a worker with 5 years of tenure	32.5
Severance pay for redundancy dismissal for a worker with 10 years of tenure	65.0
Severance pay for redundancy dismissal (average for workers with 1, 5 and 10 years of tenure)	33.2
<b>Job quality</b>	
Equal remuneration for work of equal value?	No
Gender nondiscrimination in hiring?	No
Paid or unpaid maternity leave mandated by law?	Yes
Minimum length of maternity leave (calendar days)?	60.0
Receive 100% of wages on maternity leave?	Yes
Five fully paid days of sick leave a year?	No
Unemployment protection after one year of employment?	No
Minimum contribution period for unemployment protection (months)?	n.a.



## Business Reforms in Mozambique

In the past year, *Doing Business* observed a peaking of reform activity worldwide. From June 2, 2017, to May 1, 2018, 128 economies implemented a record 314 regulatory reforms improving the business climate. Reforms inspired by *Doing Business* have been implemented by economies in all regions. The following are reforms implemented since *Doing Business* 2008.

✓ = *Doing Business* reform making it easier to do business. ✗ = Change making it more difficult to do business.

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DB2019

✗ **Starting a Business:** Mozambique made starting a business more expensive by increasing the cost to publish the company's deed. At the same time, it made the process less costly by replacing the business license with a notification of activity for some sectors.

✓ **Getting Electricity:** Mozambique improved the monitoring and regulation of power outages by beginning to record data for the annual system average interruption duration index (SAIDI) and system average interruption frequency index (SAIFI). Mozambique also made getting electricity faster by imposing new deadlines for connection procedures and streamlining processes.

✓ **Paying Taxes:** Mozambique made paying taxes easier by reducing the mandatory carry-forward period before taxpayers can request a value added tax cash refund to four months (from 12 months previously).

✓ **Trading across Borders:** Mozambique made trading across borders easier by streamlining the submission of documents for imports, improving infrastructure at the Ressano Garcia border crossing and simplifying export documentary compliance.

**Labor Market Regulation:** Mozambique introduced a new social security regulation.

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DB2018

✓ **Getting Electricity:** Mozambique reduced the time to get an electricity connection by streamlining procedures through the utility instead of different agencies. It also reduced costs by eliminating the security deposit for large commercial clients.

✓ **Trading across Borders:** Mozambique made exporting easier by improving infrastructure at the Maputo-Matola port complex.

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DB2017

✗ **Starting a Business:** Mozambique made starting a business more difficult by increasing registration and notary fees.

✓ **Getting Credit:** Mozambique improved access to credit information by enacting a law that allows the establishment of a new credit bureau.

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DB2016

✓ **Paying Taxes:** Mozambique made paying taxes easier and less costly for companies by implementing an online system for filing social security contributions and by increasing the depreciation rate for copying machines.

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DB2015

✓ **Registering Property:** Mozambique made registering property easier by streamlining procedures at the land registry and municipality.

✓ **Resolving Insolvency:** Mozambique made resolving insolvency easier by introducing a court-supervised reorganization procedure and a mechanism for prepackaged reorganizations, by clarifying rules on the appointment and qualifications of insolvency administrators and by strengthening creditors' rights.

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DB2014

✓ **Dealing with Construction Permits:** Mozambique made dealing with construction permits easier by improving internal processes at the Department of Construction and Urbanization—though it also increased the fees for building permits and occupancy permits.

✓ **Trading across Borders:** Mozambique made trading across borders easier by implementing an electronic single-window system.

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DB2012

✗ **Getting Electricity:** Mozambique made getting electricity more difficult by requiring authorization of a connection project by the Ministry of Energy and by adding an inspection of the completed external works.

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DB2011

✓ **Starting a Business:** Mozambique eased business start-up by introducing a simplified licensing process.

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DB2010

- ✓ **Starting a Business:** Mozambique made starting a business easier by eliminating the minimum capital and bank deposit requirements.
  - ✓ **Trading across Borders:** Mozambique reduced the time required to clear goods by introducing administrative improvements at customs.
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DB2009

- ✓ **Paying Taxes:** Mozambique made paying taxes easier for companies by introducing a new corporate income tax code with a simplified scheme for those with annual revenues of up to 2.5 million meticaís, a new value added tax act with a simplified scheme for smaller companies (those with revenues between 750,000 and 2.5 million meticaís) and electronic tax forms for social security taxes.
- ✓ **Enforcing Contracts:** Mozambique improved its contract enforcement system by adding more than 20 judges, all of whom received formal training; introducing court administrators to ease the administrative burden on judges; and introducing performance measurement for judges.

**Labor Market Regulation:** Mozambique increased the maximum duration of fixed-term contracts and also reduced the notice period applicable in cases of redundancy dismissals.

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DB2008

- ✓ **Starting a Business:** Mozambique reduced the time required to start a business by implementing electronic publication of the incorporation notice and eliminating provisional registration. In addition, it made the use of notaries optional, computerized its registry and introduced flat registration fees.
- ✓ **Protecting Minority Investors:** Mozambique strengthened investor protections by enacting a new commercial code that allows shareholders to bring derivative suits against company directors, introduces detailed duties and liability for directors and major shareholders, expands the range of company information accessible to shareholders and permits shareholders to request the appointment of an expert to investigate the activities of the company.
- ✓ **Enforcing Contracts:** Mozambique improved commercial dispute resolution in Maputo by hiring specialized judges and tightening the time limits on enforcement procedures.

*Doing Business 2019* is the 16th in a series of annual reports investigating the regulations that enhance business activity and those that constrain it. The report provides quantitative indicators covering 11 areas of the business environment in 190 economies. The goal of the *Doing Business* series is to provide objective data for use by governments in designing sound business regulatory policies and to encourage research on the important dimensions of the regulatory environment for firms.

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