

Mozambique Tax Authority proposes law on tax amnesty

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The Mozambique Tax Authority (MTA) has submitted a proposal of law to Parliament for the granting of tax amnesty in relation to, fines, interest and any other charges, including fines associated with the non-compliance of formal obligations, with respect to national and municipal taxes, for taxpayers who are debtors of such taxes as at 31 December 2018.

The proposal states that the above amnesty is granted under the condition that the taxpayers would pay the taxes due by 31 December 2019. Taxpayers are required to formally apply for amnesty, requesting the payment of the outstanding taxes, including application for payment in installments. Failure of the tax authorities to reply to such request is considered to be a tacit approval for all legal purposes.

The aim of this proposal is to find a solution that is viable for the State and taxpayers to reduce the increasing number of tax debtors and high outstanding amounts, due to the difficulty that interest for late payment and fines represent, which limits payment by taxpayers.

If this proposal is accepted, taxpayers who are in non-compliance with tax payments should consider this process as the removal of interest and fines could result in significant reduction of the tax liability.

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