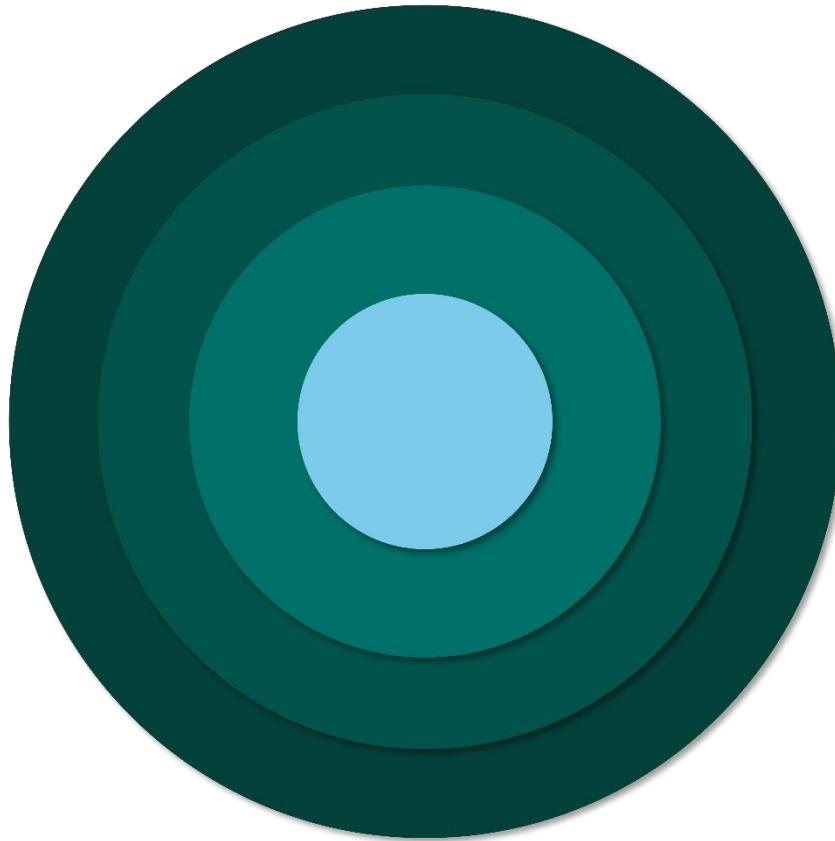




Getting to the point, with confidence.

Amendments to the Personal Income Tax Code (PIT Code)

Law No. 11/2025 of 29 December was published, introducing amendments to the Personal Income Tax Code (PIT Code), among which are the following:

- **Update of the criteria for determining tax residence**, shifting the focus to the existence of a **relevant connection with Mozambican territory**, based on residence, the exercise of a professional activity, or the location of the center of economic interests in Mozambique, rather than on the number of days of physical presence;
- **Expansion of the PIT taxable base** to include income derived from **digital goods and digital services**, provided that such goods or services are carried out or used in Mozambican territory and are payable by entities located or resident therein;

Taxation of digital goods and services

Autonomous taxation of capital gains and of some expenses

Mandatory filing of the Annual Income Tax Return (Form 10)

- **Inclusion of the date of cost recognition as a withholding tax triggering event**, applicable to entities responsible for withholding tax on the relevant income, in addition to the other triggering moments foreseen in the PIT Code;
- Elimination of **simplified bookkeeping and simplified taxable income computation regimes. Organized accounting becomes mandatory** for taxpayers earning business and professional income;
- Application of a **10% withholding tax rate** to:
 - commissions earned by electronic money agents;
 - income derived from the transfer of digital goods or the provision of digital services by non-residents, or where the payer is not a PIT taxpayer;
 - income derived from the transfer of digital goods or the provision of digital services rendered to PIT taxpayers.
- Introduction of **autonomous taxation** on:
 - **capital gains**, at rates ranging between **10% and 32%**, in accordance with the applicable table:

Taxable income in meticaís	Rates
Up to 42.000	10%
From 42.001 to 168.000	15%
From 168.001 to 504.000	20%
From 504.001 to 1.512.000	25%
Above 1.512.000	32%

- **undocumented expenses and expenses of a confidential or unlawful nature**, subject to a **35%** tax rate.
- Elimination of the **filing exemption for taxpayers earning exclusively employment income**, making the **Annual Income Tax Return (Form 10)** mandatory;
- The deduction regarding maintenance and conservation expenses related to rental income becomes dependent on proper documentation at aggregation stage (and not on a presumptive basis).

The Law entered into force on **1 January 2026**.

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