

Tax Alert

Treatment to be applied to Invoices and Invoice Equivalents in light of the reduction of the VAT rate from 17% to 16%

Mozambique

April 2023



Summary

Given the reduction of the new VAT rate from 17% to 16%, introduced by article 17(1) of Law n.º 22/2022, the Director General of the General Tax Directorate of the Mozambican Tax Authority, issued Circular n.º 01/AT/DGI-GDG/001.1/2023, of 27 March 2023, that determines the treatment to be applied to invoices and invoice equivalents taking into account the amendments introduced in the VAT Code. In summary, the Circular sets out that:

- Taxpayers who still have in their possession, invoice booklets and invoice equivalents containing the previous 17% VAT rate are allowed to use these documents in their transactions until 30 April 2023, having, for this purpose, to apply the new rate of 16%.
- In relation to the discontinuation of the sequence of invoices previously in use, the Circular clarifies that taxpayers, starting from 02 May 2023, must request from the authorized printing houses, new invoice booklets and invoice equivalents with the new invoicing sequence and communicate to the collection units the last series of invoices previously in use.

Contacts

Adriano João

Tax Manager

adriano.joao@pwc.com

