

Mozambique Legal Framework Analysis: Key Highlights

This one-pager aims to provide a brief overview of the most notable features of Mozambique's national cooperative legal framework, based on the work of national legal experts and ICA member input.

Main regulations:

In Mozambique, cooperative societies are systematically organized by the New General Law of Cooperatives number 23/2009 (Law no. 23). However, the cooperative movement in Mozambique awaits the approval of legal instruments and regulations by the government to operationalize Law no. 23.

The seven cooperative principles promulgated by the International Cooperative Alliance (ICA) in its Statement on the Cooperative Identity are duly recognized and incorporated in Law no. 23.

Once approved the said regulations, which will also cover tax matters, will be an important booster which can contribute to the country's inclusive and sustainable economic and social development

Cooperative Friendliness:

From the view of ICA contributing member organizations, Law no. 23 is to a high degree 'cooperative friendly' as embodied in Article 6 of Law no. 23. However, the lack of a specific tax regime applicable to cooperatives is a great constraint and hampers the development and growth of cooperatives in Mozambique.

Key recommendations for improvement: The improvement should seek to address

1. The approval of legal instruments and regulations for the full operation of cooperatives.
2. Create a tax regime for the cooperative sector as a way of encouraging the establishment of more cooperatives and contributing to the economic and social development of the cooperatives in the country.

Conclusions: Mozambique has made progress in recent years in the cooperative sector, despite the need and urgency to implement some adaptive reforms. For cooperatives to perform more effectively and productively, there is an urgent need for the government to approve regulations to implement Law no. 23 should be addressed by the government.

