Due to the recent devaluation of the Mozambique currency, the metical, the Central Bank introduced measures aimed towards the “meticalization” of the local economy on 18 November 2015. Among the measures, the Central Bank imposes limitations on the utilization of foreign currency in domestic transactions, which until now was common practice.

The Central Bank has announced that domestic transfers from a foreign currency account held by a company to another local foreign currency account are no longer allowed. Furthermore the Central Bank reconfirms that, as per current exchange control regulations, receipts into local foreign currency accounts can only originate from foreign investments and loans, proceeds from exports and offshore investment. This means that domestic payments from such accounts can only be made by conversion of the foreign currency into meticais, at the exchange rate of the respective commercial bank. It appears that this measure does not apply to domestic foreign currency transfers to physical persons.

As this matter is ongoing, future Alerts will cover any significant developments.
For additional information with respect to this alert, please contact the following:

**Ernst & Young Limitada, Maputo**

- Albena Todorova +258 21 353 200 albena.todorova@mz.ey.com
- Ismael Faquir +258 21 353 301 ismael.faquir@mz.ey.com

**Ernst & Young Advisory Services Ltd., Africa ITS Leader, Johannesburg**

- Justin Liebenberg +27 11 772 3907 justin.liebenberg@za.ey.com

**Ernst & Young LLP (United Kingdom), African Tax Desk, London**

- Leon Steenkamp +44 20 7951 1976 lsteenkamp@uk.ey.com
- Gonçalo Dorotea Cevada +44 20 7951 2162 gcevada@uk.ey.com

**Ernst & Young LLP, Pan African Tax Desk, New York**

- Dele A. Olaogun +1 212 773 2546 dele.olaogun@ey.com
- Jacob Shiplane +1 212 773 2587 jacob.shipalane1@ey.com
About EY
EY is a global leader in assurance, tax, transaction and advisory services. The insights and quality services we deliver help build trust and confidence in the capital markets and in economies the world over. We develop outstanding leaders who team to deliver on our promises to all of our stakeholders. In so doing, we play a critical role in building a better working world for our people, for our clients and for our communities.

EY refers to the global organization, and may refer to one or more, of the member firms of Ernst & Young Global Limited, each of which is a separate legal entity. Ernst & Young Global Limited, a UK company limited by guarantee, does not provide services to clients. For more information about our organization, please visit ey.com.

© 2015 EYGM Limited.
All Rights Reserved.
EYG no. CM6037
1508-1600216 NY
ED None

This material has been prepared for general informational purposes only and is not intended to be relied upon as accounting, tax, or other professional advice. Please refer to your advisors for specific advice.

ey.com