

Petroleum Concession Contracts

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The National Petroleum Institute (INP) in the Ministry of Mineral Resources is responsible for promotion and negotiation of any Petroleum Concession Contracts on behalf of the Government.

A new modern and competitive Petroleum Law enacted on February 2001 provides for three kinds of concession contracts:

- Reconnaissance Contract: Maximum two years exclusivity.
- Exploration and Production Contract: Exploration period maximum 8 years. Production period maximum 30 years.
- Pipeline contract: Period depends on the project.

Corporate Income Tax:

The Corporate Income Tax rate is 32% of net profit, with no ring fencing. Development costs are depreciated over four years.

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Royalty:

The Law sets the royalty at 2 % to 15 %; normally rates are 3-7 % for crude oil, 2-4% for natural gas

depending on water depth. Onshore: 8% for crude oil and 5 % for natural gas.

Fiscal Benefits to Investors:

The Code of Fiscal Benefits provides various investment incentives for the petroleum sector, such as exemption from import fees and VAT (petroleum).

No

No relation