



# CHANGES TO THE SIMPLIFIED TAX FOR SMALL TAXPAYERS (ISPC)

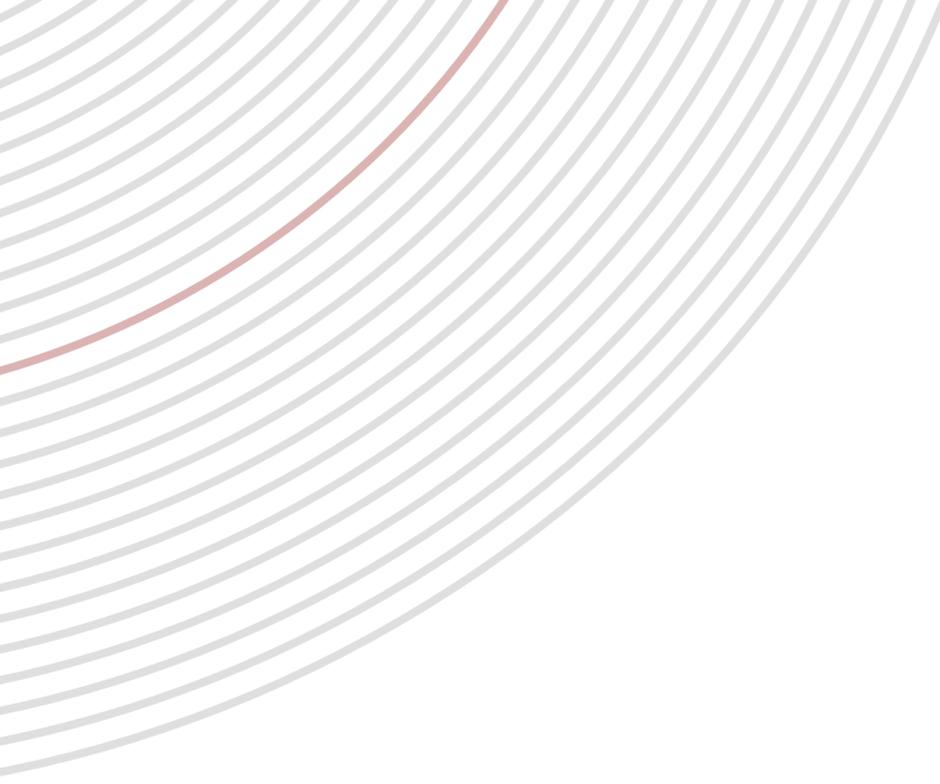
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Law No. 9/2025,  
of 29 December 2025

CA

# BACKGROUND

- Review of the ISPC regime
- Applicable from 1 January 2026





# SCOPE OF THE AMENDMENTS

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- Extension of the scope of the ISPC, now expressly covering taxable persons who develop handicraft activities.
- Small size activities are those whose annual turnover is equal to or less than MZN 4,000,000, representing an increase in the threshold compared to the previous regime (MZN 2,500,000).



## SCOPE OF THE AMENDMENTS

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- Taxpayers who carry out forestry, fishing, livestock, agricultural (including poultry and beekeeping), industrial and commercial activities of small size, including handicraft and services, are now subject to ISPC, provided that the respective annual turnover does not exceed MZN 4,000,000.
- The ISPC exemption applicable to taxpayers whose turnover, under the previous regime, did not exceed the equivalent of 36 minimum wages is eliminated. However, when the tax assessed in the quarter is less than MZN 500.00, there is no payment, but the obligation to submit the periodic return is maintained.



## SCOPE OF THE AMENDMENTS

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- Individuals without registered activity may be subject to ISPC when they carry out taxable operations, provided that such operations derive exclusively from agricultural, livestock, forestry, fishing, poultry or beekeeping activities.
- In practice, even in the absence of habitual or formally registered activity, there is subject to ISPC whenever a taxable transaction meets the conditions for being considered as taxable for Personal Income Tax purposes and arises from agricultural, livestock, forestry, fishing, poultry or beekeeping activities.



## SCOPE OF THE AMENDMENTS

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- Taxpayers who opt for the ISPC are required to remain in this regime for a minimum period of 3 years. In the case of regulated professions (namely lawyers, economists, geologists, engineers and accountants), the maximum period of permanence at the ISPC is 5 years.
- Taxpayers who acquire goods and services eligible for ISPC from individuals must issue an invoice on behalf of these individuals, withhold 5%, and comply with reporting obligations, up to the annual limit of MZN 2,500,000.



# EXCLUSIONS

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- The ISPC does not apply to natural or legal persons who hold shares in other companies included in the ISPC.
- The ISPC does not apply to natural or legal persons who hold shares in companies incorporated by shares.
- The ISPC does not apply to natural or legal persons who carry out their activity through several establishments.
- The ISPC does not apply to regulated professionals who provide services to the same client for a period of more than 183 days during the year.



# ISPC FEES

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- Progressive Rates for forestry, fishing, livestock, agricultural including poultry and beekeeping, industrial, commercial activities, such as agricultural marketing, street trading, general, retail and mixed trade, including in stalls, stalls, kiosks, canteens, handicrafts, shops and tents:
  - **3% up to MZN 1,000,000**
  - **4% up to MZN 2,500,000**
  - **5% up to MZN 4,000,000**





## ISPC FEES

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- **12%** - for technical services, such as the provision of plumbing, carpentry, bricklayer, electrician, barbershop, gardening, mechanical services;
- **15%** - for activities of regulated professions, such as lawyers, economists, geologists, engineers, accountants;
- **20%** - for the excess of the maximum turnover.





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