

**United Nations Industrial Development Organisation
Republic of Mozambique**

REPORT

ONE-STOP SHOPS

**Mission to Mozambique
10 October to 4 November 2005**

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Maputo, 4 November 2005**

LIST OF ABBREVIATIONS

MAE	Ministry of State Administration
MIC	Ministry of Industry and Trade
MICOA	Ministry for the Co-ordination of Environmental Action
MICT	Ministry of Industry, Trade and Tourism
DPIC	Provincial Directorate of Industry and Trade
DPTC	Provincial Directorate of Transport and Communicatons
CHAEM	Centre for Environmental Health and Medical Examinations
MTC	Ministry of Transport and Communications
EMOSE	Insurance Company of Mozambique
MITRAB	Ministry of Labour
MINAG	Ministry of Agriculture

1. Introduction

Today One-Stop Shops (*Balcões de Atendimento Único, Ventanilla Única* or *Guichet Unique*) exist in many developed and developing countries to provide information and services to people wishing to engage in commercial activities. In Mozambique, the main aim of One-Stop Shops (OSSs) is to facilitate or authorise processes to incorporate, alter or close businesses in a country in which these process are normally slow and protracted. OSSs first appeared more than 20 years ago to support, and thus facilitate, foreign investment. Soon their services were extended to cover all types of productive investment, both foreign and national.

OSSs consist of a building in a single, accessible location, in an open space, housing the delegations or extensions of the Public Administration services or institutions that are most directly involved in the processes mentioned above. In Mozambique, the system was first established in the provinces. It quickly gained Central Government approval and OSSs were subsequently established in every province. The OSSs have not developed in a uniform manner and there are now considerable differences between them. What is important, however, is that they exist and that they are all operational.

In its present consolidation phase the OSS system's objectives need to be formulated. For this purpose a national policy needs to be drawn up and legislation needs to be prepared to provide the system with a legal framework. A manual of the minimum procedures to be followed in each OSS is also required to ensure that the system operates in a uniform manner in every province, and that the system develops its own 'corporate image'. The system should, however, be flexible enough to adapt to the particular characteristics of each province and thus improve integration into the structure of each provincial government. To avoid unacceptable deviations, any alterations to the manual should be approved by the respective Management Body, recommended in point 4.5 of this report.

The OSSs should have the authority to facilitate, provide information about or execute the following:

- Constituting different types of businesses, especially small ones, including sole traders, private limited companies and general partnerships.
- Altering the articles of association/partnership agreements of existing businesses.
- Liquidating businesses.

During the mission's visit to several OSSs numerous suggestions were made by co-ordinators. These included increasing sectoral coverage, increasing the utilized space and expanding coverage to district and even administrative post level. We would like to stress that any plans to increase the number of OSSs in future or expanding their services should be viewed with great caution. **The system should only be expanded once the present structure is properly consolidated and legalized.**

There were no opportunities during this mission to study licensing costs and fines.

The recommendations resulting from the mission are presented in point 11 of this report.

2. The Vision of the Private Sector in Mozambique

We were able to visit eight industrial and commercial businesses that had recently benefited from OSS services, and we spoke with three representatives of the organised private sector. Representatives of the private sector in Mozambique have conflicting views about the OSS concept. The business people interviewed, particularly those managing small enterprises, are

generally satisfied with the services provided and with the speed with which processes are completed, particularly re-licensing procedures. The associations we contacted applauded the OSS concept in theory, but saw the danger of creating yet another step in any process. They tended to feel that the bureaucracy of the various Government departments was simply being transferred to the OSSs. In parallel to establishing OSSs, they thought that bureaucratic processes should be simplified and any steps that add no value to a process should be eliminated. These ideas are reflected in the proposals made in this report. The proposed changes or interpretations are underlined in this report and in the manual.

3. The Major Current OSS Problems

We had the opportunity of speaking with all the Provincial Directors of Industry and Commerce during one of their meetings in Maputo, and we were able to visit four OSSs. We were able to visit three more OSSs during another mission. Most of the main problems result from the fact that the OSSs have no legal framework. Other problems are as follows: the OSSs are perceived as an instrument of the Provincial Directorate and not as a multi-sectoral instrument of Provincial Government; the budget is insufficient to cover current expenditure and other provincial directorates (apart from Industry and Commerce) have little involvement with the OSS, the OSSs lack decision-making power and personnel are poorly or partially trained. In addition, there are delays in processes that require decisions from Central Government and Governor's Offices, and in tourist sector projects. In these cases the OSS can do little to remedy the situation.

4. Formalising the OSSs

It is paradoxical that a public service whose mission it is to formalise enterprises is not itself formalised!

OSS organic statutes laying out the structure, budget, responsibilities, sectoral coverage and coverage according to company size, location, personnel and management bodies urgently need to be established by legal decree. The OSSs can be formalised as part of Provincial Government structure under the auspices of art. 27 of Law 8/2003. At central level the OSS could be incorporated into a national public service and global facilitation service, including assistance to the citizen for civil and social issues.

OSSs should not be formalised very rigidly. OSSs are dynamic in concept and should retain the flexibility to adapt themselves to their particular situations. In this way, needs and capacities will be permitted to evolve as a whole and also according to each specific case. The decree establishing the OSS organic statutes should focus on the following areas:

4.1. Structure

To begin with, a single denomination should be chosen for the service that should be used nation wide. At present the service is known by a variety of titles including *BAU*, *BUA*, *BUANA* and *Loja de Negócios* (Business Shop). The OSSs should be integrated into each province's government structure and should be directly dependent on the Permanent Secretary, in accordance with Law 8/03, Article 22. Each OSS should be managed by its own Executive Director or Co-ordinator, reporting directly to the Permanent Secretary, with the same hierarchical level as a Provincial Director. Depending on circumstances and volume of work, the Executive Director could also take on other Provincial Government roles. S/he could, for example become the Provincial Director of a particular sector. However, at least $\frac{1}{3}$ of the person's time should be dedicated to OSS activities, and s/he should be available to deal with OSS issues at all times, particularly for urgent cases. The

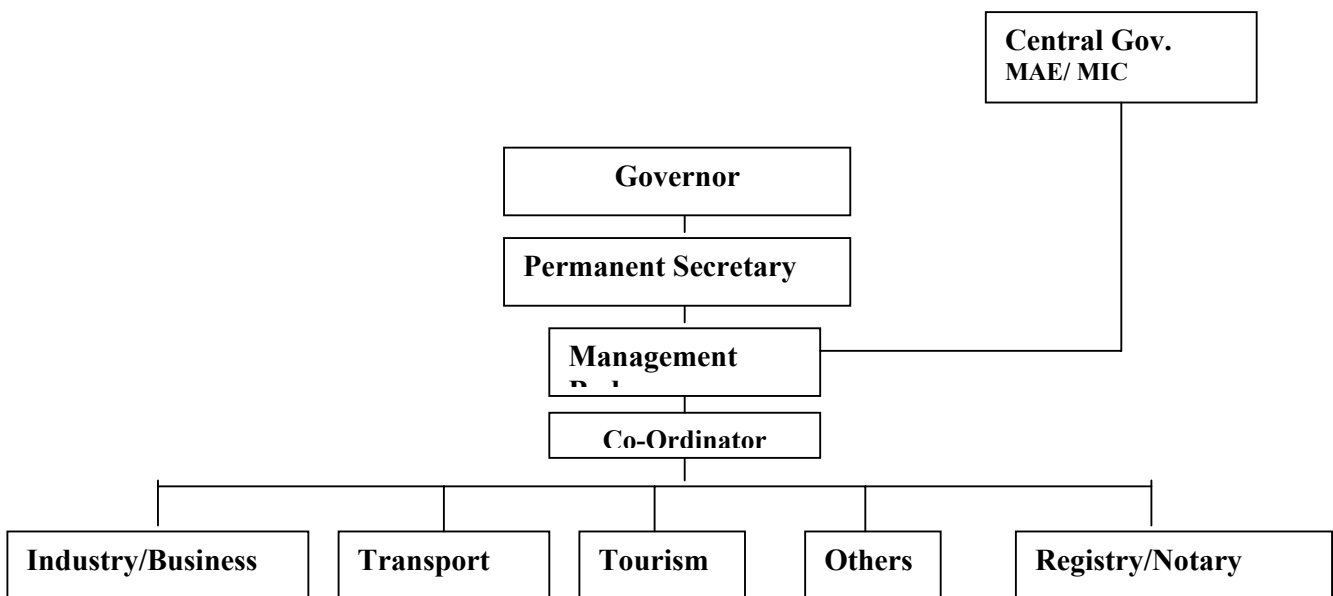
Co-ordinators may delegate certain functions to their personnel, and should nominate a temporary replacement to manage the OSS in the case of a prolonged absence.

However well-structured an OSS may be, its success depends mainly on the personal performance of its Co-ordinator and of the Provincial Governor. It is recommended that Governors make regular surprise visits to the OSSs to ensure that they are operating correctly and to find out about any problems they are facing. This is already common practice in some provinces.

4.2 Budget

OSS should continue to pay its personnel through the different provincial directorates, thus ensuring the greater involvement of the directorates in OSS work. The OSSs should also be allocated their own regular budget as an integral part of the provincial government budget. This should cover general expenses such as training (the majority of these expenses could be covered by technical co-operation), transport (a vehicle), premises rental and insurance, water, electricity, telephone, publicity and disseminating information.

4.3 OSS Organigram



4.4 Responsibility

4.4.1 OSS services should be considered to be:

- **Exclusive**, in that all requests must necessarily pass through the OSS, or
- **Collaborative**, with the provincial directorates or private consultancy companies or services that continue to process applications sent directly by proponents.

The decision about this issue is a political one and should be taken at central level.

However, it can be proposed that:

Under the auspices of MIC (Ministry of Industry and Trade), the OSSs should be exclusively responsible for the following processes:

- Industry - micro, small and medium. The Provincial Directorates of Industry and Commerce shall be responsible for large businesses
- Commerce – all commercial activities.
- In other sectors of the economy (not under the auspices of MIC) OSS or the appropriate provincial directorate should be responsible for the process

4.4.2 OSS could be responsible for **facilitating** or for **decision-making**; there is a fundamental difference between these two functions. In the first case, the OSS would function as a central 'post office' facilitating contacts with the different directorates and departments, saving the proponent the need to visit several different places. In the second case, the OSS has the power to approve proposals. Although the second scenario is very attractive, it would necessitate the total reformulation of Ministry responsibilities and regulations. For this reason, a middle way between these two options is recommended.

4.4.3 In order to comply with sectoral laws and regulations - which make no reference to OSS - licensing should continue to be the responsibility of national or provincial authorities, but with the maximum possible delegation. The OSS should also have some decision-making power. For example, OSS should be able to take the decision of tacit approval when agreed time limits for opinions or authorisations are not met. In addition, it is recommended that the OSSs should be granted decision-making power regarding the need for inspections and the composition of the inspection team. Inspections are very different in nature for a factory producing food products, for example, and a small bar. Problems are often faced when conducting these inspections, and the process is often delayed (for example, regarding re-licensing inspections which are the most common kind). In our opinion, inspections ought to be conducted more or less automatically for existing businesses, under the provision of new laws. Inspection regulations, where they exist, are over-complicated and open to different interpretations, as is the case for industrial regulations. MIC inspection guidelines specify that 7 individuals should participate in inspections, which, in our view, is only necessary for large businesses.

The inspection report forms adopted by the Maputo OSS should be used for micro, small and some medium enterprises. These documents, which are only one page long, are presented in Annex 1 (1.6 and 1.7). It is also proposed that the OSS should have the power to decide whether environmental impact studies are necessary for activities that do not feature on the negative environmental impact list (Annex 2 of the manual). OSS should also have some power in registering official payrolls and approving company working and opening hours. These would be received and approved by the OSS and subsequently dispatched to the appropriate department.

4.4.4 In conclusion, the OSSs should be granted decision-making power in the following areas:

- Giving tacit approval, when time limits for opinions or authorisations are not met;
- The need for inspections and the composition of the inspection team;
- The need to conduct environmental impact studies or initial studies;
- The quasi-automatic re-licensing of existing businesses.
- Registering the Official Payroll and Company Working and Opening Hours.

4.4.5 Note that many of the processes dealt with by the OSSs have to be validated by the provincial directorates, which in turn, dispatch the processes to their respective Ministries. Dispatching these documents from the provincial directorates to their Ministries causes delays that are beyond OSS

control. **It should be made clear that OSS and MIC do not have total control over the time required for finalising the processes they deal with, particularly if the processes are not related to industrial or commercial licensing.**

4.4.6 The OSSs could assume other functions, such as promoting industries, providing credit access information and supporting small and medium-scale foreign investment. Although the OSSs in Mozambique currently need to focus on licensing activities, these other possibilities should be borne in mind for the future.

4.5 Management Body

The OSS legal framework should make provision for a provincial level organ to manage and monitor OSS operations. The body should be simple to manage but effective, meeting once every 2 or 3 months or whenever an urgent need arises. It should be chaired by the Provincial Permanent Secretary and its members should include the OSS co-ordinator and representatives of the Municipal Council and the Provincial Directorates of sectors represented by the OSS. Private sector representatives (as users of OSS services) should be invited to the meetings. It would also be desirable for Central Government representatives to participate in meetings from time to time. This body would substitute the local Co-ordinating Commissions that currently informally supervise the activities of some OSSs.

4.6 Sectoral Coverage and Coverage according to Company Size

It was noted that the sectoral coverage varied from OSS to OSS. Minimum coverage should incorporate the main economic sectors that drive development, namely Industry, Commerce, Tourism and Transport, although this does not mean that the OSSs is required to employ a full-time member of staff for each sector. Due to the present lack of clarity and the complexity of the Tourism regulations, it is not recommended that the sector should be included in the list of minimum services. OSSs should also be authorised to provide registry and notary services, such as witnessing signatures (art. 8 of decree 66/99), drawing up deeds and exchanging contracts. The part-time participation of certain services (for example, fire and health services) should be decided at provincial level.

In the medium term, the OSSs should focus on providing services for micro, small and medium enterprises.¹ In other words, they should concentrate on processes that can be authorised at provincial level.

4.7 Location

OSSs should have their own premises in each provincial capital, close to, or in direct communication to the Governor's Office (Permanent Secretary). They should only share premises with Citizen's Advice Bureaus if the two services are very clearly distinguished from each other. Additional OSSs should be created in other cities whenever justified by the volume of business activity in the area.

4.8 Personnel

¹ Note that only industrial enterprises are classified by size. This classification, as in other countries, should be extended to all commercial enterprises.

Sectoral personnel should be employed to work in the OSSs on either a full or part time basis, depending on the volume of work. A single employee could be responsible for more than one sector. The attitude and behaviour of employees in assisting clients is more important than their academic qualifications (primary education is essential, though secondary would be desirable²). Employees can learn about legal aspects on the job and through training programmes. Employees in the Cabo Delgado OSS, for example, were specially recruited and then received training. It was found that in general, OSS personnel are under-employed: at present an average of 50 clients are attended per OSS per quarter. This and the fact that employees have little decision-making power has led to low morale among employees and co-ordinators.

5. Training OSS personnel

The added value of the OSSs – facilitating and speeding up bureaucratic processes and eliminating bribery - will depend on the quality of OSS personnel. Although we heard that some provincial directorates take advantage of the OSSs to rid themselves of unsatisfactory or incompetent employees, the employees we met in the four OSSs we visited were particularly diligent and competent. Except in the OSSs covered by technical co-operation projects, the employees we encountered had not been fully trained. Personnel should participate in two types of training activity: Behavioural and Technical Training. Training should be provided on a continual basis, and should be regarded as an important component of any technical co-operation intervention in the OSSs.

6. Disseminating Information

There should be a continuous publicity and information programme in the media to disseminate the services provided by the OSSs. Even in Maputo city, people are generally unaware of the OSSs and the services they provide. OSSs should continue to participate in national and provincial trade fairs.

7. Monitoring OSS activities and performance

Monitoring should be conducted at central level (National Sectoral Directorates and MAE) and at provincial level (Governor's Office and Provincial Directorates). The OSSs sometimes send licensing information to MIC, sometimes to the Provincial Directorates, and sometimes to both. Central and provincial level monitoring (by MIC, MAE and the Provincial Permanent Secretary) needs to be formalised and standardised. Three types of reports, described below, should be used for monitoring and should be included in the OSS database:

- Official Report of all the processes being handled or approved in the last three months. The report should include the following information which should be updated continually:
 1. Process Number
 2. Proponent's name and address
 3. Activity
 4. Entry date into OSS
 5. Dispatch date to institutions and result
 6. Current situation
 7. Observations and note of delays, if these are over double the time limit.

² Civil servants are required to have at least secondary level qualifications.

- Monthly analytical framework to quantify the volume of OSS activities according to information provided, type of license application (sector and size) and with the number of institutional opinions requested and issued.
- Quarterly Report containing the following information:
 1. Number of members of the public served and processes facilitated.
 2. Analysis of administrative time required and identification of delays by sector and by institution.
 3. Analysis of investment and job creation by sector.
 4. Analysis of revenue.
 5. Formalisation of informal businesses.
 6. Other activities.
 7. Problems encountered and solutions proposed.

8. Information Technologies applied/applicable to OSSs.

The future development of the OSSs will be greatly assisted by modern computer technologies. In some countries, public and private clients have the option of accessing the system and dealing with their processes online. The law³ states that correspondence sent via email to Public Administration services and institutions has the same value as correspondence sent by other means, and should be treated in exactly the same way. Although the OSSs are still very far from a generalised use of email for contacting their clients and other administrative institutions, this possibility should be kept in mind for the future.

Most of the OSSs visited are equipped with computers, and a computerised database has been installed in the Zambezia, Tete and Cabo Delgado OSSs. This database can be used to classify enterprises automatically, store information about the proponent and company and monitor the processes. The database should be expanded to include reports to the government, information about job creation and other types of business information. The database should, however, be developed with great care and personnel should be trained to use it correctly. At present it seems that only the Cabo Delgado database is still operational.

9. OSS as a means of formalising informal activities.

OSS could be an important tool for formalising informal activities. This type of licensing is processed in the same way as any other type. The OSS should at least specify this particular of licensing in their reports.

10. The case of Tourism

The complexity and nature of the proposed regulations for the Tourism Law (an 81-page document dated 23.8.05) do not encourage the development of tourism, especially for small and medium enterprises. For example, 7 different documents are required for all types of licensing applications, regardless of the size of the establishment. 16 additional documents are required if a new building is being constructed and 14 if existing buildings are being used. The classification criteria for different types of establishment are extremely detailed and their similarity to criteria used in other countries (for example in the UE) suggests that they were formulated collectively rather than by the

³ Art. 75 of decree 30/2001.

Mozambican government. The application requirements are painstaking and most of them are the same regardless of the size or category of the establishment in question.

We believe that, as a minimum, the OSS should cover the Industry, Commerce, Tourism and Transport sectors and provide Registry and Notary Services. However, due to the complexity of Tourism regulations we doubt that it is feasible to include the Tourism sector on this list. The OSSs have to develop from a solid foundation. The habitual delays in processing Tourism projects would create additional problems for the OSSs. Because of the nature of its intended regulations, and as the sector does not fall under the auspices of MIC, we are not able to recommend that the Tourist Sector must be part of the minimum OSS structure

The Maputo OSS deals with licensing applications for similar establishments⁴ using a simplified, but correct, interpretation of the previous decree 69/99 (still in force). This OSS simply requires:

- Commercial registration certificate
- The leasing contract or title deeds to the establishment,
- A plan of the location and new building/s together with project specifications.
- Identification document,
- Photocopy of licence fee receipt.

A permit declaration is provided straight way (see point 11.3 of this report) so that the proponent can begin work without delay.

The Letter of Application for tourism projects was also simplified in Nampula.

It has been found that the OSSs, working under the previous law, attempt to simplify tourism licensing processes. This will become more difficult under subsequent legislation.

The OSSs' role in licensing tourist activities, under the new regulations, will be very limited. All licensing activities, such as the approval of draft projects and projects and other activities such as inspections are the responsibility of the licensing body, i.e. the Ministry of Tourism or the Provincial Directorates. The role of the OSSs is limited to receiving processes and dispatching them to the licensing body.

11. Recommendations

The principal recommendation is that a legal framework needs to be established for the OSS system, described in detail in point 4 of this report.

11.1 General Considerations

We do not see the need for substantial changes to the legal texts for formalising licensing, apart from Tourism regulations. However, OSS personnel need to be informed about this legislation and need the capacity to interpret and apply the laws and regulations effectively. Note, for example, that some OSSs ignore the provisions applicable to micro and small industrial establishments (for instance, those presented in Flowchart 2 in the MIC manual of July 2005). In other cases the law is ambiguous, as indicated in the text of the proposed manual. In order to facilitate the licensing process, OSS should use the interpretation that simplifies the processes most effectively.⁵

⁴ Group I- Restaurants of all categories, bakeries, take-aways, open-air cafés, snack bars, social centres and complexes.
Group II- All categories of establishments serving alcoholic beverages such as cafés, bars and beer halls.

Grupo III- Discos and dance halls.

⁵ Bureaucratism” (particularly excessive formalities) is contrary to the general principles of the anti-corruption strategy (2005- 2009).

Another guiding principle of OSS operations should be that decisions taken in the various steps of a process should be delegated as much as possible: from the capital to the provinces, from the Governor to the provincial directorates, and in some cases to the OSSs. This type of delegation, however, is not facilitated by article 23 of decree 30/2001 which obliges the publication of any acts of delegation in the Republican Bulletin. This provision should be made more flexible.

The manual attempts to address the issue of interpreting regulations. Issues that still require clarification and specific recommendations are underlined to facilitate identification.

11.2 OSS Days

Once a legal framework has been instituted for the OSS system at national level, a campaign should be organised to launch the system and the procedure manual in all the provincial capitals. These 'OSS Days' should be sponsored at central level by MAE and MIC, and at provincial level by the Governors. The campaigns should coincide with an official visit to Mozambique of the Executive Director of UNIDO, the organisation that has been involved since the launch of the first OSSs in Mozambique.

11.3 Business in an Instant.

This procedure is aimed at small and medium enterprises (as micro industries and rural businesses already receive very favourable treatment). It is proposed that businesses in the service sector that have no impact on health or the environment should also be included in this category. The list of proposed activities (not exhaustive) is presented in Annex 3 of the proposed Manual.

Starting in one particular OSS, and for a fixed period (e.g. two years) it is recommended that Business in an Instant services should be provided to legalise businesses of a certain size in particular sectors in a single day, for a period of sixty days. This period may be extended until the definitive licensing process has been completed. This process allows the company to start operating and producing without delay and acts as a stimulus to the creation of new businesses. At the end of this pilot period, the system should be analysed with a view to extending it nationwide.

The OSS in Maputo is already implementing a rapid licensing method. Once the relevant documents have been received for a licensing application for any type of business activity, a Permit Declaration is issued right away (see Annex 1, 1.8) with the stamped signature of the Provincial Director of Industry and Commerce, stating that such-and-such a person is the owner of the establishment and that s/he is permitted to begin work. Once the final process has been completed, an inspection is conducted, the inspection report produced and the definitive permit issued.

11.4 Intersectoral Commissions

Decree 39/2003 (industrial licensing) and its regulations in articles 21 and 25 deal with the creation of a new instrument known as Intersectoral Commissions "to assess licensing applications, analyse and approve projects and conduct inspections under the terms of regulations". These Commissions will comprise representatives of the following Ministries⁶:

- Industry and Commerce, which will be responsible for convening and presiding over the Commission.
- The Ministry overseeing the particular activity.
- A Representative of the Health Sector.

⁶ The representatives are intended to be from the respective provincial directorates

- A Representative of Co-ordination and Environmental Action
- A Representative of the Labour Sector
- A Representative of the Fire-fighting Services.
- Any others whose inclusion can be justified.

The members of the Commission are remunerated in accordance with conditions specified by MICT and the Ministry of Planning and Finance.

OSS experience with these Commissions is variable. It is not easy, within the stipulated limit of five days, to convene and hold a meeting involving representatives of 6 different institutions. There exists, however, the stimulus of a subsidy paid to members of the Commission. The Maputo OSS has not experienced any difficulties in convening the Commission, perhaps because the subsidies have always been paid promptly. During Commission meetings, the MICOA representative decides on the need for conducting an environmental impact study and the Commission decides on the result of inspections, seeing as they are the same individuals that comprise the inspection team. Not all the OSSs work with the Commissions, and OSS contacts the various entities individually. Note that the Commissions are not intended to deal with industrial licensing.

We can not recommend that processes must be conducted through these Commissions. Each OSS should be free to decide on this point.

11.5 The Chicken or the Egg?

Company articles of association and a bank statement need to be presented when applying for a company licence. However, proponents do not wish to risk establishing a new company before their licence is granted. These requirements do not favour the creation of new businesses and should be substituted by a declaration of intention made by the proponent. We observed a proponent facing this situation who wished to open a new business in Nampula.

11.6 Other methods of simplifying processes.

- Letter of Application

It was found that the various licensing, registration or requisition forms to be filled in by the proponents generally need to be accompanied by the traditional letter of application, prepared by the proponent and dispatched to the Minister of Industry and Commerce or to the Provincial Director (for small-scale industries)⁷ (Art.10). In addition, some OSSs issue a note to the same entities informing them of the application or proposing that it is granted. It seems that there is no need for these last two documents as the initial forms contain all the necessary information to dispatch the application. It would be sufficient to provide boxes at the beginning or end of the document for the competent authorities to indicate their endorsement and approval. We consider that it the traditional Letter of Application and OSS notes should not be compulsory.

- Expansion and enlargement of industrial establishments.

If an enterprise wishes to expand it has to begin a new licensing process (paragraph 3 of art. 11 of the industrial code). The difference between expansion and enlargement is not clear. A plan of the industrial plant and specifications of the project are required when applying for authorisation for enlargement.

⁷ The licensing form is addressed to the Governor.

The commercial code makes no mention of expansion. The present letter of application demanded for company expansion acts as a disincentive to expansion. For this reason, we suggest that the Provincial Directorate should tacitly approve an expansion of not more than double predicted productivity, after being informed by the proponent. The Provincial Directorate has 15 days to issue a decision against the proposed expansion.

There is a similar lack of clarity in the regulations regarding alterations to industrial establishments. When alterations do not include new buildings or substantial changes to the industrial processes, they should be authorised under the current permit. Other alterations should be approved by the Provincial Directorate 8 days after a plan of the new industrial infrastructure and the project specifications of alterations to the initial project have been delivered.

- Tacit approval or refusal⁸

On receiving an application, an administrative organ's decision should be given within 10 days, if only internal inquiries need to be made. Failure to comply with this time limit signifies that the application has been tacitly refused. The law does not facilitate compliance with time limits, although new specific legislation is planned for cases of tacit refusal.

It is very important and urgent that legislation should provide for the concept of tacit refusal. It is suggested that all applications for commercial activities which are not a threat to public health, the environment or public order should be tacitly authorised for a period of 60 days, if a decision is not reached within the 10-day time limit. The applicant can work during these 60 days, and the administrative organ can consider whether to approve or refuse the application definitively.

11.7 Hotline

In accordance with article 44 of Decree 30/2001 the central services of the OSS system should provide a hotline to answer queries about OSS services and receive complaints.

⁸ In accordance with articles 58 to 60 of Decree 30/2001.

Version n°1 of 4 December 2005

ONE-STOP SHOPS

Procedure Manual (Proposal)

**United Nations Industrial Development Organisation
Ministry of Industry and Trade**

1. INTRODUCTION

The national OSS procedure manual will be used by One-Stop Shops. Procedures are presented for the minimum business activities covered by all OSSs, namely

Industry
Commerce
Transport
Tourism

and certain delegated Registration and Notary services.

As each OSS needs to be able to adapt to the specific needs and conditions of each province, it is natural that alterations will be made to the manual that should be authorised by the respective management body and communicated to the central authorities in MAE and MIC. As OSS is a dynamic concept, the manual will need to be updated in response to the experiences of each province and to new legislation and regulations. New versions should be identified in the top right-hand corner by the version number and issue date.

The OSS system should adopt a **mission statement**. This should be affixed in an easily-visible position close to the entrance of the OSS buildings.

MISSION STATEMENT

The mission of OSS, part of Provincial Government apparatus, is to serve the private sector by informing, facilitating and processing all documentation and licences required by law for the pursuit of business activities.

The flowcharts in each section of the manual present OSS procedures for processing applications and the minimum co-ordination required with external institutions.

2. GENERAL PROCEDURES

2.1 Applicable Legislation

Dec. n. °30/01 Operating Norms for Public Administration Services.

Law 8/03 Law regarding local State organs (Province, district and administrative post)

Dec. n. °66/99 Alterations to the Notarial Code

Law regarding OSS (when it is made available)

2.2 OSS Premises

The OSSs should be located in each provincial capital in their own premises, close to, or in direct communication with the Governor's Office (Permanent Secretary) and the Provincial Directorate of Industry and Commerce. Personnel responsible for each sector should have their own clearly-identified desks or counters that are freely accessible to the public. The OSSs should keep archives with copies of all legislation applicable to their field of work, and Republican Bulletins.

Complaints and Suggestions Boxes should be made available in all OSSs. Keys to these boxes should remain in the possession of the OSS co-ordinators. A copy of each suggestion should be sent to central and provincial OSS management bodies. The form that clients should use for making complaints or suggestions is presented in Annex 1 (1.4), which also contains all the other forms mentioned in this manual.

OSS personnel should always receive clients in the following manner:

Good Morning/Good Afternoon. How can I be of use to you?
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After this, information should be provided about the relevant procedures, documents and fees. Clients should be offered help in filling in any forms. A checklist of internal and external procedures should be prepared by the member of staff to be used in monitoring the process, a copy of which should be given to the client. A sample checklist is given in Annex 1 (1.5).

According to article 11 of decree 30/2001, administrative procedures should always be dispatched swiftly and decisions made efficiently, to avoid the negative impact on the economy caused by delays. The respective procedures for OSS minimum services (industry, commerce, transport and tourism) are described below. As the OSSs are dynamic in nature, they should be able to adapt these procedures and add new modules to the manual to cover additional sectors of the economy if necessary.

2.2 Monitoring OSS activities

OSS is occasionally required to dispatch information regarding the progress of a licensing process to MIC or to the provincial directorates, or sometimes to both.

Central and provincial level monitoring (by MIC, MAE and the Provincial Permanent Secretary) needs to be formalised and standardised. Three types of reports should be used for monitoring which should be included in the OSS database:

An Official Report of all the processes handled and approved in the last three months. The following information should be included and continually updated:

1. Process Number
2. Proponent's Name and Address
3. Activity
4. Entry date into OSS
5. Despatch date to the Institutions and Result
6. Current situation
7. Total number of days to conclude the process.
8. Observations, and indication of delays of over double the time limit.

Monthly analytical framework to quantify the volume of OSS activities, by information provided, type of licensing (sector and size) and with the number of institutional opinions requested and issued.

Quarterly Report with the following information:

1. Members of the public served and processes facilitated.

2. Analysis of administrative time required and identification of delays by sector and by institution.
3. Analysis of investment and job creation by sector.
4. Analysis of revenue.
5. Formalisation of informal businesses.
6. Other activities.
7. Problems encountered and proposed solutions.

3. PROCEDURES FOR CONSTITUTING AND REGISTERING BUSINESSES

1.° Obtain a reservation of company/partnership name (from the Registers or Registry Office, via OSS) to check whether a company already exists of the same or similar name.

2.° - For sole traders, the reservation of company name certificate should be annexed to the permit and undertake the final registration process.

- For general partnerships, deeds of incorporation and a partnership agreement are needed, which require the following:

- The reservation of partnership name certificate indicated above
- The minimum deposit of equity capital
- The partners' personal documents
- Company Articles of Association⁹
- Payment of fees in accordance with the level of social capital

3.° Notarial deed Certificate, after 4 or 5 days.

4.° Publication of the Articles of Association in the Republican Bulletin. As publication may take 90 days, the registry office may issue a provisional registration document.

5.° After publication in the Republican Bulletin, the Articles of Association are registered in the Registry Office, in the Company/Partnership Registration ledgers.

The process for registering a company/partnership may take up to four months.

The OSSs should possess models for the articles of association/partnership agreements for the most common types of private limited companies in the respective provinces.

4. PROCEDURES FOR INDUSTRIAL ACTIVITIES

4.1 Applicable legislation

Law 4/98 Medicines Law and Medicines Council

Decree 76/98 Regulation regarding the environmental impact assessment process

Decree Law 39/03 Industrial Licensing

Industrial Guidelines, MIC, December 2003

Decree 45/04 Environmental Licensing

4.2 General Information

The proponent should be supplied with general information about industrial licensing, such as the classification of industrial establishments (Table 4.1), location (art. 4 of Industrial Licensing) and production norms (art. 5). The proponent should also be given a copy of the Industrial Guidelines explaining the hygiene, health, safety and environmental standards to be observed (art. 6).

⁹ An example is included in Annex 1(1.5)

In the case of food industries (production, conservation and transport) the provisions of Law 8/82, DL 12/82 and in the ministerial diploma 51/84¹⁰ also need to be observed. The specific procedures for licensing this type of activity are presented in chapter 8 of this manual.

Pharmaceutical companies should observe the provisions of Law 4.98, Medicines Law. However, given the complexity and technicality of licensing this type of industry, and the fact that micro and medium enterprises are unlikely to be involved in these activities, it is recommended that the OSSs do not deal with this kind of licensing application.

Industrial establishments are classified according to their size, as shown in the following table:

Table 4.1
Classification of Industrial Establishments

Categories	Investment USD	Installed Power (KVA)	No. of Employees
Large	≥ 10.000.000	≥ 1.000	≥ 250
Medium	≥ 2.500.000	≥ 500	≥ 125
Small	≥ 25.000	≥ 10	≥ 25
Micro	< 25.000	< 10	< 25

Note: The establishment should fulfil at least two criteria of a particular category. If the company falls into three different categories, the intermediate one should be selected.

The Ministry of Industry and Trade is responsible for authorising large and medium enterprises, though in the case of medium-sized industries, this responsibility should be delegated to the provincial Governor. The Governor authorises small enterprises (Article 8) even though article 16 states that small-scale establishments, including food industries, are exempt from approval. What difference is there between authorisation, decision and approval?

On occasion, the industrial licensing letters of application are dispatched to the licensing entity (Ministry, Governor or Provincial Director) before an inspection has been conducted and the application has been approved by the Intersectoral Commission (or by competent entities)¹¹. We propose that these procedures should be reversed: technical approval should be given before authorisation by the licensing entity.

Industrial licensing fees are presented in the following table:

TABLE 4.2
Industrial Licensing Fees
(Expressed as multiples of the minimum wage)

Size	Issuing Licence	Approving Alterations	Type A Inspection	Type B Inspection	Type C Inspection	Intersectoral Commission Fee
Large	5	4	6	3	3	7
Medium	4	3	4	2	2	7

¹⁰ The norms for food and pharmaceutical industries are applicable regardless of the size of the company.

¹¹ See flowchart in the Manual of July 2005

Small	2	2	2	1	1	4
Micro	1	-	-	-	-	-

Type A Inspection: New Establishments

Type B Inspection: Alterations

Type C Inspection: Supplementary, of corrections to observed problems.

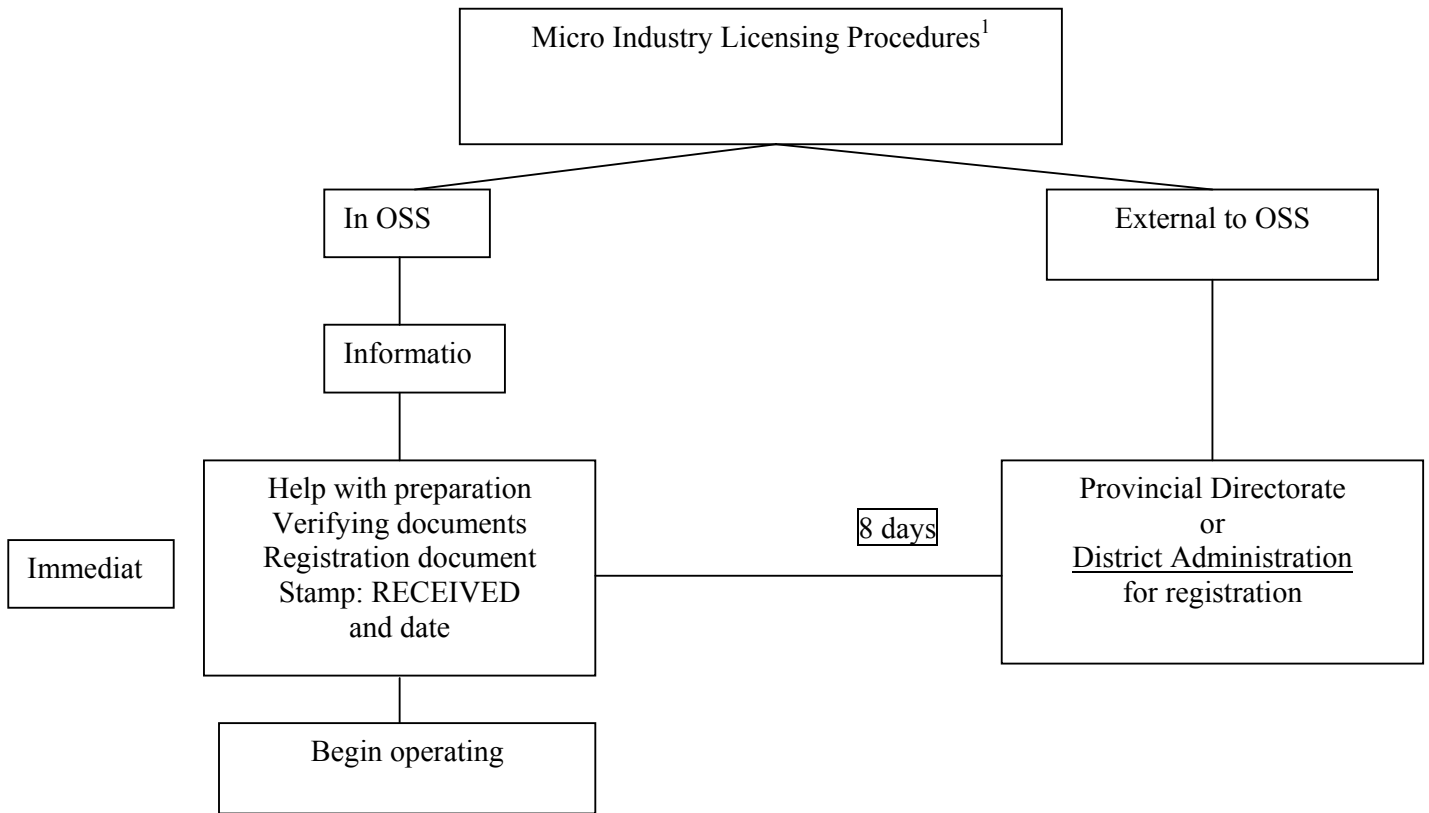
4.3 Micro enterprises

This type of enterprise only needs to be registered, not approved or inspected.

OSS personnel should inform the proponent of the specific legal requirements for micro enterprises (art. 28 of DL 29/03) and help the proponent to fill in the registration form (returning a copy of this to the proponent stamped RECEIVED and dated, for the proponent to affix in his/her establishment). The form should then be dispatched for immediate registration to the Provincial Directorate or Administration of the district where the enterprise will be located.

The establishment should be permitted to begin operating immediately after registration. In certain cases, the OSS employee who receives the proponent should make a quick visit to the establishment to verify that it actually exists, that the activity is not being conducted in the street or in an itinerant manner, and that it is in fact an industrial activity.

FLOWCHART 4.1



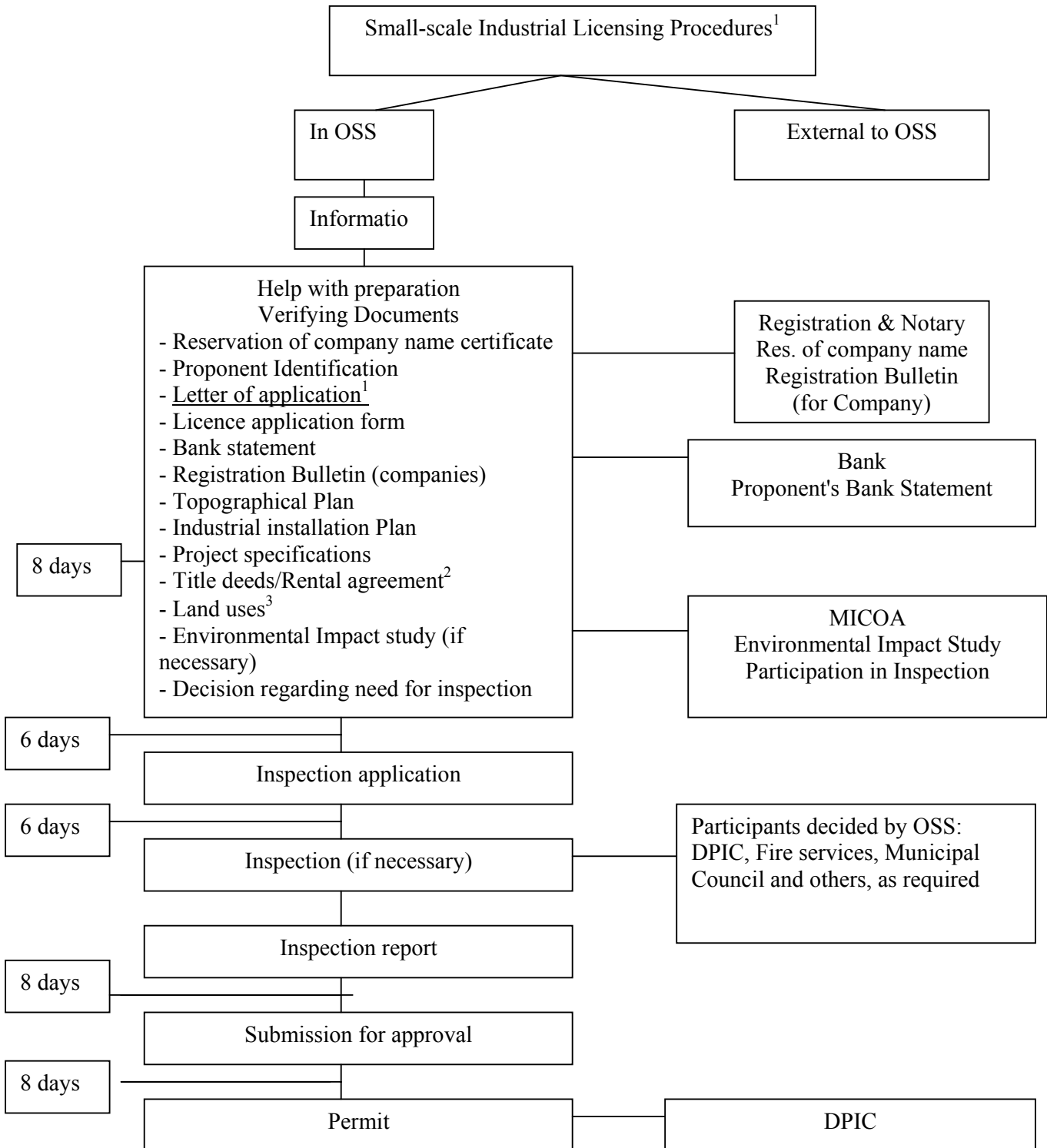
 Except for food and pharmaceutical industries, which are subject to additional procedures.

4.4 Small enterprises

Small enterprises (including food industries) require approval but not inspections.

Note: According to art. 16 of law 39/2003 approval is not necessary for small industries. However, we noted that in some provinces, the processes for small industries are still sent to the Governor for approval. In our opinion, the only necessary step is to conduct an inspection, the results of which should be decided by OSS. The law only stipulates that the inspection should be conducted by a competent authority (art. 17). The Flowchart for small industries is presented below.

FLOWCHART 4.2



- except for food and pharmaceutical industries, which are subject to additional procedures
- The Letter of Application can be eliminated and substituted by the licence application form.
- Elimination of the endorsement of the inspection report, considered unnecessary.

4.5 Medium enterprises

OSS procedures

Assist in preparing and verifying the following documents:

1. Application for Reservation of Company/Partnership name (signature witnessed in OSS) to verify that the company name does not already exist in the province¹².
2. Identification of the proponent (photocopy of Identity Document or passport, witnessed in OSS)
3. Letter of Application dispatched to the Governor (Proposal: The text of the Letter of Application could be included in the form presented below, eliminating the need for a separate Letter of Application.)
4. Licensing form
5. Registration bulletin or articles of association for companies
6. Topographical plan (not required for alteration or expansion)
7. Plan of industrial plant
8. Project Specifications, comprising:
 - i. Production processes and diagrams
 - ii. Raw materials used, specifications and quantities
 - iii. Production capacity and product conformity with established standards
 - iv. Specifications of production equipment and machinery
 - v. Number and sex of employees
 - vi. Total electrical capacity
 - vii. Planned security provisions
 - viii. Security, first aid and social infrastructure
 - ix. Water supply system
 - x. Approximate number of WCs
 - xi. Drainage network
 - xii. Waste treatment
 - xiii. Initial investment
9. Rental contract or ownership deeds (required in many provinces, even though these are not included in the Letter of Application specified in art. 11 of Decree 39/03).
10. Land utilisation (also not required by law).
11. Environmental impact study approved by MICOA (provincial delegation) for the activities listed in Annex 13.¹³ As this list is very specific regarding the activities that require an environmental impact study, the decision about the need for this study should be delegated to the OSS co-ordinator by the Provincial Directorate of MICOA. OSS should have the power to decide whether a pre-evaluation study is required for activities not included in the list, but which are likely to have a significant environmental impact. The OSS should base their decision on information included in the form for licensing industrial activities.
The time limits for MICOA to communicate its decision that an evaluation or pre-evaluation study is required are as follows:
 - a) Pre-evaluation: up to 5 working days.
 - b) Revision of the environmental impact study: up to 60 working days.
 - c) Issuing environmental licences: up to 10 working days after the deadline in b).
 - d) Rejecting or communicating on alterations: up to 10 working days after the deadline in b).

¹² It seems that checks are only made at provincial level.

¹³ The vast majority of these licensing processes will not require this study, which is only applicable to large projects in the areas of infrastructure, agriculture, energy or water transport (or other liquids), large industrial installations or industries processing toxic or dangerous waste.

We consider that the time limits in b) and c) should be reduced as they are excessively long. The proponent could have to wait up to 70 days after the study has been received to hear whether it has been rejected or needs to be altered.

Procedures external to OSS

1. Registration and Notarial services

Note: For setting up both sole trader enterprises or general partnerships, notarial services can be provided on OSS premises by a delegation from the Registration and Notarial Office. As a minimum, it is proposed that the signatures required for licensing should be witnessed at the OSS, in accordance with Art. 53 of Dec. 30/01, as already occurs in some OSSs.

- Issuing a Reservation of Company/Partnership name (proponent's application processed and signature witnessed at the OSS).
- In the case of a private limited company: Articles of Association deeds
 - Bank statement of the company to be incorporated¹⁴.
 -

2. Other institutions

If the Intersectoral Commission is convened, the opinion of all the participants should be indicated on the application itself. However, the proponent may wish to request opinions individually from the relevant institutions listed below:

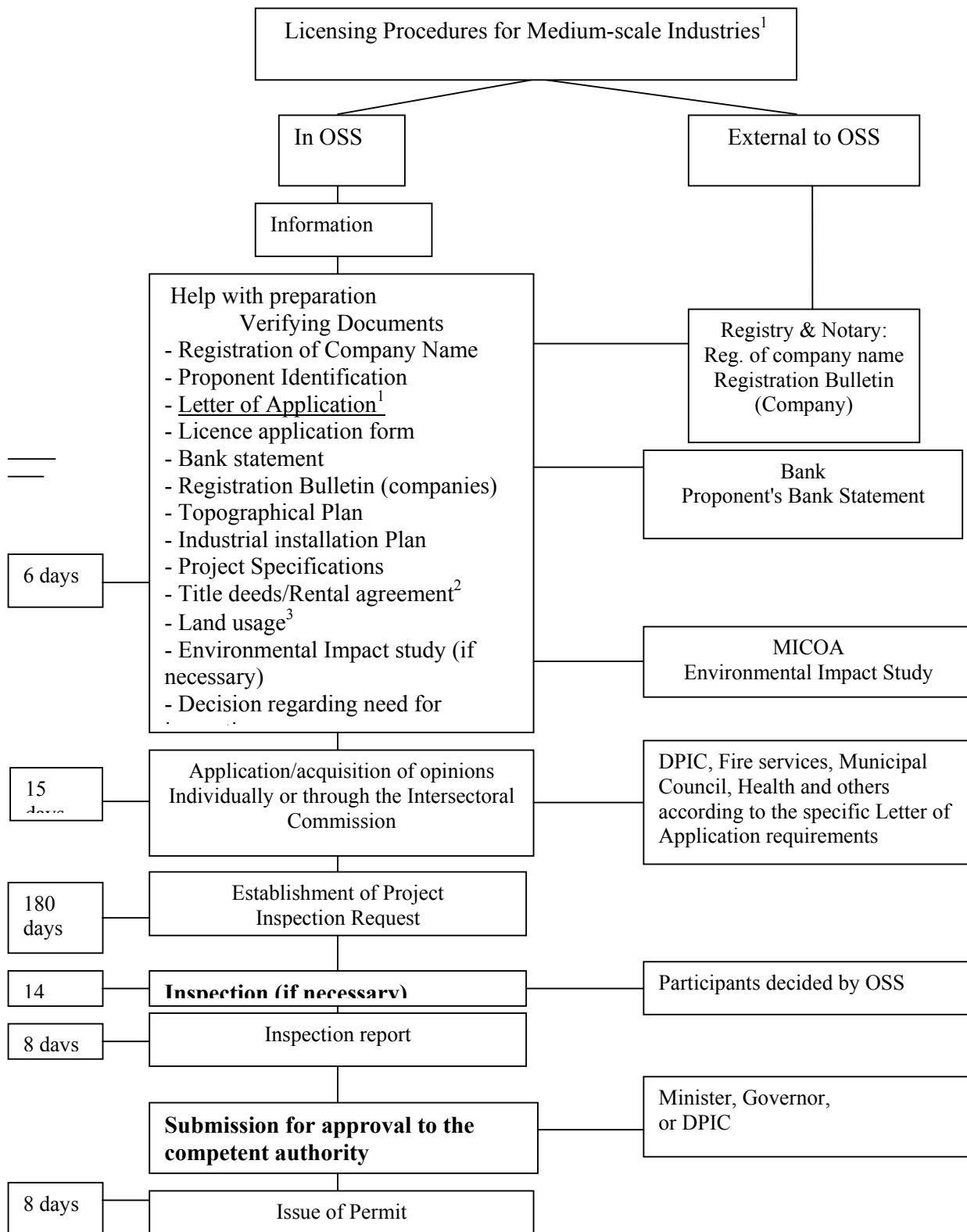
Administration/Municipal Council
Environment
Health
Fire services
Labour

3. Minister, Governor or DPIC

Authorising and issuing permits

¹⁴ This is a paradoxical situation: how can a company that has still not been incorporated open a bank account in its own name? The company partners' bank statement should be accepted.

FLOWCHART 4.3



- Except for food and pharmaceutical industries, which are subject to additional procedures
- The Letter of Application can be eliminated and substituted by the licence application form.
- Elimination of the endorsement of the inspection report, considered to be unnecessary..

4.6 Inspection Procedures (small and medium enterprises)

Once the application has been approved by the relevant entity, the next step is the inspection, usually carried out by the same institutions that are represented on the Intersectoral Commission. The proponent has 180 days to set up the project and request an inspection, which should be completed 8 days after receiving the request. As proposed, OSS should have the power to decide whether an inspection is necessary, and on the composition of the inspection team.

If problems are observed during the inspection, a reasonable time limit is set to resolve them. This limit is written on the official inspection form. According to regulations, the inspection should be carried out by the authorities comprising the intersectoral commission, though we recommend that OSS should be responsible for deciding on the composition of the team.

4.7 Expansion and extension of industrial establishments of any size.

In the case of expansion, the establishment is subject to a new licensing process (paragraph 3 of art. 11 of the industrial code). The difference between expansion and extension is not clear. The only requirements needed for extension are the plan of the industrial plant and project specifications.

Note that the commercial code makes no mention of expansion.

The Letter of Application for expansion act as a disincentive to expanding businesses.

For this reason we suggest that an expansion of not more than double predicted productivity should be tacitly approved by the Provincial Directorate after being informed by the proponent. By law, the Provincial Directorate has 8 days to pronounce against the proposed expansion.

There is a similar lack of clarity in the regulations regarding alterations to industrial establishments. When alterations do not involve constructing new buildings or substantial changes to industrial processes, they should be allowed under the permit presently in force. Other alterations should be approved by the Provincial Directorate 8 days after a plan of the new industrial infrastructure and project specifications of alterations to the initial project have been delivered.

5. PROCEDURES FOR COMMERCIAL ACTIVITIES

5.1 Applicable legislation

Decree 49/2004 Commercial Activity Licensing Regulations

5.2 General information

The different types of commercial activity and classes of merchandise are described in Annexes 1 and II, respectively, of Decree 49/2004.

Authorisation of rural commercial activities (described and categorised in paragraph k) of number 1 of art. 1 and in art. of the Decree mentioned above) is the responsibility of the district administrator and must be done personally.

When licensing commercial activities, the following points must be taken into consideration:

- a) Commercial activities in urban areas must be zoned according to the classes of merchandise cited in Annex II of the commercial regulations.
- b) There is no need for zoning outside urban areas.

5.3 Responsibilities, time limits and fees

Responsibilities for authorising commercial activities in order to formalise the proponent's enterprise, are indicated below¹⁵:

Ministry of Industry and Trade

- Licensing Foreign Commercial Representation (examination of the application and decision within 10 days)¹⁶

National Director of Commerce

- Renewing Foreign Commercial Representation Licences (time limit not established)

Provincial Governor

- normal commercial agent
- service provision for a period of not more than 6 months.

Deadline for dispatch and examination of application - 15 days

Deadline for delivering card authorising external commerce – 7 days. Authorisation is granted for one year for importation, and for a period equalling that of the company authorisation in the case of exportation.¹⁷

District Administrator

- rural commercial activities, authorised personally
- land occupation declaration (unregulated fee)

Inspection time limits:

The proponent has 30 days to request an inspection.

OSS has 8 days to decide if an inspection is necessary. If it is deemed necessary, OSS should set the date and select the members of the inspection team. The inspection should be conducted within 8 more days.

The fees for issuing permits and for conducting inspections depend on the type of activity and province (see Annex 3).

5.4 Rural commercial activity

A form needs to be filled in for licensing rural commercial activities conducted from tents, stalls or stands, including itinerant trading and agricultural agent trade. (Annex 1 – 2.1) The licence is issued and registered by the district administration. This process does not need to pass through OSS.

¹⁵ These responsibilities may be delegated to immediately inferior levels. Delegation should be encouraged, particularly by the Governors' offices where delays are frequent.

¹⁶ If no decision has been made at the end of all the time limits, the licensing entity should issue a declaration valid for 60 days so that the interested party can proceed with his/her activities.

¹⁷ It is recommended that the period of authorisation for export and import should be the same: they should both equal the period of company authorisation. A single authorisation should be granted for both import and export.

5.6 Commercial activities to be processed by OSSs

Trade, wholesale, retail, export, import, service provision, representation of foreign entities and service provision to foreigners contracted to national businesses for less than six months.

OSS procedures

- Information about procedures and fees
- Filling in forms (M/ 01, M/05 and M/06)
- Identifying the proponent or Articles of Association

Licensing and inspection application forms¹⁸, in accordance with art. 7 of Decree 49/04, are given in Annex 1 (3.2) for sole traders, private limited companies, foreign representation and for exporting and importing. All of these forms are annexed to the Decree. We propose that the Letter of Application dispatched to the licensing entity should be eliminated and substituted by the licensing application form, as proposed for industrial licensing.

The licensing application should be accompanied by:

1. A plan of the business premises
2. Notarial Deeds of Articles of Association (for private limited companies)
3. Rental contract or title deeds of business premises.
4. Land occupation declaration
5. Application for a Reservation of Company Name certificate, obtainable from the Registry Office
6. Proof of tax registration Form M/05 or M/06
7. Form M/01 for initiating business activities
8. Licence fee receipt
9. ISS inscription form (filled in with assistance from OSS, and subsequently dispatched to ISS).

Applications for **foreign business representation** require:

1. Authenticated photocopies of the constitutive act and registration in the country of origin of the company to be represented.
2. Power of attorney of the person or company requesting representation, with details of the representation percentages.
3. Authenticated photocopies of the I.D. or permit of the person or company making the request
4. Authorisation of the relevant responsible authority (probably the Provincial Commercial Directorate).

If the proponent is applying for a licence as an **external business operator** (export and import), the authorisation to conduct this type of activity, issued by the competent authority, should be added to the Application requirements above.

(It is not clear how an enterprise which does not yet have a licence can already be authorised)
Authorisation should cover both import and export.

Inspection

As for commercial licensing, we propose that OSS should be responsible for deciding on the need for an inspection and on the composition of the inspection team. Besides this, MICOA should only

¹⁸ Made in the same application

be involved in the rare case that the business activity is likely to have an environmental impact. It is less important to inspect business activities than industrial activities. If an inspection is deemed necessary, it should be conducted in a way that allows the licence to be approved within the time limits given in 5.3. A failure to meet these time limits implies that provisional tacit approval has been granted, which remains in force until the inspection is finally undertaken. Approval is made through the inspection report.

CHAEM should participate in inspection of food-related enterprises.

Inspections are not required for rural business activities or for foreign representations.

5.8 Procedures involving other institutions

Registration and notary services

Reservation of Company Name certificate

Article of Association Deeds, for private limited companies

MIC, Governor or Provincial Directorate

Issuing permits

Provincial Directorate of Taxation and Auditing

Proof of tax registration M/05 or M/06

Declaration of the initiation of business activity M/01

Municipal Council or District Administration

Land occupation declaration

Labour

Official Payroll – drawn up by the owner and submitted by the OSS

National Business Directorate (for import and export businesses)

- Filling in Annexes VIII and IX of the application for Export and Import Cards, respectively (in OSS)
- Issuing Export and Import Cards (by the National Business Director)

INSS

- Photocopy of I.D.
- Photocopy of Permit
- Photocopies of forms 1, 5 or 6.
- Payment of 7% of the basic wage, of which 4% is to be paid by the employer and 3% by the employee.

FLOWCHART 5

Commercial Licensing Procedures

In OSS

External to OSS

Information

- Help with preparation
Document Verification
- Reservation of Company Name
 - Proponent Identification
 - Letter of Application¹
 - Licence Application Form
 - Forms M/01, M/05 or M/06
 - Bank Statement
 - Registration Bulletin (for company)
 - Topographical Plan
 - Industrial installation Plan
 - Project specifications
 - Title deeds/Rental agreement¹
 - Land Use
 - Proof of fee payment
 - Environmental Impact study (if necessary)
 - For foreign company representation, the constitutive deeds for the foreign company

Registry & Notary:
Res. of Company name
Registration Bulletin (for company)

Bank
Proponent's Bank Statement

MICOA
Environmental Impact Study

6 days

Decision regarding the need for inspection and inspection request

6 days

Inspection (if necessary)
Participants decided by OSS

Participants in Inspection

14

Inspection report

Submission for approval by the competent authority

Minister, Nat. Dir. of Commerce, Governor or DPIC to issue the permit

8 days

Permit

6. TRANSPORT ACTIVITY PROCEDURES

6.1 Applicable Legislation

Decree n.° 24/89. Vehicle Transport Regulations (passengers and merchandise).

Decree n.° 92/89. Passenger transport in minibuses of up to 700 kg gross weight and in buses seating up to 25 passengers.¹⁹

Decree no 15/96 updating the previous Decree.

Resolution n.° 5/96 Transport policy.

Ministerial Decree 35/05 of 26 January which updates the transport licensing fees.

This legislation, which is extremely complex, is summarised in point 6.4 to provide a clearer understanding of the procedures to be followed. The legislation needs to be revised, updated and included in a single Decree for transport licensing regulations.

6.2 General Information

Private passenger, merchandise or mixed transport is exempt from authorisation or licensing.

Private transport is considered as that which is not remunerated, or despite being remunerated:

- i. Is used by a licensed commercial, industrial or agricultural enterprise for purchasing or selling products.
- ii. Transports students between their homes and schools.
- iii. Transports guests and their baggage between stations/airports and hotels.
- iv. Transports employees between their homes and places of work²⁰.
- v. Transports passengers and airline staff and their baggage between airports, terminals or residences.
- vi. Transports patients and their baggage to hospitals.

Public transport is considered to be any type of transport that is not classified as private.

The vehicles used by the transport industry should comply with the technical requirements determined by the Ministry of Transport and Communications, and should possess the respective inspection certificate.

Fees: Issuing a Licence	4.000.000 MZM
Pre-Licensing Inspection	3.500.000 MZM
Inspection	500.000 MZM

6.3 Licensing public transport activities

Internal OSS procedures

- General information to the proponent concerning applicable legislation, different types of transport for passengers and merchandise, processes and fees.
- The proponent's witnessed identification.
- Application for Reservation of Company Name (signature witnessed in OSS) for private limited companies and sole traders
- The correct Form for the specific licensing application. See Annex 1 (5).

¹⁹ This Decree was established to resolve the shortage of transport at this time, ensuring that the municipal councils or district administrators could grant authorisation swiftly. The Decree, however, has fallen into disuse. The procedures for licensing transport activities are covered by Decree 15/96.

²⁰ This exemption (article 2.3.c of Dec.24/89) is in contradiction with article 8.1 of Dec.24/89.

- Filling in Forms M/01 (declaration of initiation of activities), M/05 (Taxation Identification Number - *NUIT* - for sole traders) or M/06 (*NUIT* for general partnerships)
- Application for opinion from the Municipal Council or from DPTC (when applicable), containing:
 - Certificate from the criminal registry
 - Copy of Reservation of Company Name certificate
 - Copy of vehicle inspection certificate
 - Copy of vehicle insurance policy
 - Proof of fee payment (proof that the fee has been deposited in the Bank of Mozambique, payable to the Transport Department to cover application expenses).
 - Vehicle ownership papers
 - Proof of residence

Procedures external to OSS

1. Registration and Notarial Services

- Reservation of Company Name certificate
- Articles of association²¹ or the proponent's identification for an individual.

2. Bank

- Bank Statement of the company to be incorporated

2. Finances

- Declarations: M/01 and M/05 or M/06.

3. Municipal Council or DPTC (when applicable)

- Examination of documents and preparation of opinion
- Issuing of provisional licence for 9 days, subject to extension
- Inspection and issue of inspection certificate²² Fee of 500.000 MZM

4. Minister, Governor's Office or DPTC (when applicable)

- Presentation of documents prepared by:
 - OSS
 - Registration and Notarial services
 - Insurance company
 - Bank
 - Municipal Council
 - DPTC
 - Finance department

There is a 15-day time limit for dispatching the licensing application. However, when a decision is required from the Central Government the deadline is 30 days.

5. Vehicle Pre-Licensing Inspection

Participants:

Transport department

²¹ This can be done in OSS if the particular office provides Registration and Notarial services.

²² Some OSSs carry out premises inspections although there is no legal provision for this, and such a procedure is unnecessary.

CHAEM
DPTC
Urbanisation services
Fire services
Labour

6. Vehicle (post-licensing) Inspection

Transport department
- Issue inspection certificate

7. Labour

- Official payroll, prepared by the proponent and submitted to OSS.²³

5. Social Security

- A copy of the transport route
- Photocopy of the permit
- Official payroll
- Photocopy of Forms 1 and 5 or 6

The payment for Social Security is 7% of the basic wage, 4% paid by the employer and 3% by the employee.

6.4 Public Transport Regulation.

Public transport is classified either as rented or collective. Rented transport refers to the rental of the entire capacity of the vehicle used, either for passengers or cargo, while collective transport refers to that in which passengers pay to occupy individual seats, or cargo transport where a fraction of total capacity is used, with a previously-established timetable and route.

Public transport run by sole traders and general partnerships require a licence/permit. A type A or B licence is needed for heavy passenger vehicles for transport between two or more provinces or for covering the entire province in which the vehicle is based. A licence for heavy goods vehicles is valid nationwide.

These licences may also include cross-border transport if specifically requested in the application and officially authorised.

Type A licences are granted by the Ministry of Transport and Communications, and Type B by the Provincial Governor²⁴ after an opinion is given by the Provincial Directorate of Transport and Communication. Licences are applied for and issued through the relevant Transport Departments.

Light vehicle rental

Light rented vehicles can only be driven areas covered by the license. Such vehicles may be rented:

- i. per hour
- ii. using a meter
- iii. for a particular route
- iv. per kilometre

Tariffs are fixed by the executive councils and should be clearly displayed inside the vehicle.

²³ As proposed, OSS should have the power to certify the official payroll to be displayed in the company premises, a copy of which should be sent to the Ministry of Labour. This would eliminate a step in the process which has no added value.

²⁴ Or the delegated entity

A Letter of Application for rental licenses for light vehicles, including the following, will be delivered to OSS and dispatched to the respective Transport Departments:

- i. Identification and address of the applicant
- ii. Type of transport (passenger or goods)
- iii. The district or province in which the applicant intends to conduct business.
- iv. A medical certificate
- v. Certificate from the criminal registry

The Municipal Councils are responsible for granting authorisation.

Heavy vehicle rental

Heavy passenger vehicle rental can only be conducted by concession holders of regular itineraries or by organised tour operators.

The following requirements for granting licences for the rental of heavy good or passenger vehicles are delivered to OSS and then dispatched to the respective Provincial Departments:

- i. Identification and address of the applicant
- ii. Criminal registry certificate in the case of individual applicants.
- iii. The quantity, type and capacity of cargo vehicles or quantity, type and number of passenger seats for passenger vehicles.
- iv. The location of the company headquarters, and for each vehicle, the type of licence required (A or B).

Light or heavy vehicles for tourist transportation can only be exploited by tour operators or by regular service concession holders of regular itineraries in vehicles approved for passenger transport. Tour operators are considered to be those which:

- i. Organise passports and visas
- ii. Acquire, reserve and sell passenger tickets
- iii. Organise tours
- iv. Receive and assist tourists.

Tourist enterprises may request licences from MTC for operating fixed itinerary tours, classified as tourist itineraries.

Collective Transport

All collective vehicle transport is considered to be in the public interest and is subject to prior authorisation by MTC.

The journeys made by collective transport, known as 'itineraries' are subject to fixed routes, timetables and tariffs. These itineraries can be:

- i. Regular (repeated, regular and permanent)
- ii. Provisional (temporary, in the absence of regular itineraries)
- iii. Occasional (to make up for a transport shortages or for abnormal situations).

The itineraries can also be:

- i. Urban, within the city limits
- ii. Inter-urban.

The vehicles used for collective transport should display, in a prominent position inside the vehicle, their inspection certificate, timetables and tariffs. The capacity (goods or passengers) should be

indicated on the exterior of the vehicle together with the name/address of the concession holder, the number of the vehicle and a sign, illuminated at night, indicating the route.

Concessions are granted by ITC or the Provincial Government, depending on whether Type A or B licences are required. The authorisation should be published in the Republican Bulletin.

When justified by public need, concessions can be authorised which compete with other providers of the same itinerary, or which increase the frequency of already-authorized itineraries.

The maximum limit for concessions for regular itineraries is 20 years, subject to extension. If several applications are made for the same regular itinerary, preference will be given to the applicants that are already operating in the respective province.

Concessions for regular or provisional itineraries

The applications for regular or provisional itineraries will be presented to OSS. They should include the following:

- i. Identification and address of applicant, or of his/her legal representative.
- ii. Timetables and tariffs.
- iii. Parking locations at the beginning and end of each itinerary and the location of each stop, with a map of the route and the distance between each stop.
- iv. Official place names of the itinerary.
- v. Financial study of the intended activity.
- vi. Proof of deposit of 4.000.000 MT in the Bank of Mozambique made out to the Transport Department to cover application costs.²⁵

MTC will advertise the concession in the most widely-read newspaper in the province. Interested parties are given 30 days to manifest their interest.

Once a concession is approved, the Transport Services will set a time limit, never more than 180 days, for the concessionary to begin exploiting the itinerary and to present the relevant vehicle insurance policies. If the concession is rejected, the applicant may appeal within 15 days to the Prime Minister or Minister of Transport and Communications, in the same manner as for a type A or B licence.

Concession of occasional itineraries

Applications for occasional itinerary concessions should be presented to OSS 24 hours in advance, and should include:

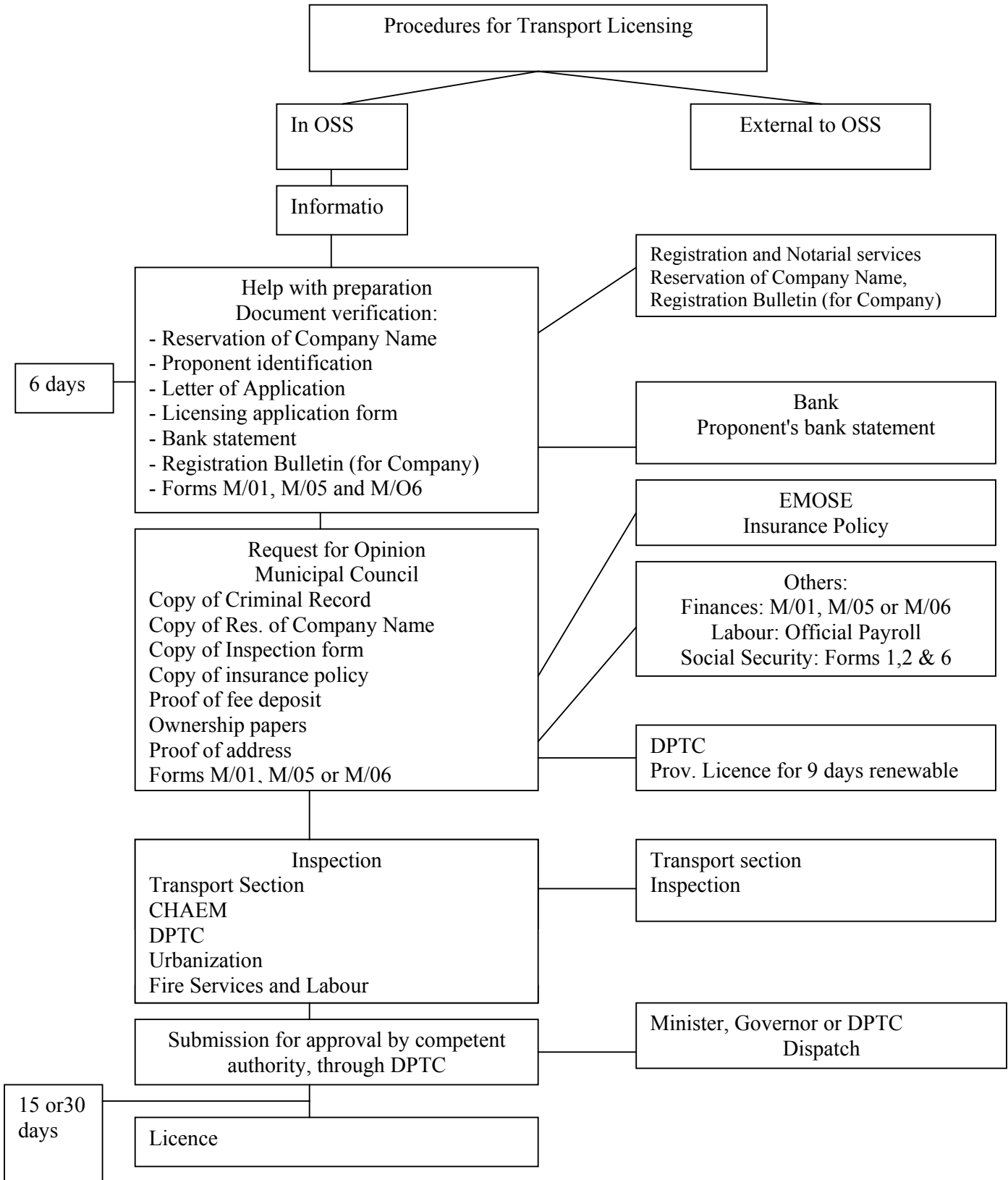
- i. Identification and address of the applicant or his/her legal representative. If the applicant is already a concession holder, the itineraries currently in operation should be indicated.
- ii. The vehicles to be used
- iii. Timetables, itineraries and tariffs
- iv. Justification of the need for an occasional itinerary.

Tariffs

MTC will fix the tariffs for regular itineraries, based on the concession holder's proposal. The tariffs for urban itineraries shall be fixed by the Municipal Councils.

²⁵ Ministerial Decree 35/05 of 26 January

FLOWCHART 6
Semi-Collective Passengers, Taxi Passengers; Cargo Transport, Seagoing Passengers; Car Rentals.



7. PROCEDURES FOR TOURIST ACTIVITIES

7.1 Applicable legislation

Decree n.º 66/99 Hotel Industry Regulations.

Law 4/2004 Tourism Law, Tourist Accommodation, Restaurant and Beverages Regulations, 23/08/05 version, yet to be published in the Republican Bulletin. Will replace the Decree indicated above.

7.2 General Information

Suppliers of tourism products and services are taken to be individuals or groups involved in the following:

- a) Travel and Tourist agencies
- b) Tourist agents
- c) Tour guides
- d) Renting vehicles for tourism
- e) Tourist complexes
- f) Camping
- g) Eco-tourism
- h) Periodic property rental
- i) Hotel management
- j) Tourist information
- k) Gambling
- l) Complementary services for tourist establishments
- m) Diving
- n) Restaurants and beverages
- o) Tourist transport
- p) Game hunting
- q) others.

All these activities require licensing.

The regulations of the Tourism Law should be in place by the 17th June 2005. The suppliers of tourist products and services that are already licensed are required to register their licence (re-licensing) with a year of the publication of the new regulations.

Establishments in urban centres or located in approved urbanisation areas should be authorised inside approved zones. Other establishments should be authorised through an opinion from their respective local government authorities.

7.3 Responsibilities, examination of applications, fees and licensing time limits

Licensing responsibilities are as follows:

1. The Minister of Tourism is responsible for granting authorisation for installing, extending, changing the location of, liquidating or suspending the activities of tourist accommodation establishments of 3, 4 or 5 stars, or higher, and camping sites.
2. **The Provincial Governor is responsible for granting authorisation for installing, altering, extending, liquidating or suspending the activities of 1 or 2 star tourist accommodation establishments, private tourist accommodation and restaurant and beverage facilities.**

3. Authorisation for installing, altering, extending, liquidating or suspending the activities of single classification tourist accommodation (unstarred) , excepting private accommodation and camp sites, is the responsibility of the President of the Municipal Council or in administrative areas not covered by the Municipal Councils, by the District Administrator.

These responsibilities may be delegated to the immediately inferior level.

The entity responsible for licensing should give its decision within a maximum period of fifteen working days after receiving the necessary documentation.

The application is examined by the respective licensing entity.

The new licensing fees shall be set jointly by the Ministry of Finances and Ministry of Tourism.

7.4 Licensing procedures

The application²⁶ for installing, altering or extending tourist establishments should comply with the provisions of article 13, which state that opinions or processing are required by the following entities:

- i. Registration and Notarial services**
- ii. MICOA**
- iii. Local government**
- iv. MITRAB**
- v. MINAG**

Each of these institutions has 7 days to issue their decision.

Specific conditions apply to conservation areas or nature reserves (art. 14).

After the application has been approved, within a term of 15 days and before project implementation begins, the proponent should prepare an executive project in accordance with article 19 or article 20, regarding the buildings to be constructed or that already exist. Specific application requirements apply to the executive projects for installing tourist camps and camp sites

On the approval of the draft project or executive project, the entity responsible for examining the project application should communicate the establishment's classification.

After the executive project has been approved, a deadilne of 1 year/180 days is given for building/installing the establishment.

The application requirements for each type of establishment are detailed in the following sections:

VIII (common accommodation application requirements) , II (hotels), III (boarding houses), IV (residential accommodation) , V (inns) , VI (motels), VII (apartment hotels), VIII (lodges), Capitulo IV (restaurants and beverages) and subsection I (dance halls).

Once the construction/installation is complete, an inspection will be made by a team composed of:

- Two representatives of the licensing authority.**
- A representative of the Health sector**

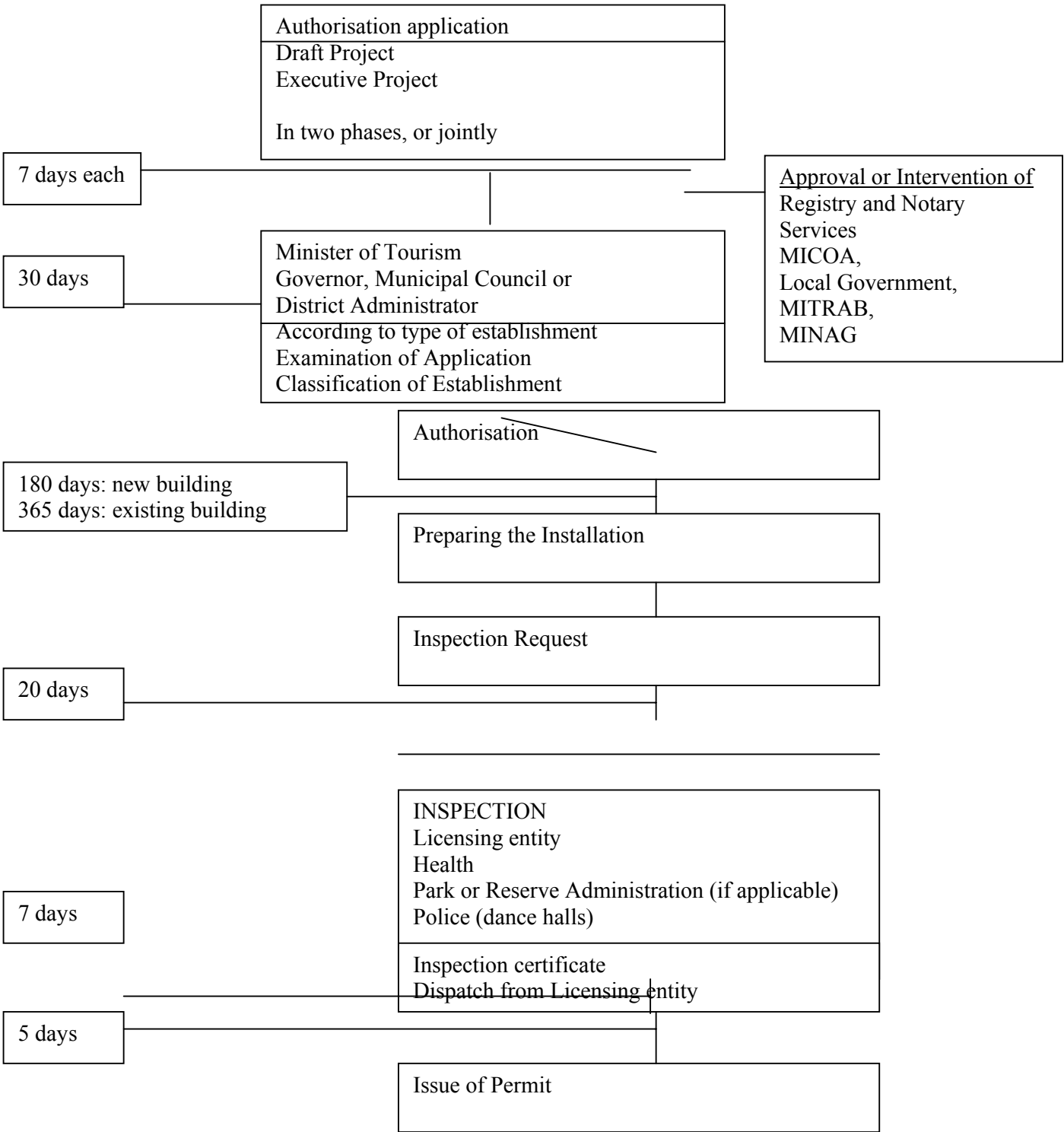
²⁶ The application should be made either in two stages (draft project and executive project) or in a single stage.

- **The park or nature reserve administration, if appropriate.**
- **The Police, in the case of dance halls.**

The inspection will be conducted within 20 days of being requested, and the results shall be communicated within 7 days. If the result is favourable, the permit will be issued for an unspecified term. Regulations for the operation of tourist establishments are given in Chapter VI. The establishments must be registered as specified in Chapter VII.

FLOWCHART 7

TOURIST ESTABLISHMENTS



8.ADDITIONAL PROCEDURES FOR FOOD-RELATED ESTABLISHMENTS AND ACTIVITIES

8.1 Applicable Legislation

Law n.º 8/82 Law regarding offences against public health in the area of food hygiene

Decree n.º12/82 Responsibility of the Ministry of Health to set hygiene/sanitation standards for food-related establishments.

Ministerial Diploma n.º51/84 Regulations regarding hygiene requirements for food-related establishments.

8.2 Additional procedures

Food-related establishments are taken to be those operating in the areas of:

- i. Production and packaging
- ii. Consumption
- iii. Sale
- iv. Storage.

A copy of the licensing application of any type of food-related establishment should be sent by OSS to the health authority in the area in which the establishment is located (District Health Directorates for district-based activities and Provincial Health Directorates for other activities). The completed process should be dispatched to the National Health Directorate, which should make its decision within 20 days of reception, or within 30 days for more complex cases. This decision should specify the type of activity authorised and the types of food substances to be handled.

Besides the documents mentioned above, the following details should be included in the licensing application:

- i. The food substances to be handled
- ii. Whether the activity is seasonal
- iii. Water supply
- iv. Drainage
- v. Conservation systems
- vi. The number of employees and their shifts

The responsible entity will give authorisation for the establishment to begin operating after the installations have been inspected.

The minimum compulsory requirements for all food-related industries are provided in Chapters III to IX of the Ministerial Diploma 51/84. OSS should inform the proponent of these.

List of Annexes

Annex 1. List of Forms

We have attempted to compile the most comprehensive list possible of forms used for the commercial sectors covered in this manual. Less frequently-used forms are also included.

Annex 2. Activities which may have a significant impact on the environment and which require environmental impact studies.

Annex 3. Fees for issuing permits and conducting inspections.

Annex 4. An extract from the Tourist Law regulations.

Annex 5. Business in an Instant.

Annex 2

ACTIVITIES THAT MAY HAVE A SIGNIFICANT IMPACT ON THE ENVIRONMENT AND WHICH REQUIRE ENVIRONMENTAL IMPACT STUDIES

1. Intensive livestock and agrarian development programmes and projects with individual or total areas of over 350 hectares;
2. Clearing, parcelling out and exploiting areas of native vegetation which are individually or collectively larger than 100 hectares;
3. Hydraulic infrastructure such as dams, dykes, channels and irrigation and drainage systems;
4. High tension electricity cables with a length of 25 km or more;
5. Oil, gas, mineral pipelines and submarine pipelines with a length of 25km or more;
6. Urban water supply and sanitation systems, their piping, treatment plants and waste disposal systems.
7. Extraction, storage, transport and processing of hydrocarbons and the production of derivatives;
8. Mining and mineral processing;
9. Industrial and agro-industrial installations and complexes such as cement and steel factories, coconut plantations, chemical plants, paper production, leather tanning, pesticide factories, drink industries, cashew processing factories, industrial freezers, abattoirs and food industries;
10. Generators with a minimum installed potential of 300 KVA;
11. Hydroelectric power stations of any capacity;
12. Ports, airports and railways which occupy an area of 25 hectares or more, or with a length of 25 hectares or more.
13. Construction of new stretches of road, with a unit cost of over 100,000 USD per km;
14. Construction of new bridges, with a length of 250 metres or more;
15. Transport, processing, storage and elimination of toxic and dangerous (including radioactive) products and waste;
16. Landfills, treatment, incineration and other forms of municipal, industrial or hospital waste disposal;
17. Aquaculture projects covering an area larger or equal to five hectares;
18. Industrial fish processing;

19. Programmes and projects which require the permanent or temporary displacement of inhabitants and communities;
20. Development and land occupation plans and projects for any purpose, including tourism;
21. Plans, programmes and projects which may affect, directly or indirectly, sensitive areas such as:
 - a) Coral reefs;
 - b) Mangroves;
 - c) Virgin forests;
 - d) Small islands;
 - e) Areas susceptible to erosion including dunes and coastal areas;
 - f) Areas susceptible to desertification;
 - g) Conservation or protected areas;
 - h) Marshland;
 - i) Threatened habitat zones and ecosystems;
 - j) Areas of outstanding natural beauty;
 - k) Areas of archaeological, historical and cultural value or areas containing animals or plants that are threatened by extinction;
 - l) Areas with underground water used for public consumption;
 - m) Protection areas surrounding springs and natural water sources.

Annex 3

Fees for issuing permits and conducting inspections

ONE-STOP SHOPS

Fees for conducting INSPECTIONS of Commercial Activities and Foreign Representations					
TYPE OF ACTIVITY	ZONES				
	MAPUTO MATOLA BEIRA NAMPULA NACALA	PEMBA QUELIMANE TETE INHAMBANE MAXIXE XAI-XAI CHIMOIO CHOKWE	LICHINGA AND OTHER CITIES	TOWNS	RURAL AREAS
Hypermarkets, supermarkets, shopping centres, car dealerships, spare part outlets, video clubs, sale of domestic electrical goods and equipment, retail and wholesaling with import and export, hardware, furniture and interior decoration outlets	2.5 MINIMUM WAGES	1.5 MINIMUM WAGES	1 MINIMUM WAGE	80% OF MINIMUM WAGE	50% OF MINIM UM WAGE
Grocery, general goods, bakeries, cake shops, perishable goods, household goods, fishmongers, book shops, stationery shops, florists, chemists, carpet shops, second-hand shops, auctioneers, music shops, rubber-good shops, seed outlets, medicinal herbs and plants, decoration and toy shops, sports shops, butchers, clothes shops, laundries, hairdresser's shoe shops, jewellery shops, off-licences, delicatessens, optometrist's, video clubs and service providers.	1.5 MINIMUM WAGES	90% of MINIMUM WAGE	67% of MINIMUM WAGE	45% of MINIMUM WAGE	18% of MINIM UM WAGE
Tobacconist's,	89% of	67% of	45% of	27% of	9% of

perfumery, photographic and cinematic material, bread outlets, tailors, dressmakers, watch, radio and domestic good repair.	MINIMUM WAGE	MINIMUM WAGE	MINIMUM WAGE	MINIMUM WAGE	MINIMUM WAGE
Foreign representations (delegations)	Fixed Rate of 3 Minimum Wages				

ONE-STOP SHOPS

Fees for issuing PERMITS for each class of Business Activity, Foreign Representations, External Business Operator and Registration of entities/individuals					
Type of Activity	ZONES				
	MAPUTO MATOLA BEIRA NAMPULA NACALA	PEMBA QUELIMANE TETE INHAMBANE MAXIXE XAI-XAI CHIMOIO CHOKWE	LICHINGA AND OTHER CITIES	TOWNS	RURAL AREAS
Retail or Wholesale, or Wholesale with Import and Export	45% of Minimum Wage	36% of Minimum Wage	27% of Minimum Wage	13.5% of Minimum Wage	4.5% of Minimum Wage
Service Provision	89% of Minimum Wage	67% of Minimum Wage	45% of Minimum Wage	9% of Minimum Wage	5% of Minimum Wage
Diverse registrations	1 Salary and 33% of Minimum Wage	89% of Minimum Wage	67% of Minimum Wage	45% of Minimum Wage	18% of Minimum Wage
Wholesale and Retail	36% of Minimum Wage	26% of Minimum Wage	22.5% of Minimum Wage	9% of Minimum Wage	4.5% of Minimum Wage
Wholesale	27% of Minimum Wage	22.5% of Minimum Wage	18% of Minimum Wage	1 salary and 33% of Minimum Wage*	67% of Minimum Wage*
Retail or General Retail business, with or without Import and Export	22.5% of Minimum Wage	13.5% of Minimum Wage	9% of Minimum Wage	89% of Minimum Wage	53.5% of Minimum Wage

* = fee paid for each permit

ONE-STOP SHOP

FEES FOR ISSUING RURAL BUSINESS ACTIVITY LICENCES	
Category	Fixed Rate
A = Shop and Trading Post	See Annex II (Towns/Rural Areas)
B = Stall	45% of Minimum Wage
C = Stand or Tent	27% of Minimum Wage
D = Agricultural Agent or Itinerant Trader	45% of Minimum Wage

FEES FOR ISSUING PERMITS		
ACTIVITIES	FEE	VALIDITY
Foreign Representations	Delegation	12,400,000 Mt
	Representation	5,600,000 Mt
	Diverse Registrations	2,250,000 Mt
External Business Operator	Importation Inscription, re-inscription and Renewal	1 year
	Issue of External Business Operator's Card	5 years maximum
Registration of entities/individuals under the terms of paragraph c) of no. 1 of article 3 of the Business Activity Regulations	5,000,000 Mt	

Annex 4

Extract of the regulations of the Tourism Law

Location

1. Tourist accommodation establishments and restaurant and beverage facilities in urban centres or covered by already approved urbanisation plans can only be authorised within zones that have already been specified for this purpose, or, through the local government or relevant authority manifesting their express lack of opposition to the location or implementation of the project.

The tourist accommodation establishments covered by the present regulations are categorised and classified as follows:

- a) Hotels: from 5 or more stars to 1 star
- b) Boarding Houses: from 4 to 1 star
- c) Hotels/Residential Boarding Houses: corresponding classification
- d) Inns: from 5 to 2 stars
- e) Motels: from 3 to 2 stars
- f) Apartment Hotels: from 4 to 2 stars
- g) Lodges: From 5 to 1 star
- h) Guesthouse and Room Rental: Single Classification
- i) Private Accommodation: Single Classification
- j) Campsites: Single Classification

Restaurant and beverage facilities covered by the present regulations are categorised and classified as follows:

- a) Restaurants: Luxury, 1st to 3rd Class
- b) Bars
- c) Beer Halls
- d) Snack Bars
- e) Cake Shops
- f) Tea Rooms
- g) Cafés

Licensing Responsibilities

Licensing responsibilities are as follows:

1. The Minister of Tourism is responsible for granting authorisation for installing, extending, changing the location of and liquidating or suspending the activities of tourist accommodation establishments of 3, 4 or 5 stars, or higher, and camping sites.
2. The Provincial Governor is responsible for granting authorisation for installing, altering, extending, liquidating or suspending the activities of 1 or 2 star tourist accommodation establishments, private tourist accommodation and restaurant and beverage facilities.
3. Authorisation for installing, altering, extending, liquidating or suspending the activities of single classification (unstarred) tourist accommodation, excepting private accommodation and campsites, is the responsibility of the President of the Municipal Council or in administrative areas not covered by the Municipal Councils, by the District Administrator.

These responsibilities may be delegated to the immediately inferior level.

The licensing authority should communicate its decision regarding the application within a maximum period of 15 days after receiving the process.

Examination of Applications

1. The location application or the draft project for installing, altering or extending tourist accommodation establishments and restaurant and beverage facilities is made through an application with a witnessed signature, under the terms of the Law, dispatched to the Minister responsible for the Tourist sector, the Provincial Governor, the President of the Municipal Council or the District Administrator, in accordance with the responsibilities conferred under the terms of article 10 of the present regulations. The application should include the following:
 - a) Name, nationality and address of an individual, or the headquarters of a company, and the Republican Bulletin, or a copy, in which the articles of association are published.
 - b) The location or intended location of the establishment.
2. In addition to the elements in articles 19 and 20 of the present regulations, the applicant should annex the following to the application described in the previous point:
 - a) Opinion from the authorities and/or local government, concerning the respective area, under the terms of article 5.
 - b) Opinion regarding the environmental impact, from the authority responsible for the sector for co-ordinating environmental action;
 - c) Number of employees and the value of the investment;
 - d) Right to the use and exploitation of land for tourism, issued by the responsible authority, under the terms of the Land Law and its regulations;
 - e) Proposed category and classification for the establishment.
3. When presenting the application to the licensing authority, the proponent should also present proof of fee payment, the analysis and approval of the project or draft project, according to the guidelines for form "B" and form 11.

When presenting the application for approval of the location of the tourist establishment, the proponent should annex the following to the documents mentioned in article 13:

- a) A plan of the location issued by the competent authority;
- b) An annotated sketch (or photographs, if possible) of the establishment to be installed;
- c) Opinion from the local authorities;
- d) Project specifications

2. The project specifications mentioned in point d) above should be prepared according to the specifications of paragraph n° 2 of article 19 of the present Regulations.

Application to install tourist projects in conservation areas (art 14)

- 1) The opinions of resident communities should be sought, and the required adaptations made in accordance with the provisions of the Land Law. (art 15)
- 2) Central level licensing authorities are responsible for licensing tourist accommodation establishments of more than 2 stars.
- 3) Provincial level licensing authorities are responsible for licensing tourist accommodation establishments of 1 and 2 stars, private accommodation and restaurant and beverage facilities.

- 4) The Municipal Council or District Administration is responsible for licensing single classification tourist accommodation establishments, with the exception of campsites.
- 5) **The processes mentioned in the present article should be concluded within 30 working days.**
- 6) **Days required by the proponent to perform any additional tasks shall be additional to the term mentioned in the previous point. The licensing entity will inform the proponent of any additional application requirements.**
- 7) On receiving approval of the location or draft project, the proponent should present the respective executive project within 180 days.
- 8) The term mentioned in the previous point may be extended by the entity that approved the project, if requested by the interested party. The term shall not be extended for more than a total of 180 days.

Approval of executive construction projects

1. When dealing with tourist establishments to be installed in buildings that are still to be constructed, the executive project comprises the following:
 - a) **Plan of the building/s to a scale of 1:1000 or 1:2000, showing the location of the planned construction;**
 - b) Plan showing the separate floors of the building to a scale of 1:100, showing the divisions, corridors, stairways and fittings;
 - c) Longitudinal and transverse elevations required provide a full picture of the project, one of which should be a vertical elevation;
 - d) Sketches to a scale of 1:100 of the façades of the different buildings, with a note of the facing materials used;
 - e) An outline of planned drainage systems, the final destination of waste water (domestic and rainwater), road layout, access roads and the electrical installation;
 - f) Declaration of compliance with the provisions of the urban construction regulations and health and safety requirements, issued by a competent authority, or signed by the architect or engineer responsible for the project;
 - g) Project Specifications and Justification.
2. The Project Specifications mentioned in the previous point should contain:
 - a) The physical characteristics of the location: relief, geographical and hydrographical characteristics and vegetation cover;
 - b) The building's compatibility with local and regional architecture and scenery;
 - c) A general breakdown of the composition and essential construction characteristics of the building;
 - d) The operation of the various services and installations and the links between them, horizontal and vertical ventilation and air conditioning systems, and other similar systems;
 - e) The starting date for construction;
 - f) Accommodation capacity and value of the investment.
 - g) In the plans mentioned in point b) of nº1 of this article the areas should be indicated, in accordance with the requirements presented in the table in Annex II.
3. If the project is to be implemented in phases, the proponent should provide a description of the different stages;
4. In addition to the requirements above, the executive project should indicate smoking and non-smoking areas and the access, installations and equipment provided for persons with physical disabilities.

ARTICLE 20

Approval of the executive project for an existing building

1. When dealing with tourist projects to be installed in buildings that have already been constructed, the executive project shall contain the following elements:
 - a) Plans of the different floors of the building occupied or utilized for the enterprise to a scale of 1:100, giving a clear picture of the distribution of the planned installations, their corridors, stairways and equipment;
 - b) Longitudinal and transverse elevations of the part of the building to be used for the enterprise to a scale of 1:100, sufficient to give a clear picture of the project, one of which should be a vertical elevation;
 - c) Sketches of the building's façades to a scale of 1:100;
 - d) Infrastructure project mentioned in point e) of n.º1 article 19, if relevant;
 - e) Declaration of compliance with the provisions of the urban construction regulations and health and safety requirements, issued by a competent authority, or signed by the architect or engineer responsible for the project;
 - f) Project specifications;
 2. The project specifications mentioned in the previous point should contain:
 - a) The essential construction characteristics of building;
 - b) The operation of the various services and installations and the links between them, horizontal and vertical ventilation and air conditioning systems, and other similar systems; and in general, all that needs to be described to give a clear understanding of the installations;
 - c) The proposed category and classification of the establishment;
 - d) The starting date for construction;
 3. In the plans mentioned in point a) of n.º1 of this article, the areas should be indicated, in accordance with the requirements presented in the table in Annex II.
 4. In the case of one or two star boarding houses, the application requirements of points a) to c) of n.º 1, of the present article may be substituted by a single descriptive plan of the installations, if no structural alterations have been made, or if the simplicity of the installation allows.
 5. Authorisation from the residents' commission, if the project is to be installed in residential buildings.
 6. The provision of n.º 4 of the previous article is applicable to this project.
The proponent may, if s/he wishes, present the requirements mentioned in articles 16, 19 and 20 at the same time. In this case the project is considered to be an executive project.
- The provision of the previous section is applicable to tourist camps. To give a clear picture of the location, the applicant is required to present the following:**
- a) Location plan, in accordance with article 6 of the present regulations;
 - b) Plan of the installations to a scale of 1:1000 or 1:2000, showing the situation of the building/s;**
 - c) An outline of planned drainage systems, the final destination of waste water (domestic and rainwater) road layout, access roads and the electric installation;
2. Project specifications, indicating:
 - a) The usable area of the plot;
 - b) The nature of the soil and its use and solutions for creating artificial shade;
 - c) Drinking water supply process, with express reference to the daily volume of water available and to the distribution system;
 - d) Accommodation capacity;

- e) The architectural characteristics of the buildings and their compatibility with the surrounding countryside;
- f) Rubbish collection and removal system;
- g) Areas for lighting fires;
- h) Ventilation method;
- i) Laundry areas;
- j) Fire protection system.

Letter of Application by Tourist Parks for land for construction purposes art 27

Time limits for entities to issue opinions

When other entities or services are involved, and opinions are not issued in joint meetings, a time limit of 7 working days should be set for issuing opinions, counting from the date of reception. If the opinions referred to in the previous article have not been issued within the same time limit, the competent authority should make its pronouncement within 10 working days, counting from the date that the last communication was received.

Classification proposal

1. Once the draft or executive proposal has been approved the competent authority should decide on the maximum classification of the establishment in question.
2. A classification limit for a draft project can be altered when the executive project is approved, if modifications have been made which justify this.

ARTICLE 37

Time limit for beginning construction work

1. Once the executive project has been approved, a time limit is set for beginning construction work as follows:
1 year for new construction projects, counting from the date of receiving authorisation.
180 days for projects in existing buildings, counting from the date of receiving authorisation.
2. Non-compliance with the time limits described in the previous paragraph invalidates the project authorisation and archived process, and the competent authority for granting land rights and usage shall be notified.

ARTICLE 38

Inspection application

After completing construction work the applicant must make a written request for an inspection by the licensing authority.

SECTION VIII

Common requirements for tourist accommodation establishments

1. The Minister of Tourism is responsible for establishing a classification system for tourist accommodation establishments and for setting up the organ responsible for classifying establishments.
2. In the absence of a classification system of the kind described in the present Article, the norms of the present regulation apply to all tourist accommodation establishments.

ARTICLE 172

Inspection and opening the establishment

1. Any entity wishing to open a tourist accommodation establishment or restaurant and beverage facility must request an inspection from the competent licensing authority, which will concentrate on compliance with the approved project and the conditions specified in the classification system.
2. When making the request specified in the previous paragraph, an application should also be made for a management certificate as well as an endorsement of the respective price tables. The inspection can not be authorised if these requirements have not been fulfilled.
3. The authorisation to open the establishment is granted through the issue of a Permit (see Annex IV).

ARTICLE 173

Composition of the inspection team

1. The inspection is conducted by a team composed as follows:
 - a) Two representatives of the licensing entity;
 - b) One representative of the Health sector;
 - c) One representative of the Park or Nature Reserve administration, if the establishment is located in a conservation area;
 - d) One Police Officer in the case of dance halls.

If the inspection authorises the opening of the establishment, the licensing entity issues a permit within 5 working days from the date of the dispatch communicating the inspection results.

Cap VI Section 2

Price Tables, Minimum Consumption

SECTION III

Tourist Accommodation Establishment Services

SECTION V

Restaurant and Beverage Establishments

ARTICLE 224

Common Application Requirements

1. A restaurant or establishment serving beverages should possess:
 - a) Running water;
 - b) Electricity;
 - c) Areas for the use of clients, for different types of activities;
 - d) A telephone for the use of clients;
 - e) WCs for the use of clients, separated according to sex;
 - f) A Service staircase or a 'dumb waiter' when the floor used for serving clients is different from that in which food and beverages are prepared;
 - g) Kitchen/pantry or a kitchen with pantry, of an adequate size and adequately partitioned for the capacity of the establishment;
 - h) Freezers and fridges to conserve and refrigerate food and drinks appropriate to the establishment's classification and capacity;
 - i) WCs for employees, separated according to sex.
2. Installations for preparing food in the dining room can be accepted if these are of sufficient quality.

GLOSSARY

Annex 5

BUSINESS IN AN INSTANT

The business activities eligible for the BUSINESS IN AN INSTANT system are listed below:

CAE rev.1

- 22210 Printing
- 22220 Printing-related activities
- 52321 Retailing textiles and clothes
- 52322 Retailing shoes and leather goods
- 52333 Retailing crockery, cutlery and other similar goods
- 52351 Retailing books, newspapers and stationery
- 52354 Other products sold in retail outlets
- 52400 Retailing second-hand goods
- 52601 Shoe repairs
- 52602 Repair of domestic electric goods
- 52603 Watch and jewellery repairs
- 52604 Personal and household good repairs
- 74940 Photography activities
- 92120 Film and video projection
- 93010 Washing and dry cleaning of textiles/leather
- 93020 Hairdressing and beauty treatments
- 93040 Funeral services