

# Legal 500

## Country Comparative Guides 2025

### Mozambique

### Shareholder Activism

### Contributor

Fernanda Lopes &  
Associados



**Deise Avelino Mutambe**

Lawyer Associate | [deise.avelino@dentons.com](mailto:deise.avelino@dentons.com)

This country-specific Q&A provides an overview of shareholder activism laws and regulations applicable in Mozambique.

For a full list of jurisdictional Q&As visit [legal500.com/guides](https://legal500.com/guides)

## Mozambique: Shareholder Activism

### 1. What are the principal sources of laws and regulations relating to shareholder rights and activism? Do insider trading and/or market abuse rules apply to activist activity?

Mozambican law does not regulate shareholder activism.

With regard to insider trading, it is important to note the following: securities markets thrive on information, which is essential for the decisions of investors and regulators. In effect, safeguarding market efficiency translates into promoting the proper pricing of traded securities and equal opportunities in investment decisions (limiting the use of insider information or insider trading – a term of Anglo-Saxon origin, widely used in international doctrine, which consists of buying or selling securities based on insider information). However, due to its origin, nature and function, some of this information is, at certain times, reserved for a limited circle of people, later becoming accessible to the general public. The timing of disclosure and the quality of the information to be disclosed condition and influence the decisions of market participants and have significant repercussions on prices. It is this information, which has not yet been made public, that is referred to as *insider trading*. Insider trading is defined as “any information not made public which, being precise and relating directly or indirectly to any issuer or to securities or other financial instruments, would, if it were made public, be likely to have a significant effect on their market price”. Market abuse is behavior that constitutes insider trading and market manipulation. Market manipulation consists of disseminating false, incomplete, exaggerated or biased information, carrying out fictitious transactions and engaging in fraudulent practices that may artificially alter or regulate the functioning of the market; in other words, it is the practice of acts likely to modify the conditions of price formation, normal supply/demand conditions and other financial instruments.

However, under Mozambican law, insider trading and/or market abuse are not subject to criminal liability. The need to criminalize these acts is based on the need to ensure the integrity of financial markets and to promote investor confidence.

### 2. How is shareholder activism viewed in your

### jurisdiction by regulators, shareholders (both institutional and retail) and the media?

As mentioned above, Mozambican law does not regulate shareholder activism. However, shareholder activism is seen as actions taken by shareholders to influence corporate governance, with the aim of improving operations, correcting management failures, influencing strategic decisions, or forcing the adoption of better ESG (environmental, social, and governance) practices. Shareholders can exercise this activism in a variety of ways, such as through initiatives to influence the choice of board members, submitting voting proposals, or even through public campaigns to raise awareness of relevant issues, such as environmental issues.

In view of the above, shareholder activism is viewed positively in our jurisdiction by regulators, shareholders and the media.

### 3. How common are activist campaigns and what forms do they take? Is activism more prevalent in certain industries? If so why?

Shareholder activism, although still in its early stages of development, is gaining importance as companies become more transparent and civil society becomes more active. Shareholder activism in Mozambique, as in other countries, has increasingly focused on social and environmental issues. Shareholders are pressuring companies to adopt sustainable practices, protect workers' rights and contribute to the social development of the communities where they operate. In other words, there is growing activism on environmental and social issues, most likely due to increased awareness of environmental importance and the subsequent impact on society.

### 4. How common is it for shareholders to bring litigation against a company and/or its directors and what form does this take?

Mozambican law provides for the right of shareholders to challenge the decisions of general meetings (Article 130 of the Commercial Code). These rights of shareholders depend solely on their capacity as shareholders of the company.

Shareholders may also bring an action for liability on behalf of the company, pursuant to Article 166(1) of the Commercial Code.

### **5. What rights do shareholders/activists have to access the register of members?**

The shareholders have the right to be informed about the life of the company under the terms of Article 85(c) of the Commercial Code in conjunction with Article 102 of the Commercial Code.

### **6. What rights do shareholders have to requisition a shareholder meeting and to table a resolution at the meeting?**

In general terms, "meetings are convened by the chairperson of the General Meeting of Shareholders, pursuant to Article 121(1) of the Commercial Code.

However, if the chairperson, who has a legal duty to convene the meeting, fails to do so, the shareholder requesting the uncalled meeting may convene it directly. The convening of the General Meeting of Shareholders must comply with the formalities legally defined for the convocation, as provided for in Article 122 of the Commercial Code.

### **7. Where a shareholder requisitions a meeting, who is responsible for the costs of calling and holding the meeting?**

When a shareholder requests a meeting, the company is responsible for the costs of convening it, in accordance with Article 121(2) of the Commercial Code.

### **8. Are there any rights to circulate statements to shareholders?**

The shareholders have the right to consult and obtain a copy of the resolutions of the Administration (statements and approved resolutions of the administration), subject to prior authorization from the latter, which may refuse on the grounds that the minutes of the administration contain confidential material, business or industrial secrets, or information that cannot be disclosed to the public or relating to ongoing business, the accessibility and possible disclosure of which is likely to cause damage to the company, pursuant to Article 102(2) of the Commercial Code. of the Commercial Code.

### **9. Who is entitled to attend and speak at a shareholders' meeting?**

In general terms, all shareholders are entitled to attend the General Meeting of Shareholders and to discuss and vote on matters when they have voting rights (Article 118(1) of the Commercial Code).

In SA companies, all shareholders, whether or not they have voting rights, are entitled to attend the General Meeting of Shareholders and discuss the matters submitted for consideration, provided that they can prove their status as shareholders. (Article 402(1) of the Commercial Code).

### **10. What percentage of share capital is needed to appoint or remove a director? What is the process?**

The appointment of a director at a General Meeting of Shareholders generally requires a simple majority (more than half of the votes), however, the Company's articles of association may establish a higher percentage.

The appointment and dismissal of directors is the exclusive responsibility of the General Meeting of Shareholders, pursuant to article 117(1)(d) of the Commercial Code.

### **11. What percentage of share capital is needed to block a shareholder resolution?**

In SA companies, it is possible to grant special rights to certain categories of shares or specific groups of shareholders, provided that this is stipulated in the company's articles of association. These rights may include blocking certain shareholder resolution regardless of the percentage of shareholders.

### **12. Do holders of other instruments (e.g. options, warrants, contracts for difference, swaps, cash-settled derivatives) have any of the above rights?**

The above rights derive from the status of shareholders, and holders of other instruments (e.g. options, warrants, contracts for difference, swaps, cash-settled derivatives) do not have shareholder status.

### **13. Is stamp duty payable on share acquisitions? Can this be avoided/mitigated (e.g. through use**

**of derivatives)?**

On share acquisitions, the purchasers of the shareholding must pay stamp duty in accordance with Article 2(3)(a) of the Stamp Duty Code (Decree No. 6/2004 of 1 April and Decree No. 38/2005 of 29 August amending certain articles of the aforementioned Code).

Stamp duty must be paid, as it is a legal obligation.

**14. To what level can you acquire shares without having to publicly (or privately) disclose your position?**

Mozambican law does not require publicly (or privately) disclose to acquire shares; it is only necessary to comply with the legal and statutory formalities for doing so.

**15. Is the disclosure threshold different if the issuer is subject to a takeover offer?**

As mentioned above, there is no obligation to disclose.

**16. Are there any rules which restrict the speed at which you can build a position?**

The rules that may restrict the speed at which a position can be built up are those that may be laid down in the company's articles of association, i.e. when acquiring shares, the conditions set out in the articles of association must be checked to see whether they define any restrictions on the transfer of shares, these restrictions or prohibitions being permitted by law. Such as the company's consent and pre-emptive rights.

**17. Are there circumstances in which a mandatory takeover is required?**

Mozambican law does not require the mandatory takeover of shares.

**18. Does collective shareholder action or 'acting in concert' have any consequences in your jurisdiction (e.g for disclosure purposes or the rules on mandatory offers)?**

Civil liability proceedings against directors may be brought by the company (Article 165 of the Commercial Code) or by shareholders holding at least five per cent of the share capital (Article 166 of the Commercial Code).

Shareholders may only bring civil liability proceedings against directors if the company has not brought such proceedings (civil liability proceedings against directors brought by the company).

A shareholder may not disclose confidential material, business or industrial secrets, or information that may not be disclosed to the public, pursuant to Article 102(2) of the Commercial Code, and a shareholder who uses the above-mentioned information to the detriment of the company shall be liable for the damage caused to it, pursuant to Article 102(4) of the Commercial Code.

**19. Do the same rules and thresholds apply to other instruments (e.g. options, warrants, short positions, contracts for difference, swaps, cash-settled derivatives)?**

The rules do not apply to other instruments, as the above rules derive from shareholder status.

**20. If an activist makes a takeover offer, what impact might any prior share purchases have on the minimum offer price or the form of consideration that must be offered?**

Since shareholder activism in Mozambique is in its early stages, and there are no regulations on this issue, if an activist makes an acquisition offer, it has no impact on the purchase of previous shares at the minimum offer price or on the form of consideration that must be offered. What may impact the value of the shares is the market value of those shares, the increase or decrease in the company's assets, the political and economic scenario of our country, etc.

**21. What measures are available to companies to protect against an activist campaign?**

The measures available to companies to protect themselves against an activist campaign are as follows:

i) Creation of internal unions

Through unions, workers feel comfortable expressing their concerns and reporting problems.

ii) Monitoring social networks and media

Companies should be aware of what is being said about them on social media and in the media, identifying possible criticism or negative campaigns. Monitoring

allows for a faster and more effective response, preventing the situation from escalating.

iii) Engaging in social causes:

One way to demonstrate commitment to society is to support relevant social institutions and projects. Companies can make donations, promote volunteer activities and disseminate information about important causes, showing that they care about relevant social issues. Although it is prohibited for companies to make donations, this is permitted if they are made for the benefit of their employees or the community in which they operate, and always within the scope of their social responsibility, in accordance with Article 72(2) of the Commercial Code.

iv) Have a crisis management plan

It is important for companies to have a crisis management plan to deal with situations that could generate activist campaigns. This plan should include communication, response and damage management measures.

## 22. What duties do directors owe to a company and its shareholders? Highlight any that are particularly relevant in the context of an activist campaign.

Under Article 138(1) of the Commercial Code, directors are responsible for managing and representing the company. Therefore, in the face of an activist company, directors must observe the general duties of directors set out in Article 139 of the Commercial Code. A company director must: i) observe duties of care, demonstrating the availability, technical competence and knowledge of the company's activities appropriate to their functions and employing, in this context, the diligence of a judicious and orderly manager; ii) observe duties of loyalty in the interests of the company, taking into account the interests of the shareholders and considering the interests of other parties relevant to the company's sustainability, such as its employees and creditors; and iii) perform their duties as a fiduciary administrator for all shareholders, whether they are majority, minority or preferred shareholders, whose rights must be treated equally, regardless of each one's share in the share capital.

## 23. What rights does a company have to require parties to disclose details of their interests

### (direct and indirect) in the company's share capital?

Mozambican law does not require parties to disclose details of their interests (direct and indirect) in the company's share capital.

## 24. Are there restrictions on companies selectively disclosing inside information to activists?

There are restrictions on the disclosure of information containing confidential material, business or industrial secrets, or information that cannot be disclosed to the public or relating to ongoing business, the accessibility and possible disclosure of which is likely to cause damage to the company. Any shareholder who uses such information to the detriment of the company shall be liable for the damage caused to it, in accordance with paragraphs 2 and 4 of the Commercial Code.

As already mentioned, under Mozambican law, insider trading and/or market abuse are not subject to criminal liability.

## 25. Are settlement agreements between a company and an activist permitted in your jurisdiction? How common is it for activist campaigns to be resolved in this way?

The legal regime governing insolvency and recovery of commercial entrepreneurs in Mozambique is governed by Decree-Law No. 1/2013 of 4 July 2013 (Insolvency Law).

Under Article 77 of the Insolvency Law, the classification of claims in insolvency follows the following order: i) claims arising from labor legislation and those arising from accidents at work; ii) secured claims; iii) tax claims, regardless of their nature and date of establishment, except for tax fines, and claims of the Social Security System Management Entity; iv) ordinary claims; v) fines of any nature, including contractual penalty clauses and tax fines; vi) subordinated claims.

If the activist is a shareholder, these are subordinated claims, since such claims cannot be repaid before all the company's debts have been paid (Article 109(4)(a) of the Commercial Code). Furthermore, it should be noted that the priority of claims, as listed in Article 77 of the Insolvency Law (Decree identified above), determines that each priority claim (and respective creditor) is paid in full before the next priority claim (and creditor) is paid. Therefore, it is not possible for there to be settlement

agreements between a company and an activist, since it

is necessary to respect the order of payment of claims provided for in the Insolvency Law.

---

## Contributors

**Deise Avelino Mutambe**  
Lawyer Associate

[deise.avelino@dentons.com](mailto:deise.avelino@dentons.com)

