



CENTRO DE INTEGRIDADE PÚBLICA

HIDDEN DEBTS



Anticorrupção - Transparência - Integridade

Edition nº 5 | 11th December 2024 | Free Distribution

High Court of London rejects Prinvest appeal in Mozambique hidden Debt Scandal

– The decision ensures that the case will extend into next year, coinciding with the end of President Nyusi’s term in office. Nyusi, who has been implicated in the hidden debt scandal, has thus far enjoyed immunity as a sitting president.

Por: **Borges Nhamirre***

The High Court in London has refused an application by Prinvest companies for permission to appeal a landmark judgment in favour of the Republic of Mozambique.

The case, involving Credit Suisse and Prinvest, centres on bribery and corruption tied to Mozambique’s \$2 billion hidden debt scandal, which has been estimated to cost Mozambique more than \$ 11 billion until 2019¹.

In its judgment, the court upheld findings that Prinvest bribed Mozambique’s then-Finance Minister, Manuel Chang, to secure guarantees for loans linked to maritime projects. The projects later collapsed, leading to significant financial losses for Mozambique.

Prinvest argued that Mozambique’s case suffered from disclosure failings and procedural issues, but the court found no merit in their grounds for appeal.

The court also dismissed Prinvest’s claims that Mozambican law prevented liability for active corruption by legal entities. It ruled that the corruption allegations and associated financial losses were substantiated, and Mozambique’s legal arguments were properly pleaded. The company founded by Iskandar Safa must pay Mozambique approximately 3 billion dollars in compensation for the damages caused by the hidden debts.

Prinvest’s application for a stay of enforcement was partially granted, conditional on payment of £20 million to cover costs. The decision marks a significant step in Mozambique’s efforts to recover damages and seek accountability in one of Africa’s largest corruption scandals.

This is not a final decision, as Prinvest still has the option to appeal to the Court of Appeal. However, this development ensures that the case will extend into next year, coinciding with the end of President Nyusi’s term in office. Nyusi, who has been implicated in the hidden debt scandal, has thus far enjoyed immunity as a sitting president². Once he leaves office, Prinvest may seek to pursue legal action involving Nyusi directly.

¹ Cortez, et al. (2021). *Costs and consequences of the hidden debt scandal*. CIP/CMI. Retrieved December 10, 2024, from <https://www.cipmoz.org/pt/2021/05/27/costs-and-consequences-of-the-hidden-debt-scandal-of-mozambique/>

² Nhamirre, B. (2023). *London court recognises immunity of Filipe Nyusi while he is Head of State*. CIP. Retrieved December 10, 2024, from <https://www.cipmoz.org/pt/2023/09/05/london-court-recognises-immunity-of-filipe-nyusi-while-he-is-head-of-state/>



CENTRO DE INTEGRIDADE PÚBLICA
Anticorrupção - Transparência - Integridade

Parceiros:



Schweizerische Eidgenossenschaft
Confédération suisse
Confederazione Svizzera
Confederaziun svizra

Embaixada da Suíça em Moçambique



Norway



Suécia
Sverige



Reino dos Países Baixos



Editorial Edition

Director: Edson Cortez

Author: Borges Nhamirre

Peer Review: Edson Cortez

Propriety: Centro de Integridade Pública

Rua Fernão Melo e Castro,
Bairro da Sommerschild, nº 124
Tel: (+258) 21 499916 | Fax: (+258) 21 499917
Cel: (+258) 82 3016391
[f](#)@CIP.Mozambique [t](#)@CIPMoz
www.cipmoz.org | Maputo - Moçambique