

Country Guide

Macau

Prepared by

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A nighttime photograph of the Macau Tower, a tall, slender structure with a distinctive white, sail-like top section, illuminated with blue and white lights. The tower is reflected in the calm water in the foreground. The surrounding city lights and other buildings are also visible in the background, creating a vibrant urban scene.

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DOING BUSINESS IN MACAU

2025 Guide

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Introduction

Macau is a Special Administrative Region (SAR) of the People's Republic of China, operates under the “one country, two systems” principle. Governed by the Basic Law of Macau SAR, the region enjoys a high degree of autonomy, preserving its own legal system, currency, and economic policies. With Chinese and Portuguese as its official languages, Macau reflects its unique historical ties to Portugal while serving as a bridge between China and Portuguese-speaking countries.

Over the past decades, Macau has established itself as a globally renowned tourism and entertainment hub, attracting millions of visitors annually. While tourism and gaming remain key economic drivers, the government is actively promoting economic diversification. Priority sectors include traditional Chinese medicine (TCM) and big health industries, modern finance and fintech, high-tech and innovation-driven industries, conventions and exhibitions, and culture, sports, and creative industries.

As part of the Greater Bay Area (GBA) initiative, Macau plays a strategic role in fostering economic integration with neighboring cities such as Hong Kong, Shenzhen, and Guangzhou. This integration enhances Macau's access to a vast market and strengthens its position as a regional business hub.

Macau offers a business-friendly environment, characterized by low tax rates, a free-market economy, and straightforward regulatory procedures. The government encourages foreign investments, providing various incentives, especially for businesses that contribute to economic diversification. In addition, the absence of foreign exchange controls and the free flow of capital further enhance Macau's attractiveness as a regional business hub.

A wide-angle photograph of a long, multi-lane bridge spanning a vast body of water. The bridge features a series of tall, dark support pillars. The sky is a clear, bright blue with a few wispy clouds on the horizon. The water is a deep blue, and the overall scene is bright and open.

This guide provides an overview of the essential legal and regulatory factors that foreign investors should consider when establishing a business in Macau.

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Setting up a Business

With Macau's promising economy, investors can benefit from a wide range of commercial advantages, such as low-tax regime, flexible corporate laws, and favorable geographical location. The procedures for investment and company incorporation in the region are relatively straightforward for both local and international investors.

This chapter aims to provide a comprehensive overview of how to start a business in Macau and indicates which type of entities can be incorporated in the region. We will present different characteristics of each incorporation option to help investors determine the most suitable vehicle for their needs, providing a successful business setup process in Macau.



1. Setting-up a company in Macau

Formation of a company: most common types of entities and its capital requirements

1.1. Most common types of vehicles

The main types of entities incorporated in Macau are joint stock companies, limited liability companies (by quotas) and sole shareholder companies.

The table below summarizes the minimum share capital and the number of shareholders' requirements for each company type:

TYPE OF COMPANY	MINIMUM SHAREHOLDERS	MINIMUM SHARE CAPITAL
Sole Shareholder Company	1	MOP25,000
Limited Liability Company <i>by Quotas</i>	2	MOP25,000
Joint Stock Company	3	MOP1,000,000

Sole Shareholder Company is a Limited Liability Company, wholly owned by a single shareholder, and its trade name must expressly indicate it in the Chinese and Portuguese versions.

This type of entity is subject to certain restrictions. A Sole Shareholder Company cannot have a sole shareholder company as its sole shareholder. Any business transaction between the sole shareholder and the Company must be set out in writing and be necessary, useful or convenient to pursue the business of the Company. Furthermore, such business transactions must be subject to a prior report issued by a local auditor, confirming that the interest of the Company is duly protected, and that the transaction is entered into arms-length. The rationale of this requirement is to protect the Company's creditors from potential risks arising from the sole shareholder's controlling influence.

Limited Liability Company by Quotas is the most common type of corporate vehicle to be incorporated in Macau, which offers better management flexibility and corporate governance - e.g. a minimum of 2 shareholders and a share capital of MOP25,000 - as well as lower accounting requirements.

The liability of the shareholder for the payment of share capital is limited to the value of their quota, and joint and several regarding the quotas of the remaining shareholders. The shareholders can be either a company or an individual, with the number of shareholders ranging from 2 (two) to

30 (thirty) for this type of company. The identification of the shareholders and directors is of public access through Macau Companies Registry (CR), i.e. anyone can request this information in the CR.

This type of company is normally used for standard commercial and business operations in Macau, such as for retail, consultancy and others.

Joint Stock Company requires a more complex structure (e.g. a minimum of 3 shareholders, share capital of MOP1,000,000, board of directors, company secretary and supervisor) and must comply with more stringent accounting and tax reporting obligations. It provides, however, more options in terms of bringing in additional investors by selling shares and issuing bonds, for example.

The share capital is divided into shares, all the same nominal value, which cannot be lower than MOP100, represented by share certificates. Pursuant to the Law 4/2015 issued on June 01, 2015, the Macau Government announced amendments to the Macau Commercial Code, including the elimination of bearer shares. With these amendments, only nominative shares are allowed, and bearer shares have been abolished since then.

The liability of a shareholder in this type of company is limited to the value of the shares subscribed. Shareholder information in a joint stock company is non-publicly available information. Only the identification of the founding shareholders is of public access, considering that this information is mandatory for the registration of the incorporation of the Joint Stock Company. Subsequent shareholders' identities can be only consulted by accessing the Shares Registry Book, which is not publicly available.

Joint Stock Companies are normally used for highly regulated activities or more investment driven companies, such as gaming operators, banks, finance, energy, telecom, aviation, hospitals, among others.

1.2. Incorporation Procedure

The procedure for incorporating a Macau Company requires the preparation and execution of several mandatory documents. Please refer to the summary below for an overview of the incorporation procedure.

1.2.1. Pre-Completion:

Trade Name

Firstly, it is necessary to decide on the type of company to be incorporated, its trade name, and the respective business scope. A trade name certificate, containing such information, must be obtained from the CR to reserve such a trade name. Please note that the certificate is valid in the

CR's database for only 60 days.

If there is a trademark already registered in Macau for the proposed trade name, a trademark consent letter may be required from the trademark holder to use such tradename. This document must be notarized and legalized, if applicable – i.e. when the Notary Certificate is issued by a notary outside Macau/Hong Kong/Mainland China jurisdictions.

1.2.2. Completion:

Company Information

In order to proceed with preparation of the incorporation documents, the investor must determine several key aspects of the company to be incorporated.

This includes, but not limited to, the corporate governance structure, intended business activities, shareholding structure, the authority and decision-making powers within the company (e.g. binding power of the Company – i.e. if the company is bound by signature of one or more director(s)), the composition of corporate bodies, where the registered office will be located, and other information.

Incorporation Documents

The procedure for incorporating a Macau Company requires the preparation and execution of a set of mandatory documents, namely, the Memorandum of Association, the Articles of Association, acceptance letters from the social bodies members and others.

Subsequently, specific notarization requirements must be followed in accordance with Macau law, including certain AML requirements (for further details, please refer to section 5 below). Obtaining notarized corporate resolutions of the shareholders (translation to one of the official languages of Macau is also required if the resolutions are not written in Chinese/Portuguese), as well as certified true copies of identification documents of all parties (individuals) may be required.

1.2.3. Registration Requirements

CR Registration

Once all the above steps have been completed, application for the company's incorporation shall be submitted to the CR. The following main documents are required to be submitted with the registration application:

- Trade Name Certificate;
- Trademark consent, if applicable;
- Incorporation Documents (one set);
- Directors and shareholders lists;
- Declaration(s) of acceptance of the members

of corporate bodies;

- Declaration issued by a Macau lawyer that, having followed the entire incorporation process, no irregularities were identified. This verification is conducted when the signatures in the incorporation document, specifically the Memorandum of Association, are notarized;
- Copies of shareholders (individuals) and members of corporate bodies' identification documents;
- Copy of the submitted M/1 tax form (see below).

The commercial registration takes a minimum of 15 (fifteen) working days to be completed.

Tax Registration

Once the registration with the CR is completed, subsequent tax registration with the local tax authorities is required. This tax registration is made by filing a tax form named "Declaration of Commencement of Activity - M/1 industrial contribution", which must be signed by the director(s) of the new company and such signature(s) notarized. The copy of the submitted M/1 tax form shall be subsequently submitted to the CR.

The tax registration takes 1 (one) working day to be completed.

1.2.4. Post-completion obligations

Mandatory Books

Macau Law requires companies to maintain the following mandatory books:

- Minutes book of the general meeting of shareholders
- Minutes book of the directors or board of directors (whichever is applicable)
- Minutes book of the supervisory board (if applicable)
- Register of liens, charges, and guarantees (if applicable)
- Share registry book (if applicable)

Accounting Books and Other Documents

Companies must also maintain accounting books, along with all correspondence, documentation, and supporting records related to their business activities (collectively, the "Records"). These Records must be properly organized and retained for a period of five years.

Annual Tax Filings

The Sole Shareholder Company and Limited Liability Company by Quotas must submit their Basic Profit and Loss Statement and Balance Sheet to Macau Tax Department, but there are no auditing requirements.

While Joint Stock Companies are required to provide certified accounts by local auditor or accountant for annual tax filings.

2. Setting up a Macau Branch/Representation Office

Registration as a branch/representation office

Any foreign company which undertakes any form of business on an extended or permanent basis in Macau, even without having their registered office or main administration locally, is subject to registration at CR and should be subject to local taxation laws.

Under Macau law, a branch is not considered an entity with separate legal personality and, therefore, due to this lack of separation from its parent company, the parent company and its directors are bound and liable to all acts performed by the Macau Branch and the individuals who represent the Macau Branch.

When compared with a Limited Liability Company by Quotas, Macau Branch is a less manageable vehicle. It requires the following:

- **Parent Company Corporate Approvals:** Relevant minutes of the meeting or resolutions from the parent company must
- **Macau representative:** Appoint at least one local legal representative, with a residential address in Macau. This representative will

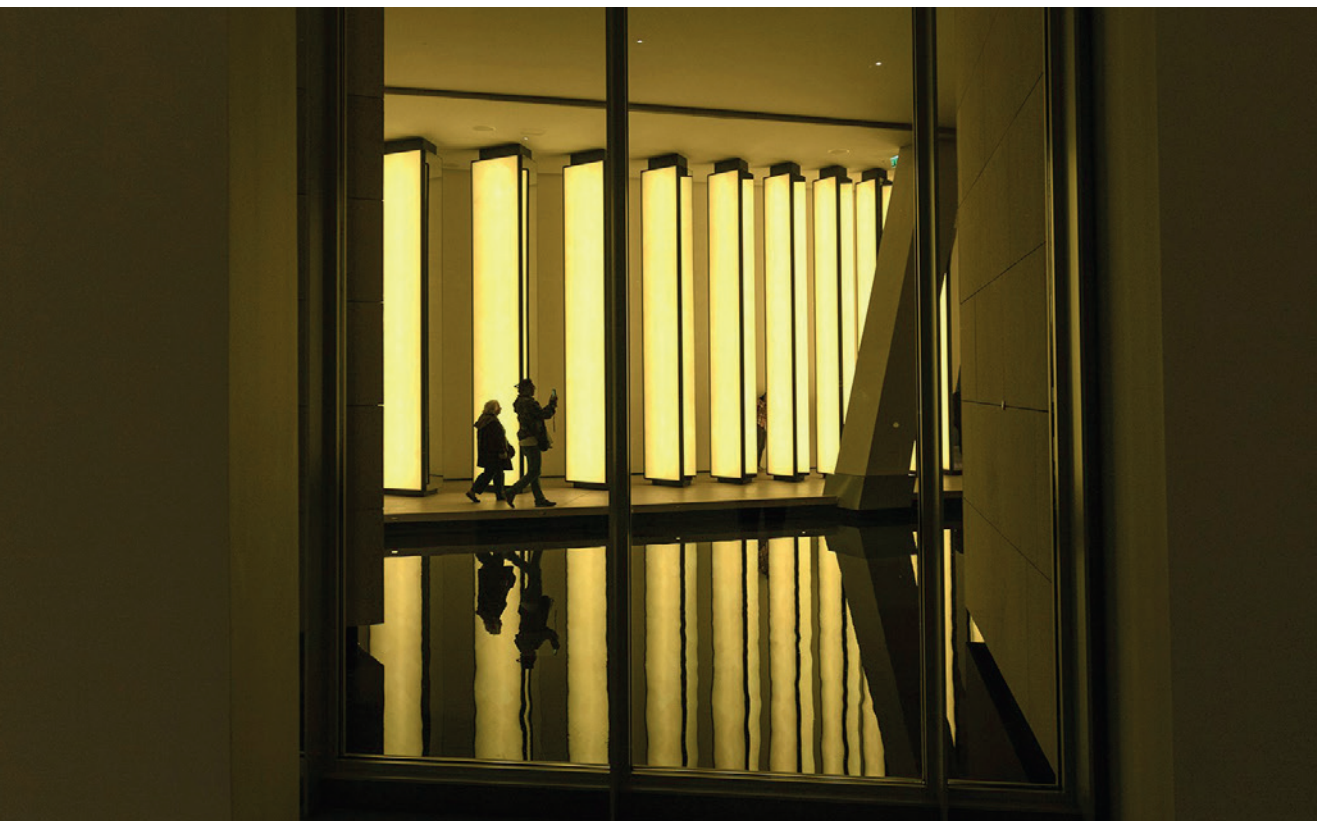
be issued every time for each transaction of the branch (unless a wide range of powers is determined ab initio by way of minutes/ resolution or Power of Attorney). This parent company's minutes or resolutions must be notarized and if applicable, legalized - i.e. when the Notary Certificate is issued by a notary outside Macau/Hong Kong/Mainland China jurisdictions.

- **Translation requirements:** The said minutes or resolutions may be required to be translated into one of the official languages of Macau, if it is drafted in a language other than Portuguese or Chinese.
- **Secondment Arrangements:** Secondment of employees between the branch and the parent company is not allowed, as the branch is not a separate legal entity of the parent company.

On the other hand, branch incorporation may involve additional costs.

The branch incorporation process is similar to the incorporation of a Macau Company. Please refer to page 6 onwards.

Other branch registration requirements are as follows:



be authorized and empowered to receive any communications, summons, and notifications that may be addressed to the foreign parent company under Macau laws.

- **Parent Company Minutes of the Meeting or Resolutions:** passing a corporate minutes or resolution by the parent company approving the establishment of a branch in Macau, including the details of the business activities and operations. This document must be duly notarized and if applicable, legalized - i.e. when the Notary Certificate is issued by a notary outside Macau/Hong Kong/Mainland China jurisdictions.
- **Translation:** All parent company documents may be required to be translated into one of Macau's official languages, either Portuguese or Chinese.

3. Management of the entities

How is the entity operated and managed, its requirements and restrictions related to appointments

The management of a Sole Shareholder Company and a Limited Liability Company by Quotas are composed of at least 1 (one) director. If there is only 1 (one) director, the Company is considered bound by acts carried out by that director, within the limits of powers determined under the articles of association of the company. However, if the management is composed of 2 (two) directors, both have equal management powers, and the Company is considered bound by acts carried out by either of them, within the limits of their powers. Alternatively, the articles of association may require the joint-signatures of 2 (two) or more directors, who must sign together for the Company to be bound.

Also, it is possible to choose having a board of directors, composed of at least 3 (three) members. Unless otherwise stipulated in the articles of association, the rule is that board of directors' resolutions shall be considered passed when approved by the majority of directors' votes.

The term of office of directors is indefinite, unless otherwise stipulated in the articles of association. While the management of a Joint-Stock Company is entrusted to a board of directors composed of at least 3 (three) directors, who may or may not be shareholders of the company.

By default, the term of the directors shall be 3 (three) years, unless the articles of association set a shorter term, and they may be re-elected. At the end of their term, the directors must remain in office until they are replaced by new directors.

The Macau Commercial Code allows the board of directors to delegate the management of the Company to a managing director or an executive committee composed of several directors.

Directors are forbidden, except in cases expressly authorized by the shareholders general meeting, to carry out, on their own account or on behalf of others, any activity covered by the company's business scope.

Regardless of the type of company, to proceed with the appointment of a director, the following is required:

- Shareholders Meeting Minutes or Written Resolutions approving the appointment;
- Director's Acceptance Letter;
- CR Application for registration;
- The registration proceedings take approximately 15 working days to be completed.

4. Foreign investments restrictions

Are there any restrictions on foreign investments

Macau maintains a transparent, non-discriminatory, and free-market economy and the Government of Macau aims to diversify its economy by attracting foreign investment and is committed to maintaining an investor-friendly environment.

Therefore, there are no restrictions on foreign investment or on the management nationality. This means that citizens or companies from any country may incorporate Macau entities, in fact, they can be 100% owned by foreign companies or individuals, and any foreign nationals may be appointed as directors of the Macau Companies.

5. Compliance requirements

Are there any exchange control or any registration requirements under anti-money laundering laws?

As a preliminary step, Macau notaries are required to comply with **anti-money laundering** ("AML") requirements, before proceeding with the notarization of certain incorporation documents, namely, the shareholder(s) signature notarizations in the memorandum of association. For this purpose, shareholders of the new entity are required to complete certain information in the respective AML forms. There are two types of AML forms, personal AML forms and corporate AML forms. For the corporate shareholder, the AML must be provided up to the ultimate beneficial Owner(s) (UBO), i.e., individual person or controlling person of the company.

The main AML guidelines are made available by the Macau Government in the Financial Intelligence Office's official website.

Under the AML laws, there are mandatory obligations to check and report on suspicious transactions applicable to *financial institutions, gaming entities, traders in goods of single high value* (such as pawnbrokers, precious metals, jewelry and luxury vehicles), *real estate agents and professionals* (namely lawyers, notaries, registrars, auditors, tax advisors and accountants, tax advisers), who on a professional basis assist on activities such as property transactions, fund management and bank account management, providers of services relating to the incorporation and management of any companies or trusts and persons acting as proxies to the shareholders thereof.

These obligations, among others, include:

- identifying any customer or transaction where there is a suspicion of money laundering or if any sign of money laundering is absent but involves significant sums of money in the context of the transaction;
- refusing to carry out transactions when the necessary information to comply with the AML guidelines is not provided;
- maintaining records with the identification of the customers for a period of five years;
- notifying any sign of money laundering to the competent authorities; and
- collaborating with all the competent authorities for the prevention and repression of money laundering by providing all required information and documentation requested in relation to AML activities.

There are other additional reporting obligations. For example, duty of identification and verification of identity of the intervenient in transactions. The retailers of precious metals—particularly those dealing in high-value goods, including pawnbrokers, traders of precious metals, precious stones, and luxury vehicles, whether exclusively or not—are required to identify and verify the identity of parties involved in operations and transactions, when a payment is made in cash amounting to MOP 120,000 or more, or an equivalent value in foreign currency, traveler's cheques, or bearer shares. This requirement also applies to multiple transactions conducted by the same client or their representative with the same operator within a 30 (thirty) day period if their cumulative value exceeds the stipulated threshold.

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Taxation

Macau's strategic diversification development, coupled with a favourable tax regime, attracts both international and local investors. This chapter aims to provide a comprehensive overview of the various tax implications for investors in Macau, covering direct and indirect taxes, withholding taxation, and other pertinent topics.

1. Recent trends

On December 16, 2024, Macau's Legislative Assembly approved the new *Código Tributário* ("Tax Code") and other amendments to tax laws.

Save as to few exceptions, the new Tax Code and the amendments to substantive tax laws are set to take effect on January 1, 2026. Such amendments will shift Macau's profits tax from a worldwide income tax to a source tax (with limited exceptions) and introduces international norms like transfer pricing, international double taxation avoidance mechanisms, tax residency, and permanent establishment to modernise and align Macau Tax System with global standards.

2. Professional Income Tax

Individual residents and non-residents are taxed on their employment and self-employment income sourced in Macau at progressive rates:

INCOME (MOP)	TAX RATE
Up to MOP 144,00	Exempt
From MOP 144,00 to MOP 164,00	7%
Above MOP 164,00	12%



Employers withhold the tax from employees' salaries and remit it to the government. Self-employed professionals must declare and pay tax directly.

3. Industrial Contribution

It is levied on all natural or legal persons who carry out any activity of a commercial or industrial nature. It takes the form of an annual fixed fee that varies according to the activity of each establishment. This tax is paid for each of the activities carried out, so the annual amount payable is an accumulated value of the various activities.

Nonetheless, it has been exempted on an annual basis by the Macau government for more than 20 years.

4. Complementary Income Tax

Businesses operating in Macau are subject to Complementary Income Tax or "Profits Tax", which applies to profits from commercial and industrial activities with the following key points:

- a. Tax Residence:** companies are considered tax residents in Macau if they are incorporated there or have their management and control exercised in Macau.
- b. Tax Rates:** (i) progressive tax rates (but currently exempt on profits up to MOP 600,000 due to annual tax incentives); (ii) 12% on profits exceeding MOP 600,000.
- c. Taxpayer Classification:** (i) Group A (tax based on actual profits determined by financial statements) includes companies with registered capital of at least MOP 1 million, or annual taxable profits exceeding MOP 1 million; and (ii) Group B (tax is based on assumed profits, determined by the government's Fixation Committee) includes smaller businesses and individuals not meeting Group A criteria.
- d. Tax losses:** only Group A taxpayers can carry forward losses for a three-year period. It is not possible to carry back losses.
- e. Taxation system:** currently, taxation applies to all income, including income sourced outside Macau. From 2026, both resident and non-resident companies will be taxed only on Macau-sourced income, save as to certain passive income, namely dividends, royalties,

capital gains and interests, which is also taxed in Macau even if sourced abroad, but subject to a double taxation mechanism (tax credit).

5. Permanent Establishment

A Permanent Establishment ("PE") generally refers to a fixed place of business through which a commercial or industrial activity is carried out, such as a place of management, a branch, an office, a factory, a workshop, a mine, an oil or gas well, a quarry or any other place where natural resources are extracted, as well as installations set up by entities organising exhibitions, conventions, conferences and commercial or industrial fairs, in Macau¹.

6. Other taxes

6.1. Value-added tax ("VAT")

Currently, there is no VAT regime in Macau.

6.2 Stamp Duty

Stamp duty is levied on certain legal documents, transactions, and contracts as well as on the transfer of real estate assets. The rates and rules can differ based on the nature of the document/transaction, as per the examples referred below

TYPE OF TRANSACTION	STAMP DUTY RATE
Real Estate Property Transfer with consideration	progressive rates by brackets based on property value or consideration value whichever the highest: a) Up to MOP 2 million: 1%; b) MOP 2 million to 4 million: 2%; c) Above 4 million: 3%.
Gift of Real estate Property	5% based on property value
Agreements for the Grant of Use of Spaces in Shopping Centres	0.5% of total amounts payable during the contract term
Lease Agreements	0.5% of total rent for the lease period

¹ Under the New Tax Code, from 01/01/2026, a new definition of PE will enter into force covering the fixed place criteria and dependent agent criteria as per the OECD guidelines.

6.3. Tourism Tax

Under the tourism tax a 5% tax rate is levied on bills of services, excluding telecommunication and laundry services, on services provided by restaurants, bars, hotels, guest houses, dancing halls, night clubs, massage/sauna parlours, gymnasiums, karaoke, and the like. It is generally passed on to consumers

6.4. Consumption tax (excise duty)

Consumption tax in Macau is a specific tax imposed on tobacco and spirits. Please see below the applicable tax rates:

PRODUCT	ITEM	TAX
ALCOHOLIC BEVERAGES	Drinks with an alcoholic strength by volume of 30% or more except rice wine	20MOP/litre + 10% “ad-valorem” tax on the CIF/ Macau import value
	Cigars and cigarillos containing tobacco	4,326 MOP/Kg
	Cigarettes containing tobacco; others	1.5MOP/unit
TOBACCO	Other manufactured tobacco and manufactured tobacco substitutes; “homogenised” or “reconstituted” tobacco	600,00/Kg

6.5. Motor vehicle tax

Motor vehicle tax is applied to the sale of new motor vehicles to consumers and the importation of new vehicles for personal use. Certain individuals, organizations, and specific uses may qualify for exemptions. Taxation applies over the tax value of the vehicles which is determined by a Valuation Committee. Lists with the tax value of vehicles sold in Macau are registered with the MFB. The tax rates are progressive by brackets and vary depending on the vehicle type and its value.

6.6. Road tax

Annual tax based on engine size (motorcycles/cars) or gross weight (trucks/machines).

6.7. Customs duties/import tariffs

Apart from consumption tax imposed on tobacco and spirits entering Macau, there are no customs duties/import tariffs in Macau.

6.8. Special gaming tax

Special gaming tax is levied at 35% on the gross gaming revenue obtained by gaming concessionaires.

7. Withholding taxation

Macau does not levy withholding tax.

8. Taxation of real estate income & capital gains

Please refer to Tax Issues addressed in the chapter of Real Estate. There are no specific provisions for taxation of capital gains, which are taxable only under the profits tax.

9. Double taxation relief and tax treaties

Currently Macau does not foresee relief for double taxation under its domestic law², but said relief is available under the Double Tax Treaties entered into with the following countries/territories: Mainland China, Hong Kong, Portugal, Mozambique, Vietnam, Belgium and Cape Verde. Double taxation relief measures will be introduced from 2026 onwards for profits tax.

10. Transfer pricing rules

Currently, Macau does not have formal transfer pricing regulations².

11. Anti-avoidance rules

There are no anti-avoidance rules in domestic law. Double Tax Treaties may contain general and/or specific anti-avoidance rules.

12. Thin capitalisation rules

There are no thin capitalisation rules in Macau.

² Following Law 24/2024 Transfer Pricing rules will enter into force in Macau starting 01/01/2026. Under these rules commercial and financial transactions between taxpayers tax resident in Macau and related parties in other jurisdictions must be in accordance with the arm's length principle.

13. Tax compliance

Below is a summary table that outlines the typical tax compliance deadlines for the main taxes applicable to businesses operating in Macau:

TAX	DEADLINE/TIMEFRAME
COMPLEMENTARY INCOME TAX (PROFITS TAX)	Annual return due by taxpayers in: (i) Group B: 31 March; and (ii) Group A: 30 June, both of the following year
PROFESSIONAL TAX	Withholding tax payable on 15 April, 15 July, 15 October and 15 January in relation to the preceding quarter. Any adjustments should be made during the month of January for the income paid in the preceding year. Independent professionals need to submit their tax statements up to 31 of March, or 15 of April for those that are required to have organized accounts
URBAN PROPERTY TAX	Payment due during the months of June, July and August (30 days from the date)
STAMP DUTY	Payable at the time of the transaction
INDUSTRIAL CONTRIBUTION	Due alongside annual corporate tax filings

14. Real estate tax issues

14.1. Urban Property Tax

- The Urban Property Tax is levied annually on the ownership of properties (including residential, commercial, and industrial real estate).
- The following rates apply:
 - a. Non-leased properties (self-used): 6% assessed on the official ratable value as established by the appointed committee of the MFB;
 - b. Leased properties: 10% (8% in 2025) assessed over the actual rental income received.

There is a standard MOP 3,500 reduction in the property tax liabilities in 2025 as per the 2025 Budget. Corporate and non-Macau residents do not benefit from it.

Maintenance expenses can be deducted up to 10%.

14.2. Stamp duty on property acquisitions

Please refer to the chapter of Real Estate.

14.3. Rental income & capital gains

Rental income is taxed under Urban Property Tax, while capital gains from real estate sales are typically not taxed unless sold within two years of acquisition, in which case profits tax may be applicable.

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Employment

Human resources are one of the driving forces of a business. Understanding local employment laws and policies helps businesses make strategic decisions in planning and development.

In this article, we aim to provide an overview of Macau employment laws and key issues to consider when doing business in Macau.

1. Types of employment agreements

Overview

Employment agreements in Macau are classified as fixed term, variable term and open term.

In principle, all Macau resident employees should be hired under open term agreements, unless certain conditions are met. Non local employees must be hired under an agreement of fixed term which corresponds to the validity of their work permit. Variable term agreements are fixed term agreements, but the end date of employment is not determined at the outset of the agreement. It is usually used in project-based employment.

1.1 Limitation of employment fixed term agreement

a) Temporary need as justification

To protect stability of employment, fixed term agreements shall only be used for as long as is strictly necessary to achieve temporary needs of the employer, particularly those of seasonal, temporary or specific nature. The law provides the following examples of “temporary needs”:

- Starting a new task for an uncertain period;
- Development of projects not included in the daily activities of the employer, including design, research, management and supervision;
- Implementation, management and supervision of works in civil construction, public works, industrial assemblies and repairs, including related projects and other complementary activities of control and monitoring, as well as other temporary works of similar nature either by contract or direct management;
- Performance of seasonal work;
- Performing unpredictable tasks, arising from the exceptional increase in the employer's activities;
- Replacement of an absent employee.

Hence, it is mandatory to state in a fixed term employment agreement the reason for which the parties enter into this type of agreement.



b) Duration

Fixed term employment agreement must not exceed 2 years, including its renewals. Fixed term agreements are not automatically renewed, and renewals must not occur more than twice.

In certain circumstances, the two-year-period limitation is reduced: in employment of seasonal work, the agreement term is limited to 6 months and no renewal is allowed; in employment of unpredictable tasks arising from exceptional increase in employer's activities, the term must not exceed one year, including renewals.

Variable term agreement shall last for the period needed to complete its scope but shall not exceed 2 years.

A fixed term employment agreement exceeding the above referred limitations will automatically be converted into an open term employment agree

2. Working Hours and overtime payment

The maximum working hours in Macau are 8 per day; or 48 per week.

The following positions may exceed the maximum working hours:

- Work in leadership or management positions, or positions of external supervision;
- Work in places outside of the establishment and not subject to immediate control of their superiors;
- Academic or research work not under the supervision of a superior;
- Domestic work.

In any case, employees must be provided with a break of no less than 12 hours per day, 10 of which must be consecutive.

Working beyond the maximum working hours means overtime work. Overtime work may be performed in the following circumstances:

A. By prior arrangement of the employer, irrespective of the employee's consent, within the limits of the following circumstances:

- i. When cases of force majeure occur, provided that the daily working hours of the employee do not exceed 16 hours;
- ii. When the employer faces significant loss, provided that the daily working hours of the employee do not exceed 16 hours;
- iii. When the employer faces an unpredictable increase in the amount of work, provided that

the daily working hours of the employee do not exceed 12 hours.

B. By prior request from the employer, and with the employee's consent;

C. At the initiative of the employee, with prior consent of the employer.

Employees are entitled to additional pay for performing overtime work, as follows:

	REMUNERATION
A	Normal remuneration + increase of 50%
B	Normal remuneration + increase of 20%
C	Normal remuneration + increase of 20%

The employee is also entitled to an additional period of rest, in the situation referred to in A i) and ii) above; or when that of A iii) occurs in two consecutive days.

In any case, employer must provide a break of not less than 30 consecutive minutes, to ensure that the employee does not work more than 5 hours consecutively. Moreover, the consent to perform overtime work must be in writing.

3. Remuneration

Determining the components of basic remuneration is crucial in calculating an employee's daily salary, which is relevant for the calculation of other entitlements such as overtime payment and severance pay. The law lists the following components of basic remuneration:

- Basic salary;
- Overtime payment;
- Additional payment for performing night/shift work;
- Food allowance;
- Family allowance;
- Subsidies and commissions inherent to the job nature;
- Charges levied by the employer to the customer as extraordinary payment and subsequently paid to the employee;
- 13th month pay or other periodic benefits of a similar nature.

Generally, basic remuneration refers to all periodic payments, irrespective of their name or form of calculation, payable to the employee for work performed in accordance with statutory or contractual provisions.

The minimum wages in Macau, effective as of January 2024, are as follows:

MONTHLY SALARY	MOP 7,072
WEEKLY SALARY	MOP 1,632
DAILY SALARY	MOP 272
HOURLY SALARY	MOP 34
PIECE-RATED SALARY	MOP 34

Since the law regulating minimum wages stipulates a 2-year-periodic-review of the minimum wages, increase of these thresholds are expected in the year 2026.

The abovementioned regime is not applicable to employees who perform domestic work and individuals who are holders of disability assessment registration card as stipulated in the regime of disability allowance and free health care services.

Furthermore, the composition of the minimum wages does not include overtime payment, extraordinary remuneration for night work or shift work and thirteenth month pay or other periodic benefits of a similar nature.

Remuneration payment should be made on a regular and timely basis, becoming due on the last day of the pay period agreed between the parties. Payment must be settled within nine business days counting from the due date.

Employer is forbidden by law to deduct from the employee's remuneration any debt, or make any discounts in his/her remuneration, except for the following situations:

- Deductions for contributions to the Macau Social Security Fund;
- Deductions prescribed by law or by final judicial decision;
- Deductions for damages caused by the employee to the employer, by a final judicial decision;
- Deductions for compensations the employee owed to the employer for termination of the contract;
- Deductions for contributions to private pension funds with the employee's authorization;
- Deductions for absence from work;
- Deductions for damages caused by the fault of the employee in property, equipment and utensils of the employer;

- Advances payments on the account of the remuneration.

Violation of the above will be considered as denial of the employee's right to pay, and the employer shall be punished with a fine between MOP 20,000 to MOP 50,000 for each employee.

4. Leaves

4.1 Annual Leave

Employees are entitled to a minimum of 6 working days of paid annual leave after completion of one-year service. If the service is less than one year and over three months, the employee is entitled to half day leave for every month of actual service in the second year of service. In any case, the employee's right to annual leave shall not be affected by justified absences.

Annual leave shall be scheduled by mutual agreement between the employer and the employee. Annual leave shall be taken during the calendar year when it falls due and may be accumulated for up to two years by agreement between the parties. In case no agreement is reached, the schedule of annual leave shall be determined by the employer, in accordance with the requirements of the operation. The schedule of annual leave shall be arranged at least thirty days in advance.

Upon termination of employment, the employee is entitled to the basic remuneration corresponding to the number of days of annual leave not taken in the previous calendar year and the basic remuneration corresponding to the number of days of annual leave in the year of termination.

4.2 Sick Leave

Employees who have completed the probationary period are entitled to a minimum of 6 days of paid sick leave in each calendar year. This statutory minimum sick leave days accrue every calendar year, regardless of the commencement day of employment. Sick leave application must be supported by medical certificate from a doctor with license issued by the Macau Government or from a doctor acceptable to the employer.

4.3 Statutory Holidays

Employees are entitled to the ten statutory holidays every year as follows:

- January 1 (New Year's Day)
- Lunar New Year (the first, second and third day of the first month of the Lunar Year)
- Cheng Ming Festival

- May 1 (New Year's Day)
- The day after the Mid-Autumn Festival
- October 1 (National Day)
- Chong Yeong Festival
- December 20 (Macau SAR Establishment Day)

Employer may arrange employee to work on a mandatory holiday, irrespective of his/her consent in the following circumstances:

- When the employer faces a great loss or in cases of force majeure;
- When the employer faces an unforeseeable increased amount of work;
- When the service rendered is indispensable to ensure the continued operation of the business.

In case employees have to work on the statutory holiday, he/she is entitled to either one of the following, in addition to the normal salary:

- 1 day compensatory rest day and 1 day basic remuneration; or
- 2 day basic remuneration; or
- 2 compensatory rest days.

If the normal rest day overlaps with the statutory holiday, employee is entitled to enjoy 1 compensatory rest day within 30 days, which is scheduled by the employer.

4.4 Maternity and Paternity Leave

A female employee is entitled 70 (calendar) days of maternity leave for reason of childbirth, among them 63 days must be taken immediately after the confinement, and the remaining days may be taken consecutively or separately, before or after the confinement, at the discretion of the female employee.

If the female employee intends to take part of the maternity leave before confinement, she must notify her employer of this intention at least 5 days in advance. The employee must give her employer notice of the confinement as soon as possible, as well as the relevant proof by means of a medical certificate from a doctor with license issued by the Macau Government or by a doctor acceptable to the employer.

Female employee whose employment has lasted more than one year on the day of her confinement is entitled to the basic remuneration corresponding to the entire period of maternity leave.

Female employees whose employment only reaches one year during the maternity leave, are entitled to receive the basic remuneration corresponding to the remaining period of maternity leave after the completion of one year's service. The payment during the maternity leave shall be the same as during her normal working periods.

Male employee is entitled to 5 working days of paternity leave, which may be taken consecutively or separately during the period from three months of pregnancy of the child's mother to 30 days after birth.

5. Termination of employment

5.1 Forms of Termination

Employment agreement may be terminated by mutual agreement, unilateral termination (with and without just cause), expiry (for fixed term agreement) and cessation during or upon probation period.

5.2 Notice

In cases of termination with just cause, the terminating party is not required to provide notice to the other party. For termination without just cause, the notice period stipulated in the employment agreement or the Macau Labour Relations Law must be observed. Failure to comply with the obligation of notice shall entitle the other party to compensation equivalent to the salary for the unfulfilled notice period.

In the absence of contractual provisions on the length of notice or when the length of notice provided in the contract is less than what is provided in the law, the length of notice shall be:

- 15 days, in the case of employer;
- 7 days, in the case of employee.

5.3 Unilateral Termination with Just Cause by Employer

Employer can unilaterally terminate employment with just cause when the circumstances caused by the employee are sufficiently serious to render the employment relationship impossible to continue; or when any of these just causes specified in the Macau Labor Relations Law occurs:

- Willful disobedience to orders given by superiors;
- Repeated lack of commitment in fulfilling duties inherent in the exercise of the employee's functions;
- Chronic tardiness, leaving early or abandoning work during the working hours

- without authorization;
- Unjustified absences from work causing directly serious harm to the enterprise or, irrespective of any harm, when the number of unjustified absences is greater than three consecutive days or five separate days in each year;
- False statements regarding the justification of absences;
- Abnormal reduced productivity intentionally caused by the employee;
- Repeated provocation of disputes with other employees of the enterprise;
- Acts of physical violence, insult or other abuse punishable under law directed at the employer, superiors or other employees of the enterprise;
- Severe harm to the enterprise's interests;
- Violation of regulations on occupational hygiene and safety.

In termination with just cause, the employer does not need to pay any compensation to the employee. However, the employer must give the employee a written notice within 30 days of knowledge of the relevant facts. The notice should briefly describe the facts imputable to the employee. Lack of written notice or absence of grounds for the just cause invoked shall be considered termination without just cause, in which case the employee shall be entitled to double the compensation for termination without just cause.

5.4 Unilateral Termination without Just Cause by Employer

If an employer terminates employment without giving any reason, the employee is entitled to compensation for termination and/or insufficient notice. Compensation for termination without just cause is calculated based on the seniority of the employee at the time of termination:

- 7 days of the basic remuneration if the employment has duration above the probationary period and up to one year;
- 10 days of the basic remuneration per year of service if the employment has duration above one year and up to three years;
- 13 days of the basic remuneration per year of service if the employment has duration above three years and up to five years;
- 15 days of the basic remuneration per year of service if the employment has duration above five years and up to seven years;
- 16 days of the basic remuneration per year of service if the employment has duration above seven years and up to eight years;

- 17 days of the basic remuneration per year of service if the employment has duration above eight years and up to nine years;
- 18 days of the basic remuneration per year of service if the employment has duration above nine years and up to ten years;
- 20 days of the basic remuneration per year of service if the employment has duration more than ten years.

The maximum amount of compensation is limited to 12 times the basic remuneration of the employee in the month of the termination, and the maximum amount of the basic monthly remuneration used to calculate the compensation is MOP 21,500. This maximum amount is subject to a 2-year periodic review and therefore, changes can be expected in the year 2027.

Non-local employees are entitled to compensation as follows if their employment is terminated before the end of the term and without just cause:

3 days of basic salary for each month, or period of less than a month, of the remaining period between the termination date and the expiry date of the contract.

6. Importation of Labour

Employers who are in shortage of manpower can apply for "labour quotas" at Macau Labour Department. There are two types of labour quotas: non-skilled labour quotas, applicable to non-specialized workforce; and skilled labour quotas, applicable to specialized personnel. Non-skilled quotas are granted on a no-name basis and therefore can be used by any person; whereas skilled quotas are granted to specific individuals. Labour quotas are usually granted on a 1 to 2 year term, after which the employer may apply for renewal.

The foreign labour policy in Macau is to give absolute priority to local workforce. Hence, employers must first exhaust candidates in the local labour market who are suitable for the job and provide evidence of the same in the labour quotas application. In case of redundancy, foreign labour must be dismissed before local employees.

On the other hand, as a prerequisite of labour quotas application, employer should hire a certain number of local employees. The number of local employees should be in line with the business scale that should be described in the application letter. For skilled labour quotas, the Macau Labour Department will also take into account areas such as expertise and rarity of candidate profiles in Macau.

7. Onboarding Mandatory Government Filings and Record Keeping

7.1 Macau Tax Bureau

Upon commencement of employment, employers must comply with the duty of employee registration in the Macau Tax Bureau through submission of “M2” form. This is for the purpose of withholding salary tax. Employers should also file de-registration of the employee upon termination of employment relationship through submission of “M2A” form in the Macau Tax Bureau.

7.2 Social Security Fund

Employer must enroll Macau resident employees in the Social Security Fund and make contribution to the employee’s social security fund account. Currently, the employer’s monthly contribution is fixed at MOP60 and the employee’s at MOP30. Employer should deposit both portions of contributions quarterly into the Social Security Fund.

7.3 Special Record-Keeping Requirements

Employer has to keep record of all the employee’s data which should include the following:

- Personal data of the employee, including his/her name, sex, age and form of contact;
- The date of admission;
- The remuneration;
- The professional grade or function;
- The normal working hours;
- The holidays taken;
- The total number of days of absence and the number of days of paid sick leave or accident leave;
- Occupational accidents and diseases;
- All data provided by the employee that contributes to the protection of his/her interest.
- The minimum retention period of employees’ data is 3 years post-employment.

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Intellectual Property

As a separate jurisdiction under “One Country, Two Systems”, Macau has its own intellectual property laws and system in place. Consequently, any legal protection provided to registered or unregistered IP rights in mainland China does not afford any protection in Macau.

On the other hand, while the economy of Macau has pivoted from manufacturing-based to tourism-driven over the decades, local consumers and tourists remain a target to counterfeiters that manage to place their goods in the Macau market due to the close commercial ties with some of the cities and countries where most counterfeits originate from.

1. Key legislation

The key legislations regulating Intellectual Property protection and enforcement in Macau are:

- The Industrial Property Legal Regime – Decree-Law 97/99/M of December 13, 1999
- The Copyright Law – Decree-Law 43/99/M of August 16, 1999
- The Commercial Code – Decree-Law 40/99/M of August 3, 1999
- The Civil Code – Decree-Law 39/99/M of August 3, 1999

Also, Macau is a party to the following conventions, treaties and agreements in relation to intellectual property rights:

- WIPO Convention
- WIPO Performances and Phonograms Treaty (WPPT)
- WIPO Copyright Treaty (WCT)
- TRIPS Agreement.
- Paris Convention
- Nice Agreement
- Berne Convention

2. Types of Intellectual Property Rights

Although the range of Intellectual property rights is wider, and new ones can be added from time to time with the advancements in science and society (Non-Fungible Tokens or NFTs, Artificial Intelligence, etc.), the most common and important are:

- Trademarks
- Patents
- Designs
- Copyrights.

2.1 Trademark

A Trademark consists of a word, expression, sign or drawing that identifies the products or services of a particular entity and distinguishes them from those of another, while at the same time being directly linked to the reputation of its owner.

Failure to register a distinctive sign may result in its loss to squatters who may register the same under their own name and then take action against the original creator and user of the mark. The consequences for the latter may range from being prevented from using the mark to having to negotiate with the squatter.

If a mark is not registered, any third party may use it in its own activity which may lead to dilution of the mark, causing it to lose its ability to identify and distinguish the goods or services of the original user/creator.

In Macau, the first-to-file principle applies, unless a mark is proven to be famous or well-known. The protection afforded by a trademark registration has no time limit as long as the registration is renewed regularly – in Macau, every 7 years – and the trademark is effectively being used. Consistent use of trademark within the jurisdiction is always recommended as failure to do so may give way to any interested parties to file a non-use cancellation request.

2.2 Patents

A Patent registration protects inventions, technical creations, and gives its owner the right to exclude others from producing, using, or selling the protected invention for a limited period of time – in Macau, 20 years – upon which the invention enters the public domain, becoming part of the state-of-the-art, and is no longer protected against third parties.

There are two ways to obtain patent protection in Macau:

- i. Extension of patents registered in mainland China. This is only possible within the three months immediately after the patent is

granted registration by the Chinese Patent Office (CNIPA). The advantage of extending patents from mainland China is that the applicant may wait for the result of the original registration procedure without incurring further expenses during this stage and only extend the patent to Macau if and when the same is granted registration in mainland China, thus ensuring that the same will be effective in Macau.

- ii. Local patent filing. For ab initio patent applications filed in Macau, the whole registration process is handled by the Macau IP Office but examination is made in mainland China under a protocol of cooperation between the two jurisdictions. The advantage of local filings is that certain subject matters (most importantly gaming related inventions) are not acceptable for registration in mainland China, but can be registered in Macau. Also, if the applicant only needs the invention to be protected locally, the cost is lower than a two-step registration such as the extension procedure. It should be noted also that inventions may be filed in Macau with a Paris convention priority claim.

2.3 Design

Design protection covers the appearance of the whole or part of a product that results from certain features, such as the lines, contours, shape, texture, and/or materials of the product itself or its ornamentation. Design registration will grant their owners the right to prevent third parties from using such designs in their industrial or commercial activities and is granted for a maximum term of 25 years.

2.4 Copyright

The main governing law of copyright in Macau is Decree-law 43/99/M (amended by law 5/2012) and other international treaties pertaining to copyright such as the Berne Convention, WPPT (WIPO Performance and Phonograms Treaty), Beijing Treaty on Audiovisual Performances.

Under the definition outlined in Macau's law, any original intellectual creations in the fields of literature, science or art, regardless of their type, form of expression, value, means of communication or purpose, are protected by copyright. These can include literary works of all kinds (including computer software), musical works, dramatic works, works of art, and works of scientific creative activity. Macau, like many under continental law, embraces the notion of related rights, protecting performers, phonogram and video producers, and broadcasting organizations that create or use works under license from copyright holders.

Copyright protection in Macau is not subject to registration. This means that any original works are protected automatically upon disclosure and does not require any registration procedure. However, this also means that copyright holders will need to plan ahead before disclosing the work publicly (or even privately) and need to keep a proper record of such disclosure to be used in case of litigation.

Recently, as local authorities encourage the diversification of the economy by developing the cultural and creative industries - aiming to reduce the over-dependence on the gaming industry - we see an increased focus on ensuring compliance with copyright regulations.



3. Enforcement of Intellectual Property

In accordance with Law 11/2001, the enforcement of intellectual property is under the purview of the Macau Customs Bureau. The Customs oversee the production processes of products manufactured in Macau, industrial activities, and business premises, and impose penalties according to the law. Infringement of Intellectual Property may result not only in civil compensation, but also in administrative and criminal penalties. Upon becoming aware of a suspected infringement, the Customs will, under the supervision and guidance of Public Prosecutor's Office initiate the necessary investigations leading to an eventual prosecution of the suspects. Rights holders can participate in the criminal proceedings as an "Assistant" to the Public Prosecutor. Separately, they retain the right to pursue civil compensation.

Infringement of IP rights is frequent, and IP rights owners tend to successfully take action against such infringements. Customs act swiftly when asked and often on their own accord. However, in many cases, the IP rights are not registered in Macau, and the outcome is not always positive – the Macau Customs can only take action against infringing items if the IP rights in question are registered in Macau.

Conclusion

The special jurisdictional nature of Macau and the autonomy of its IP system from the Mainland (and Hong Kong), mean that IP owners need to ensure that their rights are duly protected in all three jurisdictions. Failure to do so can, and does, create loopholes that counterfeiters, squatters and other less-scrupulous economic agents can exploit to benefit their activities or businesses at the expense of the well-established or up-and-coming good-faith IP owners.

Furthermore, Macau has a very special economy - based on tourism, gaming, retail and services - that is fueled by a disproportionate number of visitors with spending capability, making it an extremely attractive and rich market for all sort of entrepreneurs. It is imperative that right holders adopt tailored protection strategies to ensure the most comprehensive protection of their intangible assets and not overlook this relatively small, yet economically relevant jurisdiction, thus also preventing the cost and uncertainty of litigation in case of infringement.

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Personal Data Protection

Macau has developed its own legal regime on data protection, distinct from the framework in mainland China. The growth of online transactions, digital transformation, and cross-border data flows has heightened the relevance of personal data protection. Both local businesses and foreign entities operating in Macau must therefore navigate the territory's data protection requirements to ensure lawful handling of personal information and avoid regulatory pitfalls.

1. Background

Data protection is provided in the Macau Basic Law (article 30), the Macau Civil Code (article 79) and primarily by Law no. 8/2005 (the Personal Data Protection Act or the "PDPA"). The PDPA defines 'personal data' as any information of any type, in any format, including sound and image, related to a specific or identifiable natural person ("data subject"). An identifiable natural person is anyone who can be identified, directly or indirectly, in particular by reference to a specific number or to one or more specific elements related to his or her physical, physiological, mental, economic, cultural or social identity. Furthermore, "sensitive personal data" is any personal data revealing political persuasion or philosophical beliefs, political and joint trade union affiliation, religion, private life, racial or ethnical origin or data related to health or sex life, including genetic data.

The PDPA is applicable whenever there are personal data processing activities in Macau. 'Processing' is defined as any operation or set of operations which is performed upon personal data, whether or not by automatic means, such as collection, recording, organisation, storage, adaptation or alteration, retrieval, consultation, use, disclosure by transmission, dissemination or otherwise making available, alignment or combination, blocking, erasure or destruction. The Personal Data Protection Bureau ("PDPB") is the Macau regulatory authority responsible for supervising and coordinating the implementation of the PDPA.



2. Data Processing

Personal data may be processed only if the data subject has given his or her unequivocal consent or if processing is deemed necessary for:

1. Execution of an agreement where the data subject is a party, or, at the data subject's request, negotiation in relation to such an agreement;
2. Compliance with a legal obligation to which the data controller is subject;
3. Protection of vital interests of the data subject if he or she is physically or legally unable to give his or her consent;
4. Performance of a public interest assignment or exercise of public authority powers vested in the data controller or in a third party to whom the personal data is disclosed; or
5. Pursuing a data controller's legitimate interest (or the legitimate interest of a third party to whom the data is disclosed), provided that the data subject's interests or rights, liberties and guarantees do not prevail.

In the event personal data of sensitive nature is processed, the data controller requires the data subject's explicit consent to legitimately process the data. The data controller may also rely on one of the following circumstances to legitimately process personal data of sensitive nature:

- When the processing of the data referred to in the preceding paragraph is given explicit authorisation by a legal provision or by a provision of a regulation of an organic nature;
- When, on important public interest grounds,

such processing is essential for exercising the legal or statutory rights of the controller, and authorised by the public authority;

- When it is necessary to protect the vital interests of the data subject or of another person, and the data subject is physically or legally incapable of giving his consent;
- When it is carried out with the data subject's consent in the course of its legitimate activities by a legal person or non-profit seeking body with a political, philosophical, religious or trade-union aim and on condition that the processing relates solely to the members of the body or to persons who have regular contact with it in connection with its purposes and that the data are not disclosed to a third party without the consent of the data subjects;
- When it relates to data which are manifestly made public by the data subject, provided his consent for their processing can be clearly inferred from his declarations;
- When it is necessary for the establishment, exercise or defence of legal claims and is exclusively carried out for that purpose.

The data controller should provide the following information to the data subject (regardless if the former is processing data of sensitive nature or not): identification of the data controller, the purpose of processing, and the means and forms available to the data subject for accessing, amending and deleting his or her personal data. Moreover, if applicable, the data subject should also be informed of the possibility of their data being transferred to a jurisdiction outside of Macau.



3. Data Subjects' Rights

Data subjects enjoy various rights under the GDPR including the right of access, right to rectify, erasure or blocking of data (which processing does not comply with the PDPA), right to object and right not to be subject to automated individual decisions, and the general right to compensation in the event the data subject suffers any damages from unlawful processing activities.

4. Data Protection Officer

The PDPA does not require data controllers to appoint a data protection officer.

5. Transfer of Data

The transfer of personal data outside Macau can only take place if the recipient country ensures an adequate level of personal data protection, unless the data subject has provided clear consent or the required legal conditions have been met, and the required filings have been made with the PDPB.

In view of the close relationship with Mainland China and the extraterritorial effect of the Chinese Personal Information Protection Law ("PIPL"), the PDPB has urged local data controllers and processors to be aware of the data transfer requirements pursuant to the PIPL, including to proceed / take part in a data security assessment prior to the transfer of data from Mainland China to Macau.

6. Notification and Authorization Requirements

The PDPB must be notified of any processing of personal data by a data controller, within 8 days from the commencement of the processing activity, unless an exemption applies.

For certain data categories (e.g. certain sensitive personal data, data regarding illicit activities or criminal and administrative offenses or credit and solvency data) and certain specific personal data processing, data controllers must obtain prior authorization from the PDPB.

7. Security

The data controller must implement adequate technical and organizational measures to protect personal data against accidental or unlawful destruction or accidental loss, alteration, unauthorized disclosure or access, in particular, where the processing involves the transmission of data over a network, and against all other unlawful forms of processing. Such measures must ensure a security level appropriate to the risks represented by the personal data processing and the nature of the personal data, taking into consideration the state of the art and costs of the measures.

Notwithstanding the foregoing, the PDPA does not require data controllers to notify either the PDPB or data subjects about any personal data breach. However, the Law on Cybersecurity implemented a requirement to notify the Cybersecurity Incident Alert and Response Center (CARIC) and respective regulatory authority, in the event of a system breach. This obligation is, however, limited to operators of critical infrastructures.

8. Marketing Communications

Under the PDPA, data subjects have the right to object, upon their request and free of charge, to the processing of their personal data for direct marketing purposes, to be informed before their personal data is disclosed or used by third parties for the purpose of direct marketing and to be expressly offered, also free of charge, the right to object to such disclosure or use.

9. Penalties

Violations of the PDPA are subject to civil liability and administrative and criminal sanctions, including fines and/or imprisonment. The maximum administrative fine under the PDPA is MOP 200,000.

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Real Estate

This chapter provides a systematic analysis of Macau's real estate legal framework, covering property rights, acquisition strategies—including share and asset deals with procedural insights—lease regulations, and taxation issues. It serves as a practical guide for investors and businesses navigating Macau's property market.

1. Property Rights

1.1 Property Ownership Structure

In Macau, property ownership is well-established under the Macau Civil Code under two different forms:

- **Full Ownership:** This grants the owner absolute rights over the property.
- **Strata Title Ownership:** It is common in multi-unit residential or commercial buildings, which divide the property into individually owned units while the common areas (such as corridors and elevators, etc.) are jointly managed by the unit owners.
- **Freehold Land:** These are lands belonging to the government of the Macau SAR whereby the rights to develop the land and the ownership of the property built therein are granted to individuals or entities with permanent nature.
- **Leasehold Land:** A significant portion of land in Macau is held under long-term leasehold concessions. Typically, these concessions are granted for 25 years and may be renewed up to 2049 upon full development. The leasehold land may be reclaimed by the government if it is not fully developed before the period defined under the concession contract.

1.2 Land Regime

In Macau, the land where the property is located is divided into the following main categories regulated under the Macau Land Law:

- **Private Property:** There are some lands in Macau which ownership was granted to private individuals or entities before the establishment of the Macau SAR (i.e. prior to 1999) and is recognized as private ownership and does not belong to the government of the Macau SAR.

2. Property Acquisition

There are no restrictions on property acquisition by local residents or foreigners, whether as individual or corporate entities. However, all transactions must comply with anti-money laundering regulations and disclosure requirements designed to ensure transparency and compliance with local laws.

When acquiring property in Macau, investors can choose between a **share deal** or an **asset deal**. Each approach has distinct advantages, challenges and acquisition procedures.



2.1 Share Deal

A share deal involves purchasing a company that owns the property (i.e. the holding company), instead of directly transferring the property title. This method can be particularly attractive for investors aiming for operational continuity and potential tax benefits.

2.1.1 Advantages:

- **Continuity of Contracts:** Existing tenancy agreements and services agreements (e.g. management agreement, utilities) remain intact, requiring no notification to tenants or services providers, offering a seamless transition.
- **Tax Benefits:** Since the transaction involves transferring shares rather than property title, it does not trigger stamp duty, notarization charges and registration fees applicable to property transfer, provided less than 80% of the holding company's shares are transferred.

2.1.2 Challenges:

- **Liability Considerations:** Buyers acquire the entire corporate entity, including its assets and liabilities, which requires thorough due diligence.
- **Due Diligence Complexity:** Comprehensive checks on the company's financial, legal, and operational status are essential to identify any hidden liabilities or contractual complications.
- **Regulatory Approvals:** Additional approvals may be required if the company engages in regulated activities.
- **Integration Issues:** Post-acquisition integration may be challenging if the target company has complex operational structures.

2.1.3 Acquisition Procedures:

- **Limited Liability Company:** A share transfer agreement must be executed in one of Macau's official languages (Chinese or Portuguese), notarized by a Macau notary, and registered with the Macau Commercial Registry.
- **Joint Stock Company:** Shares are transferred via endorsement on the share certificate, accompanied by an annotation on the company's share registry book.

2.2 Asset Deal

An asset deal involves the direct purchase of the property, transferring the property title from the seller to the buyer. This method provides clarity in ownership and reduces exposure to the liabilities of a corporate entity.

2.2.1 Advantages:

- **Direct title of ownership:** The buyer acquires the property title directly, free from any hidden encumbrances or liabilities, provided the registered encumbrances were cancelled before acquisition.
- **Straightforward acquisition:** Only the property and related rights are acquired, which simplifies the transaction.
- **Transparency:** The transfer should be registered with the Macau Land Registry, which ensures a clear legal record of ownership.

2.2.2 Challenges:

- **Higher transaction costs:** The asset transfer triggers stamp duty, notary charges and registration fees, estimated to be 5% of the transfer value.
- **Public exposure:** Although the existing tenancy agreement will not be affected according to Macau law and services agreements are seldomly affected as they are directly linked to the property, notification is required to be issued to the relevant parties and registration of transfer will be made to the Macau Land Registry, which implies that the property transfer will be publicly acknowledged.

2.2.3 Acquisition Procedure:

- **Negotiation and due diligence:** Buyer to conduct basic due diligence against the property, namely its property ownership and land regime, and both parties should agree on the key terms of the transaction (usually documented in a Letter of Intent);
- **Promissory agreement:** A promissory agreement may be executed, often with a deposit, to further ensure the intention to complete the deal, and notarization is recommended to prevent disputes over forgery or authority;



- **Banking mortgage:** Buyer may finance the acquisition of the property by mortgage created over the property;
- **Execution of public deed and registration:** The official transfer of the property occurs through the execution of a public deed of sale and purchase drafted by a Macau notary in one of Macau's official languages (Chinese or Portuguese). This document must be executed by the parties (or their representatives) in front of a Macau notary and submitted to Macau Land Registry for registration.

3. Tenancy Regulations

The legal regime of tenancy (whether for residential, commercial or industrial purposes) are mainly governed by the Macau Civil Code, which contains several mandatory provisions that cannot be overridden by contractual terms.

3.1 Key Components of Tenancy Agreements

- **Tenancy term:** Fixed-terms are required and cannot exceed 30 years.
- **Rent and payment terms:** The rent amount, currency (usually in Macau Patacas or Hong Kong Dollars), and payment frequency are clearly specified in the agreement.
- **Security deposits and guarantees:** Landlords usually require a deposit equivalent to two months' rent to cover potential breaches or damages.
- **Construction works and rent-free period:** Construction work often requires landlord's consent and a rent-free period is common practice for carrying out such construction work.
- **Handover condition:** The agreement should clearly state the handover condition (whether to return the property in its original condition or in good condition or otherwise) as disputes often arise at the end of tenancy terms.
- **Liabilities for stamp duty:** A 0.5% stamp duty calculated based on the total rent will apply. The tenancy agreement shall specify whether this cost is shared or borne by one party.
- **Jurisdiction:** The parties may specify whether disputes will be resolved by Macau courts or arbitration centers. The stamp duty will be deducted in half if the parties submit to one of the local arbitration centers.

3.2 Termination Regime

The regime for termination of the tenancy agreement is strictly regulated under the Macau Civil Code by mandatory provisions, including the following alternatives:

- **By mutual consent:** The tenancy agreement can be terminated at any time by mutual written consent;
- **By unilateral termination with legal grounds:** The landlord may unilaterally terminate the tenancy agreement under very

limited circumstances defined by law and through judicial proceeding. The tenant can unilaterally terminate the tenancy agreement if the landlord breaches the contractual obligations or under specific circumstances defined by law.

- **By unilateral termination for residential units:** The tenant of residential units may always terminate the tenancy agreement without grounds by serving a 90-day written prior notice and compensating up to two months' rent.
- **By expiry of the tenancy term:** The tenancy agreement is subject to automatic renewal unless one of the parties declares the expiry (i.e. the intention of non-renewal) by serving a written prior notice within the minimum period defined by law.

3.3 Legal Formalities

The tenancy agreement executed after 18 February 2018 is subject to notarization to be valid, moreover, the stamp duty must be settled before notarization.

4. Tax Issues

4.1 Taxes and Stamp Duty

- **Property tax:** The property owner is subject to a tax of 6% or 10% (currently reduced to 8% by annual budget law), depending on whether the property is owner-occupied or leased.
- **Stamp duty for property transfer:** In asset deals, the buyer is liable for a property transfer tax ranging from 3% to 5% of the property's purchase price.
- **Stamp duty for tenancy agreement:** The tenancy agreement incurs a 0.5% stamp duty based on total rent.

4.2 Exemptions and Incentives

- **Tax benefits granted by budget law:** currently an exemption applies to stamp duty for property up to MOP 3 million;
- **Revocation of special and additional stamp duty:** The special stamp duty for non-resident buyers and enterprise and the additional stamp duty for second residential units have been revoked;
- **Tax Benefits for technology innovative companies:** They are exempted from stamp duty on property transfer for operational use and from property tax for 5 years upon acquisition.

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Dispute Resolution

In our Dispute Resolution chapter, our team explore key features of dispute resolution in Macau, by highlighting the jurisdictional independence of Macau, the structure of its court system, the governing laws, and the language adopted in legal proceedings.

1. Jurisdictional Independence

The Macau SAR is a Special Administrative Region of the People's Republic of China (PRC) operates with a high degree of autonomy, as established under the Basic Law of the Macau SAR.

This foundational legal framework grants Macau independent judicial power, including the authority of final adjudication, ensuring that its courts operate free from external influence. Specifically, the judicial system in Macau is designed to be subordinate solely to the law, immune from any intervention or supervision by the courts of the PRC, and protected against interference of any kind, thereby upholding the principle of judicial independence.

2. Court Structure

The Macau SAR operates a three-tier court system, which consists of the Court of First Instance (Tribunais de Primeira Instância), the Court of Second Instance (Tribunal de Segunda Instância) and the Court of Final Appeal (Tribunal de Última Instância). The Court of First Instance consists of the Judicial Base Court (Tribunal Judicial de Base) and the Administrative Court (Tribunal Administrativo).

The Judicial Base Court, in turn, is comprised of the i) Civil Court, ii) Criminal Court, iii) Examining Magistracy, iv) Court for Minor Civil Claims, v) Labour Court and vi) Family and Minors Court.

3. Governing Law

Macau law is widely accepted as the governing law for contracts, reflecting the legislative autonomy granted to the Macau Special Administrative Region (SAR) under the Basic Law.

Macau operates under a civil law system, with its legal framework anchored in the “Five Codes”: the Civil Code, Civil Procedure Code, Penal Code, Criminal Procedure Code, and Commercial Code. The Civil Code, which governs contractual obligations, is divided into five key chapters—General Theory, Obligations, Things (including movable property and real estate), Family, and Succession—while the Commercial Code supplements matters related to commercial contracts, such as agency and franchise agreements. Notably, national laws of the People's Republic of China (PRC) generally do not apply in Macau, except for those concerning national sovereignty listed in Annex III of



the Basic Law. That said, in cross-border transactions, parties may opt for PRC law as the governing law, particularly when the contract has a strong connection to the PRC jurisdiction.

From our perspective, selecting Macau SAR law as the governing law for arbitration disputes is both fair and practical, as the Civil Code and Commercial Code provide just and reasonable solutions for commercial disputes. Parties may also choose Macau SAR law to govern a dispute even if the contract itself is governed by another jurisdiction's laws. However, if Macau SAR law governs the validity of an arbitration clause, it is essential to ensure the clause is stipulated in writing to comply with local requirements.

4. Language Adopted

In the Macau SAR, only the official languages of Chinese and Portuguese are admissible for use in courts. All official documents and applications, such as statements, declarations, defences, and counterclaims, must be prepared in either Chinese or Portuguese; English is not accepted for court submissions.

Evidence submitted in English or other languages may require translation into one of the official languages. That said, the language barrier is not insurmountable, as the region has seen a growing number of qualified bilingual legal professionals, and English remains widely used in social and economic activities, often serving as the lingua franca between native Chinese speakers and foreigners. Importantly, this language restriction does not apply to arbitrations seated in Macau, where parties are free to agree on the use of one or more languages, without being limited to Chinese or Portuguese.

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Forward Thinking Law.

Key Facts

- Macau law firm of the year at the Chambers & Partners Asia-Pacific and Greater China region awards 2024
- Ranked as a Band 1 law firm in the Chambers & Partners Global & Greater China Region Guides
- Winner of Deal of the Year at the IFLR 1000 Asia-Pacific Awards 2020
- Ranked as a Top Tier Macau firm by the Legal 500 since 2020
- Ranked by AsiaLaw as a highly recommended law firm
- 12 Partners and 80+ Legal Professionals and business support employees.
- 3 Strategic locations in Macau, Hong Kong and Lisbon, uniquely positioned to connect people and businesses across Greater China and the Portuguese-speaking world.



"Best full-service firm in Macau. Able to cover client needs from commercial, regulatory, and contentious angles. We have developed a strong partnership with MdME over the years, and are able to collaborate to deliver superior client outcomes on Macau-related matters."

CLIENT IN LEGAL 500

"They are a young, dynamic and highly professional team which has infused new energy into the Macau legal scene."

CLIENT IN CHAMBERS & PARTNERS

"MdME is a street ahead of other lawyers in Macau and it operates in true international legal standards. The team carries itself well in great elegance coupled with its fast response to queries and helps which earns the confidence of clients and the market."

CLIENT IN LEGAL 500

Clients & Expertise

MdME works with individuals and companies investing in Macau, as well as with Macau-based clients operating in global markets.

Our multicultural team is driven by its passion for the law and its dedication to protecting clients' interests. We are relentless in the pursuit of technical excellence and of innovative legal solutions that help our clients stay ahead of the market. By understanding their ambitions and challenges, we become trusted advisors to leading businesses and entrepreneurs.

We have a proven track record, spanning from high-stakes litigation to market-first transactions, across different markets and industry sectors.



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