



Company Incorporation in Macau



1. Why Macau?

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Under the policy of “one country, two systems”, the Macau Special Administrative Region of the People’s Republic of China (“Macau”), maintains its own legal systems, as well as a local taxation and company registration system.

With a strong influence from the Portuguese legal system, Macau’s commercial and civil laws are familiar to foreign investors dealing with any European civil law system, as well as to those coming from Portuguese speaking countries.

Generally speaking, there are no restrictions on foreign shareholding/ foreign investment and local tax and registration authorities offer efficient, straightforward and speedy services(e.g., a company will be registered in approximately three weeks upon filing of the respective registration petition and complete set of incorporation documents).

Why Macau?

In order to incorporate companies in Macau the respective directors and shareholders do not have to be physically present in Macau, representatives can be designated to execute the incorporation documents and subsequent registration.

Moreover, there are no exchange controls or currency regulations in Macau aside from general Anti Money Laundering / Financing of Terrorism legislation.

In short, a competitive taxation framework, a “free port” policy and a familiar legal system, make Macau an attractive destination to those seeking to incorporate a company.



2. Main Business Vehicles

Main Business Vehicles

There are two main types of companies incorporated in Macau and these are the most suitable options for foreign investors:

- i. **Private Companies Limited by Quotas** (in Portuguese “*Sociedades por Quotas*”); and
- ii. **Private Companies Limited by Shares** (in Portuguese “*Sociedades Anónimas*”).

Below is a brief outline of the requirements to incorporate a Private Company Limited by Quotas (“**SPQ**”) or a Private Company Limited by Shares (“**SA**”) in Macau.

Private Companies Limited by Quotas (“SPQ”)

Registered Capital	Minimum MOP\$25,000 (≈ €2,500)
Number of shareholders	Minimum 1 and maximum 30 (Identity of the shareholders shall be disclosed to the general public by the Commercial Registry)
Value of Quotas	Each quota’s value must be not less than MOP\$1,000 (≈ €100)
Administration	At least 1 director (who may or may not be a shareholder(s))
Board of Directors	Optional
Company Secretary	Optional
Supervisory Board / Sole Supervisor	Optional
Company Books	- Shareholders General Meetings Minutes Book - Board of Directors Meetings / Directors Resolutions Minutes Book (Optional)
Audited Accounts	Not required, unless certain taxation thresholds are met (see 3. below for additional requirements)
Fiscal Year	1 January to 31 December by default Articles of Association may determine the following fiscal years: - 1 April to 31 March; - 1 July to 30 June; or - 1 October to 30 September
Registration timing	Approximately 15 business days (although the company may commence business prior to registration being completed)

Private Companies Limited by Shares (“SA”)

Registered Capital	Minimum MOP\$1,000,000 (≈ €100,000)
Number of shareholders	Minimum 3 (Identity of the shareholders shall not be disclosed to the general public by the Commercial Registry)
Share Value	Each share must have a value of not less than MOP\$100 (≈ €10)
Administration	Administration of SA’s is entrusted to a Board of Directors, composed of at least 3 board members (who may or may not be shareholders)
Company Secretary	Required
Supervisory Board / Sole Supervisor	Required The Supervisory Board must have 3 members and at least one of them must be a local auditor or auditing firm Companies may opt for a Sole Supervisor, whom must be a local auditor or auditing firm.
Company Books	- Shareholders General Meetings Minutes Book - Board of Directors Meetings Minutes Book - Share Registry Book
Audited Accounts	Required
Fiscal Year	1 January to 31 December by default Articles of Association may determine the following fiscal years: - 1 April to 31 March; - 1 July to 30 June; or - 1 October to 30 September
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3. Taxation and Social Security Contributions

Main Taxes applicable to Companies in Macau

Macau's taxation system is relatively simple and low on red-tape requirements.

The main taxes which local companies are subject to are:

- i. Industrial Tax (in Portuguese "Contribuição Industrial");
- ii. Income Tax (in Portuguese "Imposto Complementar de Rendimentos"); and
- iii. Professional Tax (in Portuguese "Imposto Profissional").

Other taxes such as stamp duty or property taxes may also apply, depending on the line of business conducted by the companies (and applicable to certain transactions).

Below is a brief outline of the main applicable taxes:

Main applicable taxes

i. Industrial Tax

Macau government has been exempting the payment of Industrial Tax for several years. However, newly incorporated companies are still required to register with the Macau Financial Services Bureau and submit a declaration of commencement of business for Industrial Tax purposes.

ii. Income Tax

Income tax is payable by local businesses over taxable income earned in Macau and on foreign jurisdictions.

Currently, income tax is charged at a rate of 12% on taxable income over MOP 600,000 (approximately €60,000). Taxable income below the threshold of MOP 600,000 is not taxed.

Income Tax subjects are split into Group A and Group B taxpayers, as follows:

	Group A Taxpayers	Group B Taxpayers
Subjects	<ul style="list-style-type: none">- SA companies- Companies with share capital equal or over MOP 1,000,000 (≈ €100,000)- Companies with taxable income over MOP 1,000,000 (≈ €100,000) on the three preceding years- Companies with audited accounts that apply for Group A status- Ultimate Parent Entities	<ul style="list-style-type: none">- Any taxpayer that does not fall within the Group A requirements
Audited Accounts	Required	Not required
Tax Filing	April to June every year	February to March every year

Main applicable taxes

iii. Professional tax

Individuals who receive an income derived from employment or self-employment are subject to professional tax, at progressive rates of up to 12% above a threshold of non-taxable income (which is currently set at MOP 144,000 / year (\approx €14,400)).

Usually, companies are required to withhold the payment of employees' professional tax on a quarterly basis (every year in January, April, July, and October).

Social Security Contributions

Local companies which have employees are required to pay the following social security contributions:

i. Resident Employees

a. Full time employees:

MOP90 (≈ €9) per month (employer's share: MOP60 (≈ €6) / employee's share: MOP30 (≈ €3)).

The contributions are paid quarterly by the employer (which will withhold the employee's share) every January, April, July and October.

b. Part-time / Casual employees:

MOP90 (≈ €9) per month for each part-time / casual worker who works 15 days or more in a given month (employer's share: MOP60 (≈ €6) / employee's share: MOP30 (≈ €3)).

MOP45 (≈ €4.5) per month for each part-time / casual worker who works less than 15 days in a given month (employer's share: MOP30 (≈ €3), employee's share: MOP15 (≈ €1.5)).

Contributions are paid monthly by the employer (which will withhold the employee's share).

Social Security Contributions

ii. Non-Resident Employees

Generally, an employment fee of MOP200 (\approx €20) per month for each non-resident worker is fully paid by the employer.

The contributions are paid on a quarterly basis every January, April, July and October.



If you need more information, or if you are seeking to incorporate a company in Macau, feel free to contact us at:

E: info@cfblegal.com

T: +853 2888 1011 / +853 2888 1012

F: +853 2888 1055

Address:

Avenida da Praia Grande, no. 804, Edifício China Plaza, 14.º andar |

澳門南灣大馬路804號中華廣場十四樓I 座