

Macao Special Administrative Region

Law no. 15/2018

Repeal of legal regime of the offshore services

The Legislative Assembly of Macao, based on Item (1) under Article 71 of the Basic Law of the Macao Special Administrative Region, has enacted this law.

Article 1

Objective

This Law serves to repeal of legal regime of the offshore services and regulates issues relevant to the said Regime.

Article 2

Termination of Licensing

This Law terminates the issuance of licence for accessing the offshore activity.

Article 3

Special Provisions on Tax Incentives

1. Starting from 1 July 2018, offshore institutions are no longer entitled to the tax incentive defined by Item a) of Paragraph 1 under Article 12 of Decree-Law no.58/99/M of 18 October regarding profits arising from intellectual properties obtained since 16 October 2017.
2. In relation to the profits mentioned in the above paragraph, offshore institutions no longer enjoy the exemption from the declaration submission stipulated in Paragraph 2 under Article 12 of Decree-Law no. 58/99/M of 18 October, and must carry out profits tax declarations and contributions as Group A Taxpayer.
3. Regarding movable or immovable properties obtained after the enforcement of this law, offshore institutions no longer enjoy the tax incentives defined in Item c), Item d), and Sub-item iii) of Item e) of Paragraph 1 under Article 12 of Decree-Law no.58/99/M of 18 October.
4. Managers and high level specialised technicians of offshore institutions who are granted residency in Macao SAR no longer enjoy the tax incentives defined in Paragraph 5 under Article 12 of Decree-Law no.58/99/M of 18 October after this Law has taken effect.

5. Paragraph 4 under Article 12 of Decree-Law no.58/99/M of 18 October shall no longer be applicable.

Article 4 **Expiration of Licence**

1. The current offshore licences which are not expired or revoked before 1 January 2021 shall expire from that date.
2. The Macao Trade and Investment Institution must publish in the Official Gazette in January 2021 the list of offshore institutions whose offshore licences have expired due to the regulation set out in the above paragraph.
3. The Macao Trade and Investment Promotion Institute and the Monetary Authority of Macao must inform the Macao Commercial and Movable Properties Registry about the offshore licence expiration or revocation of offshore institution.
4. Upon the receipt of the notification mentioned in the above paragraph, the Macao Commercial and Movable Properties Registry shall make corresponding annotation on the business establishment document(s) of the offshore institutions concerned, specifying the invalidity or revocation of the offshore licences and relevant dates.

Article 5 **Exemption**

At the time when offshore licences become expiry due to the regulations of Decree-Law no.58/99/M of 18 October or since the date mentioned in Paragraph 1 of above mentioned Article of this Law, offshore institutions making application for changing the company name and business scope within 180 days of the date of expiry are exempted from taxes, fees and notary and business registration fees.

Article 6 **Revocation**

Regulations and laws constituting the legal regime of offshore services of Macao are revoked:

- (1) Decree-Law no.58/99/M of 18 October;
- (2) Dispatch no.236/GM/99;

- (3) Dispatch no.237/GM/99;
- (4) Dispatch of Chief Executive no.205/2005;
- (5) Dispatch of Chief Executive no.323/2017;

Article 7
Entry into Force

- 1. This law enters into force on the first day following its promulgation.
- 2. Article 6 takes effect from 1 January 2021.

Approved on the of 2018.

President of Legislative Assembly _____
Ho Iat Seng

Signed on the of 2018.

To be promulgated.

Chief Executive _____
Chui Sai On