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In Focus

Macau Land Law (Law no. 10/2013)

The rapid economic development that has taken place in Macau after the establishment of the Macau SAR has brought about the need to revise the Land Law that was in force before the transition.

On March 2014, the new Land Law no. 10/2013 came into effect revoking and replacing Law no. 6/80/M of 5 July. This law set out the legal regime of management, namely the constitution, exercise, modification, transmission and extinction of the right of use and development of the lands located in the Macau SAR.

Since the entry into force in 2014, this law has raised several issues that have bothered Macau residents and investors. Indeed, one of the issues that has been discussed the most is the end of the term of concession of several lands in the Macau SAR.

The Land Law distinguishes between provisional concessions and permanent concessions. Concessions become permanent when the use of the land as foreseen in the contract has been met and the land has been definitively

demarcated. For provisional concessions, it is determined a term for the use of the land, which, according to section 47, is 25 years.

However, it is expressly stipulated that provisional concessions may not be renewed, except in the cases provided in paragraph 2 of section 48.

For those cases where the land has not been developed within the period stipulated or within the contractual terms, concessions expire. And, once declared the expiry of the concession, premiums paid and betterment that, in any way were incorporated on the ground will be reverted to the government and the concessionaire will have no right to be indemnified or compensated.

Nevertheless, there are cases where concessions have been revoked even when the non-development of the land was given to the government, which had not yet approved the projects for several reasons, including the approval of new urban plans.

The Land Law is silent in those cases where the non-development is not derived from the responsibility of the concessionaire, and does not stipulate any exception or provision in that regard.

For those cases where the expiry of the concessions is declared due to non-development, and when the non-development is not the responsibility of the concessionaire, investment in the territory might not seem to be the most attractive move for investors.

A proposal for interpretation of the Land Law was made by Deputy Gabriel Tong, who suggested an interpretative norm for the Land Law, however, according to a statement from the Government Spokesman's Office, the position of the Chief Executive is against the proposal of interpretation, leaving the problems still without any solution.

It is therefore necessary, due to the problems that have been raised the last three years, either a revision of the Land Law or to find a solution to avoid situations where concessions expire even when the non-development is due to the government.

Macau in Numbers

The MSAR Government posted a year-on-year increase of 9 per cent in its fiscal surplus during the first quarter of 2017, amounting to MOP12.82 billion (US\$1.60 billion) reveals the latest update to the central account by the Financial Services Bureau (DSF). The government's target for the fiscal surplus for the whole year of 2017 is MOP5.57 billion, with results demonstrating that the MSAR has already achieved 230.3 per cent of the budgeted surplus in just the first quarter.

For the first three months, government revenue experienced a growth of 9.4 per cent, to MOP26.42 billion, when compared to the MOP24.15 billion generated in the same period last year.

source: [Macau Business](#)

Press Room



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