



C&C LAWYERS

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“Since 1966 we have been striving to set Macau’s legal industry standards by providing consistent high quality legal advice in true partnership with our clients.”

RUI JOSÉ DA CUNHA



## The Law No. 4/2015 and the major transparency developments in Macau

Law No. 4/2015, published on 1<sup>st</sup> of June, approves the elimination of the bearer shares in Macau and amends the following provisions of the Commercial Code - articles 178.º, 416.º, 417.º, 424.º, 451.º, 470.º, 472.º and 1133º.

The mentioned law entered in force on the 1<sup>st</sup> of June 2015 and the most important change carried out is the abolishment of bearer shares in Macau, which came as a result of Macau’s commitment to comply with international standards of transparency and information exchange in tax matters.

The nature of the bearer shares was to allow its owners to remain anonymous to the other shareholders, the company and the public in general. Under the previous regime, it was not possible to identify those shareholders, and such legal limitation did not satisfy the international standards of transparency which aims to prevent tax evasion and combat money laundering and financial crimes.

For this purpose, and inspired by other jurisdictions such as Malaysia, Singapore and Hong Kong, the Macau Government has approved on 18<sup>th</sup> May of 2015 the elimination of bearer shares from the Macau legal system.

In order to ensure the normal activity of the companies incorporated under the Macau Law which have registered bearer shares, it was allowed a one year transitional period to effect such changes. After this period, the total share capital of the companies incorporated under the Macau Law should be represented in nominative shares.

Additionally, the law established that, once the transitional period expires, the companies have the obligation to inform the Financial Services Bureau of the number of shareholders that haven’t convert their bearer shares into nominative shares.

We would like to highlight that the elimination of bearer shares from the Macau legal system, enhances the Macau SAR’s willingness to continue to cooperate with the Organization for Economic Cooperation and Development (OCDE) in combating the tax avoidance or evasion activities. It also demonstrates that Macau SAR is making efforts to comply with the internationally agreed standards on tax information exchange framework which is, in our opinion, a big step forward in the opening-up of Macau SAR to foreign markets and investors.

Finally, another fundamental change carried out by Law No. 4/2015 is the introduction of a “permanent activity” concept in the Macau Commercial Code for the companies that do not have their head office or main administration in Macau but develop a permanent activity within the Macau SAR. These Companies will be subject to the Macau Registry Laws, they need to appoint a local representative and affect share capital to their activity.

### NUMBERS (SOURCE DSEC)

UNEMPLOYMENT (FEBRUARY TO APRIL) – 1,7%

VISITOR ARRIVAL (APRIL 2015) – 2,547,435

OCCUPANCY RATE OF HOTEL SECTOR (APRIL) – 79,4%

### MACAU LAWS & REGULATIONS:

RESOLUTION NO. 1/2015 - AMENDS THE RULES OF THE LEGISLATIVE ASSEMBLY OF THE MACAU SAR