

Decree-Law no. 58/99/M
of 18th of October

The natural propensity of the economy of the territory of Macau towards tertiarisation and the improvements seen in local infrastructures, particularly in terms of transports and communication, justify the development of an international business centre in the Territory, upgrading the incipient model currently defined by Decree-Law no. 25/87/M, of 4th of May.

Consequently, in the financial domain, not only is that activity to be allowed to credit institutions, but also to other financial institutions and financial intermediaries, as well as to insurance companies, opening up the possibility to economic agents to apply for the constitution of an institution to be incorporated in the Territory to be engaged exclusively in Macau's offshore sector, and allowing credit institutions incorporated in the Territory to operate in the same sector through subsidiaries.

An institutional framework is also established for asset management in the form of trusts that are so broadly used in other jurisdictions.

Finally, the forms of the offshore commercial services institution and of the offshore auxiliary services institution are considered, the later associated to the currently named *call centre* and *back office*.

Under these terms;

After getting the favourable opinion of Monetary and Exchange Authority of Macau;

After hearing the Consultative Council;

Under the legislative authorisation granted by article 1 of Law no. 3/99/M, of 9 of August, and under the terms of article 13, paragraph 3 of the Macau Organic Statute, the Governor hereby decrees that the following shall be the law in the territory of Macau:

CHAPTER I
Scope and definitions

Article 1
(Scope)

This law defines the legal regime governing offshore activity.

Article 2
(Definitions)

For the purposes of this law, the following shall be understood:

- a) Offshore activity: any economic activity dedicated to foreign markets, to be pursued exclusively with non-residents and by means of transactions in currencies other than the pataca;
- b) Macau offshore sector: the whole offshore institutions authorised to operate in the territory of Macau and the activities here carried out by them under the dispositions of this law;
- c) Offshore institution: institution having legal personality or without independent legal status, engaging in offshore activity;
- d) Offshore subsidiary: offshore institution incorporated according to the Territory's law with its own legal personality, which is controlled by another institution by means of holding shares in its capital, or through statutory or contractual provisions;
- e) Offshore branch: offshore institution without independent legal status which is the branch, in the Territory, of an institution incorporated abroad;
- f) Offshore financial institution, hereinafter abbreviated to OFI: offshore institution authorised under the dispositions of this law to carry out financial activities, including banking, insurance, re-insurance, captive insurance, and those activities resulting in the usual practice with a view to profit of the transactions mentioned in Article 17 of the Financial System Act of Macau approved by Decree-Law no. 32/93/M of 5th July, and hereinafter abbreviated to FSAM;
- g) Offshore commercial services institution: offshore institution that pursues any of the activities indicated in a table therefore approved by decision of the Governor, to be published in the *Official Gazette*;

- h) Offshore auxiliary services institution: offshore subsidiary or branch of institution incorporated abroad whose exclusive company object is to provide the institution on which it depends or to which it belongs with some of the auxiliary services indicated in a table therefore approved by decision of the Governor, to be published in the *Official Gazette*;
- i) Resident: an individual holding a Macau Resident Identity Card and any person or organisation that should be regarded as such for the purposes of the Territory's foreign exchange regime, with the exception of the offshore institutions themselves;
- j) State or territory of origin: state or territory in which the credit institution, financial institution, financial intermediary or insurer or re-insurer, proposing to establish a financial branch in Macau's offshore sector or proposing to control an offshore financial subsidiary to be established in Macau, is licensed;
- k) (This letter does not exist in the Portuguese alphabet)
- l) Captive insurance company: insurer whose exclusive company object is to insure the risks of the company controlling it and or of the companies controlled by this one;
- m) Offshore trust management: activity involving administration and of investment:
 - i) Carried out by a collective person licensed to operate in Macau's offshore sector, called a trustee;
 - ii) Of a specific asset, called a trust that has been transferred to the trustee and placed under his control by an act *inter vivos* or *mortis causa* by a non-resident legal person called the settlor;
 - iii) Aimed at pursuing a specific goal or to benefit one or more beneficiaries who may be the settlor, the trustee or non-resident third parties.

CHAPTER II General provisions

Article 3

(Prior authorisation)

Access to offshore activity requires prior authorisation under the terms of this law.

Article 4
(Authorised and forbidden activities)

1. The following economic activities shall be authorised in Macau's offshore sector:
 - a) Financial activities referred to sub-paragraph f) of article 2;
 - b) Trust management;
 - c) Commercial activities indicated in table referred to in sub-paragraph g) of article 2;
 - d) Auxiliary services indicated in table referred to in sub-paragraph. h) of article 2.
2. Other than when indispensable to setting up and operating, offshore institution is particularly forbidden from:
 - a) Carrying out transactions with residents, namely purchasing, renting or leasing real estate in the Territory or granting credit to the respective acquisition, renting or leasing, or grant guaranties or collaterals, or render any kind of services to residents,
 - b) Carrying out transactions denominated in patacas.

Article 5
(Form of the offshore institution)

1. Offshore institutions must take the form of:
 - a) A company incorporated according to the law of the Territory;
 - b) The branch of an institution incorporated abroad.
2. Offshore institutions in the form of a company can be incorporated and subsist with any number of shareholders.

Article 6
(Accounts)

Offshore institutions must keep their accounts organised according to generally accepted accounting principles and, when applicable, in conformance with the plan set for their respective business sector.

Article 7
(Guarantee of transactions made)

Institutions licensed to establish offshore branches are jointly responsible for the transactions engaged in by the latter.

Article 8
(Management powers)

1. The administrators, directors or managers of branches must have powers to determine and direct the respective business and to handle and settle finally all matters concerning the branch's activities, both in terms of the Government of Macau and other public entities, and in terms of third parties.
2. The powers referred to in the previous paragraph must compulsory include those of receiving summonses and also of confessing, withdrawing from and participating in any litigation

Article 9
(Place of business)

Each offshore institution must operate in the Territory through a single branch, and the opening of agencies and other identical forms of representation are not allowed.

Article 10
(Official language)

1. Offshore institutions must use an official language of the Territory in the records they are obliged to keep and in applications addressed to the Governor, but other requests, the information that must be included with the same and records can be written in English.

2. The documents to be written in one of the official languages can also be submitted in English if the relevant party undertakes to pay, to the addressed authority, the amount set for the translation of the same.

Article 11
(Social security regime)

Employees working for offshore institutions and their employers are subject to the social security regime in accordance with the legislation in force in the Territory.

Article 12
(Fiscal regime)

1. Offshore institutions authorised to operate in the territory of Macau benefit from:
 - a) Exemption from income tax (*imposto complementar*), when the income is generated through the engagement in offshore business;
 - b) Exemption from industrial tax (*contribuição industrial*);
 - c) Exemption from inheritance and donations tax on the free transfer of movable and unmoveable property exclusively affected to the offshore business (*Imposto de sucessões e doações*);
 - d) Exemption from real estate transmission tax on properties affected, exclusively, to the offshore activity (*Imposto de sisa*);
 - e) Exemption from stamp duty (*imposto de selo*) on:
 - i) Insurance policies concerning offshore risks;
 - ii) Contracts established with entities not domiciled in the Territory, as a result of the engagement in offshore business;
 - iii) Donations between living persons to whom the exemption described in subparagraph c) applies;
 - iv) Bank transactions carried out within the scope of offshore business;
 - v) The incorporation of offshore institutions as well supplements or increases in their share capital.

2. Those offshore institutions exempt under the terms of previous paragraph 1, sub-paragraph a), shall not be required to submit the declarations stipulated in the regulations relating to income tax, when the relevant income is generated only through the engagement in offshore activity.
3. The provisions of the paragraph 1, sub-paragraph b) does not exempt the offshore institutions from complying with the obligations established in articles 8 and 9 of the Industrial Tax Regulations (*Código da Contribuição Industrial*).
4. The exemptions referred to in paragraph 1, sub-paragraphs c) and d) shall be with no effect and the respective taxes shall be paid, whenever the property will no longer be exclusively affected to the offshore business, within 5 years after the exemption was granted.
5. The managers and high level specialised staff authorised to establish residence in the Territory, under the terms of the applicable law, are exempt of professional tax (*imposto profissional*) concerning the salaries rendered available to them by offshore institutions till 31st of December of the third year after the beginning of the activity in Macau.

Article 13
(Notification of licensing)

The entities empowered to handle licensing procedure under the terms of this law shall notify the Financial and Tax Department of licenses granted to operate in Macau's offshore sector.

Article 14
(Establishment and operating fees)

1. Offshore institutions authorised to operate in the territory of Macau shall pay an opening fee and a half-yearly operating fee.
2. The value and or limits of opening fee and operating fee are established in a schedule approved for this proposal by Governor's decision to be published in the *Official Gazette*.
3. The authorised decision for offshore institutions shall define the respective opening fee, having in consideration the nature of activities that the institutions intends to operate and the limits established in the schedule referred to in paragraph 2.
4. The opening fee shall be paid before starting the activity.

5. The operating fee shall be paid in January or July, depending whether the decision authorising the establishment was confirmed in the second or in the first half of the year, respectively;
6. In the first year of operation and in the year of its closing, the operation fee is proportional to the number of operating months in the respective half-year and is due in the month following the activity's closing.
7. Opening and operating fees constitute revenue for the authorities empowered to handle the licensing procedure.
8. Fees already levied shall not be returned, even if the licence lapses or is revoked.

Article 15
(Rules and codes of conduct)

1. The Monetary and Foreign Exchange Authority of Macau and the Macau Trade and Investment Promotion Institute hereinafter abbreviated to AMCM and IPIM respectively, may issue a notice setting rules of conduct to be observed by offshore institutions when engaging in business.
2. The codes of conduct drafted by the associations representing offshore institutions must be approved by the entities referred in previous paragraph, depending on the relevant field of their power.
3. The notices and codes of conduct referred to in the preceding paragraphs shall be published in the *Official Gazette*.

CHAPTER III
On offshore financial activity

Section I - Requirements

Article 16
(Institutions incorporated in the Territory)

OFI referred to in article 5, paragraph 1, sub-paragraph a), shall compulsory take the form of public limited companies, and at least 51% of their respective shares must be nominal.

Article 17

(Specific requirements for subsidiaries)

1. Specific requirements for incorporating and operating offshore financial subsidiaries are that:
 - a) They must hold share capital amounting to at least half the share capital legally required for exactly the same kind of institution licensed to operate with residents;
 - b) The majority of the shares must be held by a financial institution, with a share capital not lower than that legally required for the kind of similar institution authorised to do business with residents;
 - c) AMCM must receive previous notification from the supervisory authority in the state or territory of origin identifying those responsible for the subsidiary, the kind of transactions it intends to carry out in Macau and confirmation that these transactions are included in the licence granted by the institution responsible for controlling the subsidiary in the State or territory of origin.
2. The requirement referred in the sub-paragraph c) of previous paragraph is not applicable to the subsidiaries of financial institutions incorporated in the Territory.

Article 18

(Specific requirements for branches)

Specific requirements for establishing and operating a branch of an offshore financial institution are that:

- a) The relevant institution should be incorporated outside the Territory of Macau and must have a share capital not lower than that legally required for the kind of similar institution authorised to do business with residents;
- b) AMCM must receive previous notification from the supervisory authority in the state or territory of origin identifying those responsible for the offshore branch, the kind of transactions it intends to carry out in Macau and confirmation that these transactions are included in the licence granted to the relevant institution in the state or territory of origin.

Article 19

(Allocation of funds)

1. Offshore subsidiaries should maintain at all times in the Territory, in certain categories of assets to be defined in a notice issued by AMCM, an amount equal to 50% of the minimum share capital referred to in Article 17, paragraph 1, sub-paragraph a) herein.
2. The allocation of funds is not compulsory in offshore branches.

Article 20
(Name)

In addition to other requirements arising from the law, the name of OFI's, hereinafter abbreviated to OFI, shall include the expression "Macau offshore", "Macau offshore subsidiary" or "Macau offshore branch", depending on the case, and must be displayed on their premises and on all documents and correspondence.

Article 21
(Management)

The board of directors, administrative board and management of OFI shall have a minimum of three persons, all of recognised suitability, and at least one of them shall be resident in Macau, and sufficiently able and experienced to carry out their duties.

Section II
Procedure

Article 22
(Application procedure)

1. Applications to incorporate or establish an OFI must be submitted to AMCM accompanied by the information required by general or special law for the relevant kind of institution.
2. Within 8 working days following receipt of the application, AMCM shall, if necessary, notify the applicant in the most rapid manner, and without affecting later confirmation in writing:
 - a) Of any missing information or irregularities contained in the application or attached documents which could be rectified;

- b) Additional information or clarifications required for examining the application.

Article 23
(Powers and Decision)

1. The Governor has the power to authorise the incorporation and establishment of OFIs, on previous advice from AMCM.
2. The decision shall take the form of an executive order and the interested parties shall be notified of this decision within 45 days to be counted from the date of submission of the application to AMCM or, if such is the case, from the provision of any of the requested material specified in paragraph 2 of the preceding Article.
3. Failure to notify the interested party of the decision, or of the need to suspend any decision until receipt of the notification referred to in Article 17, sub-paragraph c), and Article 18, sub-paragraph b), shall be presumed to imply tacit refusal of the application.
4. On the decision granting authorisation, compliance with the requirements for suitability of the members of the board or management shall immediately be verified.
5. The decision granting authorisation may stipulate conditions for the activities or operations to be carried out by the OFI.

Article 24
(Special Registration)

1. The application for inclusion in the special register referred to in Article 36 of the MFSA shall be accompanied by evidence of compliance with the legally required formalities and, when applicable, limitations imposed in the decision granting authorisation.
2. The provisions of Article 22, paragraph 2 shall be correspondingly applied.

Article 25
(Notification)

The decision on the application for special registration shall be notified to the interested parties within five working days following the date of submission of

the request to AMCM or, if such is the case, of provision of the respective missing information or rectification of irregularities.

Section III Other Provisions

Article 26 (Authorised operations)

1. OFIs may engage in the operations that are appropriate to the kind of institution in question, so long as these operations are included in their company object and they are not specifically prohibited from engaging in them in the decision granting authorisation nor are they against the laws of the Territory.
2. The Governor may, exceptionally and on a case by case basis, authorise OFIs to grant credit or provide guarantees to residents so long as the goal of the operation is an undertaking in the Territory's relevant interest.
3. AMCM may establish in a notice that some type of operations to be performed by OFIs have minimum value.

Article 27 (Captive insurance companies)

Captive insurance companies must observe the specific prudential rules and other regulations set by AMCM in notices.

Article 28 (Applicable law)

OFIs shall be governed by the provisions of this law and, insofar as no contradiction arises, the MFSA and laws and regulations applied to similar kinds of institution.

Article 29 (Supervision)

1. OFIs are subject to supervision by the AMCM under the general terms of the MFSA, or of the law regulating insurance activity, accordingly to the activity carried out.

2. OFIs are exempted from paying the supervision fee.

CHAPTER IV
On offshore trust management

Section I
On trust management institutions

Article 30
(Commencement of business)

Trust management institutions may only open for business after submitting a bond and paying the establishment fee stipulated in this Chapter.

Article 31
(Authorisation - Powers and purpose)

Authorisation is granted by AMCM so long as there is no evidence, which could indicate:

- a) Unsuitability of the applicants or obvious technical incapacity;
- b) The intention of using the trust management to cover up illegal business or assets or products illegally obtained or held.

Article 32
(Name)

Trust management institutions must include in their name the expression “trust”, “trust company” or “trust branch”, depending on the case, and this must be displayed on their premises and on all documents and correspondence.

Article 33
(Share capital)

1. Offshore trust management institutions are admitted under one of the types referred to in article 5, paragraph 1 or as foundations.
2. Offshore trust management companies must have a minimum share capital of:

a) MOP\$1,000,000.00, when their business scope is the management of 2 or more trust fund;

b) MOP\$100,000.00, when their business scope is the management of only 1 trust fund;

3. In the case referred to in previous paragraph, subparagraph b), the offshore institution shall take the type of a partnership company (*sociedade por quotas*).

Article 34
(Own funds)

AMCM may define by notice minimum limits for own funds to be observed by trust managers, when under the type of public limited company (*sociedades anónimas*).

Article 35
(Supervisory body)

Offshore trust management companies may, in their partnership agreement, and regardless of the amount of the relevant share capital, adopt a regime involving a single auditor so long as this is resident in Macau.

Article 36
(Management principles)

Offshore trust management companies must engage in business with the zeal and diligence appropriate to a cautious, ordered manager.

Article 37
(Supervision of accounts)

Offshore trust management companies should send their annual report and accounts for each business year to AMCM along with the relevant auditor or fiscal body's opinion.

Article 38
(Application procedure)

1. Applications must be submitted to AMCM accompanied by:

a) Complete identification of the applicants;

- b) A declaration from the auditor or auditing company that certify or intend to certify the accounts of the company or branch;
 - c) Draft of the company partnership agreement, when applicable.
2. AMCM may request any additional information that it deems necessary for assessing the application, from the applicants or from other public bodies, namely in terms of the suitability and technical capacity of the applicants.

Article 39
(Decision)

1. Interested parties shall be notified of the decision within thirty days to be counted from the date of submission of the application or from the date on which the applicants provided any of the additional information requested under paragraph 2 of the preceding Article.
2. The decision granting authorisation shall, in addition to any eventual conditions imposed, stipulate the amount of the bond, the establishment fee and the operating fee.

Article 40
(Bond)

1. The bond is intended to guarantee exact and punctual compliance with the commitments given by the trust managers.
2. The organisation in whose favour the bond is provided, may use it regardless of any formalities when trust management companies fail to meet their commitments.
3. Depending on the choice of the trust management companies the bond is provided either as a cash deposit or by means of a bank guarantee or insurance bond which is held by the organisation in whose favour it is provided, until the latter informs the bonded organisation in writing that the bond has been cancelled.
4. When the bond is used for guaranteeing operation in a branch, it must be issued in the name of the institution to which it belongs.

Article 41
(Expiry of authorisation)

Authorisation for the trust managers shall expire if the applicants expressly renounce it or if the trust management company:

- a) Is not formally incorporated or installed within 6 months counted from the date of notification of authorisation;
- b) Fails to manage any trust fund for over six months continued or interpolated in a row of 1 year;
- c) Sees the trust extinguished;
- d) Is evicted from its premises due to a court judgement, unless it moves to new premises within three months from the eviction;
- e) Is dissolved.

Article 42
(Revocation of authorisation)

1. Authorisation granted to operate offshore trust management companies is revoked whenever:
 - a) It has been obtained on the basis of false statements or other illegal means;
 - b) The operating fee is not paid within the period set for this purpose;
 - c) There are repeated breaches of the duties stipulated in this law or the rules of conduct referred to in Article 15;
 - d) The requirements established for minimum share capital are not observed;
 - e) There are no organised accounting records;
 - f) Any of the facts referred to in Article 31 is proven to have occurred;
 - g) On the third revocation of trust management domicile due to reasons for which the manager or one of his administrators is responsible;
 - h) On the revocation of trust management domicile based on criminal conduct by any of the administrators of the trust manager, if the latter has not been dismissed from office.

2. For the purposes of sub-paragraph c) in the preceding paragraph, repeated breach shall be understood as 3 infractions of the same nature, or 5 infractions regardless of their specific nature, committed during a period of up to 2 years.
3. Other than in exceptional circumstances, which are duly justified, the relevant institution shall be informed of the intention to revoke authorisation and it may submit its own reasons for not revoking authorisation within five working days.
4. In the appeal against the decision to revoke the authorisation, shall be presumed, unless proven otherwise, that the suspension of the said decision may seriously harm the public interest.
5. Revocation for any reason shall imply the dissolution and winding up of the offshore trust management institution.

Section II

On trust management business

Article 43

(Recognition and applicable law for trust management)

Within the scope of Macau's offshore sector, trust management deeds established under a foreign jurisdiction allowing this grant shall be recognised, so long as the provisions in this law are observed.

Article 44

(Requirements)

Recognition of offshore trust management depends on compliance with the requirements as to the form and content of the constitution deed, so long as:

- a) The activity which is the object of the trust management is not financial business;
- b) The trustee is a company or branch authorised under the terms of this law;
- c) The income from the trust comes from outside the Territory or from deposits or other resources received by offshore financial institutions;
- d) The income to be paid into the trust or to the beneficiaries of the management come from outside the Territory or from the business activities of the institutions referred to in the preceding sub-paragraph;

- e) The trust fund does not include real estate located in the Territory;
- f) The aim of the management is not physically or legally impossible, against the Territory's laws or indeterminable and counter to public order or offensive to good custom.

Article 45
(Form)

1. The deed creating the trust must be expressed in writing and signed by the settlor.
2. The signature must be authenticated by a notary or, when the deed is made outside the Territory of Macau, authenticated in the manner provided for by in the law governing the trust management.
3. The trustee must provide evidence of compliance with the formal requirement described in the second part of the preceding paragraph, or the absence of any need to demonstrate such compliance.

Article 46
(Compulsory contents)

The instrument constituting the trust must contain:

- a) The complete identification of the settlor, the trustee and the beneficiaries, although the identification of the beneficiaries or a category of these may be done by means of describing the circumstances allowing this;
- b) An express statement declaring the intention to constitute the trust management;
- c) An express statement of the law regulating the trust management;
- d) The aim and type of trust management;
- e) The name given to the assets in the trust management, for respective identification;
- f) Identification and description of the property included in the trust assets;
- g) The classification and distribution of property included in the trust assets;

- h) The procedure for appointing, retiring and dismissing the trustee and the requirements for engaging in his duties and for transferring these;
- i) The rights and duties of trustees in the case of there being more than one;
- j) The relationship between the trustee and the beneficiaries, including the trustee's personal liability towards the latter;
- k) [does not exist in Portuguese]
- l) The powers given to the trustee to acquire property for the trust and to administer, dispose of or burden the property contained in the trust, specifying the terms under which the trustee can make investments or established reserves with the income;
- m) The trustee's duty to provide management accounts;
- n) The date and the place where the trust was constituted;
- o) The duration of the trust, which can never be for more than 99 years.

Article 47
(Other clauses)

1. In addition to other clauses permitted under the terms of the law governing it, the instrument constituting the trust may also include:
 - a) The designated trustee's and beneficiaries' substitutes even though only a brief identification is given;
 - b) Rules and restrictions of accumulating income in the trust;
 - c) A reservation that the settlor can decide to replace the law applied to the management, or to one of its members who could be separated, by another law of a different jurisdiction.
2. The reservation that certain prerogatives by the settlor or the exercise of any right by the trustee, as and in the capacity of beneficiaries, shall not make the trust management invalid.
3. Unless otherwise provided for by the law regulating the trust management, the respective instrument of constitution may allow arbitration to be used in order

to address and resolve issues arising between the settlor, the trustee and the beneficiaries, or between the trustee and third parties.

4. In the absence of the clause described in the preceding paragraph, the General Jurisdiction Court of Macau will be deemed competent

Article 48
(Duties of trustee)

The trustee is specially bound to:

- a) Maintain the trust fund and his own assets and those of third parties completely separate;
- b) Administer, manage and dispose of the trust under the terms of the constituting instrument and the rules imposed on him by the law regulating the same;
- c) Provide administration accounts, management accounts and deeds of application of the trust;
- d) Ensure payment of the fee due for domicile of the trust in Macau's offshore sector;
- e) Keep in its own or its representative's power, the deed pertaining to the property included in the trust.

Article 49
(Refusal and revocation of domicile for trusts)

Failure to comply with the requirements of Article 44 to 46 shall be grounds for refusing or revoking domicile of the business in Macau's offshore sector.

Section III
On domicile and registration of trust management

Article 50
(Domicile)

1. In order to domicile a trust management company in Macau's offshore sector, the fee set in table referred in the paragraph 1 of Article 14 must be paid both on registering constitution and in the month of January in subsequent years.

2. Along with the domicile fee, Article 14, paragraph 2, shall be applied correspondingly with the necessary alterations.
3. The domicile fee is revenue for AMCM.
4. Termination of the trust management shall not imply any refund of fees already paid nor the non payment of those meanwhile due.

Article 51
(Powers)

Authorisation for domicile shall be granted by AMCM.

Article 52
(Deeds subject to registration)

The deed of constitution, modification or termination of an offshore trust shall be subject to commercial registration if such constitution is for a period of over 1 year.

Article 53
(Relevant registry office and fees)

1. The Commercial Registry Office, herein referred as Registrar, shall have the power to register the facts described in the preceding article.
2. The fees levied for deeds of registration shall be set by executive order.
3. The fees levied for the registration of acts of modification or termination shall be a half of the relevant fee in force under previous paragraph.

Article 54
(Duty to register and deadlines)

Registration must be requested by the trustee within the following periods:

- a) Six months from the date on which the deeds of constitution of the trust are signed;
- b) Three months from the date on which the deeds of modification or termination of the trust are created.

Article 55
(Registration of constitution)

1. The registration of the constitution of the trust is done under the terms of business law, and must contain the following information:
 - a) The name and identity given to the trust;
 - b) The date of constitution and duration of the trust, when this has been determined;
 - c) The object and type of trust management;
 - d) The law regulating the trust management;
 - e) The property included in the trust's assets;
 - f) The name and head office of the trustee;
 - g) The powers given to the trustee to dispose of and administer the trust;
 - h) The rules concerning providing accounts and accumulating income, and any applicable conditions and restrictions, when existing.
2. The assets referred in sub-paragraph e), of previous paragraph, may be listed in a roll filed by The Registrar, which should be mentioned in the registration.
3. The registration made according to the terms of the present section does not exempt the trustee of applying for other registrations required by law in relation with certain assets, namely motor-cars, ships and airships.
4. The assets of a trust that should be object of other registration, according to the provision of previous paragraph, are registered in the name of the trust manager, in this quality.

Article 56
(Legitimacy)

1. The following can legitimately request registration of the facts described in Article 52:
 - a) The trust manager;

- b) The settlor;
 - c) The beneficiaries;
 - d) Other persons qualified for the purpose, in terms of the law governing the trust management.
2. In the case of requesting registration of the termination due to revocation of domicile, or judicial annulment of the trust, the Public Prosecutor's Office and AMCM may also legitimately make the request.
3. The registration of the termination requested by the entities referred in previous paragraph is exempt of any fees.

Article 57
(Supplementary law)

The general provisions concerning business registration that are not contrary to the informing principles of offshore trust shall be applied supplementarily with the necessary adaptations, to the registration described in this law.

Section IV
Other provisions

Article 58
(Guarantees)

In relation to deeds of constitution, modification or termination of a trust management, and all deeds of transfer, sale or burden or the property included in the trust, the settlors, managers and beneficiaries of management benefit from the guarantees of:

- a) Freedom to repatriate the respective capital invested;
- b) Freedom to transfer funds referring to commercial operations;
- c) Non-imposition of restrictions on importing capital.

Article 59
(Secrecy)

1. The names of the settlor and beneficiaries of the trust must be kept secret, and can only be disclosed as a result of a court decision.
2. Violation of the provisions described in the preceding paragraph shall lead to application of the sanctions imposed for violating professional secrecy provided in .FSAM.

Article 60

(Implementation of court sentences passed outside the Territory)

A sentence handed down by a court outside the territory of Macau's judicial system involving property included in a trust which implementation implies dispossession of the trustee in any form, can only be implemented if the sentence is based on:

- a) Conduct by the settlor which would be deemed criminal in Macau's legal system;
- b) Incapacity of the settlor at the date of institution of the trust, in terms of his personal law;
- c) The fact that the settlor instituted the trust due to and as a result of a crime against his personal freedom.

CHAPTER V

On offshore commercial and auxiliary services

Article 61

(Commencement of business)

The commencement of business by offshore commercial and auxiliary service institutions requires payment of the opening fee.

Article 62

(Authorisation - Powers and purpose)

Authorisation is granted so long as there is no evidence which could indicate the intention of using the trust management to cover up illegal business or assets or products illegally obtained or held.

Article 63

(Share capital)

Offshore commercial and auxiliary institutions taking the form of a company must be incorporated and maintained with the minimum share capital demanded under the terms of business law.

Article 64

(Name)

1. In addition to all other requirements provided for by law, offshore commercial and auxiliary institutions must include in their name the *expression* “*Macau commercial offshore*” or “*Macau auxiliary offshore*”, depending on the case, and this must be displayed on their premises and on all documents and correspondence.
2. The offshore commercial and auxiliary offshore may adopt in their documents and correspondence the expression “*International Business Company*” or the abbreviation “*IBC*”.

Article 65

(Specifically forbidden activities)

1. Offshore commercial and auxiliary institutions are specifically forbidden to engage in any activities restricted by law to credit institutions, investment companies and financial intermediaries, as well as to insurance companies.
2. Offshore commercial and auxiliary institutions are specifically forbidden to provide services to third parties other than the institution of which they are a subsidiary or branch.

Article 66

(Supervision of accounts)

Offshore commercial and auxiliary institutions should send their annual report and accounts for each business year to IPIM along with the relevant auditor’s report.

Article 67

(Expiry of authorisation)

Authorisation to incorporate or operate offshore commercial and auxiliary institutions shall expire in the cases described in Article 41.

Article 68
(Revocation of authorisation)

Authorisation granted to operate offshore commercial and auxiliary institutions is revoked in the cases described in Article 42, paragraph 1, sub-paragraphs a) to f), and the provisions of paragraphs 2 to 5 in the same Article shall be correspondingly applied.

Article 69
(Referral)

Offshore commercial and auxiliary institutions shall correspondingly be subject, with the necessary adaptations, to the provisions of Articles 35, 38 and 39.

CHAPTER VI
Sanctions

Article 70
(Violations)

1. Unless they are classified as more severe infractions, the following violations shall be fined as follows:
 - a) 100,000.00 to 500,000.00 patacas for engaging in the offshore activities described in Chapter V of this law without authorisation;
 - b) 75,000.00 to 300,000.00 patacas in the case of offshore institutions regulated according to Chapter V of this law engaging in operations which are specifically forbidden;
 - c) 50,000.00 to 200,000.00 patacas for commencing in the offshore activities described in Chapter V of this law without having complied with the requirements set for this purpose;
 - d) 20,000.00 to 100,000.00 patacas for failure by an offshore institution regulated according to Chapter V of this law to comply with the duties established in Article 5, 9, 10, 20, 64 and 66, and also the rules of conduct referred to in Article 15;
 - e) 1,000.00 to 5,000.00 (one thousand to five thousand) patacas for failing to comply with the duty established in Article 54.

2. Payment of the fine due for the violations described in sub-paragraphs a) to c) of the preceding paragraph shall not exempt the infractor from payment of all the relevant taxes.

Article 71
(Powers)

1. IPIM shall have powers to apply the fine and start sanctionatory proceedings for the violations described in sub-paragraphs a) to d) of paragraph 1 in the preceding article.
2. The Registrar shall have powers to apply the fine and start the sanctionatory proceedings for the violation described in sub-paragraph e), sub-paragraph 1, of the preceding article.
3. The sanctionary proceedings referred to in the previous paragraph are regulated by the provisions in force for the commercial registration.

Article 72
(Payment of fines)

1. Fines must be paid within a period of ten days to be counted from the date on which the infractor is informed of the fining decision.
2. If the fines are not paid voluntarily within the fixed period described in previous paragraph coercive levying by fiscal proceedings shall be pursued, through the relevant body, with a certificate of the penalty order serving as an executive title.
3. An appeal against the application of the fine can be submitted to the Administrative Court of Macau, which shall suspend application.

Article 73
(Receipt of fines)

The fines levied under the terms of this law shall be revenue for the Territory.

Article 74
(Referrals and supplementary law)

The administrative violations described in Article 70 shall be subject to the regime of Decree-Law no. 52/99/M, of 4th October, and, in everything not contrary to the present law, the provisions of Chapter II, Title V of the MFSA.

Article 75
(Offshore financial institutions - Referral)

The material and procedural disciplinary regime to which OFI's and trust management companies shall be subject is that established in Chapter II, Title IV of the MFSA.

CHAPTER VII
Transitional and final provisions

Article 76
(Register)

1. AMCM shall introduce and keep up to date a computerised record for statistical and supervisory purposes and this shall include the name of institutions authorised to operate on Macau's offshore sector and other relevant information for this purpose.
2. For the purpose of assuring the accuracy of the register described in previous paragraph, IPIM shall notify AMCM of the list of the authorisations it has granted within its powers.
3. AMCM shall publish a list of authorised offshore institutions in the *Official Gazette* every six months.

Article 77
(Harmonisation with this law)

Institutions authorised to operate in the Territory under the provisions of Decree-Law 25/87/M of 4th May shall have a maximum one-year period in which to adopt the provisions of this law.

Article 78
(Publication of notices)

Notices issued by the relevant authorities under the terms of this law shall always be published in the *Official Gazette*.

Article 79
(Repealed legislation)

All legislation that contravenes the provisions of this law is hereby repealed, namely:

- a) Decree-Law no. 25/87/M of 4th May;
- b) The Law no. 6/8/M, of 28th December;
- c) Article 7 of Decree-Law no. 32/93/M of 5th July;
- d) The code no. “81.01.40 - Offshore Banks” contained in Schedule II - Special Tax Rates Table” of the Industrial Tax Regulations.

Article 80
(Commencement)

This law shall come into force in the 1st of November 1999.

Approved on the 13th of October of 1999.

To be published.

The Governor
Vasco Rocha Vieira

Decree-Law no. 58/99/M,
of 18th of October

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