

Asia Market Intelligence

Macau SAR

Presence

The HSBC Group's links to Macau date back to 1887, when we opened an agency in the territory. In 1972, HSBC opened its first branch in Macau. Today, HSBC is represented by The Hongkong and Shanghai Banking Corporation Limited, HSBC Insurance (Asia) Limited and HSBC Life (International) Limited. We offer a wide range of commercial banking and personal banking services, credit facilities, trade finance and payments and cash management.

Population:
481,000

Total Area:
29 sq km

Currency:
Pataca (MOP)

Major Languages:
Chinese (Cantonese), Portuguese and English

Time zone:
GMT +8 hrs

Central bank:
The Monetary Authority of Macau (AMCM)

Gross domestic product:
19.1bn (2007 est.); 27.3% real growth rate (2007 est.);
36,378 per capita (2007 est.)

Inflation rate (consumer prices):
5.6% (2007 est.)



HSBC 
The world's local bank

Clearing Systems and Payment Instruments

The local clearing system is owned, managed and run by the AMCM. Both MOP and Hong Kong dollar (HKD) domestic cheques can be cleared in two days. There is no settlement through the Macau clearing system on Saturday and Sunday.

At present, Macau has no real-time gross settlement (RTGS) system or electronic automated clearing houses (ACHs). Therefore, most companies use the in-house ACH facilities of major banks for standing orders, direct debits and SWIFT payments. Cheques are also commonly used, denominated in either MOP or HKD. In the absence of RTGS and ACHs, clearing in Macau is mostly paper-based.

Banking System and Bank Accounts

- The Monetary Authority of Macau (AMCM) was established in 1989 with the function of a quasi-central bank and the power to supervise the financial system of the Macau Special Administrative Region (SAR), covering both banking and insurance sectors.
- At present, there are 28 banks in Macau: 12 are locally incorporated (including the postal savings office) and 16 are branches of overseas banks. With the exception of three offshore banks, all banks in Macau are fully licensed retail banks.
- On the insurance side, there are 24 insurance companies, and 11 of which are life companies while the remaining 13 are involved in non-life business. Eight are local companies and the rest are branches of overseas companies.
- The authority for the supervision, coordination and inspection of insurance activities rests with the Chief Executive, while the actual execution of these functions is carried out by AMCM through its Insurance Supervision Department.
- There are no particular restrictions on opening bank accounts in Macau. However since Macau law is Continental Law (rather than Common Law) the Commercial Code applies to new company formations (e.g. partnerships are not allowed).
- For foreign corporations, a beneficial ownership declaration is required.
- The following types of bank account are currently available:

ACCOUNT TYPE	LOCAL CURRENT	LOCAL SAVINGS	FOREIGN CURRENT	FOREIGN SAVINGS
Resident	Yes	Yes	Yes	Yes
Non-resident	Yes	Yes	Yes	Yes
Credit interest	No	Yes	No	Yes

Cash management products and services at a glance*

INVESTMENT PRODUCT	TRANSACTION MANAGEMENT		LIQUIDITY MANAGEMENT
	PAYMENTS	COLLECTIONS	
<ul style="list-style-type: none"> • Local currency/Hong Kong dollar/foreign currency savings • Time deposits • 	<ul style="list-style-type: none"> • Outward remittances for overseas payments • MOP and HKD cashier's orders for domestic payments • Foreign currency demand drafts for overseas payments • Cheque payments • Cheque outsourcing • autoPay-out for salary and non-urgent payments to 	<ul style="list-style-type: none"> • 7-11 Alliance Counter Bill Payment services • Inward remittances from overseas • Cash/cheque deposit • Cash/cheque pick up services • USD and foreign currency clean cheque collection and purchase • 	<ul style="list-style-type: none"> • Overdraft facilities • Sweeping (in-country/cross-border,)

Australia Bangladesh Brunei Hong Kong SAR India Indonesia Japan Korea **Macau SAR** Malaysia
Mauritius New Zealand People's Republic of China The Philippines Singapore South Africa Sri Lanka Taiwan Thailand Vietnam

* Cash management services are delivered via HSBC*net*, HSBC's global Internet banking system.

Alliance Network

7-11 Alliance Counter Bill Payment services are provided to allow our corporate customers to collect bill payments over 7-11 convenient stores in Macau

Legal, Company and Regulatory

- There are no exchange control regulations. For export trading, 40% of a payment in the local currency is surrendered to the government.
- The AMCM is the regulatory body responsible for supervising the banking and insurance sectors. This includes the supervision of bureau de change. For banks registered as overseas branch in Macau, there is no capital requirement.
- There are four basic steps to establishing a company in Macau:
 1. Application regarding the admissibility of a trade name, which should be submitted to the Commercial Registry Office (CRCBM) and include a clear definition of the company's objectives.
 2. Completion and signing of the company's memorandum and articles of association (which must be done within 60 days of obtaining the trade name). This can be done through the Macao Trade and Investment Promotion Institute's private notary, a Macau-registered lawyer, or by the applicant and certified by a notary.
 3. Registration of the company (must be completed within 15 days of signing the memorandum of association) with the CRCBM, which requires submission of the following:
 - Letter of application with verified signature;
 - Company constitution document;
 - List of shareholders with copies of their ID;
 - List of board members;
 - Company board's letter of appointment;
 - Copy certificate of admissibility of the company's trade name; and
 - List of names of the administrative board.
 4. Making a declaration of commencement of operation to the Macau Finances Services Bureau, which must include:
 - Completed industrial tax form with verified signature;
 - List of shareholders with copies of their ID;
 - List of board members and their letter of appointment;
 - Certificate of registration issued by the CRCBM;
 - Copy of the memorandum and articles of association; and
 - Payment of the industrial tax (see "Liquidity, Currency and Tax" section).

Liquidity, Currency and Tax

- Macau has fairly "benign" banking regulations compared to other Asia-Pacific territories and countries. However, there are regulations that restrict liquidity management. For example, in-country notional pooling is only permitted subject to validation of enforceability right of set-off, while MOP cross-border notional pooling and MOP cross-border sweeping are not permitted.
- Surplus liquidity is usually invested in deposit accounts, or timed deposits.
- The following is a list of the key areas of taxation affecting companies with operations in Macau:
 - Property tax – 16% of rental income;
 - Industrial tax – a fixed fee of MOP300 on each business activity;

Australia	Bangladesh	Brunei	Hong Kong SAR	India	Indonesia	Japan	Korea	Macau SAR	Malaysia
Mauritius	New Zealand	People's Republic of China	The Philippines	Singapore	South Africa	Sri Lanka	Taiwan	Thailand	Vietnam

- Complementary (profits) tax – 12% on profits over MOP300,000;
 - Professional tax – between 7% and 12% charged on the individual’s annual income;
 - Stamp duty – 3% on transfer of real estate; and
 - Social security contributions – the monthly contribution made by the employer is MOP30 per resident employee and MOP45 per non-resident employee.
- There is no withholding tax in Macau.

Market Watch

No recent or anticipated change of significance.

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Banking hours:

Mon – Fri

9:00am – 4:30pm

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