

Legal Alert

Amendment to Macau's Gaming Law – Law 16/2001

January 14, 2022



The Macau SAR Government has announced today the key elements of the upcoming amendment to the Macau Gaming (Law 16/2001):

1. The maximum number of gaming concessions to be granted will be six and no sub concessions will be allowed.
2. The maximum term of the concession contracts will be 10 years (with 3 years of exceptional extension, in a total maximum of 13 years).
3. The following requisites and restrictions will be imposed on concessionaires:
 - a) Increase of the minimum share capital to MOP5 billion or approx. USD623,546,000. (currently MOP200m or approx. USD25m).
 - b) Increase of the minimum share capital mandatorily held by the managing director, who must be a permanent resident of Macau to 15% (currently at 10%).
 - c) A cap on the concessionaires' (or their controlled subsidiaries) publicly traded share capital.
4. Determine the social responsibility obligations of the concessionaires.
5. Introduce a grace period of three years for all casinos to be operating in premises owned by the concessionaire (effectively disallowing the operation of casinos in third party venues).
6. Reinforcement of the suitability verification mechanisms in respect of the concessionaire, as well as of individuals and entities involved in the gaming operations.

It was further announced that there will be:

- a) No changes to the current rate of special gaming tax (35% on gross gaming revenue).
- b) No appointment of a government representative to each concessionaire.

The government did not announce the introduction of limitations to the distribution of dividends, but references were made to other controls that may be imposed.

The key objectives of the future amendment to the Gaming Law will be, amongst others, the following:

- safeguard of national interests.
- promote the adequate diversification and the sustainable development of the economy.

It was also made clear that there will be a public tender to award the new gaming concessions, and that the new draft bill will be put forward to the Legislative Assembly on January 15.

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