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LEGAL UPDATE

Revocation of Property Cooling Measures in Macau

With the enactment of Law 5/2024, as approved by Macau Legco last April 18 and published in the Official Gazette, the Government revoked all the additional Stamp Duty taxes and rates applicable to the transfer of property in Macau, namely:

- extra stamp duty levied on properties resold within 24 months after being purchased (commonly referred to as property “flipping”) (under Laws 6/2011 and 15/2012, now revoked)
- extra stamp duty (10%) payable by non-residents individuals or companies on the acquisition of properties in Macau (under 53-A Stamp Duty Regulation or SDR, now revoked).
- extra stamp duty (10%) payable by the owners of at least two properties on the acquisition of additional properties (under Laws 2/1018 and 1/2024, now revoked).

These are the main taxes being revoked, which has reduced the taxation structure to only the following schedule:

Property consideration or part thereof	Rate (*) (#)
Up to 2 million	1%
From 2 million up to 4 million	2%
4 million and above	3%

* As per section 42, SDR

Plus, under section 15 SDR, a minor tax on the Stamp Duty on the tax bill, at a rate of 5% over the amount of Stamp Duty payable.

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The changes now enacted follow similar legal changes approved in Hong Kong, as this jurisdiction also revoked taxes that had been approved some years ago to curb property speculation.

These tax changes are seen as a stimulus to the Macau property market – noticeably quiet for the last 3 years, with a reduced number of transactions being recorded every month – following appeals from the local property sector and Macau developers for the Government to support the property market.

The taxes changes now enacted are seen positively by the market and property investors, given the substantial reduction of the taxes levied on property acquisitions in Macau but also because companies and individuals from overseas (i.e., not based in Macau) pay now the same taxes as Macau residents and companies.

Also, it is seen as a positive development by simplifying and streamlining the taxation procedures on property transactions.

Lastly, as part of this policy change, the maximum mortgage Loan to Value ratio ceiling for foreign buyers has also been increased from c.40% to 70%.

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