

Dispute Resolution

In our Dispute Resolution chapter, our team explore key features of dispute resolution in Macau, by highlighting the jurisdictional independence of Macau, the structure of its court system, the governing laws, and the language adopted in legal proceedings.

1. Jurisdictional Independence

The Macau SAR is a Special Administrative Region of the People's Republic of China (PRC) operates with a high degree of autonomy, as established under the Basic Law of the Macau SAR.

This foundational legal framework grants Macau independent judicial power, including the authority of final adjudication, ensuring that its courts operate free from external influence. Specifically, the judicial system in Macau is designed to be subordinate solely to the law, immune from any intervention or supervision by the courts of the PRC, and protected against interference of any kind, thereby upholding the principle of judicial independence.

2. Court Structure

The Macau SAR operates a three-tier court system, which consists of the Court of First Instance (Tribunais de Primeira Instância), the Court of Second Instance (Tribunal de Segunda Instância) and the Court of Final Appeal (Tribunal de Última Instância). The Court of First Instance consists of the Judicial Base Court (Tribunal Judicial de Base) and the Administrative Court (Tribunal Administrativo).

The Judicial Base Court, in turn, is comprised of the i) Civil Court, ii) Criminal Court, iii) Examining Magistracy, iv) Court for Minor Civil Claims, v) Labour Court and vi) Family and Minors Court.

3. Governing Law

Macau law is widely accepted as the governing law for contracts, reflecting the legislative autonomy granted to the Macau Special Administrative Region (SAR) under the Basic Law.

Macau operates under a civil law system, with its legal framework anchored in the “Five Codes”: the Civil Code, Civil Procedure Code, Penal Code, Criminal Procedure Code, and Commercial Code. The Civil Code, which governs contractual obligations, is divided into five key chapters—General Theory, Obligations, Things (including movable property and real estate), Family, and Succession—while the Commercial Code supplements matters related to commercial contracts, such as agency and franchise agreements. Notably, national laws of the People's Republic of China (PRC) generally do not apply in Macau, except for those concerning national sovereignty listed in Annex III of



the Basic Law. That said, in cross-border transactions, parties may opt for PRC law as the governing law, particularly when the contract has a strong connection to the PRC jurisdiction.

From our perspective, selecting Macau SAR law as the governing law for arbitration disputes is both fair and practical, as the Civil Code and Commercial Code provide just and reasonable solutions for commercial disputes. Parties may also choose Macau SAR law to govern a dispute even if the contract itself is governed by another jurisdiction's laws. However, if Macau SAR law governs the validity of an arbitration clause, it is essential to ensure the clause is stipulated in writing to comply with local requirements.

4. Language Adopted

In the Macau SAR, only the official languages of Chinese and Portuguese are admissible for use in courts. All official documents and applications, such as statements, declarations, defences, and counterclaims, must be prepared in either Chinese or Portuguese; English is not accepted for court submissions.

Evidence submitted in English or other languages may require translation into one of the official languages. That said, the language barrier is not insurmountable, as the region has seen a growing number of qualified bilingual legal professionals, and English remains widely used in social and economic activities, often serving as the lingua franca between native Chinese speakers and foreigners. Importantly, this language restriction does not apply to arbitrations seated in Macau, where parties are free to agree on the use of one or more languages, without being limited to Chinese or Portuguese.

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