LEGAL INSIGHT

Recent Developments in Macau's Modern Financial System

In recent years, the Macau Special Administrative Region has continued to promote the development of the modern financial industry and has introduced a series of legal, regulatory, and market infrastructure measures.

From the establishment and enhancement of bond market infrastructure, to the formal implementation of the new Investment Funds Law, and more recently the introduction of the Government Guidance Fund Management Regime, these developments indicate that Macau is gradually building a modern financial regulatory framework covering financing, asset management and industrial investment.

For enterprises and market participants intending to use Macau as a platform for financing, investment or asset management activities, these regulatory developments merit continued attention.

Continued Enhancement of the Bond Market

As one of the key achievements of Macau's modern financial development in recent years, Macau's bond market has gradually established a comprehensive institutional foundation.

Under the current regime, debt securities issued in Macau are required to be centrally registered, deposited and settled through Macau Central Securities Depository and Clearing Limited (MCSD), while bonds offered by public subscription are also required to complete the relevant registration procedures. Macau has now established market infrastructure covering issuance, registration, custody, settlement and ongoing management.

Recently, the Monetary Authority of Macao further updated the Guideline on the Issuance and Information Disclosure of Corporate Bond, the Guideline on Underwriting and Trustee Business of Corporate Bond, and the Guideline on Registration System for Bond Issuance through Public Subscription.

Although these amendments are primarily regulatory refinements, certain updates also reflect Macau's continued alignment with international bond market practices. For example, in transactions involving bonds issued to professional investors and private placements, issuers may consider whether to appoint a trustee based on the needs of the transaction, thereby providing greater flexibility for the professional investor market.

From a market development perspective, these updates further strengthen the institutional foundation of Macau's bond market.

The Investment Funds Law Establishes a New Legal Framework for Funds

In addition to the bond market, the funds and asset management market has also been an important direction for Macau's modern financial development in recent years.

Macau's new Investment Funds Law formally came into effect on 1 January 2026.

The new law establishes a more comprehensive and modern legal framework for the establishment, management and operation of funds, and further enhances the regulatory arrangements for fund managers, fund governance and investment fund operations.

Although the law has only been in force for a relatively short period, from a policy perspective its introduction is generally viewed as an important step in further promoting the development of Macau's asset management market and as providing a clearer legal basis for future fund management and related financial services activities.

Introduction of the Government Guidance Fund Regime

Following the establishment of the new legal framework for funds, the Macau SAR Government has recently introduced the Government Guidance Fund Management Regime.

Unlike ordinary commercial funds, the purpose of establishing government guidance funds is not limited to generating investment returns. Rather, it is to use capital as a guiding mechanism to attract social capital to participate jointly in industrial projects aligned with Macau's future development direction.

The regime also introduces arrangements relating to management entities, fund managers, investment committees and performance evaluation, and expressly permits policy objectives to be pursued through investment funds, co investment arrangements and other means.

It is worth noting that the regulations refer several times to concepts such as "Long Termism" and "Patient Capital", reflecting a regulatory design that places greater emphasis on long term industrial cultivation and the broader economic benefits generated by industrial development.

From Financial Services to Industrial Development

Recent policy developments suggest that Macau's modern financial development has gradually moved beyond financial services in a narrow sense and is increasingly being integrated with industrial policy.

Government officials have recently referred on various occasions to concepts such as "chain leading enterprises", "spillover effects" and "re investment requirements", while the establishment of the government guidance fund regime provides a new institutional tool to support these policy objectives through capital arrangements.

Against this background, market attention may not be focused solely on the number of funds, fund size or the number of fund managers. Instead, the key issue is whether the relevant capital can support policy objectives such as industrial development, enterprise establishment in Macau and regional coordinated development.

From the perspective of regulatory design, market participants with industrial resources, technological capabilities, cross border networks and enterprise resources may have more opportunities to participate in the relevant market development in the future.

Implications for Enterprises and Investors

For market participants, this series of institutional developments does not merely reflect updates to individual laws or regulatory rules.

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Key points to watch include:

- Macau's bond market continues to improve, offering enterprises additional financing channel options;
- The new Investment Funds Law provides a more comprehensive legal framework for fund establishment and asset management business;
- The government guidance fund regime creates new potential development space for fund managers and industrial investors;
- Macau is gradually establishing a modern financial system covering financing, asset management and industrial investment;
- For enterprises and investors intending to develop their presence in the Greater Bay Area, Hengqin and Portuguese speaking countries, these institutional developments may create new cooperation and investment opportunities.

Conclusion

Viewed together, the development of the bond market in recent years, the implementation of the Investment Funds Law and the introduction of the government guidance fund regime show that Macau's modern financial development is gradually forming an institutional system that extends from financing markets to asset management and industrial investment.

These developments may not indicate that Macau is simply seeking to become another financial market. Rather, they may reflect Macau's efforts to build a regional platform connecting capital, markets and industrial resources. For enterprises, financial institutions, fund managers and investors, these developments merit continued attention.

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