

How to Incorporate a Company?

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September 2007

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1. What are the types of business vehicles ?

The most common forms of business vehicles for foreign companies wishing to carry on business in Macau are:

- A company incorporated in Macau;
- A branch office of a foreign company;
- The establishment of a representative office in Macau; *or*
- Sole proprietorships.

2. What types of companies can be incorporated?

Under the Commercial Code, the following types of commercial entities may be established in Macau to carry on business:

- Individual entrepreneur ("empresário individual"- E.I);
- Unlimited liability company ("sociedade em nome colectivo" - S.N.C.);
- Mixed liability company by quotas ("sociedade em comandita" - S.C.);
- Mixed liability company by shares ("sociedade em comandita por acções" - S.C.A.);
- Limited liability company by an individual quota ("sociedade por quota unipessoal - sociedade unipessoal Lda.");
- Limited liability company by quotas ("sociedade por quotas" - Lda.);
- Limited liability company by shares ("sociedade anónima" - S.A.).

3. What are the companies main characteristics?

	Number of Shareholders	Capital	Mandatory abbreviation
Unlimited liability company	2 or more	There is no prescribed minimum or maximum share capital	S.N.C
Mixed liability company by quotas	1 or more with unlimited responsibility and 1 or more with limited responsibility	There is no prescribed minimum or maximum share capital	S.C.
Mixed liability company by shares	1 or more with unlimited responsibility and 3 or more with limited responsibility	Prescribed minimum share capital: MOP\$1,000,000 There is no prescribed maximum share capital	S.C.A.
Limited liability company by quotas	2 to 30 quota holders	Prescribed minimum share capital: MOP\$25,000 There is no prescribed maximum share capital	Lda.
Limited liability company by an individual quota	1 quota holder	Prescribed minimum share capital: MOP\$25,000 There is no prescribed maximum share capital	Sociedade Unipessoal Lda.
Limited liability company by shares	At least 3 shareholders	Prescribed minimum share capital: MOP\$1,000,000 There is no prescribed maximum of share	S.A.

4. What are the procedures for the incorporation of a company ?

A company is incorporated in Macau following the bellow mentioned procedures:

	Procedures	Responsible entity	Observations
1	Firm name certificate	Business Registry	A firm name must be proposed and the object of activities must be defined
2	Articles of Association (Within 60 days after the firm certificate is issued)	Registered Lawyer in Macau	The Articles of Association must be notarized by a notary
3	Declaration of initiation of activity	Finance Services Bureau	The following documents must be delivered: 1. Finance Services Bureau M1 Form for Industrial Tax (signed and notarized); 2. Copy of identification documents; 3. Copy of the Articles of Association.
4	Registration of the company (Within 15 days after the Articles of Association are signed and notarized)	Business Registry	The following documents must be delivered with the application for registration: 1. Notary certificate of the Articles of Association; 2. List of names and addresses of shareholders and of members of the boards; 3. Acceptance of appointment by the members of the boards; 4. Copy of the M1 Form delivered.

After completion of company registry, employers should fill in the M/2 form and submit it to the **"Finance Services Bureau- Professional Tax Division"** within 15 days of any employment (Law no. 2/78/M).

The Employer is responsible for the enrolment of himself and for his employees to the "**Social Security Fund**". Quarterly payment should be made in January, April, July and October of every year. (Decree-Law no. 58/93/M).

Employers should file employees' monthly records in the office for random inspection by the "**Labour Affairs Bureau**" (Decree-Law no. 50/85/M).

The company should file Fixed Asset Listing, Balance Sheet and Meeting Minutes Book after commencing operation. (Decree-Law no. 40/99/M).

The Business Registry will then issue a certificate of incorporation, certifying the name, date of incorporation of the company, object of activity, shareholders, company capital, division of company capital, and representation of the company. The company legal existence and personality will commence from the date of registration of their incorporation.

What are the rules to follow when deciding the firm name ?

A company name will not be permitted if it is identical to that of an existing company, and there are certain restrictions on the use of particular words. A company may be incorporated with either a Portuguese or Chinese name, or both. It can also be incorporated with an English name, but then both Portuguese and Chinese Names must also be incorporated.

Who can be a shareholders?

The name, address and shareholding of the company shareholders are filed on public record at the Business Registry. Shareholders can be individuals or corporations of any nationality, domicile or residence.

The shareholders meetings can be held anywhere within Macau SAR as long as place of meeting is specified in the meeting notice.

Who can be a director?

A company must have the number of legally prescribed directors, and they can be individuals (if they are 18 years old) or corporations of any nationality, domicile and residence. The Business Registry will keep a public record of their names, addresses and business titles.

The board meetings can be held anywhere, as long as the place of meeting is specified in the meeting notice.

In which situations must the company nominate a Company Secretary?

A company secretary must be nominated for limited liability company by shares, companies with more than 10 shareholders or quota holders, if they issue bonds or if their capital is above the limit defined by Executive Order of the Chief Executive. All other companies can also nominate a company secretary if desired.

A director or an employee of the company can be nominated as a company secretary or the services of a Lawyer registered in the Macau Lawyers Association can be retained to fulfill that position. The Business Registry will keep a public record of the name and address of the company secretary.

Besides other functions that the law or the articles of association may assign, the company secretary's main functions are to certify legally required translations, certify the signature of shareholders or of directors, maintain the company's statutory books, produce the minutes book of directors' and shareholders' meetings and the share certificate registration book, promote the commercial registration as required by law and prepare the documents that must be kept on public record.

BN Lawyers can provide company secretarial services.

What are the principal rules to follow in regards to Business registration?

Under the Business Registration Law, a company is required to obtain a Business Registration Certificate from the Business Registry.

Within 15 days of any amendment, the company is obliged to update the information originally provided to the Business Registry.

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November 2007

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