

Macau Investment Funds Law Series: Corporate Fund under Law

No. 11/2025

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Macau's new **Investment Funds Law (Law No. 11/2025)**, effective **1 January 2026**, establishes a comprehensive statutory framework for the **collective investment company**, the corporate fund vehicle under Macau law. The collective investment company is the only fund vehicle under the Law that possesses **legal personality**, and is established as a *sociedade anónima* (company limited by shares) whose fund assets constitute the company's own patrimony. Like the contractual fund, the corporate fund may be used for **both public and private funds**, making it a versatile option for sponsors seeking a corporate governance overlay.

Key takeaways

- **Dual availability:** The collective investment company may be established as either a public or private fund. [1]
- **Legal personality:** Unlike the contractual fund and the limited partnership fund, the collective investment company possesses legal personality; fund assets are the company's own property. [2]
- **Variable or fixed capital:** The company is a **variable capital** company (SICAV / VCC) unless its sole business is a closed-ended fund, in which case it is a **fixed capital** company (SICAF / FCC). [3]

- **Dual governance:** The company may appoint an **external management entity** or operate through **self-management**, subject to AMCM implementing circulars. [4]
- **Board requirements:** The board of directors must comprise at least **two** qualified members, who may not serve as board members or employees of the custodian. [5]
- **Commercial law overlay:** The collective investment company is governed by the Law and the Commercial Code provisions applicable to *sociedades anónimas*, except where those provisions conflict with the company's nature or the Law. [6]
- **Shareholders' limited liability:** Each shareholder's liability is limited to the amount of their subscribed shares. [7]

I. Introduction

Under the previous regime, the corporate fund vehicle lacked a dedicated regulatory framework tailored to its dual nature as both an investment fund and a commercial company. Law No. 11/2025 addresses this by introducing a dedicated section (Chapter 1, Section 5) establishing the collective investment company's legal character, governance structure, and applicable regime, while drawing on the broader fund provisions of the Law for matters such as management duties, custodian obligations, and investor protections.

This article examines the legal nature and capital structure, naming requirements, applicable regime, constitutive documents, management and governance, commercial registration, and dissolution of the collective investment company.

II. Key Provisions and Analysis

1. Legal Nature and Capital Structure

The collective investment company is a fund established with **legal personality** as a *sociedade anónima*, whose fund assets constitute the **company's own patrimony**. Its shares are **registered, no par value, and book-entry**, and the articles of association may provide for different classes and categories of shares, which may be split for subscription and redemption purposes. Each shareholder's liability is limited to the amount of their subscribed shares.

The capital structure depends on the company's business: if the company's sole business is a **closed-ended fund** (or closed-ended sub-fund), it is a **fixed capital** company; in all other cases, it is a **variable capital** company whose capital equals its NAV at any time and fluctuates with share subscriptions and redemptions. The collective investment company may establish **sub-funds**, each enjoying property independence under Article 10 and represented by one or more classes of shares. [3]

2. Naming Requirements

The company's trade name must reflect whether it is variable or fixed capital:

- **Chinese:** "可變資本集體投資公司" or "固定資本集體投資公司".
- **Portuguese:** "Sociedade de Investimento Colectivo de Capital Variável" (SICAV) or "Sociedade de Investimento Colectivo de Capital Fixo" (SICAF).
- **English** (if used): "Variable Capital Collective Investment Company" (VCC) or "Fixed Capital Collective Investment Company" (FCC). [8]

3. Applicable Regime and Commercial Code Exclusions

The collective investment company is governed by the Law **and** the Commercial Code provisions applicable to *sociedades anónimas*, except where those provisions conflict with the company's nature or the Law. [6] The Law expressly disapplies the following Commercial Code provisions:

- Formation of *sociedades anónimas* by public subscription.
- Rules on capital payment, increase, reduction, and losses equal to half the capital.
- Mandatory establishment of a supervisory body (*órgão de fiscalização*) and company secretary.
- Minimum shareholder requirements for *sociedades anónimas*.
- Mandatory reserve funds.
- Restrictions on distribution of profits and company assets to shareholders, and on the acquisition and transfer of assets to/from shareholders.
- Rules on preparation and filing of company accounts.
- Rules on merger, division, and corporate reorganisation.
- Restrictions on acquisition or holding of own shares.
- Quorum requirements for shareholders' meetings.

This extensive disapplication reflects the fact that a collective investment company's capital and share structure are driven by fund operations (subscriptions, redemptions, and NAV fluctuations), rather than the fixed-capital logic of ordinary commercial companies.

4. Constitutive Documents

The constitutive document of a collective investment company is its **articles of association**. The incorporation document must be executed by way of certified signatures of the shareholders or an authenticated deed, and must include: the date of execution; identification of founding shareholders and any agents; the shareholders' declaration of intent to establish the company; the articles of association (which may be appended); and the appointment of board members and, if applicable, supervisory body members and company secretary.

In the case of the incorporation document executed by the way of certified signatures of the shareholders, a declaration by a Macau-registered lawyer confirming that the incorporation process is free of irregularity is required.

For **private fund collective investment companies**, the incorporation document must additionally include a declaration by a Macau-registered lawyer confirming that the founding shareholders meet the applicable investor qualification requirements.

In addition to the standard constitutive document content required under Article 32(3), the articles of association must specify: the company's trade name and domicile; the fund's basic characteristics; whether the capital is variable or fixed (and if fixed, the capital amount); the composition and operation of the board and any supervisory body; any bond issuance authorisation; and, for fixed capital companies, the maximum amount by which the board may increase capital without a shareholders' resolution. Where **management shares** are issued, the articles must clearly set out transfer restrictions, income distribution limitations, and related arrangements. [10]

5. Management Regime

The collective investment company may be managed in one of two ways:

1. **External management:** The company appoints an external management entity, with the rights and obligations governed by a written management contract that must reflect the constitutive documents filed with the AMCM.
2. **Self-management:** The company manages itself, subject to implementing rules to be prescribed by the AMCM by circular.

If the external management entity fails to perform its duties adequately, the board must **immediately** take necessary measures and report to the AMCM. [4]

6. Board of Directors

The board must comprise at least **two qualified members**, who may not serve as board members or employees of the custodian and must act in the interests of shareholders, independently and impartially. The board's duties include:

- Formulating the company's overall management policies, including approving investment policy, risk management policy, and other key policies.
- Designating the fund custodian and the auditor.
- Supervising the external management entity's operations and the performance of the management contract.

Board members who, by **wilful misconduct or gross negligence**, fail to effectively supervise the external management entity are **jointly and severally liable** to the company and shareholders for resulting losses. [5]

7. Invalidity of Incorporation

The incorporation is null in the following circumstances: [9]

1. For public funds: the incorporation document was signed **without the AMCM's prior approval**.
2. For private funds: the incorporation document was signed **before the AMCM filing was completed**.
3. A private fund was established by shareholders who **do not meet the applicable investor qualification requirements**.

If the company has already been registered or commenced operations, nullity or annulment leads to **liquidation**, but may not be raised against good-faith third parties. Partial nullity does not lead to liquidation unless it renders the entire incorporation impossible.

8. Commercial Registration

Commercial registration of a collective investment company is effected by filing: the incorporation document (including the articles of association); a list of board members (and any supervisory body members and company secretary) with their signed acceptance declarations; and the AMCM's establishment licence or filing completion certificate. Facts subject to registration include: the incorporation document and amendments; appointments and changes to board, supervisory body, and company secretary; restrictions on board and liquidator powers; changes to domicile; extension, merger, division, reorganisation, dissolution, and (for fixed capital companies) capital increases or decreases; bond issuances; and re-domiciliation of a foreign collective investment company to Macau.

9. Shareholders' Meetings and Investor Protections

The Law's provisions on **participants' meetings** apply, with necessary adaptations, to the **shareholders' meetings** of collective investment companies. Shareholders enjoy the same rights as contractual fund participants — sharing in income, participating in residual asset distributions, transferring or redeeming shares, convening and attending meetings, exercising voting rights, and bringing judicial proceedings against entities harming their interests. [11]

For **collective investment companies**, the shareholders' meeting has competence over matters including early termination, merger, division, material amendments to the articles of association, and replacement of the management entity or custodian. A quorum of shareholders representing a majority of shares is required, and certain resolutions require supermajority approval. [12]

10. Dissolution and Liquidation

Corporate funds undergo dissolution following similar triggers to contractual funds. For **public corporate funds**, dissolution requires participant (shareholder) general meeting resolutions for early dissolution, with specific procedures for closed-end funds failing to list or maintain listing. The administrative management body must publish liquidation announcements and notify shareholders within prescribed timeframes. Liquidation

procedures mirror contractual funds, with the management entity or designated third party serving as liquidator, disposing of assets, settling liabilities, and distributing remaining assets to shareholders according to the articles of association. Commercial registration of dissolution and extinction events is mandatory.

Private corporate funds dissolve under similar conditions, with additional requirements for management entities or liquidators to protect shareholder information rights and prepare audited final liquidation reports. The Macau Monetary Authority issues extinction certificates upon liquidation completion and the funds are considered extinct on the date of commercial registration of extinction.

III. Implications and Next Steps

The collective investment company provides a corporate alternative to the contractual fund, offering sponsors the benefit of legal personality and a familiar corporate governance framework — board oversight, shareholders' meetings, and Commercial Code protections — layered onto the fund regulatory regime. The choice between external management and self-management gives sponsors operational flexibility, though the self-management option awaits AMCM implementing circulars. The extensive disapplication of Commercial Code provisions ensures that the corporate structure does not impede the fund's operational requirements — particularly the variable capital mechanism essential for open-ended funds.

Footnotes:

[1]: Article 4(2) (Public funds — contractual or corporate form only; private funds — any form)

[2]: Article 4(4) (Collective investment company — legal personality and company patrimony)

[3]: Articles 37(1)–(5) (Shares, capital structure, variable and fixed capital, sub-funds)

[4]: Article 40 (Management regime — external management or self-management)

[5]: Articles 41(1)–(5) (Board composition, duties, and liability)

[6]: Article 36 (Applicable regime and Commercial Code exclusions)

[7]: Article 37(2) (Shareholder limited liability)

[8]: Article 9(3) (Naming requirements for collective investment companies)

[9]: Article 39 (Invalidity of the incorporation document)

[10]: Article 38 (Incorporation document — form and content)

[11]: Article 83(2) (Participants' meeting — general provision)

[12]: Article 86 (Participants' meeting — competence)