

Macau Investment Funds Law Series: Sales Entities under Law No. 11/2025

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Key takeaways

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Macau's new **Investment Funds Law (Law No. 11/2025)**, effective **1 January 2026**, introduces a comprehensive framework governing **sales entities** — the financial institutions responsible for promoting and distributing fund units to investors. While the prior regime under Decree-Law No. 83/99/M offered limited guidance on the distribution function, the new law codifies the contractual, conduct, and disclosure obligations of sales entities across both public and private funds.

In this Macau Investment Funds Law Series, our companion articles include:

1. Fund Managers: [link](#);
2. Foreign Funds Inbound & Macau Funds Outbound: [link](#);
3. Custodians: [link](#).

Key takeaways

- **Defined statutory role:** A sales entity is a financial institution that, by contract, promotes and sells fund units on the market for investor subscription. [1]

- **Written contract required:** The relationship between the management entity and the sales entity must be governed by a written contract specifying, at minimum, the scope of duties, service standards, remuneration, and responsibility allocation. [2]
 - **Conduct principles:** Sales entities must adhere to principles of openness, fairness, objectivity, and non-misleading conduct; may not make false or exaggerated return promises; and must clearly disclose risks to investors. [3]
 - **Management entity oversight:** The management entity retains ultimate responsibility for sales management, including ensuring contractual compliance and providing sales entities with required information. [5]
 - **Cross-border distribution:** Foreign public funds must obtain AMCM prior approval and distribute through sales entities in Macau; foreign private funds must likewise distribute through sales entities. [6]
 - **Private fund restrictions:** Sales entities for private funds may not solicit the general public and must ensure investors are fully informed of risks before making investment decisions. [7]
 - **Transition deadline:** Existing funds and entities engaged in fund sales must comply with the new law by **1 January 2027**.
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I. Introduction

Under the previous regime, the distribution of fund units in Macau was governed in only general terms, with limited statutory specificity on the obligations and conduct standards of entities performing fund sales. Law No. 11/2025 introduces a dedicated statutory definition: a **sales entity** is a *financial institution that, by contract, promotes and sells fund units on the market for investor subscription*. [1] The law places sales entities alongside management entities and custodians as one of the three principal categories of fund participants, subject to shared overarching duties and distinct operational obligations.

This article examines the eligibility, contractual framework, conduct standards, and cross-border dimensions of the sales entity role. For the marketing and sales of Foreign Fund regime, see our companion article *Foreign Fund Under Macau's New Investment Funds Law (Law No. 11/2025)* in this series.

II. Key Provisions and Analysis

1. Definition and Eligibility

The Law defines a sales entity as a **financial institution** that, pursuant to a contract, is responsible for promoting and selling fund units on the market for investor subscription. [1] This definition limits eligibility to licensed financial institutions — entities that are not licensed financial institutions cannot serve as sales entities.

Fund unit subscriptions must be processed through either the management entity itself or a sales entity appointed by it. [8] The same applies to redemptions of open-ended public fund

units, which participants may request through the management entity or through a sales entity. [9]

2. Overarching Duty of Good Faith

Sales entities are subject to the same overarching duty that applies to management entities and custodians: they must act with **prudence, honesty, good faith, and diligence, independently** and in the **best interests** of participants. This general standard of conduct governs all sales activities and underpins the specific obligations discussed below. [4]

3. The Sales Contract

Where the management entity engages a sales entity to carry out fund promotion, sales, or other administrative services, the relationship must be governed by a **written contract** containing at least the following: [2]

1. The scope of the sales entity's duties.
2. The service standards, duration, and requirements.
3. The method of calculating the sales entity's remuneration and payment conditions.
4. The allocation of responsibilities and related supervisory measures in connection with the performance of sales functions.

This mandatory contractual framework ensures clarity on each party's obligations, fee arrangements, and accountability — key protections for both the management entity and investors.

4. Conduct Principles for Fund Promotion and Sales

When carrying out fund promotion or sales activities, the sales entity must observe the following principles: [3]

- **Openness, fairness, objectivity, and non-misleading conduct:** All communications with investors must be transparent and balanced.
- **Strict compliance** with the fund's constitutive documents and all applicable laws and regulations.
- **No false or exaggerated return promises:** The sales entity may not guarantee or overstate investment returns.
- **Clear risk disclosure:** During the promotion or sales process, the sales entity must clearly inform investors of relevant risk factors and prominently present risk warnings.
- **Timely transmission:** Subscription and redemption instructions must be forwarded to the management entity in a timely manner pursuant to the sales contract.

These principles closely mirror international standards on fund distribution conduct and represent a significant codification of investor-protection norms in Macau.

5. Sales Management by the Management Entity

The management entity bears overarching responsibility for **sales management** as one of its three core duties for public funds (alongside investment management and administrative management). [5]

In discharging this responsibility, the management entity must: [10]

- Where a sales entity is appointed, ensure the content of each sales contract complies with the Law.
- Provide the sales entity with all information and assistance needed for periodic and material-event disclosures, including investment policy information.
- When the management entity sells fund units directly (without a sales entity), it must itself observe the conduct principles applicable to sales entities. [10]

This structure ensures that the management entity cannot simply delegate distribution responsibilities and walk away — it retains a continuing supervisory and support role.

6. Foreign Fund Distribution

For the marketing and sales of Foreign Fund regime, see our companion article Foreign Fund Under Macau's New Investment Funds Law (Law No. 11/2025) in this series.

7. Private Fund Sales Restrictions

Sales entities distributing **private fund** units are subject to strict limitations: [7]

- They may not raise capital from the general public — specifically, solicitation through mass media (newspapers, television, the internet), seminars, reports, flyers, text messages, emails, messaging applications, or any form of disguised public offering is prohibited.
- They must provide investors with adequate risk-related information during the fundraising process and clearly inform investors of potential risks, ensuring that investors fully understand the risks before making their own investment decisions.

For the detailed standards for private fund solicitation, investor qualifications, fundraising methods, and sales norms set by the AMCM by circular, see our companion article “Four New AMCM Circulars on Fund Regulation: Private Placement, Public Fund Valuation, Money Market/Index Funds, and Management Companies’ Own Fund Requirements (Effective 1 January 2026)” - <https://www.lexology.com/library/detail.aspx?g=ac3076f1-5b92-487d-ae56-8adf9b8fb64c> .

8. Information Disclosure and Documentation

Sales entities play a supporting role in the Law's disclosure regime:

- The **fund information summary** must be made available for investor review at the premises of both the management entity and the sales entity, and promotional materials must clearly indicate how and where investors can obtain a free copy. [11]
- Upon fund dissolution, the sales entity must publish the **liquidation notice** at all fund unit sales locations. [12]
- Where fund units are in a **redemption-suspended** state, the management entity or sales entity must obtain the investor's **written confirmation** of awareness of the suspension before processing any new subscription. [13]

Fund operation records — including subscription, redemption, and other transactional data — may be produced and stored in the systems of the management entity, sales entity, or other professional service providers. [14]

III. Implications and Next Steps

The new sales entity regime establishes a structured, compliance-driven framework for fund distribution that will require adjustments across the industry. **Financial institutions** engaged in fund distribution must review and, where necessary, formalise written contracts with management entities that meet the minimum content requirements. Internal compliance procedures should be updated to reflect the new conduct principles, particularly the prohibitions on misleading communications and exaggerated return promises. **Fund managers** retain ultimate responsibility for sales management and must exercise active oversight of appointed sales entities. This includes ensuring contractual compliance, providing timely disclosure materials, and — where the manager distributes fund units directly — adhering to the same conduct standards that apply to sales entities. **Foreign fund** seeking to distribute into Macau must appoint a sales entity and navigate the AMCM's prior-approval process for public funds or the sales-entity distribution requirement for private funds.

All existing funds and entities involved in fund sales must achieve full compliance by **1 January 2027**.

Footnotes and References

- [1]: Article 2(7)
- [2]: Article 30(1)
- [3]: Article 30(2)
- [4]: Article 21
- [5]: Articles 72(1)(3) and 75
- [6]: Articles 43–46
- [7]: Article 103(1)–(2)
- [8]: Article 54(1)
- [9]: Article 55
- [10]: Article 75(1)–(3)
- [11]: Article 34(2)
- [12]: Article 97(4)
- [13]: Article 56(5)
- [14]: Article 12(2)

Disclaimer: This article is for general informational purposes only and does not constitute legal advice. Readers should consult qualified legal counsel for advice specific to their circumstances.