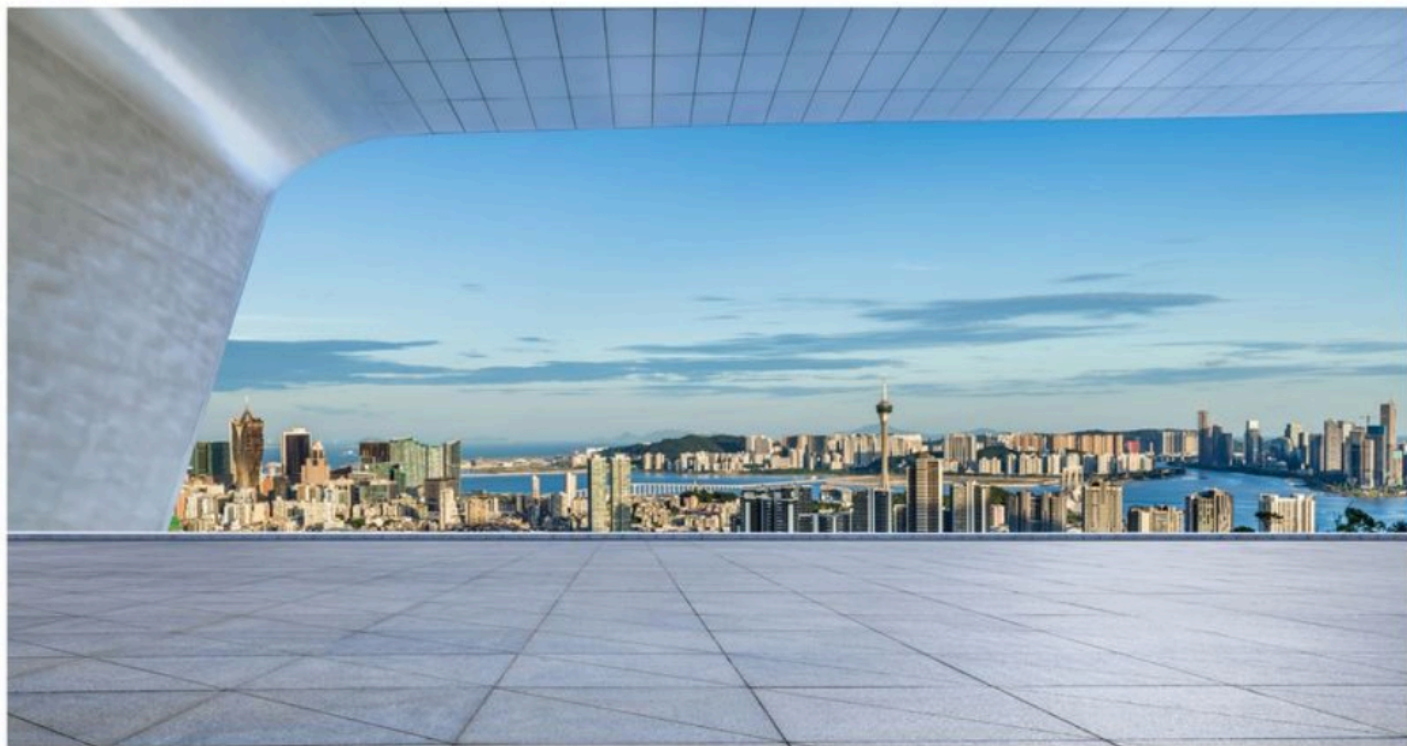




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A new law, a new fund, and MOP 20 billion: Macau makes its move



Macau just put MOP 20 billion on the table — and for once, it has nothing to do with baccarat.

In February, the Secretary for Economy and Finance announced a government guidance fund seeded with at least MOP 11 billion (US\$1.37 billion) of public money, scaling to MOP 20 billion with private capital. That alone would be news. But it lands on top of a new Investment Funds Law (Law No. 11/2025) that took effect on 1 January 2026, replacing a regulatory framework from 1999, plus a Budget Law loaded with tax incentives, plus four implementing circulars the regulator published even before the law kicked in.

This is not a tentative policy signal. It is a coordinated, capital-backed bet that Macau can become a serious fund domicile in the Greater Bay Area.

Macau is not just rewriting its fund laws — it is putting billions of public capital behind them.

I have spent the past several months producing what I believe is the most comprehensive public analysis of this new regime: a seven-part **Macau Investment Funds Law Series** on Lexology, available in Traditional Chinese, Simplified Chinese, and English, covering every pillar — 1. Fund Managers, 2. Custodians, 3. Foreign Funds Inbound & Macau Funds Outbound, 4. Sales Entities, 5. Limited Partnership Funds, 6. Contractual Funds, and 7. Corporate Funds. My conclusion: Macau now has genuine tools to compete. The question is execution — and the clock is running.

The three-part play: Law, tax, capital

Start with the policy context. Macau's economic diversification strategy identifies modern finance as one of four new

growth pillars alongside health, technology, and convention tourism. For years, that ambition had less than perfect infrastructure behind it. The 1999-era Decree-Law No. 83/99/M was built for a small, bank-centric market — no provisions for private funds, limited partnerships, or fund re-domiciliation. Law No. 11/2025 changes that. Fund sponsors, asset managers, and institutional investors now have a statutory framework aligned with international norms — think Hong Kong, Luxembourg, the Cayman Islands.

But a law alone does not make a fund hub. What sets this apart is the coordinated follow-through.

The 2026 Budget Law (Law No. 13/2025), effective the same day, delivered the fiscal architecture: a 5% profits tax rate for qualifying fund management companies. Full exemption on carried interest from private fund management. Stamp duty exemptions on fund activities. For investors: zero tax on interest, distributions, and capital gains from Macau-domiciled funds. Urban property tax exemptions for fund-owned real estate. These are not aspirational; they are operative.

The regulator moved even faster. On 27 November 2025 — five weeks before the law took effect — the AMCM issued four implementing circulars: private fund rules, public fund valuation and error-correction procedures, money market fund and index fund requirements, and capital adequacy calculations for management companies.

Then came the capital. The government guidance fund, announced in February, deploys MOP 11 billion from fiscal reserve returns, targeting MOP 20 billion with private co-investment. The government proposed a three-tier structural arrangement. The money goes into emerging industries, tech innovation, and Hengqin in-depth cooperation, and GBA integration.

When a government backs a new law with a MOP 11 billion cheque and four implementing circulars before the ink is dry, the market should pay attention.

Inside the rulebook

The depth of the law becomes clear when you break it down. My seven-part **Macau Investment Funds Law Series** dissects each pillar. Here is what matters most.

Three fund structures, not one. The law introduces three vehicles: the contractual fund, the corporate fund (a collective investment company with its own legal personality), and — for the first time — the limited partnership fund. The contractual fund is the workhorse — available for public and private use. The corporate fund gives sponsors a board-of-directors governance layer with shareholder protections. The limited partnership fund is the headline addition: a GP/LP structure for private equity, venture capital, and alternatives, with a safe harbour protecting limited partners who sit on advisory committees or attend partners' meetings. If you have structured a Cayman or Luxembourg LP, this will feel familiar. That is the point.

The question is no longer whether the framework is good enough. It is whether the rest of us — investors, service providers, industry — move fast enough to match the government's pace

Regulated gatekeepers. The law codifies duties for fund managers, custodians, and sales entities. Fund managers operate under a three-pillar framework — investment, administration, sales — with non-excludable liability. Translation: they cannot contract their way out of responsibility for NAV errors or misleading disclosures. Custodians face the biggest structural change. The old bank-only model is gone. Non-bank financial institutions and overseas custodians can now compete, provided they meet qualifying conditions on governance, internal controls, and home-jurisdiction equivalency. Sales entities — the institutions that promote and distribute fund units — now operate under codified conduct principles: clear risk disclosure, no exaggerated return promises.

Cross-border and investor protection. Public funds require prospectuses, periodic disclosure, supermajority votes for major decisions, and strict ring-fencing — fund assets are walled off from the manager, custodian, and all other parties. Foreign public funds distributing in Macau need AMCM approval and a local sales entity. Foreign private funds face similar requirements, minus AMCM approval.

The redomiciliation mechanism is particularly notable: foreign funds can transfer their domicile to Macau with full legal continuity — no stamp duty, no property transfer tax, no complementary income tax.

What still needs work. The AMCM deserves credit. Four circulars before the law took effect — covering private fund rules (200-investor cap, MOP 8 million minimum portfolio for individual professional investors), public fund NAV valuation and error-correction, money market and index fund requirements, and capital adequacy calculations — shows serious commitment. But gaps remain. Self-management for corporate funds needs further guidance. Circulars on overseas fund promotion and other operational details are pending. And the transition deadline — 1 January 2027 — gives existing funds just one year to reach full compliance.

Who wins — and who should move now

The opportunities are real.

Investors / fund sponsors. The limited partnership fund opens a Macau-domiciled vehicle for PE, VC, and alternatives — with GP/LP governance, carried-interest mechanics, and co-investment arrangements. The tax package in the 2026 Budget Law is the clincher: zero tax on distributions and disposal gains from Macau-domiciled funds. Compare that



with jurisdictions that levy withholding or capital gains charges. The redomiciliation regime — tax-neutral transfer, full legal continuity — is built for funds currently parked offshore and looking for Greater China proximity. Then there is the guidance fund. MOP 20 billion flowing into emerging industries and GBA-linked projects creates co-investment deal flow alongside government capital.

Banks and accountants. Broadened custodian eligibility means more institutions can compete for custody mandates. The AMCM circulars on NAV calculation, error thresholds, and quarterly capital adequacy reporting create immediate demand for audit, compliance, and advisory work. A 5% profits tax rate and stamp duty exemptions make Macau increasingly viable for fund administration operations.

Government and regulators. The signal is strong — four circulars pre-launch, a targeted tax package, and MOP 11 billion in seed capital. Now sustain it. Additional circulars on corporate fund self-management and overseas promotion rules will be closely watched. Open dialogue with industry on practical implementation is essential. And talent — in fund administration, compliance, and portfolio management — remains the binding constraint. Policy support here will determine whether Macau builds an ecosystem or just a regulatory shell.

The window is open

Macau has launched a new fund law, backed it with fiscal incentives, operationalised it with detailed circulars, and committed billions in public capital — all within a matter of months. That is not a policy announcement. That is a market entry.

The question is no longer whether the framework is good enough. It is whether the rest of us — investors, service providers, industry — move fast enough to match the government's pace.

Macau's next chapter in finance is being written now — and it is one worth getting right.

My seven-part **Macau Investment Funds Law Series** on Lexology is a most detailed public analysis of this regime available. If you are an investor or service provider navigating what comes next, the series is where to start. I welcome the conversation. ■

Calvin Tinlop Chui is Co-Managing Partner at Lektou and the author of the 7-part Macau Investment Funds Law Series on Lexology (available in Traditional Chinese, Simplified Chinese, and English). The 7-part Macau Investment Funds Law Series is accessible at <https://lektou.com/macau-investment-funds-law-series-law-no-11-2025-calvin-tinlop-chui/>

