



Brief Introduction to the Tax Preferences of the Macao Special Administrative Region

October 16, 2025



**Government of the Macao Special
Administrative Region
Financial Services Bureau**



Brief Introduction

Main Tax Preferences of the Macao Special Administrative Region:

1. Fiscal Year Budget Proposal
2. Financial Leasing
3. Technological Innovation
4. Talent Introduction
5. Other Tax Preferences



1. Fiscal Year Budget Proposal

Law No. 25/2024 - "Budget Proposal for the Fiscal Year 2025"

Tax/Fee Type	Tax Preferences
1) Business Tax	Exemption
2) Profits Tax	Ex: Increase the tax allowance to MOP 600,000; Exempt income from Portuguese-speaking countries from tax; Provide additional deductions for research and development expenses etc.
3) Stamp Duty	Ex: Exemption from stamp duty on insurance contracts and banking business etc.



1. Fiscal Year Budget Proposal

Law No. 25/2024 - "Budget Proposal for the Fiscal Year 2025"

Tax/Fee Type	Tax Preferences
4) Salaries Tax	Ex: Increase the tax allowance to MOP 144,000; Provide a 30% tax deduction and a maximum tax refund of MOP 14,000.
5) Housing Tax	Eligible taxpayers may deduct MOP 3,500 from their tax payable.
6) Stamp Duty for Property Conveyance	Adult permanent residents who purchase a residential property for the first time are exempt from stamp duty on the first MOP 3 million of the relevant transaction value.



Preferences for Corporate Income Tax

- **Corporate Income Tax Rate**

Corporate income tax (Profits Tax) adopts a progressive tax rate, ranging from 3% to 12%, with the maximum tax rate being 12%.

- **Tax Allowance**

The first MOP 600,000 of taxable income is exempt from tax.

- **Tax Exemption for Income from Portuguese-Speaking Countries**

Tax-paid income obtained or derived from Portuguese-speaking countries is eligible for tax exemption.



Preferences for Corporate Income Tax

- **Additional Deduction for Research and Development Expenses**

For the annual "qualified research and development expenditures" of Group A taxpayer enterprises, the first MOP 3 million is eligible for a triple deduction quota, and the remaining amount is eligible for a double deduction quota. The total upper limit of the deduction quota is MOP 15 million.

- **Income from Locally Issued Bonds**

Interest earned from bonds issued in Macao, as well as income obtained from the sale, redemption, or other disposal of such bonds, is exempt from income tax.



2. Financial Leasing

Law No. 7/2019 - Tax Preferential System for Financial Leasing

Preferences for Corporate Income Tax (Profits Tax)

- **Reduced Tax Rate:** The tax rate for income derived from Macao's financial leasing business is 5%.
- **Tax Exemption Preference:** Tax-paid income from overseas financial leasing business is eligible for tax exemption.
- **Accelerated Depreciation Rate:** For fixed assets that are the subject of financial leasing, the depreciation rate is three times the statutory depreciation rate.
- **Provision for Bad Debt Reserves:** 10% of the accounts receivable related to the subject of financial leasing can be provisioned as bad debt reserves.
- **Dividends Received by Shareholders from Financial Leasing Business Income:** A 5% tax rate applies to local shareholders; overseas shareholders are exempt from tax.



2. Financial Leasing

Law No. 7/2019 - Tax Preferential System for Financial Leasing

2. Preferences for Stamp Duty

- Exemption from Stamp Duty for Property Conveyance : For the purchase of a real estate property for office use, the maximum amount of exempted stamp duty is MOP 500,000.
- Exemption from Stamp Duty on Interest and Commission Income Related to Financial Leasing Activities



3. Technological Innovation

Law No. 1/2021 - Tax Preferential System for Enterprises Engaged in Science and Technology Innovation Business

1. Corporate Income Tax (Profits Tax)

- Profits are exempt from tax for 3 years starting from the year in which the science and technology innovation business declares profits.
- Dividends received by shareholders from the income of science and technology innovation business are exempt from tax.

2. Individual Income Tax (Professional Tax)

- For employees engaged in administrative management and scientific and technological research and development hired by enterprises, a double tax allowance is available for the first three years (the annual exemption amount is MOP 288,000).



3. Technological Innovation

Law No. 1/2021 - Tax Preferential System for Enterprises Engaged in Science and Technology Innovation Business

3. Stamp Duty

- Exemption from stamp duty for property conveyance for the purchase of a real estate property used for one's own business operations.

4. Housing Tax

- Exemption from housing tax for the first five years on the aforementioned real estate property.

4. Talent Introduction

Law No. 7/2023 - Legal System for Talent Introduction

1. Target Applicants

- Natural Persons: Talents who have been introduced and hold a valid residence permit.
- Legal Persons: Companies in which talents directly hold more than 50% of the capital.

4. Talent Introduction

2. Tax Preferential Measures

- **Corporate Income Tax (Profits Tax)**

Profits are exempt from tax for 3 years starting from the year in which the industrial business (which was a key consideration when the talent was introduced) declares profits;

Dividends received by shareholders from the relevant profits are exempt from tax.

- **Individual Income Tax (Professional Tax)**

For employees engaged in professional fields that are key considerations (for talent introduction), a double tax allowance is available for three years starting from their first employment (the annual exemption amount is MOP 288,000).



4. Talent Introduction

2. Tax Preferential Measures

- **Stamp Duty**

Exemption from stamp duty for property conveyance for the purchase of a real estate property used for one's own business operations.

- **Housing Tax**

Exemption from housing tax for the first five years on the aforementioned real estate property.



Bilateral Tax Agreement (DTA)

- **Agreement/Arrangement for the Avoidance of Double Taxation**

The Macao Special Administrative Region (Macao SAR) has signed Agreements/Arrangements for the Avoidance of Double Taxation with the Chinese Mainland, Portugal, Mozambique, Cape Verde, Vietnam, the Hong Kong Special Administrative Region (Hong Kong SAR) and Cambodia.

- **Expansion of the Tax Agreement Network**

In the future, Macao SAR will further expand its international tax network and strive to sign tax agreements with more Portuguese-speaking countries and countries along the "Belt and Road" Initiative.

Change in the Taxation Principles of Profits Tax (Effective from January 1, 2026)

1. Amendment to the Provisions of Articles 2 and 19 of the Supplementary Tax on Income

- It has established that the Supplementary Tax on Income of the Macao Special Administrative Region (Macao SAR) adopts the "territoriality principle" for taxation.
- The taxation on dividends, interest, royalties, and income from property disposal obtained outside Macao by member entities of multinational enterprise groups in Macao has been retained.

Change in the Taxation Principles of Profits Tax (Effective from January 1, 2026)

2. Addition of Article 51-A to the Supplementary Tax on Income – Avoidance of Double Taxation

- Taxes paid overseas on the aforementioned passive income may be credited against the Supplementary Tax on Income payable for the corresponding year, with the upper limit being the amount of tax payable in Macao on such income.

Change in the Taxation Principles of Profits Tax (Effective from January 1, 2026)

- If a Macao tax resident holds no less than 10% of the equity in an overseas enterprise, and the profits used by the enterprise to distribute dividends have been subject to tax of the same nature as the Supplementary Tax on Income, the tax resident may also credit an amount—calculated based on the percentage of the dividends received in proportion to the aforementioned tax paid—against the amount of Supplementary Tax on Income payable for the corresponding year. The upper limit of this credit shall be the remaining balance as specified in the previous clause.



Thank you