

## Client Alert

### Cancellation of the exemption status of leased housing with reference to vacant residential

Following the recent enactment of the New Stamp Duty Rules on the acquisition of second and subsequent residential properties followed by the approval of the amendments to the Regulation of Urban Property Tax, the Macau Government established a set of measures concerning mortgage ratio and the exemption status of leased housing with reference to vacant residential property tax.

The set of measures will enter into force concurrent with the New Stamp Duty Rules on the acquisition of second and subsequent residential properties.

The Macau Monetary Authority (herein “AMCM”) and the Finance Department (“DSF”) presented a clarification session event on the 8th of February to further explain the said measures.

AMCM pointed out the 3 different levels of measures implemented by the Government, which consists of:

- cancellation of the exemption status of leased housing with reference to vacant residential property tax;
- the new stamp duty regulation;
- increase of loan to value ratio for the acquisition of first residential property by young local residents.

#### Exemption of property tax for vacant residential properties

Law no. 1/2018 of 6 February 2018 introduced some amendments to the existing Regulation of Urban Property Tax. The Regulation of Urban Property Tax discriminated leased and unleased housing, while imposing a 6% property tax for unleased housing and a 10% property tax for leased housing.

The recently approved amendments changed the dynamics of the property tax by revoking the articles pursuant to the exemption status of leased housing with reference to vacant residential property tax.

Thereby, leased housing which are vacant shall be now considered as unleased housing. The move is designed to increase the stock of homes available in the rental market by increasing the costs faced by owners should they keep a property empty.

Should you have any queries, please do not hesitate to contact us at [mdme@mdme.com.mo](mailto:mdme@mdme.com.mo) or:



**José Espírito Santo Leitão**

Partner

[jleitao@mdme.com.mo](mailto:jleitao@mdme.com.mo)

T: +853 2833 3332

M: +853 6632 7935



**Tirso Olazabal**

Senior Associate

[tol@mdme.com.mo](mailto:tol@mdme.com.mo)

T: +853 2833 3332

M: +853 6238 1305