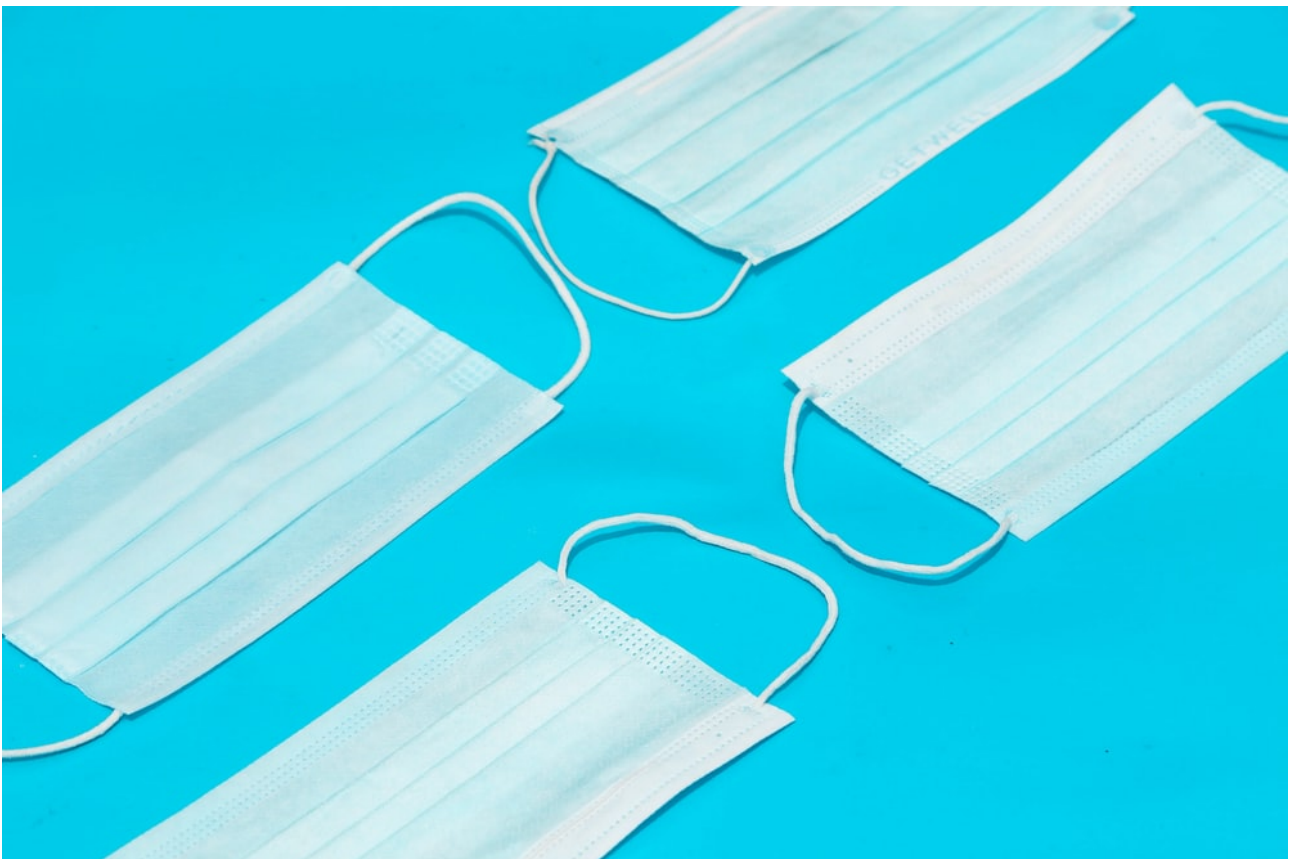


LEGAL ALERT

**COVID-19 GOVERNMENT SUPPORT MEASURES FOR SMALL
MEDIUM ENTERPRISES**

October 19, 2021



The impact of the novel coronavirus (COVID-19) continues in 2021, with the ongoing travel restrictions and border shutdowns, greatly affecting local economy, mostly reliant on tourism.

To reduce the economic pressure on enterprises, to strengthen the market confidence, and to further aid the Small and Medium Enterprises (SME) and employees, the Macau Government announced a new round of Economic Support Measures, with the intent of adjusting to the current obstacles derived directly from COVID-19.

The Economic Support Measures for SME is comprised by 8 measures, including bank credit interest subsidy, easing the condition of applying for interest-free loans, exemption from payment of rents and remuneration for the Government-owned real estate, as well as reduction and exemption of taxes and fees.

This alert offers a comprehensive list of the economic measures aiming to assist SMEs.



Scope ^[1]

Facilitates the application conditions to an existent Support Plan for SMEs ^[2], granting interest-exempt funds up to MOP600,000, with a repayment terms of up to 8 years

Interest Rate Subsidy Plan, supporting the payment of interest rates owed by SME due to loans granted by local financial institutions
Maximum annual rate limit: 4%
Maximum period: 3 years

Requirements ^[1]

1. SME in activity for at least 1 year
2. Funds to be used to finance the development or the commercial activities of the company
3. Funds to be reimbursed within 8 years
4. Requires the provision of a guarantee

Requirements ^[1]

1. Registration at DSF
2. Facilities must have been granted to face extraordinary events or situations of *force majeure*
3. SMEs with adequate financial situation
4. Facilities granted by banks authorized to practice in Macau
5. Facilities used in the activities of SME

- **Adjustment of interest-free loan repayment** – enterprises repaying loans may request a reduction in the amount of each of the last two instalments not repaid to MOP 1,000, with the repayment amount being repaid, in equal parts, in the remaining instalments. Enterprises may apply for this measure until 31 January 2023.
- **Encouraging banks to assist enterprises in loan repayment**, such as the suspension of principal repayment and the extension of the repayment period of loans
- **Encouraging financial institutions to offer benefits related to fees charged** – the Macau Monetary Authority encourages financial institutions adhering to the Simple Pay Service to provide, for half

year, reduction, exemption or other promotions relating to fees, charged by acquirers on SME transactions made through Simple Pay, in order to reduce the costs of commercial establishments.



TAX SUPPORT PLAN



Scope ¹¹					
i. Complementary Income Tax's exemption allowance for assessment of MOP600,000 and deduction of up to MOP300,000 for the year 2020	ii. Property Tax deduction in the amount of MOP3,500	iii. Tourism Tax exemption between the period of 11 May to 31 December 2021	iv. Stamp duty tax exemption on insurance contracts and banking service charges; auctions of products, goods and property, or movable or immovable property; all admissions of performance, exhibition or any kind of entertainment; issuance and acquisition of public	v. Exemption on Business Registration Tax	vi. Exemption of land rental under MOP\$100 during the year of 2021

			debts; putting up or placement of advertisements, signboards and publicity materials that were already exempted from the license fee		
			Requirements^f		

N/A

- Legal persons, individual commercial entrepreneur or non-residents of the MSAR are not eligible

- Hotels, bars or similar establishments ^[3]
Monthly submission of M/7

- Licenses and permits referred in article 40 of the Stamp Duty Regulation and article 29 of the Table of the Stamp Duty Regulation

- Business activities referred in map 1 and 2 of the annex of Business Registration Tax Regulation

N/A



FINANCIAL SUPPORT TO COMPANIES
AND ON-GOING CONCERNS



Scope^[1]

Financial Support with a minimum of MOP10,000 and a maximum of MOP200,000

Requirements^[1]

- Registered Complementary income taxpayer/ professional tax (Group II) payer
- With no operational profit during the financial year of 2020
- (Calculation) Financial support amount calculated at 5% of their average operational cost in the past three years



OTHER ANNOUNCED
MEASURES BY THE
GOVERNMENT



- **Exemption from the payment of rents and retribution for properties that belongs to the Government** – exemption for 3 months.
- **Encouraging owners of commercial establishments to reduce rents** – the Directorate of Finance Services (DSF) will readjust the effective amount of the collection of the urban property tax and the stamp tax on leased buildings, according to the month in which the rent starts to be reduced, creating a specific window for receiving requests reducing taxes and speeding up the processing of the respective requests.

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^[1] *This legal alert covers the most relevant details and conditions of the relevant economic measures. For further details, please consult the relevant legislation;*

^[2] *Please refer to Administrative Regulation no. 9/2003 for further details;*

^[3] *Please refer to Articles 5 and Article 6 of the Decree-law no. 16/96/M for further details; and*

^[4] *Measures announced; Draft Amendment of the Bill for year 2021 under preparation by the Macau Government.*