

# **Subsidy Scheme for Encouraging Enterprise Upgrading and Development**

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The implementation of the Subsidy Scheme for Encouraging Enterprise Upgrading and Development aims to encourage business owners to enhance their enterprises' competitiveness, facilitate moderately diversified and sustainable economic development, and is particularly for achieving the objectives of industrialisation, technological innovation, enterprise transformation, operation and production condition enhancement, and others.

## **Scope of Subsidy**

An interest or rental subsidy is offered to eligible business owners who, by means of bank loan or financial leasing, carry out investment projects in the Macao SAR that benefit the achievement of the aim of this scheme, with a maximum subsidy period of 4 years. The maximum annual subsidy rate, the maximum limit of total loan/rental amount eligible for subsidy each year, as well as the maximum loan/rental amount eligible for subsidy each year for each beneficiary of this subsidy scheme are subject to determination by Chief Executive's Decision published in the Official Gazette of the Macao SAR.

## **Loan Interest Subsidy**

According to Chief Executive's Decision No. 39/2021, the maximum annual subsidy rate for loan interest subsidy is 4%, the maximum total loan amount eligible for subsidy each year is MOP 600 million, and the maximum amount of loan eligible for subsidy each year for each beneficiary is MOP10 million.

## **Financial Lease Rental Subsidy**

According to Chief Executive's Decision No. 39/2021, the maximum annual subsidy rate for the financial lease rental subsidy is 4%, the maximum total for the financial lease rental amount eligible for subsidy each year is MOP 200 million, and the maximum financial lease rental amount eligible for subsidy each year for each beneficiary is MOP10 million.

## **Investment projects eligible for subsidy**

- 1. Investment projects that are carried out in the form of loan, limited to:**
  - 1.1 Purchase of industrial or commercial building unit
  - 1.2 Construction, expansion or refurbishment work
  - 1.3 Purchase of brand new equipment, especially intelligent equipment
  - 1.4 Purchase of brand new commercial vehicle, vessel or aircraft

1.5 Purchase of information software or system

1.6 Acquisition of intellectual property

1.7 Acquisition of commercial concession or franchise rights

**2. Investment projects that are carried out in the form of financial leasing, limited to:**

2.1 Financial lease of brand new equipment, especially intelligent equipment

2.2 Financial lease of brand new vehicle, vessel or aircraft

**3. The abovementioned investment projects shall also meet the following requirements:**

3.1 The subject property must be used for the scope of activities of the enterprise carried on by the applicant as specified at the time of application

3.2 The subject property is used only in the Macao SAR (subject property that is a commercial vehicle, vessel or aircraft registered in the Macao SAR may be subject to exception on the grounds of business needs)

## **Criteria of loans eligible for subsidy**

1. The lender must be a bank authorised to operate in

Macao;

2. Term loan with a repayment period not less than 1 year;
3. Denominated in patacas (MOP);
4. The loan amount is not less than six hundred thousand patacas (MOP 600,000);
5. The loan contract shall specify the loan purpose, the drawdown date and the terms of principal and interest repayment.

## **Criteria of financial leases eligible for subsidy**

1. The lessor is a financial institute or its financial leasing subsidiary authorised to carry out financial leasing business in Macao;
2. The lease period is not less than 1 year;
3. Denominated in patacas (MOP);
4. The sum of all rental payments under the lease is not less than six hundred thousand patacas (MOP 600,000);
5. Equal periodic rental payments, with the delivery of the lease object being the condition for entry into the financial lease contract;
6. The financial lease contract shall specify the rental, the expiry date of the contract, and the consideration for acquisition of the lease object upon expiry of the contract.

## **Deadline for submission of**

# **application**

Applicants shall submit applications in accordance with the following deadlines:

1. For investment projects of construction, expansion or refurbishment works, not later than 6 months from the date of first issue of the works permit
2. For other investment projects carried out in the form of loan, not later than 6 months from the date of completing the investment project
3. For investment projects carried out in the form of financial leasing, not later than 6 months from the effective date of the contract

## **Subsidy period**

1. For a loan interest subsidy, the maximum subsidy period is 4 years, from the drawdown date of the loan
2. For financial lease rental subsidy, the maximum subsidy period is 4 years, from the effective date of the financial lease contract

## **Subsidy calculation**

The amount of subsidy is calculated on the basis of the repayment of the loan amount, to which the subsidy is granted, in equal monthly instalments/the payment of the total rental amount of the financial lease, to which subsidy is granted, in equal monthly rentals within the subsidy period. The amount of subsidy shall not exceed the amount of interest on loan or financial lease actually paid by the beneficiary for each

period.

## **Same beneficiary**

1. If the beneficiary is a natural person, the company(s) in which over 50% of the capital is directly or indirectly owned by the beneficiary is (are) regarded as the same beneficiary.
2. If the beneficiary is a company, the company(ies) in which over 50% of the capital is directly or indirectly owned by the beneficiary, the shareholder directly or indirectly owning over 50% of the beneficiary's capital, as well as the company(ies) in which over 50% of the capital is owned directly or indirectly by the beneficiary's shareholder(s) who, individually or collectively, own(s) directly or indirectly over 50% of the beneficiary's capital are regarded as the same beneficiary.

## **Service target and application eligibility**

Basically all sectors of economic activities (industries) may apply for the subsidy, except for enterprises engaging in financial services or carrying out economic activities under a public concession or sub-concession.

Business owners who invest in the Macao SAR to achieve the aim of this scheme and meet the criteria below are eligible to file an application:

1. Natural persons or companies that have declared

- commencement of business in accordance with law;
2. Not engaging in economic activities under a public concession or sub-concession;
  3. Non-financial enterprises;
  4. Not having any debt that is being collected via the tax enforcement process;
  5. Being under appropriate financial and operational status;
  6. Holding the licence or certificate of equivalent nature required by law to carry out the business activity (Written statement is required for those whose said licence or certificate was not available at the time of application due to the business activity being under preparation).

## **Application procedures and required documents**

Applicants must submit:

1. Duly completed and signed [Application Form](#) (available for download from the website of the Economic and Technological Development Bureau (DSED))
2. Copy of loan or financial lease contract/other similar documents  
(Note: The loan contract shall specify the loan purpose, the drawdown date and the terms of principal and interest repayment; the financial lease contract shall specify the rental, the expiry date of the contract, as well as the consideration for acquisition of the lease object upon expiry of the contract)
3. Copy(ies) of ID documents of the natural person proprietor/the shareholder(s) of company
4. Business licence or certificate of equivalent nature

(applicable to certain sectors, e.g. Food and Beverage Establishment Licence, Travel Agency Licence, Beauty Parlour Administrative Permit.)

Note: A written statement is required for those whose said licence or certificate is not available at the time of application due to the business activity being under preparation. Should the application be approved, the said licence or certificate shall be submitted within 3 months upon completion of the investment project.

5. Supporting documents for investment projects:

5.1 All investment projects are required to submit:

5.1.1 Copy(ies) of receipt(s) for full or partial payment

5.1.2 Proof of full or partial payment (e.g. bank transaction record, copy(ies) of cashier's order(s) or cheque(s), bank statement(s).)

Note: If no payment has been made at the time of application, an "implementation proposal" of the investment project shall be submitted

5.2 Investment projects of "purchase of industrial or commercial building unit" are required to submit:

5.2.1 Copy of sale and purchase agreement

5.2.2 Copy of notarial certificate of sale and purchase

5.2.3 Photo(s) showing the full view of the unit

5.3 Investment projects of "construction, expansion or refurbishment work" are required:

5.3.1 Copy of the first issued works permit

5.3.2 Copy of quotation for the project

5.3.3 Photo(s) before the construction, expansion or refurbishment

5.3.4 Photo(s) after the construction, expansion or refurbishment (applicable to completed work)

5.4 Investment projects of “purchase or financial lease of brand new equipment, commercial vehicle, vessel or aircraft” are required :

5.4.1 Copy of sale and purchase or financial lease contract/quotation (the contract or quotation shall indicate that the subject equipment, commercial vehicle, vessel or aircraft is brand new, otherwise additional supporting documentation is required)

5.4.2 Photo(s) of the actual equipment, commercial vehicle, vessel or aircraft (the photo(s) shall clearly show, if any, identification details such as model, serial number and registration number.). If the possession of the equipment, commercial vehicle, vessel or aircraft concerned has not yet been obtained, reference photo(s) of the same model shall be submitted

5.4.3 Copy of registration booklet and ownership registration certificate of the commercial vehicle (applicable if possession of the commercial vehicle has been obtained)

5.5 Investment projects of “purchase of information software or system” are required to submit:

5.5.1 Copy of sale and purchase contract/quotation

5.6 Investment projects of “acquisition of intellectual property” are required to submit:

5.6.1 Copy of licensing agreement or transfer agreement for the intellectual property concerned

5.7 Investment projects of “acquisition of commercial concession or franchise rights” are required:

5.7.1 Copy of commercial concession agreement or franchising agreement

6. Other supplementary documents:

6.1 Supporting document(s) showing the drawdown date of the loan or the effective date of the financial lease contract (applicable where the loan has been drawn down or the financing lease contract has come into effect)

6.2 Incorporation document(s) containing the list of shareholders (applicable where the shareholder(s) of the applicant consists of a company(ies) not incorporated in Macao)

6.3 Other information or documentation that facilitate the analysis and assessment of the application

6.4 If a document submitted by the applicant is a duplicate/photocopy, the applicant may be requested, according to the actual circumstances, to produce the original of such document for verification

## **Competent department: DSED**

**Financial institutions providing financial leasing services in Macao (Listed in no particular order):**

Financial Institutions	Phone Number
Bank of China Limited Macao Branch	8792 1729 / 8792 1707
Banco Nacional Ultramarino, S.A.	2835 5886
Industrial and Commercial Bank of China (Macao) Limited	8398 2692

Financial Institutions	Phone Number
Luso International Banking Limited	8799 4134
Bank of Communications Co. Ltd. Macau Branch	2828 6611 / 8898 8225
The Macau Chinese Bank Limited	8396 2217