

Tax Incentives Regime for Companies Engaged in Scientific and Technological Innovation Activities

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The SAR Government has launched a Tax Incentive Regime for Companies Engaged in Scientific and Technological Innovation Activities in a bid to facilitate technological innovation and the establishment of a smart city, support the development plan of the Guangdong-Hong Kong-Macao Greater Bay Area, promote the development of technological innovation in the Macao SAR and foster a moderately diversified development of local industries. Eligible enterprises may apply to the Financial Services Bureau.

Scope of the tax incentive regime

Upon approval, eligible enterprises are entitled to the following tax incentives:

1. Stamp duty for conveyance of immovable property: Stamp duty for conveyance of immovable property is exempted for the enterprises that have obtained an immovable property by compensated or uncompensated means for their business operation (immovable properties of residential usage are inapplicable; each applicant can enjoy exemption for one immovable property only);
2. Property tax: Property tax of the immovable property concerned is exempted for a duration of five fiscal years;

3. Profits tax: Enterprises are exempt from profits tax for three years from the time a declaration of taxable profits has been submitted (profits distributed by the enterprises to equity holders or dividends to shareholders also apply);
4. Salaries tax: Enterprises that have recruited employees for administrative management and technological research and development are exempt from twice the amount of salaries tax for 3 years from the time of the said approval.

Application Eligibility

1. Natural persons or legal persons who have been registered at the Commerce and Movable Property Registry
2. 'Scientific and technological innovation activities' are the main business activities for one year (see Note*)
3. Profits Tax Group A taxpayers
4. Non-debt-arrears to the Treasury of the Macao SAR with a certificate issued by the Financial Services Bureau

*Note: 'Scientific and technological innovation activities' refer to businesses involving innovative inventions or the application of scientific knowledge, technologies or crafts by innovative means, to businesses involving the manufacturing of products or the provision of services, especially for business that applies scientific and technological innovation to areas such as new-generation information technology, artificial intelligence, integrated circuits, biomedicine, traditional Chinese medicine, energy conservation and environmental protection, marine engineering, nutrition, new energy and aerospace, or innovative inventions related to these areas.

Application procedures

Applicants must submit proposals, reports and other supporting documents to the Financial Services Bureau regarding the enterprises' business activities related to scientific and technological innovation. The applications will be reviewed by a dedicated committee composed of representatives from the government, business sector and academia, who will assess whether the enterprises meet the requirements of being engaged in scientific and technological innovation business. The committee will then issue a binding opinion for each application and the relevant tax incentives will be examined and approved by the Financial Services Bureau.

To ensure the effectiveness of the measures, the committee will re-assess the approved enterprises within the fourth year from the time of the approval. In case an enterprise is found to no longer meet the requirements for the tax incentives, the Financial Services Bureau will terminate the tax incentives regime and the enterprise concerned will be obligated to repay the exempted amount of tax.

Competent department: Financial Services Bureau