

# Incorporation of a finance company

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## Licensing Requirements / Criteria

1. The finance company to be incorporated should be a public company. The requirements on capital and management are as follows:
  1. The paid up share capital should not be less than MOP 100 million.
  2. Upon incorporation, at least half of the minimum share capital has been fully paid up with at least half of the capital deposited at AMCM or other institutions specified by AMCM.
  3. The board of directors of the institution should have a minimum of three persons with recognised suitability, and at least two of whom are Macao residents who have sufficiently ability and experienced to carry out their duties and with full powers to effectively direct the business of the institution.
2. The executive order that granted authorisation to the institution may set limit on the scope of business operations, or may stipulate any requirements or specific conditions that should be observed by the respective institution.
3. Assessment by AMCMIn making assessment on the relevant application, the AMCM will have the following considerations:
  1. The suitability of the shareholders and managers

for the institution

2. The financial condition and resources allocation of the institution
3. The soundness and feasibility of the institution's business plan, and the institution's capability of promoting the development of Macao's financial market
4. The adequacy of the proposed risk management processes, internal control systems (including the anti-money laundering and counter terrorism financing mechanisms) and business continuity planning
5. The structure of the group to which the institution affiliates
6. Whether the application is in the best interests of the financial system of Macao.

#### 4. Information/documents required

1. An application letter stating the grounds for the application, background of the proposed institution and the business development plan
2. A duly completed [licensing application questionnaire giving particulars of the proposed institution](#)
3. If not already included in the application letter, a memorandum elaborating on the operational principles and main businesses to be undertaken in Macao, and substantiating the feasibility of the proposed institution and its contribution to the economic and financial objectives and policies of Macao;
4. If the proposed institution is a subsidiary of an overseas institution that is subject to supervision, a document issued by the supervisory authority in the state or territory of origin of the overseas institution confirming that it has no objection to the application
5. A comprehensive business plan describing the


following aspects of the proposed institution:

- Nature and scale of operations as well as a detailed feasibility study of the proposed business
  - Strategic plan, business location and service target
  - Details of the financial, technical and human resources allocation. This includes the total investment budget and the corresponding funding arrangements, management structure, mechanism of managerial personnel appointment, operational and accounting systems, risk management protocol, internal control system, anti-money laundering and counter-terrorism financing measures, and contingency recovery plans
6. Prospective financial statements for the first three years of operations and the underlying hypothetical assumptions
  7. Draft of the articles of association of the proposed institution, with the certificate issued by the Commerce and Movable Property Registry proving that the name of the proposed institution can be registered
  8. If the proposed institution is a subsidiary of another institution, a copy of the resolution of general meeting of the parent institution's shareholders endorsing the application, or the authorisation from the legal representatives of the parent institution
  9. An organisational chart showing the structure of the group to which the proposed institution affiliates to, and the ownership hierarchy from shareholders with a holding equal to or greater than 5% of the share capital of the proposed institution to the ultimate shareholder

10. For each shareholder that is a legal person with a holding equal to or greater than 5% of the proposed institution's share capital, the following documents are required:
  - Company search report issued by the registration authority where the company is incorporated within three months
  - A copy of its articles of association
  - A copy of its annual reports and audited accounts (with the latest interim reports, if available) for the preceding three years, containing the personal and professional identification of its board of directors and senior management; and
  - Distribution of its share capital and a list containing the names of shareholders who hold 5% or more of the respective share capital
11. Personal and professional identification documents, financial information and no criminal conviction certificates for direct and indirect shareholders who are individuals. Financial information includes banks' certification or audited financial statements of their main business activities
12. Names and background information of other companies in whose capital the direct and indirect shareholders of the proposed institution have a stake of 10% or more
13. If the proposed institution is a subsidiary of another institution, a description of the parent institution's oversight / reporting channel for the proposed institution (upon the approval of application, the parent institution is required to provide a letter to the AMCM indicating its commitment to provide capital and/or liquidity support to the authorised institution in case of

need)

14. Identification documents, curriculum vitae and certificates of no criminal record conviction of the proposed board of directors and supervisory board of the proposed institution
15. Information of the external auditors of the proposed institution
16. Other documents / information which AMCM deems necessary to the comprehensive assessment of the application.

For more information, please click  [here](#)

**Competent department: AMCM**