

## Client Alert

### New Stamp Duty Rules on the acquisition of second and subsequent residential properties

In the context of introduction of cooling down measures to combat real estate speculation in Macau, the Macau Legislative Assembly has enacted, effective from February 10th, 2018, new stamp duty rules regarding acquisition of second and subsequent residential properties.

#### I. Scope of Application

The stamp duty law applies to those who fall in the following situations:

- 1) When acquiring one residential property, the buyer or buyers who already own other residential properties; or
- 2) When acquiring several residential properties, the buyer or buyers who do not own or jointly own any other residential properties.

When there are two or more buyers, if one of the buyer falls into the abovementioned situation, the same status shall extend to the remainder buyers. Where the buyer is a legal person, the directors, administrators, managers, members of the fiscal or liquidators are jointly and severally liable for the payment of stamp duty, the respective fines, interest and other legal expenses. The additional stamp duty will also apply to transfers of quotas of companies holding property, where more than 80% of the share capital of a company is transferred to the purchaser.

#### II. Tax Exposure

- 1) Additional stamp duty for purchase of second residential property: 5% over the purchase price;
- 2) Additional stamp duty for purchase of third and subsequent residential properties: 10% over the purchase price.

#### III. Exemptions

Those who are exempt from the payment of stamp duty according to the Stamp Duty Law (Law no. 17/88/M) or any other special stamp duty laws are also exempt from the payment of stamp duty on the acquisition of second or subsequent residential properties.

Moreover, acquisition of residential properties or other real estate rights to/or by:

- Spouses, ex-spouses through divorce, marriage annulment or judicial separation of assets;
- Relatives in the second degree in the collateral line;
- Property transfer between heirs in the division of inheritance.

are also exempted from the payment of stamp duty on the acquisition of second or subsequent residential properties, all subject to appropriate tax filings demonstrating the right to this exemption.

#### IV. Refund

Those who have paid the stamp duty and have transferred the property or other real estate rights of the second and subsequent residential properties within one year, may, within 90 days from the respective registration, request the refund of the stamp duty on the acquisition.

#### V. Sanctions

Failure of payment or partial or total refund of stamp duty will entail a fine corresponding to half of the respective stamp duty owed, with potential reductions to a half or a third based on timely regularization of the offense.

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



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