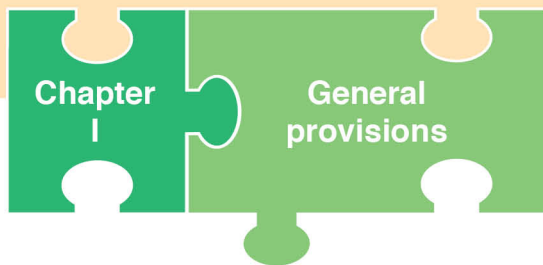


MACAO SPECIAL ADMINISTRATIVE REGION
Law No. 7/2017
Non-Mandatory Central Provident Fund System

The Legislative Assembly decrees, pursuant to Article 71(1) of the Basic Law of the Macao Special Administrative Region, that the following shall be enforced as law:



SECTION I

Object, purposes and definitions

Article 1

Object

A Law to make provision about non-mandatory central provident fund system.

Article 2

Characteristics and purposes

1. The non-mandatory central provident fund system is a sub-system of the social security system, the organization and administration of which is the responsibility of the Macao Special Administrative Region, hereinafter referred to as the “Macao SAR”, and it is composed of the following systems —

(a) the contributory system, which is reflected in the voluntary participation in the provident fund scheme established under the provisions of this Law;

(b) the allocation system, which is reflected in the transfer of funds from public money to the permanent residents of the Macao SAR, in the form of incentive basic funds or special allocation from budget surplus.

2. The purposes of establishing the non-mandatory central provident fund system are —

(a) to strengthen the social protection for the residents of the Macao

SAR in their old age;

(b) to complement the existing social security system.

Article 3

Definitions

For the purposes of this Law and the relevant supplemental regulations, the following terms mean —

(a) A “joint provident fund scheme” means a contributory pension scheme which is established by an employer with a fund management entity in accordance with the provisions of this Law and is financed by open pension funds, and the scheme is for employees who own an individual account of the non-mandatory central provident fund system to participate;

(b) An “individual provident fund scheme” means a contributory pension scheme which is established by a natural person, who owns an individual account of the non-mandatory central provident fund system, with a fund management entity in accordance with the provisions of this Law and is financed by open pension funds, and its participant is the owner of an individual account;

(c) A “private pension plan” means a pension scheme established under Decree-Law No. 6/99/M of 8th February;

(d) A “fund management entity” means an entity with the authorisation provided for in paragraph 1 of Article 5 of Decree-Law No. 6/99/M of 8th February, which is allowed to register under the non-mandatory central provident fund system one or more pension funds that it managed, in



accordance with the provisions of this Law.

SECTION II

Administrative arrangements

Article 4

Executive entity

The Social Security Fund, hereinafter referred to as the “FSS”, is responsible for the implementation of non-mandatory central provident fund system.

Article 5

Processing of personal data

For the purpose of carrying out various administrative procedures under this Law that relates to the non-mandatory central provident fund system, the FSS may, in accordance with Law No. 8/2005 (Personal Data Protection Act) provide, exchange, verify and use the personal data of interested parties, in any way that includes data interconnection, with other public entities and fund management entities that possess the information necessary to implement this Law.

Article 6

Provision of information

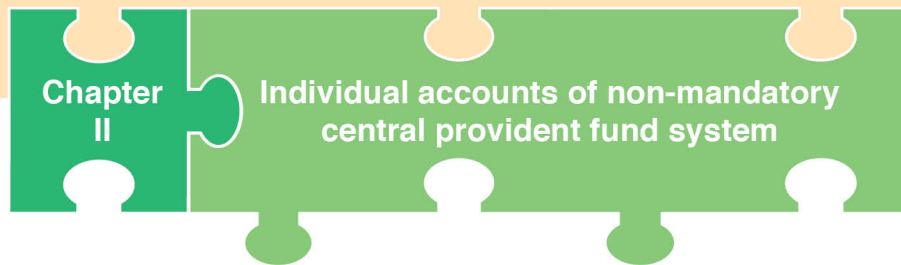
The fund management entities must provide the FSS with —



(a) information referred to in Article 10(3) and Article 11(3), for data of the preceding month, and the deadline is on or before the 15th day of each month;

(b) information on pension funds managed by them in the preceding quarter, in particular, the information about asset description, investment policy, price of each fund unit, investment performance and management and administration fees charged as well as the level of participation in the provident fund scheme, and the deadline is on or before the 15th day of the second month of each calendar quarter.





SECTION I

Conversion of accounts

Article 7

To own and to open

1. The following Macao SAR residents are the individual account owners of the non-mandatory central provident fund system, hereinafter referred to as the “account owners” —

- (a) persons who have attained 18 years of age;
- (b) persons under 18 years of age but have enrolled in the social security system according to Article 10(1)(a) of Law No. 4/2010 (Social Security System).

2. The FSS opens on its own motion individual accounts of the non-mandatory central provident fund system, hereinafter referred to as the “individual accounts”.

Article 8

Composition

An individual account can be composed of three types of sub-accounts, namely —

- (a) the government-managed sub-account;
- (b) the contribution sub-account;
- (c) the preserved sub-account.

Article 9

Government-managed sub-account

1. A government-managed sub-account is intended to record the funds distributed by the government, namely —

- (a) the incentive basic funds;
- (b) the special allocation from budget surplus.

2. A government-managed sub-account shall be activated by the FSS when the incentive basic funds distributed under Article 39 are recorded in the sub-account.

3. A government-managed sub-account must contain the following information —

- (a) the amounts recorded and the respective record dates;
- (b) the contingent revenue obtained;
- (c) the contingent benefits transferred from a private pension plan;
- (d) the transfer of funds between sub-accounts;
- (e) the withdrawal of funds;
- (f) the total balance.

Article 10

Contribution sub-account

1. A contribution sub-account is intended to record the contributions towards the provident fund schemes.

2. A contribution sub-account shall be opened by the fund management entity prior to the payment of the first contributions.





3. A contribution sub-account must contain the following information —

(a) the date of participation in the provident fund scheme, or, if in the case of interface, it is the date of interface;

(b) the contingent benefits transferred from a private pension plan;

(c) if in the case of a joint provident fund scheme, the employee's basic wage for the month, the respective contribution rates for the employee and employer, and the percentage of the employer's contribution benefits obtained by the employee;

(d) the amount of monthly contributions;

(e) the allocation of contributions among investment instruments;

(f) the subscription and redemption of pension fund units;

(g) the gains or losses on investment;

(h) the transfer of funds between sub-accounts;

(i) the management and administration fees charged by the fund management entity;

(j) the withdrawal of funds;

(k) the total balance.

4. The fund management entity shall cancel the contribution sub-account in the following cases —

(a) In the case of a joint provident fund scheme, when it is notified by the employer of termination of the related labour relationship;

(b) In the case of an individual provident fund scheme, when it is notified by the account owner of termination of contributions.



Article 11

Preserved sub-account

1. A preserved sub-account is intended to record the balance carried forward due to cancellation of contribution sub-account.

2. A preserved sub-account shall be opened by the fund management entity when the contribution sub-account is cancelled.

3. A preserved sub-account must contain the following information —

(a) the funds in the contribution sub-account and the transfer of the employer's contribution benefits obtained by the employee;

(b) the contingent benefits transferred from a private pension plan;

(c) the allocation of contributions among investment instruments;

(d) the subscription and redemption of pension fund units;

(e) the gains or losses on investment;

(f) the transfer of funds between sub-accounts;

(g) the management and administration fees charged by the fund management entity;

(h) the withdrawal of funds;

(i) the total balance.

4. Each fund management entity can only open one preserved sub-account for each account owner.

5. The fund management entity must cancel the preserved sub-account if there is no balance in the sub-account.



Article 12

Transfer of funds

The funds in the three types of sub-accounts can be transferred to one another in accordance with the provisions of the supplemental regulations.

Article 13

Management of funds

1. The funds recorded in the government-managed sub-account shall be managed by the FSS in accordance with the principles of prudence and low risk. The objective is to enable the account owners to benefit from any possible revenue that may be derived from management of funds.

2. The FSS shall carry out actions relating to the management of funds recorded in the government-managed sub-accounts, in the interest and in the name of the account owners.

3. The funds recorded in the government-managed sub-account can be invested in the following financial instruments —

- (a) deposits with credit institutions located in the Macao SAR;
- (b) subscription of investment plans either directly or via the appointment of management entities located in or outside the Macao SAR.

4. The Macao SAR shall bear civil liability for any loss caused to the government-managed sub-account owners due to the fault and wrongdoing of its organs or personnel in accordance with the provisions of the existing legislations.

5. The funds recorded in the contribution sub-account and the preserved



sub-account shall be invested and managed according to the provisions of Section III of Chapter III.

Article 14

Record of information

The FSS shall transcribe and record in the individual accounts the information provided by the fund management entities in respect of the contribution sub-account and the preserved sub-account.

Article 15

Cancellation of individual account

1. The individual account shall be cancelled only when its owner dies and its account balance has been fully withdrawn by the related heir(s).

2. In the event of the account owner's death, the final balance of his or her individual account shall be included in his or her estate.

3. After the FSS becomes aware of the account owner's death for more than five years, if the heir does not claim the final balance of the related individual account, the FSS must inform the fund management entity to cancel the contribution sub-account and the preserved sub-account of the related account owner, and the monies shall be transferred to the respective government-managed sub-account.



SECTION II

Rights of account owners

Article 16

Unseizability and non-transferability

The balance in the individual account can neither be seized nor transferred but without prejudice to the provisions of paragraph 2 of the above article, Article 32 and Article 34(2), and the return of public funds in accordance with law.

Article 17

Right to information

1. The account owner has the right to obtain information about his or her individual account, in particular, about the respective balance.
2. Employers have the right to obtain information in respect of their own contributions that is recorded in the contribution sub-accounts of their employees.
3. The right to information shall also include information relating to the allocation of contributions among investment instruments, in particular, about —
 - (a) the choice of pension funds;
 - (b) the switching and settlement conditions of the related pension funds;
 - (c) the asset description, investment policy, price of each fund unit, degree of risk, investment performance and the management and administration fees charged.
4. Upon receipt of a request made under the above paragraphs, the fund



management entity must provide the relevant information within 10 working days at the latest.

5. The fund management entities must provide the account owners, during the first quarter of each calendar year, with information recorded in their contribution sub-accounts and preserved sub-accounts as at the end of the preceding calendar year.

Article 18

The right of withdrawal

The account owner who fulfils the conditions set out in the following article has the right to withdraw the monies recorded in his or her individual account, including the capital gain or loss less the management and administration charges.

Article 19

Withdrawal of funds

1. An account owner may apply to withdraw all or part of the balance in his or her individual account when he or she has attained 65 years of age.
2. For any of the following reasons, an account owner who has not attained 65 years of age may apply to the FSS for an early withdrawal of all or part of the balance in his or her individual account —
 - (a) there is a need to bear huge medical expenses due to serious injury or illness of his or her own;
 - (b) he or she has attained 60 years of age and is not engaged in any paid



activities;

(c) he or she has humanitarian or other properly explained reasons.

3. If, in any of the following cases, an account owner under 65 years of age may apply to the FSS for an early withdrawal of all or part of the funds that are distributed by the government and recorded in his or her individual account according to Article 9(1) —

(a) there is a need to bear huge medical expenses due to serious injury or illness of his or her spouse, any degree of lineal consanguinity or affinity;

(b) he or she has been receiving disability pension paid under Law No. 4/2010 for more than one year;

(c) he or she is currently receiving special disability subsidy paid under Law No. 9/2011 (Disability Allowance and Free Healthcare Services System).

4. The account owner may withdraw all or part of the funds only once a year and the reasons given for the early withdrawal must be supported by documents.

5. Those whose early withdrawal of funds has been granted on grounds referred to in paragraph 2(b) cannot apply for making an early withdrawal on the same grounds later.

6. The withdrawal of all or part of the balance in the account owner's individual account does not affect its subsequent recording of additional funds or contributions.

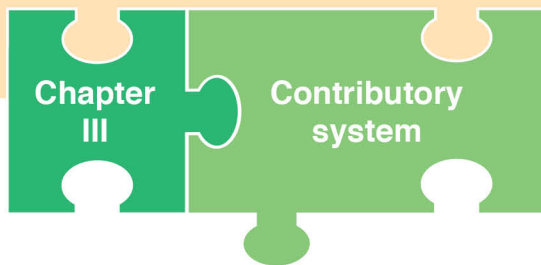
7. The amount for early withdrawal shall be determined by the FSS according to the specific circumstances of the account owner and the documents submitted by him or her.



8. The fund management entities must obtain permission from the FSS before they can pay the account owners the balances recorded in their contribution sub-accounts and preserved sub-accounts.

9. If an account owner dies, his or her heir(s) may withdraw the balance from the related individual account in accordance with the provisions of Article 15.





SECTION I

General provisions

Article 20

Provident fund schemes

The contributory system of the non-mandatory central provident fund system shall be implemented through the establishment and participation in the following schemes —

- (a) the joint provident fund schemes;
- (b) the individual provident fund schemes.

Article 21

Freedom of establishment and participation

The establishment and participation in the provident fund schemes are non-mandatory.

Article 22

Establishment of provident fund schemes

1. The establishment of a provident fund scheme shall be determined by the following persons —

- (a) the employer if in the case of joint provident fund schemes;
- (b) the account owner if in the case of individual provident fund schemes.

2. The establishment of a provident fund scheme shall be made by

entering into a contract with the fund management entity. Its content must include —

- (a) the name of entity that establishes the scheme;
- (b) the provident fund scheme to be established;
- (c) the name of investment instruments;
- (d) the amount of contributions;
- (e) the provisions of this Law relating to the withdrawal of funds;
- (f) the vesting percentages under the joint provident fund scheme;
- (g) the management and administration fees charged by the fund management entity;
- (h) the declaration about accepting the fund management regulations of the fund management entity.

3. The establishment of provident fund schemes shall comply with the provisions of this Law but without prejudice to the application of the provisions of Article 38.

Article 23

Participation in joint provident fund schemes

1. When an employer establishes a joint provident fund scheme, any of his or her employees who meet the following conditions may participate in the scheme —

- (a) he or she is the owner of an individual account;
- (b) he or she provides work for an employer under Law No. 7/2008 (Labour Relations Law) even if the place of work is located outside the



Macao SAR and belongs to a branch or agency of a company registered in Macao.

2. Participation is realized by the signing of a participation consent form and shall be notified to the fund management entity by the employer.

3. The participation consent form must contain the employee's choice about the allocation of contributions provided for in Article 31.

4. Participation in a joint provident fund scheme does not affect the establishment of an individual provident fund scheme.

Article 24

Administrative authorisation and entry into force

1. The establishment and amendments to the provident fund schemes must be subject to the approval of the FSS.

2. The FSS shall make a decision within the period of 60 days beginning with the day on which it received a complete application for authorisation, along with all documents required by the supplemental regulations.

3. The establishment and amendments to the provident fund schemes shall come into effect on the first day of the following month after the authorisation is obtained.

4. The amendments to the joint provident fund schemes shall have effect only on employees who participate in the scheme after the related authorisation is obtained, except in cases where the employer pays higher contribution amount or sets more favourable conditions for the employee to obtain the employer's contribution benefits.



Article 25

Financing of provident fund schemes

The provident fund schemes are financed through capitalized financial systems, in particular, through pension funds that require regular contributions.

SECTION II Contributions

Article 26

Calculation of contributions

1. The contributions towards the joint provident fund schemes are calculated on a monthly basis, with the employee's basic wage for the month as the calculation base.

2. The contributions of both employees and employers are 5% of the calculation base.

3. If the calculation base, after the deduction of contributions referred to in the preceding paragraph, is less than the amount referred to in Article 3(1) (c) of Law No. 7/2015 (Minimum Wage for Cleaning and Security Employees in the Property Management Services), then —

(a) the employee shall be exempted from payment of contributions;

(b) the employer shall remain bound by the obligation to pay the respective contributions in accordance with the provisions of the preceding paragraph.

4. If the calculation base is more than five times the amount referred to



in Article 3(1)(c) of Law No. 7/2015, both the employee and employer shall be exempted from payment of the contributions in respect of the excess amount.

5. Without prejudice to the application of the preceding paragraphs, the employee and employer may make contributions in the following circumstances upon notification to the fund management entity —

(a) where other periodic remunerations provided for in Article 59(1) of Law No. 7/2008 are added to the calculation base according to the employer's decision;

(b) where the contribution rate is set higher than 5%;

(c) where the contributions are exempted from payment in accordance with the provisions of paragraphs 3 and 4.

6. Contributions calculated in accordance with the provisions of the preceding paragraph —

(a) shall be paid by both the employer and employee if in the case referred to in paragraph 5(a);

(b) shall be paid jointly or separately by the employer and employee if in the case referred to in paragraph 5(b) and (c).

7. If the amount of contributions calculated is not a multiple of a pataca, it shall be rounded to the higher multiple of a pataca.

8. Without prejudice to the application of the provisions of the following paragraph, the amount of monthly contributions towards the individual provident fund scheme is 500 patacas and the account owner can pay a higher amount which must be an integral multiple of 100 patacas.

9. The maximum amount of monthly contributions towards the individual



provident fund scheme is 10% of the amount calculated according to the provisions of paragraph 4, and if the calculated amount is not an integral multiple of 100 patacas, it must be rounded down to the nearest integral multiple of 100 patacas.

Article 27

Commencement of contributions

1. In the case of joint provident fund schemes, the contributions shall commence in the month immediately following the month of the employee's written consent to participate in the scheme and shall end in the month immediately following the month of termination of a labour relationship.

2. In the case of individual provident fund schemes, the contributions shall commence in the month when the related scheme comes into effect.

Article 28

Payment of contributions

1. The contributions of the preceding month must be paid to the fund management entity on or before the last day of each month.

2. The contributions must be paid in the following ways —

(a) In the case of joint provident fund schemes, the employer shall pay the full amount of contributions for the account owner with whom he or she has a labour relationship, and the employer may deduct for that purpose the amount of the employee's contributions from his or her remuneration;



(b) In the case of individual provident fund schemes, the contributions shall be paid by the account owner himself or herself.

3. The fund management entity shall record the contributions in the contribution sub-account of the account owner within five working days of its receipt of contributions.

Article 29

Suspension of payment of contributions

1. The payment of contributions towards the joint provident fund scheme can only be suspended in the following circumstances and are subject to permission from the FSS —

(a) if the employer has strong economic grounds and the suspension of contributions is applicable to all of his or her employees under the same conditions;

(b) if the employee gives the reason that the payment of contributions has been suspended by his or her employer according to paragraph 1(a).

2. The period of suspension of payment of contributions shall not exceed one year but can be renewed for the same length of time. To this end, an application must be filed at least 60 days prior to the expiration of the respective time limit.

3. The employer's suspension of payment of contributions without getting permission shall result in —

(a) the execution of compulsory collection;

(b) the removal of temporary tax incentives granted under Article 54.



SECTION III

Investment of contributions

Article 30

Investment instruments

1. The contributions shall be invested by subscription of units of pension funds registered with the FSS as the investment instruments for the contributions of non-mandatory central provident fund system.

2. For the application of the preceding paragraph, the pension fund management entities may apply to the FSS for the registration of one or more open pension funds managed by them and where the establishment of funds has already been approved by the Monetary Authority of Macao, hereinafter referred to as the “AMCM”.

3. The FSS shall publish in the Macao SAR Gazette, hereinafter referred to as the “Gazette”, the list of pension funds already registered as investment instruments for the contributions of non-mandatory central provident fund system as well as the list of fund management entities.

Article 31

Allocation of contributions

1. The contributions can be invested, by distributing their value by percentage, in pension funds already registered as investment instruments of the related provident fund scheme.



2. In the case of joint provident fund schemes, the employee and employer must make a choice in an express manner for the investment of their respective contributions and without prejudice to the employer's transferring the right to invest the contributions to the related employee, but the transfer must be applicable under the same conditions to all of his or her employees.

3. The employee shall have the right to invest the contributions of his or her employer when satisfying the requirement for obtaining the full amount of the employer's contribution benefits.

4. The fund management entities must notify the employee of exercising the right referred to in the preceding paragraph, at least 60 days before the employee gains the related right.

5. In the case of individual provident fund schemes, the account owner shall invest the contributions in his or her selected investment instruments by distributing their contributions by percentage.

Article 32

Management and administration fees

The management and administration fees incurred from management of investment instruments shall be borne by contributions and reflected in the unit price of the pension funds.

Article 33

Investment risk

The investment instruments for contributions do not guarantee the invested



funds, except as otherwise expressly provided for in the related management regulations and the inherent risks shall be borne by the beneficiaries of contributions, and without prejudice to the beneficiaries' pursuit of any civil liability of a third party according to the provisions of the existing legislations.

SECTION IV

Vesting of benefits

Article 34

The right to obtain the employer's contributions

1. In the case of joint provident fund schemes, upon termination of a labour relationship, the employee shall have the right to obtain the employer's contribution balance according to the contribution time and vesting percentages referred to in the table attached to this Law.

2. The employer's contribution balance which the employee is not entitled to get under the preceding paragraph shall belong to the employer, who can apply to the FSS for the withdrawal of funds or use such funds to pay the contributions for other employees.

3. Without prejudice to the application of paragraph 1, the employer may, when establishing a joint provident fund scheme or making subsequent amendments to the scheme, set the terms and conditions in respect of the calculation of contribution time referred to in the following paragraph and the vesting percentage referred to in the table attached to this Law to be more favourable to the employee.



Article 35

Calculation of contribution time

1. For the purposes of the preceding article, the contribution time refers to the period during which contributions are made towards the joint provident fund scheme, including the time when only the employer is paying the contributions or the time when either side suspends the payment of contributions.

2. If both parties sign a new labour contract within three months after the termination of the last contract, the contribution time under the two contracts shall be accumulated, but the period from the end of one contract until the signing of a new one shall not be included.

3. The contribution time is calculated in days and should be converted into years and days, and one year is 365 days.

SECTION V

Interface between joint provident fund schemes and private pension plans

Article 36

Interface

1. Where a joint provident fund scheme is established in accordance with the provisions of this Law, if a defined contribution plan has been established under Decree-Law No. 6/99/M of 8th February and financed through pension funds registered with the AMCM, the said joint provident fund scheme can be interfaced with the private pension plan.



2. The interface shall result in —

(a) the private pension plan and the joint provident fund scheme coming into effect at the same time;

(b) the termination of payment of contributions towards the private pension plan and the payment of contributions towards the joint provident fund scheme;

(c) the retaining of benefits obtained under the rules of the private pension plan and the processing of such benefits in accordance with the said rules.

3. The interface does not affect the cancellation of the original private pension plan according to the provisions of the existing legislations.

4. For the purpose of calculating the employee's benefits, the employee's contribution time under the joint provident fund scheme should be included in the contribution time under the private pension plan but without prejudice to the provisions of paragraph 2(c).

5. The benefits obtained from the private pension plan can be transferred to the non-mandatory central provident fund system through the application of the account owner.

Article 37

The right of choice

1. In the case of interface, the employee who has already participated in the original private pension plan may choose to remain in the related plan or to participate in the joint provident fund scheme.

2. The employee who chooses to participate in the joint provident fund scheme must explicitly express his or her will to participate within three months



beginning from the day on which he or she is notified by the employer of exercising the right of choice and such decision shall be irrevocable.

3. The employee's choice to remain in the original private pension plan shall not affect his or her subsequent participation in the joint provident fund scheme.

4. Employees who have not participated in any private pension plan can only participate in the joint provident fund schemes in accordance with the provisions of Article 23.

Article 38

Continuity of the plans

1. The provisions of this Law shall apply to the private pension plan that interfaces with the joint provident fund scheme according to the provisions of this section but without prejudice to the conditions of the private pension plans that are more favourable to the employee, in particular, about —

- (a) the contribution rate for the employer;
- (b) the calculation base of contributions;
- (c) the vesting of benefits.

2. Without prejudice to the application of the preceding paragraph, the withdrawal of funds must be made in accordance with the following provisions —

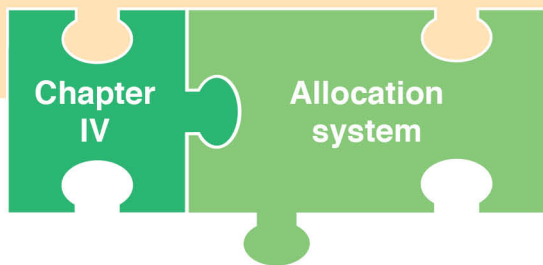
- (a) In respect of the funds in private pension plans, in accordance with the conditions laid down in the plans;
- (b) In respect of the funds in joint provident fund schemes, in accordance with the conditions laid down in Article 19.

3. For the application of Article 35, the contribution time of the employee



under the original private pension plan shall be included in the contribution time under the joint provident fund scheme.





Article 39

Incentive basic funds

1. The account owner who is still alive on 1 January of the year of fund distribution and who simultaneously meets the following requirements in the preceding calendar year shall be entitled to the incentive basic funds —

- (a) He or she was a permanent resident of the Macao SAR;
- (b) He or she attained 22 years of age;
- (c) He or she stayed in the Macao SAR for at least 183 days.

2. The incentive basic funds are a lump-sum money payment.

3. The period during which the account owner was outside the Macao SAR due to the following reasons shall be included in the minimum period of stay referred to in paragraph 1(c) —

- (a) He or she attended higher education courses recognized by the local competent authorities;
- (b) He or she was hospitalised;
- (c) He or she habitually resided in mainland China and —
 - (i) attained 65 years of age;
 - (ii) was under 65 years of age, but due to health reason, in particular, the need for non-hospital nursing, palliative therapy, rehabilitation services or family care;

(d) He or she provided work outside the Macao SAR for an employer registered with the FSS;

(e) He or she worked outside the Macao SAR in order to bear the main living expenses of his or her spouse, any degree of lineal consanguinity or

affinity who resided in the Macao SAR;

(f) He or she performed official duties, performed duties for the Macao SAR or discharged other official duties.

4. In addition to the circumstances set out in the preceding paragraph, the Chief Executive may, after obtaining advice from the Administrative Committee of the FSS, allow the account owner's period of stay outside the Macao SAR for humanitarian or other properly explained reasons to be included in the minimum period of stay referred to in paragraph 1(c).

5. The account owner can make a formal request to the FSS that he or she has reasonable grounds to be outside the Macao SAR and the reasons given must be supported by documents; if the account owner is unable to provide such documents, he or she can testify by making a declaration which must be confirmed by two witnesses.

6. The amount of incentive basic funds is 10,000 patacas.

Article 40

Special allocation from budget surplus

1. If the budget implementation of the past fiscal years allow, the account owner shall be entitled to the special allocation from budget surplus if he or she is still alive on 1 January of the calendar year in which the Executive Order referred to in paragraph 4 is published and if he or she simultaneously meets the following requirements in the preceding calendar year —

- (a) He or she was a permanent resident of the Macao SAR;
- (b) He or she attained 22 years of age;



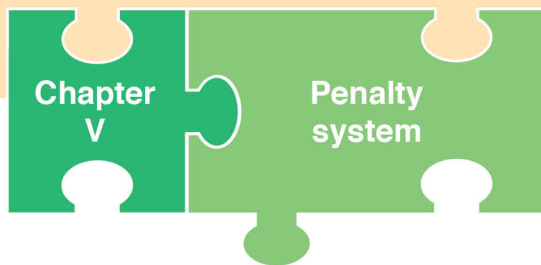
(c) He or she stayed in the Macao SAR for at least 183 days.

2. The provisions of paragraphs 3 to 5 of the preceding article shall apply, after appropriate adaptations, to the determination of the period of stay in the Macao SAR that is referred to in paragraph 1(c).

3. The prescription of the right to record in the individual account the funds distributed under the title of special allocation from budget surplus is three years, counting from 31 December of the year of allocation.

4. After obtaining advice from the Financial Services Bureau, hereinafter referred to as the “DSF”, the special allocation of budget surplus and its related amount shall be set out in an Executive Order that shall be published in the Gazette.





SECTION I

General provisions

Article 41

Discharge of unfulfilled obligations

Where the offence is constituted by unfulfilled obligations, the imposing of penalties and payment of fines shall not exempt the offender from fulfilling any obligation that is still enforceable.

Article 42

Liability of a legal person

1. Legal persons, even if improperly incorporated, associations without legal personality and special committees shall be liable for the offence provided for in this Law, when committed by their organs or representatives on their behalf and in the collective interest thereof.

2. The liability referred to in the preceding paragraph shall be excluded if the perpetrator has acted against the express orders or instructions of the persons with authority.

3. The liability of the entities referred to in paragraph 1 shall not exclude the liability of the related perpetrators.



Article 43

Liability for payment of fines

1. If the offender is a legal person, its administrators or who otherwise representing it shall have joint and several liability for the payment of fines with the legal person, in case where the legal person is sentenced to be liable for the offence.

2. If the fine is imposed on an association without legal personality or on a special committee, it shall be paid through the common property thereof, and if there is no common property or if the common property is insufficient, the fine should be paid with the property of each of the associates or members who have joint and several liability.

Article 44

Attribution of fines

The proceeds of fines imposed under this Law shall be the income of the FSS.



SECTION II

Criminal liability

Article 45

Improper appropriation of contributions

1. The employer with the intent to improperly appropriate all or part of the contributions of the non-mandatory central provident fund system that he or she deducted according to law from the employee's remuneration and fail to remit the deducted amount to the fund management entities within 60 days after the expiration of the statutory time limit, shall be liable to imprisonment for up to three years or a fine.

2. If the crime is committed by a legal person, the penalty shall be a fine of up to 360 days.



SECTION III

Administrative offences

Article 46

Offences

1. In violation of Article 6, Article 17(4) and (5) and Article 28(3) and Article 31(4), a fine from 5,000 to 10,000 patacas shall be imposed.

2. In violation of Article 19(8), a fine from 10,000 to 50,000 patacas shall be imposed.

Article 47

Recidivism

1. It shall be considered recidivism if the same administrative offence is repeated again within one year after the decision of punishment has become final.

2. In the case of recidivism, the lower limit of the penalties shall be increased by one quarter and the upper limit remains unchanged.

Article 48

Procedure

1. If an administrative offence is detected, the FSS should compile a dossier and file an indictment which shall be notified to the offender.

2. The bill of indictment should set out a time limit of 15 days for the offender



to make a defence.

Article 49

Competence

1. The imposition of fines for committing an administrative offence provided for in this Law shall be the authority of the Administrative Committee of the FSS.
2. The Administrative Committee of the FSS may give its President the authority referred to in the preceding paragraph.

Article 50

Payment of fine

1. The fine must be paid within 15 days of the date of notification of the penalty decision.
2. If the fine is not voluntarily paid within the period referred to in the preceding paragraph, compulsory collection shall be executed by the Coercive Collection Bureau of the DSF, using the certificate of the imposition of fine as the name of execution.





Article 51

Application of supplemental provisions

Decree-Law No. 6/99/M of 8th February and insurance business related regulations shall, after appropriate adaptations, apply to all matters not regulated by this Law.

Article 52

Oversight

1. It is the competence of the FSS to oversee the compliance with this Law and its supplemental regulations.

2. The provisions of the preceding paragraph do not affect the power of supervision given to other public entities, in particular the power of supervision over the pension funds and the fund management entities, given to the AMCM in accordance with Decree-Law No. 6/99/M of 8th February.

Article 53

Tax regime

1. All legal acts relating to the establishment and participation in the provident fund schemes shall be exempt from all fees or taxes.

2. Within the limits set out in the tax legislation, for the purpose of determining the taxable profits of the employer in respect of the profits tax and salaries tax, the contributions paid by the employer towards the joint provident fund scheme shall be considered as the operating costs or the burdens of engaging in business.

3. According to the provisions of this Law, the money payment received by the employee under the non-mandatory central provident fund system does not constitute the basis for the computation of salaries tax.

Article 54

Temporary tax incentives

Within the first three years of the entry into force of this Law, the amount referred to in paragraph 2 of the preceding article shall be subject to an additional two times of the amount of contributions.

Article 55

The repayment of concessions

In the case of return of contributions to the employer under Article 34(2), the concessions provided for in the preceding article shall not have effect. The employer must repay the difference between the tax already paid and the tax that should be paid when there are no concessions.

Article 56

Notification

1. All notices must be issued in accordance with the Administrative Procedure Code but without prejudice to the compliance with the special provisions of the following paragraphs.

2. The notice can be sent to the following addresses by registered mail and it is assumed that the person to be notified shall receive the notice on



the third day when the notice is sent by registered mail, and if the third day is not a working day, it shall be assumed that the notice shall be received on the first working day that immediately follows —

(a) the final residence contained in the records of the FSS;

(b) the mailing address or place of residence specified during the administrative procedures referred to in this Law, by the person to be notified.

3. If the address of the person to be notified is located outside the Macao SAR, the period referred to in the preceding paragraph shall be counted only after the expiry of the extended deadline provided for in Article 75 of the Administrative Procedure Code.

4. The assumption referred to in paragraph 2 can only be overturned by the person to be notified if the receipt of notice after the assumed date is attributable to postal services.

Article 57

Burdens

The financial burdens arising from the implementation of Articles 39 and 40 shall be borne by the corresponding appropriation registered in the financial budget of the Macao SAR for the related fiscal year.

Article 58

Supplemental regulations

The Chief Executive shall approve the supplemental by-laws required for the implementation of this Law, in particular, the supplemental by-law on the



following matters —

(a) the opening and cancellation of sub-accounts and the transfer of related funds;

(b) the investment of funds, the switching of investment, the redemption and the return of funds;

(c) the provision of information;

(d) the allocation of government funds.

Article 59

Legal review report

1. The FSS shall compile, after three years of the entry into force of this Law, a report for examining the implementation of this Law, which shall be completed within 180 days that immediately follows.

2. The legal review report should examine, in particular, the necessary conditions for the possible use of a mandatory model to implement the central provident fund system as well as the impact of the above measure on society and the economy.

Article 60

Repeal

1. Law No. 14/2012 (Provident Fund Individual Accounts) shall be repealed.

2. The provisions of the preceding paragraph shall automatically produce the following effects —



(a) The individual account of provident fund shall be converted into the individual account of non-mandatory central provident fund system;

(b) The owner of provident fund individual account shall become the account owner of non-mandatory central provident fund system;

(c) For all legal effects, the balance of the provident fund individual account shall be transferred to the government-managed sub-account of the account owner of non-mandatory central provident fund system.

3. For the application of Article 39, the incentive basic funds distributed under Law No. 14/2012 shall be deemed to be distributed to the individual account of non-mandatory central provident fund system.

Article 61

Entry into force

This Law shall come into force on 1st January 2018.

Passed on 31st May 2017.

Ho Iat Seng, President of the Legislative Assembly

Signed on 13th June 2017.

Order this Law to be published.

Chui Sai On, Chief Executive



Annexe

(Referred to in Article 34)

Contribution time	Vesting percentage
Less than three years	0%
Three years to less than four years	30%
Four years to less than five years	40%
Five years to less than six years	50%
Six years to less than seven years	60%
Seven years to less than eight years	70%
Eight years to less than nine years	80%
Nine years to less than ten years	90%
Ten years or more	100%

(The English version of the present law is provided for reference only. Please note that only the Chinese and Portuguese versions published in the Macao SAR Gazette are official and are the sole authority of the law.)



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