

NEWSLETTER

Manuela António - 安文娜 大律師及公證員 | *Lawyers and Notaries*

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Bond Market in the Macau SAR

The diversification of Macau's economic activity has been one of the main goals announced by successive Macau SAR governments on various occasions or in various documents over the years.

Moreover, for more than a decade, one of the main sectors chosen to achieve this objective has been the development of the Macau SAR's financial sector.

In order to attain this goal, one of the most important announcements made by the Government was to enable the development of institutional and legal mechanisms that would safely allow the creation of a Bond Market in the Macau SAR.

In this desired path, by Executive Order no. 94/2018, of 20 August, the Chongwa (Macao) Financial Asset Exchange Co., Ltd (MOX) was set up, with its articles of association approved on 19 October 2018 and registered with the Commercial Registry on 12 November 2018.

Consistent with those objectives, the MOX's corporate purpose is to provide information services, settlement of transactions, professional training and consultancy services in the securities field.

Subsequently, other important steps continued to be taken in the same direction to enable the operation of a bond market in the Macau SAR.

The AMCM, an entity which plays a fundamental role in the geometry of the bond issuance and in creating the necessary internal and international confidence in such issues, has been issuing circulars, through which it has established who can be the issuers and subscribers, as well as the rules and the principles that must be adopted in the issuance and public subscription of Bonds by Professional and Institutional investors.

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In this complex and dynamic process, among others, play a crucial role the Prospectus, the Custody Institutions, the Supervision Mechanisms and the legal and financial advisors who guarantee the sustainability and legality of the emissions that occur.

In pursuit of these objectives, the creation and coming into operation in December 2021 of the Central Securities Depository has already been announced. This is another fundamental link in the closing of the circle of all the legal and institutional conditions to guarantee the proper functioning of this segment of Macau's financial market and its success.

In this regard, it is pertinent to quote the government's policy address for 2022: "*Pragmatically promote the development of the modern financial sector: we will proactively accelerate the development of the bond market, financial management..... We will review the Legal Regime of the Financial System, cancel the current system of appreciation and approval of bond issuance...*"

It was in this succession of measures and in this panel of announced objectives and solutions established by the Macau SAR Government that, in the good time and in due course, the Legal and Judicial Training Centre, in close cooperation with the Monetary Authority of Macau, promoted a training course on the bond market and applicable law, aimed at legal professionals, namely lawyers and trainee lawyers of Macau, legal compliance personnel, financial sector personnel and other law graduates.

The aim of the course, which was held from 6 to 27 November 2011, was to enable the participants to obtain or enhance their knowledge in order to be able to intervene, within the scope of their respective functions, in the creation and analysis of the documentation and other instruments necessary for the operation of the Bond Market.

The course was largely attended and included many Macau lawyers and trainees, including 4 from Manuela António Lawyers and Notaries law firm.

From the said attendance, taking into account the amplitude as well as the surgical selection of the subjects covered and, above all, the characteristics and quality of the speakers, as well as their various geographic specializations, it was acknowledged the great usefulness of the course and the enrichment for those who attended it in their relationship with the Bond issuance Market in the future.

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In view of all that has been done in this area, it seems that the necessary conditions for the sustained advancement of the project of creating and developing a Bond Market in Macau have been met. It will now be necessary to attract the demand (issuing entities) that bring the necessary operations to boost this important segment of financial activity.

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