Preface

This book will be useful namely for those seeking information on the legal system of Macau who do not master any of the official languages, and especially Portuguese. The 'localization' of the legal system has eased the language barrier problem for those who master Chinese, but it remains true that most key doctrinal materials are written in Portuguese.

This is the first publication providing an extended account of the matters covered in the 1999 Civil Code and 1999 Commercial Code; as always happens after codification, there is a need to fully understand the breadth of newly introduced legal provisions. It also covers the legal transformations and continuities arising from the resumption of the exercise of sovereignty over Macau by China on 20 December 1999. It is hoped that, despite its shortcomings, this publication may contribute to a better understanding of Macau’s legal system. Although this book is by no means a work of comparative law, it was felt useful to provide references to English language publications from other parts of the civil law tradition discussing the matters covered, so as to enable the interested English-speaking monologist to pursue further research.

The book’s original impetus came from the need to provide written information about the legal system of Macau, in English, to the students of Business Law at the Faculty of Business Administration, University of Macau. Parts of it were subsequently used in the Faculty of Law in the International Business Law program, and in courses taught elsewhere for staff of banks, insurance companies and auditors. The book is dedicated to Professor Nelson António, former Dean of the Faculty of Business Administration, University of Macau, whose continued support during my years of teaching in the 1990s (1993 to 2000) laid the foundation on which the book was started.

I have received help and advice on specific issues from a number of people, including Paulo Cardinal, José Costa, Ignazio Castelucci, Augusto Teixeira Garcia, Luís Pessanha and Carla Gonçalves. I extend my gratitude to all of them, as well as to all others who, in one way or another, contributed to the conditions that made this work possible. Thanks to Tracy Lou for help with translations.

The text, as it stands, is far from perfect, and does not yet meet my requirements. However, it was thought it may already have some interest for the public. Future editions shall address the shortcomings of this one.

The law is stated as of 1 January 2007.

Jorge AF Godinho
jgodinho@umac.mo
Coloane, 1 February 2007

Contents

CHAPTER I
GENEURAL FEATURES OF MACAU’S LEGAL SYSTEM
A. INTRODUCTION .................................................... 1
   §1. Political context ........................................... 1
   §2. Economic context .......................................... 6
   §3. Macau as a civil law legal system ...................... 8
   §4. Judiciary organization .................................... 10

B. SOURCES OF LAW .................................................. 13
   §5. Customary law .............................................. 13
   §6. Legislation ................................................... 14
   §7. Case law ..................................................... 20
   §8. Doctrine ...................................................... 21
   §9. Usage ........................................................ 21
   §10. International law and domestic law .................. 22

C. OVERVIEW OF MAJOR LAW BRANCHES ...................... 23
   §11. Master division; public law vs private law .......... 23
   §12. Constitutional law ........................................ 24
   §13. Administrative law ....................................... 27
   §14. Criminal law .............................................. 27
   §15. Criminal procedure law ................................. 30
   §16. Private law branches .................................... 31
   §17. Private law branches; civil law ....................... 31
   §18. Commercial law ........................................... 37
   §19. Labour law ................................................ 39
   §20. International Private Law ............................... 39
   §21. Mixed branches of law .................................. 41

CHAPTER II
LAW OF PERSONS
A. PRELIMINARY ...................................................... 42
   §22. Basic concepts .......................................... 42
B. INDIVIDUALS

| § 23. Personality and capacity | 43 |
| § 24. Commercial capacity and legitimacy | 45 |

C. LEGAL PERSONS

| § 25. Types of legal persons | 46 |
| § 26. Personality and capacity | 47 |

D. RIGHTS OF PERSONALITY

| § 27. General concepts | 48 |
| § 28. Specific rights of personality | 48 |

CHAPTER III

LAW OF OBLIGATIONS

A. INTRODUCTION

| § 29. Concept of a law of obligations | 49 |

B. SOURCES OF OBLIGATIONS: CONTRACTS

| § 30. Freedom of contract | 51 |
| § 31. Privy of contracts | 52 |
| § 32. Declaration of will; express and implied declarations | 52 |
| § 33. Form and registration | 53 |
| § 34. Conclusion of contracts | 54 |
| § 35. Agency/representation | 57 |
| § 36. Invalid contracts | 58 |
| § 37. Defective contracts | 59 |
| § 38. Contract object | 63 |
| § 39. Promise to contract | 63 |

C. SOURCES OF OBLIGATIONS: CIVIL LIABILITY (TORTS)

| § 40. Introduction: civil liability and contractual liability | 64 |
| § 41. Subjective and objective liability | 66 |
| § 42. Requirements of fault-based civil liability | 66 |
| § 43. Action or omission | 67 |
| § 44. Unlawfulness | 67 |
| § 45. Fault | 68 |
| § 46. Damage | 69 |
| § 47. Causation | 69 |
| § 48. Compensation | 70 |
| § 49. Presumption of fault | 70 |
| § 50. Objective liability | 71 |

D. OTHER SOURCES OF OBLIGATIONS

| § 51. Unjust enrichment | 74 |
| § 52. Negotium gestio | 74 |

CHAPTER IV

CIVIL AND COMMERCIAL CONTRACTS

A. INTRODUCTION

| § 77. Civil Code | 106 |
| § 78. Commercial Code | 106 |

B. PURCHASE AND SALE

| § 79. Introduction; definition and effects | 108 |
| § 80. Transfer of ownership; reservation of title; hire-purchase | 108 |
| § 81. Form; registration | 109 |
| § 82. Other issues | 110 |
| § 83. Commercial law special rules | 110 |
Contents

§ 145. Shareholders' agreements ........................................ 185
§ 146. Books and accounts ............................................. 185
§ 147. Suspension of activity and 'shelf companies' .................. 186
§ 148. Merger, division and transformation .......................... 187
§ 149. Single shareholder companies .................................. 188
§ 150. Supervision by Public Ministry ................................ 189
§ 151. Dissolution ........................................................ 189
§ 152. Liquidation ....................................................... 191

PUBLIC COMPANIES ...................................................... 192

§ 153. Introduction ...................................................... 192
§ 154. Incorporation ..................................................... 193
§ 155. Rights and obligations of shareholders ......................... 195
§ 156. Shares ........................................................... 195
§ 157. Capital .......................................................... 197
§ 158. Bonds ............................................................ 197
§ 159. Organs ............................................................ 198
§ 160. Shareholders' resolutions ......................................... 198
§ 161. Administration .................................................... 200
§ 162. Supervisory board or single supervisor ......................... 201
§ 163. Company secretary .............................................. 201

CHAPTER VI
PROPERTY LAW

A. INTRODUCTION ....................................................... 203
§ 164. Sources .......................................................... 203
§ 165. Property rights as a legal category ............................ 203
§ 166. Publicity ......................................................... 205

B. POSSESSION .......................................................... 205
§ 167. Nature of possession ............................................ 205
§ 168. Effects of possession ........................................... 206

C. OWNERSHIP .......................................................... 206
§ 169. Concept .......................................................... 206
§ 170. Acquisition by possession over a long period ............... 207
§ 171. Protection of ownership ........................................ 207
§ 172. Condominium over buildings .................................. 207

D. OWNERSHIP OF COMMERCIAL ENTERPRISES ................. 209

OTHER PROPERTY RIGHTS OF ENJOYMENT ......................... 209
§ 174. Usufruct ........................................................ 209
§ 175. Surface right .................................................... 210
§ 176. Servitudes ....................................................... 210

Abbreviations

ARAPM Administração, Revista da Administração Pública de Macau [bilingual Portuguese/Chinese]
BFDUM Boletim da Faculdade de Direito da Universidade de Macau [bilingual Portuguese/Chinese]
BL Macau Basic Law, published in BORAEM no 1/1999, 20 December 1999, 351 ff
BOM Boletim Oficial de Macau (until 19 December 1999)
BORAEM Boletim Oficial da Região Administrativa Especial de Macau (from 20 December 1999)
CC Civil Code, approved by DL 39/99/M, of August 3
CCom Commercial Code, approved by DL 40/99/M, of August 3
CNot Notary Code, approved by DL 62/99/M, of October 25
CP Penal Code, approved by DL 58/95/M, of November 14
CPCE Civil Procedure Code, approved by DL 55/99/M, of October 8
CPP Criminal Procedure Code, approved by DL 48/96/M, of September 2
CRC Commercial Register Code, approved by DL 56/99/M, of October 11
CRP Land Register Code, approved by DL 46/99/M, of September 20
DL Decree-Law
EOM Macau Organic Statute 1976
HKBL Hong Kong Basic Law
L Law
LSQ 1901 Lei das Sociedades por Quotas [Law on Private Companies]
MOP Macau pataca (currency)
PRC People's Republic of China
RFDFDC Revista da Faculdade de Direito da Universidade de Coimbra
RJM Revista Jurídica de Macau / Macau Law Journal [bilingual Portuguese/Chinese]
RJSF DL 32/93/M, of July 5 (Regime Jurídico do Sistema Financeiro = Financial System Act)
SAR Special Administrative Region
SPIID Sino-Portuguese Joint Declaration
TSI Tribunal de Segunda Instância [Court of Second Instance]
TUI Tribunal de Última Instância [Court of Final Appeal]