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Contents

1. Forward

- 1.1 In order to comply with the provision of Administrative Regulation no. 25/2005 (Administrative Regulation for Accounting Standards) published on December 30, 2005, which took effect from January 1, 2007, the Tax Authority subsequently amended the M/1 Profits Declaration - Group A form and attachments stated in Articles nos. 10 and 13 of the Profits Tax Regulations, so as to correspond with the provisions of the new accounting standard.
- 1.2 The purpose of these Guidelines is to explain the content to taxpayers, auditors and accountants and demonstrate how to complete the amended M/1 Profits Declaration - Group A forms and attachments. At the same time, they also show how the Tax Authority handles certain provisions in calculating taxable profits, and remind taxpayers of other requirements when submitting this declaration.

2. Scope of application

- 2.1 The amended “M/1 Profits Declaration - Group A” form and attachments are applicable to taxpayers of Group A Profits Tax for profits obtained from the tax year commencing January 1, 2007 onwards.

3. Composition of Declaration

- 3.1 The “M/1 Profits Declaration – Group A” form and its attachments include the following:
- [1] M/1 Profits Declaration form;
 - [2] Attachment A;
 - [3] Attachment B;
 - [4] One or more M/3 Depreciation of Tangible and Intangible Assets;
 - [5] One or more M/3A Detailed Breakdown of the Sale and Disposal of Tangible and Intangible Assets;
 - [6] M/4 Movement of Provisions;
 - [7] A spreadsheet;
 - [8] A technical report of auditor, accountant or accounting technician;
 - [9] A copy of the minute of approved accounts (such as in the case of a company);
 - [10] A copy of the opinion of the Supervisory Board (if stipulated in law).

3.2 Additionally, the taxpayer must submit copies of the detailed breakdown and relevant documents required by the tax authority together with the declaration. Furthermore, the taxpayer may attach a completed financial report and an audit report when submitting the declaration if needed.

4. Submission and signature of the Declaration

4.1 For Profits Tax Group A taxpayers, income obtained in a tax year should be declared to the FSB using the M/1 Profits Declaration form from April to June of the following year.

4.2 The M/1 Profits Declaration form and its attachments should be signed by both the taxpayer (for individuals) and a legal representative (for companies or organisations), and a registered auditor, accountant or accounting technician who is registered with the FSB Committee for the registry of auditors and accountants.

4.3 If an individual taxpayer is unable to sign the declaration in person, he/she can authorise one or more legal representatives to sign on his/her behalf using powers of attorney, in which case the powers of attorney certified by an authorised notary should also be submitted.

4.4 The declaration form and attachments should be submitted in duplicate, of which one copy will be returned to the taxpayer after being verified by FSB staff.

5. Declaration of the Auditor/Accountant/Accounting technician

5.1 In accordance with Article no. 4, paragraph 2 of the Profits Tax Regulations, Group A taxpayers pay their tax according to the actual profits as verified in their organised, signed and checked accounting records. Therefore, the auditor, accountant or accounting professional who signs the Profits Declaration together with the taxpayer should verify the basic accounting information that will make up the Profits Declaration, and ensure the information contained in the submitted M/1 Profits Declaration conforms to the accounting records, as well as ensuring that the content of the accounting records does not violate the Accounting Standards in any respect.

5.2 Verification should at least include:

- (1) A check of the content of the M/1 Profits Declaration form so as to ensure the information provided is complete, accurate and correctly calculated and, furthermore, conforms to the accounting records;
- (2) Understanding the compilation basis of accounting, including raising queries with taxpayers, inspecting the books and internal manuals so as to understand the compilation basis of accounting and the main accounting strategy, as well as analysing and assessing the accounts based on the known information and checking whether there is any major violation of the Accounting Standards.

5.3 The auditor, accountant or accounting technician should sign Section 16 'Declaration of auditor / accountant / accounting technician' of the M/1 Profits Declaration when no major breach to the Accounting Standards has been found in the accounting records while compiling the Declaration, and in the belief that all the information contained in the Declaration and its attachments conform to the accounting records of the taxpayer after verification.

5.4 The auditor, accountant or accounting technician should not sign Section 16 'Declaration of auditor / accountant / accounting technician' of the M/1 Profits Declaration if there has been any major breach to the Accounting Standards in the accounting records while compiling the Declaration, or if unable to inspect the accounting records due to any particular reason. In this case, another 'Declaration of auditor/accountant/accounting technician' should be written on the appropriate memo or A4 paper to explain the situation.

5.5 If any major breach to the Accounting Standards has been found in the accounting records while compiling the Declaration, or the auditor, accountant or accounting technician is unable to inspect the accounting records, in accordance with Article no. 36, paragraph 3 of the Profits Tax Regulations, the tax authority has the right to reassess the taxable profits of the taxpayer.

6. Responsibility for information contained in the Declaration

6.1 All requested information must be stated in the Profits Declaration and attachments. Any information omitted or incorrect or false information shall be considered in violation of Article no. 64 of the Profits Tax Regulations and the

applicant shall be subject to a penalty.

- 6.2 The auditor, accountant or accounting technician who signed the Profits Declaration together with the taxpayer should take professional responsibility for any incorrect information or omissions in the Profits Declaration.

7. Calculation of taxable profits

- 7.1 In accordance with Article no. 4, paragraph 2 of the Profits Tax Regulations, Group A taxpayers should pay tax according to their organised accounting records and the actual profits verified and signed by an accountant or auditor. In addition, pursuant to the requirement of Article no. 18, paragraph 1 of the Profits Tax Regulations, Group A taxpayers should compile and retain their accounting records as the regulation stipulates. Therefore, Group A taxpayers must have organised accounting records so as to calculate the taxable profits accurately.

- 7.2 The Financial Reporting Standard and General Financial Reporting Standard (collectively referred to as the Accounting Standards) were approved by Administrative Regulation and published on December 30, 2005, and became law from January 1, 2007. In accordance with Article no. 7 of the Administrative Regulation, the appropriate accounting system indicated in the Profits Tax Regulations is compiled according to the Accounting Standards. Therefore, from January 1, 2007, taxpayers of Group A Profits Tax must handle their transactions and accounting matters based on the Accounting Standards (that is, the Financial Reporting Standards and General Financial Reporting Standards).

- 7.3 The Financial Reporting Standards and General Financial Reporting Standards stipulate strict standards and a series of basic principles in the recognition and measurement of transactions and events, and such principles and standards must be used to determine the taxable income and deductible expenses relating to Profits Tax, other than in situations that do not comply with the provisions of the tax laws.

- 7.4 However, due to the fact that the objectives for tax and accounting are different, some principles and the standard in the recognition and measurement of transactions and events of the Financial Reporting Standards and General Financial Reporting Standards may have various degree of difference between the requirements of tax laws. In the case of such differences, the determination of taxable income and deductible expenses shall be subject to the provisions of the

tax laws, and any necessary adjustments should be made while calculating the taxable profit.

7.5 In accordance with the provision of Article no. 19, paragraph 1 of the Profits Tax Regulations, the taxable income of Group A taxpayer means the amount that comes from any source of income or profit of the previous tax year of assessment minus the expenses or losses of the same year. The provisions of Articles nos. 20 to 35 of the Regulations should be applied to the former or the latter if any correction is needed.

7.6 The above provisions clearly point out that the taxable profit is the balance of the expenses subtracted from any source of income in the assessment year, and the calculation of the amount should be based on the current profit and loss reported in the income statement of taxpayers which were compiled according to the appropriate accounting principles, and should be determined by making an adjustment referring to the different items stated in the provisions of Articles nos. 20 to 35 of the Profits Tax Regulations. Therefore, the current profit and loss which is calculated in accordance with the Accounting standard is the basis of the calculation of taxable profit.

7.7 The “Calculation of taxable profit” in section 11 of the M/1 Profits Declaration requires a taxpayer to adjust the current profit and loss that showed in the income statement into the current taxable profit. Therefore, the to-be-adjusted items generated due to the difference between the tax laws and the accounting standard in the calculation of the taxable profit become the essential declared information of the taxpayer. These items mainly include (but are not limited to):

- The difference between the depreciation of tangible and intangible assets calculated according to the tax laws and the cost of depreciation confirmed according to the accounting standard;
- Provision for bad debt or depreciation of inventories which exceed the ceiling of the statutory amount stated in the tax laws;
- Any disallowed provision for the impairment loss of assets stated in the tax laws;
- Donation expenditure which exceeds the ceiling of the statutory amount stated in the tax laws;
- Pension or provident fund contributions or expenditures made for employees who do not meet the legal requirements;
- Pension or provident fund contributions made for employees who meet the legal requirements, and such contributions that exceed the ceiling of the statutory amount stated in the tax laws;

- Any penalty from violated tax laws;
- Loss or compensation from uninsured accidents that are insurable;
- Profits tax which is confirmed as an expense in the current period;
- Salaries tax payment and social security fund contributions (borne by taxpayers) paid for the employees
- Expenses of the taxpayer for private use (including individual life insurance cost);
- Direct write-offs to the loss on bad debts with no supporting legal document;
- The adjusted amount of increase in equity in the cumulative profit or loss, due to correction for previous errors or alteration in accounting policies;
- Part of the profit (profit recognised in prior periods but not yet realised) realised in the current period.

7.8 Any item that fails to be declared or adjusted in the Declaration shall be considered in violation of 'Incorrect or omissions as indicated in Article no.64 of the Profits Tax Regulations and shall be subject to a penalty.

7.9 In accordance with Article no.34, paragraph 1 of the Profits Tax Regulations, for Group A taxpayers, the loss during the assessment period in the past can be deducted from the taxable profits made in the following three consecutive assessment periods. If the taxpayer wishes to enjoy this deduction, the amount of the deduction should be filled in Line 35 of Section 11 'Calculation of taxable profits' of the M/1 Profits Declaration.

8. Filling out the Declaration

(1) General requirements

8.1 All amounts should be declared as an integral value in MOP.

8.2 All negative numbers in the declaration should be indicated in brackets, except for ones which have been marked as deductions items.

8.3 If there is not enough space to fill in the requested information in any section of the declaration or its attachments, please fill in the information on a separate paper with the company's letterhead or A4 paper, with a remark in the section to this effect.

8.4 If no information can be provided for any section in the tax return, or if there is any section which is not applicable, the section should be cancelled by drawing a

line through it and the word “not applicable” should be indicated.

8.5 Taxpayers should pay attention to and follow the requirements stated in the remarks of every section in the declaration and its attachments while filling in the forms.

(2) M/1 Profits Declaration form (Format 359)

Size: 42cm x 29.7cm (A3 paper – “landscape”)

Content: This declaration is the main page of the M/1 Profits Declaration. The contents include: Identification of taxpayer, basic information of accounting records, the calculation of taxable profits, the distribution of dividends or profits, and the declaration of the auditor or accountant.

Note: After the taxpayer has filled in the declaration, the form should be folded into A4 size (the calculation of the taxable profits should be folded inward).

Form filling: Please refer to examples 1 to 3.

(3) Attachment A – General taxpayers (Format 360)

Size: 29.7cm x 21cm (A4 paper – “portrait”)

Content: The contents of this attachment include: (I) Profit and loss statement, (II) Detailed breakdown of income and expenditure, (III) Detailed breakdown of the cost of merchandise and products sold, (IV) Balance sheet

Note: This attachment is applicable to all general taxpayers except those belonging to the banking industry and the insurance industry.

Form filling: Please refer to examples 4 to 5.

(4) Attachment B – General taxpayers (Format 361)

Size: 29.7cm x 21cm (A4 paper – “portrait”)

Content: The contents of this attachment include: (I) Detailed breakdown of other operational costs, (II) Detailed breakdown of staff costs, (III) Detailed breakdown of other expenses and losses, (IV) Detailed breakdown of income from investments, (V) Detailed breakdown of other incomes, (VI) Detailed breakdown of financial expenses, (VII) Detailed breakdown of tax payments and administrative expenses, (VIII) Movement of the accumulated profit and loss.

Note: This attachment is applicable to all general taxpayers except those belonging to the banking industry and the insurance industry.

Form filling: Please refer to example 6 to example 7.

Attachment A – Insurance company (Format 362)

Size: 29.7cm x 21cm (A4 paper – “portrait”)

Content: The contents of this attachment include: (I) Profit and loss statement, (II) Detailed breakdown of reinsurance income, (III) Balance sheet.

Note: This attachment is only applicable to insurance companies.

Form filling: Please refer to example 19 to example 20.

(5) Attachment B – Insurance company (Format 363)

Size: 29.7cm x 21cm (A4 paper – “portrait”)

Content: The contents of this attachment include: (I) Detailed breakdown of general operational costs, (II) Detailed breakdown of staff costs, (III) Detailed breakdown of tax payments and administrative expenses, (IV) Detailed breakdown of income from investment, (V) Detailed breakdown of other incomes, (VI) Detailed breakdown of other expenses and losses, (VII) Detailed breakdown of reinsurance expenses, (VIII) Movement of the accumulated profit and loss.

Note: This attachment is only applicable to insurance companies.

Form filling: Please refer to example 21 to example 22.

(6) Attachment A – Banking industry (Format 364)

Size: 29.7cm x 21cm (A4 paper – “portrait”)

Content: The contents of this attachment include: (I) Profit and loss statement, (II) Detailed breakdown of income from banking services, (III) Detailed breakdown of income from other banking operations, (IV) Detailed breakdown of income from securities and financial investment, (V) Balance sheet.

Note: This attachment is only applicable to banks.

Form filling: Please refer to example 14 to example 15.

(7) Attachment B – Banking industry (format 365)

Size: 29.7cm x 21cm (A4 paper – “portrait”)

Content: The contents of this attachment include: (I) Detailed breakdown of other operational costs, (II) Detailed breakdown of staff costs, (III) Detailed breakdown of tax payments and administrative expenses, (IV) Detailed breakdown of other incomes, (V) Detailed breakdown of other expenses and losses, (VI) Movement of the accumulated profit and loss.

Note: This attachment is only applicable to banks.

Form filling: Please refer to example 16 to example 17.

(8) M/3 Table of depreciation of tangible and intangible assets (format 366 and 366A)

Size: 29.7cm x 21cm (A4 paper – “landscape”)

Content: This attachment is designed for the use of declaring the depreciation and amortisation expenses calculated on fixed and intangible assets in accordance with the Tax Rules for the Replacement and Depreciation of Fixed Assets (Decree Law no. 4/90/M).

Note: The content of the main page and the continuation sheet is slightly different, so taxpayers are required to fill out the page number and the total number of pages in the assigned position. The submission of this attachment is a must even if the taxpayers have no fixed and intangible assets.

Form filling: Please refer to examples 8 to 10.

(9) M/3A Detailed breakdown of the sale and disposal of tangible and intangible assets (format 367)

Size: 29.7cm x 21cm (A4 paper – “landscape”)

Content: This attachment is for the use of declaring profit and loss arising from the sale and disposal of fixed and intangible assets.

Note: Taxpayers are required to fill out the page number and the total number of pages on the assigned position. Taxpayers need not submit this attachment if there is no sale and disposal of fixed assets or intangible assets.

Form filling: Please refer to example 11 to example 12.

(10) M/4 Movement of Provisions (format 368)

Size: 29.7cm x 21cm (A4 paper – “landscape”)

Content: This attachment is for the use of declaring the condition of the movement of the provisions, which is established for various risks and expected losses of the taxpayer. (Provision for doubtful debts, provision for depreciation of inventories, provision for bank credit risk, and various technical provisions for the insurance industry)

Note: Taxpayers need not fill out the provision in this attachment if the provision is established only for the profit tax payable; however, taxpayers are required to submit this attachment even if the provision was not established.

Form filling: Please refer to example 13, example 18 and example 23.

(11) Spreadsheet

8.6 Taxpayers should submit a spreadsheet showing the closing balance of each account of the general ledger or ledger with the M/1 Profits Declaration form. The spreadsheet can be printed on a company letterhead or an A4 piece of paper.

(12) Technical report

8.7 The preparation of the technical report should follow the provision of Article no. 13, paragraph 1(g) of the Profits Tax Regulations, providing information that helps the tax department to verify the taxable profit of taxpayers explicitly and accurately, including particularly the following points:

- [1] Primary business activities and source of income of the taxpayer;
- [2] Explanations for the significant change which turn up in the items in the accounting records.

(13) Minute of approved accounts

8.8 For all companies, whether it is a limited company, unlimited company, joint liability company or incorporated company, a copy of the minute of approved accounts of the relevant year is required for submission.

(14) Opinion issued by the Supervisory Board

8.9 For companies set up with a supervisory board or sole supervisor according to the provisions of the Commercial Code, a copy of the opinion issued by the supervisory board or sole supervisor is required for submission.

9. Treatment of special situations and the provision of additional information

(1) Preliminary Comparative figures

9.1 For the profit and loss statement and the balance sheet of Attachment A of the M/1 Profits Declaration, except for the declaration of the current amount, the corresponding amount of the previous taxable period is also required. Preliminary comparative figures after adjustment should be filled in if there is an adjustment due to the changes in accounting policies or correction of previous errors. For the declaration for the year 2007, according to Dispatch No. 374/2006 of the Chief Executive, this requirement can be waived.

(2) Non-pataca reported item

9.2 All amounts in the M/1 Profits Declaration and its attachments should be declared in MOP. Therefore, if the taxpayer's accounting records adopt a currency other than MOP, items in the profit and loss statement are required to be converted into MOP when filling the Profits Declaration in accordance with the provision of the conversion requirement of the financial statements stated in the Accounting Standard.

9.3 If the taxpayer does not convert all amounts into MOP when declaring on the M/1 Profits Declaration, the tax authority will convert the taxable profit according to the internal set and exchange rate.

(3) Alternation in accounting policies and the correction of previous errors

9.4 If the opening cumulative balance of profit or loss is adjusted due to the alternation in accounting policies or the correction of previous errors, taxpayers should fill the relevant adjusted cumulative amount into the "Detailed breakdown of the movement of the accumulated profit and loss" on the reverse side of Attachment B. In addition, taxpayers should also provide a detailed breakdown of every adjustment, and this detailed breakdown can be printed on a company letterhead or an A4 piece of paper.

9.5 Unless otherwise specified, for the calculation of the taxable profit, the increase of the opening cumulative balance of profit and loss arising due to the changes in accounting policies or the corrections of previous errors, should be considered as the previous profit and included as the current taxable profit (line 9, section 11 of the M/1 form).

9.6 The above-mentioned adjustment amount that is considered as the previous profit and included as the current taxable profit should be calculated item by item. The previous profit cannot be offset by the previous loss unless the relevant previous loss is directly related to the acquired previous profit.

(4) Distribution of dividends and profits

9.7 The information of section 12 'Distribution of dividends and profits' of the M/1 declaration should be filled in if the taxpayer distributes dividends or profits to the shareholders or the equity holder, indicating that the distributed dividends or

profits is either the current profits before tax or after tax, and a copy of the minute of the relevant decision of dividends and profits distribution must also be provided.

9.8 If part of the dividend and profit distribution in a particular year is included as the current profit before tax and profit after tax of the previous tax year, the only information that should be provided in section 12 is the current profit distribution before tax, while the information of the previous profit distribution after tax should be stated on the company letterhead or an A4 piece of paper.

9.9 In accordance with Article no. 3, paragraph 3 of the Profits Tax Regulations, the total income of the taxable profits tax of the corporate taxpayer does not include the dividend and profit of the relevant year of assessment distributed to shareholders or equity holders. Therefore, when the corporate taxpayer chooses to distribute the current dividend and profit to the shareholders or equity holders before tax, the distributed dividend and profit can be included as a deduction in Line 34 Section 11 of the M/1 Profits Declaration.

9.10 The purpose of the provision of Article no. 3, paragraph 3 of the Profits Tax Regulations is to avoid double taxation on the same profits between the company and its shareholders. Therefore, the pre-tax distribution of dividend or profit to the corporate taxpayers is only with respect to the profit of the taxable profit tax of the relevant year of assessment. If, for some reason, such as acquisition of exemption of Profits Tax, or a certain income is not a taxable income of Profits Tax, or because of a large amount of pre-tax deductions, or due to the existence of a deductible loss of the prior year, etc, the taxpayer's accounting profit before tax and pre-tax dividend distribution is higher than the taxable profit, the amount can be included as a deduction in line 34 section 11 of the M/1 form, although this must be limited to the taxable profit of the relevant year of assessment.

(5) Taxpayers who own several business establishments

9.11 When the taxpayer owns more than one business establishment, on one of which Profits Tax is declared according to group A, the other establishments should also follow the group A Profits Tax Declaration as pursuant to the provision.

9.12 Taxpayers should declare profits arising from all of their business establishments on the Profits Declaration form. Taxpayers should not declare the profits in the M/1 Profits Declaration of other taxpayers for any reason or the reason, including

when the operation of some of his business establishments are handed over to other individuals or organizations.

(6) Income from rental property

9.13 According to the provisions of the Profits Tax Regulations, the taxable profit of the Profits Tax does not include income from rental property. Therefore, if the income from rental property is included in the profit, the taxpayer should deduct such income from Section 11 “The calculation of taxable profit” on the M/1 Profits Declaration form when filling the M/1 Profits Declaration. However, the relevant cost of gaining such income (e.g. property tax borne by the taxpayer, land rental, housing depreciation, management fee and maintenance fee, etc.), should also be deducted from the cost of tax payments. In this case, the taxpayer needs to submit a detailed breakdown of the calculation and indication of income and expenses and also to provide certification stating that the rental property has been declared to the Macao Tax Department.

9.14 In accordance with the provision of Law no. 1/94/M, income from financial leasing of property should not be considered as property income; therefore, it is a taxable income of Profits Tax.

(7) Taxpayers who benefit from Profits Tax exemption

9.15 An M/1 Profits Declaration should be submitted individually for each business establishment when a business establishment of the taxpayer, or a business activity under a business establishment of the taxpayer has enjoyed exemption from the Profits Tax. The percentage waived should be indicated in section 11 of the M/1 Declaration, and a copy of the approval document or the Official Gazette indicating the exemption attached.

9.16 When the taxpayer benefits from partial exemption of Profits Tax, the taxpayer should set up an individual account so as to record the income which covered by the exemption of Profits Tax. An individual account can be set up in order to record the income and expenses subject to the tax exemption.

9.17 If the taxpayer has set up an individual accounting record in order to record which transactions are tax exempt, the balance sheet, profit and loss statement and every detailed breakdown of M/1 Profits Declaration should be filed according to the information on the individual accounting record.

9.18 If the taxpayer has not set up an individual accounting record but the individual account in order to record the income that is entitled to enjoy the tax exemption and its relevant expense, the profit and loss statement and every detailed breakdown on the M/1 Profits Declaration should be filled according to the information of the individual account. However, the balance sheet should be filled out according to the total amount on the according records.

9.19 If the taxpayer has not set up either an individual accounting record nor an individual account to record the relevant expenses of the income which is entitled to enjoy a tax exemption, the profit and loss statement and every detailed breakdown on the M/1 Profits Declaration should be filled according to the information of the apportioned amount based on the reasonable standard stated on the accounting record. However, the balance sheet should be filled according to the total amount of the according records. In this case, a detailed breakdown should be attached with the declaration in order to describe the standard and calculation of the expenses and losses that have been apportioned.

(8) Construction contracts (Contracted projects)

9.20 Taxpayers engaged in engineering contracting should provide detail information on each construction contract (contracted project), including: project location of the contract, construction license number, the name of the owner or general contractor, the estimated total contract revenue, the estimated total cost, income recognised in the current period and the amount of expenses, the cumulative income recognised as of the end of the current period and the cumulative amount of the expenses, the percentage of the completion of the project and the method of determining the degree of completion, and the settled amount and received amount for the project.

9.21 Taxpayer should according to the nature of the costs, provide a detailed breakdown of costs incurred for each construction contract (contracted project). In the case of a subcontract, when the purchase of materials or professional remuneration is involved, the taxpayer should provide the name, address, contact number of the subcontractors, suppliers or the remuneration recipient, and the income derived from each project for the current period and the subcontracting income receivable, the amount of loan or remuneration income, as well as information such as the taxpayer number and business registration number of the subcontractors, suppliers or remuneration recipient etc.

(9) Property developers

- 9.22 Taxpayers engaged in property development and sales business should provide detailed information of each property development projects, including: the name of the property, address, construction license number, applied license number (if the property is checked and accepted), sales brochures (if the property has public offering), etc.
- 9.23 When the property is sold, the taxpayer should provide a detailed breakdown of sales income according to each independent unit, and provide detailed calculations of how the total construction cost is allocated to the cost of sales of the units sold as well as the cost of inventory of the unsold units at the end of the period.
- 9.24 When the property is sold as pre-sale property (uncompleted construction), the taxpayer should provide a detailed breakdown of income received in advance according to each individual unit, indicating the terms and conditions of the pre-sale contract as well as the expected time of a completed transaction.
- 9.25 The taxpayer should, according to the nature of the costs, provide a detailed breakdown of costs incurred for each property development. In the case of a subcontract, when purchase of materials or professional remuneration is involved, the taxpayer should provide the name, address, contact number of the subcontractors, suppliers or the remuneration recipient, and the income derived from each project for the current period and the subcontracting income receivable, the amount of loan or remuneration income, as well as information regarding the taxpayer number and business registration number of the subcontractors, suppliers or remuneration recipients, etc.

(10) Taxpayer businesses required to pay Tourism Tax

- 9.26 If the taxpayer carries out business that is required to pay Tourism Tax (for example: a hotel, restaurant, sauna, karaoke, etc.), they should provide a detailed breakdown of income from sales and service, indicating the relevant amount of Tourism Tax taxable income and tax-exempt income as well as the nature of the income.
- 9.27 The service charge received from the customers includes collecting Tourism Tax. This tax is a collect and remit tax, therefore, such an amount should not be included in the income and also deducted as an expense.

(11) Taxpayer businesses required to pay Motor Vehicles Tax

9.28 If the taxpayer carries out business that is required to pay Motor Vehicles Tax (for example: motor vehicle retailer), they should provide a detailed breakdown of income from vehicle sales, indicating new taxable motor vehicles, new tax-free motor vehicles, the relevant amount of the income from used vehicles and car audio equipment sales.

9.29 When purchasing vehicles, the sales amount received from the consumers includes the Motor Vehicles Tax, which is a collect and remit tax. Such an amount should not be included in the sales income and also deducted as an expense.

(12) Bank credit provision

9.30 As pursuant to Notice no. 18/93/AMCM of December 29, when a credit institution sets up a credit risk provision, a detailed breakdown of the composition and calculation of the relevant provision should be provided.

9.31 In accordance with the provision of Section 17 of Notice no. 18/93/AMCM of December 29, the credit risk provision of a credit institution will be considered as the ceiling of the cost of tax payments, and will consist of the following two parts:

- 1) The lowest special provision set up according to Section 8 of Notice no. 18/93/AMCM; and
- 2) The general provision calculated according to 1% of the remaining credit of the special provision which has not been set up, or the provision calculated based on 1.25% of the total risk-weighted borne as stipulated according to Notice no. 13/93/AMCM of August 20. (When this is selected, the calculation of the risk weighting should be attached.)

(13) Technical provision for the insurance industry

9.32 The composition and movement of the technical provisions (including the provision for existing risk, mathematical provision, provision for compensation) set up by an insurance company as pursuant to Decree Law no. 27/97/M of June 30, should be filled clearly on the reverse side of M/4. Taxpayer needs to provide a copy of the table (which has been submitted to AMCM) of the provisions for the existing risk or mathematical provisions.

(14) Staff costs

9.33 The staff cost indicated in Attachment B Detailed Breakdown of Staff Cost should only include the part recognised as current period expenses, that is: staff cost with product cost and project cost included, which should be included in the related cost declaration. In this case, employees' income from work declared in the Salaries Tax M3/M4 should be equal to the sum of staff salaries recognised as current period expenses and staff salaries with product costs and project costs.

9.34 If the amount of staff income from work declared on Salaries Tax M3/M4 and the staff salaries cost (including wages and salaries, allowances and commissions, rewards and bonuses) declared on M/1 Declaration is different, the detailed breakdown of the calculation should be provided in order to explain the reasons for the differences.

9.35 Remuneration for labour paid by the employers to the employees, such as salaries, wages, commissions, subsidies (for example: overtime allowances, housing allowances, business traveling allowances), rewards and bonuses, etc, as well as the non-monetary benefits (for example: accommodation, use of car, etc) enjoyed directly by the employees, should all be declared as gross income of the employees on Salaries Tax M3/M4. If the above items are not declared, taxpayers should provide a relevant detailed breakdown including the name of each employee who has received the benefits, salaries tax number, the number of his/her identity document and the amount he/she has received.

9.36 According to the provision of the Salaries Tax Regulation, company directors and supervisors will be regarded as company employees for taxation purposes. Therefore, the company should withhold and remit salaries tax payable for directors and supervisors based on the remuneration derived from the company, and declare such in the Salaries Tax M3/M4. If the taxpayer (company) does not withhold and declare Salaries Tax for its directors and supervisors, a relevant detailed breakdown should be provided, including the name of each director and supervisor who has received the remuneration, salaries tax number, the number of the identity document and the remuneration amount.

(15) Pension fund and Provident fund

9.37 In accordance with the legal provisions, only the contributions paid for the private pension scheme and retirement funds regulated by Decree Law no. 6/99/M

of February 8 should be regarded as the employer's operating costs in taxation. However, such operating costs can also be accepted as a deduction limit of 15% of the remuneration of employees, salaries or wages during the relevant taxation period.

9.38 If the taxpayer has set up a private pension scheme and retirement funds for the employees pursuant to Decree Law no. 6/99/M of February 8, a copy of the articles of association of the relevant scheme or funds, a copy of the approval document from AMCM, and a copy of the documentation that states the taxpayer's participation in the scheme or funds should be provided. (The documents only need to be provided on the first occasion.)

9.39 The initial contributions of the pension scheme and retirement funds set up by the employer can be regarded as operating costs in taxation. However, the tax expenses should be amortised over three years from the first year that the scheme or fund has been set up. If the retirement scheme is a Guaranteed Benefits Pension Scheme or a Comprehensive Plan, the employer in accordance with the provision of Decree Law no. 6/99/M of February 8, any additional contribution allocated after the actuarial valuation to the fund debt can be regarded as an operating cost in taxation. However, the tax expenses should be amortised over three years from the first year that the additional contribution is allocated. Initial and additional contributions will only be accepted as tax expenses when there is appropriate evidence to prove so. (Please refer to Circular Note no. 002/DIR/2007.)

(16) Expenses for professional fees

9.40 If the taxpayer employs persons who provide a freelance service (Salaries Tax Group 2 taxpayers) when providing a professional service (such as auditing, accounting, legal, etc.), when paying the relevant fee for the service, the taxpayer should request the recipient to provide a Salaries Tax M/7 receipt, otherwise, the relevant expenditure may not be accepted as tax expenses. (Please refer to Circular Note no. 2/DCI/93.)

(17) Bad debt losses

9.41 In accordance with the provision of Article no. 25 of the Profits Tax Regulations, the account receivable used for the calculation of the statutory limit for the provision of bad debts is only applicable with respect to the closing balance of the creditor arising due to normal business operations of the enterprise. The

transactions and account receivables arising due to non-normal business operations, such as transactions between shareholders and affiliates, staff loans receivable, etc., cannot be used to calculate the statutory limit of the provision of bad debts.

9.42 If the taxpayer has set up a provision of bad debts in the previous year, and when the account receivables are uncollectible and shall be written off from the accounts, it should be written off from the balance of the provision as well as the portion admitted by tax rules. Moreover, the use of the relevant provision shall be stated clearly on the form M/4, otherwise, the tax authority will regard the relevant bad debts written off as a direct write off or make use of the provision other than the portion admitted by tax rules.

9.43 If the taxpayer directly classifies the bad debt losses occurred as current expenses rather than a part of the bad debts provision, or when the bad debts amount written off from the accounts exceeds the provision admitted by established tax rules, a relevant bad debts legal document should be provided. When there is no sufficient supporting copies of legal documents, the directly written off bad debts expenses and the bad debts expenses of the use of the provision not admitted by tax rules deducted in the section 11 of form M/1, will not be accepted as tax expense deduction.

(18) Other risk and loss provisions

9.44 According to the provisions of the Profits Tax Regulations, except for the condition pertaining to point no. 25 of the Regulations, regarding other ways of drawing the provision in preparation for events which have not yet occurred, such provision will not be regarded as tax expense. Therefore, in addition to the situation allowed by tax rules, unrealised cost or loss such as asset revaluation impairment, impairment loss of assets, investment losses determined by the equity law, accrued compensation for dismissal, unused leave compensation and other similar and accrued expenses will not be accepted as tax expenses.

9.45 When the item regarded as an expense or loss in the accounting record in previous years is eventually realised, if the relevant expense or loss is compiled according to the provisions of Article no. 21 of the Profits Tax Regulations, the item can be regarded as a deduction item in section 11 of form M/1, but the specification and calculation of the relevant item should be provided.

(19) Tax payment and administrative fee

9.46 In addition to the Profits Tax, tax payments (such as property tax, stamp duty, etc.) and administrative fees (such as supervision fee, license fee, etc) paid due to business operation or the acquisition of the income of profits tax payable, can be regarded as operating costs. However, the tax payment and administrative fee must be levied in the name of the taxpayer. Tax payments paid on behalf of another individual and borne by the taxpayer (such as the Salaries Tax of the employee, the property tax of the rental property and land rental, etc.), will not be regarded as tax expenses of the taxpayer.

(20) Process and subcontract expenses, purchases, freight, maintenance and repairs, administrative expenses

9.47 If the expenses declared by the taxpayer include the above-mentioned items, or items of a similar nature, and the transaction amount of the individual subcontractor, supplier or recipient exceeds MOP500,000.00, the taxpayer needs to provide information such as the name, address, contact number of the subcontractor, supplier or recipient as well as the amount received, as well as their taxpayer number and business registration number, etc.

(21) Loan interest from Shareholders and affiliates

9.48 If the taxpayer obtains loans from or pays interest to related parties (including shareholders, parent company, subsidiary company, associated company, etc.), detailed information of the relevant loan and interest paid should be provided, including the name of the lender, the relation between the lender and the taxpayer, the loan purpose, loan amount, interest rate, the declaration of the interest amount paid during the loan period and the assessment period, etc. If the lender pays Profits Tax, the taxpayer number and business registration number should be provided.

(22) Housing expenses

9.49 The taxpayer should provide information and the tenancy agreement of each individual rental flat/unit, including the address of the building, property registration number, tenancy duration and annual rent amount. If the taxpayer rents residential unit as a staff dormitory and declares the rent as a staff cost, the

information concerning the rented accommodation should correspond to the above requirements.

(23) Depreciation of tangible and intangible assets

9.50 The calculation of depreciation and amortisation of all fixed and intangible assets of the taxpayer should be stated on the M/3 Table of depreciation of tangible and intangible assets, including fixed and intangible assets used for administration, production, construction or any other purpose.

9.51 If the depreciation and amortisation expenses of the fixed and intangible assets are partly counted in the cost of production, construction contract or in the cost of other assets, the taxpayer should provide a detailed breakdown that can reflect each component of the current depreciation (including the depreciation calculated according to accounting records and tax law). Furthermore, in the following situations, while calculating the taxable profit, depreciation which is greater / less than the statutory amount should be adjusted:

- 1) When the depreciation and amortisation expenses are partly counted in the cost of production, the depreciation counted in the current cost of product should be included in section III Detailed breakdown of the cost of merchandise and product sold, line 6 the indirect cost of production, of Attachment A, and the difference between the current depreciation calculated according to the tax law and the depreciation reflected by accounting records, which should all be adjusted in the current period (which means the taxpayer need not consider whether the products are sold in the current period);
- 2) When the depreciation and amortisation expenses are partly counted in the construction contract, the difference between the current depreciation counted in the cost of construction and the current depreciation calculated according to tax law should all be adjusted in the current period (which means it does not need to be taken into account the proportion of income recognised in each construction period);
- 3) When the depreciation and amortisation expenses are partly counted in the cost of self occupied assets, the taxpayer should provide detailed breakdown of the cost of such assets, the accumulative amount of the difference of the depreciation reflected by accounting records and the depreciation calculated according to tax law, and the accumulative difference

should be adjusted according to the proportion of depreciation during the use of assets.

9.52 The depreciation and amortisation of fixed and intangible assets that are counted as tax expenses, should be calculated consecutively from the first year the asset was used, with the minimum depreciation amount in each assessment period (12 months) being the amount calculated regarding the maximum useful life stipulated in the Tax Rules of the Replacement and Depreciation of Fixed Assets (Decree Law no. 4/90/M). The minimum depreciation amount which has not been declared and deducted in a certain assessment period will not be deductible in future assessment periods.

9.53 In form M/3 'Table of Depreciation on Tangible and Intangible Assets', fixed and intangible assets should be presented according to the attachment classification of The Tax Rules of the Replacement and Depreciation of Fixed Assets, with the number and type of asset being filled out clearly. Except for buildings (group 1.1 and 1.2), the same type of asset purchased and used in the same year or in the same assessment period can be declared in summary.

9.54 If the depreciation rate of a fixed or intangible asset has not been stated in the attachment of The Tax Rules of the Replacement and Depreciation of Fixed Assets, the taxpayer should indicate the nature, use and the means for determining the expected useful life of the asset in the remarks section of form M/3 or in the attached document.

9.55 If the taxpayer is allowed to depreciate the fixed or intangible assets in accordance with a depreciation rate exceeding the statutory maximum depreciation rate due to the enjoyment of a tax incentive, a supporting document for obtaining the relevant tax incentive should be provided.

9.56 If the taxpayer reclassifies a fixed or intangible asset in the accounting records and adjusts the accumulative depreciation of the previous year, the accumulative depreciation amount deducted a tax expense of the previous year for the relative assets should not be adjusted, and the remaining balance of the asset which has not been depreciated for tax purpose should be depreciated within the remaining useful life according to the newly classified statutory depreciation rate.

9.57 When fixed or intangible assets are sold or disposed of, the taxpayer should separately fill in the fixed and intangible assets sold and disposed in form M/3

Table of Depreciation in order to reflect the depreciation amount accrued of the sale and disposal of assets within the assessment period.

- 9.58 The profit and loss from the sale and disposal of fixed or intangible assets should be declared and calculated in specification form M/3A regarding the adjustable difference between the profit and loss according to the accounting records, and the profit and loss recognised according to tax law.
- 9.59 When the disposed fixed or intangible assets still have a commercial value, the loss of disposal will not be accepted as a tax expense deduction. If the taxpayer disposes of assets because of his/her own business decision, such as shop renovation before the decorative assets have fully depreciated, replacing machinery and equipment due to a change of production or business plan, etc., the disposed assets will still be deemed to have commercial value.

(24) Depreciation of premises

- 9.60 On form M/3 Table of depreciation, each individual flat (groups 1.1 and 1.2) should be declared separately, with the address, property registration number and legal nature of the building land clearly indicated (private land or government lease land).
- 9.61 In principle, residential, commercial and industrial buildings must be owned in order to qualify for depreciation (except for immovable property obtained by financial leasing). After stamp duty has been paid on the conveyancing of the property, then the depreciation of the asset can be accepted as a tax expense. If the taxpayer only pays 0.5% stamp duty for an intermediate conveyance, this will not be regarded as the completion of stamp duty payment.
- 9.62 When purchasing new buildings, the taxpayer should provide the copy of the sale and purchase contract and the tax invoice of the completed payment of stamp duty for definite conveyance. If the property the taxpayer acquired has benefitted from exemption of stamp duty for property conveyance, a supporting document demonstrating such tax exemption should be provided as well as certification of ownership of the property.
- 9.63 If the newly added building is constructed by the taxpayers themselves, an occupancy permit (moving in permit) should be provided, and a detailed breakdown of the cost of construction should be submitted showing subcontractor

involvement, purchase of materials or the cost of professional remuneration. The taxpayer needs to provide information such as the name, address, contact number of the subcontractors, suppliers or recipients of the remuneration as well as the subcontracting income received from each construction project in the current period, the amount of payment for goods or remuneration income, as well as their taxpayer number and the business registration number, etc.

- 9.64 The depreciation of property is calculated according to its total value. The total value is the sum total of the purchase value of the building (in case of self-constructed property, then construction prices will be assessed) and other additional costs indicated in Notice no. 2/RCI/84 of December 10 (stamp duty for property conveyance/stamp duty, notary deed, premises registration, certification and other costs of a similar nature). The value can also include legal expenses and agent commission, but the relevant beneficiary and the amount of money involved must be stated clearly (such as the name, number and type of identity card, address). The purchase value of the building means the value stated on the proof of purchase (if the proof of purchase cannot be presented the value will be the taxable value of stamp duty for property conveyance or stamp duty). Moreover, the initial estimate amount for the removal and site clean-up expense of the asset at the end of its service life is not included in the total value.

(25) Depreciation on vehicles, plane and vessels

- 9.65 When the taxpayer has any vehicles, planes, vessels or other assets which are subject to ownership registration as stipulated by law (excluding those acquired by financial leasing) the asset's depreciation is calculated in accordance with the statutory depreciation rate and can be accepted as tax expense. If the taxpayer has newly bought assets like those mentioned above, a copy of the relevant purchase document (such as contract or invoice) and ownership certificate should be provided.

(26) Assets acquired by means of financial leasing

- 9.66 For assets acquired through financial leasing, depreciation is calculated according to the depreciation rate stipulated in law from the date the lease began, and can be accepted as a tax expense. In the case of the lessee, in accordance with Law no. 1/94/M, the highest depreciation rate of the assets acquired by means of

financial leasing is twice the depreciation rate provided in the attachment of The Tax Rules of the Replacement and Depreciation of Fixed Assets, excluding situations when the depreciation rate of the property is raised to 20% in the first year of use according to paragraph 4 of Article no. 6 of Decree Law no. 4/90/M. When acquiring the asset by means of financial leasing, the taxpayer should provide a copy of the leasing agreement for the financial leasing.

- 9.67 When acquiring the asset by means of financial leasing, the taxpayer should provide a copy of the leasing agreement of the financial leasing, and also provide the relevant detailed information of how the fair value or the present value of the minimum lease payment of the rental asset is determined from the beginning of the leasing date, as well as detailed information of how to apportion the lease payment as a financial charge and the decrease in liability during the leasing period.

10. Requirement for supplementary explanation

- 10.1 Given that taxpayers might engage in a wide range of professional or business operations, it is impossible for the tax authority to list all problems that the taxpayer may encounter while filling in the M/1 Declaration form and or provide detailed information on all the circumstances that the taxpayer may encounter. Therefore, these Guidelines can only provide general instructions for common circumstances that the taxpayer might come across while completing the M/1 Profits Declaration. When further explanation or supplementary documents are required for the items declared in the submitted M/1 Profits Declaration, the tax authority may request further details by fax or letter to the taxpayer.
- 10.2 In order to reduce the need to ask for supplementary information or explanations, and to accelerate the tax assessment work and reduce the follow-up work of the taxpayer and auditor/accountant after the work of making a tax declaration, the tax authority suggests that when the taxpayer and auditor/accountant fill in the M/1 Declaration form, in addition to the requirements of this Guidance, they take the initiative to attach relevant detailed information on any exceptional items in the M/1 Declaration form whenever the taxpayer might believe the tax authorities may doubt its nature, or to provide detailed information that would be useful to the work of tax assessment.
- 10.3 When the taxpayer is required to provide an explanation according to Article no. 17 of the Profits Tax Regulations, he/she needs to reply within the period

stipulated by law, or else the taxpayer will be penalised according to paragraph 3 of Article no. 64 of the same regulation, and will not be prevented from citing paragraph 3 of Article no. 36 and/or paragraph 1(a) of Article no. 40 of the same regulation for processing.

11. Enquiries and contact information


For queries about completing the M/1 Income Declaration or tax accounting, please contact:

Financial Services Bureau – Public Auditing, Tax Investigation and Appeals

Department – Tax Inspection Division

Address: Floor 3, Profits Tax Centre - Group A, no. 575,579 and 585 Avenida da Praia Grande, Macao

Telephone: 5990419 or 5990422.

 Government of the Macao Special Administrative Region Financial Services Bureau	<h2 style="margin: 0;">Profits Tax - Group A</h2> <h3 style="margin: 0;">Income Declaration</h3>	<h1 style="margin: 0;">M/1</h1>
<p>1 Year: _____ 2 Taxable period: from ____/____/____ to ____/____/____</p>		
<p>3 Identification of taxpayer:</p> <p>Taxpayer: _____ Taxpayer: _____</p> <p>Business name: _____</p> <p>Business registration no.: _____</p> <p>Residential or head office address: _____</p> <p>Telephone: _____ Fax: _____ Email / website: _____</p>		
<p>4 Type of taxpayer:</p> <p><input type="checkbox"/> Sole proprietor Identity document (type and number): _____</p> <p><input type="checkbox"/> Company established in Macao since ____/____/____ Commercial registration number: _____</p> <p><input type="checkbox"/> Branch office of _____ Others _____</p> <p>Head office location: _____ Please indicate: _____</p>		
<p>5 Business activity:</p> <p>Primary activity: _____ Codes of business activity: _____</p> <p>Other activities: _____</p>		
<p>6 Type of declaration:</p> <p><input type="checkbox"/> Normal</p> <p><input type="checkbox"/> Cancellation</p> <p><input type="checkbox"/> Suspension</p>	<p>7 Tax status for previous year:</p> <p><input type="checkbox"/> Group A</p> <p><input type="checkbox"/> Group B</p>	<p>8 If further clarification of this Declaration is required, please send letter to:</p> <p><input type="checkbox"/> Taxpayer</p> <p><input type="checkbox"/> Auditor / Accountant / Accounting technician</p>
<p>9 Supporting documents:</p> <p><input type="checkbox"/> Financial statements</p> <p><input type="checkbox"/> M/3 - Table of depreciation</p> <p><input type="checkbox"/> M/3A - Detailed breakdown of sales and disposals</p> <p><input type="checkbox"/> M/4 - Movement of provisions</p> <p><input type="checkbox"/> Trial balance</p> <p><input type="checkbox"/> Technical report</p> <p><input type="checkbox"/> Minutes of approved accounts</p> <p><input type="checkbox"/> Opinion issued by the S</p> <p><input type="checkbox"/> Audit report</p> <p><input type="checkbox"/> _____</p> <p><input type="checkbox"/> _____</p>		
<p>10 For FSB staff use: (stamp and date)</p>		

11		Calculation of taxable profits		All amounts in the declaration should be declared as integral values in MOP.	MOP
Addition	1.	Profit and loss for the period (Attachment A, section 1).			\$
	2.	Depreciation above/below the statutory amount – Article no. 23 (M/3).			\$
	3.	Provisions not contemplated by Article no. 25 or exceeding the statutory amount (M/4).			\$
	4.	Donations not contemplated by Article no. 28.			\$
	5.	Welfare expenditure exceeding the statutory amount – Article no. 29, paragraph a			\$
	6.	Penalties for violation of tax laws – Article no. 29, paragraph b			\$
	7.	Entertainment and travel expenses – Article no. 29, paragraph c			\$
	8.	Compensation paid for uninsured insurable events – Article no. 29, paragraph d			\$
	9.	Income from previous years			\$
	10.	Profits tax – Article no. 29, paragraph b			\$
	11.	Bad debts not contemplated by Article no. 26.			\$
	12.	Salaries tax of staff			\$
	13.	Life insurance - Article no. 21, paragraph d			\$
	14.				\$
	15.				\$
	16.				\$
	17.				\$
	18.				\$
	19.				\$
	20.				\$
21.		Subtotal (1 + ... + 20)			\$
Deduction	22.	Income from public bonds			\$
	23.	Utilization of taxed provisions or provisions not contemplated by Article no. 25			\$
	24.	Write-back of provisions taxed in the previous year (M/4 form).			\$
	25.	Tax refund or reversal of expenses not considered as costs in previous years			\$
	26.	Income from rental property (relevant expenses deducted)			\$
	27.				\$
	28.				\$
	29.				\$
	30.				\$
	31.				\$
	32.		Profit (or loss) for tax purposes (21 - ... - 31)		
Deduction	33.	Profit transferred to reserve for reinvestment (Article no. 35)			\$
	34.	Dividend or profits of current year distributed to shareholders (Article no. 3, paragraph 1)			\$
	35.	Losses (Article 34)	35.1 Year _____		\$
			35.2 Year _____		\$
			35.3 Year _____		\$
36.		Taxable profits for the current period (32 - 33 - 34 - (35.1 + 35.2 + 35.3))			\$
If any tax relief measures are applicable, please indicate the percentage of tax exemption for the year relating to this declaration, and document(s).					%

12	Distribution of dividends / profits																																																					
<p>According to the resolution taken by the General Meeting on ____ / ____ / _____, the dividends/profits for the financial year _____ distributed to shareholders.</p> <p> <input type="checkbox"/> Dividend <input type="checkbox"/> Dividend </p> <p style="font-size: small;">Note: Please attach a copy of the minutes of the distribution of dividends/profits.</p>																																																						
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="width: 45%;">Name of shareholder/beneficiary</th> <th colspan="2" style="width: 35%;">Identification</th> <th rowspan="2" style="width: 20%;">Amount</th> </tr> <tr> <th style="width: 15%;">Type and number of identity document</th> <th style="width: 20%;">Type of business and business registration number</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> <tr><td> </td><td> </td><td> </td><td style="text-align: right;">\$</td></tr> </tbody> </table>					Name of shareholder/beneficiary	Identification		Amount	Type and number of identity document	Type of business and business registration number				\$				\$				\$				\$				\$				\$				\$				\$				\$				\$				\$
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16	Declaration of auditor / accountant / accounting technician																																																					
<p>I / My information contained in this income declaration has been verified and confirm(s) that all the information which have been provided is in accordance with the Accounting Standards and that no violation of the Accounting Standards has occurred. Please refer to points 5.1 to 5.5 of the Guidelines.</p> <p> Name of auditor / accountant / accounting technician: _____ Professional registration number on the FSB Register of Auditors and Accountants: _____ Telephone: _____ Fax: _____ </p> <p style="text-align: right;"> Signature _____ Date: ____ / ____ / ____ </p>																																																						
17	Declaration of taxpayer																																																					
<p>All the information declared is true and correct, and no requested information has been omitted.</p> <p> <input type="checkbox"/> Taxpayer <input type="checkbox"/> Legal representative* </p> <p style="text-align: right;"> Signature and stamp _____ Date: ____ Year ____ Month ____ Day ____ </p>																																																						



Government of the Macao
Special Administrative Region
Financial Services Bureau

**Profits Tax - Group
Incomes Declaration**

Please fill in the name and number of the taxpayer, and the tax year.

Name of taxpayer: _____
Taxpayer no.: _____ Year: _____

Attachment A

I PROFIT AND LOSS STATEMENT			
		Current period MOP	Previous period MOP
1	Income	\$	a) b) \$
2	Deduct: Cost of goods sold	\$	b) \$
3	Gross profit (1 – 2)	\$	\$
4	Add: Other business income	\$	c) \$
5	Deduct: Staff costs	\$	d) \$
6	Depreciation and amortization	\$	e) \$
7	Other business expenses	\$	\$
8	Operating profit (3 + 4 – 5 – 6 – 7)	\$	\$
9	Add: Investment income	\$	d) \$
10	Other income	\$	d) \$
11	Deduct: Financial expenses	\$	d) \$
12	Other expenses and losses	\$	d) \$
13	Pre-tax profit and loss (8 + 9 + 10 – 11 – 12)	\$	\$
14	Deduct: Profits Tax expenses	\$	\$
15	Profit and loss for the current period (13 – 14)	\$	\$

a) If income includes Tourism Tax or Motor Vehicle Tax to be paid, please indicate the respective amount.
b) Please fill in the relevant detailed breakdown.
c) Please attach details.
d) Please fill in the relevant detailed breakdown in Attachment B of this form.
e) Please fill in M/3 Table of depreciation of tangible and intangible assets.

II DETAILED BREAKDOWN OF INCOME AND EXPENDITURE				
	Sale of merchandise and product ^{a)}	Provision of service ^{b)}	Construction contract ^{c)}	Total
1. Income	\$	\$	\$	\$
2. Cost	\$	\$	\$	\$

a) Please fill in section III "Detailed breakdown of cost of sale".
b) Please attach details of the cost of service classified by the nature of expense.
c) Please attach detailed information of contract.

III DETAILED BREAKDOWN OF THE COST OF MERCHANDISE AND PRODUCTS			
	Merchandise	Raw materials	Products ^{a)}
1. Initial inventory (merchandise or raw materials)	\$	\$	\$
2. Purchase (return of goods and discount deducted) ^{b)}	\$	\$	\$
3. Final inventory (merchandise or raw materials)	\$	\$	\$
4. Consumed materials (raw materials 1 + 2 - 3)	\$	\$	\$
5. Direct labour costs	\$	\$	\$
6. Indirect cost of production	\$	\$	\$
7. Process and subcontract ^{b)}	\$	\$	\$
8. Product initial inventory	\$	\$	\$
9. Product final inventory	\$	\$	\$
10. Cost of goods sold (10 = 4 + 5 + 6 + 7 - 8 - 9)	\$	\$	\$

a) Products including finished goods and by-products.
b) Please attach details in the form of contract, name of supplier or subcontractor, and the value of the transaction.

The means of the calculation of the cost of inventory: ☐ First in first out ☐ Weighted average Others _____

IV		BALANCE SHEET	
		Current period MOP	Previous period MOP
1	Assets		
1.1	Non-current assets		
1.1.1	Real estate, plant and equipment	\$	\$
1.1.2	Intangible assets	\$	\$
1.1.3	Long-term investment	\$	\$
1.1.4		\$	\$
	Total non-current assets	\$	\$
1.2	Current assets		
1.2.1	Construction in process	\$	\$
1.2.2	Inventory	\$	\$
1.2.3	Accounts receivable and other receivables	\$	\$
1.2.4	Transactions and loan between shareholders and affiliates	\$	\$
1.2.5	Short-term investment	\$	\$
1.2.6	Pre-payment	\$	\$
1.2.7	Cash and cash equivalent	\$	\$
1.2.8		\$	\$
	Total current assets	\$	\$
	Total assets	\$	\$
2	Equity and liability		
2.1	Capital and reserve		
2.1.1	Capital	\$	\$
2.1.2	Statutory reserve	\$	\$
2.1.3	Other reserves	\$	\$
2.1.4	Cumulative profit or loss	\$	\$
2.1.5		\$	\$
	Total equity	\$	\$
2.2	Liability		
2.2.1	Non-current liability		
2.2.1.1	Long-term liability	\$	\$
2.2.1.2		\$	\$
	Total non-current liability	\$	\$
2.2.2	Current liability		
2.2.2.1	Income received in advance	\$	\$
2.2.2.2	Accounts payable and other payable	\$	\$
2.2.2.3	Transactions and loans between shareholders and affiliation	\$	\$
2.2.2.4	Provision for profits tax	\$	\$
2.2.2.5	Other risk and loss provision	\$	\$
2.2.2.6	Long-term liability: amount to be repaid within one year	\$	\$
2.2.2.7	Short-term loan and overdraft	\$	\$
2.2.2.8		\$	\$
	Total current liability	\$	\$
	Total liability	\$	\$
	Total equity and liability	\$	\$

Auditor / accountant / accounting technician (signature)

Taxpayer (signature and stamp)

Signature of the
accountant or auditor.

Signature and chop of the
taxpayer.



Government of the Macao
Special Administrative Region
Financial Services Bureau

**Profits Tax - Group
Incomes Declaration**

Please fill in the name and the number of the taxpayer, as well as the tax year.

Name of taxpayer: _____

Taxpayer no.: _____ Year: _____

Attachment B

I DETAILED BREAKDOWN OF OTHER OPERATIONAL COSTS					
1	Water and electricity	\$	15	Royalties ^{a)}	\$
2	Postal & telecommunications	\$	16	Attorney and legal expenses ^{a)}	\$
3	Office expenses	\$	17	Remuneration of auditor / accountant ^{a)}	\$
4	Fuel	\$	18	Intermediaries commission ^{a)}	\$
5	Costs of maintenance		19	Administrative expenses ^{a)}	\$
6	Transport expenses		20	Tax payments	\$
7	Life insurance		21	Bad debts expense	\$
8	Other insurance		22	Loss on write-down of inventories	\$
9	Cost of advertisement and promotion		23	Damage of inventories	\$
10	Cost of entertainment and reception		24	Rent ^{d)}	\$
11	Travel expenses		25		\$
12	Research and survey	\$	26		\$
13	Cost of overseas office	\$	27		\$
14	Consultant and technical assistance ^{a)}	\$	28	Total (1 + ... + 27)	\$

a) Please attach details of the name of recipient, his/her address, taxpayer no., business registration no. and the amount of the expense.
b) Please fill in section VII of this attachment - "Detailed breakdown of tax amount and tax credit".
c) Please fill in M/4 Movement of Reserve Funds.
d) Please attach details indicating the address of the rental property, property registration no. and the amount of the expense.

II DETAILED BREAKDOWN OF STAFF COSTS					
1	Wages and salaries ^{a)}	\$	7	Staff dormitory and meal	\$
2	Subsidies and commissions ^{a)}		8	Employer's contribution to employee pension fund	\$
3	Reward and bonus ^{a)}		9	Employer's contribution to employee medical insurance	\$
4	Pension fund ^{b)}	\$	10		\$
5	Social security fund	\$	11		\$
6	Employee insurance	\$	12	Total (1 + ... + 11)	\$

a) A detailed explanation should be attached if the declared income is different from the declared income in Salaries tax M3/M4.
b) Please indicate the content of the Pension fund:
(i) The Pension fund is established according to Decree Law no. 6/99/M of 8 Feb. ☐ Yes ☐ No
(ii) Date of establishment: ____/____/____ (iii) Name of the fund manager: _____
(iv) Number of beneficiaries: _____ (v) The percentage the employer contributes this pension fund: _____
(vi) Total salary amount which is used for the calculation of the fund the employer bears each year: \$ _____
Remark: – Please specify the relevant amount and provide an explanation in the technical report if there is an initial contribution or special contribution.
– Please submit the following documents once the pension fund has been established or when the rules and regulations are amended. (i) A copy of an approved document from AMCM, and (ii) A copy of the rules and regulations of the pension fund.

III DETAILED BREAKDOWN OF OTHER EXPENSES AND LOSSES					
1	Loss on sale of investments ^{a)}	\$	7	Tax penalties	\$
2	Loss on impairment of assets ^{a)}	\$	8	Other penalties	\$
3	Loss on the disposal of assets		9		\$
4	Loss on currency exchange		10		\$
5	Compensations		11		\$
6	Donations ^{d)}		12	Total (1 + ... + 11)	\$

a) Please attach detailed breakdown of the loss.
b) Please fill in M/3A "Detailed Breakdown of the Sale and Disposal of Tangible and Intangible Assets".
c) Please indicate the relevant amount of any difference in unrealised currency exchange if included.
d) Please attach details indicating the name of the beneficiary organisation, address and amount donated.

IV DETAILED BREAKDOWN OF INCOME FROM INVESTMENTS					
1	Interest income from banks	\$	5	Income from the sale of investment ^{b)}	\$
2	Interest income from loans	\$	6	Gains on Capital ^{b)}	\$
3	Local dividend income ^{a)}	\$	7		\$
4	Foreign dividend income ^{a)}	\$	8	Total	\$

a) Please attach details indicating the name of shareholder or affiliate, address, taxpayer number, business registration number, purpose of loan, loan amount, interest rate, loan period and interest amount.
b) Please attach details indicating the name of shareholder or affiliate, address, taxpayer number, business registration number, purpose of loan, loan amount, interest rate, loan period and interest amount.

The balance after the deduction of relevant expenses from the income derived from rental property should be adjusted in Line 26 of form M/1. Please refer to points 9.13 to 9.14 of the Guidelines.

The total should be equivalent to Line 9 'Investment income' in Section I 'Profit and loss statement' of Attachment A.

V DETAILED BREAKDOWN OF OTHER INCOMES					
1	Income from	\$	5	Bad debt recoveries	\$
2	Income from the disposal of assets ^{b)}	\$	6		\$
3	Write-back of provisions ^{c)}	\$	7		\$
4	Gain on currency exchange ^{d)}	\$	8	Total (1 + ... + 7)	\$

a) Please attach details indicating the name of shareholder or affiliate, address, taxpayer number, business registration number, purpose of loan, loan amount, interest rate, loan period and interest amount.
b) Please fill in the relevant amount of any difference of unrealised currency exchange if included.
c) Please fill in the relevant amount of any difference of unrealised currency exchange if included.
d) Please indicate the relevant amount of any difference of unrealised currency exchange if included.

The amount should be equivalent to the total amount of the return of all provisions in form M/4.

The total amount should be equivalent to Line 10 'Other income' in Section I 'Profit and loss statement' of Attachment A.

The total amount should be equivalent to Line 11 'Financial expenses' in Section I 'Profit and loss statement' of Attachment A.

VI DETAILED BREAKDOWN OF FINANCIAL EXPENSES					
1	Bank loan interest	\$	4		\$
2	Shareholder or affiliate interest ^{a)}	\$	5		\$
3	Other	\$	6	Total (1 + ... + 5)	\$

a) Please attach details indicating the name of shareholder or affiliate, address, taxpayer number, business registration number, purpose of loan, loan amount, interest rate, loan period and interest amount.

Please refer to point 9.48 of the Guidelines.

The total amount should be equivalent to Line 20 'Tax payments' in Section I 'Detailed breakdown of other business expenses' of Attachment B. Please refer to point 9.46 of the Guidelines.

VII DETAILED BREAKDOWN OF TAX AMOUNT					
1	Business registration tax	\$	4	Special	\$
2	Property tax and land rental	\$	5		\$
3	Vehicle license tax	\$	6	Total (1 + ... + 5)	\$

VIII MOVEMENT OF THE ACCUMULATED PROFIT AND LOSS					
1	Balance brought forward	\$			\$
2	Adjustment: Alteration in accounting policies ^{a)}	\$			\$
3	Correction for previous errors ^{a)}	\$			\$
4	Balance after adjustment (1 + 2 + 3)	\$			\$
5	Profit and loss in the current period	\$			\$
6	Transfer to: Statutory reserve	\$			\$
7	Re-investment Reserve	\$			\$
8	Other reserves	\$			\$
9	Distribution of dividends and profits	\$			\$
10	Bonus shared by management and staff ^{a)}	\$			\$
11	Current balance (4 + 5 - 6 - 7 - 8 - 9 - 10)	\$			\$

a) Please attach details.

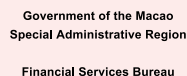
Please provide the reason, nature of the adjustment, as well as the amount which affects the opening accumulated profit and loss. Please refer to points 9.4 to 9.6 of the Guidelines.

Please fill in Section 12 'Distribution of dividends/profits' of the M/1 Declaration form.

Auditor / Accountant / Accounting technician (signature)	Taxpayer (signature and stamp)
--	--------------------------------

The signature of the auditor or accountant.

The signature and stamp of the taxpayer.



M/3

Taxpayer n

Year:

The amount should be equivalent to 'Depreciation and amortisation expenses' in profit and loss statement. If part of the depreciation is counted in the cost of product or asset, the amount should be equivalent to the total of the amounts that included in each item.

Please fill in the amount according to the information of the accounting records; please refer to point 9.50 of the Guidelines.

The amount should be equivalent to the total of 'Current depreciation' in M/3 Table of depreciation.

Please fill in the amount according to the information of form M/3 Table of description.

Except for the special condition indicated in point 9.51 of the Guidelines, the amount is equivalent to Line 1 adjustment amount of Section 11 of the M/1 Declaration form.

The amount should be equivalent to the total carrying amount of 'Real estate, plant and equipment' and 'Intangible assets' in the balance sheet.

The amount should be equivalent to the sum total of 'Cost of purchase' calculated under 'According to accounting records' of 'Detailed breakdown of sale' and 'Detailed breakdown of disposal' in form M/3A.

The amount should be equivalent to the sum total of 'Cost of purchase' calculated under 'According to Tax Laws' of 'Detailed breakdown of sale' and 'Detailed breakdown of disposal' in form M/3A.

The amount should be equivalent to the sum total of 'Cost of depreciation' calculated under 'According to accounting records' of 'Detailed breakdown of sale' and 'Detailed breakdown of disposal' in form M/3A.

The amount should be equivalent to the sum total of 'Cost of depreciation' calculated under 'According to Tax Laws' of 'Detailed breakdown of sale' and 'Detailed breakdown of disposal' in form M/3A.

3

Depreciation calculated according to the tax laws

[illegible]

The taxpayer can fill in the requested explanation in the remarks section, if the space is not enough, a separate piece of A4 paper can be used.

Accumulated total amount carried over onto the next page.

Signature of the auditor or accountant.

Signature and stamp of the taxpayer.



BLE AND INTANG

Please fill in the total number of pages and the page number of each page (note: the content of page one of the M/3 Table of depreciation is slightly different from other pages, and the page number of page one is pre-printed on the form).

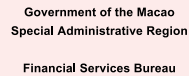
M/3

Taxpayer no.: _____

Year: _____

Page no.: _____, total no. of pages _____

1



Please fill in the taxpayer's name and number, and the tax year.

Please fill in the total number of pages and the page number of each page.

M/3A

Name of taxpayer: _____

Taxpayer no.: _____

Year: _____

Page no.: _____, total no. of pages _____

a) Please provide details indicating the name(s) and the address(es) of the buyer(s).

[illegible]

Remarks:

Taxpayer (signature and stamp)

Signature and stamp of the taxpayer.



x – Movement of Provisions

M/4

Name of taxpayer: _____

Taxpayer no.:

Year: _____

Please fill in the taxpayer's name and number, and the tax year.

The amount should be equivalent to the closing balance of the account of the relevant item.

The total amount is the amount reflected in the account, also equivalent to the total of 'Portion admitted by the tax rules' and 'Amount not considered by the tax rules'.

[illegible]



Government of the Macao
Special Administrative Region
Financial Services Bureau

Profits Tax - General Incomes Declaration

Please fill in the taxpayer's name and number, and the tax year.

Name of Taxpayer: _____
Number of Taxpayer: _____ Year: _____

Attachment A
(Banking industry)

I		PROFIT AND LOSS STATEMENT			
		Current period MOP		Previous period MOP	
1	Income from asset operations	\$		\$	
2	Income from banking services	\$	a)	\$	
3	Income from other banking operations	\$	a)	\$	
4	Income from securities and financial investments	\$	a)	\$	
5	Other income	\$	b)	\$	
6	Total income (1 + ... + 5)	\$		\$	
7	Cost of liability business	\$		\$	
8	Provision for credit risk	\$	c)	\$	
9	Staff costs	\$		\$	
10	Other operating expenses	\$	b)	\$	
11	Cost of depreciation and amortization	\$	d)	\$	
12	Other expenses and losses	\$	b)	\$	
13	Total expenditure (7 + ... + 12)	\$		\$	
14	Pre-tax profit and loss (6 – 13)	\$		\$	
15	Profits tax	\$		\$	
16	Profit and loss for the current period (14 – 15)	\$		\$	

a) Please fill in relevant detailed breakdown of this Attachment.
b) Please fill in the relevant detailed breakdown in Attachment B of this profits declaration.
c) Please fill in M/4 Movement of Provisions.
d) Please fill in M/3 Table of depreciation of tangible and intangible assets and M/3A Detailed breakdown of the sale of tangible and intangible assets.

II						DETAILED BREAKDOWN OF INCOME FROM BANKING SERVICES	
1		\$	6		\$		
2		\$	7		\$		
3		\$	8		\$		
4		\$	9		\$		
5		\$	10	Total (1 + ... + 9)	\$		

III						DETAILED BREAKDOWN OF INCOME FROM OTHER BANKING OPERATIONS	
1		\$	5		\$		
2		\$	6		\$		
3		\$	7		\$		
4		\$	8	Total (1 + ... + 7)	\$		

IV						DETAILED BREAKDOWN OF INCOME FROM SECURITIES AND FINANCIAL INVESTMENTS	
1	Income from local dividends ^{a)}	\$	5		\$		
2	Income from dividends abroad ^{a)}	\$	6		\$		
3	Income from disposal of assets ^{b)}	\$	7		\$		
4	Gains on Capital ^{b)}	\$	8	Total (1 + ... + 7)	\$		

a) Please attach details stating the name of the dividends company and the amount.
b) Please attach the relevant calculations.

V		BALANCE SHEET		Current period MOP	Previous period MOP
1	Assets				
1.1	Cash		\$		\$
1.2	AMCM Deposit		\$		\$
1.3	Accounts receivable		\$		\$
1.4	Current deposit in other credit institutions		\$		\$
1.5	Gold, silver		\$		\$
1.6	Other current assets		\$		\$
1.7	Loans	\$			
	Deduct: Provision for credit risk	\$			
1.8	Call loan of local credit institutions		\$		\$
1.9	Notification and time deposit of non-local credit institutions		\$		\$
1.10	Shares, bonds and stock rights		\$		\$
1.11	Investment of underwriting funds		\$		\$
1.12	Debtors		\$		\$
1.13	Other investment		\$		\$
1.14	Financial investments		\$	a)	\$
1.15	Property, plant and equipment		\$		\$
1.16	Intangible assets		\$		\$
1.17	Internal and adjustment accounts		\$	a)	\$
1.18			\$		\$
	Total assets		\$		\$
2	Equity and liability				
2.1	Liability				
2.1.1	Current deposits		\$		\$
2.1.2	Fixed deposits		\$		\$
2.1.3	Time deposits		\$		\$
2.1.4	Public sector deposits		\$		\$
2.1.5	Funds of local credit institutions and other institutions		\$		\$
2.1.6	Foreign currency and bond loans		\$		\$
2.1.7	Creditors of underwriting funds		\$		\$
2.1.8	Payable cheques and bills		\$		\$
2.1.9	Creditors		\$		\$
2.1.10	Realisable miscellaneous		\$		\$
2.1.11	Provision for various risk		\$		\$
2.1.12	Internal and adjustment accounts		\$	a)	\$
2.1.13			\$		\$
	Total liabilities		\$		\$
2.2	Capital and reserves				
2.2.1	Capital		\$		\$
2.2.2	Statutory reserve		\$		\$
2.2.3	Other reserves		\$		\$
2.2.4	Cumulative profit and loss		\$		\$
2.2.5			\$		\$
	Total equity		\$		\$
	Total equity and liability		\$		\$

a) Please attach details.

Auditor / Accountant / Accounting technician (signature)

Taxpayer (signature and stamp)

Signature of auditor or accountant.

Signature and stamp of the taxpayer.



Government of the Macao
Special Administrative Region

Financial Services Bureau

**Profits Tax - C
Income Declaration**

Name of taxpayer: _____

Taxpayer no.: _____ Year: _____

Please fill in the taxpayer's name and number, and the tax year.

Attachment B
(Banking industry)

I DETAILED BREAKDOWN OF OTHER OPERATIONAL COSTS					
1	Water and electricity	\$	15	Consultant and technical assistance ^{a)}	\$
2	Postal & telecommunications	\$	16	Security ^{a)}	\$
3	Office expenses	\$	17	Attorney and legal expenses ^{a)}	\$
4	Fuel		18	Remuneration of auditor / accountant ^{a)}	\$
5	Cost of maintenance		19	Intermediaries commission ^{a)}	\$
6	Transport expenses		20	Administrative cost ^{a)}	\$
7	Printed materials		21	Tax payments ^{b)}	\$
8	Life insurance		22	Rents ^{c)}	\$
9	Other insurance		23		\$
10	Advertising and public relations		24		\$
11	Entertainment and recreation		25		\$
12	Travel expenses	\$	26		\$
13	Research and survey	\$	27		\$
14	Cost of overseas office	\$	28	Total	\$

a) Please attach details indicating the name of recipient, his/her address, taxpayer no., business registration no. and the amount received.
b) Please fill in section III Detailed breakdown of tax payment.
c) Please attach details indicating the address of the rental property, property registration no., tenancy duration and the rent paid.

If any important expenses are not in the default categories, the taxpayer can fill in his/her own customised category/categories; if the amount of the rest of the items is not important, the total amount can be included in other items. If there is not enough space on the declaration for all important items, the taxpayer can provide a detailed breakdown of other items on a separate piece of A4 paper.

Please fill in a detailed breakdown of Section III.

The total amount should be equivalent to Line 10 'Other operating expenses' of Section I 'Profit and loss statement'. fill in a detailed breakdown of Section III.

II DETAILED BREAKDOWN OF STAFF COSTS					
1	Wages and salaries ^{a)}	\$	8	Employee benefits	\$
2	Subsidies and commissions		9	Employee salaries tax	\$
3	Reward and bonus ^{a)}		10		\$
4	Pension fund ^{b)}	\$	11		\$
5	Social security fund	\$	12		\$
6	Employee insurance	\$	13		\$
7	Staff dormitory and meals	\$	14	Total	\$

a) A detailed explanation should be attached if the declared income is different from the declared income in Salaries tax M3/M4.
b) Please indicate the content of the Pension fund:
(i) The Pension fund is established according to Decree-Law no. 6/99/M of 8 Feb. ☐ Yes ☐ No
(ii) Date of establishment: ____/____/____ (iii) Name of the fund manager: _____
(iv) Number of beneficiaries: _____ (v) The percentage the employer contributes this pension fund: _____%
(vi) Total salary amount which is used for the calculation: _____
Remark: – Please specify the relevant amount and provide a detailed breakdown of the pension fund contribution or special contribution.
– Please submit the following documents or information if the rules and regulations are amended. (i) A copy of the approval documents from AMCM, and (ii) A copy of the rules and regulations of the pension fund.

Please refer to point 9.33 to 9.36 of the Guidelines.

Salaries tax of staff paid by the employee must be adjusted in Line 12, Section 11, of form M/1.

The total amount should be equivalent to Line 9 'Personnel cost' of Section I 'Profit and loss statement'.

Please fill in relevant information of the employee pension fund. Please refer to point 9.37 to 9.39 of the Guidelines.

III DETAILED BREAKDOWN OF TAX AMOUNT AND ADMINISTRATIVE FEES					
1	Business registration tax	\$	5	Arbitration fees	\$
2	Property tax and land rental	\$	6		\$
3	Stamp duty	\$	7		\$
4	Vehicle license tax	\$	8	Total	\$

The total amount should be equivalent to Line 21 'Tax payment' of Section I 'Detailed breakdown of other operational costs. Please refer to point 9.46 of the Guidelines.

IV	DETAILED BREAKDOWN OF OTHER INCOME				
1	Income from rental property ^{a)}	\$	8	The balance after the deduction of relevant expenses from income from rental-property should be adjusted in Line 26 of form M/1. Please refer to points 9.13 to 9.14 of the Guidelines.	
2	Gain on the disposal of assets ^{b)}	\$			
3	Return of provisions ^{c)}	\$	10		
4	Gain on currency exchange ^{d)}	\$	11		
5	Bad debt recoveries	\$	12		
6		\$	13		
7		\$	14	Total (1 + ... + 13)	\$

a) Please attach details indicating the address of the rental-property, property registration number, tenancy duration, rent amount and relevant expenses.

b) Please fill in M/3A Detailed breakdown of the sale and disposal of tangible and intangible assets.

c) Please fill in M/4 Movement of Provisions.

d) Please indicate the relevant amount of any difference in unrealised currency exchange if included.

The total amount should be equivalent to Line 5 'Other incomes' under Section I 'Profit and loss statement' of Attachment A.

V	DETAILED BREAKDOWN OF OTHER EXPENSES AND LOSSES				
1	Loss on disposal of investment ^{a)}	\$	10	The amount should be equivalent to the total of 'Gain or loss on the sale of assets' and 'Loss on disposal' of form M/3A; if the total is a profit, please fill in Line 2 of Section IV 'Detailed breakdown of other income'.	\$
2	Loss on impairment of assets ^{a)}	\$	11		\$
3	Loss on disposal of assets ^{b)}	\$			\$
4	Loss on currency exchange ^{c)}	\$	13		\$
5	Compensations	\$	14		\$
6	Donations ^{d)}	\$	15		\$
7	Tax penalties	\$	16		\$
8	Other penalties	\$	17		\$
9		\$	18	Total (1 + ... + 17)	\$

a) Please indicate the relevant amount of any difference in unrealised currency exchange if included.

b) Please indicate the relevant amount of any difference in unrealised currency exchange if included.

c) Please indicate the relevant amount of any difference in unrealised currency exchange if included.

d) Please attach details indicating the name of the beneficiary organisation, address and amount donated.

VI	MOVEMENT OF ACCUMULATED PROFIT AND LOSS	
1	Balance brought forward	\$
2	Adjustment: Alternation in accounting policies ^{a)}	\$
3	Correction for previous errors ^{a)}	\$
4	Balance after adjustment (1 + 2 + 3)	\$
5	Profit and loss in the current period	\$
6	Transfer to: Statutory reserve	\$
7	Reinvestment Reserve	\$
8	Other reserves	\$
9	Distribution of dividend and profit	\$
10	Profit transferred to head office	\$
11	Bonus shared by management and staff ^{a)}	\$
12	Current balance (4 + 5 – 6 – 7 – 8 – 9 – 10 – 11)	\$

a) Please attach details.

Auditor / Accountant / Accounting technician (signature)

Taxpayer (signature and stamp)

Signature of auditor or accountant.

Signature and stamp of
the taxpayer.



Government of the Macao
Special Administrative Region
Financial Services Bureau

Please fill in the name and number of the taxpayer, as well as the tax year.

Form M/4 – Movement of Provisions

M/4

Name of taxpayer: _____
Taxpayer no.: _____ Year: _____

1	Balance brought forward		Current movement						Closing balance	
			Utilization		Write-back		Established or added to			
	Amount considered for tax purposes (1)	Amount not considered for tax purposes (2)	Amount considered for tax purposes (3)	Amount not considered for tax purposes (4)	Amount considered for tax purposes (5)	Amount not considered for tax purposes (6)	Amount considered for tax purposes (7)	Amount not considered for tax purposes (8)	Amount considered for tax purposes (9)=(1)-(3)-(5)+(7)	Amount not considered for tax purposes (10)=(2)-(4)-(6)+(8)
Provisions specified in Article 25 of the Profits Tax Regulation										
Provision for doubtful debts										
Total \$			Total \$		Total \$		Total \$		Total \$	
Provision for depreciation of inventories										
Total \$			Total \$		Total \$		Total \$		Total \$	
Provision for bank credit risk										
Total \$			Total \$		Total \$		Total \$		Total \$	
Total \$			Total \$		Total \$		Total \$		Total \$	
Provisions not specified in Article no. 25 of the Profits Tax Regulation										
Total										

For the utilization of the reserve fund, the amount considered by tax rules shall be used first, and the used amount shall not exceed the opening balance. Please refer to point 9.42 of the Guidelines.

The amount is equivalent to the minimum credit risk calculated according to Notice no. 18/93-AMCM of AMCM. Please refer to points 9.30 to 9.31 of the Guidelines.

The amount should be equivalent to the closing balance of 'Provision for credit risk' indicated in the balance sheet.

This item is only applicable to banks.

The reserve fund other than those specified in the Tax Rules should be filled out in this section. Please refer to point 9.44 to 9.45 of the Guidelines.

The amount is equivalent to the adjusted amount in Line 23, Section 11, of form M/1.

The amount is equivalent to the adjusted amount in Line 24, Section 11, of form M/1.

The amount is equivalent to the adjusted amount in Line 3, Section 11, of form M/1.

The amount should be equivalent to the closing balance of the account of the relevant item.

Line 23, section 11, M/1 Line 24, section 11, M/1 Line 3, section 11, M/1

2 Calculation of the bad debts expenses and the loss on write-down of inventories							
Item	Closing receivable or inventory balance a)	Provision percentage %	Provisions considered for tax purposes	a) Receivables used to calculate the total provisions set up or added to in the current year	Direct write off bad debts expenses or loss on write-down of inventories b)	Bad debts expenses or loss on write-down of inventories declared in the current year	b) A legal document such as a certificate for the relevant unrecoverable claims should be provided to write off bad debts expenses, while loss on write-down of inventories shall not be considered as tax expenses.
	(1)	(2)	(3) = (1) x (2)	(4)	(5)	(6) = (4) + (5)	
Bad debts expenses		2 %					
Loss on write-down of inventories		3 %					

The taxpayer needs not fill in the calculation if these two reserve funds have not been set up.



Government of the Macao
Special Administrative Region
Financial Services Bureau

**Profits Tax - Gross
Income Declaration**

Taxpayer Name: _____
Taxpayer Number: _____ Year: _____

Please fill in the taxpayer's name and number, and the tax year.

Attachment A
(Insurance industry)

I Profit and Loss Statement					
		Current period MOP		Previous period MOP	
1	Premium income	\$		\$	
	1.1 Direct business	\$			
	1.2 Reinsurance business	\$			
2	Reinsurance income	\$		a) \$	
3	Reduction of the provision for existing risk	\$		b) \$	
4	Reduction of the mathematical provision	\$		b) \$	
5	Reduction of the provision for reinsurance company	\$		b) \$	
6	Service revenue	\$			
7	Investment income	\$			
8	Other incomes	\$			
9	Total income (1 + ... + 8)	\$			
10	Provision for existing risk	\$			
11	Provision for calculations	\$			
12	Commission	\$			
13	Reinsurance expenses	\$		c) \$	
14	Compensations	\$			
	14.1 Paid	\$			
	14.2 Provision	\$			
15	Cost of depreciation and amortization	\$		d) \$	
16	General business expenses	\$		e) \$	
17	Financial expenses	\$			
18	Other expenses and losses	\$		e) \$	
19	Total expenditure (10 + ... + 18)	\$			
20	Pre-tax profit and loss (9 – 19)	\$			
21	Profits tax	\$			
22	Profit and loss for the current period (20 – 21)	\$			

a) Please fill in the relevant detailed list for this attachment.
b) Please fill in M/4 Movement of Provisions.
c) Please fill in the relevant detailed breakdown in Attachment B of this declaration.
d) Please fill in details of M/3 Table of depreciation on tangible and intangible assets.

Please give a detailed breakdown in Section II of Attachment A and Sections I, IV, V, VI and VII of Attachment B.

Please fill in the movement information of 'Technical provision for the insurance industry' in Section 3 of form M/4 Movement of Reserve Funds.

Please fill in M/3 Table of depreciation.

Profits Tax expenses must be adjusted in Line 10, Section 11, of form M/1.

Equivalent to the increased amount of the corresponding items of the technical provision for insurance industry participated by the reinsurance company stated in the detailed breakdown of Section 3 Technical provision for the insurance industry of form M/4 Movement of Reserve Funds.

The total amount of the two columns should be equivalent to Line 2 'Reinsurance income' under Section I 'Profit and loss statement'.

II Detailed breakdown of reinsurance income		
	Direct business	Reinsurance business
1. Commission (including profit sharing)	\$	\$
2. Indemnity	\$	\$
3. Provision for existing risk of reinsurance company	\$	\$
4. Mathematical provision for reinsurance company	\$	\$
5. Provision for compensation of reinsurance company	\$	\$
6. Others	\$	\$
7. Total (1 + ... + 6)	\$	\$

III Balance sheet			
		Current period MOP	Previous period MOP
1	Assets		
1.1	Non-current assets		
1.1.1	Property, plant and equipment	\$	\$
1.1.2	Intangible assets	\$	\$
1.1.3	Financial assets	\$	\$
1.1.4		\$	\$
	Total non-current assets	\$	\$
1.2	Current assets		
1.2.1	Provision for existing risk of reinsurance company	\$	\$
1.2.2	Mathematical provision for reinsurance company	\$	\$
1.2.3	Provision for compensation of reinsurance company	\$	\$
1.2.4	Premium receivable and other receivables	\$	\$
1.2.5	Transactions and loans between shareholders and affiliates	\$	\$
1.2.6	Short-term investments	\$	\$
1.2.7	Pre-payment	\$	\$
1.2.8	Cash and cash equivalent	\$	\$
1.2.9		\$	\$
	Total current assets	\$	\$
	Total assets	\$	\$
2	Equity and liability		
2.1	Capital and reserve		
2.1.1	Capital	\$	\$
2.1.2	Statutory reserve	\$	\$
2.1.3	Other reserves	\$	\$
2.1.4	Cumulative profit and loss	\$	\$
2.1.5		\$	\$
	Total equity	\$	\$
2.2	Liability		
2.2.1	Non-current liability		
2.2.1.1	Long-term liability	\$	\$
2.2.1.2		\$	\$
	Total non-current liability	\$	\$
2.2.2	Current liability		
2.2.2.1	Provision for existing risk	\$	\$
2.2.2.2	Mathematic provision	\$	\$
2.2.2.3	Provision for compensation	\$	\$
2.2.2.4	Compensation payable and other payables	\$	\$
2.2.2.5	Transactions and loans between shareholders and affiliates	\$	\$
2.2.2.6	Provision for profits tax	\$	\$
2.2.2.7	Provision for other risks and losses	\$	\$
2.2.2.8	Short-term loan and overdraft	\$	\$
2.2.2.9		\$	\$
	Total current liability	\$	\$
	Total liability	\$	\$
	Total equity and liability	\$	\$

This item should be the net carried amount after the deduction of accumulated depreciation and accumulated amortisation.

Please fill in movement information of 'Technical provision for the insurance industry' in Section 3 of form M/4 Movement of Reserve Funds.

Please provide the calculation for Section VIII of Attachment B.

Auditor / Accountant / Accounting technician (signature)

Taxpayer (signature and stamp)

Signature of auditor or accountant.

Stamp and signature of the taxpayer.



Government of the Macao
Special Administrative Region
Financial Services Bureau

Profits Tax – Insurance Industry Income Declaration

Name of taxpayer: _____

Taxpayer no.: _____

Year: _____

Please fill in the taxpayer's name and number, and the tax year.

Attachment B
(Insurance industry)

I DETAILED BREAKDOWN OF GENERAL OPERATIONAL COSTS

1	Staff cost ^{a)}	\$	12		\$
2	Tax payment ^{b)}	\$	13		\$
3	Water, electricity		14	Attorney and legal expenses ^{c)}	\$
4	Office supplies and other items		15	Intermediaries training expenses	\$
5	Cost of maintenance		16	Rents ^{d)}	\$
6	Transport expenses		17		\$
7	Life insurance		18		\$
8	Other insurance		19		\$
9	Cost of advertisement		20		\$
10	Cost of entertainment		21		\$
11	Travel expenses		22	Total (1 + ... + 21)	\$

If any important expenses are not in the default categories, the taxpayer can fill in his/her own customised category/categories; if the amount of the rest of the items is not important, the total amount can be included in other items. If there is not enough space on the declaration for all important items, the taxpayer can provide a detailed breakdown of other items on a separate piece of A4 paper.

Please fill in the detailed breakdown in Section II.

Please fill in the detailed breakdown in Section III.

The total amount should be equivalent to Line 16 'General business expenses' of Section I 'Profit and loss statement'.

a) Please fill in Detailed breakdown of staff cost in section II.

b) Please fill in Detailed breakdown of tax payment in section III.

c) Please attach details indicating the name of recipient, his/her address, taxpayer no., business registration no., and the amount received.

d) Please attach details indicating the address of the rental property, property record no., tenancy duration and the rent paid.

II DETAILED BREAKDOWN OF STAFF COST

1	Wages and salaries	\$	7	Staff dormitory and meal	
2	Subsidies		8	Employee benefit	
3	Reward and bonus ^{a)}	\$	9	Employee salaries tax	\$
4	Pension fund ^{b)}	\$	10		\$
5	Social security fund	\$	11		\$
6	Employee insurance	\$	12	Total (1 + ... + 11)	\$

Please refer to points 9.33 to 9.36 of the Guidelines.

Salaries tax of staff paid by the employee must be adjusted in Line 12, Section 11, of form M/1.

a) A detailed explanation should be attached if the declared income is different from the declared income in Salaries tax M3/M4.

b) Please indicate the content of the Pension fund:

- (i) The Pension fund is established according to Decree Law no. 6/99/M of 8 Feb. ☐ Yes ☐ No
- (ii) Date of establishment: ____/____/____ (iii) Name of the fund manager: _____
- (iv) Number of beneficiaries: _____ (v) The percentage the employer contributes this pension fund: _____%
- (vi) Total salary amount which is used for the calculation of the fund the employer bears each year: _____

Remark: – Please specify the respective amount and provide a detailed explanation of the initial collective participation or special collective participation.

– Please submit the following documents once the regulations are amended. (i) A copy of an approval document from AMCM, and (ii)

A copy of the rules and regulations of the pension fund.

Please fill in the relevant information of the employee pension fund. Please refer to points 9.37 to 9.39 of the Guidelines.

The total amount should be equivalent to Line 1 'Staff costs' of Section I 'Detailed breakdown of general operational costs'.

III DETAILED BREAKDOWN OF TAXES AND ADMINISTRATIVE FEES

1	Business registration tax	\$	4	Annual inspection fee	\$
2	Property tax and land rental	\$	5		\$
3	Motor vehicle license tax	\$	6		\$

The total amount should be equivalent to Line 2 'Tax payment' of Section I 'Detailed breakdown of general operational costs'. Please refer to point 9.46 of the Guidelines.

IV DETAILED BREAKDOWN OF INCOME

1	Interest income from banks	\$	5		\$
2	Interest income from loans	\$	6	Gains on Capital ^{b)}	\$
3	Local dividend income ^{a)}	\$	7		\$
4	Foreign dividend income ^{a)}	\$	8		\$

a) Please attach details indicating the name of the dividend company and the amount received.

b) Please attach details of the relevant calculation.

The total amount should be equivalent to Line 7 'Investment income' of Section I 'Profit and loss statement'.

V DETAILED BREAKDOWN OF OTHER INCOME				
1	Income from rental-properties ^{a)}	\$	5	Bad debt recoveries
2	Gain on disposal of assets ^{b)}	\$	6	
3	Reduction of other provisions	\$	7	
4	Gain on currency exchanges ^{c)}	\$	8	Total (1 + ... + 7)
				\$

a) Please attach details of rental properties, the property record number and the amount of income received.
b) Please attach details of the gain on disposal of tangible and intangible assets.
c) Please attach details of the gain on unrealised currency exchanges if included.

The balance after deduction of the relevant expenses from income from rental property should be adjusted in Line 26 of form M/1. Please refer to points 9.13 and 9.14 of the Guidelines.

The amount should be equivalent to the total of the return amount of each provision in Section I of form M/4.

The total amount should be equivalent to Line 8 'Other income' under Section I 'Profit and loss statement' of Attachment A.

VI DETAILED BREAKDOWN OF OTHER EXPENSES AND LOSSES				
1	Provision for bad debts ^{a)}	\$	7	Tax penalties
2	Provision for premiums	\$	8	Other expenses
3	Loss on currency exchanges ^{b)}	\$	9	Donations
4	Losses on assets ^{c)}	\$	10	
5	Loss on disposal of assets ^{d)}	\$	11	
6	Loss on disposal of assets ^{e)}	\$	12	Total (1 + ... + 11)
				\$

a) Please attach details of the provision for bad debts.
b) Please attach details of the loss on currency exchange if included.
c) Please attach details of the loss on disposal of tangible and intangible assets.
d) Please attach details of the loss on disposal of assets.
e) Please attach details of the loss on disposal of assets.

The amount should be equivalent to the total of 'Gain or loss on the sale of assets' and 'Loss on disposal' of form M/3A; if the total is a profit, please fill in Line 2 of Section V 'Detailed breakdown of other income'.

Tax penalties must be adjusted in Line 6, Section 11 of form M/1.

The total amount should be equivalent to Line 18 'Other expenses and losses' under Section I 'Profit and loss statement' of attachment A.

VII DETAILED BREAKDOWN OF REINSURANCE EXPENSES			
		Direct business	Reinsurance business
1	Reinsurance premium	\$	\$
2	Reduction of the provision for existing business	\$	\$
3	Reduction of the mathematical provision	\$	\$
4	Reduction of the provision for compensation	\$	\$
5	Others	\$	\$
6	Total (1 + ... + 5)	\$	\$

Equivalent to the reduced amount of the corresponding items of the technical provision for insurance industry participated by the reinsurance company stated in the detailed breakdown of Section 3 Technical provision for the insurance industry of form M/4 Movement of Reserve Funds.

The Total amount should be equivalent to Line 13 'Reinsurance expenses' of Section I 'Profit and loss Statment'.

VIII MOVEMENT OF THE ACCUMULATED PROFIT AND LOSS	
1	Balance brought forward
2	Adjustment: Alteration in accounting policies ^{a)}
3	Correction for previous errors ^{a)}
4	Balance after adjustment (1 + 2 + 3)
5	Profit and loss in the current period
6	Transfer to: Statutory reserve
7	Re-investment Reserve
8	Other reserves
9	Distribution of dividends and profits
10	Bonus shared by management and staffs ^{a)}
11	Current balance (4 + 5 - 6 - 7 - 8 - 9 - 10)

a) Please attach details.

Please provide the reason, nature of the adjustment, as well as the amount which affects the opening accumulated profit and loss; please refer to point 9.4 to 9.6 of Guidelines.

Please fill in Section 12 'Distribution of dividends/profits' of the M/1 'Declaration form'.

Auditor / Accountant / Accounting technician (signature)	Taxpayer (signature and stamp)
Signature of auditor or accountant.	Signature and stamp of the taxpayer.

Example 23
M/4 Movement of Provisions (format 368) – Back

3 Technical provisions for insurance industry (according to Decree-Law no. 27/97/M of 30 June)						
Provisions movement	Direct and reinsurance business	Statutory	Non-statutory	Technical provision participated by reinsurance company		
	(1)	(2)	(3)	Direct and reinsurance business	Statutory	Non-statutory
Provisions for existing risk (Article no. 59 of Decree-Law no. 27/97/M)						
1. Total brought forward						
2. Increase						
3. Reduction						
4. Current total (1 + 2 - 3)						
Mathematical provision (Article no. 58 of Decree-Law no. 27/97/M)						
1. Total brought forward						
2. Increase						
3. Reduction						
4. Current total (1 + 2 - 3)						
Provisions for compensation (Article no. 57 of Decree-Law no. 27/97/M)						
1. Total brought forward						
2. Utilization						
3. Increase						
4. Reduction						
5. Current total (1 - 2 + 3 - 4)						

The increased amount of each technical provision should be equivalent to the amount for the corresponding expense in the Profit and Loss Statement.

The opening and closing balance of each technical provision should be equivalent to the opening and closing amounts for the corresponding liability in the Balance Sheet.

The opening and closing balance of each technical provision participated by the reinsurance company should be equivalent to the opening and closing amounts for the corresponding asset in the Balance Sheet.

The decreased amount of each technical provision should be equivalent to the amount for the corresponding income in the Profit and Loss Statement.

Remarks :

- To use the provisions as stipulated in Article no. 25, the portion considered for tax purposes shall be used before the portion which is not considered for tax purposes.
- Please provide a detailed breakdown of writing off creditor's right when the provision for doubtful debts or bank credit risk (considered for tax purposes) is used.
- Please provide the legal document to certify the relevant irrecoverable claims when the provision for doubtful debts or bank credit risk (not considered for tax purposes) is used.
- Please provide certification and explanation for the use of provisions not considered for other tax purposes or other than the provisions stipulated in Article no. 25.
- To set up or add to the provision for bank credit risk, please provide documents reflecting the calculation of statutory provisions according to AMCM requirements.
- To use the technical provisions for the insurance industry, please provide a copy of the table (which has been submitted to AMCM) of the existing risk provision or mathematical provision.

Auditor / Accountant / Accounting professional
(signature)

Taxpayer (signature and stamp)

Signature of auditor or
accountant.

Signature and stamp of
the taxpayer.