In around 1557, Portuguese traders established themselves in a Chinese fishing village in the Pearl River Delta, which allowed them direct trade with Canton and Japan. On that site they gradually founded the city of Macao, which was administrated by Portugal until 1999. The first administrator of the colony was the captain-general of the yearly Japan voyage while he was in the city. As the maritime enclave grew, its social, economic, and political life evolved and its colonial administration became more complex, and in 1583 the city’s leading merchants, bishop, and colonial agents established the Senate or Municipal Council of Macao, which was similar to a European Town Hall. In the late sixteenth century and early seventeenth city, the Senate was headed by the captain of the Japan Voyage, but the growing number of urgent matters demanded permanent public administrators, and a group of three representatives of the residents, the “good men”, was elected. The Senate was also formed of a Judge and four elected traders. Local interests sometimes clashed with the plans of the distant Portuguese crown, so the king appointed a governor sent from Lisbon to defend and represent his interests. This form of colonial self-government led historians to call Macao “the first democratic republic” in Asia. Matters related to Chinese residents and workers were dealt with by the Chinese Mandarin of the White House. This paper analyzes how Macao evolved, and how its residents founded a Senate where all the decisions regarding the government of the city were made, and where local interests were safeguarded.