



LEGAL NEWS

Timor-Leste

June through August 2020

BANKING AND FINANCE

[Credit Guarantee System Amended](#)

In 2017, the credit guarantee system for small and medium-sized companies (“SMEs”) was created to boost the granting of credit to Timor-Leste SMEs by financial institutions operating in the country. By means of Decree-Law No. 32/2020, of 26 August 2020, the Government has now amended certain aspects of the applicable framework, notably with respect to the classification of micro, small and medium-sized companies covered by this system.

CRIMINAL AND COMPLIANCE

[New Anticorruption Law](#)

The National Parliament has recently passed Law No. 7/2020, of 26 August 2020, approving measures to prevent and fight corruption. The new Timor-Leste Anticorruption Law will enter into force 180 days following its publication, and has an

extremely broad scope, covering not only rules on the types of “corruption offenses” and respective sanctioning regime, but also a wider range of matters, including rules on recruitment of former public officials, adoption of codes of conduct by both public and private entities, rules on public tenders, corruption in private business, statutes of limitation, criminal investigation, and freezing and seizure of assets, amongst others.

STATE ADMINISTRATION

New rules on the organization of the Direct and Indirect Administration of the State

New rules on the organization of the Direct and Indirect Administration of the State were approved by means of Decree-Law No. 30/2020, of 29 July 2020. Through this statute the Government intends to establish rules on the structure of direct administration of the State and of entities included in its indirect administration, as well as to govern their respective operation, with a view to promoting the efficiency of their actions. In line with this intention, the new statute sets forth rules on competences, the types of acts to be issued by each entity, and the respective procedures, as well as on the entities’ internal functioning and structure. The entities covered by this statute shall now adapt their bylaws and internal regulations to the rules set forth in this statute.

Eletricidade de Timor-Leste, E.P. created

By means of Decree-Law No. 29/2020, of 22 July 2020, the Government created the State-owned company “Eletricidade de Timor-Leste, E.P.” (“EDTL, EP”), and approved its respective bylaws. EDTL, EP is responsible for proposing, monitoring and ensuring the implementation of the national policy for the energy sector, ensuring the sustainable and integrated production, transmission, distribution and sale of electricity.

Second amendment to the structure and competences of the VIII Constitutional Government

Decree-Law No. 27/2020, of 19 June 2020, approves the second amendment to the structure and competences of the VIII Constitutional Government, approved by Decree-Law No. 14/2018, of 17 August 2018. Although the structure of the Government and its overall competences remain the same, the new statute clarifies the competences of the Presidency of the Council of Ministers in respect of administrative reform and modernization, as well as the attributions of the Minister Coordinator of Economic Affairs.

OIL AND GAS

Timor-Leste reserves a 20% participating interest in Production Sharing Contracts for TIMOR GAP

The Government approved Government Resolution no. 15/2020, dated 3 June 2020, which reserves for the National Oil Company, TIMOR GAP, E.P., a maximum 20% participating interest in all production sharing contracts (PSCs) entered into as a result of the ongoing oil & gas licensing round. Should TIMOR GAP wish to increase its participating interest, it may also submit bids in the licensing round on equal footing with all other bidders.

Second Amendment to the Fuel Filling Stations

The National Petroleum and Minerals Authority (Autoridade Nacional do Petróleo e Minerais, “ANPM”) approved Regulation No. 1/2020, of 19 June 2020, which amends for the second time the Fuel Filling Stations Regulations, approved by ANPM Regulations No. 1/2013, of 18 September 2013. The aim of this amendment is to make adjustments to the technical specifications and standards for Automotive Fuel Filling Stations, so as to ensure the general safety of the population. ANPM has also revised the fees applicable to Automotive Fuel Filling Stations.

HEALTH

Regulations Amendment to the framework governing Private Health Units

By means of Decree-Law No. 23/2020, of 10 June 2020, the Government approved the first amendment to Decree-Law No. 18/2004, of 1 December 2004, on Private Health Units. This amendment updates and clarifies the licensing process, and sets forth the framework applicable to policlinics.

For further information about the content of this Legal News, please contact:

Ricardo Alves Silva

Ricardo.Silva@mirandalawfirm.com

mirandaalliance

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