



INSURANCE

New Requirements on Financial Reporting and Record Keeping for General Insurance Companies

By means of Presidential Decree No. 271/20, of 20 October 2020, the President of the Republic approved the new Legal Framework on Local Content in the Petroleum Industry, thus revoking Order No. 127/03, of 25 November 2003. The statute sets forth new rules applicable to the procurement of goods and services for petroleum operations and obligations relating to the recruitment, employment and training of Angolan citizens. Violation of the obligations set forth in the statute constitutes an administrative offence punishable by fines in the amount (in Kwanzas) of between USD 50,000 and USD 300,000. Offenders may also be subject to the accessory penalties of being inhibited from engaging in business activities, suspension of the authorization to operate, and prohibition from entering into new contracts.

New Minimum Solvency Requirements and Allowed Assets for General Insurance Companies

Through Instruction No. 07/2020, the Central Bank of Timor-Leste established new minimum solvency requirements and permitted assets for General Insurance Companies including, notably, new minimum capital and solvency margin requirements. This statute came into force on 25 September 2020.

ENVIRONMENT

Rules on the Sale, Import and Production of Plastic Bags, Packaging and Other Objects

The Government has approved Decree-Law No. 37/2020, of 23 September 2020, which sets forth the rules applicable to the sale, import and production of plastic bags, packaging and other objects in Timor-Leste. One of the most relevant measures foreseen in this new statute is the prohibition of the introduction into the national market of non-recyclable, non-oxo-biodegradable or non-oxo-degradable single-use plastic packaging or objects, as well as a general prohibition on making available to the public plastic objects such as bags, cutlery, cups or straws for single use (except for those that are compostable or biodegradable). Finally, this statute sets forth certain internationally recognized principles of Environmental Law, such as the principle of extended producer responsibility. This statute will enter into force 120 days after its publication.

STATE ADMINISTRATION

National Authority for Water and Sanitation

By means of Decree-Law No. 38/2020, of 23 September 2020, the Government created the National Authority for Water and Sanitation and enacted its

respective By-Laws. This Authority will be responsible for managing the use of national water resources, and for regulating activities related to the capture, transport, treatment, distribution and discharge of waste water and solid waste. For this purpose, this entity shall propose, monitor and ensure the implementation of the national policy for water resources, in order to guarantee its sustainable and integrated management, and will have supervision and inspection powers over the public water supply, sanitation of urban wastewater and solid waste services.

Maritime Authority System Created

The Maritime Authority System, has been established by means of Decree-Law No. 39/2020, of 23 September 2020. Through this system, the Government intends to create an institutional framework for the coordination between the different entities, bodies or services, both centralized and decentralized, that through their executive coordination, advisory or policing competencies, exercise powers over maritime areas subject to the sovereignty or jurisdiction of Timor-Leste. Amongst others, the following entities and bodies are included in this System: the National Maritime Authority, APORTIL, PNTL, PCIC, the Migration Service, the Tax and Customs Authorities, and also the National Petroleum and Minerals Authority (*Autoridade Nacional de Petróleo e Minerais*, “ANPM”).

National Electricity Authority

By means of Decree-Law No. 40/2020, of 25 September 2020, the Government created the National Authority for Electricity and approved its respective By-Laws. The newly created authority is responsible for proposing, monitoring and ensuring the execution of the national power strategy, ensuring the regulation and inspection of all production, transportation, distribution, sale and use of electricity and related services in the National Power System, as well as the standardization of electrical components and installations.

Bee Timor-Leste, E.P. created

Decree-Law No. 41/2020, of 25 September 2020, created the State-owned company Bee Timor-Leste, E.P. to manage the services related to the national water supply and sanitation network. The corporate object of Bee Timor-Leste, E.P. (“BTL, E.P.”) includes, amongst others, promoting an efficient use of water, ensuring public water supply (through the design, construction, operation and management of water supply systems), ensuring public sanitation (through the design, construction, operation and management of wastewater sanitation systems) and establishing control and inspection measures for the prevention of illegal connections to the public water supply system and injections into the public water sanitation system.

SOCIAL SECURITY

Social Security Reserve Fund

Decree-Law No. 55/2020, of 28 October 2020, has formally instituted the Social Security Reserve Fund. This Fund had previously been created (by means of Law No. 12/2016, of 14 November 2016, which created the Social Security Contribution System) for the purposes of creating a reserve for yearly Social Security surpluses and other legally approved revenues. The new regulations require existing reserves to be transferred to the Fund in order to allow for their capitalization. The new statute also establishes the structure and management model of the Social Security Reserve Fund.

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