

#### STATE ADMINISTRATION

# Execution of the Strategy for Administrative Decentralization and Setup of Local Governance Entities

Following the lack of success of the implementation of the first statute on the Strategy for Administrative Decentralization and Installation of Local Government Entities, enacted in 2019 (by Government Resolution No. 11/2019, of 13 March 2019), the Government approved a new strategy for such purpose, by means of Resolution No. 45/2020, of 9 December 2020. This statute, which entered into force on 10 December 2020, foresees a three-stage implementation of the strategy corresponding to the calendar years of 2020, 2021 and 2022.

### Internal Regulation of the Audit Court

Through Resolution No. 1/2021, of 8 January 2021, the judges of the Court of Appeal approved the Internal Regulation of the Audit Court, which governs the functioning of the chamber in everything that is not provided for in its framework law, in the framework of the Court Support Services and in the respective additional and subsidiary legislation, namely in terms

of sessions, acts, competence, support services, financial control and jurisdictional processes for the enforcement of financial liability. The statute approving the regulation came into force on 14 January 2021.

# Amendments to the Framework of the Ministry of Petroleum and Minerals

By means of Decree-Law No. 62/2020, of 9 December 2020, the Government enacted the first Amendment and re-publishing of Decree-Law No. 15/2018, of 12 December 2018, on the Framework of the Ministry of Petroleum and Minerals. The purpose of this first amendment was to create internal services responsible for drafting and submitting sectorial policies, at the same time adapting the existing services. This statute, which expressly revoked Articles 8.2 i) and j) and 12 of Decree-Law 17/2018, of 12 December 2018, entered into force on 10 December 2020.

#### Civil Protection Law enacted

Law No. 12/2020, of 2 December 2020, enacted the Law on Civil Protection, establishing the main principles of this activity, as well as rules on the state of alert, contingency and disaster, on the carrying out of civil protection operations, the direction and coordination of civil protection policies and the executive structure of the civil protection services. The statute also foresees the creation, in the future, of the Civil Protection Authority, which shall take over the functions and competences now vested in the General-Directorate of Civil Protection. The new statute, which revoked Articles 18 to 24 of Decree-Law No. 7/2004, of 5 May 2004, on the Framework of Falintil-FDTL, entered into force on 1 January 2021.

# Amendment to the Framework Law of the National Freedom Fighters Council

Decree-Law No. 64/2020, of 10 December 2020, enacted the first Amendment to Decree-Law No. 7/2018, of 28 March 2018, on the Legal Framework of the National Freedom Fighters Council. This amendment, which refers to the council's funding regime, entered into force on 11

December 2020.

#### First Amendment to the 2020 Budget Execution Statute

Government Decree No. 19/2020, of 16 December 2020, enacted the First Amendment to Government Decree No. 14/2020, of 23 October 2020, on the Execution of the 2020 General State Budget. This first amendment extended the deadline for submission of Payment Commitment Forms until 17 December 2020. The statute entered into force on 17 December 2020 but is retroactive to 10 December 2020.

### General State Budget for 2021 approved

The National Parliament approved the 2021 General State Budget by means of Law No. 14/2020, of 29 December 2020. One of the most relevant items within the State Budget refers to the petroleum revenues, which are estimated at USD 1,377.6 million in 2021, compared to an expected USD 508.5 million in non-petroleum revenues. The budget is effective as of 1 January 2021.

#### **CUSTOMS**

## New Schedule of Fees and Charges for Services Provided by the Customs Authority

The Government, through the Ministry of Finance, recently approved Ministerial Statute No. 5/2021, of 27 January 2021, on the Types of Fees and Charges levied by the Customs Authority for the provision of customs services upon request, as well as the relevant amounts, as foreseen in the Customs Code and the Framework Law of the Customs Authority. The new statute, which entered into force on 28 January 2021, revoked Ministerial Statute No. 7/2003, of 13 August 2003, on Prices of Forms.

# Legal Framework on Default Interest and Punitive Interest applicable to the Customs Sector

Ministerial Statute No. 6/2021, of 27 January 2021, enacted the procedure for the applicability of Default Interest and Punitive Interest in the Customs Sector. This statute, which entered into force on 28 January 2021, establishes the relevant interest rates, as well as the rules for the calculation, counting of deadlines, and settlement of the amounts due.

#### **INSURANCE**

# Instructions on Licensing of Life Insurance Companies

The Central Bank of Timor-Leste (BCTL) recently issued Instruction No. 08/2020, laying down the rules applicable to Licensing of Life Insurance Companies, and which shall apply to all those who intend to pursue life insurance activities in Timor-Leste referring to risks located within the national territory. The new statute entered into force on 12 December 2020.

#### **AVIATION**

# Agreement on Aviation Services between the Government of the Democratic Republic of Timor-Leste and the Government of Australia

By means of Resolution No. 6/2021, of 16 February 2021, the National Parliament approved the Agreement on Aviation Services entered into by the Government of the Democratic Republic of Timor-Leste and the Government of Australia. This agreement, which had already been signed by the relevant representatives on 26 May 2017, aims at creating an international aviation system based on competition among transport companies operating in the market, as well as at creating the necessary conditions for maximum safety and protection levels for international air transportation, setting rules on mutual recognition of certificates, safety, use rates and customs duties, among others.

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