

TIMOR-LESTE

December 2015 through February 2016

OIL & GAS

PRODUCTION SHARING CONTRACTS ENTERED INTO

The Minister of Petroleum and Mineral Resources, through Order No. 3/GMPRM/XII/2015, of 18 December 2015, and the Government, through Resolution No. 44/2015, of 22 December 2015, authorized the direct award to TIMOR GAP - Timor Gás & Petróleo, E.P. ("TIMOR GAP") of two Production Sharing Contracts ("PSCs") for Onshore and Offshore Blocks in Timor-Leste's Exclusive Area. These statutes also authorize TIMOR GAP to hold a working interest of up to 100% in the PSCs.

MINING

REGULATORY AUTHORITY FOR THE MINING SECTOR

By means of Decree-Law No. 1/2016, of 28 December 2016, the Government of Timor-Leste granted the National Petroleum Authority the powers to also act as regulatory authority for the mining sector. The Authority shall hereafter be designated as National Petroleum and Mining Authority (in Portuguese, *Autoridade Nacional do Petróleo e Minerais - ANPM*).

PRIVATE INVESTMENT

TIBAR PORT PUBLIC-PRIVATE PARTNERSHIP LEGAL FRAMEWORK APPROVED

The Government of Timor-Leste, through Decree-Law No. 43/2015, of 28 December 2015, approved the legal framework applicable to the Tibar Port Public-Private Partnership, thereby granting to the Government the legal power to execute the contract for the design, construction, financing, implementation, operation and management of the country's new deep-water port. Amongst others, this statute contains rules on tariffs, land rights and dispute resolution mechanisms.

NEW AGENCY FOR THE PROMOTION OF INVESTMENT AND EXPORTS

By means of Decree-Law No. 45/2015, of 30 December 2015, the Government of Timor-Leste created the Agency for the Promotion of Investment and Exports of Timor-Leste, I.P. (in Portuguese, *Agência de Promoção de Investimento e Exportação de Timor-Leste, I.P.*), also called "TradInvest Timor-Leste". TradInvest Timor-Leste is a public institute entrusted with promoting, facilitating and monitoring private investment and reinvestment, as well as exports from the country, being also responsible for centralizing the administrative procedure for the granting of the Investor Certificate, the Export Certificate and for entering into Special Investment Agreements under the Private Investment Law.

PUBLIC INVESTMENT

PRIORITY SECTORS FOR PUBLIC INVESTMENT

The Ministers of State Administration and Planning and Strategic Investment approved Ministerial Diploma No. 7/2016, of 27 January 2016, which identifies the priority sectors and actions for public investment under the Integrated Municipal Development Planning ("PDIM") and the National Sucos Development Program ("PNDS"). The priority sectors include the following areas: health, water and sanitation, education, agriculture and fisheries and public works.

COMMERCE

TRADE FACILITATION MEASURES

Considering the need to adopt economic diversification measures aimed at reducing dependence on revenues from mineral resources, the Government of Timor-Leste created the National Commission for Trade Facilitation (in Portuguese, *Comissão Nacional para Facilitação do Comércio, "CONFAC"*) through Resolution 6/2016, of 17 February 2016. The CONFAC acts as a consultative forum to promote dialogue between the Government, the private sector and other stakeholders in trade facilitation matters, with a view to making recommendations to the Government, as well as coordinating all governmental work on this subject matter.

BANKING REGULATORY

NEW RULES ON DEPOSIT AND WITHDRAWAL OF NOTES BY BANKS

By means of Instruction No. 2/2015, of 24 December 2015, the Central Bank of Timor-Leste ("BCTL") amended the rules on deposit and withdrawal of United States dollars by banking institutions operating in Timor-Leste. This statute defines, among others, the seizure procedures of counterfeit money and the rules on damaged banknotes and coins ineligible for circulation.

NEW RULES ON CLEARING AND SETTLEMENT OF CHECKS

In order to harmonize the rules, procedures and responsibilities of the banking institutions operating in Timor-Leste, the BCTL approved Instruction No. 3/2015, of 24 December 2015, on clearing and settlement of checks. This statute contains, amongst others, rules on payment instruments and the requirements for presentation of checks before the Clearing-House, as well as dispute resolution mechanisms.

STATE ADMINISTRATION

COOPERATION AGREEMENTS BETWEEN MINISTRIES AND THE OE-CUSSE REGION

By means of Resolution No. 1/2016, of 13 January 2016, the Government of Timor-Leste approved the Technical and Administrative Assistance Protocols to be entered into between the Government and the Authority for the Oe-Cusse Ambeno Special Administrative Region ("ARAEOA"). Under this Resolution, each Ministry may enter into cooperation agreements with the President of the ARAEOA in order to define the technical and administrative assistance that each Ministry may provide to the Authority.

2016 STATE BUDGET APPROVED

The General State Budget for 2016 was approved by the National Parliament through Law No. 1/2016, of 14 January 2016. By means of Government Decree No. 1/2016, of 1 February 2016, the Government approved the rules applicable to the execution, monitoring and report of the General State Budget.

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