



LEGAL NEWS *// Timor-Leste*

September to December 2025

ECONOMIC AND TAX

General State Budget for 2026

The National Parliament approved the General State Budget for 2026 (GSB 2026) through Law No. 8/2025 of 7 November, which establishes the budget tables for revenues and expenditures of the Public Administrative Sector for the year 2026. GSB 2026 maintains the taxes, fees, and contributions provided for in the GSB 2025. GSB 2026 enters into force on 1 January 2026.

REAL ESTATE

Legal Framework for the Management and Use of State-Owned Immovable Property

With a view to regulating the use of immovable property belonging to the public and private domains of the State, the Council of Ministers approved Decree-Law No. 36/2025 of 15 October. The decree establishes the regime for the use of immovable property that constitutes the public domain, in accordance with its fundamental characteristics, notably inalienability, imprescriptibility, and immunity from seizure, as well as the regime for the management, use, and disposal of immovable property that forms part of the State's private domain. The new regime subjects the management and use of State-owned immovable property, including the disposal of assets that constitute its patrimony, to the general principles of administrative action, transparency, cost recovery, and competition. The decree entered into force on 16 October 2025.

SOCIAL SECURITY

Revocation of Lifetime Pensions for Holders of Sovereign Bodies

The National Parliament approved Law No. 7/2025 of 29 September, which revokes all legal provisions granting lifetime pensions and other benefits to former holders of sovereign bodies, former members of parliament, and former

government members, based on the need to ensure responsible use of public resources. This law entered into force on 30 September 2025.

Social Protection in Case of Illness

Through Decree-Law No. 37/2025 of 20 October, which establishes the legal framework for social protection in the event of illness under the contributory social security regime in Timor-Leste, a sickness allowance is created for workers under the contributory social security scheme. The objective is to compensate for loss of income due to temporary incapacity for work, and to access this right, a contribution period of 12 months and a valid medical certificate are required. The decree entered into force on 21 October 2025.

ONLINE GAMING

Revocation of Online Gambling Licenses

The Government of Timor-Leste revoked all licenses for online gambling and betting. Resolution No. 54/2025 of 2 October strengthens the protection of national security and economic integrity, suspending new authorizations until the legal framework is reviewed.

INTERNATIONAL

Accession to ASEAN

The National Parliament of Timor-Leste, through Resolution No. 22/2025 of 26 September, formally ratified the Charter of the Association of Southeast Asian Nations (ASEAN), adopted in Singapore on 20 November 2007. The resolution reaffirms the country's commitment to the principles of multilateralism, regional solidarity, peace, stability, and economic progress, marking a decisive step towards full membership in ASEAN. With this ratification, Timor-Leste is enabled to exercise the rights and fulfill the responsibilities of a full member, strengthening regional cooperation and strategic integration.

Given the strategic importance of ASEAN accession, as an expression of Timor-Leste's political will to fully integrate into its geographic region and strengthen ties of cooperation with its Southeast Asian neighbors, this will allow the country to fully exercise its rights and assume responsibilities as a full member of the organization, ensuring active participation in regional bodies and contributing to deeper cooperation and integration in Southeast Asia.

ASEAN Integration

The National Parliament approved a set of resolutions and decrees that approve or ratify, for accession, key ASEAN instruments covering areas such as trade, customs, movement of persons, services, air transport, energy, tourism,

food security, counter-terrorism, and mutual legal assistance. Among the key instruments are the following:

- Resolution No. 25/2025 of 15 October – Framework Agreement on Strengthening Economic Cooperation;
- Resolution No. 29/2025 of 15 October – Harmonized Tariff Nomenclature;
- Resolution No. 31/2025 of 15 October – Energy Cooperation;
- Resolution No. 32/2025 of 15 October – Liberalization of Air Cargo Transport Services;
- Resolution No. 33/2025 of 15 October – Customs Matters;
- Resolution No. 42/2025 of 15 October – Convention Against Trafficking in Persons;
- Resolution No. 43/2025 of 15 October – Mutual Legal Assistance in Criminal Matters;
- Resolution No. 44/2025 of 15 October – Facilitation of Goods Transit;
- Resolution No. 45/2025 of 15 October – Trade in Services;
- Resolution No. 46/2025 of 15 October – Movement of Natural Persons.

These measures pave the way for greater economic, commercial, and legal integration, liberalization of services, trade facilitation, and strengthened regional cooperation, preparing Timor-Leste for full ASEAN membership.

REGULATORY AND CUSTOMS

Import and Transit of Plants and Vegetable Products

Ministerial Diploma No. 42/2025 of 26 November establishes phytosanitary rules for the import and transit of plants, plant products, and other regulated articles in Timor-Leste. The diploma sets out conditions for importation, transportation, inspections, and quarantine of products, as well as the responsibilities of the Quarantine and Biosecurity Unit (QBU). It provides for four risk categories for imported articles and defines specific standards for packaging. This Ministerial Diploma entered into force on 27 November 2025.

Import and Transit of Animals and Animal Products

Ministerial Diploma No. 41/2025 of 13 November establishes rules for the import and transit of animals, animal products, and related articles. It requires prior authorization and a health certificate issued by the competent authority of the country of origin, as well as mandatory inspection and quarantine under the supervision of the Quarantine and Biosecurity Unit (QBU). Strict measures are established to prevent the introduction of diseases, and requirements are set out for authorized facilities and transport procedures, ensuring the protection of animal health, public health, and national food security.

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