

## TIMOR-LESTE

June through August 2017

## PRIVATE INVESTMENT

## NEW PRIVATE INVESTMENT LAW

The National Parliament of Timor-Leste approved, through Law No. 15/2017, of 23 of August 2017, the new Private Investment Law, which will enter into force on 1 January, 2018. The new law establishes rules on tax and customs benefits and incentives offered to investors, as well as in respect of investment protection, aimed at ensuring compliance of national legislation with the guidelines of the ASEAN Comprehensive Investment Agreement.

## REAL ESTATE

## LAW ON OWNERSHIP OF IMMOVABLE PROPERTY APPROVED

By means of Law No. 13/2017, of 5 June 2017, the National Parliament of Timor-Leste approved the special rules for the definition of immovable property ownership rights. This new law is aimed at recognizing and granting the first ownership rights over immovable property, and clarifying the legal status thereof.

## BANKING AND FINANCE

## NEW CREDIT GUARANTEE SYSTEM

Decree-Law No. 23/2017, of 12 July 2017, issued by the Government of Timor-Leste, approved the Credit Guarantee System for small and medium-sized companies ("SMEs"). The system will be implemented and managed by the Central Bank and is aimed at boosting the granting of credit to Timor-Leste SMEs by financial institutions.

## NEW RULES ON CUSTOMER IDENTIFICATION, DOCUMENT RETENTION AND TRANSACTION REPORTING

Within the scope of its powers granted by Law No. 17/2011, of 28 December 2017, on the Legal Framework on Prevention and Combating of Money Laundering and Terrorism Financing, the Central Bank of Timor-Leste approved, through Instruction No. 5/2017, new rules on customer identification, document retention and transaction reporting applicable to financial institutions subject to compliance with the duties foreseen in Law 17/2011.

## CORPORATE

## NEW CRITERIA FOR THE MANDATORY APPOINTMENT OF THE AUDIT BODY OF COMPANIES

By means of Decree No. 27/2017, of 12 July 2017, the Government of Timor-Leste set forth the criteria for the mandatory appointment of the audit body of companies. The applicable criteria differ for joint stock companies and limited liability companies by quotas, and depend on the revenue generated by the companies.

## NEW TEMPLATES FOR COMPANIES' CONSTITUTIONAL DOCUMENTS

Decree No. 28/2017, of 12 July 2017, issued by the Government of Timor-Leste approved the new templates of companies' constitutional documents in the official languages of Timor-Leste (Portuguese and Tetum), and the respective translation into English language for information purposes only, which cannot be accepted for commercial registration purposes.

## INTELLECTUAL PROPERTY

## CONVENTION ESTABLISHING THE WORLD INTELLECTUAL PROPERTY ORGANIZATION RATIFIED

By means of Resolution No. 4/2017, of 16 of July 2017, the National Parliament ratified the convention establishing the World Intellectual Property Organization (WIPO), the United Nations agency entrusted with protecting intellectual property throughout the world through cooperation among States.

## SOCIAL SECURITY

## APPROVAL OF THE LEGAL FRAMEWORK ON SOCIAL SOLIDARITY INSTITUTIONS

The Government of Timor-Leste approved, through Decree-Law no. 25/2017, of 26 July 2017, the legal framework on social solidarity institutions. Under the new statute, social solidarity institutions are non-profit entities that contribute to the social protection of citizens and which are not a part of the direct or indirect administration of the State.

## MEASURES TO SUPPORT THE PRIVATE SECTOR IN CONNECTION WITH THE MANDATORY SOCIAL SECURITY CONTRIBUTIONS

Within the scope of the mandatory social security framework, the Government of Timor-Leste approved Decree-Law No. 27/2017, of 26 July 2017, aimed at assisting the private sector in complying with its social security obligations. Under the new statute, the deadline for certain companies to make the mandatory social security payments is extended until 31 March 2018, while benefiting from a waiver of the default interest.

## ADVERTISING

## FEES DUE FOR LICENSING OF ADVERTISING MESSAGES AMENDED

The Government of Timor-Leste, by means of Decree-Law No. 31/2017, of 9 of August 2017, amended Decree-Law No. 51/2016, of 28 December 2016, which approved the rules for licensing of advertising messages. This amendment approves new criteria for assessing the fee amount due for licensing of advertising messages.

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