

### **ENVIRONMENT**

### Creation of the National Authority for Environmental Licensing

The National Authority for Environmental Licensing was created through Decree-Law No. 41/2022, of 8 June 2022, which also approved the respective bylaws. This Authority is in charge of ensuring the application of the legislation on environmental licensing, and is responsible for assessing projects, and classifying and issuing environmental licenses, as well as for verifying that the activities of public and private entities in general, applicants for and holders of environmental licenses comply with the provisions of both national and international legislation related to protection of the environment.

# Creation of the Designated National Authority for the Fight against Climate Change

In compliance with Timor-Leste's commitments under the Kyoto Protocol, the Government has created the Designated National Authority for the Fight against Climate Change, by means of Decree-Law No. 42/2022, of 8 June 2022. This Designated National Authority has the mission to approve the participation of public and private national entities in projects related with clean development and emissions trading, and will also serve as liaison between Timor-Leste and the Green Climate Fund

# First Amendment to Environmental Licensing Procedure Approved

Decree-Law No. 39/2022, of 8 June 2022, approved an amendment to Decree-Law No. 5/2011 of 9 February 2011, on environmental licensing. This statute establishes new rules, notably on the submission of documents and payment of fees.

# MINING

# Creation of the Timor-Leste Mining Company

With a view to developing the mining sector, Decree-Law No. 43/2022, of 8 June 2022, created the national mining company, called *Companhia Mineira de Timor-Leste, S.A* (CMTL, S.A.), and approved its by-laws. CMTL, S.A. will be responsible for conducting mining activities, as defined by law, including reconnaissance activities, prospecting and exploration, evaluation, development, mining, treatment, transportation and commercialization of minerals, as well as mine closure activities.

# INSURANCE

# New Requirements on External Auditing of Insurance Companies Approved

Recognizing the importance of the quality of external audits of the financial statements of insurance companies and licensed insurance intermediaries, and the impact on its supervisory role, the Central Bank of Timor-Leste approved Instruction No. 19/2022, of 26 August 2022, establishing the rules applicable to external auditors, the publication of the Auditor's Report and the annual report of insurance companies and insurance intermediaries in Timor-Leste. This statute, which applies to all insurance companies and insurance intermediaries, including subsidiaries of foreign entities licensed to operate in Timor-Leste, regulates, amongst others, the qualification criteria applicable to auditors, as well as rules on their appointment, obligations and responsibilities, the scope of the audit and its terms of execution.

### New Requirements on Actuarial Function Approved

In order to maintain an adequate supervision and control over the risk management systems, and to fulfil their tasks in respect to actuarial matters, the Central Bank of Timor-Leste approved Instruction No. 18/2022, of 26 August 2022. This statute regulates the requirements for carrying out the actuarial function and the appointment of actuaries, which need to be communicated to the Central Bank. This Instruction applies to all life insurance companies, licensed by the Central Bank to operate as insurance companies in Timor-Leste, as well as general insurance companies subscribing property insurance policies as described in the Instruction.

# SOCIAL SECURITY

# Approval of the System for Verification of Incapacities

Considering that the verification of incapacities for social protection purposes is a medical act the Government, by means of Decree-Law No. 52/2022, of 20 July 2022, created the system for the verification of incapacities (SVI) within the social security system and established the administrative procedures for the technical assessment of such incapacities, for the purposes of granting financial assistance through the social security system. The SVI is a specialized technical instrument integrated in the National Social Security Institute.

# Legal Framework for Invalidity Pensions and Old Age Pensions in the Noncontributory Regime

Decree-Law No. 53/2022, of 20 July 2022, approved the legal framework for invalidity and old age pensions under the non-contributory social security regime. The purpose of this statute is to guarantee a minimum income to all persons who require this type of protection due to lack of other sources of income and who are not enrolled in the general social security system. The amount of the benefits is fixed in accordance with the international poverty threshold and cannot be accumulated with other permanent pecuniary social benefits.

# CRIMINAL

# Approval of Rules on the Organisation and Functioning of Criminal Investigations

In order to guarantee the efficiency of criminal investigation and fight crime, as well as to improve special criminal investigation measures, police coordination and cooperation at a domestic and international level, the National Parliament approved Law No. 9/2022, of 13 July 2022, on the organisation and functioning of criminal investigations, within the scope of the Criminal Procedure Law.

# STATE ADMINISTRATION

# New Composition of the VIII Constitutional Government

By means of Decree-Law No. 46/2022, of 8 June 2022, the Government approved the third amendment to its structure, to include a new Secretary of State for Timorese Communities Abroad

# COOPERATIVES

#### **Rules on Agricultural Cooperatives**

In response to the tendency to expand traditional areas intervention of agricultural cooperatives, the Government created, through Decree-Law No. 49/2022, of 13 July 2022, the conditions for agriculture cooperatives to address the specific needs of farmers and to be able to transform subsistence agriculture into entrepreneurial and associative agriculture. Henceforth, agricultural cooperatives may, namely, acquire ownership or other land use rights for agricultural exploitation; use and allow the use, in whole or in part, of buildings, facilities, equipment or services, of or by other cooperatives, enter into contracts, agreements or conventions with other legal persons; obtain loans and perform other financial operations.

#### **Rules on Fishing Cooperatives Approved**

In order to promote the development of fisheries in Timor-Leste, the Government, by means of Decree-Law No. 47/2022, of 13 July 2022, established a more complete legal framework for Fishing Cooperatives, thus complementing the legal framework established in the Cooperatives Law. This Decree-Law also applies to cooperatives whose main object is the extraction, processing and sale of sea salt and, with the necessary adaptations, to cooperatives whose main object is exploiting living resources of non-marine waters.

#### **Rules on Trading Cooperatives Approved**

Decree-Law No. 48/2022, of 13 July 2022, establishes the specific legal framework for trading cooperatives. This statute creates mechanisms that increase the liability of trading cooperatives towards their members, and creates forms of associative participation and mechanisms to increase transparency of corporate organisation.

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