



IV CONSTITUTIONAL GOVERNMENT

Decree-Law no. /
of

ORGANIC OF THE MINISTRY OF FINANCE

The Program of the IV Constitutional Government calls for a policy of economic and human development and poverty reduction. A transparent and accountable system of public financial management is vital to sustainable economic and social development.

In order to achieve these goals in public financial management it is important to establish the Ministry of Finance with an organizational structure that enables it to deliver the responsibilities entrusted to it under the law and to effectively support sound public financial management across the whole of government.

The present decree constitutes the organic law of the Ministry of Finance, which sets out the structure of the Ministry and the competences and attributions of each of its services, so as to comply with Decree-Law no. 7/2007, of September 5, approving the Organic Structure of the IV Constitutional Government of the Democratic Republic of Timor-Leste, in the wording given to it by Decree-Law no. 5/2008, of March 5.

Thus:

Under article 115.3 of the Constitution of the Republic, the Government decrees the following, to prevail as law:

CHAPTER I

Nature and attributions

Article 1

Nature

The Ministry of Finance, MoF for short, is the central body of the Government responsible for drafting, executing, coordinating and assessing the policies defined and approved by the Council of Ministers, for the areas of annual planning and monitoring, budget and finance.

Article 2

Attributions

The MoF has the following attributions:

- (a) To propose macroeconomic, monetary and exchange-rate policies, in collaboration with the central bank;
- (b) To propose policies and draft laws and regulations on tax and non-tax revenues, budgetary framework, procurement, public accounting, public finance, auditing and control of the State treasury, issuing and management of the public debt;
- (c) To administer the petroleum fund of Timor-Leste;
- (d) To work in cooperation with the Ministry of Foreign Affairs, so as to coordinate the relationship of Timor-Leste with the donors;
- (e) To manage the external public debt, the State's stakes in companies and external assistance, coordinating and defining its financial and tax aspects;
- (f) To manage the State's assets, without prejudice to the powers of the Ministry of Justice in terms of real estate assets;
- (g) To compile and publish official statistics;
- (h) To take on the responsibility for the implementation of the budget allocated from the State General Budget;
- (i) To draft the necessary regulations and perform financial control over the expenses of the State Budget that are allocated to other ministries, in view of pursuing a policy of granting greater financial autonomy to the services;
- (j) To look after the good management of the funds transferred from the State Budget to bodies that are indirectly administered by the State and by the local government bodies, through audits and monitoring;
- (k) To administer and promote international technical assistance in terms of technical advisory for State bodies, except for the areas of human resources training;
- (l) To set up collaboration and coordination mechanisms with other Government bodies responsible for related areas.

CHAPTER II

Responsibility and Supervision

Article 3

Responsibility and Supervision of the Minister

The MoF is under the responsibility of the Minister of Finance, who supervises it and answers to the Prime Minister.

CHAPTER III

Organic structure

Article 4

General structure

The MoF carries out its responsibilities through services integrated in the direct administration of the State.

Article 5

Direct administration by the State

The following central services are under the direct administration of the State, within the scope of the Ministry of Finance:

- (a) The Directorate-General of Revenue and Customs, consisting of the following national directorates:
 - i) National Directorate of Customs;
 - ii) National Directorate of Petroleum Revenues;
 - iii) National Directorate of Domestic Revenue;
- (b) The Directorate-General of State Finance, consisting of the following national directorates:
 - i) National Directorate of Budget;
 - ii) National Directorate of Treasury;
 - iii) National Directorate of Procurement;
 - iv) National Directorate of Asset Management;
 - v) National Directorate of Autonomous Public Authorities;
- (c) Directorate-General of Policy Analysis and Research, consisting of the following national directorates:
 - i) National Directorate of Statistics;
 - ii) National Directorate of Macro-economy;
 - iii) National Directorate of Petroleum Fund;
- (d) Directorate-General of Corporate Services;
- (e) National Directorate of Aid Effectiveness.

CHAPTER IV

Services under direct administration of the State

Section I

Article 6

Directorate-General of Revenue and Customs

- (a) The Directorate-General of Revenue and Customs, DGRC for short, is responsible for ensuring the general guidance of all Ministry services with competences in the area of Revenue and Customs.
- (b) The DGRC has the following tasks:
 - i. Administrate and collect State revenue from direct, patrimonial, service, capital and sale taxes, as well as administrate other tributes attributed to it by law, according to policies defined by the Government regarding taxes;
 - ii. Exercise border and national territory control for tax and economic purposes and

- for protecting society, namely within the scope of public safety, health and environment;
- iii. Administrate, supervise and collect customs duties;
 - iv. Administrate and collect selective excise tax and the further indirect taxes attributed to it, according to the policies set by the Government and in conformity with the legislation;
 - v. Administrate, supervise and collect taxes concerning all activities involving the drilling, processing and trading of oils;
 - vi. Perform such other functions as are required by Law.

Article 7

National Directorate of Customs

The National Directorate of Customs, NDC for short, has the following tasks:

- (a) Provide control over commodities and means of transportation introduced in the customs territory and the places for storing commodities under tax action, as well as ensure compliance with the customs formalities required for the presentation of commodities at the customs and, in what regards customs clearance, attribute a customs destination to commodities;
- (b) Draft studies and proposals, as well as set operational rules and techniques in compliance with its goals;
- (c) Participate in the definition and management of the tax policy related with customs duties and Selective Excise Tax, ensuring the liquidation and collection of any taxes, fees or duties under the law;
- (d) Regulate customs regimes applicable to the movement of people and goods, in the entry, permanence, transit and departure from the customs territory, and ensure their application;
- (e) Perform customs control over people and goods at national harbours, airports and national borders, as may be required by law;
- (f) Participate in the setting of the external verification policy and coordinate its application, namely promoting the articulation of customs services with other Public Administration verification mechanisms, so as to maximize results;
- (g) Fight tax evasion and fraud, in particular the illicit traffic of drugs, weapons and other prohibited items, and collaborate with other national and foreign bodies in activities connected with the fight against fraud;
- (h) Issue opinions on international conventions, agreements and other normative instruments that relate to customs or that apply to customs;
- (i) Collaborate with other State departments in the pursuing of their own goals, namely in the fields of economy, defence, security, moral, public health and hygiene, tourism, veterinary and phytopathological control, protection of brands and patents, and protection of the national cultural and artistic patrimony, provided that this cooperation is indispensable to the realization of those goals;
- (j) Promote the clarification of service users, namely as to the contents and interpretation of customs legislation, so as to enable them to comply with it correctly;
- (k) Direct official customs clearing agents, in conformity with Decree-Law no. 15/2005, of 28 December;
- (l) Decide on administrative sanctions under the Customs law;
- (m) Carry out other tasks within the scope of infractions against the law;
- (n) Any others attributed to it by law.

Article 8

National Directorate of Petroleum Revenues

The National Directorate of Petroleum Revenues, NDPR for short, is responsible for:

- (a) Assessment and collection of petroleum revenues as per law;
- (b) Estimating, monitoring and assessing the petroleum revenues under its administration, in order to draft the State Budget;
- (c) Coordination with other organization such as Banking and Payment Authority, National Petroleum authority, Institute of Petroleum and Gas regarding matters related to oil and gas revenue.
- (d) Prepare proper job description for the national staffs working in NDPR.
- (e) Arrange and provide formal and informal training for national staffs;
- (f) Develop and update various tax and revenue forms used by the NDPR and inform it to taxpayers.
- (g) Curbing/preventing tax and revenue evasion and fraud, collaborating with other national and foreign bodies in activities connected with the fight against fraud;
- (h) Issuing opinions on international conventions, agreements and other normative instruments that apply to its competences and attributions;
- (i) Promoting the clarification of service users, namely as to the contents and interpretation of tax and revenue legislation, so as to enable them to comply with it correctly;
- (j) Carrying out petroleum revenue evaluation studies in terms of design, procedures and controls, according to the outcomes;
- (k) Registration of petroleum taxpayers ,updating the list of taxpayers and providing tax clearance certificates;
- (l) Maintaining a permanent collaboration with other national Services and institutions of the petroleum sector and further relevant national and international agencies;
- (m) Drafting legislative and regulatory projects, as well as administrative instructions, to submit to the Director-General;
- (n) Prepare an annual report of the overall operations of NDPR and submit it to the Minister
- (o) Establish adequate internal control system to run the organization effectively and efficiently;
- (p) Any others attributed to it by law.

Article 9

National Directorate of Domestic Revenue

The National Directorate of Domestic Revenue, NDDR for short, is responsible for:

- (a) Proposing measures for perfecting and regulating taxes under it and looking after their proper liquidation and collection;
- (b) Contributing to the estimation, monitoring and assessment of the revenues under its administration, so as to draft the State Budget;
- (c) Participating in the definition of the external verification policy and coordinating its application, namely promoting articulation with customs services and other Public Administration verification bodies, in order to maximize results;
- (d) Fighting tax evasion and fraud, collaborating with other national and foreign bodies in activities connected with the fight against fraud;
- (e) Issuing opinions on international conventions, agreements and other normative instruments that apply to its competences and attributions;
- (f) Negotiating double taxation agreements on behalf of the GoTL;

Check against Portuguese version.

- (g) Estimating tax expense, i.e. the amount of revenue not collected due to tax exemptions, reductions or incentives;
- (h) Promoting the clarification of service users, namely as to the contents and interpretation of tax legislation, so as to enable them to comply with it correctly;
- (i) Updating the list of taxpayers and issuing tax clearance certificates;
- (j) Maintaining a permanent collaboration with other national Services and institutions of the petroleum sector and further relevant national and international agencies;
- (k) Contributing to the drafting of legislative and regulatory projects, as well as administrative instructions, to be submitted to higher authorities;
- (l) Prepare an annual report on the overall operations of the NDDT and submit it to the Minister;
- (m) Any others attributed to it by law.

Section II

Article 10

Directorate-General of State Finances

- 1- The Directorate-General of State Finance, DGSF for short, is responsible for ensuring the general guidance of the Ministries with competences in the areas of State general budget, treasury, procurement policy and Autonomous Public Authorities.
- 2- The DGSF has the following tasks:
 - (a) Superintend the coordination and preparation of the Budget and corresponding annual Appropriation Law;
 - (b) Facilitate the execution of the Government budget by amongst other measures applying regulations and directives for compliance;
 - (c) Superintend public accounting, control over the legality and regularity of the financial administration of the state, as well as the management of the central treasury of the State;
 - (d) Maintain a register of state assets and provide policy guidance on asset maintenance and disposition;
 - (e) Superintend and control the process and procedure for the acquisition of goods, services and works meant for public administration, according to the Procurement Legal Regime and complementary legislation;
 - (f) Superintend and control aspects related with Autonomous Public Authorities, in conformity with the law;
 - (g) Any others attributed to it by law.

Article 11

National Directorate of Budget

The National Directorate of Budget, NDB for short, is responsible for:

- (a) Executing, within the scope of the Ministry of Finance, activities related with the drafting, contents, monitoring and evaluation of the State General Budget (SGB);
- (b) Reporting on the use of Government funds against the general SGB priorities and goals set by the Government;
- (c) Implementing the SGB priorities and goals set by the Government;
- (d) Collecting and handling financial information related to the whole of the public administration sector, and promoting and publishing statistic outcomes, in collaboration with the NDS;
- (e) Developing instruments enabling the monitoring of budget programs and policies;

Check against Portuguese version.

- (f) Coordinating the budget policy with the further ministries and services of Public Administration, issuing the necessary instructions for the preparation of the SGB;
- (g) Any others attributed to it by law.

Article 12

National Directorate of Treasury

The National Directorate of Treasury, NDT for short, is responsible for:

- (a) Facilitating the execution of the SGB;
- (b) Coordinating and supervising the registration of budget revenues, transfers of funds for paying budget public expenses and movement of Treasury operations, as well as the organization of the current accounts essential for controlling those operations;
- (c) Centralizing and coordinating the bookkeeping and registration of public revenues and expenditure;
- (d) Managing public funds;
- (e) Producing regular reports for the Government on Public Administration revenues and expenditure;
- (f) Drafting the State General Account, in collaboration with other services;
- (g) Coordinating, updating and normalizing the system for classifying public expenses and socialize the criteria that shall rule that classification;
- (h) Issuing and socializing financial administrative instructions on the financial management of public monies, promoting their constant perfecting with a pedagogic action;
- (i) Establishing the articulation with the Central Bank of Timor-Leste within the scope of monitoring the monetary and financial policy;
- (j) Monitoring the implementation and use of computer systems for collecting payments;
- (k) Establish guidelines for internal audit of all ministries in order to ensure that audits are conducted in accordance with the rules and regulations approved and issued by government;
- (l) Any others attributed to it by law.

Article 13

National Directorate of Procurement

The National Directorate of Procurement, NDP for short, is responsible for:

- (a) Proposing and updating and optimization of the procurement system, bidding procedures and project procurement best practises, consistent with international standards;
- (b) Assisting line Ministries in the tendering and procurement of large contracts as defined by law;
- (c) Any others attributed to it by law.

Article 14

National Directorate of Asset Management

The National Directorate of Asset Management, NDAM for short, has the following competencies.

- (a) Supervise and control of the processes, procedures and inventory for the management of all State Assets;

- (b) Ensure accurate procedures for selling and alienating State assets;
- (c) Any others attributed to it by law.

Article 15

National Directorate of Autonomous Public Authorities

The National Directorate of Autonomous Public Authorities, NDAPA for short, is responsible for:

- (a) Drafting studies and proposals, as well as set operational rules and techniques in compliance with its goals;
- (b) Monitoring Autonomous Public Authorities;
- (c) Estimating, monitoring and assessing revenues under its administration, in order to enable the drafting of the State Budget;
- (d) Producing regular reports for the Ministry of Finance on activities, revenues and expenses by Autonomous Public Authorities;
- (e) Any others attributed to it by law.

Section III

Article 16

Directorate-General of Policy Analysis and Research

1. The Directorate-General of Policy Analysis and Research, DGPARG for short, is responsible for ensuring the general guidance and integrated coordination of all Ministry Services with competences in the areas of statistics, macro-economy and Petroleum Fund.
2. The DGPARG has the following tasks:
 - (a) Design and coordinate the official statistics of Timor-Leste;
 - (b) Provide specialized technical assistance in the fields of economy promotion, and in particular financial and tax justice performance, in conformity with the law and with the goals set by the Government;
 - (c) Provide specialized technical assistance to the management of the Petroleum Fund.

Article 17

National Directorate of Statistics

The National Directorate of Statistics, NDS for short, is responsible for:

- (a) Coordinating the official statistics system of the country, so as to ensure its coherence and rationality;
- (b) Compiling, analysing, systematizing, producing and publishing statistical data on the population, companies and other entities, in order to produce and publish information on the economical, social and demographical situation of Timor-Leste;
- (c) Ensuring the coordination of the National Statistics System (NSS), approving concepts, definitions, nomenclatures, indicators and other statistics coordination instruments, according with the international standards;
- (d) Compiling and socializing National Accounts and further information on the different aspects of economy;
- (e) Developing, updating and administering statistical information and records according with the international best practises;
- (f) Safeguarding the compatibility of computer and technology systems with internationally accepted and practised standards;

- (g) Providing for the storing of databases and ensuring the confidentiality of business and individual data, in respect for statistical secrecy;
- (h) Preparing, designing and presenting proposals concerning the bases for the National Statistics System, including acquisition methods, statistical secrecy and the disclosure and publication of data and results;
- (i) Directing the organization and execution of national population and household censuses;
- (j) Proposing NDS competence delegations to other public services and / or determine the cessation of such delegations;
- (k) Any others attributed to it by law.

Article 18
National Directorate of Macro-economy

1. The National Directorate of Macro-economy, NDME for short, is responsible for:
 - (a) Analysing and recommending policies for the promotion of economic growth and the reduction of poverty;
 - (b) Issuing opinions and studies in relation to public and private sectors, structural reforms, salaries, financial markets, monopolies, investment and capital formation;
 - (c) Drafting estimates concerning growth, employment and inflation;
 - (d) Any others attributed to it by law.
2. In terms of sector policies and programs:
 - (a) Collaborating in the definition of structural development policies and the respective impacts on public and private expenditure with infrastructures, namely in what concerns public investment;
 - (b) Estimating budget revenues, including those from the petroleum sector, domestic tax revenues and extra-tax revenues, as well as drafting relevant texts for the State General Budget;
 - (c) Issuing opinions on fiscal policy;
 - (d) Preparing studies and issuing opinions on tax structure and the valid rate levels;
 - (e) Issuing opinions on matters related with expenditure, savings, investment and their respective implications with the use of the Petroleum Fund;
 - (f) Analysing medium term aggregate expenditure levels, including the balance between the State Budget and donor funds and within capital expenditure;
3. In the sectors of trade and financial policies, the NDME is also responsible for:
 - (a) Assessing international and regional statistical data in the fields of trade and investment with relevance for Timor-Leste;
 - (b) Providing advice in the relationships and projects with international organizations, the World Bank, the International Monetary Fund and Development Partners, in the fields of economic and budget policies;
 - (c) Preparing relevant economic and financial notices, namely in the fields of development, external funding and investment, so that they may be distributed by Government members, embassies and Development Partners;

Article 19
National Directorate of the Petroleum Fund

The National Directorate of the Petroleum Fund, DNPF for short, is responsible for:

- (a) Issuing opinions on applications and uses of the Petroleum Fund;
- (b) Analysing the evolution of financial movements of the Petroleum Fund, together with the State Budget;
- (c) Collaborating with entities involved in the management of the Petroleum Fund;
- (d) Any others attributed to it by law.

Section IV

Article 20
Directorate-General of Corporate Services

- 1- The Directorate-General of Corporate Services, DGCS for short, is responsible for ensuring technical and administrative support to the Minister, the Directors-general and the further services of the Ministry of Finance in the fields of general administration, human resources, documentation and archive, and patrimonial management.
- 2- The DGCS has the following tasks:
 - (a) Ensure the operation of administrative services and the management of financial resources;
 - (b) Carry out the proper management of human resources, so as to implement and coordinate the training program of the Ministry;
 - (c) Manage the internal audit of the Ministry of Finance in accordance with government-wide guidelines issues by the Treasury;
 - (d) Execute Public Administration laws, regulations and procedures, within the scope of the Ministry;
 - (e) Execute activities related with the management of material resources and general services;
 - (f) Execute activities related with the good management of technology, information and computer resources;
 - (g) Ensure expenditure procedures, in harmony with the respective requisitions or obligations assumed beforehand, corresponding to the acquisition of goods, works or services for the Ministry;
 - (h) Ensure the maintenance of Ministry equipments and vehicles, as well as execute the respective acquisitions, repairs and transportation;
 - (i) Provide the necessary means to ensure the participation of Ministry managers and staff at national or international events, including the means inherent to travels;
 - (j) Analyse and issue opinions on internal regulations of Ministry services regarding human and material resources;
 - (k) Coordinate and provide for the publication and distribution of official matters with interest to the Ministry;
 - (l) Ensure, among other things, communication services and the surveillance, cleaning and maintenance of offices belonging to Government members, Directors-general and the services and bodies which it supports, within the scope of a centralized service delivery;
 - (m) Any others attributed to it by law.

Section V

Article 21

National Directorate of Aid Effectiveness

1. The National Directorate of Aid Effectiveness, NDAE for short, is responsible for ensuring the proper use of external assistance provided by development partners, so as to ensure coordination, harmonisation and alignment, always in accordance with development priorities determined by the Government.
2. NDAE is responsible for:
 - (a) Managing external assistance funds meant for Timor-Leste;
 - (b) Collecting financial and accounting information related to any official source of external assistance, including non-budget and technical assistance, in view of the respective planning, effective results and indicators defined by the Paris Declaration;
 - (c) Supporting the different ministries in the decision-making process regarding the proper use of external assistance;
 - (d) Providing the necessary information concerning external assistance for budget planning purposes;
 - (e) Assisting the various ministries and development partners to achieve the goals they set in terms of external assistance effectiveness;
 - (f) Preparing donor profiles and share regularly with various ministers, development partners and stakeholders;
 - (g) Maintaining reliable database of donor projects to promote increases in quality and impact;
 - (h) Improving the coordination of external assistance by providing secretariat support to regular Timor-Leste Development Partners Meeting;
 - (i) Providing updated information on the activities of EC-funded National Authorisation Office (NAO) and PFMCB to be shared regularly with various ministries and development partners.

Section VI

Consulting Body

Article 22

Superior Committee for Finance Management

1. The Superior Committee for Finance Management, Committee for short, is the collective body of consultation and coordination responsible for executing the periodic balance of Ministry of Finance activities.
2. The Committee will namely pronounce on:
 - (a) Ministry of Finance decisions, in view of their implementation;
 - (b) Work plans and programs;
 - (c) The balance of Ministry of Finance activities, assessing the outcomes achieved and proposing new goals;
 - (d) The exchange of experiences and information between all Ministry of Finance services and bodies, and between the respective managers;
 - (e) Legislative diplomas with interest for the Ministry of Finance or any other documents from their services or bodies;
 - (f) Any others attributed to it.

3. The Consulting Council consists of:
 - (a) The Minister, who presides over it ;
 - (b) Directors-general and their respective advisors;
 - (c) The Head of Office.
4. Whenever he sees fit, the Minister may summon other entities or individuals, inside or outside the Ministry, to take part in Commission meetings.
5. The Consulting Council meets ordinarily once a week and extraordinarily whenever the Minister so determines it.

CHAPTER V

Transitory and final features

Article 23

Service articulation

1. Ministry services shall function according to objectives set into annual and multiannual activity plans approved by the Minister.
2. Services shall collaborate among themselves and articulate their activities so as to promote a standardized action in conformity with the Ministry's policies.

Article 24

Complementary organic diplomas

Without prejudice to the present diploma, the Minister of Finance shall approve through a specific ministry diploma the regulation for the organic and functional structure of the National Directorates.

Article 25

Staffing profile

The staffing profile and the number of leadership and management positions are approved by way of a ministerial order from the Minister of Finance subject to the concurrence of the Minister of State Administration.

Article 26

Entry into force

The present diploma enters into force on the day after its publication.

Read and approved by the Council of Ministers on 2008.

The Prime Minister

Kay Rala Xanana Gusmão

Check against Portuguese version.

The Minister of Finance

Emilia Pires

Promulgated on

Let it be published.

The President of the Republic

José Ramos-Horta