



REPUBLIC NEWS

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REGULATION OF EAST TIMOR'S CUSTOMS DUTIES

Considering that customs taxing is not justified in the cases where the importation of certain goods do not require the imposition of any traditional measures of economic protection nor the collection of revenues due to its social component;

Meeting the nature of custom duty norms as non-incident norms, traditionally accepted in international Customs Law, thus distinguishing itself from the exemption norms that presuppose the previous definition of the generating fact of the fiscal obligation it derogates; Taking into account that the regime of duties is fundamentally based on bilateral and multilateral Agreements and Conventions with other countries and international organizations, in which East Timor is a Contracting Party;

Thus:

Under the provisions foreseen in articles 139 to 141 of Decree-Law No. 11/2004, of May 11th, which approved the East Timor Customs Code, with the power of law, the Government decrees the following:

Chapter I General Provisions

1st Article Scope

1. The present regulation establishes the cases in which, due to internationally accepted circumstances, duty-free import rights are granted to certain goods introduced in the customs territory of East Timor.
2. The privileges typified in this document do not jeopardize those that are or come to be agreed upon in any Agreements and public Contracts, both national and international or international Conventions and Treaties of which East Timor is a Party.

**Article 2nd
Importing Rights**

For the purpose of the present regulation, "importing rights" is understood as the customs rights and other import taxes collected by Customs, including sales taxes and selective consumption tax, with the exception of port taxes and applicable fees.

**Article 3rd
Duty-free exclusion**

1. Without exception to what has been established in the present document, the following are excluded from the regime of duty-free import rights:

- a) Bottles, alcoholic beverages and perfumes;
- b) Tobacco, tobacco products, coffee and tea;
- c) Commercial means of transportation;
- d) Fuels and combustibles;
- e) New materials for professional use, with the exception of portable instruments for mechanical arts or liberal professions referred to in article 5th;
- f) Fauna or flora species whose commerce is prohibited by law or convention;
- g) Motor vehicles with the exception of ambulances and those intended for personal use under the terms of the present document;
- h) Goods intended for commercial purposes;

2. It is understood that alcoholic products are those classified in the 22.03 to 22.08 ruling positions of the Combined Nomenclature, including all distilled and fermented beverages.

**Article 4th
Procedure for excluded goods**

At the arrival of the goods to East Timor, when it is verified that they are not covered by the customs duty invoked by the interested party, normal procedures should be followed, with no harm to the granting of adequate time for the improvement of the request or the presentation of lacking documents.

**Chapter II
Personal goods and household items belonging to
individuals who move to East Timor**

**Article 5th
Duty-free import rights for personal goods and
household items**

1. Personal goods and household items are admitted with duty-free import rights when imported by individuals that transfer residence to East Timor's customs territory under the conditions provided for in the present document.

2. Only individuals who have lived outside East Timor's customs territory for at least eighteen consecutive months can receive the duty-free benefit.

3. The duty-free also includes furniture, appliances and gifts imported on the occasion of a wedding, as long as they belong to one or both spouses who, as a consequence of the wedding, have transferred residence to East Timor.

4. For the effects of previous determination, the interested parties have to submit proof of their wedding.

**Article 6th
Personal goods**

1. For the effects of the present document, "personal goods" are understood as personal items of individuals or for the needs of his/her family and respective home, which present evident signs of use, under the terms of the provisions of the following articles.

2. Personal goods are namely constituted of;

- a) Home furniture in the country of origin;
- b) The bicycles and a motorcycle purchased and registered in the name of the interested party more than six months ago in the country of origin;
- c) A private vehicle for non-commercial use, towing trailers, or a camping trailer, a boat for recreational use, or a tourism airplane, any of them for exclusive private use of the family and with a maximum load of five passengers, purchased and registered in the name of the interested party more than six months ago in the country of origin;
- d) The provisions of a home that correspond to a normal family supply, domestic animals and a saddle animal;
- e) Portable instruments of mechanical arts or for liberal professions, proven as necessary for the practice of the interested party's profession;
- f) Computers, up to the limit of two per family member, including a reasonable and proportional number of games and other magnetic media used.

3. Personal items, namely those that are consumable, should not convey, by their nature or quantity, any concern of commercial order, albeit potential.

4. The personal items referred to in paragraph c) of No. 2 of the present article cannot be the object of loan, pawn, lease or assignment, either at a cost or freely, before the period of two years, to be counted from the date of introduction into consumption and without the competent authorities having been previously informed.

5. The loan, pawn, lease or assignment made before the deadline referred to in No. 1, imply in the application of import rights regarding the items concerned, according to the current rate on the date of the loan, pawn, lease or assignment, regarding its nature and being based on the customs value recognized or accepted on this date by the competent authorities, without jeopardy to the enforcement of a fine.

Article 7th

Home furnishings from the origin

1. "Home furnishings" are understood as the personal objects, lining and the furniture, utensils and family equipment, already in use in the residence of origin for more than six months and intended to be used for the same purposes and for the needs of their new home in East Timor.
2. The list of items, to be previously presented at their arrival, must contain a reasonable and proportionate correspondence, under the terms of the determinations of the present document and that have considered the quantities of consumable goods.

Article 8th

Personal items acquired through inheritance

1. The import of personal goods acquired by legal or testamentary succession, are admitted with duty-free rights, by an individual that is a habitual resident in East Timor's customs territory.
2. For effects of No. 1, "personal items" are understood as all items referred to in article 6th, which integrate the deceased's inheritance, with the exclusion of livestock and provisions of agricultural products that exceed the quantities corresponding to the supply of a normal family.
3. The provision in the present article is applied, with proper adaptations, to the personal items acquired by testamentary succession by collective individuals established in East Timor's customs territory and that exercise a non-profitable activity.

Article 9th

Period of duty-free admission

Except for special circumstances, duty-free is only granted for personal goods declared for free practice before the end of a period of six months, counting from the request date of establishment of residence in the East Timor's customs territory.

Chapter III

Non-commercial Shipments

Article 10th

Shipment of insignificant value

1. Under the terms of the present document, shipments constituted of goods with an insignificant value, occasionally shipped directly from abroad to a receiver who is in East Timor, are imported with duty-free import rights.

2. "Goods of insignificant value" are understood as goods that does not exceed USD 10 (ten dollars) per shipment.

3. The National Customs Board has the power of not applying the duty-free as long as it justifiably verifies that a certain person or group of legal or individual persons are abusively and repeatedly importing abnormal quantities of goods with commercial intent.

4. For the effects of the provisions in the previous number, the invocation of the present duty-free more than once a month by the same person is considered abusive, without jeopardy of such a criterion being changed according to the nature of the goods or other indices that reasonably presume a stray from the regime.

Article 11th

Shipments sent from individual to individual

1. Under the terms of the present document, goods that are object of shipments dispatched from a third country or from one individual to another within East Timor's customs' territory are admitted as duty-free of import rights as long as they are imports of a non-commercial nature.

2. For effects of No. 1, "imports of a non-commercial nature" is understood as the imports relative to shipments that simultaneously:

- a) Have an occasional nature;
- b) Contain exclusively goods reserved for personal or family use of the receivers, with its nature or quantity conveying no commercial concern;
- c) Are shipped without any type of payment, by the sender to the receiver;
- d) Goods whose commercial value does not exceed USD 50 (fifty dollars) per shipment.

3. The following are excluded from the scope of the present duty-free:

- a) Alcoholic products;
- b) Perfume and eau de toilette;
- c) Tobacco and tobacco products;
- d) Illegal reproductions of audio, image or computer data;
- e) Jewelry and gems.

4. When the global value of a variety of goods exceeds the referred amount per shipment, the duty-free is granted up to the limit of this amount for those goods items that, if imported separately, could have benefited from the referred duty-free, where the value of a goods item cannot be fractioned.

**Chapter IV
Travelers
Article 12th**

Goods contained in the baggage of travelers

1. The goods contained in the personal baggage of travelers coming from abroad are admitted duty-free importing rights, under the terms of the present document, as long as these have no commercial nature.
2. For the effects of No. 1, the following understanding are applied:
 - a) "Personal baggage" is the set of goods that the traveler can present to Customs Services when he/she arrives in East Timor's customs territory, as well as those presented later to these same services, under the reservation of justifying that they were registered as personal baggage at the moment of departure, with the company that transported them from the country of origin.
 - b) "Imports without any commercial nature", the imports that:
 - I) present an occasional nature and
 - II) concern exclusively the goods reserved for the traveler's personal or family use, or intended to be offered as gifts, where their nature or quantity should not convey any commercial concern.
3. Personal baggage does not include portable containers that contain fuel, which are excluded from duty-free.
4. Duty-free is granted, per adult traveler up to the global maximum limit of USD 300 (three hundred dollars).
5. When the global value of goods per traveler exceeds the amount referred to in the previous number, duty-free is granted up to the limit of these amounts for goods that, if imported separately, could benefit from the referred duty-free, where the value of an item cannot be fractioned.

Article 13th

Limits for certain products

1. Relatively to the goods mentioned below, the duty-free referred to in the previous article, is limited per traveler, to the following maximum quantities defined for each one of them:
 - a) Tobacco products:
 - i) 200 cigarettes; or
 - ii) 100 cigarillos (with a maximum weight of 3 grams per unit); or
 - iii) 75 cigars; or
 - iv) 300 grams of cut tobacco; or

v) a proportional assortment of these different products;

- b) Alcohol and alcoholic beverages:
 - i) distilled beverages and spirits with an alcoholic rate superior to 22% vol., natural 80% vol. ethanol or more than 1,5 liters;
 - ii) wine: 5 liters;
- c) Perfume: 75 grams;
- d) Eau de toilette: 0,375 liter;
- e) Coffee: 1 kilogram or 400 grams of coffee essence and extracts;
- f) Tea: 200 grams or 80 grams of tea essence or extracts;
- g) Medicine: quantity corresponding to the personal needs of the travelers.

2. The travelers under the age of 17 do not benefit from any global duty-free or relative to the goods referred to in paragraphs a) and b) of the previous number.

Article 14th

Limits for border traffic

1. The value and/or quantities of goods of a non-commercial nature, object of duty-free, are reduced by half when imported by:
 - a) persons who reside on the borderline;
 - b) borderline workers;
 - c) employees of means of transportation used in the traffic between East Timor and other countries;
2. These restrictions are not applicable when the people who reside on the borderline prove that they do not return from the borderline.
3. The limits are still applied, however, to borderline workers and employees of means of transportation used in the traffic between East Timor and foreign countries, when importing goods due to a displacement within the scope of his/her professional activity.
4. For the effects of enforcing No. 1, the following understanding are applied:
 - a) "Borderline zone": without jeopardy to the conventions about the legislation, a zone that cannot exceed 15 kilometers of depth in a straight line calculated from the border, with the exception of Oecussi, where such a distance is of 5 Km;

- b) "Border worker": the person whose normal activities force him/her to move to the other side of the border on his/her work days.

Chapter V

Scientific or educational devices and instruments

**Section I
General Regime**

Article 15th

Public or of public utility establishments or organisms

1. Scientific instruments, objects, devices and other instruments of an educational, cultural or pedagogical character nature, intended for public or of public utility establishments or organisms, benefit from duty-free as long as such entities are legally recognized and the imports are authorized by the Minister of Planning and Finances, or by any other she delegates.
2. The present provision is applicable in the cases of direct importing by beneficiary entities and in the donations by any other national or international entities, namely those that pursue philanthropic, scientific purposes or in the scope of cooperation.
3. The beneficiary entities must present the National Customs Directory (NCD), an application for each importation, directed to the Minister of Planning and Finances and to which the approval of the respective statute will be attached, as well as the quality and quantity of goods to be imported duty-free.
4. Two copies of this application, directed to the Minister of Planning and Finances are to be delivered to the NCD, before the arrival of the goods, where one copy is for Customs and the original is destined for the Minister of Planning and Finances.
5. Medication and the goods that are intended for the physically or visually impaired have priority for customs clearance, falling upon the importer the responsibility of presenting the relevant documents before the arrival of the goods into national territory.

Article 16th

Enforcement provisions

1. For the effect of enforcement of the provisions in the previous article:
 - a) "Equipment" is understood as the instruments, devices, machines and respective accessories, including spare parts and utensils specially intended for maintenance, control, calibration or repair, used for scientific investigation purposes;
 - b) "Scientific instrument or device" is understood as being an apparatus, machine or device that, due to its objective technical characteristics and the results they allow to obtain, is exclusively or especially suitable to perform scientific activities;

- c) "Imported for non-commercial purposes" are the scientific devices or instruments intended to be used for scientific investigation or teaching purposes, made with non-profit intent.

- d) The duty-free is limited to scientific instruments and devices intended for:

- i) public establishments and those of public utility that have teaching or scientific investigation as their main activity, as well as those services depending from a public establishment or a public utility establishment, and that have teaching or scientific investigation as their main activity.
- ii) private establishments that have teaching or scientific investigation as their main activity, and which are approved as such by East Timor's competent authorities.

2. If necessary, certain instruments or devices can be excluded from the duty-free right by means of a ministerial document signed by the Ministers of Custody and of Planning and Finances, as long as it is verified that the duty-free import of these instruments or devices jeopardizes the interests of Timorese industry in the relevant production sector.

Article 17th

Alienation of duty-free imported goods

1. The scientific objects and instruments or devices admitted with duty-free under the conditions provided for in the present Chapter cannot be loaned, leased or assigned, either at a cost or freely, without prior notification to the competent authorities.
2. In case of loan, lease or assignment to an establishment or organism with the right to benefit of the duty-free under the terms of articles 15 or 16, the duty-free is maintained as long as such an establishment or organism uses the object, the instrument or the device for purposes that grants rights for this duty-free.
3. In the other cases, the loan, lease or assignment are subject to the previous payment of import rights, according to the current rate on the date of the loan, lease or assignment according to its nature and customs value recognized or accepted on such a date by customs authorities.

Section II

Instruments and devices intended for medical purposes

Article 18th

Medical investigation, diagnosis and treatment

1. Without jeopardy to the determination in the previous Section, instruments and devices intended for medical investigation, diagnosis or for medical treatments offered gratuitously by organizations with philanthropic purposes or by an individual to health organisms, to services dependent on hospitals, and

to the authorized medical investigative institutions or that are purchased by these health organisms, hospitals or institutions of medical investigation financed by organizations with charitable purposes or with voluntary contributions are imported with duty-free import rights as long as:

- a) The donation of the instruments or devices does not disguise any intention of commercial nature by the donor; and
- b) The donor is not linked in any way to the manufacturer of instruments or devices for which the duty-free is being requested.

2. The duty-free is equally applied, under the same conditions:

- a) To spare parts, components and accessories specifically intended to adapt to the instruments and devices, as long as these spare parts, components and accessories are imported at the same time as these instruments or devices or, if imported at a later time, it may be recognized that they are to be used in instruments or devices previously imported as duty-free items;
- b) For tools to be used in the maintenance, control, calibration or repair of instruments or devices, as long as these tools are imported at the same time as these instruments or devices or, if imported at a later time, it may be recognized that they are to be used in instruments or devices previously imported as duty-free items.

Article 19th

Alienation regime. Remission

The provision in article 17 is applicable concerning the loan, lease or assignment of the scientific instruments or devices admitted as duty-free.

Chapter VI

Goods sent to organisms with charitable purposes. Objects intended for the visually impaired and other handicapped people.

Section I

For the achievement of general objectives

Article 20th

Miscellaneous goods

1. The following are admitted with import duty-free rights as long as important competition abuses or distortions do not take place:
 - a) Basic need goods imported by organisms of the State or by other entities with charitable or philanthropic purposes recognized by the competent authorities, to be distributed gratuitously to people in need;
 - b) Goods of any nature, sent freely by an individual or an organism established outside the national customs territory and without any commercial intention by part of the former, to State

organisms or to other entities with charitable or philanthropic purposes approved by the competent authorities, in order to obtain funds in occasional manifestations of charity in favor of people in need;

- c) Equipment and office material sent gratuitously by an individual or an organism established outside of the customs territory, without any intention of commercial purposes, to organisms with charitable or philanthropic purposes approved by the competent authorities, to be used exclusively in the needs of their operation and in the achievement of their charitable or philanthropic objectives.

2. For effects of paragraph a) of No. 1, "basic need goods" are understood as goods indispensable for the satisfaction of people's immediate needs, such as food, medication, clothing and blankets.

3. Mosquito nets and medication intended for the combat and eradication of malaria are included in the provisions of No. 1, when imported by the same entities and under the same conditions.

Article 21st

Document requirements

Duty-free is only granted to organisms whose accounting allows the competent authorities to control the operations and that offer all the guarantees deemed necessary.

Article 22nd

Alienation of goods

The provision of article 17 regarding the loan, lease or assignment of goods referred to and imported under the shelter of article 20.

Section II

For the rehabilitation of the visually impaired and other handicapped individuals

Article 23rd

Objects intended to the visually impaired

1. Objects especially created for the educational, scientific or cultural promotion for the visually impaired are admitted as duty-free import, as long as such intent is certified by the Ministry of Health.
2. Printed material and books in Braille benefit of a simplified exemption, without the need of the certificate document referred to in the previous number.
3. Objects especially created for the educational, scientific or cultural promotion for the visually impaired, are admitted as duty-free import, when they are imported:
 - a) by the visually impaired themselves and for their own use;
 - b) by institutions or organizations for the visually impaired or of assistance to these and approved

by the competent authorities to receive these objects as duty-free;

- c) by hospitals and public Health services.

Article 24th

Objects intended for other handicapped individuals

1. Objects especially conceived for the education, employment and social promotion of physically or mentally challenged individuals who aren't visually impaired at the moment they are imported, are admitted as duty-free import, when they are imported :
 - a) by the handicapped themselves and for their own use;
 - b) by institutions or organizations that have the education of the handicapped or the assistance to these individuals as their main activity and that are authorized by the competent authorities to receive these objects as duty-free.
2. The duty-free referred to in No. 1 is applied to spare parts, components or accessories specifically intended for the considered objects, as well as to the tools to be used in maintenance, control, calibration or repair of the referred objects, as long as such spare parts have been imported at the same time as these objects.
3. Wheelchairs, including the electric models, are included in the provision of No. 1.

Chapter VII

Goods sent to the victims of catastrophes

Article 25th

Typification and conditions

1. Goods imported by State organisms or by other organisms with charitable or philanthropic purposes approved by the competent authorities, are admitted as duty-free import when they are intended:
 - a) to be freely distributed to the victims of catastrophes that afflict the national territory;
 - b) to be made freely available to the victims of such catastrophes, remaining as the property of the organisms concerned.
2. Goods imported for the free practice by emergency units to cover their needs during its intervention equally benefit from the duty-free referred to in No. 1, under the same conditions.
3. The material and equipment intended for the reconstruction of affected zones are excluded from duty-free.
4. Duty-free is only granted to those organisms whose accounting allows the competent authorities to control the operations and that offer all the guarantees deemed necessary.

Article 26th
Information duty

Under the penalty of being subjected to import rights, the organisms referred to in the previous article, that does not meet the required conditions to benefit from the duty-free, or that intend to use the admitted duty-free goods for other purposes than those provided for by the referred article, must inform this fact to the competent authorities.

Chapter VIII

Donations and gifts received in the sphere of International Relations

Article 27th

Application scope

Objects are admitted as duty-free import when:

- a) Imported within the national customs territory by individuals who have made an official visit abroad and that on such an occasion received gifts from the authorities that hosted them;
- b) Imported by people who make an official visit to East Timor and that intend to offer them as gifts during the occasion to the authorities who host them;
- c) Sent as gifts, as token of friendship or good will, by an official authority, by a public collectivity or group, that performs activities of public interest located in a foreign country to an official authority, a public collectivity or group, that performs activities of public interest located in East Timor, as long as they are approved by the competent authorities to receive such objects as duty-free;
- d) Donations regarding construction or the improvement of buildings, conferred by other countries or by official foreign entities, follow the duty-free regime included in the respective Agreement or Memorandum of Understanding.

Article 28th

Decorations and rewards granted for honorable purposes

The following are admitted with duty-free importing rights, by means of justification presented by those interested to the content of the competent authorities and as long as it deals with occasional operations, without any commercial nature:

- a) The decorations granted by foreign governments to people who reside in the national customs territory;
- b) The trophies, medals and similar objects of an essentially symbolic nature, which, attributed in a foreign country to people who reside in the national territory in honor to an activity developed in such domains as the arts, sciences, sports, public service, or in acknowledgement for their merits during a particular occasion, be imported by these same people;

- c) The rewards, trophies and mementos of a symbolic nature and of little value intended to be freely distributed to people who reside abroad, by occasion of business conferences or similar manifestations of an international nature and that do not present, by its nature, a unit value or other characteristics, any concern of a commercial order.

Article 29th
Non-commercial publications

The following are admitted with duty-free import rights, by means of justification presented by those interested and as long as it deals with occasional operations, without any commercial nature:

- a) Prospects, brochures, books, magazines, guides, maps or photos intended for the promotion of national tourism;
- b) The publications from foreign governments and international organizations intended for gratuitous distribution as well as the documents freely sent to public services.

Article 30th
Validation

The present document will be valid on the date of its publication.

Approved by the Council of Ministers on January 25, 2006.

The Prime-Minister,

(Mari Bim Amude Alkatiri)

The Minister of Planning and Finances

(Maria Madalena Brites Boavida)

Enacted on March 3, 2006

To be Published.

The President of the Republic,

(Kay Rala Xanana Gusmão)