



What is TAX?

It is every citizen and organization's duty and obligation to comply with their tax obligations in order to contribute financially to the Government of RDTL through the payment of Taxes.

Why must we pay tax?

The Government uses all funds and contributions from individuals and organizations to pay for infrastructure development; such as roads, bridges, ports and power generation; as well as the provision of goods and services; such as health and education. These developments and services are important to the development of Timor Leste and the improvement of the well being of its citizens.



What Common Tax Types Are Paid Monthly by

NGOs?

Wage Income tax: It is every employer's duty to deduct wage income tax from their employees wages in accordance with the Taxes and Duties Act 2008. For further information see Brochure BR1-7/2008 Wage Income Tax.

Withholding Taxes

Rental of Land and/or Buildings: All organizations leasing any property or buildings whether it be from the Government of Timor-Leste or private property holders to undertake their activities, must withhold 10% withholding tax from these rent payments and remit this to the NDDR.



Payment for Construction and Building Activities: NGOs who make payments to building and construction contractors for building and construction work are required to deduct 2% withholding tax from these payments and remit this to the NDDR.

Payments for Construction Consulting Services: NGOs who make payments to consultants for building and construction consulting services such as project management services, site supervision, engineering and design services, etc. must withhold 4% withholding tax from these payments and remit this to the NDDR.



An example of taxes used for provision of health services

Payments to Non-Resident Consultants: Payments made to non-residents without a permanent establishment in Timor Leste are subject to 10% withholding tax. This means that NGO's that make payments to non-resident international consultants (individuals or companies) without a permanent establishment in Timor Leste are required to withhold 10% withholding tax which must be remitted to the NDDR.

(The above list of tax types is not exhaustive - please contact your local NDDR office for further information.)

What is The Process for Payment of monthly taxes?



Taxpayers are required to complete three (3) copies of the **Consolidated Monthly Taxes Form** and to deliver the forms and tax payments to a branch of the Banco Nacional Ultramarino (BNU).

Copies of the **Monthly Tax Consolidation** forms may be obtained from any NDDR Offices located in Dili, Baucau or Maliana. They are also located on the MOF website at: www.mof.gov.tl/taxation

When should taxes be paid?

The due date for payment of monthly taxes is the 15th day of the month after the month in which the taxes were withheld. For example, taxes withheld in the month of January are to be paid on the January monthly taxes form no later than the 15th February.





Need More Information?

For further information on Wage Income Tax and Withholding Taxes please refer to the following information brochures:

- BR1-07/2008 Wage Income Tax
- BR5-07/2008 Withholding Tax
- BR8-07/2008 Building and Construction Activities and Services

The above list of common tax types paid by NGOs is not comprehensive and acts only as an indication of the common tax types paid to the Government of Timor Leste by NGOs. Should you have any queries please contact the nearest NDDR Office.

How do you contact our NDDR offices?



Further information is available from:

- **Dili District Office:** Av. Pres. Nicolao Lobato - Receitas e Alfândegas Edeficio - Dili, Telephone (670) 331 0059 / 60
- **Baucau District Office:** Vilanova St., Baucau, and;
- **Maliana District Office:** Holsa St., Maliana.

In addition, full copies of rulings, guides and other information may be downloaded from the MOF Website: www.mof.gov.tl/taxation



TAXES

Help Fund Development
 Help Fund Infrastructure
HELP OUR COMMUNITY

NATIONAL DIRECTORATE OF DOMESTIC REVENUE

Dili District Office: Av. Pres. Nicolao Lobato - Receitas e Alfândegas Edeficio - Dili

Baucau District Office: Villanova St, Kota Baru, Baucau

Maliana District Office: Holsa St. Maliana

Phone: (670) 3310059 / 60
Website: www.mof.gov.tl/taxation



Ministry of Finance
 National Directorate of
 Domestic Revenue

General Information on Non-Government Organizations (NGOs)

The objective of this brochure is to explain how non - profit organizations can comply with their tax obligations in accordance with the Taxes and Duties Act 2008—RDTL.

General Tax Information Brochure BR7— 07/2008

Taxes Help Pay
 For Development of Timor Leste
 &
 The Welfare of Your Community

Telephone: (670)3310059 / 60