



FISCAL REFORM COMMISSION

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Press Release

Business community praise reasonable fiscal reform measures

Dili- The Fiscal Reform Commission, in cooperation with the Chamber of Commerce and Industry Timor-Leste (CCI-TL), have finished the final round of public consultations with the business community in Timor-Leste ahead of the draft laws being presented to parliament.

A wide range of Timorese business owners and foreign investors, whom are members of the CCI-TL, participated in the consultations where they discussed the progress of the fiscal reform and the draft laws on tax, including the introduction of a new tax for Timor-Leste, the VAT.

“The reforms will support business, attract investment, and increase domestic revenues,” said Vice Minister of Finance Helder Lopes. “The taxation reforms will bring many benefits to the business community. For instance, the VAT will formalise the business sector and bring transparency to economic transactions. It will also promote exports and create a business environment for both local and international businesses.”

“CCI-TL has looked at the fiscal reform proposals and find that they are not too onerous for the private sector,” said Oscar Lima, President of CCI-TL. Mr. Lima also informed members that, “there will be small, necessary increases in taxes,” and encouraged the business community to accept and pay the correct taxes.

The consultation provided an opportunity for the Ministry of Finance and MECAE to present the Memorandum of Understanding between the government and CCI-TL to support the private sector in the implementation of the economic and fiscal reform measures.

“The formalization of our cooperation with the government through the MOU will help the private sector grow,” said Julio Alfaro Duarte Jordao de Araujo, Entrepreneur and founder of CCI-TL, adding that “it very important to share information about the reforms.”

Throughout the past year, the FRC has held many public consultations with different stakeholders, including the private sector, civil society and members of parliament.

“The success of the fiscal reform programme depends on active participation and collaboration with all stakeholders,” said Fernanda Borges, Coordinator of the Fiscal Reform Commission. “It is particularly important for the business community to understand and be aware of the changes to the tax laws and the reforms the tax and customs administrations

are undergoing. These changes will help improve how businesses operate, how they prepare their financial records, and automate the process for paying taxes.”

“The taxation reforms will be accompanied by improvements to the efficiency and integrity of the tax and customs administration which will result in a higher standard of service delivery to the public and the business community,” added Ms. Borges.

About the Fiscal Reform Commission

The Fiscal Reform Commission is a technical body established by the Sixth Constitutional Government of Timor-Leste, Resolution no. 26/2015, and mandated with assessing all current and new forms of revenue. Improving the business environment to promote the growth of local business and attract new businesses is a key priority of the Fiscal Reform Commission who will work with relevant government agencies and stakeholders to guide and implement the reforms.

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