



**REPÚBLICA DEMOCRÁTICA DE TIMOR-LESTE**  
**SECRETARIA DE ESTADO DOS RECURSOS NATURAIS**  
**Rua Dom Aleixo Corte Real, Fomento Mandarin Dili Timor-Leste**  
**Telefone: +670 333 1089**

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**Draft law for the CREATION**  
**OF THE**  
**INSTITUTO DE PETRÓLEO E GEOLOGIA DE TIMOR-LESTE, I.P.**  
**[TIMOR-LESTE INSTITUTE OF PETROLEUM AND GEOLOGY]**

**Decree-Law no. \_\_/\_\_, of ...**

1. The strategic and vital importance of petroleum resources to the development of the Country, and to the wellbeing of its people, is reflected in Timor-Leste's Constitution. Moreover, the country's legislators have given the utmost attention to the organization of the petroleum sector, providing it with an increasingly detailed framework in terms of regulation, taxation, management of revenues and administrative organization.

2. This Decree-Law seeks to contribute to providing Timor-Leste with the organizational and administrative structures required for efficient use of petroleum resources, through the creation of Instituto de Petróleo e Geologia de Timor-Leste, I.P., referred to below as IPG, I.P., with the primary object, in this context, of supporting and promoting the utilization of the country's petroleum resources, through management of geological information to serve as the basis for exploration and production of these resources, notwithstanding the carrying out of other more general activities in the fields of geology and geophysics.

3. Knowledge of the geological and geophysical characteristics of Timor-Leste's territory is of particular relevance and importance for the purposes of utilizing petroleum resources. This knowledge will only become possible, in terms of developing long term expertise and capabilities, if work is now performed on a range of activities involving the compilation, processing, selection, filing, reproduction and dissemination of information on petroleum resources.

4. The Government's vision, in advancing with creation of the IPG, is broader and forward-looking. The aim is also to develop the foundations so that this work of compilation, processing, selection, filing, reproduction and dissemination of information on petroleum resources can be carried out using the most modern and up-to-date information resources and technology, in particular with geographical information systems which should be used by human resources with the necessary training and skills. This is the vision of what is sought for the future, without prejudice to assuring in the present the knowledge required for efficient use of petroleum resources.

5. With a view to economies of scale, and because our knowledge of petroleum resources is underlain by knowledge of the geological and geophysical characteristics of Timor-Leste's territory and of the maritime areas under its national jurisdiction, the IPG should also act as depositary of all general information and geological and geophysical knowledge, taking steps to create a national geological register. This register will facilitate not only the utilization of the country's mineral and water resources, but also the use of geological information in connection with engineering projects and works, environmental planning and

English version

protection, management of underground water courses, and geological research and development, amongst other things.

6. Finally, in terms of economic development, and connections with extractive industries or economic activities which require general or specific geological and geophysical information, the role to be played by the IPG, as the depositary of all geological and geophysical information on the territory of Timor-Leste, will be of the utmost importance and significance to the country's progress.

Now therefore, under the terms of Articles 115.1 (e) and 115.3 of the Constitution of the Democratic Republic of Timor-Leste, the Government hereby enacts into law, the following:

## **PART I – GENERAL PROVISIONS**

### **Article 1 Nature**

1. The Instituto de Petróleo e Geologia de Timor-Leste, I.P., referred to in short as IPG, I.P., is a public institute belonging to the State's indirect administration, in the form of a public law corporation, with administrative and financial autonomy and its own budget and property.
2. IPG, I.P. exercises powers and duties which are established in this Decree-Law, in compliance with the applicable law, under the ministerial authority and supervision of the body of the State's direct administration supervising the petroleum sector, which shall be responsible for establishing the strategy and aims to be pursued by the institute.

### **Article 2 Territorial Jurisdiction and Head Offices**

1. IGP, I.P. is a central body with jurisdiction over the entire territory of Timor-Leste and the maritime areas under its national jurisdiction.
2. IGP, I.P. has its head offices at *[insert address]*, in Díli.
3. The head offices of IGP, I.P. may be moved by decision of the body of the State's direct administration supervising the petroleum sector.
4. IGP, I.P. may have branch offices, decentralized departments, support bases or other forms of representation anywhere within national territory.

### **Article 3 Mission, powers and duties**

1. The main mission of IGP, I.P. is to manage geological and geophysical information respecting petroleum resources, in particular that serving as the basis for exploration, appraisal, development, exploitation and production of petroleum resources, promoting knowledge of these resources and contributing to their preservation, valorisation and utilization, as well as conducting the studies required

to develop the petroleum extraction industry, and taking part in the definition and execution of policies in these areas.

2. IGP, I.P.'s mission shall also include coordinating and promoting all activities with a view to contributing to knowledge of and research into the geology of the country's territory and of the maritime zones under its national jurisdiction, centralizing all geological and geophysical information, promoting research and development and the use of information technologies, and managing and disseminating georeferenced geological information, as well as setting up a national geological register.
3. In connection with its mission, as established in Articles 3.1 and 3.2, IPG, I.P. has the following powers and duties:
  - (a) To compile, process, select, update, draw up inventories of, file, reproduce and disseminate geological information on petroleum resources, including information submitted to it by any public or private entities, the National Petroleum Authority, and oil companies, in connection with and as a result of exploration and production of petroleum resources;
  - (b) To compile, process, select, update, draw up inventories of, file, reproduce and disseminate all national geological information, both relating to non-petroleum mineral resources and water resources and of any other origin or nature;
  - (c) To produce geological maps, covering all the country's territory and the maritime zones under its jurisdiction, including through the use of information technologies and geographical information systems, so as best to manage and disseminate georeferenced geological information on petroleum resources, other mineral resources, water resources and other information;
  - (d) To promote and carry out research and development activities in the field of geology in general, and of petroleum resources and other mineral resources in particular, with a view to obtaining geological and systematic knowledge of the country's territory and of the maritime areas under its national jurisdiction, with a view to optimizing the utilization and exploitation of these resources and with a view to economic, scientific, environmental and social development;
  - (e) To carry out, or have carried out, geological and hydro-geological surveys and studies of the country's territory and of the maritime zones under its national jurisdiction as may be necessary in order to obtain knowledge of the country's geological characteristics, in terms of harnessing the value and characterizing the existing resources, and also with a view to economic, scientific, environmental and social development;
  - (f) To create a national geological register, based on a georeferenced geological information system and on geological mapping, including information on mineral and water resources and on the associated economic activities;
  - (g) To oversee the running of the National Geological Laboratory;
  - (h) To advise and assist the country's public agencies and organizations on matters relating to evaluation, utilization and valorisation of petroleum resources and other mineral resources, including in the preparation of tender procedures for granting exploration and production rights respecting these resources, and in the subsequent negotiation and granting of same rights;
  - (i) To advise and assist the country's public agencies and organizations on matters requiring access to information of a geological or geophysical nature, including engineering designs and works, environmental planning and protection, management of underground water courses and civil defence;

English version

- (j) To propose and take part in drafting legislation and regulations within its field of responsibility, and to take steps to enforce the same whenever so empowered by law or by the body of the State's direct administration exercising supervision over it;
  - (k) To oversee the activities and performance of public and private bodies in the field of geology and geophysics, when so empowered by law or by decision of the body of the State's direct administration exercising supervision over it;
  - (l) To support the industrial and economic operators in the sector, with a view to improving and optimizing exploration and production operations for mineral resources;
  - (m) To coordinate, organize and carry out educational, training and scientific research activities in the field of geology and geophysics, including in particular measures to help form a body of specialists, academics and researchers in the sector;
  - (n) To function as a training centre for technical staff in the oil sector, if necessary through cooperation projects with universities, bodies of the State's direct and indirect administration and the national petroleum company;
  - (o) To provide geological and geophysical services to public or private entities;
  - (p) To carry out any other activities or tasks involved in or necessary for the full performance of its responsibilities and pursuit of its mission.
4. In the pursuit of its mission and responsibilities, the IPG shall liaise as necessary with all departments and sectorial organizations of other bodies of the State's direct and indirect administration, in their respective areas of responsibility, with a view to maximizing resources, as well as human and material resources.
5. When expressly authorized in advance by the body of the State's direct administration with supervision over it, IPG, I.P. may collaborate with other public or private entities, national or foreign, with a view to a better and more efficient pursuit of its mission and responsibilities.
6. Within the scope of the activities referred to in Article 3.5, IPG, I.P. may also enter into joint ventures or partnerships, including of a public-private nature, profit or non-profit, notably with universities and companies, notwithstanding prior authorization from the bodies of the State's direct administration supervising the petroleum sector and public finance.

## **PART II – ORGANIZATIONAL STRUCTURE AND DEPARTMENTS**

### **Article 4 Bodies**

IPG, I.P. has the following bodies:

- (a) The Governing Board;
- (b) The Sole Auditor.

## **Article 5 Governing Board**

The Governing Board is the collegiate body of IPG, I.P. responsible for defining its actions and activities and for managing its departments, in accordance with the law, the regulations and the by-laws, within the framework of governmental guidelines.

## **Article 6 Composition and Appointment of the Governing Board**

1. The Governing Board of IPG, I.P. comprises three members, one of whom is the chairman and the remaining the directors.
2. The members of the Governing Board shall be chosen and appointed by dispatch of the body of the State's direct administration supervising the petroleum sector, which shall also have powers to remove and reappoint them.
3. The chairman of the Governing Board shall be chosen by the members of the Governing Board from amongst their own number, their choice being submitted for the approval of the body of the State's direct administration supervising the petroleum sector.
4. The chairman may designate one of the directors as vice-chairman.
5. The members of the Governing Board shall be subject to the legal rules on individual employment contracts, under the terms of Article 16 of this Decree-Law, applied with the necessary adaptations.

## **Article 7 Term of Office of Members of the Governing Board**

1. The members of the Governing Board, including the chairman, shall be appointed for a term of office of four years.
2. The appointments may be renewed for periods equal to that of the initial term of office.
3. The appointments shall cease in the following circumstances:
  - (a) a) Upon expiry of the term of office, or any renewal thereof, when not renewed or renewed again;
  - (b) b) Upon the resignation, death or permanent incapacity of the director;
  - (c) By operation of a final and binding judicial decision convicting the director of a wilful crime, or ordering or resulting in prohibition from the holding of public office;
  - (d) Upon dissolution of the Governing Board by duly grounded dispatch of the body of the State's direct administration supervising the petroleum sector, in the event of serious and repeated breach of the organizational rules, failure to follow guidelines, recommendations and directives, budgetary overspends which are attributable to the Governing Board or other conduct attributable to the Governing Board in serious breach of the organizational principles;

- (e) Upon removal of the member(s) by the body of the State's direct administration supervising the petroleum sector, which may occur for mere organizational reasons.
4. In the event of removal from office prior to expiry of the term of office, without serious grounds to be determined in the course of appropriate proceedings, compensation shall be paid, of an amount to be determined in view of the specific circumstances, which shall not exceed 12 months' salary.
  5. For the purposes of Article 7.4, serious grounds shall be deemed to mean any reason based on a public interest of high importance, namely appointment to other administrative or political State office or office in any public entity, breach of the law, the regulations or the by-laws in the exercise of office, breach of duties as a member of the Governing Board or conduct resulting in a significant loss to the State or any public body.

## **Article 8**

### **Powers and Duties of the Governing Board**

1. Notwithstanding those powers and duties assigned by law or delegated to it, the Governing Board shall direct, administer, oversee and manage all the activities of IPG, I.P..
2. Without prejudice to other powers and duties resulting from the general character of the provisions of Article 8.1, the Governing Board shall, specifically:
  - (a) Direct all the activities of IPG, I.P., defining the general guidelines and the aims to be achieved in connection with its mission and responsibilities;
  - (b) Exercise all directive and management powers, with a view to efficient use of resources;
  - (c) Exercise the powers assigned by law or delegated to IPG, I.P.;
  - (d) Prepare opinions, studies and reports as requested by the body of the State's direct administration supervising the petroleum sector;
  - (e) Prepare the proposal for the annual budget to be approved by the supervisory body, and assure implementation thereof, collecting and managing revenues, and authorizing expenses;
  - (f) Take steps to assure the correct performance of all contracts to which IPG, I.P. is party;
  - (g) Carry out all other acts of relevance or with any impact on IPG, I.P.'s finances or property, under the terms of the law, the regulations and the by-laws, including the acquisition, encumbrance or disposal of moveable or immovable property, without prejudice to obtaining any consent as required by law, the regulations or the by-laws;
  - (h) Collaborate with the sole auditor in order to assure that he/she fully performs his/her audit duties;
  - (i) Prepare annual, multi-annual and strategic plans, and assure their implementation, as well as draft the respective progress reports;
  - (j) Prepare IPG, I.P.'s Organizational Regulations , and any necessary amendments thereto, for the approval of the bodies of the State's direct administration supervising the petroleum sector and public finances;
  - (k) Draft other internal regulations for IPG, I.P.;

English version

- (l) Issue orders and instructions to departments for the execution of planned activities, and carry out all acts of day-to-day management as required for the fluent and correct functioning of the departments, overseeing compliance with orders and instructions;
  - (m) Exercise management and directive powers over departments and personnel, including the appointment of personnel for offices, duties and services;
  - (n) Carry out all acts relating to personnel not included within the specific powers of the chairman, including hiring of employees;
  - (o) Approve the participation of IPG, I.P. in projects, activities and organizations with other public or private entities, national or foreign, in order to submit them for approval by the State's supervisory body;
  - (p) Decide on the provision by IPG, I.P. of technical services to third parties, and enter into the necessary contracts and monitor the performance of the same;
  - (q) Approve the contracting of loans by IPG, I.P., under the terms of the law, the regulations and the by-laws;
  - (r) Approve the acceptance of donations, bequests and legacies;
  - (s) Appoint attorneys for IPG, I.P., for proceedings in and out of court;
  - (t) Appoint representatives of IPG, I.P. for the purposes of participation in any projects or activities with other public or private entities, national or foreign.
3. IPG, I.P. is bound by the signature of the chairman of its Governing Board, of two directors, of one manager or employee with delegated powers for this purpose, or of attorneys especially appointed.
  4. In court, IPG, I.P. is represented by its chairman or by an attorney with powers for this purpose, without prejudice to the possibility of requesting representation by the Public Prosecutors Office.
  5. The Governing Board shall meet [monthly]. Extraordinary meetings shall be held whenever duly called by the chairman, on his own initiative or on the request of a majority of its members.
  6. The resolutions of the Governing Board shall be adopted by majority vote of the members present, the chairman having a casting vote. The resolutions shall be recorded in a specific book of minutes.
  7. The administrative acts of the Governing Board or of its members may be challenged, under the terms of the applicable procedural law.

**Article 9**  
**Chairman**

1. The chairman of the Governing Board shall:
  - (a) Handle relations with the State's supervising bodies;
  - (b) Chair meetings of the Governing Board, directing proceedings and assuring that resolutions are correctly adopted;
  - (c) Take steps to assure implementation of all the resolutions of the Governing Board;

- (d) Coordinate all the activities of IPG, I.P., including through the issuance of work orders and instructions;
  - (e) Represent IPG, I.P. in court, without prejudice to the possibility of representation by attorneys especially appointed for this purpose or of requesting representation by the Public Prosecutors' Office;
  - (f) Represent IPG, I.P. out of court, in dealings with any public or private entities, national or foreign, without prejudice to the possibility of appointing attorneys and representatives of IPG, I.P., under the terms of the by-laws;
  - (g) Exercise disciplinary powers over personnel;
  - (h) Request reports from the sole auditor, on matters within his scope of activity, whenever relevant for the purposes of decisions to be adopted by the Governing Board;
  - (i) Exercise the powers delegated to him.
2. The chairman may delegate or sub-delegate his own powers and delegated powers, respectively, to any of the directors.
  3. In the event of the absence or impediment of the chairman, and for the duration of the same, the director designated as vice-chairman, if any, shall exercise all the chairman's powers without the need of delegation.
  4. For the purposes of the powers of substitution referred to in Article 9.3, the chairman may issue written instructions and orders to the vice-chairman, in which case the latter's powers shall be those of the chairman as modified by such instructions or orders.

#### **Article 10 Sole Auditor**

The Sole Auditor is the body responsible for controlling the legality, regularity and good management of the Institute's finances and property.

#### **Article 11 Appointment, Term of Office and Remuneration of the Sole Auditor**

1. The Sole Auditor is appointed for a term of office of [3] [(three)] years by joint dispatch of the bodies of the State's direct administration supervising the petroleum sector and public finances.
2. The term of office may be renewed, no more than [3] [(three)] times, for periods equal to the original term, by joint dispatch of the bodies referred to in Article 11.1.
3. The Sole Auditor shall be contracted through the administrative procedures for civil service recruitment, adapted as necessary, involving analysis of the applicants' curricula vitae, in keeping with principles of transparency, competitive procedure and professional competence.



4. The remuneration of the Sole Auditor shall be approved by joint dispatch of the bodies referred to in Article 11.1.
5. The Sole Auditor may only be removed from office, other than on expiry of his term of office or any renewal thereof, death or incapacity, by duly grounded joint dispatch of the bodies referred to in Article 11.1.
6. For the purposes of Article 11.5, due grounds for dismissal shall include negligence in the exercise of duties, serious or repeated breach of professional duties, conviction for a wilful crime, or conduct which reveals unsuitability for proper exercise of audit duties.
7. No person who in the previous [3] [(three)] years has been a member of IPG, I.P.'s remunerated staff may be appointed as Sole Auditor; likewise, no person who has been Sole Auditor in the previous [3] [(three)] years may become a member of IPG, I.P.'s staff.

## **Article 12**

### **Powers and Duties of the Sole Auditor**

1. The Sole Auditor shall:
  - (a) Regularly monitor and check compliance with the applicable laws and regulations, as well as implementation of the budget and the IPG's economic, financial and property situation;
  - (b) Review the accounts, periodically checking the ledgers, records and books;
  - (c) Audit the management of economic, financial and property affairs;
  - (d) Issue a grounded technical opinion on:
    - (i) The budget and any revision thereof, as well as its execution;
    - (ii) Annual, multi-annual and strategic activity plans, as regards the respective budgetary provisions;
    - (iii) Annual management reports and accounts;
    - (iv) Acquisition, lease, encumbrance and disposal of immovable property;
    - (v) Acquisition, lease, encumbrance and disposal of moveable assets of a value in excess of [...] [(...)] thousand USD;
    - (vi) Acceptance of donations, bequests or legacies;
    - (vii) Contracting of loans of a value in excess of [...] [(...)] thousand USD.
  - (e) Keep the Governing Board informed at all times of the findings of any analyses and checks that have been carried out;
  - (f) Propose to the bodies of the State's direct administration supervising the petroleum sector and public finances that external audits be conducted, whenever necessary or appropriate in view of the circumstances;
  - (g) Advise the bodies of the State's direct administration supervising the petroleum sector and public finances and the Governing Board whenever an irregularity is detected;
  - (h) Issue recommendations on internal control and monitoring procedures;

English version

- (i) Prepare reports on the exercise of his audit and supervisory duties, including an overall annual report.
2. In performing his duties, the Sole Auditor may:
    - (a) Request the Governing Board and, if necessary, the departments of IPG, I.P., to provide full information and all clarifications which may be necessary for the effective and full performance of his duties;
    - (b) Request free access to all departments, documentation and data, including the presence of the persons in charge of the same;
    - (c) Take all measures deemed adequate in order to safeguard information, documents or other things, when deemed essential for future substantiation of his findings and recommendations.
  3. The Sole Auditor shall submit his annual report by [31 March] of the year following that to which the report refers.
  4. Save for the report referred to in Article 12.3, all the Sole Auditor's reports shall be prepared within [30 [(thirty)]] days of receipt of all the information he has requested for such purpose.
  5. The Sole Auditor shall inform the bodies of the State's direct administration supervising the petroleum sector and public finances immediately of any refusal to hand over information, documentation or data he has requested.

### **Article 13 Departments**

1. IPG, I.P.'s internal organization is based on differentiation between technical and administrative departments.
2. Notwithstanding the provisions of this Decree-Law, the internal organization of IPG, I.P.'s departments and the respective employee structure shall be governed by Organizational Regulations, prepared by the Governing Board and approved by the bodies of the State's direct administration supervising the petroleum sector and public finances.
3. The technical departments are:
  - (a) The Petroleum Geology Department;
  - (b) The General Geology, Geophysics and Hydrogeology Department;
  - (c) The Mineral and Rock Prospecting Department;
  - (d) The Information, Laboratory, Research and Training Department;
  - (e) The Equipment, Surveying and Technical Support Department.
4. The administrative departments are:
  - (a) The Financial and Planning Department;
  - (b) The Human Resources and Support Department.

5. The Organizational Regulations referred to in Article 13.2 shall define in detail the duties of each department, taking into consideration the provisions of Article 14, and the forms of coordination between departments.
6. The Organizational Regulations referred to in Article 13.2 may, provisionally, for a period to be expressly indicated and which may be extended to a total maximum of [10] [(ten)] years, determine that the departments of IPG, I.P. accumulate the duties of more than one department, in order to optimize the existing resources until the human and technical resources required to organize all the separate departments specified above become available.

#### **Article 14**

##### **General Powers and Duties of the Technical Departments**

1. The Petroleum Geology Department shall be responsible, amongst others, for activities relating to geological sciences respecting the study, evaluation, reporting, identification, valorisation, exploitation and mapping of petroleum resources existing in the territory of Timor-Leste and in the maritime zones under its national jurisdiction.
2. The General Geology, Geophysics and Hydrogeology Department shall be responsible, amongst others, for activities relating to geological sciences respecting:
  - (a) The study, evaluation, reporting, identification, valorisation, exploitation and mapping of all non-petroleum natural resources, including water resources, existing in the territory of Timor-Leste and in the maritime zones under its national jurisdiction.
  - (b) The general and systematic study of geological and geophysical conditions in the territory of Timor-Leste and in the maritime zones under its national jurisdiction, as well as of the characterization and structure of geological units.
3. The Mineral and Rock Prospecting Department shall be responsible, amongst others, for activities relating to the granting, transfer and termination of mineral rights for prospecting, exploring and exploiting minerals and rocks, including the organization and maintaining of a register, licensing procedures, drafting and monitoring of the technical execution of contracts, and issuing of opinions on the technical and economic viability of projects for exploitation of minerals and rocks.
4. The Information, Laboratory, Research and Training Department shall be responsible, amongst others, for activities relating to:
  - (a) Compilation, processing, selection, filing, reproduction and dissemination of geological information relating to the territory of Timor-Leste and the maritime zones under its national jurisdiction, including the production of maps and creation of a geographical information system;
  - (b) Laboratory analysis and evaluation;
  - (c) Deciding on, preparing and carrying out, when necessary in coordination with other departments, any research activities deemed relevant;
  - (d) Technical and scientific training of IPG, I.P.'s personnel, in accordance with the needs to be determined by higher authority;

- (e) Training of technical staff for the petroleum industry, if necessary through cooperation projects with universities, agencies of the State's direct and indirect administration and the national petroleum company.
5. The Equipment, Surveying and Technical Support Department shall be responsible, amongst others, for operating and maintaining IPG, I.P.'s equipment, training other departments in the use of such equipment, technical support for equipment, issuing of opinions on the acquisition of new equipment, and in general all issues involving the use of technical resources.

### **Article 15**

#### **General Powers and Duties of the Administrative Departments**

1. The Financial and Planning Department shall be responsible for financial and planning affairs, namely but not limited to, monitoring of planned activities, drafting of budget proposals, monitoring of budget execution, drafting proposals of plans and reports, accounting records and analytical accounting, preparing inventories of and classifying and controlling property, drafting and monitoring contracts, in particular for the acquisition of goods and services, reception and registration of materials, and analysis and support for financial and planning decisions.
2. The Human Resources and Support Department shall be responsible for matters relating to human resources and general and logistical support for the activities of IGP. I.P., namely organization of human resources, analysis and proposal of human resources management measures, management and training of human resources, drafting of instruments and indicators for management, selection, recruitment, working methods, general filing of correspondence and administrative paperwork, supplies and security,

### **Article 16**

#### **Personnel Rules**

1. The hiring of IPG, I.P.'s staff shall be made through the administrative procedures for personnel recruitment applicable to the civil service, adapted as necessary, in keeping with the principles of transparency, competition and professional competence.
2. Except as otherwise provided in the civil service legislation applicable to public institutes, employment relations between IPG, I.P. and the personnel hired by it shall be governed by the employment law in force, including the legal rules on individual employment contracts.
3. Civil servants and other agents of the State's direct and indirect public administration and employees of State-owned or State-controlled corporations may be appointed to the staff of IPG, I.P., on the basis of assignment, secondment, or commission, under the terms of the applicable legislation.
4. The assignment, secondment, or commission referred to in Article 16.3 shall be ordered by joint dispatch of the bodies of the State's direct administration supervising the petroleum sector and public finances, and of the body supervising the entity or organization from which the civil servant, agent or employee is transferred.

5. Duties performed under the terms of Article 16.3 shall be carried out with a guarantee of the individual's original position, without prejudice to any rights or progression in their careers, such time being therefore considered for the purposes of counting length of service.

### **PART III – FINANCES AND PROPERTY**

#### **Article 17 Proceeds**

1. IPG, I.P. has at its disposal the proceeds deriving from allocations made to it in the General State Budget.
2. IPG, I.P. has the following own proceeds:
  - (a) The proceeds of the provision of services, the sale of technical materials, the sale and editing of publications and the issuance of opinions;
  - (b) The proceeds from the provision of geological and geophysical information, including for the purposes of auctions and competitive tendering;
  - (c) The proceeds of the disposal of goods, or income derived from any of its assets;
  - (d) Subsidies, public grants and contributions, donations and legacies;
  - (e) The proceeds of any copyrights, trademarks, patents or other intellectual property rights;
  - (f) Amounts deriving from programme contracts, projects, joint ventures or activities with other public or private entities, national or foreign;
  - (g) The proceeds of fees, fines, administrative penalties and other cash amounts consigned to it;
  - (h) The annual balances of consigned revenues;
  - (i) Amounts relating to any loans obtained to finance activities;
  - (j) Any other proceeds assigned to it by law or contract or on any other basis.

#### **Article 18 Expenses**

The expenses of IPG, I.P. comprise the expenditures deriving from the performance of its powers and duties and the appropriate exercise of its responsibilities, within the framework of the approved budget.

#### **Article 19 Property**

1. The property of IPG, I.P. comprises all the goods, rights and obligations of an economic nature which it owns.

2. The property of IPG, I.P. also comprises rights to the use and enjoyment of State assets which are allocated to it on a permanent or long term basis.
3. The list of the goods and rights which the State will transfer to IPG, I.P., or for which the rights to use or enjoyment will be provided by the State to IPG, I.P., shall be defined in a list to be approved by the bodies of the State's direct administration supervising the petroleum sector and public finances within [30] [(thirty)] days of the effective date of this Decree-Law.

#### **Article 20** **Accounts, Financial Reporting and Cash Management**

The rules on accounting, financial reporting and cash management applicable to the State's direct administration shall be applicable to IPG, I.P., as amended by joint dispatch of the bodies of the State's direct administration supervising the petroleum sector and public finances, in order to conform them with IPG, I.P.'s autonomy of finances and property.

#### **Article 21** **Participation in Other Entities**

In order to pursue its powers and duties through a framework of collaboration, association, partnership or other form of joint ventures, including public-private partnerships, IPG, I.P. may, with prior authorization from the bodies of the State's direct administration supervising the petroleum sector and public finances, create or take part in the creation of private law entities, and also acquire participating interests or shares in companies, associations, foundations and other public or private entities, national or foreign.

#### **Article 22** **Enforcement of Debts**

In order to collect any credit owed to IPG, I.P., the debt certificate issued by IPG, I.P. itself shall constitute enforceable title, and shall be accompanied by documents evidencing the constitution of the credit, including contracts.

### **PART IV – CONTROL, SUPERVISION AND LIABILITY**

#### **Article 23** **Control**

1. Notwithstanding other acts provided for in law and in the Organizational Regulations, the control of the body of the State's direct administration supervising the petroleum sector shall be exercised through:
  - (a) Definition of IPG, I.P.'s strategy and goals;
  - (b) Approval of the activities plan;

English version

- (c) Approval of the activities report;
  - (d) Approval of the annual budget and accounts;
  - (e) Prior authorization of acceptance of donations, bequests and legacies;
  - (f) Prior authorization for the creation and opening of branch offices, decentralized departments, support bases or other forms of representation;
  - (g) Prior authorization for establishing collaboration with other public or private entities, national or foreign;
  - (h) Exercise of disciplinary procedure in relation to members of the Governing Board;
  - (i) Inspections of departments.
2. Without prejudice to other powers enshrined in law or regulations, the bodies of the State's direct administration supervising the petroleum sector and public finances shall jointly:
- (a) Approve the Organizational Regulations;
  - (b) Grant prior consent for the creation or participation in the creation of other private law entities, and for establishing collaboration, associations, partnerships or other forms of joint ventures, including public-private partnerships;
  - (c) Approve the staff structure and amendments thereto;
  - (d) Approve in advance the terms for negotiation of any collective bargaining agreements.
3. The body of the State's direct administration supervising the petroleum sector has substitute powers of management in the event of serious inertia by the Governing Board with regard to the performance of acts required by law.

#### **Article 24 Supervision**

1. The body of the State's direct administration supervising the petroleum sector may issue guidelines and directives addressed to the Governing Board, and request information and documents, in all matters concerning goals, plans, budgets and general management.
2. The body of the State's direct administration supervising the petroleum sector shall establish parameters for assessing performance, and monitor performance in particular with regard to goals, objectives, priorities and the use of human and material resources.
3. The Governing Board and the departments of IPG, I.P. shall comply with the guidelines established by the relevant Government bodies respecting financial and personnel issues.

**Article 25**  
**Responsibilities encompassing multiple sectors**

The fact that some of IPG, I.P.'s responsibilities enshrined herein encompass multiple sectors shall in no way alter the supervision and superintendence of the body of the State's direct administration supervising the petroleum sector.

**Article 26**  
**Liability**

1. The members of the Governing Board and employees of IPG, I.P. shall have civil, criminal, disciplinary and financial liability for their acts and omissions in the exercise of their duties, under the terms of the applicable legislation.
2. Until the Audit Court is created financial liability shall be enforced by the Court of Appeal.

**PART V – FINAL AND TRANSITIONAL PROVISIONS**

**Article 27**  
**Transfer of Materials and Information**

The materials and information of a geological or other related nature which is to be allocated to IPG, I.P. in connection with its mission and for the pursuit of its powers and duties, currently in the possession of State departments, namely at the current Secretariat of State for Natural Resources, shall be transferred to IPG, I.P. under the terms of the joint dispatch of the Secretary of State for Natural Resources and the Ministry of Finance referred to in Article 19.3 above.

**Article 28**  
**Transitional Staff Structure**

1. Until the approval of the Organizational Regulations, which shall include IPG, I.P.'s staff structure referred to in Article 13.2 above, the departments of IPG, I.P. shall be staffed by a temporary personnel structure to be approved by the bodies of the State's direct administration supervising the petroleum sector and public finances, within [30] [(thirty)] days of the effective date of this Decree-Law.
2. The draft Organizational Regulations shall be prepared by the Governing Board within [90] [(ninety)] days of the effective date of this Decree-Law, and approved by the bodies of the State's direct administration supervising the petroleum sector and public finances, within [90] [(ninety)] days of the said draft being submitted for approval.



**Article 29**  
**Transitional Period**

During the transitional period between the creation of IPG, I.P. and the full commencement of its activities, which shall only take place after approval of the Organizational Regulations, being duly decreed by dispatch of the body of the State's direct administration supervising the petroleum sector, all the responsibilities of IPG, I.P. which cannot be carried out by IPG, I.P. due to the limited human and material resources available shall continue to be pursued by the agencies and departments to which they are allocated on the effective date of this Decree-Law.

**Article 30**  
**Repeal**

All prior law contradicting the provisions of this Decree-Law is hereby repealed.

**Article 31**  
**Effective Date**

This Decree-Law is effective on the day following its gazetting in the *Jornal da República*.

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