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**PROPOSED LAW N.º \_\_\_/2019, de \_\_\_**

**Law n.º [...]/2019, of [...] August**

**2<sup>nd</sup> amendment to Law n.º 13/2005, of 2 September [Petroleum Activities Law]**

Since Timor-Leste's independence, petroleum exploration, research and production activities in the Timor Sea, in an area beyond the territorial sea to the south, were conducted under the regime of the Timor Sea Treaty, which provided for the shared development of petroleum resources existing there with Australia, and the existence of a structure for this purpose, which included not only the Joint Petroleum Development Area (JPDA), but also a sharing of regulatory functions by several national and supranational entities created under that regulation. This regulatory structure was, of course, reflected in the Petroleum Activities Law and other national laws.

The Treaty between the Democratic Republic of Timor-Leste and Australia Establishing their Maritime Boundaries in the Timor Sea, signed in New York on 6 March 2018, proceeded to the final delimitation of our maritime border in the Timor Sea with Australia, extinguishing from the date of its entry into force the JPDA and all related supervision and coordination structures, passing all regulatory functions and supervision of maritime areas that transit to the exclusive jurisdiction of Timor-Leste national authorities.

It is therefore necessary to amend the Petroleum Activities Law in order to reflect this new reality, as well as to adapt, in some points, the legal regime applicable to petroleum activities in Timor-Leste to requirements arising from the current state of development of the industry in the country, as well as making the Law compatible with the regulatory regime already approved for offshore operations and soon to be enacted for onshore operations.

In particular, this intervention is used to enshrine principles capable of creating the conditions for the contracting of goods and services from Timor-Leste and the employment of national citizens in petroleum activities.

Thus, the Government presents to the National Parliament, under the terms of article 97.1(c) and article 115.2(a) of the Constitution of the Republic, the following proposed Law:

**Article 1**

**Subject matter and scope**

1. This law approves the second amendment to Law No 13/2005 of 2 September 2005 on Petroleum Activities.
2. The provisions added by Article 3 shall not apply to Petroleum Operations conducted under Decrees Implementing Annex D of the Treaty between the Democratic Republic of Timor-Leste and Australia Establishing their Maritime Borders in the Timor Sea, hereinafter referred to as the Treaty, unless expressly agreed upon by the respective Contracting Parties.

**Article 2**

**Amendment to Law No. 13/2005, of 2 September**

Articles 2, 3, 5, 6, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 22, 25, 26, 27, 28, 29, 30, 31, 32, 33, 35, 37, 38, 39, 41, 42 and 45 of Law no. 13/2005, of 2 September, shall read as follows:

**“Article 2:**

**Definitions**

For the purposes of this Act, the following definitions shall apply:

[...]

[...]

[...]

[...]

“Special Regime Area” means the area of the continental shelf described in Annex C of the Treaty to which the Greater Sunrise Special Regime applies.

[...]

[...]

[...]

[...]

[...]

“Code” means the Petroleum Mining Code adopted pursuant to Article 11 of the Greater Sunrise Special Regime, with any repeals, derogations, any amendments and additions thereto, as well as the regulations drawn up and directives issued thereunder;

[...]

[...]

[...]

[...]

“Decree-Laws of Implementation of Annex D of the Treaty” means the Decree-Laws adopted pursuant to Article 14 of this Law to effect the transition of rights as provided for in Annex D of the Treaty or in exchange for correspondence between Timor-Leste and Australia, with any repeals, derogations, modifications and amendments thereto, as well as the regulations drawn up and the directives issued, or deemed issued, under them;

“Decommissioning” in relation to an Authorized Area or a part thereof, as the case may be, abandonment, dismantling, transfer, removal and disposal for scrap or garbage of structures, facilities, supports, equipment and other property, and other works, used in Petroleum Operations in the Authorized Area, for the purpose of cleaning the same, so as to leave it in good condition and safe, as well as for the protection of the environment;

“Civil Servant” means a civil servant or equivalent, including civil servants and consultants of the State or of any public entity, or member of Parliament, Government, Courts and Public Prosecutor’s Office;

[...]

“Government” means the Government of the Democratic Republic of Timor-Leste, including any public entity;

[...]

“Law” means this Petroleum Activities Law of Timor-Leste, with any repeals, derogations, modifications and amendments thereto, as well as the regulations drawn up and directives issued thereunder;

[...]

[...]

“Petroleum Operations” means activities directed at..:

- Petroleum Prospecting;
- Exploration, evaluation, development, exploitation, sale or export of Petroleum; or
- Construction, installation or operation of any structures, facilities or supports for the development, exploitation and export of Petroleum, or dismantling or removal of any such structures, facilities or supports, but does not include projects or proposals for liquefaction of Natural Gas or further processing or treatment of Petroleum after the point of export from the field, which requires prior express agreement or licensing under applicable Downstream Sector legislation, as well as approval of any additional legislation necessary to implement such projects;

“Operator” means an Authorized Person or other Person appointed in an Authorization, unitization agreement, or joint operations agreement to organize and supervise Petroleum Operations and approved by the Ministry;

[...]

[...]

[...]

[...]

“Petroleum:

- (i) any naturally occurring hydrocarbon, whether in a gaseous, liquid or solid state;
- (ii) any mixture of naturally occurring hydrocarbons, whether in a gaseous, liquid or solid state;  
or
- (iii) any mixture of one or more naturally occurring hydrocarbons, whether in a gaseous, liquid or solid state, and other gaseous substances produced in association with such hydrocarbons, including but not limited to helium, nitrogen, hydrogen sulfide and carbon dioxide; and

includes any Petroleum as defined in aliases (i), (ii) or (iii) that has been reintroduced into a natural deposit;

[...]

“Well” means a drilling in the earth’s surface excavated or drilled for the purpose of discovering, evaluating or producing Petroleum;

“Greater Sunrise Special Regime” means the special regime established under the Treaty, provided for in Article 7 and Annex B thereof, and applicable to the Special Regime Area;

[...]

[...]

“Treaty” means the Treaty between the Democratic Republic of Timor-Leste and Australia Establishing Respective Maritime Borders in the Timor Sea, signed in New York on 6 March 2018.

### **Article 3 Spatial Scope of Application**

1. [...]

2. Repealed

### **Article 5 Title over Petroleum**

- 1. The legal title to, and control of, Petroleum existing in the Territory of Timor-Leste belongs to Timor-Leste and is a property of the public domain of the State.
- 2. The legal title to Petroleum may only be acquired by a Person after it has been legally extracted and recovered under this law or an Implementing Decree of Annex D to the Treaty.

### **Article 6 Exercise by the Ministry of its Powers and Functions**

1. [...]

- a) [...]
- b) [...]
- c) [...]
- d) is consistent with all applicable legislation and regulations and with Good Oil Field Practice.

2. [...]

### **Article 8 Demarcation**

For the purposes of this Law, the Territory of Timor-Leste, or part of it, may be divided into blocks in accordance with a geographic grid proposed by the Ministry and approved by the member of the Government responsible for the petroleum sector.

**Article 9**  
**Prospecting Authorisations**

1. [...]
2. [former paragraph 2(a)].
3. [former paragraph 2(b)].
4. [former paragraph 2(c)].
5. Data resulting from activities conducted under a Prospecting Authorisation shall remain the property of the State of Timor-Leste, although the Authorisation may establish rules concerning the sharing of revenues from the sale of such data to third parties.
6. [previous paragraph 3].
7. [former paragraph 4(a)].
8. [former paragraph 4(b)].

**Article 10**  
**Petroleum Contracts**

1. [...]
2. [...]
3. [former paragraph 3(a)].
4. The object of the Petroleum Contract may be limited to Crude Oil, Natural Gas or other components of Petroleum, or only to production activities.
5. [preceding paragraph 4(a)].
6. [former paragraph 4(b)].
7. [former paragraph 5].
8. Failure to comply with paragraphs 5 to 7 of this Article shall constitute a serious breach of the Contractor's obligations and may result in termination of the Petroleum Contract.
9. The provisions of the preceding paragraph shall not apply to petroleum contracts entered into under the Decree Laws implementing Annex D to the Treaty.

**Article 11**  
**Access Authorisations**

1. [former paragraph 1(a)].
2. [former paragraph 1(b)].
3. [former paragraph 2(a)].
4. [former paragraph 2(b)].
5. [former paragraph 3(a)].
6. [former paragraph 3(b)].
7. [former paragraph 4].

**Article 12**  
**Seepage Use Authorisations**

1. The Ministry may grant a Seepage Use Authorisation in respect of a given area, subject to the following assumptions:
  - a) the area concerned has previously been the subject of a Petroleum Contract;
  - b) exploration activities have been conducted under the contract referred to in the previous subparagraph without a commercial discovery having been declared; and
  - c) the Authorised Person under the Petroleum Contract has definitively left the area.
2. Having verified the assumptions referred to in the previous paragraph, the Ministry shall announce in the Official Gazette, in a written medium of wide national dissemination and on the Internet portal, that any interested person may submit an application for a Seepage Use Authorisation for the area concerned, as provided for in that notice.
3. [former paragraph 1(b)].
4. [former paragraph 2(a)].
5. [former paragraph 2(b)].
6. A Seepage Use Authorization:

- a) may be surrendered by its holder by written notification to the Ministry, provided that the Authorised Person has fulfilled all its obligations under that Authorisation; and
  - b) may be revoked or terminated by the Ministry at any time by written notice to the holder of the Authorisation if the holder has failed to comply with any condition or obligation under the Authorisation.
7. The Ministry shall give written notice of the surrender, revocation or termination of a Seepage Use Authorisation to the Authorised Person who has been authorised to carry out operations under that Seepage Use Authorisation.

**Article 13**  
**Submission of Proposals**

1. The invitation to tender for Authorisation shall be the subject of a public tender to be determined by the Ministry, after authorisation by the member of the Government responsible for the petroleum sector.
2. Notwithstanding the provisions of the preceding paragraph, the Ministry may decide, after authorisation from the member of the Government responsible for the petroleum sector, to grant an Authorisation, by direct negotiation:
  - a) in the case of an Access Authorisation; or
  - b) in the case of all other types of Authorisation, where it is in the public interest to do so.
3. In the case of proceeding under the terms of the preceding paragraph, the Government shall justify its decision in appropriate terms by means of a Resolution published in the Official Gazette.
4. [former paragraph 1 d)].
5. [former paragraph 2 (a)].
6. [former paragraph 2(b)].
7. [former paragraph 3(a)].
  - a) [former paragraph 3(a)(i)].
  - b) [former subparagraph 3(a)(ii)]
  - c) [former subparagraph 3(a)(iii)]
  - d) [former subparagraph 3(a)(iv)]
8. An Authorisation granted to an applicant shall require it to comply with the proposals referred to in the preceding paragraph.
9. [former paragraph 4].

**Article 14**  
**Petroleum Operations after the Termination of the Timor Sea Treaty**

The Ministry shall enter into a Petroleum Contract with Persons conducting Petroleum Operations under the terms of the Timor Sea Treaty, or whose areas are transferred to the jurisdiction of Timor-Leste under Annex D of the Treaty, under conditions equivalent to those applicable to them, with the necessary amendments arising from the provisions of Article 22, where applicable.

**Article 15**  
**Petroleum Operations in General**

1. [...].
2. former paragraph 2(a)].
3. In respect of a Petroleum Contract, the State Contractor and its affiliates are exempt from the requirement set forth in the preceding paragraph.
4. [preceding paragraph 3].

**Article 16**  
**Restituion and Repair**

1. [...].

- a) It shall return to the State of East Timor an amount equal to the market value of the Petroleum developed, exploited, exported or sold, plus default interest at a rate to be determined by the Ministry, but not exceeding the legal rate in force;
  - b) [...]; and
  - c) shall clean up the pollution resulting from such Petroleum Operations, or shall reimburse the State of Timor Leste for all costs it has incurred as a result of such clean-up.
2. The measures provided for in the preceding paragraph shall apply cumulatively, or not, in accordance with a determination by the Ministry, with a view to restoring the State of East Timor to the situation in which it would have found itself if such Petroleum had not been unlawfully removed and such Petroleum Operations had not been undertaken.
  3. [...]

### **Article 17** **Restrictions on the Exercise of Rights**

1. previous paragraph 1(a).)
  - a) On any immovable property in the public domain without the consent of the responsible authority, or under the conditions set out in its authorisation;
  - b) [former paragraph 1(a)(ii)];
  - c) on any privately owned immovable property without the establishment of an agreement ensuring that fair and reasonable compensation is paid to the owner.
2. Unless otherwise agreed between the Authorized Person and the owner, the owner of any immovable property situated in an Authorized Area shall remain the owner of the right to use and enjoy its property to the extent that such use and enjoyment does not interfere with Petroleum Operations.
3. [former paragraph 1(c)];
4. [former paragraph 1(d)].
5. Without prejudice to the Authorized Person's right to establish a safety zone around any wells, platforms, infrastructure, vessels or equipment used in Petroleum Operations, an Authorized Person may not exercise any of the rights under an Authorization or this Law in a manner that interferes with fishing, navigation or any other lawful maritime activity, without the written consent of the responsible authority.
6. The Authorized Person is responsible for the payment of fair and reasonable compensation if, in the course of Petroleum Operations:
  - a) disrupt the rights of the owner of any immovable property, or cause him any damage; or
  - b) clearly interfere with fishing, navigation or any other lawful maritime activity, without prejudice to the right to control navigation within and access to the safety zone referred to in paragraph 1.
7. [former paragraph 3(b)].
8. [former paragraph 4].

### **Article 18** **Approval by the Ministry**

1. [...].
2. [former paragraph 2(a)].
3. [former paragraph 2(b)].
4. The provisions of paragraph 2 shall not apply if the change in Control is the direct result of an acquisition of shares or other securities listed on a recognised capital market.
5. For the purposes of this Article, change in Control includes situations in which a Person ceases to exercise Control, whether or not Control is exercised by another Person, and in which a Person obtains Control, whether or not Control was previously held by another Person.
6. [former paragraph 3].

**Article 19**  
**Unitisation Contract**

1. [former paragraph 1(a)].
  - (a) The Ministry shall by written notice require Contractors to enter into a unitization agreement with each other for the purpose of securing a more effective and optimized production of Petroleum in that Reservoir; and
  - (b) If the contractors have not reached agreement within eighteen (18) months of receipt of the notification referred to in paragraph (a), the Ministry shall decide on the terms of the unitisation agreement.
2. [former paragraph 1(b)].
  - (a) The Ministry shall by written notice require the Contractor to enter into a unitisation agreement with the Ministry for the purpose of securing a more effective and optimized production of Petroleum in respect of such Reservoir; and
  - (b) [former paragraph 1(b)(ii)].
3. Without prejudice to the regulation of such other matters as may be deemed appropriate, the unitization agreement shall define the quantity of Petroleum in each of the areas covered by the unitization agreement, and shall appoint the Operator responsible for the production of Petroleum covered by the unitization agreement.
4. The Ministry may only approve the development or exploitation of the Reservoir after the unitisation agreement has been approved or decided in accordance with paragraphs 1 and 2 of this Article.
5. Any amendments to the unitisation agreement shall be subject to approval by the Ministry.

**Article 21**  
**Settlement of Disputes**

1. [former paragraph 1(a)]
  - a) [former paragraph 1(a)(i)].
  - b) [former paragraph 1(a)(ii)].
2. [former paragraph 1(b)].
3. [former paragraph 1(c)].
4. [former paragraph 2(a)].
5. [former paragraph 2 (b)].

**CHAPTER III**  
**STATE PARTICIPATION, LOCAL CONTENT AND USE OF PETROLEUM INFRASTRUCTURE**

**Article 22**  
**State participation in Petroleum Operations**

1. [...].
2. [...].
3. Each Authorization shall stipulate the right of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, to participate in Petroleum Operations, up to a maximum twenty percent (20%) share of the Authorization.
4. The twenty percent (20%) limit provided for in the preceding paragraph shall not apply in cases where the participation of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, results wholly or partly from a commercial transaction or an award under the law.
5. [...].
6. In the situations provided for in paragraph 3, the share of the Contractor's Research and Development expenditure by the State shall be financed by the remaining members of the

- Contractor, under the terms to be established through a financing agreement whose essential terms shall be made available in the notice of invitation to tender referred to in Article 13.
7. In the event of a commercial discovery and subsequent Development and Production of Petroleum, the State's share of the Contractor's expenditures financed under the provisions of the preceding paragraph shall be reimbursed to the lenders through petroleum for cost recovery.
  8. By participating in Petroleum Operations under this Article the Contractor by the State shall be relieved of the obligations relating to the provision of guarantees, insurance, and other obligations of a similar nature required of other Contractors.
  9. The Petroleum Fund may be applied directly to Petroleum Operations, in national or foreign territory, through the execution of commercial transactions, through Timor Gap, EP, pursuant to the provisions of Article 15-A of Law No. 9/2005, of 3 August.
  10. [former paragraph 7].

#### **Article 25**

##### **Data and information**

1. [...].
2. Data and information obtained in the course of Petroleum Operations may be freely exported by Authorized Persons, provided that an original, or in the case of a core, rock, fluid or any other physical sample, usable portion of the original, of all such data and information, whether physical or electronic, is kept in Timor-Leste.

#### **Article 26**

##### **Audit and Inspection**

1. The Ministry may appoint a person to assume the functions of Inspector for the purposes of this Act and complementary legislation.
2. The Ministry may appoint a person to assume the functions of Inspector for the purposes of this Act and complementary legislation.
3. [former paragraph 2].

#### **Article 27**

##### **Termination of Authorisations**

1. [former paragraph 1(a)].
2. [former paragraph 1(b)].
3. [former paragraph 2(a)].
4. If the Ministry determines the termination of an Authorization under the preceding paragraph, the remaining Authorized Persons, in proportion to their respective shares, shall have a pre-emption right in the acquisition of the terminated Authorization, reversing any part of the terminated Authorization that is not acquired by the remaining Authorized Persons for Timor-Leste.

#### **Article 28**

##### **Liability and Subrogation in Civil Liability Matters**

1. The State of Timor-Leste, including the Government and the Ministry, shall not be liable for any costs, indemnities or any other charges arising out of or in connection with the conduct of Petroleum Operations, including agreements to sell Petroleum on its behalf or representation.
2. An Authorized Person:
  - a) be exclusively responsible for all claims for compensation, liability issues, claims, claims and any other claims by third parties arising directly or indirectly from Petroleum Operations; and
  - b) shall be covered by strict liability insurance in respect of any claim, claim or claim referred to in the preceding paragraph, in such amount as the Ministry may at any time require, unless the Ministry considers, after consultation with the Authorized Person, that the potential liability arising under the preceding paragraph may be covered by other means.

**Article 29**  
**Publication by the Ministry**

1. [...].
  - a) [...]
  - b) [...]
  - c) [...]
2. The Ministry shall publish invitations for the submission of proposals to obtain Authorisations under the terms of paragraph (a) of paragraph 1 of Article 13 in the media, on its website, and in the specialised international press, as established in specific regulations.

**Article 30**  
**Public Registry**

1. [former paragraph 1(a)]:
  - a) [former paragraph 1(a)(i)];
  - b) [former paragraph 1(a)(ii)];
  - c) [former paragraph 1 (a) (iii)];
2. [former paragraph 1 (b)].
  - a) All Authorisations, and their modifications, whether or not in force, and unitisation agreements, referred to in the preceding paragraph;
  - b) [former paragraph 1 b) ii)];
  - c) [former paragraph 1 b) iii)]; and
  - d) all Authorisations, and amendments thereto, whether or not in force, and unitisation agreements, which are granted or signed pursuant to a Decree Law implementing Annex D of the Treaty, the Code or the Treaty.
  - e) Petroleum Operations carried out pursuant to a Decree Implementing Annex D to the Treaty.
  - f) Petroleum Operations in the area covered by the Greater Sunrise Special Regime provided in compliance with the Code.
3. [previous paragraph 2]:
  - a) Granting of an Authorisation pursuant to an invitation to tender under Article 13(1);
  - b) the granting of an Authorisation by direct negotiation under Article 13(2);
  - c) approval of a development plan under a Petroleum Contract;
  - d) granted waivers, and agreed amendments or suspensions, under Article 21; and
  - e) any decisions, concessions or approvals which, under the terms of an Authorisation, require publication.
4. Authorized Persons are required to report on their compliance with their obligations and requirements under the Law and Authorizations in the manner and detail required by the respective Authorization and in specific regulations.
5. The Ministry shall make available to the public the reports referred to in the preceding paragraph.
6. The Ministry shall make publicly available the reports submitted by Authorized Persons in respect of payments in connection with Petroleum Operations made to the Government of Timor-Leste as required by law or by agreements, treaties, or international initiatives to which the State of Timor-Leste is a party.
7. [former paragraph 5].
8. The information referred to in paragraphs 1 and 2 of this Article shall be made available to the public in at least one of the official languages of Timor-Leste.

**Article 31**  
**Regulations**

1. [...]:
  - a) [...];
  - b) [...];
  - c) [...];
  - d) [...];

- e) [...];
  - f) [...];
  - g) [...];
  - h) [...];
  - i) [...];
  - j) [...];
  - k) [...];
  - l) [...];
  - m) [...];
  - n) [...];
  - o) [...]:
    - (i) training and employment of Timor-Leste nationals;
    - (ii) [...];
    - (iii) [...];
    - (iv) [...].
  - p) [...];
  - q) [...].
2. [...].

**Article 32**  
**Directives**

In addition to the power to issue directives under Articles 11(4) and 20(3), the Ministry may issue directives to Authorised Persons:

- a) in respect of any matter referred to in Article 31(1); or
- b) Demanding in any other way compliance with the Law, the Decree Law of Implementation of Annex D of the Treaty, complementary legislation or regulation or its Authorization.

**Article 33**  
**Spatial Scope and Application Material of this Chapter**

- 1. revoked
- 2. [...]

**Article 35**  
**Danger to People, Property and the Environment**

Whoever, through conduct in violation of the provisions of this Act, supplementary legislation or regulation, or of an Implementing Act to Annex D of the Treaty, or of the Code or Special Regime of Greater Sunrise, creates danger to the life or physical integrity of another person, or to property of high value, or creates serious danger to the environment, is punished with:

- a)[...]
- b)[...]

**Article 37**  
**False or misleading information**

- 1. Who
  - a) in making proposals under, or in connection with, this Act, supplementary legislation or regulation, or the Implementing Act to Annex D of the Treaty, Code or the Greater Sunrise Special Regime, to provide, knowingly or negligently, any information that is materially false or misleading; or
  - b) knowingly or negligently include or permit to be included in any report, tax return, or affidavit filed under any provision of this Act, supplementary legislation or regulation, or of the Implementing Decree of Annex D of the Treaty, the Code or the Special Regime of Greater Sunrise, or of an Authorization, any information that is false or misleading, is

punishable by imprisonment for up to three (3) years or a fine of not less than seventy-five (75) days.

2. [...].

#### **Article 38**

##### **Non-compliance with Regulations and Directives**

1. In the event of failure by a Person, even if negligent, to comply with supplementary legislation, or with the regulations referred to in Article 31, and/or the directives referred to in Article 32, the Ministry may require immediate compliance with all regulatory obligations and/or undertake any appropriate and necessary material acts to comply with such obligations, the costs and expenses being borne by the Person concerned.
2. The State shall have a right of recourse in respect of the costs and expenses incurred under the preceding paragraph, together with default interest at a rate to be determined by the Ministry, the amount in question constituting a debt to the State.

#### **Article 39**

##### **Accessory Penalties**

[...]:

- a) [...];
- b) [...];
- c) [...];
- d) [...];
- e) provision of a good conduct security;
- f) [...];
- g) [...];
- h) [...].

#### **Article 41**

##### **Fines on legal persons and persons treated as such**

1. In the case of legal persons, companies, mere de facto associations and any other legal entities, including those without legal personality, each day of the fine corresponds to an amount between USD \$5.00 (five United States dollars) and USD \$10,000.00 (ten thousand United States dollars) to be determined by the court according to the economic and financial situation of the legal person or equivalent, the seriousness of the offence, the degree of fault and its charges.
2. [...].

#### **Article 42**

##### **Supervision**

The Ministry and the Inspectors, and any other bodies of the Public Administration to which such competence is delegated, under the terms of the law and regulations, shall be responsible for ensuring the supervision of compliance with the rules contained in this Law, without prejudice to the powers attributed by law to other public entities.

### **CHAPTER IX**

#### **FINAL PROVISIONS**

#### **Article 45**

##### **Transitional Provision**

Repealed.”

**Article 3  
Addition**

Articles 22-A, 22-B and 22-C are added to Law No. 13/2005, of September 2, with the following wording:

**“Article 22-A  
Contracting for Goods and Services**

1. Authorized Persons, including the State Contractor, conducting Petroleum Operations or activities related thereto are not subject to the general rules of public procurement and shall comply with the provisions of this Article and other legislation applicable to the petroleum sector.
2. Authorized Persons shall conduct contests for the acquisition of goods and services for their Petroleum Operations at sea or on land, which comply with the legislation in force, the provisions of the respective Authorizations, as well as the following principles:
  - a) All tenders shall be advertised in Timor-Leste in order to effectively give opportunity to Timor-Leste-based suppliers to bid for them;
  - b) Goods and services shall be procured from Timor-Leste-based suppliers whenever available on competitive terms;
  - c) The procurement of goods and services shall always require the approval of the Ministry;
  - d) Subcontracting or any other contractual practice that results in circumventing the rules for procurement of goods and services to Timor-Leste-based suppliers is prohibited.
3. Contracts and subcontracts for the purchase of goods and services for Petroleum Operations that violate applicable rules on local content and public procurement shall be void, and costs incurred with the same costs shall not be recoverable under the respective Authorizations, or deductible for tax purposes.
4. The Ministry may approve a list of goods and services whose procurement is reserved for Timor-Leste-based suppliers.
5. Non-resident subcontractors to whom contracts for the provision of goods and services to Petroleum Operations are awarded shall comply with all legal obligations with respect to commercial and tax registration in Timor-Leste, as well as with other legislation of Timor-Leste.

**Article 22-B  
Carrying out maritime operations**

1. The performance of maritime operations, directly or indirectly, related to Petroleum Operations, on a permanent basis, is reserved to companies registered or incorporated in Timor-Leste, and duly licensed to carry out such activities.
2. The maritime operations referred to in the previous paragraph include, namely:
  - a) the import of vessels and equipment, including drilling rigs and drilling vessels;
  - b) the provision of services directly related to the conduct of Petroleum Operations, including, inter alia:
    - (i) Assistance and support services to drilling and production facilities (including vessels) in maritime areas;
    - (ii) Transportation between port bases and maritime facilities of passengers, equipment, goods, supplies, and other cargo, including fuel, oils, water, supplies, and other goods and equipment used in operations;
    - (iii) Activities for drilling and completion of wells;
    - (iv) Assistance to diving operations;
    - (v) Ship towing, salvage and wreck removal services;
    - (vi) Activities related to anchoring and mooring;
    - (vii) Laying of gas and oil pipelines at sea; and
    - (viii) Seismic services and maritime research, including vertical seismic profiles (VSP).
  - c) Any other services included by the Ministry in the list of reserved services referred to in Article 22a(4).
3. For the purposes of paragraph 1, it is considered to be carrying out maritime operations on a permanent basis the carrying out of services in Timor-Leste for more than 1 year, or the award of a contract for a period longer than 1 year.

4. For duly justified reasons of public interest, the Ministry may exempt each subcontractor, for a single time and for a maximum period of 1 year, from complying with the requirements of this Section.

#### **Article 22-C**

##### **Use of the Suai Logistics Base and respective Petroleum Facilities**

1. Unless expressly authorized otherwise by the member of the Government responsible for the petroleum sector, all Authorized Persons and all suppliers of goods and services to Petroleum Operations in the Territory of Timor-Leste shall be required to use the Suai Logistics Base and its petroleum facilities as the basis of operations.
2. Notwithstanding the provisions of the preceding paragraph, Authorized Persons and suppliers of goods and services may elect to maintain their headquarters and administrative support offices in another location in Timor-Leste.

#### **Article 4**

##### **Revocation**

Article 3(2), Article 33(1) and Article 45 of Law No. 13/2005, of 2 September, are hereby repealed.

#### **Article 5**

##### **Republication**

Law 13/2005 of 2 September 2005, as amended by Law 1/2019 of 18 January and this Law, is republished in its current wording in an annex to this Law.

#### **Article 6**

##### **Entry into force**

This law shall enter into force on the day of the entry into force of the Treaty.

Adopted by the Council of Ministers on 8 July 2019.

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The Prime Minister,

Taur Matan Ruak

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The Acting Minister of Petroleum and Minerals  
Hermenegildo Cabral Pereira

## ANNEX

*[Translation of the Annex is preliminary and hasn't been confirmed.]*

### **Republication of Law 13/2005, of September 2, (pursuant to Article 5 of Law no. [...] /2019 of [...] August)**

#### **Law no. 13/2005 of September 2**

Within the framework of international law, Timor-Leste enjoys sovereign rights relating to the exploration, exploitation and management of its natural resources, including petroleum resources. In its Territory, Timor-Leste holds the legal title over all petroleum resources existing underground, both on land and at sea.

The objective of the Petroleum Activities Law (the "Law") is to provide maximum benefit to Timor-Leste and its people from its petroleum resources by creating a regulatory regime that allows petroleum companies to develop such resources.

The Law empowers the Ministry to authorize petroleum companies to research and develop petroleum resources. Other petroleum regimes have been taken into consideration here in order to create a regime that is internationally competitive and that promotes the attraction of investment in the development of the petroleum sector.

Petroleum resources that belong to Timor-Leste are a strategic component of the economy, have high potential value and are expected to generate significant revenues for Timor-Leste. In addition to aiming to maximize revenues from petroleum resources for Timor-Leste, the Law also aims to contribute to the achievement of Timor-Leste's broader development goals. The revenues derived from petroleum, and the development of this resource, will allow Timor-Leste to deal more effectively with its needs and priorities in terms of development, further strengthen its human resources, consolidate the advances achieved to date, accelerate and sustain economic growth, reduce poverty and improve the well-being of the people of Timor-Leste.

The Law also aims to ensure stability and transparency in the regulation of the development of petroleum resources. In this regard, the Law is complemented by transparency requirements already existing in Timor-Leste, or to be established in the future, including those relating to the publication of information and the saving of petroleum revenues.

Thus, the National Parliament decrees, under the terms of paragraph 1 of article 95 and article 139 of the Constitution of the Republic, to be valid as law, the following:

#### **CHAPTER I GENERAL PROVISIONS**

##### **Article 1 Short Title**

This Law may be referred to as the "Petroleum Activities Law".

##### **Article 2 Definitions**

For the purposes of this Act, the following definitions shall apply:

"Affiliate" means, with respect to an Authorized Person (or if more than one Person, with respect to each such Person), the Person that Controls, is Controlled, or is under the common Control of the Authorized Person or any such Person, as the case may be;

“Calendar Year” means the 12-month period beginning on January 1 and ending on December 31 of the same year in accordance with the Gregorian Calendar;

“Authorized Area” means the area that is at any time the subject of an Authorization;

“Contract Area” means the Area Authorized under a Petroleum Contract;

“Special Regime Area” means the area of the continental shelf described in Annex C of the Treaty to which the Greater Sunrise Special Regime applies.

“Authorization” means an Access Authorization, a Petroleum Contract, a Prospecting Authorization or a Seepage Use Authorization and any contract entered into in connection with such Authorizations or Contracts;

“Access Authorisation” means the authorisation granted pursuant to Article 11;

“Seepage Use Authorisation” means the authorisation granted pursuant to Article 12;

“Prospecting Authorisation” means the authorisation granted pursuant to Article 9;

“Wellhead” means the point at which Petroleum leaves the boundary of the Well and associated systems;

“Code” means the Petroleum Mining Code adopted pursuant to Article 11 of the Special Regime of Greater Sunrise, with any repeals, derogations, modifications and additions thereto, as well as the regulations prepared and directives issued under it;

“Contractor” means the Person or, in the case of more than one Person, the group of Persons with whom the Ministry has entered into a Petroleum Contract;

“State Contractor” means the Contractor constituted under the laws of Timor-Leste which is controlled, directly or indirectly, by Timor-Leste;

“Petroleum Contract” means a contract, a license or any other type of authorization entered into or granted pursuant to Article 10.

“Control”, in relation to a Person, means the power that another Person has to secure:

- by direct or indirect holding or disposition of shares or voting rights in or in respect of the first Person or any other Person; or
- by virtue of any powers conferred by the statutes of the first Person or any other Person or any other document that may confer similar powers,

that the affairs of the first Person are conducted or managed in a manner subordinate to the direction or decisions of that other Person;

“Decree-Laws Implementing Annex D to the Treaty” means the Decree-Laws adopted pursuant to Article 14 of this Law to effect the transition of rights as provided for in Annex D to the Treaty or in exchange for diplomatic correspondence between Timor-Leste and Australia, with any repeals, derogations, modifications and additions thereto, as well as the regulations made and directives issued, or deemed issued, under them;

“Decommissioning” in relation to an Authorized Area or a part thereof, as the case may be, abandonment, dismantling, transfer, removal and disposal for scrap or garbage of structures, facilities, supports, equipment and other property, and other works, used in Petroleum Operations in the Authorized Area, for cleaning it, so as to leave it in good condition and safe, and for the protection of the environment;

“Civil Servant” means a civil servant or equivalent, including civil servants and consultants of the State or of any public entity, or member of Parliament, Government, Courts and Public Prosecutor’s Office;

“Natural Gas” means all gaseous and inert hydrocarbons, including wet mineral gas, dry mineral gas, gas produced in association with casing head gas and residual gas remaining after the extraction of liquid hydrocarbons from wet gas, with the exception of crude oil;

“Government” means the Government of the Democratic Republic of Timor-Leste, including any public entity;

“Inspector” means the meaning stated in Article 26(1);

“Reservoir” means a porous and permeable underground formation containing an individual and separate natural concentration of producible hydrocarbons (liquid and/or gaseous) that is bounded by impermeable rock or water barriers and characterized by a single natural pressure system;

“Law” means this Petroleum Activities Law of Timor-Leste, with any repeals, derogations, modifications and additions thereto, as well as the regulations drawn up and directives issued under it;

“Best Oil Industry Techniques and Practices” has the meaning given to it in Article 23(1);

“Ministry” means the ministry or any other department to which attributions and powers are conferred with respect to this Law;

“Petroleum Operations” means activities directed at:

- prospecting for Petroleum;
- exploration, evaluation, development, exploitation, sale or export of Petroleum; or construction, installation or operation of any structures, facilities or supports for the development, exploitation and export of Petroleum, or dismantling or removal of any such structures, facilities or supports, but does not include projects or proposals for liquefaction of Natural Gas or further processing or treatment of Petroleum after the point of export from the field, which requires prior express agreement or licensing under applicable Downstream Sector legislation, as well as approval of any additional legislation necessary to implement such projects;

“Operator” means an Authorized Person or other Person appointed in an Authorization, unitization agreement, or joint operations agreement to organize and supervise Petroleum Operations, and approved by the ANPM/Ministry;

“Parliament” means the National Parliament of Timor-Leste;

“Percolation”, in respect of Petroleum, means Petroleum which springs from the surface, naturally, through natural pipelines;

“Person” includes companies or any other legal entities, even if without legal personality;

“Authorized Person”:

- in respect of a Petroleum Contract, the Contractor; and
- in respect of any other Authorisation, the Person to whom such other Authorisation has been granted;

(i) “Petroleum” means any hydrocarbon of natural origin, whether gaseous, liquid or solid;

(ii) any mixture of naturally occurring hydrocarbons, whether in a gaseous, liquid or solid state; or

(iii) any mixture of one or more naturally occurring hydrocarbons, whether in a gaseous, liquid or solid state, and other gaseous substances produced in association with such hydrocarbons, including but not limited to helium, nitrogen, hydrogen sulphide and carbon dioxide; and

includes any Petroleum as defined in aliases (i), (ii) or (iii) that has been reintroduced into a natural deposit;

“Crude Oil” means crude mineral oil and all liquid hydrocarbons in their natural state or obtained from wet gas by condensation or extraction;

“Well” means a drilling in the earth’s surface excavated or drilled for the purpose of discovering, evaluating or producing Petroleum;

“Greater Sunrise Special Regime” means the special regime established under the Treaty, provided for in Article 7 and Annex B thereof, and applicable to the Special Regime Area;

“Territory of Timor-Leste” means the territory of Timor-Leste, including its territorial sea, together with its exclusive economic zone and continental shelf, over which, under international law, Timor-Leste enjoys sovereign rights for the purpose of exploring for and exploiting its natural resources;

“Timor-Leste” means the Democratic Republic of Timor-Leste; and

“Treaty” means the Treaty between the Democratic Republic of Timor-Leste and Australia Establishing the Respective Maritime Borders in the Timor Sea, signed in New York on 6 March 2018.

### **Article 3 Spatial Scope of Application**

1. This Law shall apply to the Territory of Timor-Leste.
2. Repealed

### **Article 4 Material Scope of Application**

1. This Law shall apply to Petroleum Operations.
2. The existence of an Authorization in force in a given area shall not preclude the existence of authorizations for the exploration and exploitation of mineral substances other than Petroleum, provided that such other activity does not impede or interfere with the proper conduct of Petroleum Operations.

### **Article 5 Title on Petroleum**

1. The legal title to, and control of, Petroleum existing in the Territory of Timor-Leste belongs to Timor-Leste and is a property of the public domain of the State.
2. The legal title to Petroleum may only be acquired by a Person after it has been legally extracted and recovered under this law or an Implementing Decree of Annex D to the Treaty.

### **Article 6 Exercise by the Ministry of its Powers and Functions**

1. The Ministry shall exercise its powers and functions under this Law, and the Authorisations granted under it, in a manner which:
  - (a) ensure sound and balanced management of resources;
  - (b) ensures that Petroleum is exploited and developed on terms that minimize damage to the environment, are economically sustainable, promote additional investment and contribute to the long-term development of Timor-Leste;
  - (c) is reasonable; and
  - (d) is consistent with all applicable laws and regulations and with Good Oil Field Practice.
2. Before exercising any competence or function, the Ministry may give the opportunity to Persons who are likely to be affected by the exercise of such competence or function to be heard, and shall consider the relevant allegations made by such Persons.

**Article 7**  
**Restrictions on the Rights of Civil Servants**

1. Public Officials shall not acquire or attempt to acquire or hold:
  - (a) an Authorisation or an interest, directly or indirectly, in an Authorisation; or
  - (b) a holding in a company or its Affiliate which holds an Authorisation.
2. Any document that grants or purports to grant to a Civil Servant an interest, direct or indirect, in an Authorization shall be null and void with respect to such content.
3. The acquisition or holding of an Authorization, interest or participation by the spouse or minor children of a Civil Servant shall be deemed to be an acquisition or holding by the Civil Servant.

**Article 8**  
**Quadriculation**

For the purposes of this Law, the Territory of Timor-Leste, or part of it, may be divided into blocks in accordance with a geographic grid proposed by the Ministry and approved by the member of the Government responsible for the petroleum sector.

**CHAPTER II**  
**AUTHORISATION OF PETROLEUM OPERATIONS**

**Article 9**  
**Prospecting Authorisations**

1. The Ministry may grant a Prospecting Authorisation in respect of a particular area to a Person or a group of Persons.
2. A Prospecting Authorization confers the right to carry out geological, geophysical, geochemical and geotechnical surveys in the Authorized Area.
3. The Exploration Authorization shall require the Authorized Person to report to the Ministry on the progress and results of the exploration activities, and to keep them confidential.
4. The Prospecting Authorization does not authorize the holder to drill a Well, nor does it confer any preference or right to enter into a Petroleum Contract.
5. Data resulting from activities conducted under a Prospecting Authorization shall remain the property of the State of Timor-Leste, although the Authorization may establish rules regarding the sharing of revenues from the sale of such data to third parties.
6. Prior to the grant of a Prospecting Authorization in respect of an area which is the subject of an Authorization still in force, the Ministry shall give written notice to the holder of this Authorization.
7. The holder of a Prospecting Authorisation may, at any time, waive it by means of a written notification to the Ministry, provided that he has fulfilled all his obligations under that Authorisation.
8. If the holder has not fulfilled any condition or obligation under the Prospecting Authorisation, the Ministry may revoke or terminate such Authorisation by written notice to the holder.

**Article 10**  
**Petroleum Contracts**

1. The Ministry may enter into a Petroleum Contract, in respect of a given area, with a Person or a group of Persons, provided that, in the latter case, they have entered into a Joint Operating Contract approved by the Ministry under Article 18(1).
2. To be eligible as a party to a Petroleum Contract, a Person shall:
  - (a) possess or have access to the financial capacity, knowledge and technical capacity to carry out Petroleum Operations in the Contact Area;
  - (b) have no record of non-compliance with the principles of good corporate citizenship; and
  - (c) be a limited liability company or entity.

3. Without prejudice to Articles 11 and 12, a Petroleum Contract shall confer on the Contractor the exclusive right to conduct Petroleum Operations in the Contract Area.
4. The object of the Petroleum Contract may be limited to Crude Oil, Natural Gas or other components of Petroleum, or only to production activities.
5. An Authorized Person shall notify the Ministry in writing within twenty-four (24) hours of any discovery of Petroleum in the Authorized Area.
6. 6. The Contractor shall provide all information relating to the discovery that may be required by the Ministry.
7. 7. The Petroleum Contract shall oblige the Contractor to carry out only those Petroleum Operations which are in accordance with the work programmes, plans and budgets approved by the Ministry.
8. Failure to comply with paragraphs 5 to 7 of this Article shall constitute a serious breach of the Contractor's obligations and may result in termination of the Petroleum Contract.
9. 9. The provisions of the preceding paragraph shall not apply to petroleum contracts entered into under the Decree Laws implementing Annex D to the Treaty.

#### Article 11

##### Article 11 Access authorisations

1. The Ministry may grant an Access Authorisation in respect of a particular area to a Person or group of Persons.
2. 2. The Ministry may not grant an Access Authorization in respect of an area which is the subject of a Petroleum Contract, a Prospecting Authorization or a Seepage Use Authorization in force, without having considered any allegations made by the holders of such Authorizations, such that there will be no interference with the rights of such other Authorized Person.
3. 3. While in effect, an Access Authorization authorizes its holder to perform one or more of the following actions:
  - (a) build, install and operate structures, facilities and supports; and
  - (b) to carry out other work;specified in the Authorization with respect to the Authorized Area.
4. The Access Authorization does not authorize its holder to drill a Well.
5. 5. An Access Authorization:
  - (a) may be surrendered by its holder by written notice to the Ministry, provided that the Authorised Person has fulfilled all obligations under the Authorisation; and
  - (b) may be revoked by the Ministry at any time by written notice to the holder of the Authorisation if the holder has not fulfilled any condition or obligation under the Authorisation.
6. The surrender, revocation or termination of an Access Authorization shall be notified in writing by the Ministry to any Authorized Person in the Authorized Area who has been authorized to carry out operations under that Access Authorization.
7. 7. The Ministry may issue directives to holders of Access Authorizations and other Authorized Persons with respect to the coordination of their respective Petroleum Operations.

## Article 12

### Seepage Use Authorisations

1. The Ministry may grant a Seepage Use Authorisation in respect of a given area, subject to the following assumptions:
  - (a) the area concerned has previously been the subject of a Petroleum Contract;
  - (b) exploration activities have been conducted under the contract referred to in the previous subparagraph without a commercial discovery having been declared; and
  - (c) the Authorised Person under the Petroleum Contract has definitively left the area.
2. Once the assumptions referred to in the previous paragraph have been verified, the Ministry shall announce in the Official Gazette, in a written medium of wide national dissemination, and on the Internet portal, that any interested person may submit an application for a Seepage Use Authorization for the area concerned, under the terms provided for in that announcement.
3. The Ministry may grant a Seepage Use Authorisation to a Person acting for this purpose on behalf of a category of Persons identified in the Authorisation.
4. A Seepage Use Authorisation grants an exclusive right to exploit a Seepage in a particular area.
5. A Seepage Use Authorization shall require the Authorized Person to notify the Ministry of the progress and results of such exploration.
6. A Seepage Use Authorization:
  - (a) may be surrendered by its holder by written notice to the Ministry, provided that the Authorised Person has fulfilled all its obligations under that Authorisation; and
  - (b) may be revoked or terminated by the Ministry at any time by written notice to the holder of the Authorised Person if the holder has not fulfilled any condition or obligation under the Authorisation.
7. The Ministry shall give written notice of the surrender, revocation or termination of a Seepage Use Authorisation to the Authorised Person who has been authorised to carry out operations under that Seepage Use Authorisation.

## Article 13

### Submission of proposals

1. The invitation to tender for Authorisations shall be the subject of a public tender to be determined by the Ministry, after authorisation by the member of the Government responsible for the petroleum sector.
2. Notwithstanding the provisions of the preceding paragraph, the Ministry may decide, after authorisation from the member of the Government responsible for the petroleum sector, to grant Authorisation by direct negotiation:
  - (a) in the case of an Access Authorisation; or
  - (b) in the case of all other types of Authorisation, where it is in the public interest to do so.
3. In the case of proceeding under the terms of the preceding paragraph, the Government shall justify its decision in appropriate terms by means of a Resolution published in the Official Gazette.
4. Proposals shall be submitted in an official language of Timor-Leste or, if they are in another language, shall be accompanied by an official translation into an official language of Timor-Leste, and shall be submitted in a sealed envelope.

5. The tender shall specify the area to which it relates, the activities involved, the criteria under which the proposals will be evaluated, the fees that must be paid in submitting the proposal, when applicable, as well as the deadline by which such proposals must be submitted and how they will be made.

6. 6. Unless otherwise stated in the terms of the tender, the Ministry may decide not to grant the Authorisation to any of the submitted proposals.

7. A proposal to obtain an Authorisation shall include relative proposals:

(a) the protection of the health, safety and welfare of persons involved in or affected by Petroleum Operations;

(b) the protection of the environment, the prevention, minimization and remediation of pollution, and other environmental damage that may result from Petroleum Operations;

(c) training and education, and preferential employment, of nationals of Timor-Leste to work in Petroleum Operations; and

(d) the acquisition of goods and services from Persons residing in Timor-Leste.

8. An Authorization granted to a bidder shall require it to comply with the proposals referred to in the preceding paragraph.

9. 9. The Ministry shall not grant an Authorization in respect of an area unless it has made an assessment of all applications submitted in response to and in accordance with the tender.

#### Article 14

##### Petroleum Operations after the Termination of the Timor Sea Treaty

The Ministry shall enter into a Petroleum Contract with Persons conducting Petroleum Operations under the terms of the Timor Sea Treaty, or whose areas are transferred to the jurisdiction of Timor-Leste under Annex D of the Treaty, under conditions equivalent to those applicable to them, with the necessary amendments arising from the provisions of Article 22, where applicable.

#### Article 15

##### Petroleum Operations in General

1. Petroleum Contracts, Access Authorisations and Seepage Use Authorisations shall provide for access to be granted to third parties on reasonable terms and conditions.

2. 2. If there is more than one Authorised Person in respect of a given Authorisation, the obligations and responsibilities of each Authorised Person under the Authorisation shall be the obligations and responsibilities of all of them on a solidarity basis.

3. In respect of a Petroleum Contract, the State Contractor and its affiliates are exempt from the requirement set forth in the preceding paragraph.

4. An Authorization is void ab initio if obtained in violation of the laws of Timor-Leste, including laws concerning corruption.

#### Article 16

##### Refunds and Repairs

1. Without prejudice to the effectiveness of criminal liability, the Person who, without being duly qualified by an Authorization, undertakes Petroleum Operations:

- (a) shall return to the State of Timor-Leste an amount equal to the market value of the Petroleum developed, exploited, exported or sold, plus default interest at a rate to be determined by the Ministry, but not exceeding the legal rate in force;
  - (b) lose all infrastructure and equipment used in such Petroleum Operations, or ensure the removal of such infrastructure and equipment or be responsible for paying the costs of such removal; and
  - (c) shall clean up the pollution resulting from such Petroleum Operations, or shall reimburse the State of Timor-Leste for all costs it has incurred as a result of such clean-up.
2. The measures provided for in the preceding paragraph shall apply cumulatively, or not, in accordance with a determination by the Ministry, with a view to restoring the State of East Timor to the situation in which it would have found itself if such Petroleum had not been unlawfully removed and such Petroleum Operations had not been undertaken.
3. 3. The liability arising under the preceding paragraph, of Persons who are or have been jointly involved in Petroleum Operations, is a joint and several liability.

## Article 17

### Restrictions on the Exercise of Rights

1. An Authorized Person shall not exercise any of the rights under an Authorization or this Law:
- (a) on any immovable property in the public domain without the consent of the responsible authority, or under the terms set out in the relevant Authorisation;
  - (b) on any immovable property in the private domain of the State without the consent of the responsible authority; or
  - (c) on any privately owned immovable property without the establishment of an agreement ensuring that fair and reasonable compensation is paid to the owner.
2. Unless otherwise agreed between the Authorized Person and the owner, the owner of any immovable property situated in an Authorized Area shall remain the owner of the right to use and enjoy its property to the extent that such use and enjoyment does not interfere with Petroleum Operations.
3. An Authorization may limit or otherwise control the use of public infrastructure by an Authorized Person and the use and/or consumption by that Person of other natural resources, including trees, sand, gravel, rock and water.
4. An Authorization does not exempt an Authorized Person from applying for and obtaining any other legally required authorizations, approvals or licenses.
5. Without prejudice to the Authorized Person's right to establish a safety zone around any wells, platforms, infrastructure, vessels or equipment used in Petroleum Operations, an Authorized Person may not exercise any of the rights under an Authorization or this Law in a manner that interferes with fishing, navigation or any other lawful maritime activity without the written consent of the responsible authority.
6. The Authorized Person is responsible for the payment of fair and reasonable compensation if, in the course of Petroleum Operations:
- (a) disrupt the rights of the owner of any immovable property, or cause him any damage; or
  - (b) clearly interfere with fishing, navigation or any other lawful maritime activity, without prejudice to the right to control navigation within and access to the safety zone referred to in paragraph 1.

7. Where the value of any rights has been increased as a result of Petroleum Operations, the compensation payable in respect of such rights shall not exceed any amount that would have been due had such value not been increased.

8. 8. The amount of fair and reasonable compensation payable under this Article shall be decided by the Ministry, taking into account the allegations made by the parties concerned.

#### Article 18

##### Approval by the Ministry

1. A joint operating agreement, a lifting arrangement and any contract related to Petroleum Operations, as well as any amendments to such agreements, shall be subject to approval by the Ministry.

2. All changes in Control of an Authorized Person shall be subject to prior approval by the Ministry.

3. 3. Where a change in Control occurs without prior authorization by the Ministry, the Ministry may revoke the relevant Authorization.

4. Paragraph 2 shall not apply if the change in Control is the direct result of an acquisition of shares or other securities listed on a recognised capital market.

5. For the purposes of this Article, change in Control includes situations in which a Person ceases to exercise Control, whether or not another Person becomes Control, and in which a Person obtains Control, whether or not Control was previously held by another Person.

6. Except with the prior written consent of the Ministry, or if explicitly provided for in the terms of the Authorisation, no assignment, transfer, assignment, novation, merger, encumbrance or other business relating to the Authorisation shall be deemed to be valid or to have any effect.

#### Article 19

##### Unitisation Agreement

1. Where a Reservoir is located partly in a Contract Area and partly in another Contract Area:

(a) The Ministry shall by written notice require Contractors to enter into a unitization agreement with each other for the purpose of securing a more effective and optimized production of Petroleum in that Reservoir; and

(b) if the contractors have not reached agreement within eighteen (18) months of receipt of the notification referred to in paragraph (a), the Ministry shall decide on the terms of the unitisation agreement.

2. Where a Reservoir is located partly in a Contract Area and partly in an area which is not the subject of a Petroleum Contract:

(a) the Ministry shall by written notice require the Contractor to enter into a unitisation agreement with the Ministry for the purpose of securing a more effective and optimized production of Petroleum in respect of such Reservoir; and

(b) if an agreement has not been reached within eighteen (18) months of receipt of the notification referred to in subparagraph (a), the Ministry shall decide on the terms of the unitisation agreement, unless the Petroleum Contract provides otherwise.

3. 3. Without prejudice to the regulation of such other matters as may be deemed appropriate, the unitisation agreement shall define the quantity of Petroleum in each of the areas covered by the

unitisation agreement, and shall appoint the Operator responsible for the production of Petroleum covered by the unitisation agreement.

4. The Ministry may only approve the development or exploitation of the Reservoir after the unitisation agreement has been approved or decided in accordance with paragraphs 1 and 2 of this Article.

5. Any amendments to the unitisation agreement shall be subject to approval by the Ministry.

## \Article 20

### Settlement of Disputes

1. The Ministry may investigate, and decide on, all disputes involving Persons engaged in Petroleum Operations:

(a) between such Persons, where agreements between them do not establish a dispute settlement mechanism; or

(b) where they involve third parties other than the Government who are not engaged in such Petroleum Operations, provided that they accept the jurisdiction of the Ministry for the resolution of the dispute.

2. 2. The Ministry may refuse to settle any dispute referred to it and, if it does so, shall notify the parties to the dispute in writing.

3. 3. The Ministry may, taking into account all relevant circumstances, issue directives that may be necessary to give effect to its decision in proceedings pursuant to this Article and may order the payment by a party to the dispute to any other party involved of compensation defined by criteria of fairness and reasonableness.

4. If a dispute arises between an Authorized Person and the Ministry concerning the interpretation and application of the terms of an Authorization, or the execution thereof, the parties shall attempt to resolve the dispute by negotiation.

5. If such dispute cannot be resolved by negotiation, either party may refer the dispute to arbitration or to the competent judicial authority.

## Article 21

### Waiver and Amendment of Conditions and Obligations

The Ministry may exempt an Authorised Person from complying with the conditions and obligations contained in its Authorisation, and may also agree to amend or suspend such conditions and obligations, either temporarily or permanently, and subject them or not to any condition.

## CHAPTER III

### STATE PARTICIPATION, LOCAL CONTENT AND USE OF PETROLEUM INFRASTRUCTURE

## Article 22

### State participation in Petroleum Operations

1. The decision regarding the participation of Timor-Leste in Petroleum Operations shall be taken by the Council of Ministers, which may delegate this competence to the Prime Minister.

2. 2. This Law shall apply to the Contractor by the State on the same terms as it applies to any other Contractor, with the necessary adaptations.

3. Each Authorization shall stipulate the right of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, to participate in Petroleum Operations, up to a maximum twenty percent (20%) share of the Authorization.
4. The twenty percent (20%) limit provided for in the preceding paragraph shall not apply in cases where the participation of Timor-Leste or any other Timorese public legal person, including entities wholly owned or controlled by them, results wholly or partly from a commercial transaction or an award under the law.
5. The participation of Timor-Leste or any other Timorese public legal person or entities wholly owned or controlled by them may take place at any stage of Petroleum Operations, in accordance with the terms and conditions to be established by contract.
6. In the situations provided for in paragraph 3, the share of the Contractor's Exploration and Development expenditure by the State shall be financed by the other members of the Contractor, under the terms to be established by means of a financing agreement, the essential terms of which shall be made available in the notice of invitation to tender referred to in Article 13.
7. In the event of a commercial discovery and subsequent Development and Production of Petroleum, the State's share of the Contractor's expenditures financed under the provisions of the preceding paragraph shall be reimbursed to the lenders through petroleum for cost recovery.
8. By participating in Petroleum Operations under this Article the Contractor by the State shall be relieved of the obligations relating to the provision of guarantees, insurance, and other obligations of a similar nature required of other Contractors.
9. The Petroleum Fund may be applied directly to Petroleum Operations, in national or foreign territory, through the execution of commercial transactions, through Timor Gap, EP, pursuant to the provisions of Article 15-A of Law No. 9/2005, of 3 August.
10. Contracts for purchase and sale, acquisition, assignment, transfer, transfer, transfer, novation, merger, encumbrance or any other legal transaction entered into or payments made by Timor-Leste or by any other Timorese public legal person, including through entities wholly owned or controlled by them, intended to enable the participation of Timor-Leste, of any other Timorese public legal person, including through entities wholly owned or controlled by them, or the Petroleum Fund, in Petroleum Operations and, as well, for the conduct thereof, are not subject to prior review by the Chamber of Auditors of the High Administrative, Tax and Accounting Court.

#### Article 22a

##### Hiring of Goods and Services

1. Authorized Persons, including the State Contractor, conducting Petroleum Operations or activities related thereto are not subject to the general rules of public procurement and shall comply with the provisions of this Article and other legislation applicable to the petroleum sector.
2. Authorized Persons shall conduct contests for the acquisition of goods and services for their Petroleum Operations at sea or on land, which comply with the legislation in force, the provisions of the respective Authorizations, as well as the following principles:
  - a) All tenders shall be advertised in Timor-Leste in order to effectively give opportunity to Timor-Leste-based suppliers to bid for them;
  - b) Goods and services shall be procured from Timor-Leste-based suppliers whenever available on competitive terms;
  - c) The procurement of goods and services shall always require the approval of the Ministry;
  - d) Subcontracting or any other contractual practice that results in circumventing the rules for procurement of goods and services to Timor-Leste-based suppliers is prohibited.

3. Contracts and subcontracts for the purchase of goods and services for Petroleum Operations that violate applicable rules on local content and public procurement shall be void, and costs incurred with the same costs shall not be recoverable under the respective Authorizations, or deductible for tax purposes.

4. The Ministry may approve a list of goods and services whose procurement is reserved for Timor-Leste-based suppliers.

5. Non-resident subcontractors to whom contracts for the provision of goods and services to Petroleum Operations are awarded shall comply with all legal obligations with respect to commercial and tax registration in Timor-Leste, as well as with other legislation of Timor-Leste.

#### Article 22b

##### Carrying out maritime operations

1. The performance of maritime operations, directly or indirectly, related to Petroleum Operations, on a permanent basis, is reserved to companies registered or incorporated in Timor-Leste, and duly licensed to carry out such activities.

2. 2. The maritime operations referred to in the previous paragraph include, namely:

a) The import of vessels and equipment, including drilling rigs and drilling vessels;

(b) the provision of services directly related to the conduct of Petroleum Operations, including, inter alia:

(i) Assistance and support services to drilling and production facilities (including vessels) in maritime areas;

(ii) Transportation between port bases and maritime facilities of passengers, equipment, goods, supplies, and other cargo, including fuel, oils, water, supplies, and other goods and equipment used in operations;

(iii) Activities for drilling and completion of wells;

(iv) Assistance to diving operations;

(v) Ship towing, salvage and wreck removal services;

(vi) Activities related to anchoring and mooring;

(vii) Laying of gas and oil pipelines at sea; and

(viii) Seismic services and maritime research, including vertical seismic profiles (Vertical Seismic Profile - VSP).

(c) Any other services included by the Ministry in the list of reserved services referred to in Article 22a(4).

3. 3. For the purposes of paragraph 1, it is considered to be carrying out maritime operations on a permanent basis the carrying out of services in Timor-Leste for more than 1 year, or the award of a contract for a period longer than 1 year.

4. 4. For duly justified reasons of public interest, the Ministry may exempt each subcontractor, for a single time and for a maximum period of 1 year, from complying with the requirements of this Section.

#### Article 22c

#### Use of the Suai Logistics Base and respective Petroleum Facilities

1. Unless expressly authorized otherwise by the member of the Government responsible for the petroleum sector, all Authorized Persons and all suppliers of goods and services to Petroleum Operations in the Territory of Timor-Leste shall be required to use the Suai Logistics Base and its petroleum facilities as the basis of operations.

2. Notwithstanding the provisions of the preceding paragraph, Authorized Persons and suppliers of goods and services may elect to maintain their headquarters and administrative support offices in another location in Timor-Leste.

#### CHAPTER IV

#### DEVELOPMENT OF PETROLEUM ACTIVITIES

##### Article 23

###### Working practices

1. Petroleum Operations shall be conducted in accordance with Good Oil Field Practice, that is, in accordance with the techniques, practices and procedures employed in the petroleum industry worldwide by prudent and diligent operators, in circumstances and under conditions similar to those prevailing in relation to relevant aspects of Petroleum Operations, principally intended to ensure:

(a) the conservation of petroleum resources, which implies the use of appropriate methods and processes to maximize the extraction and recovery of hydrocarbons in a technically and economically sustainable manner, with a corresponding control of the decline of reserves, and the minimization of losses at the surface;

(b) operational safety, which involves the use of methods and processes that promote occupational safety and the prevention of accidents;

(c) environmental protection, which requires the adoption of methods and processes that minimize the impact of Petroleum Operations on the environment.

2. Production of Petroleum shall take place:

(a) in such a way that as much as possible of the Petroleum located in each individual Petroleum deposit, or in several associated deposits, is produced;

(b) in accordance with Good Oil Field Practice and sound and balanced economic principles; and

(c) in such a way as to avoid the waste of Petroleum or reservoir energy.

3. Contractors shall carry out a continuous evaluation of the production strategy and technical solutions, and shall take all necessary measures to carry them out, informing the Ministry of any relevant changes, in accordance with Good Oil Field Practice.

##### Article 24

###### Decommissioning

An Authorized Person shall Decommission:

(a) when the Authorisation is terminated; or

(b) if it is no longer necessary for the conduct of Petroleum Operations;

and in any event:

- (c) except with the written consent of the Ministry and in accordance with the terms of such consent; or
- (d) unless the Authorisation provides otherwise.

## CHAPTER V

### INFORMATION AND RESEARCH

#### Article 25

##### Article 25 Data and information

- (1) Timor-Leste owns all data and information, whether raw, derived, processed, interpreted or analysed, obtained under any Authorisation.
2. Data and information obtained in the course of Petroleum Operations may be freely exported by Authorized Persons, provided that an original, or in the case of a core, rock, fluid or any other physical sample, usable portion of the original, of all such data and information, whether physical or electronic, is kept in Timor-Leste.

#### Article 26

##### Audit and Inspection

1. The Ministry may appoint a person to assume the functions of Inspector for the purposes of this Act and complementary legislation.
2. 2. The Inspector shall have the powers and rights set forth in specific regulations.
3. 3. Upon request, the Authorized Person shall make his books and accounts available to the Ministry for auditing purposes.

#### Article 27

##### Termination of Authorisations

1. The termination of an Authorisation, for whatever reason, shall be without prejudice to any rights and obligations remaining under this Law or the Authorisation, or any rights and obligations acquired under it prior to such termination, and all provisions of an Authorisation which are reasonably necessary for the full performance of such rights and obligations shall remain in force for the period necessary for such purpose.
2. The Ministry is competent to terminate an Authorisation in accordance with the terms set out in the Authorisation.
3. 3. If there is more than one Authorised Person in respect of a particular Authorisation and circumstances arise which justify the Ministry's termination of that Authorisation, the Ministry may elect to terminate that Authorisation in part in respect of those Authorised Persons whose acts and omissions have led to such circumstances (or in respect of whom such acts, omissions or facts have occurred), in which case the Ministry shall notify the other Authorised Persons.
4. If the Ministry determines the termination of an Authorization under the preceding paragraph, the remaining Authorized Persons, in proportion to their respective shares, shall have a pre-emption right

in the acquisition of the terminated Authorization, reversing any part of the terminated Authorization that is not acquired by the remaining Authorized Persons for Timor-Leste.

#### Article 28

##### Liability and Subrogation in Civil Liability Matters

1. The State of Timor-Leste, including the Government and the Ministry, shall not be liable for any costs, indemnities or any other charges arising out of or in connection with the conduct of Petroleum Operations, including agreements to sell Petroleum on its behalf or representation.

2. An Authorized Person:

(a) be exclusively responsible for all claims for compensation, liability issues, claims, claims and any other claims by third parties arising directly or indirectly from Petroleum Operations; and

(b) shall be covered by strict liability insurance in respect of any claim, claim or claim referred to in the preceding paragraph, in such amount as the Ministry may at any time require, unless the Ministry considers, after consultation with the Authorized Person, that the potential liability arising under the preceding paragraph may be covered by other means.

#### CHAPTER VI

##### PUBLIC INFORMATION

#### Article 29

##### Publication by the Ministry

1. The Ministry shall publish in the Official Gazette:

(a) notice of the granting or conclusion of Authorisations, and a summary of the terms of such Authorisations;

b) Tender for the submission of proposals to obtain Authorisations under the terms of paragraph a) of paragraph 1 of Article 13; and

c) Notice of termination of Authorizations.

2. The Ministry shall publish invitations for the submission of proposals to obtain Authorisations under the terms of paragraph a) of paragraph 1 of Article 13 in the media, on the respective website, and in the international specialised press, as established in specific regulations.

#### Article 30

##### Public Registry

1. The Ministry shall make it available to the public:

(a) copies of all Authorisations and amendments thereto, whether in force or not;

(b) details of waivers granted, and amendments or suspensions agreed pursuant to Article 21;

c) Copies of all unitization agreements.

2. 2. The Ministry shall make available to the public, in summary form and within a reasonable time after request, details of:

- (a) All Authorisations, and amendments thereto, whether in force or not, and unitisation contracts, referred to in the preceding paragraph;
  - (b) development plans approved under a Petroleum Contract;
  - (c) all transfers and other authorised business relating to Authorisations, subject to confidentiality and commercial terms;
  - (d) all Authorisations, and amendments thereto, whether or not in force, and unitisation agreements, which are granted or signed pursuant to a Decree Law implementing Annex D of the Treaty, the Code or the Treaty;
  - (e) Petroleum Operations carried out pursuant to a Decree Implementing Annex D to the Treaty; and
  - (f) Petroleum Operations in the area covered by the Greater Sunrise Special Regime provided in compliance with the Code.
3. Within ten (10) working days of being requested to do so, the Ministry shall publish, in summary form, the reasons for the request:
- (a) Granting of an Authorisation pursuant to an invitation to tender under Article 13(1);
  - (b) the granting of an Authorisation by direct negotiation under Article 13(2);
  - (c) approval of a development plan under a Petroleum Contract;
  - (d) granted waivers, and agreed amendments or suspensions, under Article 21; and
  - (e) any decisions, concessions or approvals which, under the terms of an Authorisation, require publication.
4. Authorized Persons are required to report on their compliance with their obligations and requirements under the Law and Authorizations in the manner and detail required by the respective Authorization and in specific regulations.
5. The Ministry shall make available to the public the reports referred to in the preceding paragraph.
6. 6. The Ministry shall make publicly available the reports submitted by Authorized Persons in respect of payments in connection with Petroleum Operations made to the Government of Timor-Leste as required by law or by agreements, treaties, or international initiatives to which the State of Timor-Leste is a party.
7. 7. The information referred to in this Article shall be made available to any Person on payment of a fee to be established for this purpose in specific regulations.
8. The information referred to in paragraphs 1 and 2 of this article shall be made available to the public in at least one of the official languages of East Timor.

## CHAPTER VII

### REGULATIONS AND DIRECTIVES

#### Article 31

#### Article 31

1. The Government may issue regulations under this Act with respect to the following matters:

- (a) Quadriculation of the Territory of Timor-Leste;
- (b) Petroleum exploration and production;

- (c) use and dissemination of data, information, records and reports;
- (d) measurement and sale or disposal of Petroleum;
- (e) health and safety;
- (f) protection and restoration of the environment;
- (g) resource management;
- (h) structures, facilities and supports;
- (i) Cleaning or any other remediation of the effects of Petroleum leaks;
- j) Abandonment and dismantling;
- (k) controlling the movement of persons, vessels, aircraft, vehicles and any other structures or platforms into and out of the Territory of Timor-Leste and within its Territory;
- (l) work programmes and budgets;
- m) Control of tariffs charged for third party access;
- (n) auditing of an Authorised Person and its accounts and records;
- (o) reports prepared by Authorised Persons on the fulfilment of their obligations under the Law and Authorisations, including those relating to:
  - (i) training and employment of nationals of Timor-Leste;
  - (ii) acquisition of goods and services in East Timor;
  - (iii) occupational health and safety; and
  - (iv) environmental protection;
- (p) fees to be paid, including by applicants for Authorisations, by Authorised Persons and Persons wishing to consult the public register; and
- (q) any other matters related to this Law.

2. The Ministry shall publish the regulations in the Official Gazette.

## Article 32

### Article 32 Directives

In addition to the power to issue directives under Articles 11(4) and 20(3), the Ministry may issue directives to Authorised Persons:

- (a) in respect of any matter referred to in Article 31(1); or
- b) Demanding in any other way compliance with the Law, the Decree Law of Implementation of Annex D of the Treaty, complementary legislation or regulation or its Authorization.

## CHAPTER VIII

### PENALTY PROVISIONS

## Article 33

## Spatial Scope and Material Implementation of this Chapter

1. Repealed.
2. The provisions of this Chapter are without prejudice to the effectiveness of criminal and civil liability under general law.

## Article 34

### Unauthorized Activities

1. Who, without being duly authorized by an Authorization, undertakes Petroleum Operations, shall be punished with imprisonment from 3 (three) months to 5 (five) years or a fine of not less than 100 (one hundred) days.
2. If the estimated damage caused to the State is more than USD \$50,000.00 (fifty thousand United States dollars) the penalty shall be 1 (one) to 8 (eight) years imprisonment or a fine of not less than 150 (one hundred and fifty) days.

Article 35 (1) to (8) years imprisonment or a fine of not less than 150 (one hundred and fifty) days.

### Danger to Persons, Property and the Environment

Whoever, through conduct in violation of the provisions of this Act, supplementary legislation or regulation, or of an Implementing Act to Annex D of the Treaty, or of the Code or Special Regime of Greater Sunrise, creates danger to the life or physical integrity of another person, or to property of high value, or creates serious danger to the environment, is punished with:

- a) Imprisonment for 1 (one) to 8 (eight) years or a fine of not less than 200 (two hundred) days, if the conduct and the creation of danger are intentional;
- b) Imprisonment for up to five (5) years or a fine of not less than one hundred (100) days if the conduct is intentional and the creation of danger occurs through negligence.

## Article 36

### Prevent or Disturb the Inspector's Performance of Functions

1. Whoever, directly or indirectly, in any measure and by any means, prevents or hinders, or causes others to prevent or hinder, the exercise of inspection powers and functions by the Inspector, shall be punished with imprisonment from 3 (three) months to 4 (four) years or a fine of not less than 100 (one hundred) days.
2. The attempt is punishable.

## Article 37

### False or misleading information

1. Who

(a) in making proposals under, or in connection with, this Act, supplementary legislation or regulation, or the Implementing Act to Annex D of the Treaty, Code or the Greater Sunrise Special Regime, to provide, knowingly or negligently, any information that is materially false or misleading; or

b) knowingly or negligently include or permit to be included in any report, tax return, or affidavit filed under any provision of this Act, supplementary legislation or regulation, or of the Implementing Decree of Annex D of the Treaty, the Code or the Special Regime of Greater Sunrise, or of an Authorization, any information that is false or misleading, is punishable by imprisonment for up to three (3) years or a fine of not less than seventy-five (75) days.

2. 2. Attempt is punishable.

## Article 38

### Non-compliance with Regulations and Directives

(1) In the event of failure by a Person, even if negligent, to comply with supplementary legislation, or with the regulations referred to in Article 31, and/or the directives referred to in Article 32, the Ministry may require immediate compliance with all regulatory obligations and/or undertake any appropriate and necessary material acts to comply with such obligations, the costs and expenses being borne by the Person concerned.

2. 2. The State shall have a right of recourse in respect of the costs and expenses incurred under the preceding paragraph, together with default interest at a rate to be determined by the Ministry, the amount in question constituting a debt to the State.

## Article 39

### Accessory Penalties

The following additional penalties may be imposed in respect of the crimes provided for in this Law:

(a) temporary deprivation of the right to participate in public tenders within the scope of Petroleum Operations, namely those relating to Authorisations and the acquisition of goods and services;

(b) Embargo of works, in cases where they may cause irreversible damage to relevant public interests;

c) Prohibition, up to a maximum of 2 (two) years, of the exercise of activities, if the Person has committed, during the period of 1 (one) year from the date of the first infringement, 3 (three) violations of the rules of this Law;

d) Termination of Authorizations;

e) Provision of a bond of good conduct;

f) Deprivation of the right to subsidies or subsidies granted by public entities or services;

g) Publicity of the condemnatory decision; and/or

(h) such other precautionary measures as may be appropriate having regard to the circumstances of the individual case.

## Article 40

### Article 40 Liability of Legal Persons and Others

1. Legal persons, companies, mere de facto associations and any other legal entities, including those without legal personality, shall be liable for the offences provided for in this Chapter when committed by their bodies or representatives on their behalf and in the collective interest.
2. Liability shall be excluded where the agent has acted against express orders or instructions from those entitled to do so.
3. The liability of the entities referred to in paragraph 1 shall not exclude the individual liability of their servants.
4. The entities referred to in paragraph 1 shall be jointly and severally liable, under the terms of civil law, for the payment of fines or indemnities, or the fulfilment of any obligations, arising from facts relating to or affecting matters covered by the scope of this Law.

#### Article 41

##### Fines on Legal and Similar Persons

1. In the case of legal persons, companies, mere de facto associations and any other legal entities, including those without legal personality, each day of the fine corresponds to an amount between USD \$5.00 (five United States dollars) and USD \$10,000.00 (ten thousand United States dollars) to be determined by the court according to the economic and financial situation of the legal person or equivalent, the seriousness of the offence, the degree of fault and its charges.
2. If the fine is imposed on an entity without legal personality, it shall be liable for the common assets and, in their absence or insufficiency, jointly and severally, the assets of each of the members.

#### Section 42

##### Section 42 Supervision

The Ministry and the Inspectors, and any other bodies of the Public Administration to which such competence is delegated, under the terms of the law and regulations, shall be responsible for ensuring the supervision of compliance with the rules contained in this Law, without prejudice to the powers attributed by law to other public entities.

#### Article 43

##### Extrajudicial Enforcement Order

A certificate issued by the Ministry in respect of a debt arising or payable under this Law, which is not settled within a reasonable period of time to be established by the Ministry, which shall be notified in writing to the Debtor Person, shall constitute an extrajudicial enforcement order for the purpose of enforced collection under the general law.

#### Article 44

##### Subsidiary Legislation

The criminal legislation, as well as the relevant administrative and civil legislation, are applicable, subsidiarily, with the necessary adaptations, for the implementation of the terms of this Chapter.

#### CHAPTER IX

##### FINAL PROVISIONS

Article 45

Transitional Provision

Revoked

Article 46

Article 46 Intransferability

An Authorisation granted to a natural person may not be transferred on the death of its holder without the express authorisation of the Ministry, without prejudice to the transfer of the corresponding asset value.

Article 47

Article 47 Entry into Force

This Law shall enter into force on the day following that of its publication in the Official Gazette.

Approved on 29 July 2005

The President of the National Parliament,

Francisco Guterres “Lu-Olo”

Promulgated on 23 August 2005

Publish yourself

The President of the Republic

Kay Rala Xanana Gusmão