

<p><b>DEMOCRATIC REPUBLIC OF TIMOR-LESTE GOVERNMENT Decree-Law no. ___ / 08 _____ of _____ 2008 NATIONAL PETROLEUM AUTHORITY</b></p>	<p><b>COMMENTARY FROM LA'O HAMUTUK 10 June 2008</b></p>
<p>Under Timor-Leste's Constitution the State is entitled to all natural resources that are vital to the economy that exist in the soil and subsoil of Timor-Leste, including petroleum. These resources are to be efficiently managed for the benefit of the people of Timor-Leste as a whole. In order to manage and supervise the exploration, development and production of these resources, Timor-Leste has enacted the Petroleum Activities Law for the areas under Timor-Leste's exclusive jurisdictional area and the Petroleum Mining Code in the Joint Petroleum Development Area.</p>	<p>Environmental protection is also within the responsibility of the NPA, and "efficiently" in this paragraph should be expanded to include wording from RDTL Constitution Article 139.3: "The exploitation of the natural resources shall preserve the ecological balance and prevent destruction of ecosystems," as well as to safeguard human and local community rights.</p>
<p>Considering that the petroleum resources owned by Timor-Leste are a strategic component of its economy, and have a high value potential that if managed properly will generate significant revenues and direct benefits to the economy of the country.</p>	<p>This sentence discusses only the benefits Timor-Leste can receive from petroleum development. A more balanced view is essential, and we suggest adding the following: "Recognizing that in many other countries, petroleum development often leads to corruption, collusion, conflict, war, human rights violations, militarism and environmental destruction. Because of the high levels of money, political pressure, and corporate greed involved, it is essential for Timor-Leste to manage these resources to avoid or minimize these negative effects and other impacts of the "resource curse."</p>
<p>Noting the importance of regulating this sector prudently and supervise the activities in such a way that all petroleum exploration, development and production contribute to maximise the overall benefit to the country and its people.</p>	
<p>The Government now creates the National Petroleum Authority (NPA) in order to establish and supervise compliance with the enacted rules and regulations covering the exploration, development, production, transportation and distribution of petroleum and natural gas resources. Once it is fully operational, the NPA will be able to ensure the petroleum and gas security of the country by managing the country's minimum strategic fuel stock requirements and ensure minimum quality standards for petroleum products available in the domestic market and minimum standards of compliance with consumers security.</p>	<p>The first three paragraphs are about upstream development, but downstream has been inserted here, without explicit justification.</p>
<p>The Government accordingly decrees as follows, in accordance with paragraph "e" of no. 1 and no. 3 of article 115° of the Constitution of the Democratic Republic of Timor-Leste:</p>	<p>This should be a Parliamentary Law, not a decree-law, as explained in the narrative part of this submission.</p>

<b>CHAPTER I. GENERAL PROVISIONS</b>	
<b>Article 1. Nature</b>	
1. The National Petroleum Authority is a public institute vested with administrative and financial autonomy and property rights of its own, the object of which is to act as the regulatory authority for the petroleum and gas and related products industry, in accordance with the provisions of the Petroleum Activities Law, Petroleum Mining Code and Timor Sea Treaty, and this Decree-Law.	The Petroleum Fund Act should also be listed, as should the legal basis for defining the structure and powers of a “public institute.”
2. In matters relating to the Joint Petroleum Development Area (JPDA) this Decree Law shall be interpreted and applied consistently with the Timor Sea Treaty.	Add “, the Sunrise IUA and the CMATS Treaty.” These create special rules for Greater Sunrise and modify the Timor Sea Treaty.
<b>Article 2. Control and Tutelage</b>	
Without prejudice to its administrative and financial autonomy, the NPA shall operate under the tutelage of the Secretary of State for Natural Resources (SERN), and the following shall be submitted for ministerial approval:	Which minister gives approval, as there is no longer a Minister for Natural Resources, Minerals and Energy Policy? The Prime Minister? See discussion of centralization and lack of accountability in the narrative part. Many RDTL decree-laws use the phrase “tutelage and supervision,” is SERN expected to supervise the NPA?
a) The annual activities plan and budget;	The NPA budget should be part of the overall State budget, approved by Parliament after public debate. As per the Petroleum Fund Act, all petroleum-related revenues to RDTL go into the Fund, so the NPA cannot receive any other revenues. A special provision may have to be made for Australia’s share of JPDA revenues, but this should be as specific and limited as possible. Contractors should pay Timor-Leste’s 90% share directly into the Petroleum Fund, not to the NPA.
b) The activities report and the budgetary implementation report.	These reports should be published regularly, and subject to independent audit, as are those of other public institutes.
<b>CHAPTER II. POWERS AND FUNCTIONS</b>	
<b>Article 3. Powers and Functions</b>	
1. The NPA shall be responsible for the regulation, contracting, supervision and control of the activities of the petroleum operations in the upstream, midstream and downstream areas, and shall:	Will the NPA oversee the future National Oil Company, or only to the extent it does to other contractors? Policies for managing midstream and downstream operations are not set out in the Petroleum Act, and requires another Parliamentary Act to establish them. Given that they are very different from upstream activities, it would be advisable not to try to combine them in a single decree-law or regulatory body. There is also no urgency in bringing distribution activities under a legal regime. “Petroleum operations” as defined in the Petroleum Act don’t include LNG or refined products; what is intended here?

<p>(a) implement the national policy in the petroleum sector, within the exclusive jurisdictional areas of Timor-Leste, with emphasis upon guaranteeing the supply of petroleum, natural gas and their products throughout the country and upon the protection of the interests and security of the consumers in relation to the price, quality and supply of products;</p>	<p>In addition to guaranteeing supply and quality, the NPA should be responsible to safeguard environment, transparency, accountability, health and safety through principles of good governance and preventing corruption. This can be expressed in a Mission Statement in this legislation, as suggested in the narrative part of this submission.</p> <p>Other priorities should include preventing violations of land rights and human rights, ensuring inter-generational equity.</p> <p>If “exclusive jurisdictional areas of Timor-Leste” include the land territory this could be made clearer, perhaps by using “territory” instead of “exclusive jurisdictional areas.”</p>
<p>(b) promote and enact regulations and administrative measures that require the entities in the petroleum industry to create a greater participation of Timor-Leste nationals in the industry, and the use of goods and services from Timor-Leste;</p>	<p>This could include using the industry to build Timorese capacity for regulatory or corporate work in the petroleum sector.</p>
<p>(c) promote studies with a view to create blocks for the purpose of the award of exploration, development and production agreements, within the exclusive jurisdictional areas of Timor-Leste and in the Joint Petroleum Development Area (JPDA), in accordance with the Timor Sea Treaty;</p>	<p>If this is also intended to cover onshore exploration in Timor-Leste’s territory, it should be made explicit. The word “authorization” rather than “agreement” is used elsewhere for upstream operations; this could open a loophole for such operations without an authorization like with the model Production-Sharing Compact and should be closed. This is already problematic, as some onshore explorations have been initiated based on MOUs, without a public bidding process.</p>
<p>(d) regulate the execution of geological, geochemical and geophysical services applied to petroleum exploration, with a view of collecting technical data within the exclusive jurisdictional areas of Timor-Leste and in the JPDA;</p>	
<p>(e) draft notices and conduct the auctioning of the award of exploration, development and production contracts and to sign the corresponding contracts and supervise the performance thereof both within the exclusive jurisdictional areas of Timor-Leste and in the JPDA;</p>	<p>This should be conducted according to the procedures in the Petroleum Act, PMC and Model PSC.</p>
<p>(f) authorise refining, processing, transport, import and export, stocking, distribution, resale and commercialisation, in accordance with this Decree-Law and its regulations, within the exclusive jurisdictional areas of Timor-Leste;</p>	<p>Downstream activities open a new mandate not in the Petroleum Act, model PSCs or PMC. This requires new Parliamentary legislation. “In accordance with this Decree-Law” is inadequate since this decree-law contains very little about the policy for regulating such activities.</p> <p>These concerns about downstream activities also refer to sections (n), (p), (q) and (r). This doesn’t define the substances covered – as written it covers every kind of commercial activity, even kids selling tangerines or cigarettes.</p> <p>In addition, “resale and commercialization” includes everybody who sells bottles of petrol by the side of the road, as well as electricity generation, LPG bottling, retail petrol sales, etc. Article 3.1(f) and (g) only refer to “exclusive jurisdictional areas of Timor-Leste,” which excludes the JPDA. If a floating LNG plant or other processing facility were built within the JPDA, it would not be covered.</p>

<p>(g) establish criteria for the calculation of tariffs for transport by oil pipeline within the exclusive jurisdictional areas of Timor-Leste and to fix the level thereof, in the event that an arbitration opinion is requested by the parties interested in this economic activity;</p>	<p>This should implement a policy for calculating such tariffs, based on published criteria for pipeline transport rates and consistent across all projects and companies. Why is this singled out for arbitration, rather than coming under the general dispute resolution provisions of this law?</p>
<p>(h) supervise the activities carried on by the petroleum and natural gas industry and impose the administrative and pecuniary sanctions provided in the law, regulations or contracts;</p>	<p>This should also include the application of criminal penalties (including prison, as specified in Chapter VIII of the Petroleum Act) when appropriate, referral to the judicial system, and other sanctions strong enough to deter multi-billion dollar companies and potentially corrupt officials from inappropriate or illegal activities.</p>
<p>(i) delimit and expropriate areas required for exploration, development and production of petroleum and natural gas, and the construction of processing plants, pipelines and terminals within the exclusive jurisdictional areas of Timor-Leste;</p>	<p>To some extent, this overlaps with (e). If the NPA is to “expropriate areas required” for petroleum activities, it must be done according to legal procedures, including notice, consultation, protection and compensation of landowners, residents and traditional owners. This is a broad and problematic subject which would be better handled as part of a comprehensive government policy on eminent domain, perhaps implement by another agency (such as the Ministry of Justice) with greater capacity to consider local situations and rights.</p>
<p>(j) ensure good practices in the conservation and rational use of petroleum, natural gas and their products and the preservation of the environment;</p>	<p>The goal should be more than “ensure good practices,” but to protect and preserve the local and global environment, and to remediate damage thereto from both normal and accidental activities. In some cases, bad practices will need to be prohibited. This clause should be separated into several clauses, spelling out mandates to ensure conservation, sustainability, “rational use” and environmental preservation. It should also include Timor-Leste’s responsibilities as residents of planet Earth, considering ways to minimize emission of greenhouse gases and keep our carbon footprint small.</p>
<p>(k) stimulate research and the use of new technologies in development, production, transport, refining and processing;</p>	<p>“new <u>and improved</u> technologies”</p>
<p>(l) organize and keep all of the information and technical data regarding the regulated activities of the petroleum industry;</p>	<p>This should also include financial data, in cooperation with the Ministry of Finance. This clause should refer to another clause detailing dissemination and publication of information, in addition to collection and storage, which could be done in collaboration with a university to build capacity and knowledge about these issues, as well as to improve communications with the public.</p>
<p>(m) annually, consolidate the information regarding the national petroleum reserves provided by the undertakings and to be responsible for the dissemination thereof;</p>	<p>This should also include the JPDA, with reports of reserves published annually or more often. A standard for “dissemination” should be defined in this law, as it’s unclear what other public information requirements apply to the NPA. There needs to be another section spelling out public information in more depth.</p>
<p>(n) establish and supervise the proper working of a national fuel stocks system and an annual strategic fuel stocks plan;</p>	

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(o) collaborate with other regulatory authorities in the energy sector with regard to matters of common interest;	Delete “in the energy sector” to enable wider collaboration. This would be a good place to spell out how NPA relates to other organs of the State and civil society.
(p) regulate and authorise activities related to the national fuel supply and supervise them directly or in collaboration with other Government agencies;	
(q) require regulated agents to submit information regarding production, import, export, refining, improvement, treatment, processing, transport, transfer, storage, stocking, distribution, resale, allotment and commercialisation of the products subject to its control;	There’s no clear description of which agents are to be regulated. This could include every shop or kiosk which sells kerosene, LPG bottles, plastic chairs or butane cigarette lighters. A clearer and more limited definition of distribution activities to be regulated by the NPA is essential. In this and the next line, “products” needs to be defined.
(r) specify and certify the quality of petroleum and natural gas products;	
2. In matters relating to the Joint Petroleum Development Area established by the Timor Sea Treaty, the NPA, as Designated Authority, shall be responsible to the Joint Commission and shall carry out day-to-day regulations and management of petroleum activities.	“regulations” should be “regulation” to use the language of Timor Sea Treaty Article 6(b)(iv).
3. The powers and functions of the NPA, in its capacity as Designated Authority for the purpose of the Treaty, shall include:	Articles 3.2 and 3.3 list the jurisdiction inside the JPDA, but Timor-Leste should not relinquish jurisdiction over other areas disputed with Australia where no maritime boundary has been established. (The 2002 Timor Sea and 2006 CMATS treaties are petroleum revenue sharing agreements, specifically without prejudice to a future maritime boundary settlement.) This Decree-Law should, in this Article (including 3.2(i)) or elsewhere, refer to the territorial claims made in RDTL Law No. 7/2002 (Maritime Boundaries). Are these powers only intended to apply within the JPDA? If so, some of them (e.g. (f-i)) should also be spelled out for Timor-Leste territory.
(a) day-to-day management and regulation of petroleum activities in accordance with the Treaty and any instruments made or entered into under the Treaty;	And monitoring, including ensuring that operators follow their plans.
(b) the preparation of the annual estimates of income and expenditure of the NPA regarding activities connected with the Joint Petroleum Development Area for submission to the Joint Commission;	This should be integrated into the government budgetary process as well, and income comes only from the State budget. Timor Sea Treaty (TST) Annex C, clause (b) also requires that the JC approve expenditure estimates before money can be spent; should this be mentioned here?
(c) the preparation of annual reports to be submitted to the Joint Commission;	Annual reports to the Joint Commission should also be presented to the RDTL Government and be published, including the TSDA report for 2007.
(d) requesting the assistance of the appropriate Australian and Timorese authorities, consistent with the Timor Sea Treaty	“Timorese” should be “Timor-Leste”
i. for search and rescue operations in the JPDA;	
ii. in the event of a terrorist threat to the ships and structures involved in the petroleum operations in the JPDA; and	TST Annex C reads “in the event of a terrorist threat to the vessels and structures engaged in petroleum operations in the JPDA; and” which is slightly different, in that it includes helicopters and is more specific.

iii. for air traffic services in the JPDA;	
(e) requesting the assistance of the appropriate Australian and Timorese authorities, or other bodies or persons, in connection with anti-pollution preventive measures, equipment and procedures;	TST Annex C reads “(e) requesting assistance with pollution prevention measures, equipment and procedures from the appropriate Australian and East Timor authorities or other bodies or persons;” If possible, this should be expanded to include recovery from accidents and spills, as well as decommissioning, emergency response, and alleviation of environmental damage from normal and exceptional operations.
(f) establishment of safety zones and restricted access zones, consistent with wit international law, in order to ensure the safety of navigation and petroleum operations;	
(g) controlling movements into within and out of the JPDA of vessels, aircraft and structures and other equipment employed in exploration for and exploitation of petroleum resources in a manner consistent with international law;	
(h) subject to the customs, quarantine and migration provisions of the Timor Sea Treaty, authorise access to the JPDA by employees of concessionary companies and companies to which contracts have been awarded and by their subcontractors, and other persons;	
(i) issuing regulations and giving directions, in accordance with the Timor Sea Treaty, on all matters related to the supervision and control of petroleum activities, including on health, safety, environmental protection and assessments and work practices, pursuant to the Petroleum Mining Code applicable to the JPDA;	As there are different PMCs for different areas of the JPDA, this should be more explicit.
(j) exercising such other powers and functions as may be identified in Annexes to the Timor Sea Treaty.	TST Annex C (i) adds “or as may be conferred on it by the Joint Commission,” which is repeated in TST Annex D 1(b). If this is still operative, it should be included – and perhaps other language needs to be added to this decree-law to explain how the Joint Commission interacts with RDTL law and sovereign organs.
<b>Article 4. Powers and Prerogatives</b>	
1. The NPA shall be vested and exercise State powers and prerogatives in order to comply with its regulatory and supervisory functions, which are limited to:	
a) Supervision of facilities, equipment and documents of entities operating in the petroleum and natural gas industry and its derivatives;	This probably intends to say “entities operating in the industries of petroleum, natural gas and their derivatives.” Both “entities” and “derivatives” need to be defined. Also, if the NPA is responsible to supervise the products (i.e. quality) and activities of such entities, this should be spelled out.

<p>b) Collection of the tariffs due as a consequence of its regulatory and supervisory activity;</p>	<p>Articles 4.1(b) and 4.1(d) potentially violate the Petroleum Fund Act; they should specify that any money collected in relation to petroleum operations must be deposited into the Petroleum Fund.</p> <p>If the NPA is responsible for establishing tariffs and setting their levels, this should be stated. But it would be better if the types and levels of tariffs, as a policy matter, were established by a policy-making body. Also, is the NPA responsible to ensure that petroleum companies make other payments (i.e. per their contracts, and tax laws) which are not a consequence of NPA regulatory activity?</p>
<p>c) Within the limits of general law, coercive enforcement of its decisions regarding the petroleum and natural gas industry by requesting the intervention of other administrative authorities including police if necessary;</p>	<p>NPA should also be able to coercively enforce the Petroleum Act and other relevant decisions by other agencies. In addition to the police, it should be able to use the General Prosecutor, Provedor, Inspector General and judicial system. These oversight agencies should be empowered to enforce the law even without NPA request, if they believe that the NPA is not performing its tasks appropriately, and to ensure that NPA officials obey the law.</p>
<p>d) Imposition of sector regulated fines whenever a breach of normative or contractual obligations occurs.</p>	<p>Does “sector regulated fines” mean “fines in the sector regulated by the NPA”? Other penalties (suspension of licenses, restriction of activities, prison, etc.) might be appropriate at times. The mechanism for setting fines should be defined, perhaps in Article 4.2.</p> <p>“Normative” usually means commonly understood, unwritten standards. Although these can be difficult to enforce (and may violate the right to due process in Article 4.3), this clause should be clarified to ensure that violations of laws and regulations are also subject to penalty.</p> <p>See comment under 4.1(b) regarding the Petroleum Fund.</p>
<p>2. The NPA shall issue, in the exercise of its regulatory powers, regulations which establish the administrative procedures and obligations to be complied with by entities in the petroleum and natural gas industry and its derivatives, operating in the regulated sector.</p>	<p>Insert “consistent with policies established by the Government through laws” after “regulations.”</p>
<p>3. The NPA shall apply the principle of due process in enforcement proceedings and in so doing shall ensure that the offender is entitled to make representations in their own defence.</p>	<p>There should be an administrative judicial body outside or within the NPA to provide due process. The defender should be entitled to an attorney, and there should be a mechanism for appeals. Also, if someone is victimized as a result of petroleum activities authorized by the NPA (such as agricultural land being damaged by an oil spill), they should be able to ask the NPA to help them receive compensation, as well as to enforce its rules.</p> <p>Give the vagueness of Article 5, it’s important to give more specifics about how legal rights of companies, residents and the State are to be protected.</p>

<p><b>Article 5. Resolution of Disputes</b></p>	
<p>The regulations approved by the NPA shall make provisions regarding the procedures to be adopted in order to resolve disputes between the parties involved, with an emphasis on conciliation and arbitration.</p>	<p>This should explicitly include disputes among companies, between companies and the NPA, and between companies and workers or local residents. If conciliation and arbitration (and perhaps compensation) fails, there should be another mechanism available, or an appeal if arbitration is rejected by one party. The vagueness of this article does little to clarify the situation, and may contravene the Parliament-approved Petroleum Act.</p> <p>Article 20 of the 2005 Petroleum Act contains a mechanism to resolve disputes between Authorized Persons (PSC holders) and the State of Timor-Leste, using negotiation, followed by arbitration or a court. Other disputes are decided by the “Ministry” alone if the parties consent.</p> <p>For example, onshore petroleum operations are likely to come into conflict with local farmers and residents, or with people who the company wants to displace. Mishandling of such disputes has led to disastrous results in other countries.</p>
<p><b>CHAPTER III. STRUCTURE OF THE NPA</b></p>	<p>In general, this section is not well-written, and not explicit enough to clearly define the structure and the separation of powers and responsibilities among the different organs. Other public institutes in Timor-Leste are better structured, with more accountability and internal and external checks and balances. These should be used as models for the NPA.</p>
<p><b>Article 6. Organs</b></p>	<p>The Management Committee (Article 10.3) is also an organ of the NPA.</p>
<p>1. The NPA shall have the following organs:</p>	
<p>a) Board of Directors;</p>	
<p>b) President of the NPA/Chairman of the Board of Directors;</p>	
<p>c) Single Auditor.</p>	
<p><b>Article 7. Board of Directors</b></p>	
<p>1. The Board of Directors, is the collective organ in the organisation responsible for the defining of the general direction of the organisation in accordance with sector related policies issued by the Government of Timor-Leste; approving regulations and directives; approving the NPA’s Consolidated Work Program and Budget.</p>	<p>The Consolidated Work Program and Budget should be published. According to Article 2(a), and are subject to “ministerial approval.” Their overall allocations should also be approved by Parliament as part of the General Budget of the State.</p>
<p>2. For avoidance of doubt, the Board of Directors, will pass the Budget for JPDA operations after it has been approved by the Joint Commission. Notwithstanding that any delay in the external approval of that subcomponent of the national consolidated budget will not interfere with the national process of approving the NPA’s budget without the JPDA’s component.</p>	<p>Are there to be two separate budgets, one for JPDA operations and one for other activities? If the Board of Directors, the Minister, and Parliament are not allowed to change the budget after it has been approved by the Joint Commission, this would violate democratic processes and Constitution Articles 95(d) and 145, with Parliamentary budgetary approval required by Article 115.1(d).</p>



<p>3. Following approval by the Joint Commission, budgetary items referred to in the preceding paragraph shall be included in the consolidated budget.</p>	<p>If the NPA is to begin operations in July 2008, it needs a transitional process to approve its budget for July-December 2008, which should be part of the mid-year update of the State Budget. The only apparent NPA allocation in the State Budget approved by Parliament in December 2007 is a DNPG expenditure of \$114,000. The TSDA's budget for 2008 is around \$5 million (it has not been published), presumably this must be allocated to the "JPDA component" of the NPA budget.</p>
<p>4. The Board of Directors is comprised by its Chairman (the President of the NPA) and four other directors.</p>	
<p>5. The President of the NPA will automatically chair the Board of Directors.</p>	<p>In the BPA and other agencies, the Board of Directors is led by a different person from the President or General Manager, and we suggest a similar distribution of power in the NPA, to share responsibilities and improve checks and balances.</p>
<p>6. The President of the NPA and two other directors will sit on this Board following their designation by the Government and the other two will be exofficio members of the Board because of positions held as NPA's executive directors responsible for the upstream and downstream divisions.</p>	<p>The NPA Board of Directors should be appointed by diverse sources, since their work is so critical to the economy and future to Timor-Leste. Rather than having all members appointed by the Government and NPA President, we propose that SERN appoint one (the President), Parliament appoint one and the President of the Republic appoint one, in addition to the ex-officio members. They should all be confirmed by the Parliament (perhaps following confirmation by the Council of Ministers). Since the Parliament includes a range of political parties and meets in open session, this would be more transparent and democratic than a process run by the Government in closed meetings. An open process is essential to prevent cronyism and to ensure broad public and political support for the actions of the NPA.</p>
<p>7. The Government designated members shall be nominated and appointed by the member of the government cabinet in charge of petroleum resources for a renewable 4-year term of office, upon approval of their designation by the Council of Ministers.</p>	<p>This section should include qualifications and disqualifications for the NPA Board of Directors, to ensure professionalism and prevent conflicts of interest. In addition to requiring expertise and excluding known criminals, a provision similar to the one in the BPA statute should be included: "No person shall serve on the <i>Governing Board</i> while he or she is a member of the <i>National Assembly</i>, or the Council of Ministers, an official of a ministry, or an official or employee of a <i>Bank</i> operating through offices in East Timor or is a beneficial owner of five percent or more of an equity interest in a <i>Bank</i>."</p>
<p>8. The two exofficio members of the board will have their term of office set according with the duration of their employment contract as executive directors for the upstream and downstream divisions/departments, but under no circumstances, can the duration of their mandate as board members ever exceed a 3-year term, renewable.</p>	

<p>9. The members of the Board of Directors shall not have any financial interests or holdings in undertakings in the regulated sector while they are in office and for the period of 1 (one) year after they cease to be board members.</p>	<p>This should include the President, all the executive directors and the single auditor. It should be part of a strong, comprehensive, government-wide conflict of interest and anti-corruption law. But until that exists, it needs to be spelled out here.</p> <p>Close relatives of Board members and EDs should also be barred from having financial or other interests in companies in the regulated sector, as well as in companies outside the sector which are significantly affected by NPA decisions. For example, NPA decisions about fuel prices could impact on an automobile dealer or a taxi business, and such conflicts of interest should be avoided. NPA directors and officials should be barred from working or subcontracting with companies in the regulated sector for one year after they leave their positions, as should members of their families. Similar provisions should apply to Executive Directors and the NPA Single Auditor. It may also be wise to preclude them from holding other Government or political party positions will serving with the NPA.</p>
<p>10. Any board member might be dismissed under the following circumstances:</p>	<p>The BPA rules specify clear grounds for dismissal, as well as who is responsible to decide on dismissals, and should be paraphrased here. Also, "might" is too vague, and should be "shall" with specific actions listed.</p>
<p>a) adjudication of judicial decision;</p>	<p>Would be better as "Convicted by a judicial court of criminal activity." Or does it mean something else?</p>
<p>b) exoneration of government appointees by government decision on grounds of serious misconduct, gross negligence or merit evaluation of his/her performance;</p>	<p>Exoneration is a mistranslation; what is intended here?</p>
<p>c) forced termination of contract (dismissal) as executive director of upstream or downstream following due disciplinary process.</p>	<p>Can other directors or the President be dismissed by a disciplinary process? Who is responsible for making such a decision, and how does the process work?</p>
<p><b>Article 8. Powers and Functions of the Board of Directors</b></p>	
<p>1. The Board of Directors shall:</p>	
<p>a) Define the mission and general orientation and direction of the NPA, within the limits of the public nature of the Institution;</p>	<p>The overall NPA mission and direction of NPA should be set by this statute or Parliament, as suggested in our narrative submission, rather than the Board. Although the Board of Directors can define strategy to achieve that mission, its role should be regulatory, not policy-making.</p>
<p>b) Approve strategic and business plans and ensure compliance therewith;</p>	<p>Such plans should be published.</p>
<p>c) Approve the internal regulations of the NPA and external regulations necessary for the Authority's supervisory and regulatory activity notwithstanding number 2, paragraph i), of article 3;</p>	<p>The cross-reference is incorrect.</p>
<p>d) Approve for submission the annual work plan and budget.</p>	
<p>2. Whenever consensus is unattainable the Board of Directors shall deliberate by using the simple majority rule and the chairman will have the power to exercise his/her casting vote.</p>	<p>This should be part of Article 9, since it relates to proceedings rather than powers of the board. It would provide better separation of powers if the Chairman did not vote, with one more director added to create an odd number.</p>

<p><b>Article 9. Proceedings of the Board of Directors</b></p>	
<p>The Board of Directors shall meet ordinarily once a month and extraordinarily whenever convened by its Chairman or at the request of its other members or the Single Auditor.</p>	<p>This should also cover quorum, minutes, procedures for convening the meeting, who is allowed to participate (i.e. Single Auditor, Management Committee), etc?</p>
<p><b>Article 10. President of the NPA/Chairman of the Board of Directors</b></p>	
<p>1. The President of the NPA is the executive organ of the NPA in charge of day-to-day management and administration of the organisation.</p>	<p>See comment under Article 7.5. The NPA structure centralizes too much power in one person – the President also chairs the Board of Directors and the Management Committee, and is responsible for operations and administration, yet there is little oversight of this person or accountability to any other authority. It is dangerous when someone is their own supervisor, and facilitates corruption.</p>
<p>2. The President of the NPA will be assisted by several directors to help him/her in carrying out his/her duties.</p>	<p>These are Executive Directors (EDs), not members of the Board of Directors. Perhaps a different term can be used. Since two of them sit on the Board of Directors, it's confusing. This NPA law should enumerate the areas of responsibility for each Executive Director position: JPDA, upstream, downstream, and whatever others are planned.</p>
<p>3. The President of the NPA shall establish a Management Committee which will consist of all executive directors.</p>	
<p>4. The position of President of the NPA is entrusted by the government under the contract of mandate; in that capacity, the President, public manager of the NPA, can have his/her mandate revoked by Government.</p>	<p>Does Government mean the State Secretary for Natural Resources, the Prime Minister or the Council of Ministers? Given the tremendous amount of power the President has, this should not be a political decision, and dismissal should follow due process. However, there should be qualifications for selecting this person, as described in our comment to article 7.9 above.</p>
<p>5. For the purpose of the paragraph 10.4 above, the Government can only revoke the mandate on grounds of serious misconduct, gross negligence or merit evaluation of his/her management performance.</p>	
<p><b>Article 11. Powers and Functions of the President of the NPA/Chairman of the Board of Directors</b></p>	
<p>The President of the NPA/Chairman of the Board of Directors shall:</p>	
<p>a) Represent the NPA in court or other legal proceedings;</p>	
<p>b) After seeking the views of the Joint Commission, appoint an executive director with exclusive responsibility for the JPDA matters;</p>	
<p>c) After competitive procurement of positions of Director, appoint the executive Directors of the NPA, notwithstanding the transitional one year provision under article 31 of this Decree-Law;</p>	<p>“notwithstanding” should be “consistent with”</p>

d) Head and supervise the day-to-day operations of the NPA;	The President should not be his own boss. This has been a problem in the past, when the same person was Executive Director (President) of the TSDA and a member of the Joint Commission.
e) Chair all meetings of the Board of Directors and Management Committee and assure proper implementation of all deliberations and decisions;	See comment to 10.1.
f) Coordinate the activities of the Board and the Executive Directors, including allocation of responsibilities to its members, and ensure hierarchical compliance with decisions taken;	
g) The President of NPA/Chairman of the Board of Directors has a casting vote privilege in the Board of Directors deliberation process.	
<b>Article 12. Single Auditor</b>	
The Single Auditor is the organ responsible for monitoring legality, regularity and proper financial and patrimonial management of the NPA.	
<b>Article 13. Appointment and Term of Office</b>	
The Single Auditor shall be appointed by a joint order of the Secretary of State for Natural Resources and the Minister of Finance for a renewable 3 (three) year term of office, and can only be removed from office on grounds of serious misconduct or gross negligence.	If the auditor is to provide semi-independent oversight, he/she should be appointed by people outside of the State Secretariat for Natural Resources. Especially when the SERN and Minister of Finance are related, this offers essentially no safeguard against collusion. The Auditor should be appointed through a process external to the Secretariat for Natural Resources or other ministries of the Government (since all Ministers serve at the pleasure of the Prime Minister), such as by the Inspector General or Banking and Payments Authority with approval by Parliament. to improve independence and fiscal responsibility.
<b>Article 14. Functions of the Single Auditor</b>	
1. The Single Auditor shall:	
a) Audit and control the economic, financial and patrimonial management of the NPA;	Annual audit reports should be provided to Parliament and published, as well as other reports the as Parliament or the Auditor requests. The auditor should also oversee contracting and bidding processes to ensure that they conform to the law.
b) Periodically inspect the books and accounting records of the NPA;	The auditor should also have access to the books, records and production reports of companies operating under PSCs or other authorizations in the JPDA or Timor-Leste territory.
c) Issue recommendations prior to the acquisition and disposal of immovable assets;	
d) Produce technical opinion on the NPA's budget and budgetary execution and draw technical recommendations to be submitted to the board of directors;	

<p>e) Issue recommendations on procedures in place regarding internal control.</p>	<p>If the Auditor finds anything irregular, he/she should be authorized to bring it to the attention of the Provedor, the Inspector General and/or the General Prosecutor, in addition to the Board of Directors and President of NPA, the Minister of Finance and SERN.</p>
<p>2. The functions of the Single Auditor are without prejudice to the appointment of auditors under the Timor Sea Treaty for the purposes of that treaty.</p>	
<p><b>CHAPTER IV. CONDITIONS OF EMPLOYMENT, PATRIMONY AND FINANCE</b></p>	
<p><b>Article 15. Employment of Staff</b></p>	
<p>1. The NPA's staff, other than statutory appointed board members and auditor, are subjected to competitive procurement in their recruitment process in accordance with best practice in the sector without prejudice of their contractual conditions being ruled by agreement of parties within the limits of the labour law of the country and the administrative and financial autonomy of the NPA, notwithstanding the transitional one year provision under article 31 of this Decree-Law.</p>	<p>Insert "best <u>worldwide</u> practice in this sector." However, NPA staff recruitment should follow the same laws and procedures as other Timor-Leste civil servants.</p>
<p>2. Contracts of employment shall be primarily governed and interpreted by the rules of the contract and complemented by the Timor-Leste labour law.</p>	<p>Delete "primarily" and add "civil service and" before "labour." Laws should be the primary determinant, with "rules of the contract" secondary. As written, this encourages the signing of contracts which violate Timor-Leste laws.</p>
<p>3. The current employees of the Designated Authority may become employees of the NPA upon the cessation of the TSDA, subject to agreement between the NPA and each individual employee on the terms and conditions of their employment.</p>	<p>If it is intended that most TSDA employees move to the NPA, this should be "shall", as "may" is vague as to who decides. Do current employees of DNPG also migrate into the NPA through a similar process, if their positions have been eliminated? Given that there is only one ED for the JPDA, what happens to the other current TSDA Executive Directors?</p>
<p>4. Notwithstanding with the paragraph 3 above, the NPA shall not be the TSDA's successor as employer.</p>	
<p><b>Article 16. Patrimony</b></p>	
<p>1. The official patrimony of the NPA shall comprise the assets and all of the technical data of the Designated Authority together with transfers by State Institutions and agencies, including the Secretariat of State for Natural Resources.</p>	
<p>2. Parties to the Timor Sea Treaty shall have access to the technical data referred to in paragraph 1.</p>	<p>This allows Australia to access all technical data mentioned in 16.1, which includes Timor-Leste's sovereign territory, and should be changed.</p>

**Submission on draft decree-law to establish Timor-Leste National Petroleum Authority. Article by article commentary.**

La'o Hamutuk

10 June 2008

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<b>Article 17. Revenues</b>	The collection of revenues and authorization of expenditures must be consistent with the Government budget and the 2005 Petroleum Fund Act and conform to policies set by Parliament in an open and democratic manner.
The following are NPA's revenue:	The NPA should not receive any revenues other than those described in Article 17(d) from the State budget. Articles 17(a), (b), (c), (f) and (g) violate Petroleum Fund Act Article 6.1. The NPA should not receive any income from petroleum-related activities, although some provision needs to be made for the 10% that is paid to Australia. Perhaps, in a process analogous to the Sunrise redistribution described in CMATS Article 5.9, Timor-Leste could receive all revenues (into the Petroleum Fund), with a quarterly payment to Australia of the 10% of JPDA revenues it is entitled to
a) The sums in respect to the tariffs payable for the provision of services within the ambit of its powers and functions;	Should go into the Petroleum Fund.
b) The sums with regard to authorisations, certificates, approvals and other licences granted in the exercise of the NPA's powers;	Should go into the Petroleum Fund.
c) The proceeds of fines imposed for breaches of the laws, regulations and technical requirements applicable to the regulated sector;	Should go into the Petroleum Fund.
d) Budgetary allocations by the Government;	
e) Grants, inheritances or legacies;	The NPA should not be allowed to do its own fundraising, outside of the government budget.
f) Income and proceeds from its own assets and the disposal thereof or from the establishment of rights over such assets;	Should go into the Petroleum Fund.
g) Any other income arising from its activity, or which belongs to it by law, internal regulation or contract.	Should go into the Petroleum Fund, if petroleum related. This and the other general provisions in this article risk corruption, as there is no oversight. How are they to be distinguished from bribes? Right now, the TSDA earns interest due to delays in passing on payments from companies to the two governments. Is this intended to be included here? It would be a step backwards, as the interest is now paid to Australia and TL.
<b>Article 18. Expenditures</b>	
1. The NPA's expenditures shall be all expenditure which the Board of Directors internally approves as necessary for the performance of its functions and the exercise of its powers, the operation of its services, and the management of publicly owned assets.	Expenditures should be according to the State Budget developed by the Government and approved by Parliament, and not left to the Board of Directors, "internally" or otherwise. Small details of expenditures are not in the State Budget, but Parliament should set overall amounts and categories, which should be overseen in the same way as expenditures by other Government agencies. Just as all NPA revenues should come from the budget, all expenditures should follow democratic decisions. Article 145.2 of the Constitution prohibits "the existence of secret appropriations and funds" requiring publication of the budget, as well as approval by the National Parliament.

<p>2. All fees paid by contractors in relation to the JPDA shall be expended in accordance with the budget for the JPDA, approved by the Joint Commission.</p>	<p>Such fees should go into the Petroleum Fund, with their expenditure incorporated into the normal budgetary process.</p>
<p><b>CHAPTER V. DEVELOPMENT AND PRODUCTION OF PETROLEUM, NATURAL GAS AND THEIR DERIVATIVES</b></p>	
<p><b>Article 19. Legal Entitlement to Rights</b></p>	
<p>1. Timor Leste's petroleum exploration, development and production rights in the exclusive jurisdictional areas of Timor-Leste shall be administered by the NPA.</p>	<p>This should reference the Timor-Leste Maritime Zones Act (RDTL Law No. 7/2002) which defines Timor-Leste's claimed EEZ, as well as onshore territories.</p>
<p>2. The petroleum exploration, development and production rights in the JPDA are shared between Timor-Leste and Australia and shall be administered by the NPA in accordance with the Timor Sea Treaty.</p>	<p>Add “, the CMATS Treaty and the Sunrise IUA.”</p>
<p><b>Article 20. Nature of the Technical Assets</b></p>	
<p>The technical assets, which comprise the data and information regarding the sedimentary basins of Timor-Leste are also considered to be an integral part of the national petroleum resources, shall be collected, maintained and administered by the NPA.</p>	<p>There should be a comma after “Timor-Leste” and an “and” after “resources,”.</p>
<p><b>Article 21. Petroleum Contracts/Agreements</b></p>	
<p>The NPA will enter into the Contracts/Agreements for exploration, development and production of petroleum and natural gas in accordance with the Petroleum Activities Law and its subsidiary regulations in the Timor-Leste's exclusive jurisdictional areas, and the Petroleum Mining Code for the areas in the JPDA;</p>	<p>What agreements other than contracts are permitted? The Petroleum Act has a process for upstream authorisation exclusively through Production Sharing Contracts; does this decree-law anticipate something else? Recently, the Government has signed secret MOUs with several foreign companies, including East Petroleum, Petronas and Korea Gas. To avoid this dangerous practice, all such agreements should be public and through an open bidding process, as envisioned by the Petroleum Act.</p>
<p><b>CHAPTER VI. REFINING OF PETROLEUM AND PROCESSING OF NATURAL GAS</b></p>	
<p><b>Article 22. Submission of Bids</b></p>	
<p>1. Any undertaking or consortium, which complies with the legal requirements and regulations may submit bids to the NPA for the construction and operation of petroleum refinery or its products, oil and natural gas processing and stocking units, and to expand the capacity thereof.</p>	<p>Open bidding should be mandatory for all contracts, as per Government procurement laws. Refineries and other downstream processing operations will purchase crude oil, raw gas or other materials from an upstream contractor, so they should be regulated as businesses, which is different from contracting with the Government to share state-owned resources. This section should describe an application process for licensing, rather than a bidding process for using state-owned resources.</p>

<p>2. The NPA shall establish technical, commercial and socio-economic requirements, such as level of employment creation or use of local goods and services, to be complied with by bidders; and requirements of Projects in terms of environmental quality, industrial safety and the safety of the public at large.</p>	<p>These local content and other concerns should be applied to all aspects of petroleum operations, not only to refining and processing. Overall local content, environmental and safety policies should be established by Timor-Leste law, not simply by the NPA, and should apply to all industrial projects. There should also be a requirement for clean-up and decommissioning at end of the project's life. The NPA, as regulator, must insure that the laws are followed, but it should not write them.</p>
<p>3. The provisions of the preceding number having been complied with, the NPA shall grant the authorisation.</p>	<p>"Authorisation," as the word used for upstream contracts where only one contractor has rights to a particular area, does not apply here. It should be "license" or "operating permit," as there is no limit to the number of such permits which could be granted. It might be appropriate to require the permit applicant to demonstrate that they have rights to the crude oil or other inputs to their refinery.</p>
<p>4. Authorisations may be transferred to other persons with prior express approval of the NPA, provided that the new holder of the authorisation complies with the requirements given.</p>	
<p><b>CHAPTER VII. TRANSPORT OF PETROLEUM, NATURAL GAS AND THEIR DERIVATIVES</b></p>	
<p><b>Article 23. Transport Authorisations</b></p>	
<p>1. Provided that the provisions of the relevant laws are complied with, any undertakings or consortium of undertakings, which comply with the legal requirements and regulations may be granted permission by the NPA to construct facilities and effect any form of transport of petroleum, petroleum products or natural gas, whether for domestic supply or import-export.</p>	<p>The word "facilities" needs to be defined, and this article in general needs to be clearer. It also needs to specify open bidding, environmental and land use rules, and reference Constitutional rights and other laws. The drafters of this statute may have something more specific in mind, but the article itself is very vague, and the concerns we expressed for Article 22 also apply to this one.</p>
<p>2. The NPA shall approve the rules regarding qualification and approval of interested parties and conditions for the grant of authorisation and for the transfer thereof, in accordance with environmental protection and traffic safety requirements.</p>	<p>Is the NPA responsible to write the rules, or only to approve them?</p>
<p><b>Article 24. Use of Pipelines</b></p>	
<p>1. The NPA may permit any interested party to use the excess capacity of pipelines and sea terminals, which exist now or are to be constructed in the future, in exchange for the payment of an appropriate sum to the owner of the facilities.</p>	<p>This article appears to be an inappropriate intervention by the NPA into what should be a strictly commercial negotiation between the companies. Perhaps it's a reaction to a specific situation, which could be better handled by a general statute about privately-owned public utilities (such as sea terminals) which, within the limit of their capacity, can be used by anyone for a fee.</p>
<p>2. In the event that there is no agreement between the parties, the NPA shall fix the appropriate amount and payment method and shall confirm that the referred amount is compatible with the market.</p>	



<p>3. The NPA shall regulate the preference to be given to the proprietor of the facilities with regard to the handling of its own products, in order to, under paragraph 1, promote the maximisation of the use of transport capacity by the means available.</p>	
<p><b>CHAPTER VIII. IMPORT/EXPORT AND COMMERCIALISATION OF PETROLEUM, NATURAL GAS AND THEIR DERIVATIVES</b></p>	
<p><b>Article 25. Grant of Authorisation</b></p>	
<p>The NPA may grant to any undertakings or consortium of undertakings, which comply with the legal requirements and regulations, an authorisation to import, export and commercialise, petroleum and its derivative products and/or natural and condensed gas.</p>	<p>Is such an authorization (which should be called a license) required before a business can engage in such activities? Under what law? This is another example of the problems of putting downstream regulation in the NPA without a prior Parliamentary law defining what is to be regulated, how and by whom.</p>
<p><b>CHAPTER IX. FINAL PROVISIONS</b></p>	
<p><b>Article 26. Transfer of Powers and Functions</b></p>	
<p>1. Powers and functions of a regulatory nature, and rights and obligations related to petroleum and gas and related products industry, which were originally granted to the Ministry in charge of Petroleum sector shall vest in the NPA, including but not limited to, Articles. 9 to 14, except paragraph b and c of article 13, 18 to 21, 23, 24, 27 to 32 and 38 of the Petroleum Activities Law;</p>	<p>Since a Parliamentary law assigned powers to a Ministry (and Minister), a decree-law cannot reassign them to an autonomous agency. Petroleum Act Articles 25 and 26, regarding data and inspections, describe functions which should also be transferred to the NPA. We have not checked the entire Petroleum Act for consistency with the draft NPA decree-law, but there are likely to be other inconsistencies. Petroleum Act paragraphs 13(b) and (c) allow the Minister to award Authorisations without open bidding. Is the exception in this clause intended to allow the Minister to retain such power, while transferring all other authorization-related powers to the NPA? It seems an odd division of labor.</p>
<p>2. All powers, functions, rights and obligations of the Designated Authority pursuant to the Timor Sea Treaty shall vest in the NPA on July, 1, 2008.</p>	<p>How can NPA start work on July 1 if as of yet it has no Board of Directors or President, and consequently no budget or work plan? Is there a transitional plan for this?</p>
<p>3. The assets and technical data of the TSDA become the assets and technical data of the NPA on July 1, 2008 .</p>	
<p>4. Consistent with the Timor Sea Treaty and the agreements between the Governments of Timor-Leste and Australia on the postponement of the TSDA cessation, the TSDA will cease to exist on June 30, 2008.</p>	

<p><b>Article 27. Legislative Changes</b></p>	
<p>Proposed new legislation or amendments, which affect the rights of economic agents or of consumers and users of goods and services of the petroleum industry shall be preceded by a public hearing convened and conducted by the NPA.</p>	<p>Enacting or amending legislation which relates to setting policies rather than to regulating particular projects, is not within the competence of the NPA as a regulatory body.</p> <p>Article 27 illustrates the unfortunate focus of this law on economic benefits for people in the petroleum business and consumers of their products, to the exclusion of others who may be affected by petroleum operations.</p> <p>As a regulator responsible to protect the human and property rights of all citizens of Timor-Leste, the NPA can facilitate consultation with community residents and other stakeholders who might be impacted in any way (environmental, economic, land use, accident risk, urbanization, etc.) by activities or regulations relating to the NPA's mandate. In particular, local public consultations (not only hearings) should be held in communities which could be affected, with adequate notice, information, languages, time and opportunity for participation. Projects and regulations should be modified (or, in the extreme, cancelled) based on information and ideas which emerge from the consultation process.</p>
<p><b>Article 28. Transposition of JPDA Regulations and Publication</b></p>	
<p>1. Upon approval by the Joint Commission, the JPDA regulations binding to private legal entities and third parties, will be transposed to the Timor-Leste legal system by decree-laws.</p>	<p>Specifically list which regulations are included, as it's unclear which are "binding to private legal entities and third parties." Is this intended to happen by this decree-law, or will there be others to accomplish it?</p>
<p>2. The JPDA regulations approved before June 30, 2008, by the Joint Commission, binding to private legal entities and third parties are to be maintained in force and being of the responsibility of the National Regulatory Authority (NPA) during the execution of activities in its capacity as Designated Authority, to act in conformity to these regulations.</p>	<p>This presumably refers to the Technical Regulations currently being discussed by the Joint Commission. As La'o Hamutuk wrote in our submission and discussed with the TSDA, they contain many flaws and should not be adopted without further consultation and discussion. These regulations don't only apply to private legal entities and third parties, but also to the regulatory authorities.</p> <p>However, the JPDA Technical Regulations to date only apply inside the JPDA. Are they intended to also apply to Timor-Leste's sovereign offshore areas, including near the coast, or to onshore areas? If so, they will require significant revisions.</p> <p>"Regulatory" should be "Petroleum."</p>
<p>3. All regulations issued by the National Petroleum Authority (NPA) within its scope of normative power are to be published in the official gazette.</p>	<p>All NPA regulations, authorizations, budgets, decisions and public reports should be published, both in the official gazette, on the NPA website, and available on paper from the NPA office. This applies to areas both inside and outside the JPDA, and should be under a different article.</p>
<p><b>Article 29. Transition of Regimes</b></p>	
<p>Undertakings, which are, on a lawful basis, already operating in Timor-Leste any of the activities described in articles 23 and 25 when this Decree enters into force, shall register with the NPA within the next 120 days.</p>	<p>How about those not on a lawful basis? 120 days from when? What is required as part of registration? Ongoing reporting or oversight?</p>

<p><b>Article 30. Preservation of Rights</b></p>	
<p>The provisions of this Decree shall not affect prior third party rights acquired pursuant to contracts made with the Designated Authority in accordance with the laws in force, and shall not invalidate, the acts of the Member of Government in charge of Petroleum/Secretary of State for Natural Resources, within the ambit of the exclusive areas contracted.</p>	<p>Is this an effort to give ex post facto legality to MOUs which have already been signed? We suggest adding “lawful” prior to “acts of the Member of the Government... .” The phrase “within the ambit of the exclusive areas contracted” is unclear – does this apply only upstream authorizations (PSCs)? Otherwise areas are not exclusive.</p>
<p><b>Article 31. The Initial Staffing of the NPA</b></p>	
<p>1. The initial staffing of the NPA for a transitional period of 1 year, will be formed by former TSDA staff under new or revised contractual conditions upon the cessation of this organisation, and other staff from the Secretariat of Natural Resources assigned by the Secretary of State under the public service mobility regime after consideration of their technical and professional skills.</p>	
<p>2. Except for the above initial 1 year, competitive recruitment procedures will be used at all times when employing staff to work in the NPA.</p>	
<p><b>Article 32 Entry into force</b></p>	
<p>This Decree-Law shall come into force on the day following the day on which it is published in the official gazette, without prejudice of the effects referred to in article 26, paragraph 2, 3 and 4 of this Decree-Law.</p>	<p>What if it isn't published before 30 June? It will take longer than that to revise and enact a law which effectively and safely regulates petroleum activities for the benefit of the state and people of Timor-Leste.</p>
<p>Confirmed and approved in Council of Ministers, on the _ day of _ 2008 The Prime Minister, Kay Rala Xanana Gusmão The Minister of Finance, Emilia Pires The Secretary of State for Natural Resources, Alfredo Pires Promulgated on __, To be published. The President of the Democratic Republic of Timor-Leste, Jose Ramos Horta</p>	<p>This should be a Parliamentary law, amended and passed after open debate.</p>