

Government:

**Government Decree N° 6/2005**  
**27<sup>th</sup> of July**

**Procedural Regulation for Foreign Investment**

In order to define the procedures and practical rules for execution of Law N° 5/2005 of 7<sup>th</sup> of June, regarding Foreign Investment in the Country,

The Government decrees, pursuant to article 25 of Law N° 5/2005 of 7<sup>th</sup> of June, for the following to be considered as Regulation:

**Chapter I**  
**General Dispositions**  
**Article 1**  
**Definitions**

The expressions, terms and concepts defined in article 3 of Law N° 5/2005 of June 7, have the same juridical meaning and understanding for the present regulation, as that given to them by the respective article.

**Article 2**  
**Scope**

The scope of the present regulation is:

- a) Define the areas of economic activities which are prohibited, which are reserved to the State for investment, with or without participation of the private sector, which are reserved for natural or juridical national persons, as well as areas of economic activity in which foreign investment shall be subject to specific legislation;
- b) Establish the rules for determining the real value of foreign investments realized;
- c) Establish the rules and time limits for presentation, analysis, appraisal and decision making, as well as follow-up and verification of the processes related to establishment of enterprises through foreign investment;
- d) Define the levels of responsibility and deadlines for decision making regarding foreign investment requests and the procedures to follow when proposals are not decided upon within the established time limits;
- e) Establish the rules for issuing and renewing foreign investor certificates;
- f) Define the rules, time limits and procedures to be followed in the resolution of eventual complaints or disputes;
- g) Establish the procedures for access to incentives.

**Article 3**  
**Context of application**

The present regulation is applicable:

- a) To applications for foreign investment permits submitted for appraisal and approval;
- b) To those cases of capital increase, offer and acquisition of shares of companies covered by the Law of Foreign Investment;
- c) To applications from investors that have invested in a company in Timor-Leste before the present law becomes effective.

## **Chapter II** **Prohibited, reserved and excluded economic activities**

### **Article 4** **Prohibited Activities**

No foreign investment is allowed in the following areas of activity:

- a) Those which constitute a crime or felony under the terms of legislation effective in the Country;
- b) Those which, because of their actual location, adversely interfere with the purpose and goals of natural parks or reserves declared as such by law;
- c) Those which are declared as such by general law;
- d) Those which offend public moral and traditional customs of the Country.

### **Article 5** **Reserved Activities**

1. Areas reserved for economic exploration and benefit of the State of Timor-Leste, with or without participation of the private sector are:

- a) Those related to:
  - i. Providing universal postal service and public communication services;
  - ii. Development and exploration of national parks, national marine or land reserves, or other areas protected under the terms of law;
  - iii. Production, distribution and sale of arms and ammunitions.
- b) Those declared as such by law.

2. Areas reserved for economic operation and use of natural or juridical national persons are those declared as such by law.

3. Conditions and terms for the participation of private entities in economic exploration and use of reserved areas shall be defined in specific legislation.

### **Article 6** **Excluded Activities**

Economic activities excluded from the regime established by Foreign Investment Law are:

- a) Those of prospect, research and production of oil and gas, as well as those in the area of mining of mineral resources;
- b) Those which are, or will be, subject to specific legislation;
- c) Those of domestic, wholesale or retail commerce.

### **Chapter III Investment Application and Registration**

#### **Section I Initial Application**

##### **Article 7 Submission of Application**

The application for foreign investment permit should be submitted to TradeInvest Timor-Leste directly by the applicant, or by his duly credentialed proxy.

##### **Article 8 Documents annexed to the application**

The application for foreign investment permit is initiated by the submission of a process composed of the following documents:

- a) Properly filled application form, according to the model presented in annex I or II;
- b) Photocopy of valid passport of applicant, if a natural person, or, in case of companies, of the legal representative;
- c) Certificate of criminal record of the applicant, or in case of a company, that of its legal representative, issued in the last six months by appropriate authorities of the place of residence;
- d) Bank references of those promoting the foreign investment;
- e) Documents proving the legal existence of the promoting entity, in case of a juridical person;
- f) Report and balance of the latest economic year, as well as existing catalogues, pamphlets or other publications demonstrating the activities exercised by the promoter, in case of companies;
- g) "Curriculum Vitae" of the main person or persons, responsible for implementation and operation of the project;
- h) Draft of the Article of Association of the company in Timor-Leste through which implementation of the foreign investment project is intended;

- i) Proposal of eventual changes to be made in the respective ownership, in case of existing companies, as well as the agreement between shareholders, when applicable;
- j) Minutes of the appropriate organ of the applying company which prove the decision to proceed with establishment of the business in Timor-Leste, duly translated into Portuguese or Tetum. The translation should be authenticated by the appropriate entity;

### **Article 9**

#### **Applications in case of increase or acquisition of company capital**

1. In addition to documents required under the terms of previous article, applications for investment proposals which involve increase of capital, supply or acquisition of company shares, under the terms of law, must be accompanied by the following:

- a) Project or information which establish economic or legal necessity of increase of capital and participation of direct foreign investment;
- b) Authenticated photocopy of the minutes of the general assembly or other appropriate body, under the terms of the company's article of association, which prove the decision to increase capital, supply or acquire shares, as the case may be;
- c) Authenticated copy of the certificate of commercial registration of the company in question;
- d) Reports and balance of the latest two economic years of the company in question, except when it has been constituted more recently.

2. When the company is a private company limited by shares, the proponents, in addition to those documents referred to in the previous article, should indicate:

- a) The nominal value and number of shares to be issued, the manner of their subscription, price of issue and forms of capitalization;
- b) Eventual rights or privileges which will benefit the new shares to be issued and the shareholders participating in the increase of capital, as well as the number of shares to subscribe and the form and the date of the corresponding participations.

3. The business entity being a private limited liability company, in addition to the documents referred to in item 1 of this article, the identity of the partners who participate in the capital increase, as well as indication of the amount and manner of the respective participations and time limits established for their realization must be supplied.

### **Article 10**

#### **Determining the Value of the Foreign Investment**

1. The real value of the foreign investment made, for purposes of eligibility to incentives and benefits established in the law for foreign investors, as well as for transfer abroad of revenues generated within the framework of the foreign investment, or for other purposes under the terms of law or the present regulation, shall be constituted by the total sum of the amount of private capital, including the supplements and supplementary installments of capital which have entered the country and been effectively applied in the investment project, and by the amounts of the dividends reinvested in the same company and registered as such at TradeInvest Timor-Leste.

2. The proof of effective application of direct foreign investment, duly authorized and realized in the Country, shall be produced by the respective investor through properly organized files,

confirmed through documents issued or certified in Timor-Leste by the banking institutions, by customs authorities, or both, according to the nature and form of the investment.

3. If the direct foreign investment is in the form of equipment, machinery and other imported goods, the respective value of investment, at CIF prices, shall be considered for purposes of the exposed in the present article.

4. Whenever the values referred to in previous item are not elaborated or certified by an impartial entity, the tutelage, together with TradeInvest Timor-Leste and General Directorate of Customs, can establish that, at the expense of the foreign investor, a team of experts or a specialized impartial entity carry out an evaluation and supervision of the price, value, quality and specification of the equipment, machinery, goods and materials imported for an authorized foreign investment project, as well as the imported merchandize to be used in the production of goods and services by the project.

5. If in the evaluation referred to in the previous number, it is confirmed that there have been situations of over-billing of the evaluated goods, the investor shall pay the resulting expenses, without prejudice to application of other sanctions provided by law.

## **Article 11**

### **Evaluation of the Application and Opinion of the Foreign Investment Commission**

1. The Executive Director of TradeInvest Timor-Leste must, immediately after receiving the application referred to in article 7, promote its evaluation as urgently as possible, organizing and submitting the application process to the appropriate government departments for evaluation and decision.
2. The request for opinion from the appropriate government departments, referred to in the previous item, must be presented within 3 days after submission of the application for foreign investment to TradeInvest Timor-Leste, and the referred to opinion or any requests for documents, data or supplementary information, must be forwarded to TradeInvest Timor-Leste within 5 days from the date TradeInvest Timor-Leste requested an opinion.
3. The Foreign Investment Commission must be convened by its president to evaluate the application for foreign investment permit, no later than 10 days after the date of its submission to TradeInvest Timor-Leste and must verify the following:
  - a) Compliance of the application with requirements established in the National Development Plan, in the present regulation and other applicable legislation;
  - b) Suitability, capacity, experience and availability of financial resources necessary for implementation and operation of the proposed investment enterprise;
  - c) Capacity, experience and business or technical characteristics of the promoter or its managers in order to guarantee implementation and operation of the enterprise;
  - d) Positive operational balance of the business, according to the project proposal;
  - e) Environmental, infrastructural and social implications which could condition the viability of the enterprise or that can result from its implementation;
  - f) Conditions for:
    - i) Guaranteeing availability of necessary land for installation and functioning of the investment enterprise;

- ii) Ensuring consistency of the expected new jobs to be created in short and medium term;
  - iii) Establishing interconnection with other economic sectors.
4. The opinion-report of the Foreign Investment Commission with regard to application for foreign investment permit, after duly documented under the terms of law and applicable regulation, must be sent to the tutelage member of the Government, within 25 days from the date of the submission of the application to TradeInvest Timor-Leste.
  5. TradeInvest Timor-Leste can, while evaluating the application and before submission of the opinion-report referred to in the previous number, request the applicant to present supplementary information;
  6. The request for supplementary documents or information, which the previous item refers to, result in suspension of the period established in item 2 of article 13 of present diploma, which will restart as soon as the applicant has submitted the requested documents or information.
  7. Supplementary documents or information referred to in item 5 of present article must be submitted to TradeInvest Timor-Leste within a maximum period of 30 days.

## **Article 12**

### **Authorization Proposal**

1. The opinion-report of the Foreign Investment Commission, issued according to number 4 of the previous article for approval by the tutelage member of the Government or the Council of Ministers, as the case may be, must be accompanied by a copy of foreign investor certificate, according to the model in annex II, for signing by the tutelage member of Government, if the decision is favorable.
2. The opinion-report, referred to in the previous number, must include the terms for granting the permit, which must include the following:
  - a) Identification of investors or promoters;
  - b) Designation of the objective of the project and the goods or services to be produced, specifying the goals and the results to be achieved;
  - c) Location and the context of activity of the project;
  - d) Regime of the permit or concession or license to explore natural resources and use State lands and premises, and eventually, the respective equipment;
  - e) Amount and form of compensation for use and exploration of resources and other goods referred to in previous item;
  - f) Nature, amount and form of implementing the investment;
  - g) Expected number and position of national and foreign workers to employ;
  - h) Juridical nature of the company to be formed or established for implementation of the enterprise;
  - i) Regime of import and export and nature of merchandize and services to be imported or exported;

- j) Incentives or privileges to be granted and the regime of export of the income generated;
- k) Time limit for the commencement of project implementation, or of each of its stages, when the implementation is staggered;
- l) Availability and the area of land required for implementation of the investment project, according to information from the land registry.

**Article 13**  
**Maximum time limit for the decision**

1. The tutelage member of Government or the Council of Ministers, as the case may be, must make a decision regarding the foreign investment application, based on the opinion of the Foreign Investment Commission, within a maximum period of 5 days from the date the opinion-report of the Commission is sent to the tutelage.
2. In all cases, the final decision regarding the application for foreign investment permit must be made within 30 days from the date of submission of the referred to application to TradeInvest Timor-Leste, without prejudice to terms established in numbers 5 and 7 of article 11 of the present regulation.

**Article 14**  
**Responsibilities**

Approval and authorization of foreign investment applications is the responsibility of:

- a) The Council of Ministers, in cases when one of the following is true:
  - i) The investment project is equal to or greater than 20 million US Dollars;
  - ii) The project requires use of State land with an area equal to or greater than 5 hectares, for tourist purposes or 100 hectares for agricultural, fishery or forestry purposes;
  - iii) Any other project which the tutelage member of Government, because of foreseeable implications of political, social, economic, financial or other nature, considers appropriate to submit to approval and authorization of the Council of Ministers;
- b) The tutelage member of Government, in all cases in which the application is not included within the previous number.

**Article 15**  
**Tacit Authorization**

1. Upon completion of the time limit referred to in number 1 of article 13, when no decision has been made regarding the application by the responsible entities, the proposal included in the opinion-report of the Foreign Investment Commission:
  - a) If favorable, shall be considered for all effects, as tacitly approved in its precise terms, and TradeInvest Timor-Leste must proceed with registration of the investment, acting according to law and continuing with the other procedures established in the present regulation regarding authorized foreign investment;

- b) If unfavorable, shall be considered for all effects, as tacitly rejected, in its precise terms, and TradeInvest Timor-Leste must proceed accordingly, performing the acts foreseen by law and continuing with the other procedures established in the present regulation regarding rejected applications for foreign investment permit.
2. Any other decision made regarding the application, after tacit authorization or rejection referred to in the present article, is null and with no effect.

#### **Article 16** **Notification of Decision**

1. TradeInvest Timor-Leste must inform the applicant or his legal representative of the decision regarding the application, indicating the substantiating reasons for the decision, and if favorable, the respective terms of the permit, on the following day after the decision is made, or in case of tacit authorization or rejection, on the day following that of the end of the period for decision making by the responsible entity.
2. Notification of granted permission confers the foreign investor the right to immediately start the process of implementation of the authorized project, according to the terms of the respective permit and the present regulation.

#### **Article 17** **Changes to Terms of Permit**

1. The terms and conditions established in the permit can be altered by the authority which has granted it, when important circumstances such require, upon specific and well founded request of the permit holder or his proxy.
2. Dispositions of the present regulation regarding procedure for application for foreign investment permit are applicable with the necessary adaptations to the procedure for applications referred to in the previous number.

#### **Article 18** **Rejection of the Application**

1. The applications for foreign investment permission can only be rejected based on the following conditions:
  - a) The objectives of the investment are sectors that are prohibited, reserved and closed to foreign investment or are excluded from the regime of incentives and benefits, under the terms of Foreign Investment Law and the present regulation;
  - b) Violate fundamental principles of public order or international obligations of the State of Timor-Leste;
  - c) Represent a danger for national security, public health, ecological balance or for archeological, historical, or cultural, landscape, natural or built heritage;
  - d) Involve potential adverse effects, or do not fit in the economic development goals of the Country, considering the principles established in the National Development Plan;
  - e) The respective projects do not demonstrate economic and financial sustainability;

- f) There is no land or natural resources available at the indicated location, and no viable alternative;
  - g) There is justified consideration that the implementation of the investment project, which the application refers to, constitutes an unbearable burden for the existing infrastructure or general services in the Country, unless the applicant guarantees, through a protocol with the Government, that will support the expenses related to the installation or reinforcement of such infrastructures or services and their functioning for a minimum period of 5 years;
  - h) The applicant has manifest lack of competence, technical or financial capacity for implementing and realizing the operations of the intended investment project;
  - i) The applicant has provided false declarations or included falsified documents in the application;
  - j) It is not in accordance with the laws of the Democratic Republic of Timor-Leste.
2. The decision for rejection of the application for foreign investment permission shall be communicated, indicating the reasons which have led to the rejection, to the applicant or his proxy through electronic mail or by fax, within the period referred to in article 16.
  3. The applicant, whose application for investment has been rejected, can proceed to its reformulation, submitting it again, according to the present regulation and other applicable legislation.
  4. Rejection of the application for investment permission is susceptible to appeal according to the terms of law.

### **Article 19** **Effects of Rejections**

The direct effect of rejection of the application for foreign investment permission is exclusion of the intended investment enterprise from the regime provided in Foreign Investment Law.

## **Section II** **Request for Inclusion of Existing Investment**

### **Article 20** **Requests for Inclusion of Existing Investments**

1. Application for inclusion in the regime of incentives and benefits under the Law of Foreign Investment, for investments that already exist on the date the present diploma enters into effect, must be made to TradeInvest Timor-Leste, within 180 days from the date the present regulation enters into effect.
2. Applications referred to in the previous number must be submitted together with the following documents:
  - a) Application form, properly filled in, according to the model in annex I;
  - b) Photocopy of the applicant's or his legal representative's passport or other valid official identification document;

- c) Documents proving legal existence of the company in which investment from foreign sources has been made;
  - d) Documents, issued by appropriate fiscal entity, proving that there are no overdue tax payments, both in relation to the applicant and the company object of the investment;
  - e) Bank references related to the company;
  - f) Report and balance of the latest economic year, as well as existing catalogues, pamphlets and other publications demonstrating activities carried out by the company, in the Country;
  - g) “Curriculum Vitae” of the person or main persons responsible for the company;
  - h) Documents proving appointment of manager or board of directors;
  - i) Documents demonstrating the investments already made, discriminating and specifying for each investor the amount of investment, whether in the form of capital, supplements, loans, supply of equipment and other material goods or other specified forms;
  - j) Copy of agreement between shareholders, when applicable;
3. The procedures established in the present regulation for processing and decision making regarding application for foreign investment permits apply, with the necessary adaptations, to the applications referred to in the present article.

### **Section III Registration**

#### **Article 21 Registration of Authorized Foreign Investment**

1. Once application for foreign investment is authorized, TradeInvest Timor-Leste shall proceed and register it, attributing a number, according to the registration sequence.
2. Registration must be signed by the Executive Director of TradeInvest Timor-Leste and must be kept with necessary care in archives of TradeInvest Timor-Leste, for consultation by any public entity or duly authorized services.
3. The authorized investment proposals can also be consulted by credentialed public entities or services, while safeguarding the confidentiality of the data and information contained in the proposal which are an intellectual property of the author.
4. The present article equally applies to applications for inclusion of existing investments that are approved.

#### **Article 22 Organization of the Registry**

- 1) TradeInvest Timor-Leste, considering the established in the previous number, shall organize a registration process for each authorized foreign investment, containing the necessary elements for characterizing the investor and his foreign investments in Timor-Leste and for following up its evolution.

- 2) The registration process shall include the following:
  - a) Copies of official documents and authorization certificates issued in the name of the foreign investor and his investment, as well as renewal, cancellation or revocation documents regarding the authorized investment;
  - b) Copies of official documents and other information, proving the incentives and advantages from which the foreign investor has benefited;
  - c) List of all authorized foreign investments as well as the respective increases and disinvestments, made by foreign investors, indicating the nature, type and amount of each operation;
  - d) Documents proving the actual implementation of the registered foreign investment operations;
  - e) Registration of expiry date of foreign investment permits.

## **Chapter IV Investments**

### **Article 23 Commencement of Implementation of Foreign Investment**

- 1) Effective implementation of foreign investment that has been authorized within the framework of the present regulation, is the responsibility of the investors or their proxies, and must start within 180 days, unless another timeframe is established in the permit, from the date the investor is notified of the decision on his application.
- 2) The entity which has approved the application for foreign investment permit, can, for necessary reasons, extend the period referred to in the previous number for an additional period of 90 days, if the permit holder requests an extension before expiry of the mentioned period.

### **Article 24 Expiry of Permit**

If the actual implementation of foreign investment enterprise has not commenced within the two time limits established in the previous article, then the foreign investment permit expires.

### **Article 25 Notification of Expiry of the Permit**

TradeInvest Timor-Leste must bring to the attention of the tutelage and the responsible services of public administration, the fact that led to expiry of foreign investment permit under the terms of previous article.

### **Article 26 Follow up and Supervision of Foreign Investments and Exports**

- 1) Follow up and verification of foreign investment project implementation process is carried out by TradeInvest Timor-Leste, which must:

- a) Verify compliance with the terms of the investment permit, Foreign Investment Law, present regulation and other applicable legislation, by investor;
- b) Request information regarding evolution of each foreign investment and export project from the investor, manager or company board of directors;
- c) Make site supervision visits to verify the status of each specific enterprise.

**Article 27**  
**Benefit from Incentives**

Benefit from incentives and privileges established by law in favor of foreign investor are subject to prior confirmation by TradeInvest Timor-Leste:

- a. In case of customs incentives, upon presentation of the receipt proving acquisition of goods and materials in question;
- b. In case of fiscal incentives, upon presentation, to appropriate public services which supervise jobs, employment and fiscal matters, of documents which confirm the number of Timorese citizens employed the company with work contracts, based on data and information verified by TradeInvest Timor-Leste;
- c. In case of reinvestments, upon production of confirmatory documents.

**Article 28**  
**One Time Process Fees**

- 1) For processing application for foreign investment permit, a one time fee of 100 American Dollars must be charged at the time of its submission to TradeInvest Timor-Leste.
- 2) The fee referred to in previous item constitutes State income and shall be paid to the appropriate services of the Ministry of Planning and Finance or deposited in its bank account which shall be indicated, and the receipt of payment must be presented at the time of submission of application for foreign investment permit to TradeInvest Timor-Leste.

**Article 29**  
**Foreign Investor Certificates are not transmittable**

Statute of foreign investor and the respective certificate are not transmittable.

**CHAPTER V**  
**Complaints, Revocations and Appeals**

**Article 30**  
**Complaints**

- 1) Complaints of foreign investors which rise in the process of implementation and realization of their foreign investment enterprise, resulting from matters regarding implementation of Foreign Investment Law and the present regulation must be directed to TradeInvest Timor-Leste.

- 2) Upon reception of complaint, TradeInvest Timor-Leste must, within 7 days, submit it to the appropriate entity, requesting evaluation of the complaint and measures for its resolution.
- 3) If there is no response or measures for resolution of the complaint presented under the terms of the previous number, within 15 days from the date the aforementioned request is made, TradeInvest Timor-Leste must redirect the matter for consideration and decision to the tutelage, founded on lack of response from the public organ or service to which the complaint was sent.
- 4) Complaints, properly founded, with regard to TradeInvest Timor-Leste itself, must be submitted directly to the tutelage member of Government, through the appropriate services.
- 5) The dispositions in the present article do not limit the right to appeal and complaint by interested parties, under the terms of law, or application of dispute resolution procedures established in Foreign Investment Law.

### **Article 31** **Revoking due to Incompliance**

Without prejudice to other sanctions established by law, foreign investment permit can be revoked by decree of the responsible entity in the following cases:

- a) Whenever information presented by applicant or his proxy in the process of authorization, are later found to be false, and had the truth been known at the time of presentation of application for foreign investment permit, this would have been denied;
- b) Whenever the content or period of validity of the certificate have been fraudulently altered by their holder or third parties with the holder's knowledge;
- c) Whenever presentation of information is refused or certified employees or agents of responsible services are denied or prevented from having access to company premises for verification and follow up of the foreign investment enterprise;
- d) Whenever implementation of the project or operation of business unit of the foreign investment is suspended for a continuous periods of longer than three months or for intermittent periods equal or greater than four months in a year, in the absence of important reasons and without prior written consent of the responsible entity that has granted the investment permit
- e) Occurrence of situations of serious incompliance with the dispositions of Foreign Investment Law, the present regulation, as well as the conditions established in the respective permit.

### **Article 32** **Revoking due to liquidation**

The foreign investment permit of an investor is revoked if the beneficiary business unit is liquidated before end of the period allocated under the permit.

### **Article 33** **Appeal**

The revoking order which articles 31 and 32 of the present regulation refer to is subject to appeal, according to terms of law.

**Article 34**  
**Responsibility for Revoking**

Revoking of foreign investment permits is of the responsibility of the entity which, under the terms of present regulation, has granted it.

**Article 35**  
**Returning the Foreign Investor's Certificate**

In all cases of caducity or revoking of foreign investment permit, the investor must return the foreign investor's certificate to TradeInvest Timor-Leste within 15 days from the date of caducity or notification of permit's revoking.

**Article 36**  
**Notification**

The decision to revoke foreign investment permit in terms of present regulation or its caducity shall be immediately communicated to all relevant public administration services.

**Article 37**  
**Effects of Caducity or Revoking**

Caducity or revoking of foreign investment permit result in automatic loss of rights, incentives and privileges in terms of Foreign Investment Law and the present regulation.

**Chapter VI**  
**Resolution of Disputes**

**Article 38**  
**Procedures**

- 1) If another procedure is not established by international agreements, which Timor-Leste is a part of, or in agreements between the Democratic Republic of Timor-Leste and that of the foreign investor, the disputes which result from application or interpretation of Foreign Investment Law or the present regulation, as well as from implementation of the project or operation of the business unit of the foreign investment are submitted to the process of conciliation according to Timorese law.
- 2) When there is a dispute, which, in terms of previous number, can be submitted to conciliation, the foreign investor has the right to request the tutelage member of Government to establish the procedure of conciliation to resolve the dispute, and the tutelage must appoint, within 7 days from the date of the receipt of investor's request, the Government representative in the conciliation commission.
- 3) The conciliation commission is composed of the representative of the tutelage, the investor or his proxy and must achieve a resolution for the dispute within a maximum period of 30 days from the date of appointment of the Government representative.
- 4) If within the time limit defined in item 2 of present article, the tutelage member of Government does not appoint the Government representative in the conciliation commission, or the conciliation commission having been formed, does not reach a definite solution for the dispute within the time period referred to in previous item, any of the parties have the right to institute the process of arbitration according to the rules of the International

Convention for Resolution of Disputes Regarding Investments between States and Citizens of Other States.

- 5) Parties in dispute can, through written agreement, submit resolution of the dispute to arbitration according to rules of the International Convention for Resolution of disputes Regarding Investments between States and Citizens of Other States, without going through the procedure of conciliation which the present article refers to.
- 6) There is a dispute, for effects of the present article, whenever there is a divergence of position between the foreign investor and the Government regarding a matter of fact or right.

## **Chapter VII Transitory and Final Dispositions**

### **Article 39 Non-resident National**

The period of residency abroad of the non-resident national which item j of article 3 of Foreign Investment Law refers to, includes any period of continuous residence of the non-resident national abroad, before submission of application for foreign investment permit.

### **Article 40 Forms**

The forms which constitute annexes I and II are integrant part of the present diploma and can be altered at any time through diploma of the tutelage member of Government.

### **Article 41 Amendment**

Dispositions of the present regulation prevail on regulatory dispositions which could be contrary to their application.

### **Article 42 Entry into Effect**

The present diploma becomes effective on the day following that of its publication.

Approved at the Council of Ministers on the 8<sup>th</sup> of July 2005.

To be published.

The Prime Minister

---

(Mari Bim Amude Alkatiri)

The Minister of Development and Environment

---

(Mari Bim Amude Alkatiri)

**APPLICATION FOR RECOGNITION AS A FOREIGN INVESTOR**

**1. IDENTIFICATION OF THE INVESTOR:**

Natural Person                       Company

Name of the person:.....

Name of the Company: .....

Nationality: .....

Place of registration of the company:.....

Address of the person:.....

Company operational headquarters .....

Telephone (s) .....

Fax: .....                      Email: .....

Previous experience / References on technical capability .....

.....

.....

Bank references and other information about financial capacity .....

.....

.....

Name of the legal representative: .....

Position of the legal representative: .....

**2. IDENTIFICATION OF THE COMPANY THAT WILL BE MAKING A FOREIGN INVESTMENT OPERATION**

**Company name:** .....

**Type of Company:** .....

- **Location of company's headquarters** .....

Or:

- **To be built at:** .....

**Company :** ..... **Delegation:** .....

**Article of association published in the "Jornal da República" number:** .....

**Published on:** .....

**Headquarters (according to the article of association):** .....

**Telephone (s)** ..... **Fax** .....

**Company's purpose/ main activity:** .....

**List of goods to be produced and/or services to be provided:** .....

.....

**Sector of activity:** .....

**Approximate date for commencement of activities:** .....

**Date for commencement of construction work (if that is the case):** .....

**Approximate date for termination of construction work:** .....

**Company sales forecast, domestic market:**

Product (s)	Quantity			Value FOB		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
1.						
2.						
3.						
4.						
5.						
<b>Total</b>						

**Company sales forecast, exports:**

Product (s)	Quantity			Value FOB		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
1.						
2.						
3.						
4.						
5.						
<b>Total</b>						

**Jobs to be created, by category**

Category (ies)	Number of Jobs			Wages		
	Year 1	Year 2	Year 3	Year 1	Year 2	Year 3
<b>Expatriates</b>						
1.						
2.						
3.						
4.						
<b>Total</b>						
<b>Nationals</b>						
1.						
2.						
3.						
4.						
5.						
6.						
7.						
<b>Total</b>						

**3. DESCRIPTION OF THE FOREIGN INVESTMENT OPERATION:**

Type of operation: .....

.....

<b>Establishment of:</b>	
<b>A company</b>	
<b>A branch</b>	
<b>Other type of representation</b>	
<b>Purchase of assets, shares, or increase in shares</b>	
<b>Certificate of ownership or operation of companies, businesses or leasing</b>	
<b>Loans and complementary lending of capital</b>	
<b>Alienation of shares</b>	
<b>Other operations (specify)</b>	

**Initial value of the investment in USD**

<b>Item</b>	<b>Value</b>
<b>1. Equipment</b>	
<b>2. Raw Material</b>	
<b>3. Land</b>	
<b>4. Buildings</b>	
<b>5. Operational capital</b>	
<b>6. Other</b>	
<b>Total</b>	

**Type and initial value of the investment in USD**

<b>Type</b>	<b>Value</b>
<b>Capital transferred from abroad into Timor-Leste</b>	
<b>Goods and services imported using foreign resources</b>	
<b>Application of dividends</b>	
<b>Other types</b>	

**Expected economic impact of the Project:** .....

.....  
 .....  
 .....

**Expected environmental impact of the Project:** .....

.....  
 .....  
 .....

**Waste produced by the company:**

<b>Item</b>	<b>Toxic Substances</b>	<b>Non-toxic Substances</b>	<b>Quantity</b>
1.			
2.			
3.			
4.			
5.			

**Planned treatment of afore mentioned wastes: .....**

.....

.....

.....

**Forms of financing the investment: .....**

.....

<b>Form</b>	<b>Value</b>
<b>1. Company's share capital</b>	
<b>2. Long term loans</b>	
<b>3. Medium term loans</b>	
<b>4. Short term loans</b>	
<b>5. Loans and other complementary lending by the members</b>	
<b>Total</b>	

**Estimated annual expenses:**

<b>Item</b>	<b>Expenses in the Country</b>			<b>Expenses Abroad</b>		
	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>
<b>1. Raw materials</b>						
<b>2. Subsidiary material</b>						
<b>3. Wages</b>						
<b>4. Services</b>						
<b>5. Rents</b>						
<b>6. Financial expenses</b>						
<b>7. Maintenance</b>						
<b>8. Miscellaneous</b>						
<b>Total</b>						

#### **4. CHECKLIST OF ANNEXES INCLUDED WITH THE PROCESS**

**Summary description of the project:**

Yes .... No ....

**Identification of the promoters, their professional/business curriculum:**

Yes .... No ....

**Copies of Contracts:**

Yes .... No ....

**Bank credentials:**

Yes .... No ....

**Business plan:**

Yes .... No ....

**Land ownership documents:**

Yes .... No ....

**Map of location:**

Yes .... No ....

**Project draft (s):**

Yes .... No ....

**Estimates for the construction works:**

Yes .... No ....

**Specialty projects:**

Yes .... No ....

**Environmental Impact Study:**

Yes .... No ....

**Receipt of the “request processing fee” (100 USD):**

Yes .... No ....

**5. DECLARATION**

**I, the undersigned, declare that the information contained herein is true, and that the financial estimates presented herein were calculated in good faith, as well as the measures for disposal of toxic wastes aimed at preservation of the environment.**

**I also declare that I am informed of the dispositions of Law N° 5/2005 of 7<sup>th</sup> of June 2005.**

**Signature of the representative: .....**

**Name of the representative: .....**

**Function of the representative: .....**

**Date: .....**

**Passport or Identification Card number:.....**

**Issued by: .....**

**Place of Issue: ..... Date of Issue: .....**

**REQUEST FOR RECOGNITION AS A FOREIGN INVESTOR**

**RECEIPT**

**The request for recognition as a foreign investor detailed bellow was received at the main office of IPIE:**

**Request for recognition as a foreign investor, number: .....**

**Name of the investor: .....**

**Date of reception: .....**

**Name of employee receiving the request: .....**

**Signature: .....**

**.....**

**Seal:**

**CERTIFICATE OF FOREIGN INVESTOR, NUMBER .../ ...**

**Title holder's name / Company designation:** .....

.....

**Nationality/ Country of registration:** .....

**Address /company headquarters:** .....

**Passport/ Identification card number:** ..... **Issued in:** .....

**Place and date of issue:** .....

**Name of the foreign investment operation:** .....

.....

.....

**Name of entity/ company receiving the foreign investment:** .....

.....

.....

**With headquarters in:** .....

**The economic activities will begin by:** .....

The present document certifies that, according to the terms of Law N° 5/2005 of 7<sup>th</sup> of June 2005, the above mentioned entity is duly authorized to carry out foreign investment in conformity with request N° .../..., benefiting from all rights, guarantees and incentives, and subject to all obligations foreseen in the terms of the above mentioned Law.

It is requested, from all public entities before whom this certificate might be produced, that the matters presented by the title holder be treated with due celerity and diligence, with respect for the applicable legal dispositions.

City of Dili, ..... of ..... , .....

The Minister,

\_\_\_\_\_  
.....