

# Newsletter



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## Briefing - Cooperation for a great Nation



The Democratic Republic of Timor-Leste held its parliamentary elections on July 22. This was the first Timorese parliamentary election organized solely by Timorese authorities and the first one that Timorese expats were able to vote. Election's result is also unprecedented. For the first time in history, the Government will be formed by a minority, since the opposition controls 35 of the 65 seats of the National Parliament.

The New Government led by Fretilin, with 23 seats, has now several challenges in its plan for the future of the nation. The first and perhaps the most important one is to keep the open dialogue with the opposition and the political stability in order to maintain the government. Not just the government but the Timorese democracy is under a test of political maturity. The best interest of the nation takes precedence over any political ideology, as President Guterres Lu-Olu said recently, we need a "democracy that embraces, democracy that respects everyone, includes knowing how to listen - and how to decide - when it is time to do it".

We congratulate the New Government and wish that mutual understanding continue being the basis of this truly Democratic Nation. Cooperation is definitely the key to reach a common purpose for all, the Nation's wealth.

Gonçalo Neves Lestro, *Senior Coordinator Associate*

## Analysis - Do you know that...?

**Social Security Law** The Law No 12/2016, from 14 November, created the Social Security Contribution Scheme.

The Contribution is calculated over contributory incidence basis x contributory rate. The contributory rate is 10% (Employers 6% + Employees 4%) and the contributory incidence basis is the basic remuneration (gross salary) + other permanent monthly remunerations added to the gross salary, which includes 13th month salary, annual bonus, supplements paid for night work, shift arrangements or remote locations, supplements for special professional careers, and excludes cost allowances, overtime, allowance for food and other extra subsidies.

The 10% contributory rate will remain unchangeable until 2019 and may be revised in 2020. Until 2026, the employers from the private sector with 10 or fewer workers, provided that at least 60% of these are nationals, are entitled to pay only part of the percentage of the contributory rate:

- 70% in 2017 and 2018
- 50% in 2019 and 2020
- 30% in 2021 and 2022
- 20% in 2023 and 2024
- 10% in 2025 and 2026

For example, in 2017 these Employers should pay 6% of the contribution rate, in relation to the salary of each of the workers in their service. However, they will pay only 1.8%, or 30% of the 6%, as they benefit from a 70% reduction.

CRA Timor along with its Headquarters in Lisbon has extensive experience in Tax Law and Social Security matters and is able to help companies with all related questions that may arise.

## LEX - Global Overview on the New Regulations

**Law No. 6/2017**, from 19 April, establishes the general bases for the public policy of regional planning.

**Law No. 8/2017**, from 26 April, establishes the legal regime applicable to expropriations for public utility.

**Law No. 10/2017**, from 17 May, establishes the New Commercial Companies Law.

**Law No. 11/2017**, from 24 May, establishes the New Immigration and Asylum Law.

**Law No. 13/2017**, from 5 June, defines the Special Regime for the Definition of Ownership of Real Estate.

**Law No. 14/2017**, from 2 August, creates the General Forestry Regime.

**Law No. 15/2017**, from 23 August, establishes the general bases of the legal regime for private investment in Timor-Leste.

*Resolutions Approved by the Ministers Council:*

**Decree-Law No. 16/2017**, from 17 May, defines the regime for commercial registration of companies.

**Decree-Law No. 17/2017**, from 24 May, approves the Legal Regime for Disability and Old-Age Pensions under the Social Security Contribution Scheme.

**Decree-Law No. 18/2017**, from 24 May, approves the Legal Regime for Protection in Maternity, Paternity and Adoption under the Social Security Contribution Scheme.

**Decree-Law No. 19/2017**, from 24 May, approves the Legal Regime for Death Benefits under the Social Security Contribution Scheme.

**Decree-Law No. 20/2017**, from 24 May, approves the Regime of Registration and Contributory Obligation under the Social Security Contribution Scheme.

**Decree-Law No. 34/2017**, from 27 September, defines the regime for Licensing of Economic Activities.



BE GLOBAL FOR LOCAL

## Jill Jolliffe

Awarded in 2014 with the Order of Solidarity Medal from the Timor-Leste Government and in 2006 as Journalist of the Year by Yale University's Globalist Magazine, Jill Jolliffe was definitely one of the most important foreign correspondents in Timor during the Indonesian occupation years.

A recent story from ABC Australia tell us that Jill was "diagnosed with Alzheimer's and the label came with a medical assessment that she needed 24-hour supervision".

Sad for the news, we wish her and her family peace and courage to face this difficult situation. Although Jill did not born Timorese, her courage and extensive contribution to Timor-Leste reporting facts to the international community during the most difficult times in the country deserves our most sincere tribute.

*Source: ABC Australia*



## Speed Notes

### ***The New National Library of Timor-Leste***

A groundbreaking ceremony was held on 16<sup>th</sup> of August to mark the beginning of the construction of the National Library of Timor-Leste, scheduled to be delivered in 2019.

"The Organic Law of the National Library of Timor-Leste [no.21/2016 of June 22] defines the purpose of the institution "to collect, process and preserve the Timorese documentary heritage, as well as ensure its study, dissemination and conditions for its enjoyment and ensure the classification and inventory of the national bibliographic heritage." It establishes four key National Directorates: Acquisitions, Processing and Conservation; Collections, Access and Disclosure;

General Administration; and Information Systems.

The Secretariat for Arts and Culture has trained staff, several who have already obtained graduate degrees in library studies, and has signed a Memorandum of Understanding with the National Library of Portugal, for the provision of ongoing support to build the library's collection and train staff. The National Library will be connected to smaller libraries throughout the country, and to the education sector, to promote learning and foster awareness of cultural heritage".

*Source: Government of Timor-Leste*

## The Employee(s) in Focus

### ***Dr. José Baptista da Cunha Faria Neves***

José or simply "Zeca" is one of our most experienced jurists. He is in the Firm since its foundation, in 2006.

Zeca has an impressive background. Born in Timor, he lived in Portugal, Mozambique and Australia and is fluent in Portuguese and English.

Zeca is currently shaping his lawyer skills in the Legal Training Program conducted by the Ministry of Justice (Centro de Formação Jurídica). CRA Timor wishes him all the success.

CRA Timor is grateful for all the commitment and hard work Zeca has showed since the beginning! Thank you Zeca for being part of the Family!



# Confidential

CRA Timor will be advising the incorporation of 2 new Oil & Gas companies in the upstream and downstream sector.

CRA Timor provides all sorts of services related to the Oil & Gas business in Timor-Leste assisting Major Oil & Gas companies with corporate, tax, labor, and exploration matters, such as agreements for survey of oil fields, corporate restructures and negotiation of Production Sharing Contracts.

## Calendar

Conference “Re-discovering Southeast Asia: An introduction to business opportunities in the ASEAN Economic Community”. November 15th, at the Campus do ISCTE-IUL, in Lisbon, Portugal.

CRA Timor will attend this important event, a platform for business in Asia.

## ***Luís Cortez is the new President of the Executive Committee of PLG – International Lawyers***



Our Managing Associate Luis Cortez is the new President of the Executive Committee of PLG – International Lawyers. The election took place on October 21st, during the regular meeting of the Council of PLG – International Lawyers in Milan. The team of the Executive Committee elected in this occasion is also composed by Chelva Rajah (TRC, Singapore), Aurélie Dantzikian (Lamy-Lexel, France), Tomas Rudenstam (Foyen, Sweden) e Julian Westpfahl (SKW Schwartz, Germany).

PLG – International Lawyers is an international association composed by independent law firms of 26 countries, representing more than 2.000 lawyers, of which CRA – Coelho Ribeiro e Associados been a member for more than 25 years.

After two years in the Executive Committee, Luís Cortez now starts his mandate as President, having as biggest challenge the development of additional skills in the lawyers of the association and the creation of new ways of collaboration between offices to enable a more efficient offer of services to their clients.

Congratulations, Luís! We are proud of you!



## *CRA Team Building at Jaco Island*

*CRA Team with our Founding Partner Rui Santos*

In the last August, our Team took a weekend off at Jaco Island, Timor's most secret paradise.

Along with our Founding Partner Rui Santos and our Managing Director Duarte Carneiro, the team had fun and developed a series of exercises to strengthen even more the union feeling and to keep motivated and continue doing a good job.

Well done team! Go CRA Timor!

### ***CRA Timor and Trade Invest***

CRA Timor was present at the meeting of foreign investors held recently at the headquarters of Trade Invest with its Executive Director, Eng. Arcanjo da Silva.

The purpose of the meeting was to discuss and present the relevant information on how to obtain the Investor Certificate.



### ***CRA present at the "China and Portugal Blue Partnership and the XXI Century Maritime Silk Road", in Beijing***

Our Founding Partner Rui Santos took part in the event "China and Portugal Blue Partnership and the XXI Century Maritime Silk Road", held in Beijing, on 30 October, during the visit of the Minister of the Sea of Portugal, Eng. Ana Paula Vitorino, to the People's Republic of China.

After the Seminar, there were B2B meetings between Portuguese and Chinese companies in the sectors of Logistics and Infrastructure, Ports and Shipbuilding and Industries of the Sea (R&D, Energy and Aquaculture).



CRA is strengthening its presence in Asia-pacific and Mainland China, areas of paramount importance to the Firm that enables us to be well positioned to assist our international Clients, as well as to promote business and attract investments to Timor-Leste.



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