



TIMOR-LESTE
**Customs
Authority**

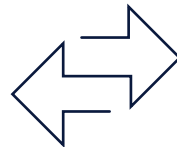


Customs Code

(Decree-Laws:14/2017 and
87/2022)

A Brief Guide

English version



Why should you read this guide?

The Government of Timor-Leste is committed to supporting the national economy by encouraging and facilitating legitimate commercial trade. As the government agency charged with the movement of goods across our borders, we play a pivotal role in protecting the country from the import and export of illegal or restricted goods, and we help to ensure that we collect the correct duties and taxes on behalf of the government.

This booklet includes the following:

Part I – Overview	03
Part II – Our Responsibilities	07

This booklet provides helpful information on the Customs Code (Decree-Law 14/2017, as amended by Decree-Law No. 87/2022), including a summary of the main objectives of the legislation and our responsibilities. You can find more helpful information about the Customs Code and other trade-related information by visiting the Customs Trade Portal at: **www.customs.gov.tl**

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Information provided within this guidance manual is correct at the time of publication; however, rules and regulations may be subject to change. If you are in any doubt, please visit the Customs Trade Portal for further information at: **www.customs.gov.tl**

PART I

Overview



What is the Customs Code?

We base our regulatory framework on the Customs Code (Decree-Law 14/2017, dated April 5, 2017), which governs the movement of goods across national borders. Our legislation sets forth our procedures, duties, and rights for managing imports and exports, aiming to streamline trade processes and ensure compliance with international standards. We protect our economic interests and security by establishing clear rules for the valuation, classification, and taxation of goods. Additionally, the Customs Code provides a fair mechanism for resolving disputes, fostering transparency and accountability in customs-related activities. Through this legal framework, we commit to facilitating legitimate trade, combating illegal trade practices, and integrating our economy into the global trading system.

On December 14, 2022, per Decree-Law No. 87/2022, we made our first amendment to the Customs Code, which helped to align our legislation with the Agreement on the Application of Article VII of the 1994 General Agreement on Tariffs and Trade, more commonly referred to as the Customs Valuation Agreement.

International Standards

Through the Customs Code and the associated amendment, we ensure that our legislation aligns with international standards by:

- **Implementing International Standards:** We adopt standards set by the World Customs Organization Revised Kyoto Convention to facilitate global trade, demonstrating our commitment to international practices and cooperation
- **Adopting the Harmonized System:** We use the Harmonized Commodity Description and Coding System for customs tariff classification, aligning our practices with those globally recognized for trade and tariff classification.
- **Making Amendments for International Compliance:** We adjust our Customs Tariff in response to our international obligations, agreements, and changes in international trade instruments, ensuring our compliance with global trade regulations.
- **Establishing Procedures for International Agreements:** We have set procedures that respect the international agreements Timor-Leste is a party to, fostering international cooperation and ensuring our customs practices meet global standards.

Approval Process

		Decree-Law 14/2017	Decree-Law No. 87/2022
Approval	The Council of Ministers approved this legislation on:	October 11, 2016	November 4, 2022
Enactment	The President of the Republic formally enacted the law on:	March 16, 2017	November 29, 2022
Publication	The government published the Decree-Law in the Journal of the Republic on:	April 5, 2017	December 14, 2022



PART II

Our Responsibilities

Our Responsibilities

Through the following provisions, we aim to enhance efficiencies, facilitate trade, and safeguard Timor-Leste's economic and security interests while ensuring compliance with international standards:

- **Establishing the Legal Framework:** Through this legislation, we have established a comprehensive legal framework to modernize our customs operations, facilitating trade while securing our national borders.
- **Defining Customs Territory:** We define our customs territory, encompassing all land, air, and sea borders, asserting our authority to control the movement of goods.
- **Regulating Imports and Exports:** We detail procedures for importing and exporting goods, including documentation, valuation, and classification, ensuring a system aligned with international standards.
- **Implementing a Tariff Regime:** We introduce a tariff schedule based on the Harmonized System, specifying duties and providing for exemptions, reductions, and refunds under certain conditions.
- **Outlining Customs Offenses and Penalties:** We outline customs offenses such as smuggling and fraud, setting penalties ranging from fines to confiscation.

- **Facilitating Trade:** We introduce measures to facilitate trade, including simplified procedures for specific traders and a framework for Authorized Economic Operators, offering expedited processing for those compliant.
- **Conducting Customs Control and Inspection:** We detail our authority to inspect cargo and documents, establishing procedures for seizing illegal goods.
- **Clarifying Rights and Obligations of Traders:** We define the rights of traders, outlining their obligations for accurate declarations and compliance with regulations.
- **Providing for Dispute Resolution and Appeals:** We offer administrative and judicial review processes for customs decisions, ensuring fairness in appeals against valuations, classifications, and penalties.
- **Promoting International Cooperation:** We encourage international cooperation, aligning our operations with global conventions and agreements.
- **Ensuring Smooth Implementation:** We set out transitional provisions for implementing the new code, aiming for a seamless transition from previous regulations.



You can access a copy of this
SOP by visiting the Customs Trade
Portal at: www.customs.gov.tl



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