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DECREE-LAW No. 14/2017

of 5 April

CUSTOMS CODE

The Customs Services, as a fundamental pillar of the economic policy for the security and defense of the nation's assets, play a crucial role in the economic development of the Country, from which arises the need for them to be provided with, in addition to technical means and human resources, legal instruments that regulate their activities as a whole with a multilateral approach, from delimiting the territory of their jurisdiction to the procedural aspects relating to the customs treatment of goods, the rights and duties of economic operators, and the powers of customs officials, as well as matters relating to foreign trade.

Timor-Leste, like other countries, is subject to the constant changes imposed by international trading relationships, as specific legislation that regulates the activity of the flow of goods in the area of importation and exportation with other countries has proliferated, in addition to the successive and separate changes of which customs legislation has been the object, principally by means of the various pieces of legislation that have been published over the years, which, even if these were justified by the particular historical context in which they occurred, have created an antiquated legal "edifice", disordered and barely operational, progressively complicating day-to-day management of the customs bodies and services and general economic activity itself.

From this viewpoint, conducting a systematic review of these legislative texts was understood to be crucial for the Tax Reform currently underway, with the objective of preparing a document that is modern and suited to the reality of the Country and which combines harmoniously with sectoral regulations, while seeking to provide the appropriate balance in respecting traditional and international concepts of customs terminology.

The Customs Code for Timor-Leste, the structural document for regulating customs activity, was approved by Decree-Law no. 11/2004 of 11 May, and has never been revised, although various pieces of legislation connected with the materials that are being regulated by it have been published.

Accordingly, it has become critical, for the purpose of consolidating the public administration, on the one hand, and the requirements for international trade, on the other, to revisit the principal piece of legislation regulating customs procedures so that it could be adapted, to the appropriate extent, to the current legal and economic reality of Timor-Leste.

There was, therefore, an urgent need to duly organize and harmonize the diverse extant legislation, in a body of law built on solid and resilient pillars, given that the very nature and scope of customs law mean some matters will always be regulated autonomously, a fact that is not

unrelated to the international obligations to which Timor-Leste is bound, considering the international law instruments that it has signed.

From another perspective, various solutions that could be useful in this regard for a new legal framework came from applying international standards with respect to facilitating international trade, in the context of their application by international organizations that Timor-Leste has already joined, specifically the World Customs Organization.

Furthermore, the extant legislative framework raises a set of difficulties that, in addition to those already mentioned, also devalue public service.

Nevertheless, the experience accumulated over the past 12 years from applying the Code then in force and the legislation that was prepared regarding the matters regulated therein cannot be ignored, but from it must be drawn all contributions that could enrich its review, illuminating, through the lessons-learned acquired in the meantime, the path for the new legislation, which is to be modern and functional, while always being anchored in rigor, justice and transparency.

In its essence, the present Code is the result of a project to update and adapt the extant regulation, with some text being drawn from the provisions contained in the separate regulations, although in specific cases some provisions have been reformulated or concepts and mechanisms introduced from those already defined and used by more developed customs authorities, in a futurist perspective of administrative modernization, it being the case that this is not an end in itself, given that it aims to enable encompassing and guiding a very large set of customs legislation that needs to be produced, including the Customs Organic Law, the Customs Tariff, and the Code of Conduct, to mention only the most fundamental.

Thus,

The Government decrees, pursuant to article 115 (1) (a) and article 116 (d) of the Constitution of the Republic, with the force of law, the following:

**Article 1.
Approval**

The new Customs Code, hereinafter referred to as the Code, annexed to the present Decree-Law and an integral part of it, is approved.

**Article 2.
Good administrative practices**

1. Within the period of one year, from the date of the present Decree-Law entering into force, the Government is to approve, by Resolution of the Council of Ministers, a "Good administrative practices guide".
2. The guide referred to in the previous item is to provide guidance and to set standards for the conduct to be adopted by the Public Administration.

**Article 3.
Time of application and entry into effect**

Proceedings pending at the time of this Decree-Law's entry into force are, and will be until the final judgment is given, regulated by the law applying at the time when the acts took place.

**Article 4.
Subsidiary legislation**

Everything that is not specifically stipulated in the present Decree-Law and in accordance with the nature of the matters in question, is subject subsidiarily to the legal procedure given in the following legislation:

- a) Criminal Procedure Code (Código Processo Penal);
- b) Administrative Procedure Code (Código do Procedimento Administrativo).

**Article 5.
Revoked legislation**

The following legislation is revoked:

- a) Decree-Law no. 9/2004 (General Procedure for Importation, Storage and Circulation of Products Subject to Excise Duty (Regime Geral de Importação, Armazenagem e Circulação de Produtos Sujeitos a Imposto Seletivo de Consumo));
- b) Decree-Law no. 10/2004 (Timor-Leste Legal Procedure for Customs Duty Offences of (Regime Jurídico das Infrações Fiscais Aduaneiras de Timor-Leste));
- c) Decree-Law no. 11/2004 (Customs Code of Timor-Leste (Código Aduaneiro de Timor-Leste));
- d) Decree-Law no. 15/2005 (Official Broker Statute (Estatuto de Despachante Oficial)); and
- e) Decree-Law no. 5/2007 (Customs Fees and Customs Fund Procedure (Regime dos Emolumentos Aduaneiros e do Fundo Aduaneiro)).

**Article 6.
Entry into Force**

The present Decree-Law enters into force ninety days after its publication.

Approved by the Council of Ministers on 11 October 2016.

The Prime Minister,

Dr. Rui Maria de Araújo

The Minister of Finance,

Santina J. R. F. Viegas Cardoso

Enacted on 16.03.2017

For publication.

The President of the Republic,

Taur Matan Ruak

CUSTOMS CODE

**HEADING I
GENERAL PROVISIONS**

**CHAPTER I
GENERAL PROVISIONS**

**Article 1.
Scope**

1. This Code establishes general rules and procedures for the importation and exportation of goods pursuant to article 3 (qq) of the present Code, their movement and use within the customs territory, the control of passengers, and the associated administrative and enforcement powers of the Customs Services.
2. This Code applies uniformly:
 - a) To the whole of the customs territory of Timor-Leste;
 - b) To the trade between Timor-Leste and other countries, unless established by different means, in international agreements to which Timor-Leste is a contracting party.
3. Any act or omission that constitutes a crime in accordance with the provisions of the Criminal Code remains subject to the measures established by the present Decree-Law and under the jurisdiction of the competent courts.

**Article 2.
Customs territory**

The customs territory of the Democratic Republic of Timor-Leste covers the land surface, maritime area and airspace bounded by the national frontiers of Timor-Leste, in accordance with the Constitution of the Republic, the applicable legislation in force and international law, including the enclave of Oecússi Ambeno, the island of Ataúro, the island of Jaco, and other islands and natural or artificial formations and platforms for prospecting and exploring for resources.

**Article 3.
Definitions**

The following definitions apply for the purposes of the present Code:

- a) *Customs authority (Pt: Autoridade aduaneria) or Customs Services (Pt: Alfândegas):* the competent public entity for administering and applying customs legislation, and legally accredited officials;

- b) *Competent or Control Customs Service*: the customs service with jurisdiction over a customs warehouse;
- c) *Active processing*: the customs procedure that permits certain goods to be received in the customs territory with relief from import duties and other taxes when they are destined to undergo transformation, processing or repair and to be subsequently exported;
- d) *Presentation of goods and/or means of transport to the Customs Services*: communication to the customs authority of the arrival of goods and/or the means of transport to the customs office or other location designated or approved by that authority, in accordance with the arrangements stipulated in this Code;
- e) *Electronic signature*: personal data in electronic format in, attached to, or associated with a record, which may be used to identify the signatory in relation to this record and to indicate the intention of this signatory with respect to the information contained in the record;
- f) *Digital signature*: specific property of a user, or process that is used to sign messages through a communication link;
- g) *Exit authorization for goods*: the act by which the Customs Services make goods available for the purposes established in the customs procedure under which they are submitted;
- h) *Customs control*: the acts and set of measures applied by the Customs Services to ensure compliance with the customs legislation, or other legislation of Timor-Leste that regulates the importation, exportation, transportation, transshipment and deposit of goods that circulate between Timor-Leste and other countries or territories, and the circulation of foreign goods, passengers and baggage in Timor-Leste;
- i) *Bill of Lading (Pt: Conhecimento de embarque)*: Commercial document required for the movement of all goods at the customs frontiers, which serves as evidence of the transportation terms and conditions agreed between the parties (importer and supplier). Each document has a unique number;
- j) *Countermark (Pt: Contramarca)*: sequential number that is allocated to each means of transport, corresponding to its entry into the clearing customs office, with or without commercial purposes;
- k) *Date/time of receipt*: The official date/time entered on the customs declaration upon acceptance;
- l) *Declarant*: a natural or legal person accredited by the Customs Service to fulfill the tax obligations relating to the declared customs procedure;
- m) *Customs declaration (Pt: Declaração aduaneira)*: the act by which the declarant manifests the intention to subject certain goods and/or means of transport to a given customs procedure and indicates the elements that legally have to be provided for this procedure to be applied, using for this purpose the form and the arrangements stipulated in this Code and in other customs legislation;

- n) *Decision (Pt: Decisão)*: any administrative act issued by the Customs Services, on the basis of customs legislation, ruling on a specific case, the legal effects of which apply to one or more persons who have been identified or could be identified;
- o) *Advance decision*: a written decision, issued by the Customs Services in responding to an applicant, at a time prior to the importation of goods, that determines how the Customs Services will handle the goods at the time of importation;
- p) *Depositor (Pt: Depositante)*: a declarant who places the goods under the customs warehouse procedure or the person to whom the rights or obligations of the procedure have been transferred, pursuant to article 200;
- q) *Authorized warehouse keeper (Pt: Depositário autorizado)*: a person authorized under article 22 of this Code to operate a customs warehouse;
- r) *Customs clearing (Pt: Desembaraço aduaneiro)*: compliance with the customs formalities necessary to enable the importation or exportation of goods, or to subject them to other customs procedures;
- s) *Customs duties (Pt: Direitos aduaneiros)*: the indirect taxes that apply to the value of the imported or exported goods in the customs territory, which is obtained by multiplying the tariff rates by the taxable units;
- t) *Import customs duties and taxes*: any customs duties or taxes determined by law on, or relating to, goods imported to Timor-Leste;
- u) *Export customs duties and taxes*: any customs duties or taxes determined by law on, or relating to, goods exported from Timor-Leste;
- v) *Duties and other taxes*: customs duties, taxes, charges and other levies that apply to the value of the goods to be imported or exported, the collection of which is the responsibility of the Customs Services;
- w) *Director-General*: the person nominated or appointed by law as responsible for the Direction of the Customs Services;
- x) *Customs debt*: the obligation of a person to pay the customs duties and other taxes applicable to specific goods under the customs legislation;
- y) *Customs clearance (Pt: Desalfandegamento)*: compliance with the customs formalities necessary to release goods for consumption, to export them or to subject them to another customs procedure;
- z) Customs-approved treatment or use:
- i. Subjecting goods to a customs procedure;
 - ii. Their destruction;
 - iii. Their surrender to the State.

- aa) *Document*: a description, a report, a declaration, an application, a notification, a receipt or any other written document;
- bb) *Electronic document*: a document for which the physical medium is some type of electronic device that contains it and is codified digitally and can be read and reproduced through appropriate means; [Translator's note: source text needs grammar correcting]
- cc) *Customs warehouse (Pt: Entrepósito aduaneiro)*: a customs area under authorized customs control pursuant to article 22;
- dd) *Customs office (Pt: Estância aduaneira)*: a seaport, an airport, a land frontier, an internal deposit container or any other place designated pursuant to article 13 in which all or part of the formalities stipulated in customs legislation can be complied with;
- ee) *Customs status*: the status of the goods, whether national goods or foreign goods;
- ff) *Stevedore (Pt: Estivador)*: a person who transports goods on a ferry, barge or other ship from a ship to a port, or between different locations in a port;
- gg) *Exporter*: a person by or for whom the goods are exported, including a person who is or becomes the owner or holder of title, or an interested beneficiary of such goods at that time, or after the export declaration and before they are exported;
- hh) *Customs supervision (Pt: Fiscalização aduaneira)*: any activity conducted by the Customs Services with the aim of ensuring that customs formalities are fulfilled;
- ii) *Customs formalities*: the set of operations that, for compliance with the customs legislation, must be performed by the interested parties and by the Customs Services with regard to the presentation and customs clearance of the goods and/or means of transport;
- jj) *Guarantee*: which assures, to the satisfaction of the Customs Services, the performance of an obligation in respect of those Services. The guarantee is called "global" when it assures the performance of the obligations resulting from various operations;
- kk) *Temporary importation*: the customs procedure that allows the receipt, in a customs territory, with total or partial relief of the duties and other import taxes, of certain goods imported with a defined objective and which are intended to be re-exported within a given period, without being modified, other than the normal depreciation due to their use;
- ll) *Importer*: a person by or for whom the goods are imported, including the recipient of the goods, or the person who is, or becomes, owner or holder of title, or interested beneficiary of such goods from the time of importation and until the completion of the customs formalities;
- mm) *Customs offence*: any breach of or attempt to breach the customs legislation, defined in Heading XIX;
- nn) *Assessment of the duties and other taxes*: the determination of the amount for the duties and the other taxes payable;
- oo) *Customs legislation*:

- i. This Code and the associated regulations;
 - ii. The laws of Timor-Leste containing provisions that impose customs duties and other taxes on the importation and exportation of goods;
 - iii. International agreements, containing customs provisions to which Timor-Leste is a contracting party.
- pp) *Commercial policy measures*: the non-tariff measures contained in legal provisions, including dumping, safeguarding charges or compensation for subsidies or quantitative restrictions, and taxes on imported or exported goods with the objective of supporting, or protecting, the commercial interests of Timor-Leste;
- qq) *Goods (Pt: Mercadorias)*: includes transportation, animals, documents, currency, baggage, electricity, goods pumped through pipelines, and goods whose importation or exportation is prohibited or governed by law;
- rr) *Foreign goods*: means goods other than those referred to in item tt);
- ss) *Equivalent goods*: the national goods used in processing operations instead of foreign goods placed under a processing procedure;
- tt) National goods:
- i. Goods wholly obtained or produced in the national territory;
 - ii. Foreign goods that have been introduced into free circulation;
 - iii. Goods manufactured or produced in the national territory exclusively from the goods described in subitems i) and ii).
- uu) *Goods subject to excise duty*: goods subject to taxation in respect of excise duty, pursuant to the legislation in force;
- vv) *Minister*: the person designated by law with responsibility for oversight of the Customs Services;
- ww) *Processing operations* means:
- i. The processing of goods;
 - ii. The assembly, joining or modification of goods to form other goods;
 - iii. The processing of goods;
 - iv. The repair of goods, including their restoration and rehabilitation.
- xx) *Authorized Operator*: a legal person who, in the context of its business activity, and after evaluation of compliance with the criteria established by the customs administration, is considered a reliable and trusted operator. When, in the context of its activity as an importer

or exporter, it benefits from additional advantages in the customs clearance process, it is called an authorized economic operator;

yy) *Customs Tariff*: the legislation containing the tables classifying different goods, separated systematically and codified by positions, sub-positions and tariff articles, on their entry to and exit from a customs jurisdiction;

zz) *Person* means:

- i. A natural person;
- ii. A legal person;
- iii. An association of persons recognized as having the capacity to execute legal acts, but without having legal personality;

aaa) *Person established in Timor-Leste* means:

- i. In the case of a natural person, any person who has his or her habitual residence there;
- ii. In the case of a legal person or an association of persons, any person with its registered office, headquarters or permanent establishment there.

bbb) *Processing procedure* means:

- i. The drawback procedure;
- ii. The active processing procedure;
- iii. The passive processing procedure.

ccc) *Processed products*: the goods obtained after one or more processing operations;

ddd) *Provisions*: goods for use in means of transport, including fuel, spare parts and other articles of equipment, whether or not for immediate use, kept on board for consumption by crew, as well as goods transported for sale to passengers on board;

eee) *Appeal (Pt: Recurso)*: the act by which a directly interested person, who feels that they have been harmed by a decision or omission by the Customs Services appeals to a competent authority;

fff) *Resources of the Customs Services*: any device or equipment used by the Customs Services to inspect goods or persons, including, but not limited to, X-Ray equipment, including X-Ray containers; dogs trained to detect contraband; chemical-detection devices; radiation detectors; and cameras;

ggg) *Customs procedure*: the set of specific customs processes applicable to goods, means of transport and other items, by the customs authority, and the subjecting of goods to one of the following procedures:

- i. Introduction into free circulation;

- ii. Temporary importation;
 - iii. Customs warehouse;
 - iv. Customs transit;
 - v. Outright exportation (Pt: exportação definitiva);
 - vi. Temporary exportation;
 - vii. Drawback;
 - viii. Active processing;
 - ix. Passive processing;
 - x. Free zones and free warehouses;
 - xi. Transshipment;
 - xii. Provisions;
 - xiii. Re-exportation.
- hhh)* *Record*: the information entered in a physical medium or which is stored in an electronic or other medium and can be recovered to be viewed;
- iii)* *Electronic record*: a record created, generated, sent, communicated, received or stored by electronic means;
- jjj)* *Reimbursement*: the total or partial refund of the customs duties or taxes paid in excess of the sum due for the declared goods;
- kkk)* *Administrative sanction*: the pecuniary administrative sanction established on the basis of Heading XIX, due to a customs offence;
- lll)* *Harmonized system*: the Harmonized Commodity Description and Coding System, established in the annex to the International Convention on the Harmonized Commodity Description and Coding System, signed in Brussels on 14 June 1983, and its associated Amendments and Explanatory Notes;
- mmm)* *Customs information system*: any system established or designated by the Director-General to generate, send, receive, or in any other way process the documents and payments designated by article 79;
- nnn)* *Rate of return*: the quantity or percentage of compensating products obtained from the processing operations to which a given quantity of goods are subjected;
- ooo)* *Transportation*: any means of transport used to transport goods or passengers, such as a ship, aircraft, vehicle or animal;

- ppp) Customs value:* the transaction value for the items, including costs, insurance and freight in accordance with the provisions in Article VII of the General Agreement on Tariffs and Trade (GATT);
- qqq) Verification:* confirmation and cross-checking of the customs declaration with the specifications given in the documents that accompany it;
- rrr) Verification of goods:* the operation by which the Customs Services conduct the physical inspection of goods for the purpose of ensuring that their nature, origin, state, quantity and value are in accordance with the details given in the goods declaration;
- sss) Travelers (Pt: viajantes):* any person who enters or leaves the national territory;
- ttt) Customs visit (Pt: Visita aduaneira):* inspection conducted of a premises or means of transport to confirm compliance with the customs processes and other legal formalities.

Article 4.
Delegation of competences

1. The Director-General may fully or partially delegate the fulfillment of any competence or act attributed to the Director-General under this Code, to any customs official of the Customs Services.
2. The delegation of powers stipulated in the present article must be set forth in a document referring to its scope and duration, pursuant to the law.

Article 5.
Right of representation

1. Notwithstanding the provisions of this Code relating to the licensing of official brokers, any person can nominate a representative in his or her relationship with the Customs Services to perform the acts and formalities required by the customs legislation.
2. The representative must declare that he or she is acting in the name of the represented person, with sufficient powers of representation.
3. A person who does not declare that he or she is acting in the name or on the behalf of another person, or who declares that he or she is acting in the name or on the behalf of another person without having the powers to do so, shall be considered to be acting in his or her own name and on his or her own behalf.
4. The Customs Services may require that any person who declares that he or she is acting in the name or on behalf of another person prove his or her powers of representation.

Article 6.
Duty to collaborate

1. Any person directly or indirectly involved in performing the customs formalities or the customs control must provide the Customs Services with all of the requested documents and

information and all the assistance determined by the Customs Services, by the stipulated deadline.

2. All public and private entities must cooperate, within the limits of their competence, with the Customs Services, whenever this cooperation is asked of them.
3. All bodies of the State administration, public institutes and public companies have a special duty to cooperate with the Customs Services and must provide them with all of the information and clarifications required for them to perform their functions fully.

Article 7. Extension of deadlines

When the customs legislation specifies a deadline, a date or a term for the purpose of its application, the deadline can only be extended and the date changed or the term altered, to the extent that this is expressly stipulated by a legal or regulatory provision.

CHAPTER II JURISDICTION AND GENERAL OBLIGATIONS OF THE CUSTOMS SERVICES

Section I Jurisdiction

Article 8. Scope of the jurisdiction of the Customs Services

1. The jurisdiction of the Customs Services is exercised permanently, under its direct action:
 - a) In ports, bays, rivers and moorings;
 - b) In territorial waters;
 - c) In a 10-km-wide land zone along the coast;
 - d) In a 10-km-wide land zone along the land frontier;
 - e) At airports and aerodromes and in a 2-km-wide land zone surrounding them;
 - f) In free zones, and in customs warehouses and other customs stores [translator's note: missing from source "and"] in a 2-km-wide land zone surrounding them;
 - g) On offshore platforms and in a 2-km-wide water zone surrounding them.
2. In exercising their competences and within the scope of their jurisdiction, the customs authorities may adopt, in the whole of the national territory, the supervision actions and control measures that they consider necessary to correctly apply the customs legislation.

Section II Supervision

Article 9.

Customs supervision and control

1. Goods introduced into the customs territory shall be under customs supervision and may be submitted to customs control at any time and in any place.
2. The goods referred to in the previous paragraph shall remain under customs supervision for the time necessary to determine their customs status.
3. National goods that return to the national territory shall not be subject to customs supervision once the Customs Services have determined their status as such.
4. Foreign goods shall remain under customs supervision until they have been introduced into free circulation, or placed in a free zone or free warehouse, re-exported, destroyed or surrendered to the State.
5. National goods declared for exportation shall be subject to customs supervision, from the moment of acceptance of the declaration that put them under this procedure until their exit, or until they are surrendered or destroyed, or the customs declaration is invalidated.

Article 10. Land supervision

1. Land supervision shall be ensured by the customs authorities, requiring the outside of the Customs Services buildings and associated facilities, together with the warehouses, free zones and customs stores to be permanently guarded.
2. The customs supervision services must be allocated means of transport suited to the type of operation to be conducted, which shall be duly identified.
3. The identification may be hidden whenever the customs authorities judge this opportune and appropriate.
4. The supervision referred to in paragraph 1 shall be performed pursuant to the customs legislation and the general and special instructions established for this purpose.
5. The customs authorities must request the intervention of the forces of order and security if they believe this to be necessary to fulfill the obligations the law places on them.
6. The forces of order and security shall be obliged to give the support requested from them by the customs authorities, under penalty of insubordination.
7. A report on all of the investigations conducted must be prepared. Should offences of customs legislation be found, an official report (Pt: auto de notícia) shall be prepared, pursuant to the present Code and other applicable legislation.

Article 11. Maritime and waterway supervision

The external supervision at ports, waterways, anchorages and rivers shall be performed, with the necessary modifications, pursuant to article 10.

Article 12.
Air supervision

Air supervision shall be performed, with the necessary modifications, pursuant to article 10.

Section III
Other obligations

Article 13.
Customs offices

1. The customs offices where customs formalities are to be performed shall be designated by written order of the Minister published in the Journal of the Republic.
2. The Minister may exceptionally, through an order published in the Journal of the Republic, temporarily designate other customs offices where customs formalities may be performed.
3. The order referred to in the previous paragraph must give the name, location, time limit and geographical limits, together with the stipulated restrictions and conditions.
4. The Minister may, through an order published in the Journal of the Republic, amend or revoke the designation of a customs post made on the basis of this article, or amend or revoke the conditions and restrictions to which it was subject, as well as revoke these conditions or restrictions and impose new ones.
5. After consulting the interested parties, the Director-General shall determine the hours of operation of the customs offices.
6. On request and through payment of the charges stipulated by the Minister, the Customs Services may provide service outside the normal business hours.

Article 14
Rights of interested parties to information

1. Persons have the right to be informed by the Customs Services of the following upon request:
 - a) The progress of proceedings in which they are directly interested parties and the final decisions taken in them;
 - b) The general or specific application of customs legislation, regulations, instructions, final resolutions and the decisions of the World Customs Organization.
2. The Customs Services may issue, by means of circulars or other means of communication, instructions and directives that prove to be indispensable for compliance with the regulations relating to the area of their competence.
3. In principle, the information provided by the Customs Services shall be free of charge, excepting everything that in some way entails expenditure, specifically that arising from the

production of analyses or expert reports, in which cases the aforementioned expenditure shall be charged to the applicant.

4. For the purpose of the present article, the Customs Services shall establish appropriate information locations.

Article 15. Publication

1. Without prejudice to the provisions of the next paragraph, the forms relating to customs declarations, the collection of customs duty revenue, the application of the procedure for determining the customs value of the goods or fulfillment of the duties stipulated in this Code and the other customs legislation in force shall be approved by the Minister, at the proposal of the Director-General.
2. The forms relating to customs control of persons, goods and means of transport shall be approved by the Director-General.
3. The updated list of all of the forms in force, as well as the locations from where they can be acquired, whenever possible, must be published on the official website of the Minister of Finance or the Customs Services.

Article 16. Consultations

The Customs Services must establish good practices for maintaining formal and regular consultations with other relevant national governmental agencies and with the private sector involved in international trade, on matters relating to implementation of the customs legislation.

Article 17. Professional confidentiality

1. Customs officials are obliged to keep as professionally confidential the facts, information and documents of a confidential nature of which they have knowledge due to performance of their duties.
2. The confidentiality duty ends should revelation of the confidential facts, information or documents have been expressly authorized by the person or by the entity that has supplied it.
3. The confidentiality duty referred to in the present article shall also end when revelation of the facts, information and documents is ordered, in the context of legal proceedings, by the competent judicial authority, or others duly mandated by law.

Article 18. Preservation of documentation relating to customs activity

1. Without prejudice to the provisions relating to the expiration and lapsing of the customs debt, anyone in the Country performing activities connected to international trade or another activity subject to the jurisdiction of the Customs Services must preserve, in an organized way in accounting terms, all documents and records relating to the customs operations performed, for a period of five years.

2. The period referred to in the previous paragraph shall begin at the moment at which, in the terms of the procedure or process in question, the declarant or interested party has performed or should have performed the actions that conclude the procedure or process.
3. The persons mentioned in paragraph 1 of this article must, upon the request of the Customs Services:
 - a) Make available to the Customs Services all documents and records relating to the customs operations performed;
 - b) Provide the Customs Services, in accordance with the terms they specify, with copies of those documents and records;
 - c) Respond to any question regarding the customs inspections and the associated documents and records.
4. Whenever the information relating to the customs operations performed is given in electronic records, as described in Heading V, or any other type of medium, the persons mentioned in paragraph 1 of this article, by decision of the Customs Services, must activate or allow to be activated the data storage and processing device or platform, so as to enable access to all the necessary information, specifically:
 - a) The electronic record in the format in which it was sent;
 - b) The information that enables the origin, destination, and date and time of sending to be identified;
 - c) All documents, records and information, in their original format, sent by means of, or used in the preparation of, the electronic record.
5. Records that have to be kept on the basis of this article must be presented when requested by the Customs Services for the purpose of customs control. Electronic records must be presented in the form of a printed copy or any other format specified by the Customs Services.
6. Anyone who obstructs or in any way restricts the prompt presentation of the documents mentioned in this article, shall incur a customs tax offence and be subject to an administrative sanction.

Article 19.
Customs archives

1. The customs authority shall create a general archive and archives at each Customs Service or customs office.
2. Customs offices shall keep an archive with the customs documents for the following periods:
 - a) Administrative documents: three years, and those expiring must be listed and sent with a delivery note to the general archive;

- b) Receipt documents: five years, and those expiring must be listed and sent with a delivery note to the general archive;
3. When the periods given in paragraph 2 for retention in the archives ends and they are sent to the general archive, the documents shall be kept in the archives for a supplementary period of ten years.
 4. The general archive shall classify the documents that have historical value and must be preserved indefinitely.
 5. For the purpose of this provision in the present article, the following terms shall have the meanings given:
 - a) Receipt document (Pt: Documento de receita), all and any customs declaration by means of which a customs debt has been calculated pursuant to the present Code;
 - b) Administrative document (Pt: Documento administrativo), all other documents.

HEADING II
AREAS UNDER CUSTOMS CONTROL AND AUTHORIZED CUSTOMS ACTIVITIES

CHAPTER I
AREAS UNDER CUSTOMS CONTROL

Article 20.
Authorization required

No premises shall be used as an area under customs control unless authorized by the Director-General pursuant to the following articles:

- a) For the control of any ship or aircraft on entering and leaving Timor-Leste, or for the loading or unloading of goods transported on them;
- b) For the transshipment of goods;
- c) For keeping or storing imported goods until they have exit authorization from the Customs Services, that is, putting them in temporary storage;
- d) For the embarkation, disembarkation or control of persons on entering or leaving Timor-Leste;
- e) As a customs warehouse for storing imported goods;
- f) As a tax warehouse where, in accordance with the legislation in force, goods subject to excise duty can be produced, processed or kept without payment of excise duty.

Article 21.
Competence to request authorization

1. An application for authorization to operate an authorized area under customs control can only be made by a person established in Timor-Leste who, legally, owns, occupies or operates this area.

2. The application must be made in the required format and fashion, as stipulated, and with the necessary information and supporting documents.

Article 22.
Authorization requests

1. The Director-General can authorize the concession to operate an area under customs control, taking account of the economic reasons claimed by the interested party when the other customs offices and areas under customs control cannot implement this customs control and under the terms, conditions or restrictions that the same considers necessary to ensure the proper performance of the operations.
2. The authorization shall specify:
 - a) The area for which authorization is granted and the procedure under which it is authorized;
 - b) The applicant as authorized person;
 - c) The objective or objectives described in article 20 (a) to (f), for which the area is authorized;
 - d) Any terms, conditions and restrictions.

Article 23.
Provision of a guarantee

Taking into consideration the exceptions stipulated by the Minister and the provisions of this Code relating to the customs warehouse procedure, the person authorized to operate an area under customs control must provide a guarantee to safeguard all of the interests of the State against any harm or expenditure related to, or resulting from, the depositing, storage or handling of the goods in the area under customs control.

Article 24.
Records

The authorized person must keep records of all of his or her activity, as stipulated. The information contained in the records must enable supervision of the areas under customs control, in particular with regard to identification of the goods placed there, their customs status and their movements entering, exiting and within the area under customs control.

Article 25.
Customs supervision in the areas under customs control

1. The authorized person must supply and maintain, without charge to the State, operational areas, such as accommodation, installations, buildings, equipment and storage that the Director-General determines to be necessary and sufficient for Customs Services to exercise their competences and powers. [Translator's note: there appears to be a superfluous "com" in the source in this paragraph]

2. The authorized person must store the goods subject to customs supervision in the fashion and location determined by the Director-General.
3. The Customs Services may, at any time:
 - a) Request the presentation of the goods kept or deposited in the area under customs control;
 - b) Verify or repeat verification of the entry and exit of goods, whenever they consider it necessary;
 - c) Request the presentation, with or without regularity, of inventories of all or part of the goods kept or deposited in the area under customs control, as well as conduct audits of the stock accounts;
 - d) Nominate officials of the Customs Services for, or in the area under customs control. [Translator's note: follows source text].

Article 26.

Suspension or revocation of the authorization

The Director-General may suspend or revoke the authorization to operate an area under customs control, should he or she determine that the area is not, or is no longer, sufficiently utilized to justify the customs processes required for its supervision.

Article 27.

Customs supervision in the areas under customs control

1. When any authorization to operate an area under customs control has been annulled, revoked or renounced, customs duties and other customs taxes shall be due on all of the goods existing in that area, which are or were subject to customs supervision immediately before the annulment, cancellation or renouncement, unless the Director-General allows the goods to be removed to another area under customs control, or their subjection to a customs procedure.
2. In the situations referred to in the previous paragraph and during the period stipulated therein, or until the goods are placed in another area under customs control, no costs shall be charged to the person authorized to receive or store the imported goods that are found in an area under customs control.

Article 28.

Transfer between warehouses

1. Without prejudice to the provisions of article 205, relating to goods temporarily leaving a customs warehouse, the movement of goods subject to a customs warehouse procedure is only permitted:
 - a) Between authorized customs warehouses;
 - b) On being imported directly to an authorized customs warehouse;
 - c) On being exported directly from an authorized customs warehouse.

2. It is only permitted to move goods subject to excise duty that are found in a tax warehouse, without payment of this tax:
 - a) To another authorized tax warehouse;
 - b) When they are exported directly from an authorized tax warehouse.
3. The movement of goods subject to excise duty, or to a customs warehouse procedure pursuant to this article, is subject to the provision of a guarantee to ensure payment of the customs duties and other taxes and to ensure that such operations are conducted appropriately.
4. The Director-General must regulate:
 - a) The conditions under which any movement of goods under this article must occur, and the associated accompanying documents;
 - b) The person who can or must provide the guarantee required in this article, specifically the person authorized to operate the tax or customs warehouse who sent or received the goods, the transporter or the owner of the goods.

Article 29.
Cancellation of authorization

1. An authorization or license issued under the present Heading shall be revoked and the presentation of a new authorization or license application shall be denied if it is determined that the authorized, licensed or requesting person, as appropriate, or the person who controls or manages the activities of such authorized, licensed or requesting person:
 - a) Has been sentenced for committing a crime provided for in the Timor-Leste Criminal Code (Pt: Código Penal), involving the importation or exportation of goods, breach of confidentiality, coercion or obstruction of the government or judicial authorities, theft or another form of misappropriation of property, fraud, false testimony, bribery or other form of corruption of a public servant, embezzlement, forgery, counterfeiting, tax fraud or evasion of customs duties;
 - b) Has committed a customs offence according to article 354 or advised, ordered, induced, contracted or consciously helped or incited the committal of a customs offence by another person, including an employee of the Customs Services;
 - c) Has repeatedly committed customs offences of any type.
2. The authorization or license issued on the basis of this Heading may be suspended or revoked by the Customs Authorities, should it be determined that the authorized or licensed person, as appropriate, has not complied with the conditions stipulated in the authorization or license.
3. The provisions of the present article are without prejudice to the justification for refusing suspension applications or cancelling authorization for licenses stipulated in other articles under the present Heading.

CHAPTER II

AUTHORIZED ACTIVITIES

Section I Power to declare

Article 30. Entities qualified to act as brokers or declarants

1. The request for any customs or tax declaration for goods, the receipt of which is attributed to the Customs Services, as well as the provision of any documents regarding these, shall be made exclusively:
 - a) To the owners or consignees of the goods, whether they appear personally or through the intermediary of their duly qualified employees with the associated power of attorney or private broker identity document;
 - b) To official brokers to whom the owners or consignees of the goods grant power of attorney to act in their name or on their behalf.
2. The owners or agents of sea or air shipping companies may intervene, in relation to the ships or aircraft of which they are owners or which have been assigned to them, in the series of acts and formalities required for the so-called "clearance of ships and aircraft".
3. Declarations to the Customs Services cannot be made by those who are insolvent or who are prohibited from making declarations to the Customs Services and the official brokers while they are serving the disciplinary penalty of suspension.
4. Applications for tax exemption or benefit that are the object of an autonomous process, as well as the granting of authorization for a relief customs procedure, are always to be accompanied by the power of attorney provided by the associated beneficiary when he or she does not make the application himself or herself.

Article 31. Bond

1. The Director-General requires that all persons intending to make declarations to the Customs Service provide an irrevocable bond, to the value of not less than USD 10,000 as a precondition to the performance of this activity.
2. The Director-General may determine that the bond shall be provided in an amount greater than the aforementioned minimum in paragraph 1, up to the maximum of USD 40,000 for natural persons or USD 150,000 for legal persons, depending on the type of goods, the sums involved and the number of customs or tax declarations presented, as well as in cases of repeated breaches of customs legislation.
3. The deputies for the persons who are required to provide a bond as a precondition for making declarations to the Customs Service also have to be covered by this bond.
4. The owners or consignees of the goods who intend to make customs declarations directly to the Customs Authorities who do not have the identity document referred to in Article 37 must provide evidence of the corresponding civil and tax identification, and the documentation to be

attached to the declaration must indicate their capacity as recipient, sender or consignee of the goods.

5. In the case of a legal person, a natural person is considered qualified to make the declaration when, in accordance with the relevant by-laws or general meeting minutes, he or she has the powers to represent it and to provide evidence of the owner or consignee of these goods.
6. When the owners or consignees of the goods have requested the issuance of the license referred to in article 32, they shall be subject to the specific authorization and licensing process, after which the Customs Service shall register them.

Section II Official Broker

Article 32. License requirement

1. Nobody can make a customs declaration in the name or on behalf of another person, unless he or she has a valid official broker license issued by the Director-General.
2. Without prejudice to the provisions in the previous paragraph and in the present Code relating to the right to representation, an employee or officer of a legal person who submits the customs declaration on behalf of the legal person does not have to have an official broker license.

Article 33. Admission

1. Admission to exercise the profession of official broker shall be by means of a public selection examination organized in three (3) distinct phases: application, training course to become an official broker, and sitting of a final admission examination.
2. The call for applications for the selection examination referred to in the previous paragraph shall be determined by order of the Minister and published on the official website of the Minister of Finance and the Customs Services during the thirty (30) days preceding the start of the training course.
3. The regulations for the selection examination and the training course to become an official broker shall be regulated by Ministerial decree.
4. The need and the timing for opening public selection examinations to admit new official brokers shall be the responsibility of the Minister.

Article 34. Application

1. The application requirements are:
 - a) The person must be established in Timor-Leste and must hold a civil identification card (Pt: cartão de identificação civil) or business registration certificate (Pt: certidão do registo comercial) and a tax identification number (NIF – Número de Identificação Fiscal);

- b) Must be over 21 years of age;
 - c) Must have minimum academic qualifications of 9th year of compulsory schooling or equivalent;
 - d) Prove they are not tax debtors to the State by means of a clearance certificate (Pt certidão de dívida);
 - e) Have not been convicted in criminal proceedings or of a tax offence.
2. The list of accepted candidates shall be the subject of an order from the Minister and published on the official website of the Minister of Finance and the Customs Services.

Article 35.
Training course

1. The candidates accepted in the first phase shall be eligible to join the training course to become an official broker.
2. The training course shall have a minimum duration of seventy (70) hours and its dates shall be included in the order from the Minister approving the list of candidates admitted in the first phase.
3. At the end of the training course, there shall be a selection examination to test understanding, in which the candidates shall be assessed and classified individually, and the list of candidates who pass the final phase shall be published.

Article 36.
Final admission examination

1. The candidates who pass the training course referred to in the previous article shall be eligible to take the final examinations for admission as an official broker.
2. The examinations shall be sat in Díli, within 30 (thirty) days of publication of the list referred to in the previous article and shall cover practical customs issues, including a practical part involving classifying goods for customs tariffs.
3. The examination panel shall have 3 (three) members and be chaired by the Director-General, who shall appoint the other two members, one of whom may represent the Customs Brokers' Association of Timor-Leste.
4. The final classification of the candidates shall be published in the Journal of the Republic, in a list that shall be approved by an order of the Minister.

Article 37.
Approval

The persons who have passed and been included in the classification list referred to in the previous item and have provided the bond to the Customs Services for exercise of the activity as mentioned in article 31 shall be considered approved and receive the associated Professional Identity Document.

Article 38.
Bond

1. Before starting to operate as an official broker, the person licensed under article 32 must provide a bond between the minimum sum of USD 10,000 and the maximum sum of USD 150,000, as stipulated by the Director-General, so as to ensure compliance with the customs legislation.
2. On the date on which the present piece of legislation enters into force, the guarantees provided by official brokers already licensed shall be reviewed so that they can be harmonized.

Article 39.
Issuance and registration of the professional identity document

1. The official broker identity document shall be issued by the customs authorities, who must ensure that persons holding identity documents are registered, it being the obligation of the holder to communicate any change to the details included in the aforementioned registration.
2. The Customs Services may demand, at any time, that the official broker provide evidence of his or her activities in the name and on behalf of the owner or consignee of the goods.
3. In the case of legal persons, the identity card shall be issued to the natural person who represents it or the person whom they designate, provided that he or she is a partner or managing partner in its exclusive service.

Article 40.
Identity card

1. Upon application by an authorized official broker and payment of the stipulated charges, the Customs Authorities shall issue an identity card.
2. The Director-General must issue the declarant with an identity card, upon request and payment of the stipulated charges, in the name of a person who regularly makes customs declarations in his or her own name, or who, as a regular officer or employee of the legal person, is authorized to make customs declarations in the name of this legal person.
3. The manner of submitting the application and the corroborating documents required must be stipulated, along with any conditions for or restrictions on the use of the identity card, under this article. [Translator's note: there appears to be an error in the source in the opening part of this paragraph]

Article 41.
Suspension or revocation of the license

1. The Director-General may suspend or revoke a license issued to an official broker in the following cases:
 - a) It is determined that the official broker, in performing his or her business activity, tried in some way to mislead, deceive or threaten a current client or prospective client with the objective of consciously and deliberately defrauding that client;

- b) The professional performance of this official broker has been considered unsatisfactory on the basis of mistakes committed in the customs declarations delivered to the Customs Services, in accordance with the guidance published by the Director-General;
 - c) It is determined that the official broker was not actively exercising his or her activity.
2. The Director-General must revoke the official broker license issued in the name of a legal person when it is determined that it has not employed for a continuous period of one hundred and twenty (120 days) at least one officer or other person with responsibility for managing the business operations licensed under article 32.

Article 42.
Maintenance of registers and reports

The authorized official broker must maintain and present books and records whenever requested by the Customs Authorities, as well as prepare the reports stipulated by the Director-General found to be necessary to protect the represented persons, ensure the adequate collection of receipts and compliance with the customs legislation, as well as the application of the provisions of this Section.

Section III
Customs Brokers' Association of Timor-Leste

Article 43.
Representation

1. The association representing the official brokers shall be the professional association and shall represent the holders of the corresponding professional identity document.
2. Membership of the association is obligatory as a necessary condition for the official broker to exercise their profession.
3. The By-laws of the association and, likewise, the associated amendments shall be approved by its own decree and published in the Journal of the Republic.

Article 44.
Competence and disciplinary action relating to all Official Brokers

1. The association representing the official brokers shall be structured depending on the territorial division of the Country and the definition of its bodies, competences, operation and composition will be set forth in the associated By-laws. [Translator's note: grammar of source requires correcting]
2. The association may charge a monthly, weekly or annual contribution, to be defined in its own by-laws, to the official brokers and may acquire and manage its own property.

Article 45.
Exercising the profession as an individual and as a company

1. Official brokers may exercise their activity as an individual or as a company in which they are partners.
2. The sole object of the companies of official brokers shall be the exercise of the corresponding professional activity.
3. The companies of official brokers shall take the form of limited companies (Pt: sociedades por quotas), and their articles of association (Pt: pacto social) must have the prior approval of the association representing official brokers.
4. The companies of official brokers currently in existence shall continue to be valid until they are wound up, and assignment of shares shall only be made to official brokers.
5. The companies referred to in the previous paragraphs shall only be managed by partners who are official brokers.

Section IV Authorized Operators

Article 46. Authorized operators

The Director-General must, as stipulated, grant the status of authorized operator to persons established in Timor-Leste who have demonstrated an adequate level of compliance with the customs legislation and other criteria relating to the fulfillment or non-fulfillment of risk, without prejudice to the customs controls.

Article 47. Authorized economic operators

1. When the Director-General has attributed the status of authorized economic operator, as stipulated, that operator may be accredited to use simplified customs formalities and controls. The customs authorities shall authorize the operator to benefit from this simplification, on the basis of the accreditation with the status of economic operator authorized for customs simplifications, provided that all of the requirements relating to a given type of simplification specifically stipulated in the customs legislation are fulfilled.
2. The authorized economic operator referred to in the previous paragraph shall benefit from more favorable treatment than other economic operators in respect of customs control, in accordance with the type of authorization granted, specifically fewer physical and documentary controls.
3. When an international treaty or agreement to which Timor-Leste is a contracting party, permits expansion of the benefits of the authorized economic operators, stipulated in the previous paragraph, with regard to persons established in a country other than Timor-Leste, the Director-General must grant such benefits to these persons, if the Director-General determines that they have the same status, under the legislation of that country.

Section V Stevedore

**Article 48.
License**

1. Exercising the activity of stevedore at the customs office designated by the Minister must be subject to obtaining a license.
2. The application for obtaining a license for exercising the activity of stevedore must be sent to the Director-General in accordance with the rules that the Director-General has stipulated.

**Article 49.
Eligibility criteria**

1. After consulting the Timor-Leste Ports Administration, the Director-General must define and stipulate the appropriate criteria necessary for the activity of a stevedore, while ensuring that revenue collection and compliance with the customs legislation is protected.
2. When defining these criteria, the Director-General must take account of the profile, qualifications and experience of the applicant and the suitability of his or her equipment and must require a guarantee to be provided.

**Article 50.
Identification**

1. The licensed stevedore must present his or her license for inspection at the request of the Customs Services and, as stipulated by the Director-General, must keep the license visibly displayed on the licensed ferry, barge or other ship.

**Article 51.
Records and reports**

1. The licensed stevedore must maintain and present books and records whenever requested by the Customs Authorities, as well as prepare the reports stipulated by the Director-General relating to his or her activity as stevedore.

**Article 52.
Mooring location**

Whenever necessary, the Customs Services may agree with the Timor-Leste Ports Administration to designate the dock to be used by the means of transport operated by a stevedore.

**HEADING III
CUSTOMS POWERS**

**Article 53.
Customs controls**

1. The Customs Services may, within the scope of their own competences, conduct the customs controls judged necessary and sufficient to perform their assignment.
2. Every customs control, including random checks based on the risk analysis conducted through electronic data processing techniques, has the principal objective of identifying and assessing

risks, and preparing the necessary response measures, in the context of the criteria developed at national and international level.

Article 54.
Powers of authority of customs officials

1. Customs officials may use their powers to:
 - a) At the request of police authorities or other competent authorities, implement or give notice of a court ruling, a subpoena (Pt: "mandato de comparência"), a summons (Pt: "citação" or "convocatória"), or other permitted legal procedure;
 - b) Conduct the investigation of offences that have been committed in breach of customs legislation;
 - c) Perform activities conducive to the protection of revenue collection and the prevention and detection of offences under customs legislation, in the terms established by the Minister.
2. Whenever necessary to achieve fulfillment of the obligations imposed by law, the Customs Services must request the collaboration of the security forces to maintain law and order.
3. The security forces and services are required to provide the support requested by the Customs Services to maintain law and order.
4. For all investigations conducted in the context of this Code and other applicable legislation, it is obligatory to prepare a report and, should a crime or offence be suspected, the associated official report (Pt: auto de notícia) and other obligatory procedural documents.

Article 55.
Control and inspection of means of transport

1. The Customs Services may, for the purpose of supervision, limit or restrict the circulation of any means of transport that:
 - a) Has arrived in the Timor-Leste customs territory from abroad;
 - b) Is leaving the Timor-Leste customs territory or in transit to a foreign location;
 - c) Transports goods that have been transferred from one means of transport referred to in item a), or are transferred to a means of transport referred to in item b).
2. The Customs Services may check the manifest and other documents of the means of transport mentioned in paragraph 1 of this article and verify, inspect and conduct searches of this means of transport, as well as search any person, baggage, packages, envelopes or cargo on board, and, exclusively for this purpose and when circumstances require it, make use of force, pursuant to the law.
3. The Customs Services may isolate any part of the means of transport and, using whatever means they believe necessary, impound it, with the objective of requiring the unloading or removal of the goods for examination, or for the purpose of maintaining security conditions for

other operations, may seal, place marks or take any other action they believe appropriate to protect the transported goods.

4. The Customs Services may place one or more customs officials on board any means of transport on arrival at a customs office, while this transport is still in port and, if necessary, while it is in transit from one port to another, to check the cargo and the means of transport and inspect the unloading operations, as well as perform other tasks that are required by law for the purpose of ensuring that revenue collection is protected.
5. All remuneration and expenditures on the services provided in accordance with paragraph 2 of this article can be claimed from the State by the owner or person responsible for the means of transport unless the customs official is accommodated and fed on board, like the passengers. [Translator's note: the source text is unclear]

Article 56.

Interrogation and detention of persons

1. The customs officials may use their powers to interrogate any person on entering or leaving the territory of Timor-Leste, or who is found in the areas defined in article 8.
2. When, as a result of interrogation or any other investigation, the Customs Services have sufficient evidence to suspect that a person has committed, or is preparing to commit, the crimes of smuggling or non-payment of customs duties, as defined by the Criminal Code, they may detain them under the following terms:
 - a) To enable the Customs Services to conduct the investigations necessary to fully clarify the required customs procedure;
 - b) To ensure the presence of the detained person before a judicial authority in proceedings to validate the detention or to determine another enforcement measure.
3. The Customs Services must release or deliver the person held under this article to the custody of the competent authorities, within a maximum period of 6 hours from the time at which the detention started, if this cannot be achieved sooner.

Article 57.

Searching of persons and their baggage

1. Customs officials may, in the performance of their duties, search a person:
 - a) On board a means of transport that has entered or is about to leave the territory of Timor-Leste;
 - b) In the process of disembarkation from or embarkation on the means of transport described in item a);
 - c) Who has entered Timor-Leste and remains at a location under customs control.
2. Customs officials may search the baggage that accompanies the person described in the previous paragraph.

3. The Customs Services, pursuant to paragraph 1 of this article, may detain persons to conduct a preliminary search.
4. If, after the preliminary search, the Customs Services continue to suspect that the person has hidden, in or about his or her person, any type of goods or objects likely to breach the customs legislation, they may hold and search this person, and may, if necessary and pursuant to the law, make use of force.
5. Customs officials may immediately hold and search a person if there is suspicion that:
 - a) He or she is transporting or hiding a dangerous item in or about his or her person;
 - b) The item represents a threat to the safety of the customs official or to third parties;
 - c) There is a need to act immediately to manage this threat;
 - d) The search in accordance with paragraphs 3 and 4 of this article represents a greater threat to the life or person of the customs official or a third party.
6. For the purpose of this article, a search is considered preliminary when:
 - a) It involves little or no physical contact between the person conducting the search and the person being searched; and
 - b) It is conducted using the resources of the Customs Services themselves, without using any intrusive means or instrument.
7. Any type of search shall always be performed by individuals of the same sex. [Translator's note: the source literally leads "is always performed" – see general note on use of "shall" in this document]

Article 58.
Searches in ports or installations

The Customs Services may, at any time, conduct searches in:

- a) Any area defined in article 8;
- b) Any means of transport located within this area and, in accordance with the provisions of the previous article, conduct searches of any person found in these premises or in this means of transport.

Article 59.
Searches of persons and premises outside of the customs jurisdiction

If it is suspected that any foreign goods for which no import duties have been paid, or which have been imported in breach of the law, are in the possession of a person, or in a residence, store or other building or premises in the territory of Timor-Leste, the Customs Services may request a search and seizure warrant for any goods or other property, pursuant to the Criminal Procedure Code (Pt: Código de Processo Penal).

Article 60.
Seizure of means of transport and goods

If the Customs Services discover from the investigations conducted that any means of transport or goods have been used to commit a customs offence that leads to confiscation, these shall be seized and kept under the guard of the Customs Services until the final decision in the proceedings.

Article 61.
***Ex-post* controls following exit authorization**

1. The Customs Services may, following exit authorization for the goods and with the purpose of carefully checking the information contained in the bill of lading or in the customs declaration, inspect any documents or data for the operations relating to the goods in question, before or after the commercial operations that involve these goods, and may also inspect these goods and/or collect samples when this is still possible.
2. Such inspections must be performed at the installations of the declarant or holder of the goods or of his or her legal representative, of any other person directly or indirectly involved in this operation in a professional capacity, or also of any other person in the possession of documents or information with commercial purposes.
3. The Customs Services, once the formalities set forth in the Criminal Procedure Code (Pt: Código Processo Penal) have been complied with, may gain access to any premises or installations where documents, records or data are physically kept or exist on computers that relate to a foreign trade or manufacturing activity subject to customs control, with the objective of inspecting them pursuant to article 18 of the present Code.
4. The Customs Authorities may inspect such documents, records and data for the purpose of customs control and may make copies or order their seizure, in the latter case providing a copy to the importer, exporter, agent or manufacturer. The Customs Services may also question other persons whom they find in the aforementioned premises for the purpose of verifying compliance with the law.
5. At all times during the control and in accordance with the needs of the investigation, the Customs Services may seize, for the time necessary to copy the required information, any computer device used in the control, processing and storage of documents, records or data.
6. The customs officials who take action using any of the powers stipulated in article 18 or the powers mentioned in this article must be authorized to that effect by order of the Director-General.

HEADING IV
CUSTOMS RULES AND DECISIONS

CHAPTER I
CUSTOMS RULES

Article 62.
Consultation of interested parties

Before the measures for implementing the present Code are approved by the Minister or Director-General, as appropriate, he or she must ensure that interested parties are consulted, with a reasonable timescale being made available to submit comments about the proposed measures, unless the aforementioned measure determines that such consultation and subsequent comments are impractical, unnecessary or contrary to the public interest.

Article 63.
Advance publication

The implementation measures for the present Code must be published at least thirty (30) days before they come into force, unless the Minister or Director-General, as appropriate, determines otherwise in response to urgent circumstances or other just cause, which must be mentioned when they are published.

CHAPTER II
CUSTOMS DECISIONS

Article 64.
Issuance of customs decisions

1. When an applicant asks the Customs Services for a decision relating to the application of customs legislation, he or she must provide the aforementioned authorities, within ten (10) days, with all the elements and documents required for this purpose.
2. Without prejudice to the deadlines for specific decisions stipulated in the customs legislation, the Customs Services must decide and notify the applicant within thirty (30) days of the date on which they received all of the requested information.
3. However, this deadline may be extended when it is impossible for the Customs Services to meet it. In this case, the aforementioned authorities must inform the applicant before the deadline set above expires, giving the grounds justifying the extension, as well as the new period they consider necessary to decide on the application.
4. If there is no decision within the maximum period of thirty (30) days, the application is considered tacitly denied.
5. Before the Customs Services take a decision, the interested party must be notified in writing for an advance interview.
6. The decisions referred to in the previous paragraph are, specifically, those relating to questions about:
 - a) The annulment, suspension, cancellation, revocation or amendment of an advance ruling or any license or authorization issued under the customs legislation;
 - b) The assessment amendment for a customs declaration under article 169, should payment of new or additional customs duties or taxes be required for this; or
 - c) The imposition of an administrative sanction.

7. If the decision is refusal, the applicant must be notified in writing and the notification must demonstrate the grounds for the refusal and state the associated right of appeal.
8. The decision of the Customs Services shall take effect after the deadline for the appeal, pursuant to the present Code.

Article 65.
Annulment and revocation of customs decisions

1. Any decision favorable to the interested party shall be annulled if it has been made on the basis of inaccurate or incomplete elements and if:
 - a) The applicant was aware or could reasonably be supposed to be aware of this inaccurate or incomplete nature;
 - b) The decision would not have been made on the basis of accurate and complete elements.
2. Without prejudice to the grounds for revoking specific decisions determined in other articles of this Code, the Director-General may at any time revoke an advance ruling issued when the Director-General determines that this decision does not conform to, or is inconsistent with, the appropriate implementation of the customs legislation.
3. The annulment of the decision shall be communicated to the recipient of this decision.
4. The annulment shall take effect from the date on which the annulled decision was made.

Article 66.
Advance rulings

1. On the basis of an application made by the interested party, the Customs Services may make an advance ruling relating to the tariff classification, the country of origin of the goods or any other matter that the Director-General stipulates.
2. There shall be no advance ruling when the application:
 - a) Relates to a customs transaction already underway or completed, or
 - b) Presents an issue pending in court and to which the Customs Services or any of its officials are party.
3. An advance ruling made by the Customs Services shall be binding on them and the applicant in relation to the matters contained in the decision.
4. It shall be the responsibility of the Director-General to stipulate the requirements necessary for issuance of advance rulings pursuant to this article, including:
 - a) The format and content of the application and the way a decision is to be applied;
 - b) Any documents or information required to support the application, and;

- c) The period of time for which the decision is valid.
5. Advance rulings shall be permanently annulled should it be found that they were issued on the basis of inaccurate or incomplete elements provided by the applicant.

CHAPTER III COMPLAINTS AND APPEALS AND THEIR REVIEW

Article 67.

Complaints and appeals in respect of decisions by the customs authorities

1. The holders of subjective rights or legally protected interests who believe that they have been harmed by an administrative action have the right to complain or file an appeal to a higher authority or a protective appeal in respect of the actions and decisions of the customs authorities in the exercise of their competences.
2. Any person who has requested a decision from the customs authorities and has not obtained it within thirty (30) days also has the right to lodge an appeal.
3. The complaint shall be addressed to the person who took the action, who may reformulate it.
4. The appeal to a higher authority shall be addressed to the highest authority above the person who took the action, unless competence for the decision has been delegated.

Article 68.

Complaints

1. All administrative acts and decisions arising from the customs activity can be challenged, whenever the interested party does not agree with them, within fifteen (15) days from the date of being informed of the action or notification of the decision.
2. Complaints relating to the collection of duties and other taxes may be made within one (1) year of the exit of the goods.
3. Complaints must be sent in writing to the Director of the Customs Services or to the Minister, depending on the person who took the action or decision being challenged.

Article 69.

Appeals

Two types of appeal apply to decisions by the Customs Services:

- a) An administrative appeal addressed to the Minister, regarding customs decisions or the final decision of the Director-General relating to a complaint;
- b) In the context of proceedings relating to disputes in customs matters, a judicial appeal shall be filed with the competent Court against the final decision of the Director-General and the Minister.

Article 70.

Decisions and acts for which complaints and administrative appeals are permitted

1. The decisions and actions made by the Customs Services for which complaints and administrative appeals are permitted are, specifically, the following:
 - a) Assessment or assessment amendment for customs duties and other taxes on goods, including all of the underlying conclusions and decisions regarding the tariff classification, country of origin and customs value of the same;
 - b) The imposition of an administrative sanction;
 - c) Rejection of an application for an advance ruling, or any authorization or license stipulated in the customs legislation, or the cancellation, suspension, amendment or annulment of an advance ruling, or an authorization or license;
 - d) Full or partial refusal of an application for drawback, or for reimbursement of customs duties or other taxes;
 - e) Notification of the justification for delay in the exit authorization for goods under article 168;
 - f) Seizure of goods.
2. For the purposes of the previous paragraph, the Customs Services are expressly obligated to provide a decision about the lodging of any application.

**Article 71.
Guarantee in case of appeal**

When the subject-matter of the challenged decision is for payment of a customs debt, or the mandatory collection of a fine and, in the latter case, of other pecuniary sanctions, the appellant must provide a guarantee by means of a deposit or surety in the amount of the customs debt.

**Article 72.
Complainant or appellant**

An administrative complaint or appeal can be lodged, specifically, by:

- a) A person whose liability for payment of customs duties or other taxes, or subjection to a given administrative sanction, results or is affected by a decision under article 70;
- b) A person in relation to whom or whose application a decision on the basis of article 70 has been provided.

**Article 73.
Lodging and processing of an administrative appeal**

1. The administrative appeal shall be lodged, as stipulated, by means of submission of the application, which must state all of the grounds for the appeal, with any documents considered useful attached.

2. The deadline for lodging the appeal is thirty (30) days after the notification of the decisions, counted:
 - a) From the date on which the debtor is notified of the customs debt relating to the decisions described in article 70 (1) (a) or (b);
 - b) From the date on which the interested party is notified of the decision about which the appeal is lodged or when the deadline for the decision is reached, in all other circumstances.

Article 74.
Review of the administrative appeal

1. The administrative appeal shall be addressed to the highest management level above the person who took the action, unless competence for the decision has been delegated.
2. The application to lodge an appeal may be presented to the person responsible for the act or to the authority to which it shall be addressed.
3. After the administrative appeal has been received, the competent entity shall proceed to review the challenged decision:
 - a) Confirm the decision;
 - b) Amend or annul the decision and take the necessary measures, as found to be appropriate as a consequence of these amendments.
4. The Director-General must ensure that the customs official or service to which the Director-General's powers stipulated in this article have been delegated is independent from the customs official or service that provided the challenged decision.
5. If the decision against which the appeal is being lodged was a decision of the Director-General, the appeal must be reviewed and the decision made by the Minister.

Article 75.
Tacit rejection

When the body competent for considering the appeal does not notify the appellant of the result of the review within thirty (30) days of the date on which the administrative appeal was lodged, the decision under review shall be considered confirmed, for the purpose of the appellant exercising any rights from the administrative or judicial appeal stipulated in the law, with regard to the decisions made by the Customs Services.

Article 76.
Final nature of the decisions

1. The decisions of the Customs Services referred to in article 70 (1) shall be final and enforceable unless an administrative appeal is lodged under this Chapter, or an appeal against the tacit rejection is lodged in the competent administrative or judicial court, within the stipulated period, in accordance with the applicable legislation.

2. When the judgment of an administrative or judicial court that is the subject-matter of an appeal becomes final, a copy of this judgment must be sent to the Customs Services, who must act in accordance with it.

Article 77.
Effects of the appeals

1. The obligation to pay customs duties, other taxes or an administrative sanction shall not be suspended with the lodging of the administrative appeal, referred to in this Chapter; however, when the subject-matter of the appeal is the imposition of an administrative sanction, the Customs Services may permit a security to be provided in lieu of the payment, while the final decision on the appeal is pending.
2. Should the challenged decision be amended or modified, the Customs Services must immediately reimburse or return any overcharged customs duties, other taxes or administrative sanction.

HEADING V
PAYMENT RECORDS AND EXCHANGE OF INFORMATION

CHAPTER I
ELECTRONIC RECORDS AND PAYMENTS

Article 78.
Electronic documents

The present Heading regulates the validity, effectiveness and probative value of electronic documents under the scope of the present Code.

Article 79.
Records and payments

1. It is the competence of the Director-General to approve, through a public announcement in the Journal of the Republic, the following:
 - a) The documents required or established by the customs legislation that can be sent by means of a stipulated electronic record;
 - b) The payments required or established by the customs legislation that can be sent by means of a stipulated electronic record;
 - c) The customs computer system to which such document can be sent, or by means of which such payments can be made.
2. The electronic sending of documents, or the payments indicated in the previous paragraph, shall be subject to the authorization of the Director-General, under article 80, or any other conditions that may be stipulated.
3. The Director-General may determine that the documents or payments referred to in paragraph 1 of this article should be sent in electronic format, without prejudice to any exceptions that may be stipulated.

**Article 80.
Authorization**

1. Any person required by the customs legislation to submit documents or make payments, referred to in the previous article, who fulfills the stipulated eligibility criteria, may request, in writing, from the Director-General, authorization to submit such documents or make such payments in electronic format.
2. If, pursuant to the previous article, the applicant fulfills the criteria given in the same, the Director-General must provide the requested authorization, in writing, subject to any conditions, which may be imposed at any time.

**Article 81.
Submission of documents**

For the purposes of the customs legislation, if a person files or in any way submits a document, or makes a payment in electronic format through a customs computer system, in accordance with the prescribed conditions, it shall be considered that the document or payment was submitted or made in accordance with the provisions of the law, on the correct day and at the correct location.

**Article 82.
Signing requirements**

The electronic signing of the documents to be submitted under the scope of this Code and other customs legislation must obey the requirements imposed by the Director-General.

**Article 83.
Probative value**

1. Provided that the requirements defined in the present Chapter are fulfilled, any document processed electronically shall satisfy the legal requirement of the written form when its content is subject to representation as a written declaration, unless another type of additional evidence is requested.
2. As a rule, when any provision of the customs legislation requires a written record, an electronic record shall satisfy the requirement in the context of this Chapter.

**CHAPTER II
INFORMATION EXCHANGE**

**Article 84.
Automated decisions and supply of information**

When customs legislation determines that a specific administrative act is to be taken by the Customs Services, the electronic record of it, automatically generated by a customs computer system, shall produce the same effects as those taken by customs officials.

**Article 85.
Access to customs computer systems**

1. The customs computer system shall be housed at a dedicated domain, under the exclusive control of the Customs Services.
2. Access to and handling of any customs information system requires authorization, pursuant to article 80 of the present Code.
3. Access to personal data or data from organizations involved in customs activities shall be restricted to duly authorized customs officials.
4. Customs officials who improperly access the customs computer system, or wrongfully use the data it contains, shall be subject to disciplinary proceedings, if more serious action is not applicable.

Article 86.
Technical requirements

It is the competence of the Director-General to determine:

- a) The manner and the form by which the electronic records shall be created, managed, sent, communicated, received and stored, and the systems established for these purposes;
- b) In the case of electronic records that have to be signed electronically, the type of electronic signature required, the manner and the form by which the electronic signature must be affixed, and the identity of a person, or the criteria that must be fulfilled by third parties so that, they can submit the document in the name of this person and facilitate the process;
- c) The appropriate control processes and procedures for ensuring the preservation, arrangement, integrity, security, confidentiality and auditing of the electronic records;
- d) Any other requirements applicable to the electronic records, which are specific to documents correspondence under the customs legislation.

HEADING VI
FOREIGN TRADE STATISTICS

Article 87.
Powers of the Customs Services

1. The Customs Services shall ensure that statistical data regarding foreign trade operations are collected.
2. Statistics shall be collected by means of one of the copies of the Single Administrative Document (DAU – Documento Administrativo Único).
3. In cases in which the customs declaration is made verbally and payment of the customs duties and other taxes results from it, the Customs Services shall process a statistics document using their own template.
4. By the last day of each month, the competent service of the Customs Services shall prepare the foreign trade statistics relating to the previous month.

5. The annual foreign trade statistics must be published by the end of the first quarter of the following year.

**HEADING VII
CUSTOMS SYSTEM
ASSESSMENT BASIS FOR CUSTOMS
TAXES AND DUTIES**

**CHAPTER I
CUSTOMS TARIFF.
TARIFF CLASSIFICATION AND TAXATION OF GOODS**

**Article 88.
Customs tariff**

1. The Customs Tariff, which is based on the Harmonized Commodity Description and Coding System referred to in article 90, gives the rates for customs duties that apply to goods.
2. Changes may continue to be made to the national Customs Tariff, in accordance with the requirements of international trade.
3. It is the competence of the Minister to authorize that any updates to the Convention on the Harmonized Commodity Description and Coding System approved by the World Customs Organization be incorporated into the text of the Customs Tariff.
4. In addition to the customs duties set in the Customs Tariff, the Customs Services must also collect the other customs taxes and charges which they are legally entrusted to collect.

**Article 89.
Tariff classification and taxation of goods**

Goods imported to the customs territory or exported from it shall be subject to the taxes given in the Tax Law, pursuant to the classification attributed to them by the Customs Services, in accordance with the Timor-Leste Customs Tariff.

**Article 90.
Publication of the Customs Tariffs**

1. It is the competence of the Minister to order the publication of the Timor-Leste Customs Tariffs.
2. The Timor-Leste Customs Tariffs include:
 - a) The Nomenclature for the Goods, pursuant to the current text of the Convention on the Harmonized Commodity Description and Coding System, of 14 June 1983, and the associated Amendments and Explanatory Notes;
 - b) The subdivisions of the Harmonized System established by the Director-General;
 - c) The preliminary Instructions, additional sections and chapter notes or footnotes relating to these subdivisions;

- d) Import and export customs duties, rates, exemptions and relief under the Tax Law in force and the other laws of Timor-Leste relating to the group of products of the Harmonized System or any subdivision included;
- e) Measurement units for the goods that the Director-General establishes for statistics purposes.

Article 91.
Amendments to the Customs Tariffs

It is the competence of the Director-General to propose amendments to the Customs Tariffs whenever shown to be necessary, taking account of:

- a) Implementation of any international obligations regarding tariffs and trade binding on Timor-Leste;
- b) Implementation of an international agreement to which Timor-Leste is party, or any amendment of this agreement;
- c) Amendments to the terminology used in the international tariffs and trade instruments, mechanisms or procedures applying to international trade;
- d) Incorporation of new import and export customs duties or amendments, taxes and exceptions established by law.

CHAPTER II
SPECIAL PROVISIONS

Article 92.
Tare

- 1. Exterior tare shall be considered to be, in addition to external wrapping, that which is covered or contained by this wrapping and contains the goods in their entirety, provided that it is not the individual packaging for the goods contained in the total volume.
- 2. It shall be understood to be, for the purpose of tariffs, all wrapping and materials that at the time of dispatch accompany the goods and are shown to be necessary for wrapping them or better protecting them during the transport.

Article 93.
Tare used exceptionally

- 1. Tare of diverse nature used exceptionally or of greater value than that usually employed in wrapping the goods shall be taxable as goods and shall be subject to the associated customs duties and other taxes.
- 2. The value of the tare that wraps goods shall be included in the customs value of the actual goods, when the aforementioned tare is employed normally and as such does not have its own tariff classification in the Customs Tariff (PAT).

CHAPTER III
ORIGIN OF GOODS

Article 94.
Country of origin

1. For the purpose of applying the customs legislation, goods entirely obtained in a country shall be considered to originate from that country.
2. The “goods fully obtained in a country” shall be considered to be:
 - a) Mineral products extracted in that country;
 - b) Products from the plant kingdom harvested therein;
 - c) Live animals born and reared therein;
 - d) The products obtained from live animals reared therein;
 - e) The products of hunting and fishing that took place therein;
 - f) The products of sea fishing and other products extracted from the sea, outside the territorial waters of any country, by ships registered in that country and that fly its flag;
 - g) The goods obtained aboard ships manufactured from the products referred to in item (f) originating from that country, provided that these factory ships are registered in that country and fly its flag;
 - h) The products extracted from the marine soil or subsoil situated outside the territorial waters, provided that this country exercises exclusive rights to this soil or subsoil, for the purpose of exploitation;
 - i) The waste and scrap resulting from manufacturing operations and disused articles, subject to their having been collected and only being useful for recovery of raw materials;
 - j) Those that are obtained exclusively from the goods referred to in items (a) to (i) or their derivatives, whatever their stage of manufacture.
3. For the purpose of applying the previous paragraph, the concept of country shall equally cover the territorial waters of that country.
4. When the production of goods involves two or more countries, the goods shall be considered to originate from the country that was the last place where they were subject to a substantial change.

Article 95.
Proof of origin

1. When the origin of the goods is indicated on the customs declaration, the Customs Services may require the declarant to prove their origin. If fraud is suspected, the Customs Services may require the declarant to provide documentary evidence that proves the origin, issued by the competent authorities of the country of origin.

2. The origin of the goods shall be proven by the presentation of a certificate of origin or equivalent document.
3. Notwithstanding the presentation of this document, the Customs Services can, in the case of reasonable doubt, request the presentation of supplementary means of evidence of the origin of the goods.
4. With regard to goods received by post, the evidence shall be provided by the seals or stamps affixed to the packages or to the associated documentation.

Article 96.
Exception to the presentation of proof of origin

1. Providing documentary proof of origin shall not be required in the following cases:
 - a) Goods dispatched in small personal deliveries or contained in the baggage of travelers, provided that they relate to imports devoid of commercial nature and the overall importation value of which does not exceed USD 100;
 - b) Goods for commercial delivery with an overall value not greater than USD 60.
 - c) Goods under the temporary importation procedure;
 - d) Goods transported under the customs transit procedure.
2. When several deliveries referred to in items (a) or (b) of the previous article are dispatched simultaneously, by the same means, for the same recipient, by the same sender, the total value of these deliveries shall constitute the overall value, for the purpose of determining whether or not the documentary evidence has to be presented.

CHAPTER IV
VALUE OF GOODS FOR CUSTOMS PURPOSES

Article 97.
Transaction value

1. The customs value of goods is the transaction value, meaning the price actually paid or to be paid for the goods when they are sold for exportation to the country of importation, following any adjustment pursuant to the following article.
2. In cases in which the value of an imported item indicated on the invoice is less than the fair market value of this item, the customs authorities may calculate the fair market transaction value by reference to the value of similar transactions between parties that operate on a commercial basis.
3. For the purposes of determining the customs value of goods imported to Timor-Leste, the associated FOB value, freight, insurance and other expenses shall be included.

Article 98.
Customs value of imported goods

The customs value of imported goods shall be determined on the basis of the principles given in Table 1 annexed to the present Code.

Article 99.
Customs value of exported goods

The customs value of exported goods is the price under which these goods, or similar goods, are sold or put on sale at the time of exportation in the course of normal commercial operations under open competition conditions, including the costs of transportation to the port or place of exportation.

Article 100.
Currency exchange rate

1. When it is necessary to convert a currency to determine the customs value, the exchange rate to use shall be the last published by the competent authorities.
2. The exchange rate to use shall be that in force on the date of acceptance of the customs declaration.

Article 101.
Administrative sanction for incorrectly declared customs value

Anyone who declares an incorrect customs value, resulting in the payment of lower customs duties and other taxes than are due, shall be subject to an administrative sanction.

HEADING VIII
ENTRY AND EXIT OF MEANS OF TRANSPORT

CHAPTER I
GENERAL PROVISIONS

Article 102.
Place of entry

1. Means of transport coming from abroad can only enter at the locations previously approved by the Customs Services.
2. With regard to the control of the means of transport and the goods, the Customs Services shall be the primary authority responsible for their supervision.

Article 103.
Registration of means of transport

1. Registration is obligatory, to be carried out at the competent customs office, for all entries and exits of the means of commercial transport when arriving in or leaving the customs territory.
2. Registration shall be organized by type of transport, relative to each calendar year and by sequential numerical order starting from number one, at each of the customs offices with competence for this purpose.

3. Registration of the entry of motorized passenger and goods vehicles intended for release for consumption shall be made at the Customs Service of arrival in the territory which, after allocating an entry registration number, shall issue a circulation form, in quadruplicate, valid for sixty (60) days, which cannot be extended.
4. The provisions of the above paragraphs shall apply, with the required adaptations, to pleasure boats.

CHAPTER II ENTRY OF MEANS OF TRANSPORT

Article 104. Advance transport and cargo declarations

1. The person responsible for transport that arrives in the Timor-Leste territory must submit a declaration in the format, fashion and period stipulated by the Director-General, stating the following details:
 - a) Probable date of arrival;
 - b) Journey made;
 - c) The crew and the passengers, when applicable;
 - d) The cargo declaration for all of the goods brought to Timor-Leste, whether it is intended to unload them or not;
 - e) The customs office or free zone where the transport will enter.
2. The owner or operator of the transport referred to in the previous paragraph, or his or her agent, must submit the required declaration pursuant to paragraph 1 of this article, in the name of the person responsible for the transport.
3. The Director-General may stipulate exceptions to the requirements defined in this article, taking account of the transport arrangements, the types of operators or transport, or other considerations relating to the risk or to the types of transactions involved.

Article 105. Communication of the arrival of vessels

In the case of vessels coming from abroad, the shipping agents are obliged to inform the Customs Services, in writing and with minimum advance notice of twenty-four (24) hours, of the estimated time of their arrival, of their origin and their destination, of the customs office or free zone where they will arrive, of the cargo, whether or not the intention is to unload it in Timor-Leste, and, if applicable, the number of passengers.

Article 106. Customs visit

1. Entry customs visits shall be conducted whenever the Customs Services judge them appropriate and all vessels and aircraft shall be subject to them, whether commercial or any other type.
2. Without prejudice to the customs visit stipulated in the previous paragraph, the Customs Services may make other visits to other locations or establishments whenever they judge them appropriate or necessary.
3. The entry customs visit may be made separately or jointly with the other competent authorities, with the Customs Services always being the first authority to enter on board.
4. The placement of customs officials on board the means of transport, for the purpose of continuous surveillance, shall be ordered by the Customs Services whenever they consider it necessary, or the person responsible for the mode of transport or his or her representative requests it.

Article 107.
Entry of merchant ships

1. During the customs visit, the captains or masters of the vessels or their port agents shall deliver to the Customs Services, without prejudice to subsequently sending in electronic format, a declaration giving:
 - a) The name of the vessel;
 - b) The nationality of the vessel;
 - c) The name of the captain or master;
 - d) The tonnage;
 - e) The ports of departure;
 - f) The number of crew;
 - g) The number of passengers with the port as destination and the number of passengers in transit;
 - h) The description of the cargo;
 - i) What flammable and explosive articles are being transported and in what quantity;
 - j) The commercial operation intended in the port or, if not for commercial operation, the reasons for entry;
 - k) The number of post bags and their origin;
 - l) The identification of the consignee;
 - m) If weapons are being carried, their number and type.

2. Manifest, for every origin, of the cargo intended for the port, accompanied by a set of copies of the bills of lading.
3. List of packages of commercial samples and deliveries not on the manifest.
4. List of packages that constitute spoil, accompanied by the associated inventory.
5. List of supplies and spare parts, including tobacco intended for consumption by the crew and consumption on board.
6. Manifest of the cargo in transit.
7. Declaration regarding the existence of goods intended for sale on board.
8. Declaration relating to the baggage of the crew who will disembark at the port, authenticated by the captain or master of the vessel.
9. The copies of the bills of lading referred to in paragraph 2 must include the marking, numbers and nature of the packages, the generic designation, the weight and the value of the goods, as well as the date and port of loading.
10. List of passengers to disembark, duly identified and list of individual baggage, with breakdown of the hold and cabin baggage.
11. If the captain or the master of the vessel is unable, at the time of the customs visit and on grounds of force majeure, to deliver the documentation referred to in the above paragraphs, a period of four hours to do so at the competent customs office shall be allowed.
12. The customs officials who make the customs visit must:
 - a) Note the irregularities found by preparing the associated official report, if these constitute an offence stipulated in the legislation in force;
 - b) If they find that any means of transport or goods were used to commit a customs offence that leads to confiscation, these shall be seized and kept in the custody of the Customs Services until the final decision in the proceedings, in accordance with the standards in this Code.
 - c) Authenticate, date and sign the cargo manifests, after the captain or master of the vessel or his or her port agent has done so;
 - d) Give free practice to the vessel after the formalities have been completed.
13. At the time of delivering the documents referred to in the above paragraphs, the captain or the master of the vessel may present the declarations that they deem appropriate, about the cargo on the manifests that:
 - a) Has been consumed;
 - b) Has been sold;

- c) About which there are questions regarding the shortfall or excess.
14. The packages of commercial samples and orders not on the manifest, as well as the declared spoils, shall be unloaded with the remaining goods for presentation to the Customs Service.
 15. The tobacco, alcoholic drinks and other sensitive products that exceed the quantities allocated to each crew member shall be sealed in a compartment on the vessel, under the responsibility of the corresponding captain or master and the seals shall not be removed before the vessel leaves the port.
 16. The pilots of the harbor entrance or port shall be considered representatives of the customs authorities until their boarding for the purpose of detecting offences of the legal provisions.

Article 108.
Delivery of the manifest

1. Without extension and within two (2) days of the date of entry, the captains or masters of the vessels or their port agent, shall present an electronic copy of the manifest translated into one of the official languages, if this is requested.
2. The presentation stipulated in the above paragraph shall be made at the customs office of the port of entry.

Article 109.
Landing

The goods transported in ships landed shall always to be declared by the captain or master of the vessels at the customs office of the landing port, which shall then control the unloading and re-loading operations for the goods, keeping them under continuous supervision.

Article 110.
Responsibility for the goods on the manifest

1. The captain or the master of the vessel is responsible for the quantity of packages declared on the manifest and for this being in perfect agreement with the bills of lading.
2. The goods not included on the manifest presented pursuant to the present Code shall be declared lost to the State by order of the Director-General.

Article 111.
Goods shortfall

1. If a shortfall of packages is found, the captain or master of the vessel must declare in writing, at the time of the customs visit or within twenty-four hours (24) of the free practice, the quantity, quality, origin and destination of the packages and the reasons explaining the shortfall.
2. Non-compliance with the provisions of the previous paragraph shall be considered embezzlement, punishable in accordance with the law.

Article 112.
Correction of information relating to the transport and the cargo declaration

The Customs Services must allow the responsible person, the owner, the operator of the transport, or the agent to correct the declaration submitted under article 104 and deliver a replacement or supplementary declaration, unless:

- a) The responsible person, the owner, or the operator of the transport or the agent have been informed by the Customs Services that the goods will be subject to customs examination;
- b) The Customs Services have already found that the information in question is incorrect;
- c) Removal of the goods at the place of arrival has been permitted; or
- d) The deadline for submitting a final cargo confirmation, under article 134, has already passed.

Article 113.

Presentation of the goods and passengers to the Customs Services

1. The person responsible for the means of transport must not land or allow the landing of a vessel or aircraft at a site other than a customs office or a free zone, which, in the case of ships or aircraft to which article 104 applies, must be the customs office or the free zone declared by this person in accordance with that article, when:
 - a) They have arrived in Timor-Leste from abroad, or
 - b) The passenger transport or goods have still not been cleared for the purposes of importation.
2. Anyone who is importing or in some way is involved in the importation of goods by vessels or by aircraft must bring the goods to a customs office or a free zone.
3. The person responsible for a vehicle or vessel that has entered Timor-Leste by land or sea must go to the customs office closest to the place where it crossed the frontier, following the routes established and approved by the Customs Services.
4. The responsible person referred to in the previous paragraph may ask the Customs Services to go to a place other than a customs office or a free zone, and the Customs Services may agree subject to specific conditions.
5. After entering Timor-Leste, the transport may not leave the customs office or the free zone until an arrival notification, pursuant to article 115 of the present Code, has been made, unless authorized to do so by the Customs Services.
6. A stevedore or another person who transports the goods after their introduction into the customs territory, specifically after the transfer of the goods, is responsible for fulfilling the obligations laid down in this article, and they shall also be subject to the control stipulated by the Director-General.

Article 114.

Impossibility of presenting the goods to the Customs Services

1. When force majeure makes it impossible to comply with the provisions of the following article, the person responsible for fulfilling this obligation or his or her representative must immediately inform the Customs Authorities. In cases where the goods have not been totally lost, the Customs Authorities must be informed of the exact location where these can be found.
2. The Customs Services must determine the measures considered necessary to ensure the control of the goods referred to in the previous paragraph and to ensure that these are transported to a customs office, or other location that they have designated.
3. In the situation described in paragraph 1 of this article, the person responsible for the transport must reimburse the State, in accordance with the values established by the Minister, for the cost of the assistance provided by the customs officials and other services of the State, including the costs of the allowances or expenses due to these officials.

Article 115.
Notification of the arrival of the goods

1. Anyone who transports the goods to the customs territory or, when appropriate, the stevedore or other person responsible for their transportation after entry to the customs territory, must notify the Customs Services of their arrival pursuant to the customs legislation.
2. Notification of the arrival of the goods must take place after their arrival at the customs office or free zone at the first entry location in Timor-Leste, or any other location designated or approved by the Customs Services.
3. The person responsible for giving notice of the arrival of the goods must:
 - a) When requested by the Customs Services, deliver the cargo manifest, the bill of lading or shipping document or the respective copy for each part of the cargo or goods loaded or on board, the passenger and crew list, the ship's log and any port clearance, record or other port document provided with regard to this transportation from the declared origin;
 - b) Provide all of the information requested by the Customs Services relating to the transport, to the goods transported, to the crew and to the voyage;
 - c) Comply with the orders of the Customs Services with regard to locating or moving the transport, unloading the goods and disembarking the crew or passengers.
4. When the documents referred to in the above paragraph are written in a language other than the official languages, the Customs Services may require the presentation of a certified translation of these documents, within a period that they specify.

CHAPTER III
EXIT OF THE MEANS OF TRANSPORT

Article 116.
Outward clearance certificate

1. Unless otherwise provided for by the customs legislation, no vessel or aircraft may leave an Timor-Leste port or airport without the Customs Services having given the associated exit authorization.
2. The application for the outward clearance certificate must be made by the person responsible for the means of transport, or by his or her authorized agent, using the method stipulated by the Director-General, and must be accompanied by the documents relating to the transport, crew, cargo, deposits and port of destination.
3. The responsible persons mentioned in the above paragraph may only allow the means of transport to travel to the locations referred to in the application for the outward clearance certificate.

Article 117.
Exit authorization for goods and passengers

1. It is not permitted for passengers or goods to embark on a vessel or aircraft, without the exit authorization:
 - a) Unless at a customs office or area under customs control for this purpose, or in a free zone;
 - b) Before the application for exit authorization for the vessel or aircraft has been made;
 - c) Until a customs declaration submitting the goods to a customs procedure has been made, when required by this Code;
 - d) Outside the official operating hours; or
 - e) Without the authorization of the Customs Services.
2. The Director-General may, whenever duly justified and subject to the conditions and restrictions stipulated by him or her, allow the passengers and goods referred to in the previous paragraph, which have been or will be embarked on a vessel or aircraft, to do so outside of the official hours or the place designated as a customs office or area under customs control.
3. In duly justified exceptional cases, the Minister who supervises the Customs Services may, after consulting the Minister who supervises the authority responsible for regulating civil aviation in Timor-Leste, permit the landing or take-off of an aircraft, other than at a customs office, at a location designated by the Minister.
4. In the cases referred to in paragraphs 2 and 3, the person responsible for the means of transport or the agent must reimburse the State, in accordance with the values stipulated by the Minister for the cost of use of these installations, including the costs of the allowances or expenses incurred by the customs officials and other competent authorities involved.
5. The provisions of the present article shall apply, with the proper modifications, to means of land transport.

Article 118.
Goods for exportation that do not embark

Whenever goods declared for exportation do not embark, the person responsible for the means of transport must immediately notify the Customs Services.

Article 119.
Disembarkation of goods

Unless provided for otherwise, no good that has been placed on board a vessel or aircraft for exportation, or to be used as provisions on board, may be disembarked without the permission of the Customs Services.

Article 120.
Refusal or cancellation of the outward clearance certificate

1. The Customs Services may refuse the departure of a vessel or an aircraft at any time, for the purpose of ensuring compliance with the customs legislation, when the outward clearance certificate has already been granted, provided that this has not already started its journey, thereby revoking the outward clearance certificate.
2. Notice of this cancellation must be given, orally or in writing, to the person responsible for the vessel or aircraft and, if given in writing, must be delivered:
 - a) In person;
 - b) On board the vessel or aircraft to the person responsible for the same; or
 - c) To the agent for the vessel or the aircraft at the departure port.
3. When an outward clearance certificate is revoked, it becomes null and void.

Article 121.
Departure deadline

The outward clearance certificate granted under this Chapter shall be considered null and void when the vessel or aircraft does not leave the port or airport within twenty-four (24) hours of its issuance.

Article 122.
Cargo manifest and passenger list

Within four (4) days of the date of the outward clearance certificate for the vessel or aircraft under this Chapter, the person responsible for it, or his or her authorized agent, must deliver to the Customs Services of the customs office at the departure port or location, or the closest to this location, a cargo manifest for all of the goods embarked on the means of transport intended for exportation, together with a list of embarked passengers.

CHAPTER IV
ENTRY AND EXIT OF AIRCRAFT

Article 123.
Customs visit

Whenever they judge it necessary, the Customs Services shall make an entry customs visit, which shall take place immediately after the aircraft lands.

Article 124.
Delivery of the manifest

1. The cargo manifest and the airway bills relating to the goods must be presented to the customs authorities within three (3) hours of the aircraft's landing.
2. The provisions of article 132 and following shall apply, with the required adaptations, to aircraft.

CHAPTER V
MISCELLANEOUS PROVISIONS

Article 125.
Port-stay procedure and prohibition of onboard sales

1. Except for cases of force majeure, duly proven and accepted by the Customs Services, without prejudice to the provisions of conventions in force, foreign merchant vessels and pleasure boats that remain in the country for more than one year, shall, at the end of this period, be subject to the temporary importation procedure.
2. During the period in which the vessels are moored in the ports, it is prohibited to sell on board any type of goods, and the customs authorities may, if they judge it appropriate, seal the compartments where the goods are stored or can be sold.

Article 126.
Embarkation of goods for own consumption

The articles embarked for consumption on board a vessel shall be subject to the exportation declaration, and can only be consumed after the vessel receives the outward clearance certificate.

CHAPTER VI
PASSENGER LINERS, WARSHIPS AND PLEASURE BOATS

Article 127.
Privileges

1. Passenger liners, warships and pleasure boats enjoy the following privileges:
 - a) Ability to moor, regardless of Customs Service license, provided that they do so at the locations usually used for this purpose.
 - b) Priority in the issuance of outward clearance certificates.
2. The captains of national warships that come from foreign ports must present to the customs office of the port at which they moor a declaration giving:
 - a) The name of the ship;
 - b) The name of the captain;

- c) The port of origin;
 - d) The number of crew and officers;
 - e) The number of items of cargo belonging to the State;
 - f) The number of items of cargo belonging to individuals;
 - g) The number of passengers;
 - h) The number of items of baggage belonging to the crew, including officers;
 - i) The number of items of baggage belonging to individuals.
3. If the ship is transporting cargo, the associated manifests must be delivered separately.
 4. The baggage of the officers and seamen of warships, as well as family members who are accompanying them, originating from foreign ports, and the goods subject to duties must be included on a list prepared and authenticated by an onboard officer to present at the closest Customs Service, which shall examine and check it.
 5. Failure to comply with the provisions of the above paragraphs shall be communicated to the competent naval authorities for disciplinary purposes.
 6. Undeclared goods shall be considered embezzled and subject to the applicable provisions regarding customs offences.

CHAPTER VII LOCAL TRAFFIC VESSELS

Article 128. Mooring location

When they judge it appropriate, the Customs Services may agree with the maritime authorities for anchorages to be designated for local traffic vessels.

Article 129. Obligatory documentation

Local traffic vessels that transport any type of cargo, passengers or crew, must take the cargo and passenger or crew list issued at the origin and present it to the Customs Services or, in the absence of that, the closest authority.

Article 130. Transfer of cargo

1. When a local traffic vessel has received cargo from another vessel and wants to transfer part of this cargo to another vessel for the purpose of unloading it at another location, the master or owner of the goods must ask the customs authorities to process the related removal sheet for the transferred cargo and record this situation on the original unloading document.

2. The transfer of the cargo from one vessel to another shall be checked and made under supervision, which shall accompany the vessel until its destination, unless another procedure has been decided on.

**Article 131.
Sealing**

1. Vessels may undergo a customs visit during or after unloading operations.
2. When the Customs Services cannot inspect the content of any package or part of the cargo or compartment of the vessel during the customs visit, they shall seal the packages, the cargo and the compartment for the purpose of ensuring that subsequent control is effective.

**CHAPTER VIII
UNLOADING AND CHECKING THE GOODS**

**Article 132.
Unloading authorization**

1. The goods can only be unloaded or transshipped from the means of transport in which they are found on the authorization of the Customs Services and at the locations designated for this purpose, it not being permitted, as stipulated in article 105:
 - a) Before the arrival notification;
 - b) Outside the customs area authorized for this purpose;
 - c) Outside the official operating hours;
 - d) Without permission from the Customs Services;
 - e) Except for immediate storage in an area under customs control, for temporary deposit in the arrival port.
2. The requirements stipulated in the previous paragraph shall not apply if imminent danger requires immediate total or partial unloading of the goods. In these cases, the Customs Services must be immediately informed of the fact.
3. Unless authorized in another way by the Director-General, the goods unloaded from one ship to another ship must be immediately removed and unloaded in an area under customs control authorized for this purpose, or another location that is designated by the Director-General.
4. The Director-General may, when duly justified and in accordance with the conditions and restrictions that he or she considers necessary, allow exceptions to the provisions in paragraph 1 of this article.
5. The Customs Services may require goods be unloaded and unpacked, at any time, in order to conduct controls on them and the means of transport in which they are found.

Article 133.

Prohibition on changing the location of the unloaded goods

After the goods have been unloaded, they may not be removed from the location where they were originally placed.

Article 134. Confirmation of unloading

1. The person responsible for the ship or aircraft, or the respective authorized agent, must submit to the Customs Services a final cargo confirmation for all the goods unloaded from the means of transport.
2. The final cargo confirmation must:
 - a) Specify the goods included in a cargo declaration that have not been unloaded and, if there are no goods in this situation, give a declaration in this regard;
 - b) Specify any goods not included in the cargo declaration that have been unloaded and, if there are no goods in this situation, give a declaration in this regard.
3. The application for the final cargo confirmation must be submitted:
 - a) In the case of goods unloaded from a ship, within five (5) days from completing the unloading of the ship;
 - b) In the case of goods unloaded from an aircraft, within twenty-four (24) hours from when the aircraft landed, or within the other periods that may be stipulated.
4. The Customs Services shall appoint officials to check the goods declared for unloading. When the checking officer has finished the unloading, an unloading report shall be prepared that contains, specifically:
 - a) The identification of the means of transport;
 - b) The trade name, provenance and origin of the goods;
 - c) The number of packages and the weight of the goods unloaded.
5. If breaches of the customs legislation are found, the supervisor of the customs office shall be involved and shall prepare an official report. If he or she detects goods the importation of which is legally prohibited, they shall seize them and the seized goods shall be in the custody of the Customs Services, until the competent authority decides on what is to be done with them.
6. The report on the unloading and who was involved must be dated and signed by the checking officer and authenticated with the stamp of the Customs Service, and a copy of these must be attached to the official report.
7. The Director-General must stipulate the cases in which the requirements for the final cargo confirmation can be waived or modified, as well as the conditions for such waiver or modification.

Article 135.
Cargo confirmation for goods

The provisions of the previous article shall apply, with the necessary modifications, to the embarkation of goods declared for exportation.

CHAPTER IX
PRESENTING THE GOODS TO THE CUSTOMS SERVICES

Article 136.
Presentation of the goods

1. The goods taken to a customs office must be presented to the Customs Services by the person who introduced them into the customs territory or, if applicable, by the person responsible for the transport, after the corresponding introduction to the customs territory.
2. A person who introduces the goods into the customs territory and does not respect the obligation to present them as stipulated in paragraph 1, shall be subject to an administrative sanction.
3. The person responsible for a means of transport who does not respect the obligation to present the goods to the Customs Service pursuant to paragraph 1, shall be obliged to pay the customs duties for the missing goods on unloading, whenever there is a causal connection between the missing goods and the impossibility of customs control resulting from the failure to comply with the provisions in the aforementioned article. In this case, the person responsible for the means of transport shall be subject to an administrative sanction.
4. The person responsible for a means of transport who does not respect the obligation to present the goods to the Customs Service pursuant to paragraph 1, shall be subject to an administrative sanction when the number of packages unloaded exceeds the number of packages communicated to the Customs Service.

Article 137.
Other presentation obligations

The provisions of the previous article shall not prevent specific provisions being applied to goods transported by travelers.

Article 138.
Obligation to specify a customs-approved treatment or use

1. A customs-approved treatment or use allowed for such merchandise must be specified for the goods presented to the Customs Service.
2. The specification of a customs-approved treatment or use must be made by the following deadlines, counted from the presentation of the goods to the Customs Service:
 - a) Thirty days for goods arriving by sea;
 - b) Twenty days for goods arriving by any other means.

3. The provisions of the previous paragraphs shall not prevent prohibitions being applied or restrictions imposed for reasons of morality and public safety, protection of health and life of persons and animals, preservation of plants and the environment, protection of national artistic, historic or architectural heritage, or protection of industrial and commercial property.

CHAPTER X TEMPORARY STORAGE

Article 139. Temporary storage of goods

1. While awaiting a customs-approved treatment or use to be specified, the goods presented to the Customs Service shall remain in temporary storage.
2. The goods referred to in the previous paragraph can only be stored at the locations authorized by the Customs Services and under the conditions they set.
3. The Customs Services may require a person they find to be in possession of the goods to provide a guarantee, with the objective of ensuring the payment of any customs debt that might fall due.
4. Any person who removes goods from the areas under customs control before the exit authorization shall be subject to an administrative sanction.

Article 140. Advance examination and removal of samples

After the goods have been presented to the Customs Service, this may give advance authorization for them to be examined or for samples to be removed for the purpose of classification and specifying a customs-approved treatment or use, with the declarant bearing all costs.

Article 141. Handling

1. Without prejudice to the provisions of the previous article, goods in temporary storage can only be handled if this does not modify their presentation or technical characteristics.
2. Handling intended to ensure goods are preserved in an unchanged state shall be permitted.

Article 142. Delayed goods

1. The Customs Services shall take all necessary measures to regularize the status of goods in relation to which the compliance with the formalities intended to attribute a customs-approved treatment or use has not been initiated by the deadlines set in article 138, including selling the goods.
2. Goods in temporary storage shall be considered surrendered to the State when:

- a) The formalities intended to specify a customs-approved treatment or use have not been complied with, or a requirement that the goods be surrendered or destroyed has not been implemented, by the deadlines determined in article 157;
 - b) The exit of the goods cannot be authorized because:
 - i. It has still not been possible, for reasons attributable to the declarant, to examine or continue the examination of the goods by the deadline specified by the Customs Services;
 - ii. Without prejudice to the provisional authorization under article 172, the documentary evidence necessary for specifying the customs-approved treatment or use has still not been provided to the Customs Services;
 - iii. The payments to be made or the guarantee to be provided in relation to the customs duties or other taxes have not been made by the stipulated deadline;
 - c) The goods have not been removed from the area under customs control within five (5) days, counted from their exit authorization.
3. The Customs Services may order the transfer of the goods in question, at the cost and risk of the person in whose possession they are found, to a location under supervision until their status has been regularized.

**Article 143.
Goods introduced irregularly**

Without prejudice to the sanctions stipulated in law, whenever the Customs Services confirm that goods have been irregularly introduced into the customs territory or have not been subject to customs control, they shall take the necessary measures to regularize the status of these goods, including their sale.

**HEADING IX
ENTRY AND EXIT OF PASSENGERS**

**Article 144.
Disembarkation of passengers and baggage**

1. The passengers and crew members of a vessel or aircraft may disembark as soon as free practice has been given to the means of transport, and they shall be given the option to accompany baggage not included in the manifest, which shall be taken to the inspection locations.
2. Baggage or any objects transported by travelers shall be subject to customs control.
3. Any person who arrives in Timor-Leste other than by a means of transport mentioned in paragraph 1 of this article must immediately report his or her arrival and present him- or herself, together with the goods he or she is transporting, to the Customs Services, at the customs office situated at the arrival location, or the one closest to this location, together with the appropriate information about the transport in which they arrived.

Article 145.
Inspection of baggage and personal searches

1. The Customs Services shall perform baggage inspections to examine the content of the items of baggage on the manifest or transported by travelers, as well as personal searches so as to examine the objects transported by the travelers themselves or in their clothing.
2. The passenger shall be given the opportunity to issue a verbal declaration, which may be put into writing in the manner and form determined.
3. Personal searches of travelers must only take place exceptionally and only when there are well-founded reasons for suspecting that a customs offence has been committed, and the special customs officials are specifically obliged to avoid any physical or verbal abuse and also to reduce inconvenience caused to the travelers to an absolute minimum.
4. Officials engaged in inspecting baggage may demand that travelers present their passport or other identification documents, or travel ticket, as well as the invoices and other documents relating to the goods.
5. Passengers who are carrying goods of a commercial nature in their baggage must expressly inform the Customs Service of this fact, under penalty of an administrative sanction being applied.
6. Whenever, upon inspecting the baggage, the Customs Services detect goods of a commercial nature, they shall separate them from the baggage for the purpose of taxation.
7. If the goods contained in the accompanied baggage are characterized as commercial in nature, the Customs Services shall retain them, and prepare the associated baggage separation on the appropriate form.
8. The customs authorities may require a written declaration, through completion of the document stipulated by the Director-General for the goods transported by travelers, whenever this relates to importation or exportation of a commercial nature.
9. If they detect goods the importation of which is legally prohibited, they shall seize them and, if appropriate, detain the passenger.
10. The goods seized shall be kept in the custody of the Customs Services until the competent authority decides what is to be done with them.

Article 146.
Waiver of personal searches

Without prejudice to the agreements and other instruments in international law to which Timor-Leste is a contracting party, and the provisions of the previous article with regard to baggage, the Government may, in certain circumstances, by means of legislation, waive personal searches for certain national and international entities.

Article 147.
Competence to dispatch baggage on a manifest

Any person may arrange the customs clearance of the baggage of a traveler on a manifest, provided that he or she presents to the customs authorities with the written declaration referred to in article 145 (8), to clarify the tax responsibility to which the same traveler may be subject.

Article 148.
Application of tariffs

The goods and objects transported in the baggage of travelers referred to in article 145 shall be subject to the import duty rates in force, pursuant to the Tax Law, whenever they exceed the amount stipulated in the aforementioned law.

Article 149.
Exit of passengers

The provisions relating to the entry of persons to the territory shall apply, except in any exceptional cases that may be mentioned in the customs legislation.

HEADING X
TITLE DEEDS

Article 150.
Definition of title deeds

Title deeds are:

- a) The bill of lading, relating to goods transported by sea;
- b) The airway bill for goods arriving by air;
- c) The commercial invoice, its copy or equivalent document, for goods transported by land;
- d) Other documents expressly accepted by the Customs Services.

Article 151.
Certificate of origin

When, for the purposes of origin, the interested parties present a bill of lading, relating to sea transport, or an airway bill, relating to air transport, or, even, an original invoice, for other means of transport, copies of these documents shall be duly checked, stamped and filed with the manifest by the customs authorities, and the original returned to the interested party.

HEADING XI
CUSTOMS DECLARATION

CHAPTER I
NORMAL PROCEDURE

Article 152.
Obligation to make a declaration

1. Except for goods that have entered a free zone, and without prejudice to the provisions on surrender or destruction under supervision of the Customs Services, all goods introduced into the customs territory must be declared by the importer through a customs declaration, which can be made verbally, in writing or electronically, pursuant to the following provisions.
2. All goods intended for export or exit from the customs territory shall be declared by the exporter and, in these cases, the provisions of the previous paragraph shall apply.
3. In accordance with this article, the declaration must be made in the name of the importer or exporter of the goods, as appropriate, or by the person legally representing him or her.

Article 153.
Verbal declaration

Goods without commercial value may be declared verbally on importation or exportation, on the authorization of the Customs Services, when:

- a) Contained in the personal baggage of travelers;
- b) Intended for or sent by individuals;
- c) Intended for or sent by other entities.

Article 154.
Written declaration

1. The written customs declaration must be made on a form approved for this purpose by the Customs Services and must be signed and include all of the required elements:
 - a) Indicating the customs procedure applicable to the goods;
 - b) Declaring the tariff classification, country of origin and customs value of the goods, pursuant to the customs legislation;
 - c) Supplying other information, including the quantity and an adequate description of the goods, as stipulated.
2. All of the documents that have to be presented to apply the declared customs procedure and exit authorization for the goods must be attached to the customs declaration.

Article 155.
Declaration by electronic means

1. A customs declaration by computer involves electronically sending to the customs authorities all of the elements or details necessary for applying a customs procedure.
2. The elements of information or data referred to in the previous paragraph must be encrypted.
3. For electronic declarations, the identification code allocated to the declarant for the purpose of tax identification shall be acceptable as an electronic signature.

Article 156.
Documents to be attached to the customs declaration

1. The documents to be attached to the customs declaration are those established in law for applying the declared customs procedures, specifically:
 - a) Commercial invoice with the generic designation of the goods and indication of the associated value;
 - b) The documents necessary for applying a preferential tariff procedure or any other derogation of the general procedure applicable to the declared goods;
 - c) Sanitary, phytosanitary, quality or other certificates;
 - d) Other documents required to apply the provisions that regulate the release for consumption.
2. The customs authorities may require, upon delivery of the declaration, that the transport documents or the documents relating to the preceding customs procedure be presented.
3. In the case of a customs declaration for an economic procedure subject to advance written authorization, a copy of the authorization must be attached to the customs declaration.
4. In the case of an export or re-export customs declaration, the necessary documents for the correct application of the customs duties must be attached.
5. In the case of an electronic customs declaration, the documents mentioned in the above paragraphs shall be delivered within the non-extendable period of twenty-four (24) hours after delivery of the declaration.

Article 157.
Location for submitting the customs declaration

1. The customs declarations must be submitted at the customs office of arrival, and subject to the following deadlines, as stipulated in article 138, counting from the date the Customs Services are notified of the arrival of the goods:
 - a) Thirty (30) days for goods arriving by sea;
 - b) Twenty (20) days for goods arriving by other means.
2. The customs declaration may be submitted twenty-four (24) hours before the arrival of the goods.
3. On receiving a customs declaration, under the previous paragraph, the Customs Services may determine a time limit for the arrival of the goods, which must not exceed forty-eight (48) hours.
4. When the notification of the arrival of the goods does not occur within the period stipulated in the previous paragraph, the declaration shall be considered null and void.

Article 158.

Effects of the declaration

1. Without prejudice to the application of the sanctions stipulated in law, the delivery of a customs declaration, signed by the declarant or by his or her representative, shall be binding in respect of:
 - a) The accuracy of the details or elements contained in the declaration;
 - b) The authenticity of the attached documents;
 - c) The fulfillment of the obligations inherent to subjecting the goods to the declared customs procedure.
2. When a customs declaration is made by a representative in the name of the declarant, the representative shall also be bound by the obligations described in paragraph 1 (a).
3. An electronic customs declaration shall be considered delivered at the time the message is received by the Customs Services, which must, by the same process, acknowledge receipt.
4. When the customs declaration is made electronically and when, exceptionally, examination of the goods is not required, the declarant shall be notified of the exit authorization by means of a message that includes, at least, the registration number of the declaration and the date of the exit authorization.

Article 159.

Acceptance of the customs declaration

1. The Customs Services shall conduct the control of the customs declaration, which they shall accept immediately if all of the requirements have been entered, all required documents attached, the customs office is competent to accept it and the declarant is accredited for this purpose.
2. The customs authorities must similarly confirm that the declaration is duly signed and that all the attached documents have been duly initialed.
3. Upon acceptance, the Customs Services shall add to the declaration the sequential number and the date and time of acceptance, and must notify the declarant.
4. The date referred to in the previous paragraph shall be the only one considered relevant for the purposes of applying all of the provisions inherent to the customs procedure under which the goods are declared, specifically with regard to calculating the customs debt.

Article 160.

Correction of the customs declaration

1. After the customs declaration has been accepted, the declarant shall only be authorized to change it by means of a duly justified request and the presentation of a new declaration.
2. The declaration cannot be changed for it to apply to goods other than those initially declared.

3. The correction must not be authorized if the associated request has been made after the Customs Services:
 - a) Have informed the declarant of their intention to examine the goods;
 - b) Have found inaccuracies in the elements in question; or
 - c) Have authorized the goods to enter into free circulation.

Article 161.
Annulment of the customs declaration

1. When requested by the declarant, the Customs Services must annul a customs declaration that has been accepted when it is proven that there is an error in the declaration with regard to the customs procedure declared or, following exceptional circumstances, there was no justification for placing the goods under the declared customs procedure.
2. Once the Customs Services have informed the declarant of their intention to examine the goods, the annulment request can only be accepted after this inspection has been conducted.
3. The annulment of the declaration shall not prevent the sanctions stipulated by law from being applied.

Article 162.
Confirmation and checking of the customs declaration

For the purposes of confirmation and checking of the accuracy of the customs declaration and observance of the prohibitions and other requirements stipulated in the customs legislation, or other laws applying in Timor-Leste regarding the importation and exportation of goods, as appropriate, and pursuant to article 53, the Customs Services may:

- a) Check and compare the customs declaration and the supporting documents;
- b) Demand that the declarant present additional documents;
- c) Inspect the goods, or arrange their inspection using the resources of the Customs Services;
- d) Examine the goods;
- e) Collect samples for testing or analysis, or for detailed examination of the goods, pursuant to article 164, of this Code.

Article 163.
Assessment

1. For the purpose of assessment, the Customs Services must:
 - a) Determine the tariff classification, the country of origin and the customs value of the goods;

- b) Assess the amount of the customs duties and other taxes to be paid on such goods, when applicable;
2. The declarant must be notified immediately of the assessment and the sum due, if any.
3. The customs value, the tariff classification, the country of origin, the customs duties rate and the amount of customs duties and other taxes stipulated in the customs declaration can be accepted in place of the assessment made by the Customs Services, as mentioned in paragraph 1 of this article. In such circumstances, the exit authorization notification shall be considered an assessment by the Customs Services for the purposes of this Code.

Article 164.
Verification of goods

1. When goods are selected for examination or collection of samples for the purposes of the verification of the customs declaration, the Customs Services must immediately notify the declarant.
2. The expenses resulting from the collection of samples and the advance examination of the goods shall be borne by the declarant, and the quantity of goods removed must not exceed that necessary to enable appropriate analysis and verification, including a possible counter-analysis.
3. The declarant or his or her representative must attend the examination of goods. When they cannot or do not want to do so, the Customs Services must examine the goods without his or her presence.
4. Verification involves the control of all of the elements given in the declaration and their conformity with the goods declared and corresponding provisions applicable to the customs procedure.
5. When the results of the testing or examination of the sample are unfavorable to the declarant, the Customs Services may, at the request of the declarant, repeat them and, if applicable, accept the results for the purpose of verifying the customs declaration, provided that the second testing or examination is permitted only when the goods have still not been authorized to leave or, if they have left, the declarant proves that they have not been modified in any way.
6. The Director-General may authorize a duly authorized laboratory to conduct the testing or examination of the imported goods for the purposes of this Code. The designation of these laboratories must be preceded by accreditation and inspection by the Customs Services following the regulations and procedures stipulated by the Director-General. The Customs Services must arrange the publication of the name and address of the authorized laboratories.
7. After fulfilling the purpose that justified the collection of a sample, this must, if possible, be returned to the declarant, unless the latter fails to collect it for a period of one month after being asked in writing to collect it, in which case it shall be destroyed in the way decided by the Customs Services.
8. The following are customs offences in the context of this article:

- a) Anyone who incorrectly declares the type and/or quantity of imported goods, causing the payment of lower import duties and other taxes;
 - b) Anyone who incorrectly declares the type and/or quantity of imported goods, although the payment of lower import duties and other taxes is not confirmed;
 - c) Anyone who incorrectly declares the type and/or quantity of exported goods.
9. The administrative sanctions corresponding to the previous paragraph are stipulated in Heading XIX of this Code.

Article 165.

Time and location for examination of goods

1. When a Customs Service decides to examine goods, this shall be performed at the locations and times it establishes.
2. When the examination, sampling or other control of goods is performed by or in the name of other competent authorities, the Customs Services must ensure, when possible, that the customs controls and the controls conducted by, or in the name of, other authorities are conducted at the same time and at the same location.
3. In exceptional cases and whenever duly justified, the examination may occur at times and locations other than those established in paragraph 1 of this article, with the expenses resulting from this being met by the declarant.
4. The expenses resulting from transporting the goods, in the cases referred to in the previous paragraph, shall also to be met by the declarant.

Article 166.

Exit authorization for goods

1. The goods covered by the customs declaration must be introduced into free circulation as soon as it is determined that:
 - a) All of the conditions required by the customs procedure have been fulfilled, including payment or, when permitted, the provision of a bond for payment, of the customs duties and other taxes, or the provision of a guarantee, if requested;
 - b) The goods are not goods whose importation or exportation is prohibited by law;
 - c) Any license, permission or authorization required by law, for the importation or exportation of goods, as appropriate, has been issued; and
 - d) The customs declaration has been checked, or accepted without checking, by the Customs Services.
2. The Customs Services must notify the declarant of the exit authorization, providing, at least, the registration number of the declaration and the exit date.

Article 167.

Prohibition of exit authorization

The Customs Services shall take the necessary measures, including seizure and sale, to regularize the situation of goods that have not been granted exit authorization owing to a fact attributable to the declarant, or whenever importation of the goods is prohibited, or subject to restrictions.

Article 168.

Notification of reasons for exit delay

When the goods are not introduced into free circulation within five (5) days of the date of acceptance of the customs declaration, or within a shorter period, if determined by the Director-General, the Customs Services must, within two (2) days of the receipt of a written complaint from the declarant, give notice to the same, in writing, of the specific reasons for the delay.

Article 169.

Assessment amendment

Subject to the deadlines for complaints, the Customs Services may promptly alter the assessment of the customs duties and other taxes, or cause it to be altered, so as to correct the assessment, including the tariff classification, the country of origin or the customs value of the goods considered in this assessment, while the goods undergoing the assessment are still under customs control, or the sums of the original assessment have still not been paid.

Article 170.

Irregularities and offences

1. Whenever, during the goods examination process and the control of the accuracy of the customs declaration, the checker finds irregularities or offences, these shall be communicated, separately and in writing, to the supervisor of the competent Service or to the supervisor of the relevant Customs Service.
2. With regard to irregularities that do not cause harm to the State, the supervisor shall order their correction, warn the declarant about them and order the associated record to be made in the individual process, without prejudice to applying the appropriate administrative fine, pursuant to Heading XIX.
3. On becoming aware that the checker has found signs of offence or crime, the supervisor must prepare the appropriate official report for the offence detected.
4. The checker must ensure that all elements given in the declaration are correct, and must state this on the customs declaration.
5. The checker must always prepare the associated verification report. The report is to include:
 - a) Whether the verification has been full or partial;
 - b) If it involved weighing, counting and measurement;
 - c) If any damaged, excessive or missing packaging was found;

- d) The numbers or references for the packages examined.

Article 171.

***Ex-post* controls and final confirmation**

1. Whenever necessary, or at the request of the declarant, the Customs Services must conduct *ex-post* controls on the customs declaration, as well as all the customs declarations that are selected for the blue sorting channel.
2. During the sorting of the customs declarations to submit to the control referred to in the previous paragraph, the Customs Services must take account, specifically, of the value, origin and nature of the goods.
3. Whenever the *ex-post* controls identify offences that require an assessment amendment, the associated notification or official report shall be attached to the customs declaration and sent within two (2) days to the service competent for the legal purposes.
4. In the case of offences that do not entail an assessment amendment, the supervisor shall prepare an official report to inform the relevant director within two (2) days.

CHAPTER II

SIMPLIFIED PROCEDURES

Article 172.

Provisional exit

1. Without prejudice to the conditions established in the following paragraph, the Customs Services may authorize the exit of goods before the assessment of the customs duties and other taxes, on the basis of a simplified declaration.
2. The exit of goods mentioned in the previous paragraph is subject to:
 - a) The presentation of a declaration, which contains, at least, the information necessary to identify the goods, in the form stipulated by the Director-General;
 - b) The provision of a bank guarantee, in accordance with the form and to the amount determined by the Customs Services as sufficient to ensure payment of the customs duties and other taxes due on the goods; and
 - c) The decision by the Customs Services that the goods are not goods whose importation or exportation, as appropriate, is prohibited by law and that any license, permission or other authorization required by law has already been obtained.
3. Within the stipulated period after the exit authorization for the goods, the declarant must supply a supplementary declaration with the additional details necessary to complete the customs declaration under the customs procedure involved.

Article 173.

Simplified and alternative procedures

1. For the purpose of facilitating the exit of goods, the simplified procedure for the following cases shall be expressly regulated by Ministerial decree:
 - a) For goods transported by or in the baggage of a person on entry to or exit from Timor-Leste;
 - b) For commercial transport or transport for private use subject to temporary importation, or re-importation in the same state;
 - c) For goods for humanitarian aid, including the goods for personal use of the humanitarian workers while performing their tasks;
 - d) For live animals and perishable goods;
 - e) For goods transported by express consignment operators;
 - f) In concrete situations requiring alternative procedures for declaration, verification or introduction into free circulation, considering the facilitation of international trade and risk analysis; and
 - g) Without prejudice to the international agreements to which Timor-Leste is party, goods imported or exported by postal delivery through the international postal network, not accompanied by personal correspondence.
2. Such simplified procedures for declaration, verification and exit authorization may include, without limitation, the use of verbal declarations, minimum information requirements and simplified forms, or the use of a commercial document instead of a customs declaration.
3. The simplified procedure shall not apply to goods arriving in the country in a group (that is, LCL).

**HEADING XII
CUSTOMS-APPROVED TREATMENT OR USE AND CUSTOMS PROCEDURES**

**CHAPTER I
GENERAL PROVISIONS**

**Article 174.
Customs-approved treatment or use and customs procedures**

1. The customs-approved treatment or use involves submitting the goods to an economic customs procedure or a relief procedure.
2. Re-exportation of the goods, their placement in a free zone, their destruction and their surrender to the State are also considered customs-approved treatments or uses.

**Article 175.
Assignment of a customs-approved treatment or use**

1. Unless stipulated otherwise, at any time and under the set conditions, a customs-approved treatment or use can be assigned to goods, regardless of quantity, origin, starting point or destination.
2. The provisions of the previous paragraph apply without prejudice to prohibitions or restrictions justified for reasons of public morality, public order and safety, protection of health and life of persons and animals, or preservation of plants, protection of national artistic, historic or architectural heritage, or the protection of industrial and commercial property.

Article 176.
Customs declaration

Any goods that are to be subject to a customs procedure must be the object of a declaration for this procedure.

Article 177.
Substitution of the beneficiary of the procedure

1. If requested, the substitution of the beneficiary of the goods already submitted to a warehouse or customs-approved treatment or use can be authorized.
2. The authorization referred to in this article shall not entail restarting the period since the goods arrived.

CHAPTER II
CUSTOMS PROCEDURES

Article 178.
Scope and conditions

1. The introduction into free circulation customs procedure applies to foreign goods introduced into the customs territory for private use or consumption, or for placing on the national market.
2. The introduction of foreign goods into free circulation entails subjecting them to the due customs duties or other taxes, and complying with all of the formalities referred to in article 152 and following, as well as applying all of the commercial policy measures provided for in law.
3. Goods contained in the baggage of travelers, in postal deliveries or express deliveries shall be subject to the special provisions of this Code.

Article 179.
Goods for which importation is prohibited

Without prejudice to the provisions of special legislation and of instruments of international law to which the Government of Timor-Leste is a signatory, the importation of certain goods shall be prohibited, as defined in a list that the Minister shall approve.

Article 180.
Goods for which importation is subject to conditions

Without prejudice to the provisions of special legislation and of instruments of international law to which the Government of Timor-Leste is a signatory, importation of the goods defined in a list that the Minister shall approve shall be conditional, meaning that they can only be imported if they meet the conditions determined in the relevant legal instrument.

CHAPTER III RELIEF PROCEDURES AND CUSTOMS PROCEDURES COMMON PROVISIONS

Article 181.

Conditions for assigning the customs procedures

1. The benefit of any customs relief or economic customs procedure is subordinate to advance authorization from the customs authorities, by means of a written request, stating its grounds, from the interested party.
2. To request the benefit of the relief procedure or the economic procedure, the beneficiary of the procedure must, depending on the case, provide evidence of:
 - a) Entry in the register of authorized operators;
 - b) Obligatory registration and clearance for tax obligations with the Directorate-General for Taxes of Timor-Leste;
 - c) Provision of a guarantee under the terms to be set by the customs authorities;
 - d) Existence of storage and supervision conditions, to the satisfaction of the customs authorities.

Article 182.

Breaches of the procedure

1. Whenever the customs authorities find any breach of the conditions or clauses inherent to a relief procedure or an economic procedure, they must propose cancellation of the authorization to the Director-General, proceeding, should there be an order in agreement, to the assessment and billing for the duties and other taxes, within the period of thirty (30) days granted for this purpose.
2. A procedure shall be considered to have been cleared when the goods subject to it are assigned a new customs-approved treatment or use.
3. In the cases referred to in paragraph 1 and without prejudice to any sanctions that might come to be applied, the customs authorities must take all measures necessary to regularize the situation of goods whose procedure has not been cleared, under the conditions stipulated in the authorization to benefit from the procedure.

CHAPTER IV TEMPORARY IMPORTATION

Section I General provisions

Article 183.
Scope and conditions

1. The temporary importation procedure allows the customs territory to be used, with total or partial relief from payment of the customs duties or other taxes and without being subject to commercial policy measures, for foreign goods intended for re-exportation, unless they have undergone any modification, with the exception of the normal depreciation resulting from their use.
2. The situations and conditions under which the temporary importation procedure may occur shall be stipulated by the Minister.
3. The exit authorization for goods subject to the temporary importation procedure shall be granted by means of the obligatory provision of a guarantee for the amount due for any customs duty and other taxes, if the goods are declared for free circulation and have undergone the customs formalities.
4. The Customs Services may refuse the exit authorization for the goods subject to the temporary importation procedure should it not be possible to identify them when processing the clearance for the procedure.
5. This procedure entails obligatory *ex-post* controls by the customs authorities.

Article 184.
Removal of samples and other evidence

1. In the verification of the goods declared for the temporary importation procedure, the customs authorities must arrange to remove samples or collect other evidence for the purpose of future cross-checking.
2. The expenses resulting from the removal of samples, the advance examination and the verification shall be met by the declarant.

Article 185.
Refusal to assign the procedure

Further to the provisions of article 183, the Customs Services must also refuse to assign the procedure whenever it is impossible to identify the goods by collecting evidence for future cross-checking.

Article 186.
Period for temporary importation

1. Without prejudice to the special deadlines established in international agreements, conventions or treaties to which Timor-Leste is a contracting party, the period for temporary importation of goods shall generally be twelve (12) months.
2. The Customs Services may extend the deadline on the request of the declarant, or when they consider it to be appropriate, but never for a total period greater than twenty-four (24) months from the date on which the goods are authorized to leave under the temporary importation

procedure, or another deadline specially granted by order of the Minister, in particular in the mining and oil sectors.

3. The Customs Services may also set a period shorter than that requested by the beneficiary of the procedure or when they believe it appropriate. [Translator's note: the "or" in the source document is unnecessary]

Article 187. Calculation of duties

1. The amount of the customs duties and other taxes due in relation to the goods that benefit from the temporary importation procedure with the partial waiver of import duties is set at 3% per month or fraction of a month in which the goods are subject to the temporary importation procedure.
2. The rate referred to in the previous paragraph is calculated on the customs duties that would have been charged for the goods, if they had been introduced into free circulation on the date on which they were declared for the temporary importation procedure.
3. The amount of the import duties to be charged must not be greater than would have been charged if the goods in question had been introduced into free circulation on the date on which they were subject to the temporary importation procedure, not taking any applicable interest into consideration.

Article 188. Clearance of the procedure

1. The temporary importation procedure shall be cleared with the re-exportation of the goods or with them being declared for a different procedure.
2. In accordance with the stipulations of the Director-General and following the defined conditions and restrictions, the temporary importation procedure may be cleared when the goods are:
 - a) Declared for free circulation;
 - b) Placed in a customs warehouse under the condition of subsequent exportation;
 - c) Surrendered to the State.
3. The clearance of the temporary importation procedure for goods consumed, destroyed or the object of distribution free of charge, shall occur at the time at which any of these effects has been confirmed and entails the payment of all of the customs duties and other taxes due on the date of accepting the customs declaration for the procedure.
4. Without prejudice to the applicable sanctions, whenever the period granted for the customs procedure has passed without the goods being declared for re-exportation, or the Customs Services are unable to identify the origin of the goods declared for re-exportation against those placed under the procedure, the beneficiary of the procedure shall be subject to payment of the constituted customs debt, plus interest for inflation defined by law on the total customs duties and other taxes due.

5. Anyone who does not re-export the temporarily imported goods by the deadlines referred to in this article shall be subject to an administrative sanction.

Section II
Goods eligible to benefit from full relief from duties

Article 189.
Means of transport

1. The following definitions apply for the purposes of the present article:
 - a) Commercial use, the use of a means of transport to transport persons or goods for payment or in the context of the economic activity of the company;
 - b) Private use, the use of a means of transport excluding any commercial use.
2. Total relief from customs duties and other taxes shall be granted to means of road transport, and to air or sea shipping assets, provided that they are registered outside the customs territory or in the name of a person established or resident outside of this territory.
3. The means of transport include the spare parts, the accessories and normal equipment that accompanies them, including trailers.
4. The deadline for clearing the means of transport for commercial use procedure shall be set by the Customs Services in accordance with the needs of each transport operation.
5. The period for clearing the means of transport for private use procedure must not exceed thirty (30) days, and the customs authorities may set a shorter deadline in accordance with the circumstances.
6. The deadline referred to in the previous paragraph can only be extended once, for an equal period.

Article 190.
Importation of automobiles of national and foreign citizens

1. Pursuant to law, temporary importation for the period of one (1) year shall be permitted for automobiles of national or foreign citizens or entities entering the country temporarily and proving evidence that they will not become resident in Timor-Leste.
2. On the basis of a justified request from the owner of the automobile subject to Temporary Importation (IT – Importação Temporária), the Customs Services shall authorize an extension of the deadline for a further one hundred and eighty (180) days, upon payment of a fee.
3. Vehicles of travelers resident outside Timor-Leste, who are visiting the national territory shall be, pursuant to the law, subject to the special temporary admission procedure, for the maximum period of thirty (30) days, renewable pursuant to paragraph 6 of the previous article.
4. In the situation referred to in paragraph 1, presentation a bond by deposit or bank guarantee corresponding to the duties and other taxes shall be required.

5. Whenever the vehicles under the temporary admission or importation procedure referred to in the present article will subsequently be introduced into free circulation in the national territory, specifically by being transferred, in life or upon death, to a person who does not meet the relevant preconditions, taxation shall be applicable under the terms generally stipulated for automobiles, without prejudice to any applicable criminal liability or administrative offence.

Article 191.

Identification of vehicles subject to temporary importation

1. The temporarily imported automobile must retain the registration number that it had in the associated Country of origin or starting point.
2. When the temporary importation is authorized for an automobile that does not have the original registration number, the associated registration shall be made following the temporary importation (IT – Importação Temporária).
3. The registration number of automobiles temporarily imported pursuant to paragraph 2 shall be cancelled when the vehicles are re-exported, the customs services being responsible, in this regard, to communicate the fact to the service that registered the IT, indicating the characteristics of the vehicle.

Article 192.

Importation under official agreements or official missions

1. Temporary importation of automobiles by institutions involved in development projects officially approved by the Government is permitted, within the framework of international cooperation or on official mission in the service of Timor-Leste.
2. For the purposes of paragraph 1, the validity period for the temporary importation shall be one (1) year, renewable in accordance with the time stipulated in the project or the official mission.

Article 193.

Automobiles intended for sporting competitions

Automobiles intended for sporting competitions shall be admitted to the Country through an authorization provided by the competent services and overseen by the Customs Services, and must be in circulation only during the period that the competitions are taking place.

Article 194.

Clearance of the procedure for vehicles subject to temporary importation

The automobiles imported temporarily pursuant to article 190 must be re-exported after the permitted period for temporary importation has ended, or permanently imported through payment of the customs duties and other taxes in force.

Article 195.

Pallets and containers

1. Pallets and containers used for packaging and transporting goods shall be granted full relief from customs duties and other taxes.

2. The benefit referred to in the previous paragraph shall only be granted to containers that can be identified pursuant to the international regulations in force.
3. Clearance of the procedure shall occur upon exportation or re-exportation of articles of the same type and approximate value.

**Article 196.
Other goods**

Without prejudice to the provisions of special legislation and instruments of international law to which the Government of Timor-Leste is a signatory, the temporary importation procedure for certain goods may be authorized by the customs authorities, for the exact period for which they are intended, in the following cases:

- a) Equipment that enters the country for exploration or extraction of oil or natural gas, connected to a service provision contract and for the duration of the contract by order of the Minister;
- b) Material and equipment for use in sporting events;
- c) Material intended to combat the effects of disasters, and surgical and laboratory material, under the same conditions;
- d) Animals intended for sporting events, shows, exhibitions, fairs and similar events, on presentation of an opinion from the competent entities;
- e) Media for sound, images or information and professional cinema, television and graphic arts material;
- f) Goods for exhibition;
- g) Spare parts, accessories, equipment and other goods intended for the repair and maintenance of goods subject to the procedure.

**CHAPTER V
CUSTOMS WAREHOUSE**

**Article 197.
Concept**

1. The customs warehouse procedure allows the storage in a customs warehouse of imported goods, regardless of quantity, country of origin, starting location or destination, with relief from import duties and other taxes or free from commercial policy measures. [Translator's note: the source text needs attention as poor grammar makes the point regarding policy measures ambiguous]
2. Goods that present a risk and are likely to affect others, or that require special installations must be admitted to customs warehouses specially designed for this purpose.
3. The Customs Services shall designate the types of goods that can be admitted to private customs warehouses.

Article 198.
Types of warehouses

1. Customs warehouses are classified in accordance with their use as:
 - a) Public warehouses;
 - b) Private warehouses;
 - c) Special warehouses.
2. A public warehouse shall be considered to be any customs warehouse that can be used by any person for storing goods.
3. A private warehouse shall be considered to be any customs warehouse reserved for storing goods, without the need for the warehouse keeper to be their owner.
4. Special warehouses are public warehouses where the management is undertaken directly by the customs authorities.

Article 199.
Warehouse creation

1. The authorization to exploit and manage a customs warehouse shall be the competence of the Customs Services and can only be granted when:
 - a) The applicant is a person established in Timor-Leste and offers all of the fiscal and financial guarantees that the customs authorities consider necessary for the proper performance of the operations;
 - b) The applicant provides evidence of the actual economic need for the storage;
 - c) The customs warehouse is intended principally for the storage of goods.
2. The holder of the authorization must specifically fulfill the following conditions:
 - a) Have a minimum share capital of USD 50,000, in the case of a private warehouse, or of USD 100,000 in the case of a public warehouse.
 - b) With the exception of the special warehouses stipulated in article 198, the holder of the authorization must organize stock accounting, using continuous inventory, with balance on demand, so as to give the Customs Services immediate control over the goods entering, leaving or present in the warehouse and the correct application of the procedure.
3. The authorization can be revoked, without this constituting grounds for claiming compensation, when the Customs Services consider that the customs warehouse is not, or is no longer, sufficiently used to justify its continuation, or if there are repeated breaches of the obligations assumed by the beneficiary referred to in articles 201 and 202.

4. Whenever the authorization to manage a customs warehouse is revoked, the cancellation shall be communicated to the interested party in the way stipulated by the customs authorities, the associated effect being confirmed within sixty (60) days of receipt of the communication, and the goods present in the warehouse must be declared for another customs-approved treatment or use within this period, subject to the penalty that, if this is not done, they shall be considered surrendered.

Article 200.
Transfer of ownership

1. The transfer of ownership of the goods under the customs warehouse procedure can be authorized, provided that this is subject to the conditions and restrictions stipulated by the Director-General.
2. When the ownership of the goods under the customs warehouse procedure is transferred, the person who acquires the ownership of the goods shall be subject to the rights and obligations of the declarant in respect the goods, as stipulated in this Chapter.

Article 201.
Responsibility of the warehouse keeper

1. The authorized warehouse keeper shall be responsible for:
 - a) Ensuring that the goods are not removed from customs supervision while they remain subject to the customs warehouse procedure;
 - b) Observing the specific conditions established in the authorization;
 - c) Fulfilling the obligations under the customs legislation resulting from storage of the goods under the customs warehouse procedure.
2. The authorized warehouse keeper shall be responsible for paying the customs duties and other taxes relating to the goods that are missing, specifically through theft or robbery, without prejudice to possible tax offence proceedings, pursuant to the legislation.
3. The Director of Customs Control shall order an inventory be conducted of the contents of the customs warehouse, whenever this is thought necessary.
4. The inventory is obligatory once per year, including at warehouses managed by the customs authorities.
5. Anyone who removes goods from a warehouse before authorization from the customs authorities shall be subject to an administrative sanction.
6. The holder of an authorization who does not supply the Customs Service with the exact amounts of inventory in a warehouse shall be subject to an administrative sanction.

Article 202.
Guarantee

1. The customs authorities must demand the provision of a financial guarantee, by deposit or bank guarantee, for the purpose of guaranteeing the duties and other taxes due for goods subject to the customs warehouse procedure.
2. When determining the amount of the guarantee required under article 23 of this Code, the Director-General must take into consideration the average storage capacity, the tax burden and the tax security conditions of the installations intended for the warehouse.
3. The guarantee must correspond to at least 50% of the customs duties or other taxes due on the goods stored, or to be stored, quarterly, and may be adjusted on the initiative of the Director-General or at the request of the authorized warehouse keeper, depending on the movement of the goods in the previous quarter. In the case of goods subject to excise duty, the guarantee must be 20% of the taxes paid in the previous quarter or, if at the start of activity, 30% of the predicted quarterly taxes in question.
4. No guarantee shall be requested when the authorized warehouse keeper is a Public Administration entity, or is under direct administration by the State, which shall be subject to presenting a payment commitment voucher (CPV – *voucher* de compromisso pagamento).
5. A single importation must not, under any circumstances, exceed the amount set for the guarantee, and the customs authorities must be informed of this fact [Translator's note: Portuguese text requires attention].
6. When a single importation or entry to the warehouse has a value greater than the overall guarantee provided, the authorized warehouse keeper must inform the Customs Services, so that the limit of the guarantee can be increased or waived.

Article 203.
Storage periods and taxes

1. Without prejudice to the periods arising from the perishability of the products, the maximum period that goods can remain under the customs warehouse procedure is twelve (12) months, extendable for two successive periods of six (6) months each, with justified reason.
2. The goods placed under the customs warehouse procedure shall be considered surrendered to the State if the period established in the previous paragraph is not respected.
3. The authorized warehouse keeper must inform the Customs Service Control annually of the storage rates charged at the customs warehouses and they must be posted in a public place in the warehouse, by the holder of the authorization.
4. The Customs Services must follow the provisions of the previous paragraph for public customs warehouses under their management.

Article 204.
Authorized operations

1. Considering the conditions and restrictions established by the Director of Customs Control, the depositor is authorized to:
 - a) Examine the goods;

- b) Remove samples, with the payment of the customs duties and others taxes that apply;
 - c) Handle the goods in the usual ways, with the purpose of preserving the goods during storage, as well as improving their presentation or commercial quality, or to prepare them for distribution or resale.
2. The usual forms of handling must be on a list that shall be approved by the Minister, following a proposal by the Director-General, and must be authorized by the Director of Customs Control, who shall determine the conditions under which they may be performed.

Article 205.
Temporary exit of goods

1. With the exception of goods subject to excise duty and whenever justified by the circumstances, goods under the customs warehouse procedure may be temporarily removed from it.
2. Permission to effect temporary removals of goods may be granted generically upon authorization, or on a case-by-case basis, by means of prior written request sent to the Director of Customs Control.
3. Temporary removals, as well as the corresponding entries, must be noted in the stock accounting.
4. During their time outside the customs warehouse, the goods may be handled in the usual ways.

Article 206.
Transfer between customs warehouses

1. Under the provisions of article 28 of the present Code and without prejudice to the maximum storage period defined in article 205, it is permitted to transfer the goods between customs warehouses, with the length of their stay being counted from when the procedure was first assigned.
2. The conditions under which the goods subject to the customs warehouse procedure may circulate between different locations, under the scope of the same authorization, or to installations of another type without clearance of the procedure, shall be established in the authorization and subject to a circulation document.

Article 207.
Calculation of the customs value applicable under the warehouse procedure

1. Without prejudice to the sanctions stipulated in this Code, whenever the inventory referred to in article 201 (3), or at any other time where the Customs Services find situations likely to constitute a customs debt for the goods subject to the customs warehouse procedure, the value of this debt must be calculated pursuant to article 98, without the expenses arising from the storage and preservation of the goods during their stay in the customs warehouse being included in the customs value, provided that such costs are broken down separately from the price actually paid or to be paid for the goods.

2. If the goods have been handled in the usual ways, the nature, customs value and quantity to be considered in determining the amount of import duties must be those corresponding to goods that have not been handled in such ways.

Article 208.
Obligations resulting from storing goods

The authorized warehouse keeper or depositor, as appropriate, is responsible for fulfilling the obligations resulting from storing the goods in customs warehouses, specifically:

- a) Ensuring that goods are preserved;
- b) Requesting authorization from the Customs Services control to perform usual handling and temporary removals, to destroy any goods or to perform advance verifications;
- c) Delivering to the Customs Control the list of goods under the customs warehouse procedure that continue at the same, after the period established in article 203 has ended.

Article 209.
Clearance of the procedure

Subject to compliance with the required conditions and formalities, the customs warehouse procedure is cleared when:

- a) Exit authorization is granted for the goods for:
 - i. Introduction into free circulation;
 - ii. Outright exportation (Pt: exportação definitiva);
- b) The goods are surrendered to the State.

Article 210.
Supervision and control

1. Customs Control shall take all the supervision and control measures found to be necessary to ensure that the customs warehouse procedure operates correctly.
2. To comply with the provisions of the previous paragraph, the aforementioned customs authority may, specifically:
 - a) Require, at any time, that the goods deposited in the warehouse be presented;
 - b) Verify and re-verify the entry and exit [of goods], whenever believed necessary;
 - c) Require that inventories, regular or otherwise, be conducted of the totality or part of the goods subject to the procedure, as well as inspections of the stock accounting.
3. Public warehouses shall be subject to continuous supervision by the Customs Services and to inspections.

**CHAPTER VI
GOODS SUBJECT TO EXCISE DUTY**

**Section I
Special provisions**

**Article 211.
Taxable event and collectability of taxes**

1. The duties and other taxes shall be due and collectable, in the national territory, at the time of introduction into free circulation or on identification of shortfalls that must be taxed.
2. The following shall be considered to be introduction into free circulation of products subject to Excise Duty (ISC – Imposto Seletivo de Consumo):
 - a) All and any exit of these products from a relief procedure, from a customs warehouse;
 - b) All and any illegal and clandestine manufacture of these products outside of the relief procedure and without a customs declaration, that is, without the knowledge or authorization of the customs authority;
 - c) All and any importation, including illegal importation, of these products when they are not under a relief procedure;
 - d) The identification of shortfalls at a customs warehouse, beyond the tolerances for losses, established in the customs laws and regulations.
3. The rate for duties and other taxes to apply in the national territory shall be that in force on the date of collectability.

**Article 212.
Conditions to access the relief procedure and approval**

1. The application for granting the status of authorized warehouse keeper and consequent approval of the customs installations shall be presented to the Customs Services, accompanied by the following documents:
 - a) Application, where the interested party identifies himself or herself and the locations of the customs warehouse installations, and gives the types of items that he or she intends to store with relief from taxes. In the case of a company, identification of it and each of its partners, for which the presentation of the current company by-laws and constitution of the company shall be sufficient;
 - b) Photocopy of the taxpayer registration (TIN) of the company and its partners;
 - c) Photocopy of the registration in the Commercial Services Directorate (Pt: Direção dos Serviços de Comércio);
 - d) Photocopy of Individual Identification Cards;

- e) Inspection documents for the installations, issued by the customs services;
 - f) Declaration of commitment from the interested party that it will be subject to the controls that the Customs Services wishes to impose for it to declare and pay the stipulated taxes and accept liability for the goods shortfall at the warehouse; [Translator's note: translation follows the source, which would benefit from rewriting]
 - g) Bi-monthly estimate of the customs value to be imported and held in relief, when initiating the activity under the relief procedure;
 - h) Bank guarantee, valid for one year, in an amount equivalent to 30% of the taxes paid in the previous 2 months;
 - i) Fire safety certificate, issued by the Fire Service for the area of the customs warehouse, stating, in the case of explosive or flammable items, that there is no school or hospital within a radius of 500 meters. Should there be no Fire Service within a radius of 200 kilometers of the installations, the customs services shall issue this certificate;
 - j) In the case of requests to constitute customs warehouses into which fuel or undenatured ethyl alcohol will enter, a declaration of acceptance of the provisions regarding the existence of obligatory strategic reserves, as stipulated by the competent entity;
 - k) Compliance with the other procedures stipulated by the customs authority.
2. Holders of customs warehouses that are already correctly in existence and approved by the Customs Services before the date the present Code enters into force shall not have to follow all of these formalities, it being sufficient to present a simple declaration confirming awareness of the present legislation accompanied by the declaration referred in in item (j) of the previous paragraph, if appropriate, to the Customs Services within thirty (30) days after the aforementioned date.

Section II Special provisions

Article 213.

Customs warehouses for undenatured ethyl alcohol, fuel and other petroleum products

1. Fuels and other petroleum products shall be subject to import duties when they are declared for entry under the procedure for petroleum products entering a correctly constituted and authorized customs warehouse, with ISC and Sales Tax (Pt: IV – Imposto de Venda) considered to be suspended.
2. Undenatured ethyl alcohol and petroleum products can only be stored at a customs warehouse, under the duty relief procedure, on the authorization and under the control of the competent Customs Service.
3. They shall be subject to the control measures that are considered necessary, specifically access to the accounting and computer systems, to the exit information obligations and to the physical control of the operations.

4. The authorized warehouse keeper who is the duly authorized owner of the undenatured ethyl alcohol or petroleum products customs warehouse must fulfill the following supplementary obligations:
 - a) Keep the stock accounting updated in a continuous inventory system, indicating the origin, destination and elements relating to the tax calculation;
 - b) Present the products whenever asked and be present at the inspections and other controls determined by the customs authority;
 - c) Submit the deposits and measurement instruments to metrological control by the competent entity and possess a valid calibration certificate;
 - d) Preserve for the period of three (3) years, the documents relating to each receipt or dispatch operation and inform the customs authority of changes to the managers or administrators;
 - e) Present to the Customs Service a daily summary of the exits from the warehouse for consumption, with breakdown by product and by tax-exempt or otherwise usage;
 - f) Request the presence of a customs official for the exit of all products that, for any reason, are not subject to measurement by counter, the presence of the official being obligatory for operations to remove products by means of direct manual measurement in the tank.

Article 214.
Measurement and depth equipment

1. The authorized warehouse keeper, holder of the customs warehouse for undenatured ethyl alcohol or petroleum products, must equip the storage locations with the following measurement instruments:
 - a) Calibration certificates, issued by an accredited entity, for the storage tanks with associated volumetric tables and pipes;
 - b) Thermometer with divisions of 0.5° C or less and densimeters complying with international standards, in the case of mineral oils;
 - c) Metric depth gauges, certified by an accredited entity;
 - d) Volumetric meters with certified counter and thermometer.
2. The depth measurement procedure is as follows:
 - a) Depth measurements of the space filled in the storage tanks containing the product shall be taken using a metric depth gauge;
 - b) A sample shall then be collected, to consist of equal quantities extracted from the middle of each of the three thirds of the product present in the tank;
 - c) The temperature and density of each of the collections making up the sample shall be measured and the arithmetic mean calculated;

- d) The values obtained shall be corrected for the reference conditions using the stipulated correction tables.

Article 215.

Entry of petroleum products into the customs warehouse

1. To receive petroleum products not originating from the national territory, unloaded from ships by pipes directly to the petroleum products customs warehouses, the product entry and exit pipes of the storage tanks must have valves that enable the receiving storage tank to be isolated from the others.
2. During the unloading, the customs official shall seal the valves whenever he or she believes it to be necessary.
3. After measuring the product present in the ship, the exit valves of the tanks that will receive the product shall be closed.
4. The depth of the product present in the storage tank that will receive the product shall be measured to quantify it, with the pipe valve that connects the storage tanks to the sea port being opened to start the receipt of the product.
5. When receipt is complete, the valve that connects the storage tank to the sea port shall be closed and the depth of the tank measured once more.
6. The difference between the quantity measured before and after receipt of the product in the storage tank shall be the quantity actually received.
7. To receive petroleum products stored in horizontal cylinders duly certified and equipped with a volumetric table, the tanks shall have their depth measured with the associated gauge and the volume calculated with correction to the reference temperature of 15°C.

Article 216.

Calculation of the quantities received

1. The calculation of the product volume in liters at the observed temperature shall be produced by means of consulting the millimetric tables given in the calibration certificates for the storage tanks, interpolating from the value obtained in the depth measurement to obtain the corresponding product volume in liters.
2. The observed density shall be converted to the density at 15°C using the correction table stipulated in the standard of the *American Society for Testing and Materials* (ASTM).
3. Considering the average temperature observed and the density corrected to 15°C, the table stipulated in the ASTM standard shall be used to locate the volume correction factor to be used in calculating the volume at the observed temperature for the volume at the reference temperature of 15°C.

Article 217.

Exit of petroleum products from the customs warehouse

1. The calculation of the partial quantities exiting from the storage installations of the economic operator, which are taxed on the basis of the volume at the reference temperature of 15°C, shall be achieved by means of direct volumetric measurement by counter.
2. In exceptional cases and under the supervision of the Customs Service, the calculation can be achieved by indirect weighing or indirect measurement of the storage tanks.

Article 218.

Supporting documents for the exit from the customs warehouse

1. For each product that exits, the company shall issue a supporting document with a bill of loading with a sequential number containing the following information:
 - a) Name of the issuing company, tax identification number (NIF) and location where the installations are found;
 - b) Date and time;
 - c) Economic operator to whom the product is being sent (client);
 - d) Trade name of the product;
 - e) Number of the tank where the counter is located;
 - f) The identification of the counter;
 - g) Number of the counter after the loading;
 - h) Difference between the number of the counter before and after the loading;
 - i) Temperature of the product;
 - j) Density of the product at 15°C;
 - k) Registration number of the tanker truck that transports the product;
 - l) Name of the driver of the tanker truck.
2. These documents shall be filed at the company for 5 years and be available to the official entities.

Article 219.

Documentary procedures

1. When receiving mineral oils, the operator shall write on the customs declaration the quantity of the product actually received in volume at the reference temperature of 15°C and shall pay the value corresponding to the customs duties, the goods having relief from the other taxes due on release for consumption.
2. For this purpose, the importation declaration must be presented with, in addition to the Bill of Landing, the measurement report with the calculations that enable to the quantity received to

be known and the invoice or corresponding document that indicates the cost, insurance and freight (CIF) of the taxable unit (liters at 15°C).

Article 220.
Monthly declaration of release for consumption

1. By the tenth (10) day of each month, the operator shall print and present the importation customs declaration, and pay for the total quantities in liters at 15°C sold in the previous month to non-exempt economic operators.
2. On this declaration, for the quantities released for consumption in the previous month, the authorized warehouse keeper shall declare and pay the Excise Duty (applying to the taxable unit) at the rate in force and the Sales Tax on the value of the product declared at the last entry plus the Excise Duty.

Article 221.
Losses in the warehouse and tolerances for losses

1. The authorized warehouse keeper, being responsible for the value of the taxes in relief that apply on the products held in the warehouses when there is a shortfall, shall benefit from the tolerance for losses corresponding to the shortfalls, between the book balance and the inventory in the warehouse, within the following limits:
 - a) 8 liters for every thousand liters/15°C for diesel, kerosene and jet fuel;
 - b) 12 liters for every thousand liters/15°C for gasoline and aviation gasoline;
 - c) 20 liters for every thousand liters/15°C for undenatured ethyl alcohol.
2. The tolerance shall be calculated on the total quantities of the product present in the warehouse at the last inspection, with the quantities that have entered it, by comparing the difference between physical inventory and book balance.

Section III
Inspections and searches and guarantees

Article 222.
Inspections and searches

1. The authorized warehouse keeper is obliged to maintain, in addition to their accounting documents, stock accounting of the presence of products organized in a continuous inventory system, with balance on demand.
2. The customs office shall perform regular inspections to confirm the physical presence of stored goods, checking stored inventory against entries and exits, and must adopt the following procedures regarding calculated losses:
 - a) If the tolerances for losses have not been exceeded, this fact shall be noted and the corresponding correction made to the current account form for the warehouse;

- b) If the tolerances for losses have been exceeded, the compulsory payment of the tax shall be arranged, and the necessary investigations and possible initiation of proceedings for a customs duty offence;
 - c) If excess products are found, the current account file for the warehouse shall be corrected.
3. The Customs services shall perform the other controls found to be necessary.

**Article 223.
Guarantees**

1. In addition to the provisions of article 202, the storage of products in relief of taxes shall require the provision of a prior guarantee.
2. The guarantee document must include a clause in which the guarantor makes an express undertaking to the customs authority to accept subsidiary liability, while waiving the benefit of discussion, that is, the guarantor has to pay, even if the debtor has assets, any amounts for which the taxable person is liable, up to the maximum amount guaranteed, within eight (8) days of the notification date.
3. The guarantee for storage in the petroleum products tax warehouses shall be equivalent to 20% of the average monthly amount of tax due for the products entering the warehouse in the previous year or, if at the start of activity, of the predicted monthly average for the first year, and, in all cases, the tax that would be due for products with exempt treatment or use shall be calculated. The value calculated cannot be less than USD 5,000.

**Article 224.
Guarantee amendments**

1. In cases of breaches of the obligations relating to guarantees, the percentages mentioned in the previous article can be increased, by order of the Director-General.
2. In the case of a justified request from the taxable person, the Director-General may grant an extraordinary reduction in the warehouse guarantee.

**Section IV
Obligatory reserves**

**Article 225.
Formation and maintenance of safety reserves**

1. The authorized warehouse keepers shall be subject to the obligation to form and maintain safety reserves of volumes of petroleum products, to be stored in the national territory, for the purpose of release for consumption when expressly ordered by the government, to address situations of interruption in supply.
2. The global volume of the reserves that must be maintained by the authorized warehouse keepers of customs warehouse for fuels and alcohol, shall be 1% of the volume of the verified sales for the previous month, per product.

3. Authorized warehouse keepers who have not posted any transactions in the previous month or are starting their activity must present an estimate of the releases for consumption in the year in course and form reserves on the basis of this estimate.
4. Authorized warehouse keepers may form the reserves in their own storage installations, or contract their storage from third parties, in which case the contract provisions must allow a similar degree of availability to that which would apply in the case of reserves formed in their own storage, the contracted entity being obliged to allow the controls believed to be necessary by the competent authorities.
5. The reserves must be permanently available for use and be accessible for identification, accounting and control by the competent authorities.
6. Should a situation of supply difficulty occur, authorized warehouse keepers must comply with the decisions relating to the safety reserves that are taken by the government.
7. Operators and professionals who perform their activity without the status of authorized warehouse keepers, therefore without a customs office, shall not be obliged to form these reserves, because they shall not benefit from the relief procedure.

Section V
Circulation of items subject to Excise Duty and exit control at port installations

Article 226.
Accompanying documents for items subject to Excise Duty

1. The circulation of items subject to Excise Duty that are under the relief procedure shall be conducted using an accompanying document for which the template shall be approved by order of the Minister.
2. The bills of loading and the invoice shall also constitute circulation documents for these items proving their tax compliance.

Article 227.
Documentary control at port installations

1. The exit of goods from the customs boundary of the port by road shall not occur unless the transporter provides a copy of the confirmation customs document to the exit controller, retaining the original.
2. For this purpose, exit forms with carbon copies shall be provided.

Section VI
Tax marking for tobacco, fuel mineral oil and alcohol

Article 228.
Tax stamps on manufactured tobacco

The possible adoption of a recognition system using tax seals may be adopted after a trial period and under terms to be defined by the Government.

Article 229.
Marking and coloring of alcohol and fuels

The possible adoption of a recognition system using marks or colors may be adopted after a trial period and under terms to be defined by the Government.

Article 230.
Stevedore of items in customs warehouses

If the items subject to Excise Duty are stored together with other goods, in the same customs warehouse, the person responsible is obliged to physically separate the aforementioned items from other products by means of some type of separator, including screens, metal grids and gates, approved by the Customs Services.

CHAPTER VII
CUSTOMS TRANSIT

Article 231.
Internal transit and external transit

1. The internal transit procedure allows the circulation of national goods from one customs office to another, passing through the territory of a third country, without the customs status being altered.
2. The external transit procedure allows foreign goods to circulate between two customs offices, without such goods being subject to import customs duties and other taxes, or commercial policy measures, as stipulated in customs legislation.
3. Other than in cases authorized by the Director-General, foreign goods that circulate between customs warehouses or customs offices, as well as goods declared for exportation, shall be subject to the external transit procedure.
4. In the case of goods transported under the external transit procedure by sea, the ship cannot interrupt the journey between the port of departure and the port of arrival.
5. The Customs Services may set an obligatory itinerary, relative to road transport, as well as demand the provision of a guarantee, establish a deadline for clearing the transit procedure, or request the application of customs seals, identification marks of sealing devices.
6. Whenever they consider it necessary, the Customs Services can order the goods subject to the transit procedure to be transported under customs escort.
7. The goods that circulate under a transit procedure shall be accompanied by a copy of the associated customs declaration.

Article 232.
Obligations of the declarant and the transporter

1. The declarant of the goods subject to the transit procedure is responsible:

- a) For presenting and providing information or presenting the documents requested at the destination customs office by the deadline stipulated by the Customs Services, while the aforementioned goods can only circulate to an itinerary from the Customs Services, which cannot be changed or manipulated in any way, and must have customs seals, locks and identification marks intact;
 - b) For complying with the standards stipulated in the customs legislation relating to the procedure;
 - c) Except as otherwise provided in the customs legislation, for providing a guarantee so as to ensure the payment of the total import customs duties and other taxes applying to the goods.
2. Whenever goods are subject to the transit procedure and the required information or documents are provided at the destination customs office, pursuant to the customs legislation, the obligations of the declarant shall be considered fulfilled and the transit procedure cleared.
 3. A transporter that accepts goods in circulation subject to the transit procedure is also responsible for presenting the goods to the destination customs office, through the itinerary approved by the Customs Service, by the stipulated deadline and with the customs seals, the locks and the identification marks intact.

**Article 233.
Clearance of the procedure**

1. A transit procedure shall be considered cleared when the associated copy of the customs declaration is returned to the departure Customs Service, duly authenticated, by the arrivals Customs Service.
2. The arrivals Customs Service referred to in the previous paragraph is responsible for the clearance.
3. Without prejudice to the sanctions stipulated in this Code, the non-clearance of a transit procedure shall be recorded and copied to the Director-General, who shall order the guarantee be immediately implemented and the tax offence official report prepared.

**CHAPTER VIII
Exportation**

**Section I
Outright exportation**

**Article 234.
Scope and definition**

1. The outright exportation customs procedure involves the permanent exit of the goods, by any means, from the customs territory, on presentation of a customs declaration.
2. The previous paragraph shall not apply to goods that leave Timor-Leste under the following customs procedures:

- a) Transshipment;
 - b) External transit, when foreign goods only pass through the customs territory;
 - c) Internal transit, when national goods only temporarily exit the customs territory;
 - d) Passive processing;
 - e) Temporary exportation.
3. The provisions that govern the customs declaration and importation declaration in the present Code shall apply to outright exportation.
 4. The customs declaration for the outright exportation procedure must be delivered to the exit Customs Service.
 5. Goods declared for exportation shall be subject to continuous supervision by the customs authorities, from the moment the declaration is accepted until the actual departure of the means of transport.
 6. The goods shall be subject to the payment of export customs duties whenever these are legally due.
 7. If the exportation of the goods declared for exportation is cancelled, the Customs Service must be notified of this fact, by means of a written declaration from the exporter.
 8. An exporter that does not notify the Customs Service of the cancellation of the exportation pursuant to the previous paragraph, shall be subject to an administrative fine.

Section II Temporary Exportation

Article 235. Scope and definition

1. The temporary exportation procedures allows national goods to be exported and returned to the customs territory, exempt from customs duties and other taxes when re-imported, as stipulated in the law in force.
2. The goods must be re-imported with their state unchanged, without having been altered in any way, with the exception of normal depreciation arising from their use.

Article 236.

Re-importation deadline

The re-importation of goods temporarily exported must occur within twelve (12) months, extendable only in duly justified cases.

Article 237.

Converting temporary exportation to outright exportation

At the request of the interested party, the Customs Services may authorize temporary exportation to be converted into outright exportation, provided that all applicable conditions and formalities are fulfilled.

CHAPTER IX PROCESSING

Section I General provisions

Article 238. Compensating products and rates of return

1. Compensating products are products obtained following one or more of the following processing operations:
 - a) Supplementary manufacture, including the assembly, joining or modification of other goods;
 - b) The transformation of goods;
 - c) The repair of goods, including their restoration and adjustment.
2. The rate of return is the quantity or percentage of compensating products obtained from the processing operations that a given quantity of goods undergo.
3. Unless otherwise established by the Director-General, equivalent goods shall have the same tariff classification, commercial quality and technical characteristics as the goods that they replace.
4. The rate of return shall be set by the customs authorities when authorizing the procedure, on the basis of the elements supplied for production.

Article 239. Requirements for using the processing procedures

1. The use of processing procedures requires authorization issued by Director-General, following application by the interested person.
2. The applicant for the authorization referred to in the previous item must be a person established in Timor-Leste who performs the processing operations or arranges for them to be performed.
3. The granting of authorization is subject to:
 - a) Inclusion in the register of authorized operators;
 - b) Obligatory registration and clearance for tax obligations with the competent service of Timor-Leste;
 - c) Provision of a guarantee in accordance with the terms determined by the Customs Services;
 - d) Storage and control conditions for the goods that satisfy the Customs Services.

4. The use of processing procedures must not be authorized:
 - a) When it is not possible to identify the goods placed under the associated procedures in the processed products;
 - b) When, after consulting the supervising entities, it is clear that customs supervision for the intended processing operations is not feasible, in terms of satisfactory technical or economic conditions;
 - c) When the Minister determines that the essential interests of Timor-Leste producers will be harmed by authorizing the procedure.

Article 240.
Authorization conditions

1. The authorization granted by the Customs Services must specify the conditions under which the processing procedure is permitted under this Chapter, including:
 - a) The procedures that have allowed or are allowing the goods in the processed products to be identified;
 - b) The period in which the procedure can be waived or a drawback request made, which can be extended when justified;
 - c) The rate of return.
2. In the case of a passive processing procedure or a drawback procedure, the Director-General general may authorize the following, subject to the appropriate application or conduct of the procedure being assured:
 - a) The use of equivalent goods;
 - b) The exportation of transformed products obtained from equivalent goods before the importation of the foreign goods that they are to replace.

Article 241.
Breaches of the customs procedure

1. Whenever the Customs Services find any breach of the conditions or clauses inherent to a customs procedure under this Chapter, they must propose cancelling the authorization to the Director-General, whenever applicable.
2. Without prejudice to the provisions of this Code with regard to customs decisions and the right of appeal, in cases in which the recommendation is accepted by the Director-General:
 - a) The request for reimbursement of import customs duties and other taxes under the drawback procedure must be denied;
 - b) The import duties and other taxes on goods placed under the passive improvement procedure must be charged;

- c) The exemption from import customs duties and other taxes under the passive processing procedure, as applicable, must be fully or partially refused.

Section II Drawback

Article 242. General principles

1. The drawback procedure allows the reimbursement of import customs duties and taxes paid on foreign goods introduced into free circulation, if exported from the customs territory in the form of processed products within the period established in the authorization, or as stipulated.
2. The duties and taxes applicable to the goods subject to the drawback procedure shall be guaranteed, by means of a deposit or bank guarantee.
3. The drawback procedure may only be used by authorized operators and with the advance authorization of the customs authorities.
4. The declaration for the foreign goods introduced into free circulation, referred to in paragraph 1 of this article, must indicate that the drawback procedure is being used.
5. Goods declared for the drawback procedure shall not be subject to commercial policy measures, or to any restrictive measures.

Article 24. Control measures

Control measures must be applied to goods declared under the drawback procedure on importation, in order to enable the Customs Services to certify, at the moment of exportation, that the processed products are those that were actually imported.

Section III Active processing

Article 244. General principles

The active processing procedure allows the importation of foreign goods for use in processing operations with relief from import customs duties and other taxes, pursuant to the customs legislation in force, or the application of commercial policy measures.

Article 245. Deadlines

1. The customs authorities shall set the deadline by which the compensating products must be exported or re-exported, or must receive another customs-approved treatment or use. This deadline shall be set taking into consideration the time necessary for conducting the processing operations and for the flow of compensatory products.

2. Deadlines shall be counted from the date on which the foreign goods undergo the active processing procedure. The customs authorities may extend them at the duly justified request of the holder of the authorization.
3. For the purposes of simplification, it may be decided to end periods beginning part way into a calendar month or quarter on the last day of the subsequent calendar month or quarter, as appropriate.

Article 246.
Clearance of the procedure

1. The active processing procedure shall be cleared when all of the processed products derived from the processing of goods subject to the procedure, including useful waste, are exported subject to any other customs procedure, surrendered to the State or destroyed under customs supervision.
2. At the request of the authorized person, the Director-General may authorize the re-exportation of goods subject to the active processing procedure, in the same state in which they were imported, and waive clearance of the regime in relation to these goods.

Article 247.
Calculation of the import customs duties and taxes

In the event that a customs debt is established for goods subject to the active improvement procedure or products processed as a result of their declaration for free circulation or for another reason, the amount of such a debt corresponding to the import customs duties and taxes shall be calculated at the request of the authorized person, on the basis of the tariff classification, customs value, quantity and origin of goods subject to the active processing procedure, at the time of acceptance of the declaration for these goods.

Section IV
Passive processing

Article 248.
General principles

1. The passive processing procedure allows the temporary export of national goods from the customs territory to undergo processing operations and be re-imported by the deadline set in the authorization, or as stipulated in the form of compensatory products, with total or partial exemption from import customs duties and taxes pursuant to the legislation in force.
2. The passive processing procedure shall not be authorized for national goods that are eligible for reimbursement of customs duties and other taxes on exportation.

Article 249.
Operation of the procedure

1. The customs authorities shall set the deadline for the re-importation of compensatory products to the customs territory. The same authorities may extend this deadline at the duly justified request of the holder of the authorization. [Translator's note: error in source punctuation]

2. The customs authorities shall set the rate of return for the operation, or, if appropriate, the method of calculating this rate.

Article 250.
Exemption from import customs duties and taxes

The total or partial exemption from import customs duties, stipulated in article 248, consists of deducting from the amount of the import customs duties corresponding to the compensatory products released for consumption the amount of the import duties and taxes that would apply on the same date to the temporarily exported goods, assuming that these had been imported from the country where they underwent processing operations.

Article 251.
Total waiver of import customs duties and taxes

When it is demonstrated that the repair of goods undergoing temporary exportation under the passive processing procedure was performed free of charge pursuant to a contractual guarantee, or owing to a manufacturing defect, the re-importation of the compensatory product shall take place with the total waiver of import duties and taxes.

Article 252.
Clearance of the procedure

1. The passive processing procedure shall be cleared when all of the processed products derived from the processing operations performed on the goods subject to the procedure are made subject to another customs procedure, surrendered to the State or destroyed under customs supervision.
2. Upon application by the authorized person, the Director-General must authorize:
 - a) The clearance of the passive processing procedure by making the goods subject to the temporary exportation procedure, when the goods are returned in the same state in which they were exported;
 - b) The clearance of the passive processing procedure by making the goods subject to the exportation procedure.

Article 253.
Beneficiaries of the procedure

The benefit of the passive processing procedure can be granted:

- a) To natural or legal persons established in the national territory who provide all of the guarantees that the customs authorities consider necessary for the proper performance of the operations;
- b) When it is possible to identify the temporarily exported goods in the imported compensatory products;

- c) When, following the prior hearing and express opinion of the supervising bodies, it is found that it is not possible to conduct the intended industrial operations under satisfactory technical and economic conditions.

Article 254.
Content of the authorization

1. The authorization granted by the customs authorities shall include:
 - a) The processes that enable the goods to be identified in the compensatory products;
 - b) The deadline for re-importation, which can be extended for justified reasons.
2. The authorization shall also set the rate of return, which is understood to be the quantity or percentage of compensating products obtained from the processing operations that a given quantity of goods undergo.

CHAPTER X
OTHER CUSTOMS-APPROVED TREATMENTS AND USE
FREE ZONES AND FREE WAREHOUSES

Article 255.
Concept

1. Free zones and free warehouses are parts of the customs territory, or locations therein, in which foreign goods are considered not to have been introduced into the customs territory.
2. The goods referred to in the previous paragraph may undergo any type of industrial transformation, manufacturing process or handling.
3. The goods located in free zones and free warehouses, referred to in paragraph 1 of this article, are subject to customs control.
4. The creation or authorization of free zones and free warehouses is the competence of the Minister, who shall determine the associated conditions, specifically:
 - a) The installation and geographical boundaries of the enclosure;
 - b) The type of fence to surround the enclosure;
 - c) The types of authorized activities;
 - d) The procedure for the tax guarantees to be provided by the beneficiaries and the applicable administrative sanctions.
5. The construction of buildings in a free zone shall be subject to the prior authorization of the customs authorities.

Article 256.
Boundaries and entrances

1. The entrance and exit boundaries of free zones and free warehouses shall be subject to the supervision of the customs authorities.
2. The persons and means of transport that enter or exit the free zone may be subject to customs control.
3. Entry to the free zone may be prohibited to persons who do not provide the necessary guarantees of compliance with the provisions of the present Code.
4. The customs authorities may control the goods that enter, remain in or exit the free zone. To enable this control, a copy of the transport document that must accompany the goods on entry and exit must be delivered to the customs authorities, or made available to a person designated for this purpose by the aforementioned authorities. Whenever this control is required, the goods must be made available to the customs authorities.

Article 257.
Type of goods

National and foreign goods may be placed in the free zones. The customs authorities may demand, taking into consideration the characteristics of some goods and the degree of risk they could present, that these goods be placed in locations specially equipped to receive them.

Article 258.
Entry of goods into a free zone

1. Without prejudice to the provisions of article 256, the entry of goods into a free zone shall not entail their presentation to the customs authorities, nor the delivery of a customs declaration.
2. The only goods that must be presented to the customs authorities and undergo the stipulated customs formalities are those that:
 - a) Are subject to a customs procedure and enter a free zone by clearing this procedure;
 - b) Have been the subject of a decision granting reimbursement or waiver of import customs duties, which authorizes placing these goods in a free zone;
 - c) The application from the interested party to the customs authorities must certify the national or foreign status of the goods placed in the free zones. [Translator's note: arranged as in the source document, but this should perhaps be paragraph 3 in this article]

Article 259.
Length of stay

1. The period during which the goods can remain in the free zones is unlimited.
2. The Customs Services may stipulate another period during which a given type of goods can remain, taking into consideration their characteristics.

Article 260.
Permitted activities

1. Any industrial or commercial activity or service provision may be permitted in the free zones. The customs authorities shall be given notice of the performance of this activity.
2. The customs authorities may make provision for certain prohibitions or restrictions on the activities referred to in the previous paragraph, taking into consideration the nature of the goods to which these activities relate, the requirements in terms of supervision, or the failure of persons to provide the guarantees required for the correct application of the provisions stipulated in the present Code.

Article 261.

Procedure applicable to goods intended for consumption

1. Goods introduced into a free zone or free warehouse from the customs territory and intended to be consumed in a manufacturing, industrial transformation or handling process shall be exempt from customs duties and other taxes, and must be presented to the Customs Services and be the subject of an exportation customs declaration.
2. Other goods, when consumed or destroyed, shall be subject to the payment of customs duties and other taxes, with the customs procedure for introduction into free circulation applying to them.
3. Economic operators established in free zones or free warehouses shall be obliged to have stock accounting, approved by the Customs Services.
4. All goods entering the installations of the free zone or free warehouse shall be immediately recorded in the stock accounting, in order to enable their control and supervision by the Customs Services.
5. The stock accounting must also include all movements to which the goods are subject.
6. The economic operator is obliged to make the goods and the elements of the stock accounting available to the Customs Services, in order to enable their full supervision.
7. The customs authorities shall conduct, at least once per year, the inspection of extant installations, and may do so whenever they consider it necessary.

Article 262.

Usual handling

Whenever the usual methods of handling, pursuant to article 255 (2), have been used for goods in the free zone, the nature, customs value and amount of them to be taken into consideration for calculating the amount of import duties shall be as requested by the declarant, provided that authorization has been granted for the aforementioned methods of handling, and shall be taken into consideration as if the goods, at the time when the customs debt is calculated, had not been subject to the aforementioned methods of handling. [Translator's note: attempts to follow the source, which could benefit from being reviewed]

Article 263.

Exit of goods from free zones or customs warehouses

1. The goods that exit a free zone or free warehouse must be declared:
 - a) For outright exportation;
 - b) Introduction into free circulation;
2. The Customs Services shall take all necessary to measures to ensure compliance with the applicable provisions, relating to outright exportation or introduction into free circulation.

CHAPTER XI TRANSSHIPMENT

Article 264. Transshipment of goods

1. Foreign goods subject to a transshipment procedure may be transferred from a ship or aircraft on which they have been imported, to a ship or aircraft on which they will be exported, at the same customs office, without payment of import customs duties and taxes or export customs duties and taxes, whenever stipulated in the legislation in force and without being subject to commercial policy measures.
2. Subject to the restrictions and conditions that may be stipulated by the Minister, an advance cargo declaration for the transshipped goods may serve as the customs declaration for the transshipment.
3. It is the competence of the Director-General to stipulate:
 - a) The customs office to where the goods may be transshipped;
 - b) The permitted deadline for the exportation of the goods subject to the transshipment procedure after their arrival.
 - c) The transshipment customs office must control the embarkation and disembarkation operations for the goods and must keep them under continuous supervision.

Article 265. Obligations of the importer upon transshipment

A declarant who makes goods subject to the transshipment procedure shall be responsible for:

- a) Protecting the goods unloaded from the ship or aircraft on which they were imported, at the locations within the customs office approved by the Director-General for this purpose;
- b) Observing any measures determined by the Customs Services to ensure the identification of the goods;
- c) Embarking the goods on the ship or aircraft on which they will be exported, by the stipulated deadline;
- d) Performing the formalities required for the declaration and exit authorization of the goods;

e) Respecting any rules that might be stipulated for the procedure.

Article 266.
Clearance of the procedure

When the goods have been embarked on the ship or aircraft that will export them from Timor-Leste, the obligations of the declarant will have been fulfilled and the clearance of the procedure processed.

CHAPTER XII
PROVISIONS

Article 267.
Onboard provisions on entry of the means of transport

1. Taking into consideration any conditions and restrictions that might be stipulated and the performance of the required formalities for declaration and exit, goods transported as onboard provisions, in transport arriving in Timor-Leste, shall be exempt from customs duties and other taxes, provided that they are in accordance with the legislation in force and with these provisions:
 - a) They shall not be used, before the departure of the means of transport from its last port or airport situated in Timor-Leste, for a purpose other than for the use of passengers and crew, or for service of the means of transport;
 - b) They shall not be disembarked or unloaded.
2. The Customs Services may require the person responsible for the means of transport to take appropriate measures to prevent unauthorized use of the provisions, including sealing them, when necessary.

Article 268.
Different destination for the provisions

The provisions of the previous article notwithstanding, goods transported as provisions in means of transport arriving in Timor-Leste and duly declared upon arrival, may, subject to authorization by the Customs Services and the stipulated conditions and restrictions and without payment of the import or export customs duties, as appropriate, and other taxes:

- a) Be unloaded into temporary custody in a secure location, approved by the Customs Services, and re-embarked on the same transport for use en route to a given destination located outside of Timor-Leste;
- b) Be unloaded for immediate transfer, at the same location, to other transport on the same route, and be used en route to a given destination, located outside of Timor-Leste.

Article 269.
Supply of provisions exempt from export customs duties and taxes

1. National goods required as provisions and transported onboard as such, in any means of transport with a foreign port or airport as destination, may be exported free of export customs

duties and taxes, in the quantities stipulated by the Customs Services, taking into consideration the size of the means of transport, the number of passengers and members of the crew, and the duration of the journey.

2. The goods described in the previous paragraph must only be consumed after the exit authorization date for the transport.

CHAPTER XIII RE-EXPORTATION

Article 270. Definition and requirements

1. Goods introduced into the customs territory under the temporary importation procedure may be declared for the re-exportation customs procedure.
2. If the customs authorities cannot be sure of the identity of the goods on the basis of the samples or markings collected pursuant to article 184 for future cross-checking, they shall refuse re-exportation of the goods.
3. Without prejudice to the sanctions stipulated in this Code, the goods declared for the temporary importation procedure shall be subject to the taxes in force on the date of acceptance of this declaration.
4. The goods referred to in paragraph 2 shall be declared lost to the State, and the declarant or owner of the goods shall bear the costs of their removal to the storage facility determined by the customs authorities.

HEADING XIII DESTRUCTION AND SURRENDER AVAILABILITY OF THE GOODS TO THE CUSTOMS SERVICES

CHAPTER I SURRENDER AND DESTRUCTION UNDER CUSTOMS SUPERVISION

Article 271. General principles

1. Goods introduced into the customs territory, which have or have not been declared for a customs procedure, may, with the advance authorization of the Customs Services:
 - a) Be surrendered to the State;
 - b) Be destroyed under the supervision of the customs authorities.
2. The surrender referred to in the previous paragraph shall be authorized by the Director-General of the Customs Services, after assurance is given of the economic or tax benefit of the goods in question.
3. The Director-General must set the locations for the storage of all of the goods referred to in the previous paragraph and may, in the case of seizure, nominate a trusted warehouse keeper.

4. When the surrender or destruction is on the initiative of the owner or the declarant of the goods, or, when applicable, the person who has custody of them, the procedure must be requested in writing.
5. The Customs Services must supervise the destruction, which the owner of the goods, or his or her representative, is obliged to attend.
6. The associated destruction report shall be prepared by the nominated customs official and by the entity responsible for the destruction, when applicable, following the destruction, and shall be signed by the owner of the goods or his or her representative.
7. The destruction report must identify the company, state the quantity of goods, and indicate whether the destruction resulted in scrap or waste that might have to be declared for another customs-approved treatment or use.
8. The elements given in the report shall determine whether there is taxation applicable, in the cases stipulated in the final part of the previous paragraph.
9. The owner or declarant shall bear all costs incurred by the Customs Services resulting from the destruction or disposal of the goods, and the destruction or surrender must not entail any cost to the State.
10. The amounts raised from the sale of the goods shall constitute revenue for the State, after applying the provisions in article 276.

CHAPTER II DISPOSAL BY THE CUSTOMS SERVICES OF GOODS SURRENDERED OR CONFISCATED

Article 272. Disposal of goods

Goods shall be considered property of the State and must be transferred to the competent authority responsible for the management and disposal of State property, to be disposed of in accordance with the law, if they are:

- a) Considered surrendered to the State pursuant to articles 142 or 203;
- b) Voluntarily surrendered to the State pursuant to article 271;
- c) Declared as surrendered to the State by the Director-General pursuant to article 368, or by a competent court, taking into consideration that a crime or a customs offence has been committed.
- d) Goods thrown from the air or into the sea;
- e) Goods salvaged from a shipwreck, if the ship had been abandoned or when the captain requests their sale, pursuant to the applicable international conventions;
- f) The goods have been found;

- g) The goods are spoils.
2. Cash, gemstones, jewelry and credit instruments found as spoils shall not be put on sale, but transferred to the competent departments of the State, with regard to the area, and shall only be delivered to the owner after the expenses for securing them have been paid.
 3. The goods stipulated in the previous paragraph may, exceptionally, be sold with the authorization of the Minister regardless of the price, at public auction, once ten years have elapsed since they entered storage, if there has been no claim from interested parties and an announcement is published 90 days in advance.
 4. The goods that come under this article, as well as those that have been expressly surrendered, shall only be announced as being for sale when it is recognized that they are of no use to the State or for the purpose of public use or benefit. This does not apply to spoils.

Article 273.

Special provisions for surrendered goods

1. The owners of goods in storage beyond the legal deadline may dispatch them even after their sale has been announced or even during the auction, but before they are put on sale, subject to an application to this effect, unless they have been removed from a previous auction for the same reason or have been expressly surrendered to the State.
2. The goods dispatched under the provisions of this article shall be subject to payment of, in addition to the storage costs due to their entry to the auction warehouses, the costs of transport to the warehouse, the advertisements that have been published and 5% of their value, which shall constitute State revenue.

Article 274.

Requirements for removal from auction

1. The applications for the removal of goods from auction to be dispatched, referred to in the previous paragraph, shall only be granted when their owners deposit, in advance, 25% of the duties to be collected for these goods.
2. The interested parties that have been authorized to ship the goods that come under the provisions of this article must immediately deposit the amount of the duties and other taxes due, and the costs of the associated process, and must arrange shipment within three (3) days.
3. When the applicant does not deposit the difference between the total amount of the duties and other taxes due for the goods removed from the auction, or does not arrange the legalization by the stipulated deadline, he or she shall lose the right to this deposit, which shall be paid as potential State revenue and the goods shall be considered expressly surrendered to the State.

Article 275.

Goods intended for institutions of the State

1. When the final destination of apprehended or surrendered goods is an institution of the State, once all contractual obligations have been fulfilled, the Director-General may authorize the permanent transfer of the ownership of the goods to the aforementioned institution.

2. In the cases referred to in the previous paragraph, whenever a tax debt results, the Director-General must send the information about the tax losses to the Minister, for the purposes of sending to the National Parliament, together with the information relating to the General Budget of the State, pursuant to the legal procedure for the Budget and Financial Management.

Article 276.
Use of income from sales

1. The income resulting from disposal of the goods, stipulated in article 272, must be applied successively to:
 - a) Paying the sale expenses;
 - b) Paying the import customs duties, taxes and administrative sanctions on these goods, where applicable;
 - c) Paying outstanding freight or other expenses, where applicable, relating to the goods, if these have been communicated to the person who has custody of them;
 - d) Paying the expenses owed to the trusted warehouse keeper who has custody of the goods, where applicable.
2. Should the income from the sales to which the present Chapter refers not cover the total amount of the expenses, the debt to the State shall take precedence over all others.
3. The income from the sale of apprehended or seized goods shall be used for a purpose to be determined in the associated proceedings.
4. Unless otherwise provided in law, the balance remaining from the sale income, once the payments stipulated in paragraph 1 of these article have been made, must be deposited in the Treasury account.

HEADING IV
SPECIAL CUSTOMS TREATMENTS
POSTAL DELIVERIES AND EXPRESS DELIVERIES

Article 277.
Postal deliveries

1. For customs purposes, postal deliveries shall be considered to be any delivery sent through the international postal network that does not constitute personal correspondence.
2. The provisions of the agreements, conventions and treaties by which Timor-Leste is bound apply in these cases.

Article 278.
Taxation

1. All goods entering the customs territory by post shall be subject to taxation and other applicable customs regulations.

2. Goods recognized by the customs authorities as not of commercial nature, the value of which does not exceed the statistical limit, defined in the Tax Law, shall be exempt from application of the provisions of paragraph 1.
3. The provisions of this Code relating to the simplified procedure shall apply to postal deliveries imported under the scope of "Admission Temporaire/Temporary Admission" (ATA) carnets.

Article 279.
Express deliveries

1. For customs purposes, any delivery sent through the international postal network or by private express courier companies shall be considered an express delivery.
2. The provisions of paragraphs 1 and 2 of the previous article shall apply to express deliveries.

Article 280.
Customs control

The Customs Services shall indicate to the postal services the postal deliveries that must be presented to them for the purposes of customs control and the arrangements for this presentation.

Article 281.
Exportation of postal deliveries

The Customs Services must not demand the presentation of postal deliveries for the purposes of customs control when they are being exported, unless they contain:

- a) Goods for which exportation has to be certified;
- b) Goods for which exportation is subject to prohibitions or restrictions, or the payment of duties and other export taxes;
- c) Goods of value in excess of the amount set in the national legislation; or
- d) Goods that are selected for customs control by choice or randomly.

Article 282.
Importation of postal deliveries

The Customs Services must not, as a general rule, demand the presentation of imported postal deliveries that belong to the following categories:

- a) Postcards and letters that contain only personal messages;
- b) Literature for the blind;
- c) Printed paper not subject to the payment of import duties and other taxes.

Article 283.
Postal deliveries in transit

Customs formalities shall not apply to postal deliveries in transit.

**HEADING XV
PRIVILEGED OPERATIONS
CUSTOMS RELIEF**

**CHAPTER I
CUSTOMS RELIEF ON IMPORTATION**

**Article 284.
Goods benefitting from relief**

Within the meaning of the present Code, goods that are devoid of commercial nature, pursuant to the Tax Law, may enjoy relief from import duties.

**Article 285.
Goods excluded from benefitting from customs relief**

1. With the exception of the limits stipulated in the Tax Law for goods transported in the baggage of travelers, the following shall be excluded from the relief:
 - a) Bottles, alcoholic products and perfume;
 - b) Tobacco, tobacco products, coffee and tea;
 - c) Commercial means of transport;
 - d) Fuels and propellants;
 - e) New equipment for professional use;
 - f) Species of fauna or flora for which trade is prohibited by law or convention;
 - g) Automobiles with the exception of ambulances and those intended for personal use, pursuant to the present legislation;
 - h) Items intended for commercial purposes.
2. Alcoholic products means those classified under the tariffs in the Combined Nomenclature covering all distilled and fermented drinks.

**Article 286.
Procedure for excluded items**

When it is verified that items arriving in Timor-Leste are not covered by the customs relief invoked by the interested party, they shall be processed normally, without prejudice to an adequate period being granted for improving the application or presenting missing documents.

Article 287.

Relief from import duties for personal effects and the home contents of those transferring their habitual residence to Timor-Leste.

1. The personal effects and home contents of imported origin of any former residents permanently transferring their habitual residence to Timor-Leste shall be admitted with relief from import duties, under the conditions stipulated in the present legislation.
3. Only natural persons who have had their habitual residence outside of the Timor-Leste customs territory for, at least, eighteen (18) consecutive months may benefit from the relief. [Translator's note: paragraph numbering as in source – paragraph 2 not given]
4. The relief shall also cover movable property, clothing and gifts imported on the occasion of a marriage, provided that they belong to one or both of the members of a couple who, following marriage, are transferring their habitual residence to Timor-Leste.
5. For the purposes of the provisions of the previous paragraph, the interested parties must provide evidence that the marriage has taken place.

**Article 288.
Personal effects**

1. For the purpose of the present legislation, “personal effects” means items for the personal use of natural persons or the needs of their family group and household, which have clear signs of use, pursuant to the following articles.
2. Personal effects shall specifically include:
 - a) The home contents from the country of origin;
 - b) Bicycles, taking into consideration the family unit, and one motorcycle, acquired and registered in the name of the interested parties at least twelve (12) months before, in the country of origin;
 - c) A non-commercial automobile for the exclusively private use of the family unit and with a maximum capacity of five passengers, acquired and registered in the name of the interested party at least twelve (12) months before, in the country of origin;
3. Personal effects must not suggest, by their nature or quantity, any possibility of even potential commercial interest.
4. The personal effects referred to in paragraph 2 (c) of the present article shall not be subject to a loan, lien, lease or assignment, for valuable consideration or gratuitous, before the period of two (2) years has elapsed, counted from their introduction to consumption, and without the competent authorities being informed in advance.
5. Any loan, lien, lease or assignment that takes place before the period referred to in the previous paragraph has elapsed shall lead to the application of the import duties relating to the items in question, at the rate in force on the date of the loan, lien, lease or assignment, in accordance with their nature and on the basis of the customs value recognized or accepted by the customs authorities, on that date, without prejudice to the imposition of a fine.

Article 289.
Home contents from the country of origin

1. "Home contents" means the personal effects, household linen and furniture, family utensils and equipment, already used in the original home for more than twelve (12) months and intended to be used for the same purposes and needs in the new home in Timor-Leste.
2. They must, within reason and proportionally, correspond to the list of items, to be presented prior to arrival, pursuant to the provisions of the present legislation.

Article 290.
Personal effects acquired by means of inheritance

1. Personal effects acquired, either through legal inheritance or bequest, by a natural person who has his or her habitual residence in the customs territory of Timor-Leste shall be admitted with relief from import duties.
2. For the purposes of paragraph 1, "personal effects" means all items referred to in article 288 that form part of the estate of the deceased, with the exclusion of livestock.

Article 291.
Deadline for admission with relief

Unless under special circumstances, relief shall only be granted for personal effects declared for free circulation before the end of a maximum period of six (6) months, counted from the date of the application to establish habitual residence in the customs territory of Timor-Leste.

CHAPTER II
NON-COMMERCIAL DELIVERIES

Article 292.
Deliveries of insignificant value

1. Pursuant to the present Code, deliveries of goods of insignificant value sent directly from abroad, occasionally, to a recipient in Timor-Leste shall be imported with relief from import duties.
2. "Goods of insignificant value" means goods the commercial value per delivery of which does not exceed the amounts stipulated in the Tax Law.
3. The Customs Services shall have the power to not apply the relief if they can demonstrate that one or more natural and/or legal persons are importing, wrongfully and repeatedly, abnormal quantities of items for commercial purposes.
4. For the purposes of the provisions of the previous paragraph, it shall be considered wrongful for the same person to invoke the present relief more than once per month, without prejudice to this criterion being altered in accordance with the nature of the goods or other signs that reasonably suggest misuse of the procedure.
5. The following are excluded from the scope of the present relief:

- a) Alcoholic products;
 - b) Perfumes;
 - c) Tobacco and tobacco products;
 - d) Illegal copies of sound, image or software recordings;
 - e) Jewelry and gemstones.
6. When the overall value of different goods exceeds, per delivery, the above-mentioned amount, relief shall be granted up to the limit of this amount for those goods that, if imported separately, could have benefitted from this relief, it not being permitted to divide the value of an item.

CHAPTER III TRAVELERS

Article 293.

Goods contained in the personal baggage of travelers

1. Goods originating from abroad included in the personal baggage of travelers shall be admitted with relief from import duties, pursuant to this legislation, provided that these are importations devoid of commercial nature.
2. For the purposes of paragraph 1, the following meanings shall apply:
 - a) "Personal baggage" means all items that the traveler is in a position to present to the customs services when arriving in the customs territory of Timor-Leste, as well as those presented to the same services subsequently, subject to demonstration that they were registered as accompanied baggage, at the time of departure, with the company that transported them from the country of origin.
 - b) "Importations devoid of any commercial nature", are importations:
 - i. That are occasional in nature; and
 - ii. That exclusively relate to goods reserved for the personal or family use of the travelers, or intended to be given as gifts, the nature or quantity of which does not suggest any commercial interest.
3. The relief shall be granted, per traveler, taking into consideration the amount stipulated in the Tax Law.
4. When the overall value of the different goods exceeds, per traveler, the sum referred to in the previous paragraph, the relief shall be granted up to the limit of this amount for those goods that, if imported separately, could have benefitted from this relief, it not being permitted to divide the value of an item.

Article 294.

Limits for certain products

1. With regard to the relief granted to travelers for certain goods, the relief referred to in the previous article shall be limited, per traveler, to the maximum quantities defined in the Tax Law.
2. Travelers under the age of 17 shall not benefit from any relief relating to the goods referred to in paragraph 2 (a) and (b) of the previous article, when relating to tobacco and alcoholic drinks, pursuant to the Tax Law.

**CHAPTER IV
EQUIPMENT AND INSTRUMENTS OF SCIENTIFIC OR
EDUCATIONAL USE
GENERAL PROCEDURE**

Article 295.

Public institutions or organizations, or those of public utility

1. Scientific instruments, objects, equipment and other instruments of an educational or cultural nature intended for public institutions or organizations, or those of public utility, shall benefit from relief, provided that such entities are legally recognized as such and that the importations are authorized by the Minister, or whomever he or she delegates.
2. The present provision shall apply in cases of direct importation by the beneficiary entities and, also, to the donations by any other national or international entities, specifically those pursuing philanthropic, scientific or development cooperation ends.
3. The beneficiary entities must present to the Customs Services, for each importation, a justified application, addressed to the Minister, which shall have attached to it evidence of the corresponding status, and of the quality and quantity of the goods to be imported with relief.
4. This application, addressed to the Minister, shall be delivered to the Customs Services, before the arrival of the goods, in duplicate, with the copy intended for the Customs Services and the original intended for the Minister.

Article 296.

Implementing provisions

For the purposes of implementing the provisions of the previous article:

- a) "Equipment" means instruments, devices, machines and associated accessories, including the spare parts and other utensils specifically intended for maintenance, control, calibration or repair, used for the purposes of scientific research;
- b) "Scientific instrument or equipment" means a device, machine or piece of equipment that, owing to its objective technical characteristics and the results it can achieve, is exclusively or principally suited to performing scientific activities;
- c) "Imported for non-commercial purposes" means that the scientific equipment or instruments are intended to be used for the purposes of scientific research or education, performed on a not-for-profit basis;

- d) The relief shall be limited to scientific instruments and equipment that is intended for public institutions or those of public utility that have education or scientific research as their principal activity.

Article 297.
Disposal of items imported with relief

1. The scientific objects and instruments or equipment admitted with relief pursuant to the present Chapter shall not be the subject to a loan, lien, lease, assignment or donation, for valuable consideration or gratuitous, before the period of two (2) years has elapsed, from their release for consumption, and without the customs entities being notified.
2. In the case of loan, lease or assignment to an institution or organization entitled to benefit from relief, pursuant to articles 295 and 296, the relief shall continue as long as that establishment or organization uses the object, instrument or equipment for the purposes that confer the entitlement to the granting of this relief.
3. In other cases, the loan, lease or assignment shall be subject to prior payment of the import duties, at the rate in force on the date of the loan, lease or assignment, according to its nature and customs value recognized or accepted by the customs authorities on this date.

CHAPTER V
INSTRUMENTS AND EQUIPMENT INTENDED FOR MEDICAL PURPOSES

Article 298.
Medical research, diagnosis and treatment

1. Without prejudice to the provisions of the previous Chapter, instruments and equipment intended for medical research, for formulating diagnoses, or for performing medical treatments offered free of charge by charitable or philanthropic organizations, or by a natural person to health-care organizations directly operated by the State, shall be imported with relief from import duties, provided that the donation of the instruments or equipment in question does not conceal any intention of commercial purposes on the part of the donor.
2. The relief shall also apply, under the same conditions:
 - a) To spare parts, components and accessories specifically intended for modifying the instruments and equipment, provided that these spare parts, components and accessories are imported at the same time as these instruments or equipment or, if imported subsequently, that it is recognized that they are intended for instruments or equipment previously imported with relief;
 - b) To tools for use in the maintenance, control, calibration or repair of the instruments or equipment, provided that these tools are imported at the same time as these instruments or equipment, or if they are imported subsequently, that it is recognized that they are intended for instruments or equipment previously imported with relief.

Article 299.
Disposal of items

The provisions of article 297 shall apply to the loaning, leasing or assignment of scientific instruments or equipment admitted with relief.

CHAPTER VI GOODS SENT TO CHARITABLE ORGANIZATIONS

Article 300. Miscellaneous goods

Items, with the exception of alcohol and tobacco, shall be imported with relief from import duties when imported by charitable organizations registered under any Timor-Leste legislation enacted for this purpose, when these items are intended to be used for the purpose of humanitarian aid, education or health care.

Article 301. Documentary requirements

The relief shall only be granted to organizations having accounts that enable the customs authorities to control transactions and which provide all of the guarantees considered necessary.

Article 302. Disposal of items

The provisions of article 297 shall apply to the loaning, leasing or assignment of the aforementioned goods, imported under this Chapter.

CHAPTER VII DONATIONS AND GIFTS RECEIVED IN THE CONTEXT OF INTERNATIONAL RELATIONS

Article 303. Scope

Objects shall be admitted with relief from import duties, when:

- a) Imported to the national customs territory by representatives of public entities in Timor-Leste who have made an official visit to a foreign country and have received the objects as a present from the public authorities who hosted them;
- b) Sent as a gift by an official authority or by a public institution of a foreign country, to an official authority or public institution of Timor-Leste, provided that they are approved by the customs authorities to receive these objects with relief;
- c) The donations relating to buildings or improvements to buildings, provided by other countries, or by official foreign entities, follow any relief procedure that might be officially agreed with the State of Timor-Leste.

Article 304. Honors and awards given as recognition

The following shall be admitted with relief from import duties, by means of justification presented by the interested parties to the satisfaction of the customs authorities, providing that they relate to occasional operations, devoid of commercial nature:

- a) Honors granted by third-country governments to persons who have their habitual residence within the national customs territory;
- b) Cups, medals and similar objects that are essentially symbolic in nature and are awarded in a third country to persons who have their habitual residence within the national territory, in recognition of activities performed in areas such as the arts, sciences, sport or public service, or in recognition of their merits on occasion of a particular event, when imported by these same people.

CHAPTER VIII OTHER RELIEF

Article 305. Relief under conventions

The relief stipulated in this Code, under the present Heading and in other provisions, shall be without prejudice to the relief resulting from agreements, conventions and treaties to which Timor-Leste is a contracting party:

- a) Exempt pursuant to the Vienna Conventions on Diplomatic Relations, of 1961, and on Consular Relations, of 1963;
- b) Exempt pursuant to the Convention on the Privileges and Immunities of the United Nations;
- c) Exempt pursuant to the Convention on the Privileges and Immunities of the Specialized Agencies.

HEADING XVI INCURRENCE OF A CUSTOMS DEBT

CHAPTER I IMPORT CUSTOMS DEBT

Article 306. Taxable event

1. The importation of goods subject to import customs duties and other taxes is a taxable event incurring a customs debt in the event of:
 - a) The introduction of goods into free circulation;
 - b) The subjection of goods to any customs procedure in which, pursuant to the legislation in force, there is no exemption or waiver from payment of the duties and other taxes for these goods;
 - c) The irregular introduction of these goods into the customs territory, directly or through a free warehouse or a free zone;

- d) The removal of the goods from customs supervision;
 - e) The breach of the obligations resulting from their retention in temporary storage, or from the use of the customs procedure to which they are subject;
 - f) The consumption or use, in a free zone or free warehouse, of the goods in conditions other than those stipulated in the customs legislation.
2. The goods introduced into the customs territory, depending on the customs procedure or customs-approved treatment or use, shall be subject to payment of the customs duties and taxes, stamp duty, printing fees, general fees and other charges, as stipulated in the customs tariff, table of customs fees and other legislation in force.

Article 307.
Time of incurrance of a customs debt

In the cases stipulated in the previous article, the customs debt on importation shall be incurred:

- a) In the cases stipulated in items (a) or (b), at the time of acceptance of the customs declaration;
- b) In the cases stipulated in item (c), at the time of the irregular introduction. When it is not possible to determine that the introduction was irregular, the debt shall be incurred at the time at which the Customs Services become aware of the irregular introduction;
- c) In the cases stipulated in items (d), (e) and (f), the debt shall be incurred at the time at which the goods are removed from customs supervision, at the time of breach of the obligations, or at the time at which the goods are consumed or used.

Article 308.
Taxable person liable for the customs debt

- 1. When the debt is incurred pursuant to article 306 (a) or (b), the debtor is the declarant.
- 2. In the cases stipulated in article 306 (c), the debtors are:
 - a) The person who irregularly introduced the goods;
 - b) Anyone who, having knowledge of the irregular introduction, participated in that operation or acquired the irregularly introduced goods.
- 3. In the cases stipulated in article 306 (d), the debtors are:
 - a) The person who removed the goods from customs supervision;
 - b) Any person who participated in the removal, or acquired or has the goods in question, and was aware that the goods were to be, or had been, removed from customs supervision;
- 4. In the cases stipulated in article 306 (e), the debtor shall be the person who is required, in accordance with the circumstances, either to fulfill the obligations resulting from the temporary

storage or the use of the customs procedure in question, with regard to the goods subject to customs duties, or to fulfill the conditions that stipulate the placement of the goods under this procedure.

5. In the cases stipulated in article 306 (f), the debtor is considered to be the person who consumed or used the goods, as well as the person or persons who, being aware of the regulations in force, participated in the consumption or use of the goods.
6. Should the goods disappear from a free zone or free warehouse, without the Customs Services managing to identify the person or persons who consumed or used them, the person with the obligation to pay is the last person whom the Customs Services is able to identify as holder or owner of these goods.

Article 309.
Place of incurrence of the customs debt

The customs debt is considered incurred at the location where the events giving rise to its incurrence occurred or, when it is impossible to determine this location, it is considered to be the location where the customs authorities verified the existence of goods in a state that incurred the customs debt.

CHAPTER II
CUSTOMS DEBT ON EXPORTATION

Article 310.
Taxable event

The exportation of goods subject to export customs duties and other taxes is a taxable event incurring a customs debt in the event of:

- a) The exportation from the customs territory of goods declared for this customs procedure;
- b) The removal of goods from the customs territory without a customs declaration;
- c) The removal of the goods from the customs territory without fulfilling the conditions that fully or partially exempt these goods from export customs duties.

Article 311.
Time of incurrence of the customs debt

1. In the cases stipulated in item (a) of the previous article, the customs debt is considered incurred at the time of acceptance of the customs declaration.
2. In the cases stipulated in item (b) of the previous article, the customs debt is considered incurred at the time of the actual departure of the goods from the customs territory.
3. In the cases stipulated in item (c) of the previous item, the customs debt is considered incurred at the time at which the goods arrive at a destination other than that which would enjoy total or partial exemption from export customs duties, or at the time of expiration of the period for presenting evidence that the conditions set for the granting of this exemption have been respected.

Article 312.
Taxable person liable for the customs debt

1. In the cases stipulated in article 310 (a) and (c), the debtor is the declarant.
2. In the cases stipulated in article 310 (b), the debtor is any person who carried out or participated in the removal of goods, knew or should have known of the need to declare them for exportation, and facilitated their exit from the customs territory without fulfilling this formality.

Article 313.
Place of incurrence of the customs debt

Whenever goods are removed from the customs territory and it is impossible to determine in any other way the time at which the customs debt was incurred, it is considered incurred at the time at which the Customs Services detected the removal of the goods from the customs territory. [Translator's note: the translation follows the source text, which does not relate to the heading of this article (compare with article 309)]

CHAPTER III
COMMON PROVISIONS

Section I
Special cases

Article 314.
Other cases of incurrence of a customs debt

1. The customs debt shall be incurred even when it relates to goods for which importation to or exportation from Timor-Leste is prohibited or restricted by law, except as provided in the following paragraph.
2. The customs debt shall not be considered incurred with the illegal introduction of goods that cannot be sold. However, this debt must be calculated whenever it can serve as the basis for applying the sanctions in criminal proceedings.

Section II
Payment assessment, deadline and methods

Article 315.
Assessment record

1. Without prejudice to article 163 (3), the assessment of a customs debt shall be the responsibility of the Customs Services, and must take place as soon as these are in possession of the correct taxation elements for these goods, at the time of the incurrence of the customs debt relating to them.
2. The amount of the import customs duties and other taxes and export customs duties calculated by the Customs Services must be immediately entered in the accounting records of the Customs Services, in the way and using the method determined by the Minister.

3. The declarant may enter in the customs declaration the amount of customs duties and other taxes that he or she believes to be due.
4. The provision of the previous paragraph shall not be binding on the customs authorities.
5. Pursuant to article 163, the amount of the customs duties and other taxes must be the subject of the accounting entry stipulated there.
6. When it is not possible to accurately determine when the customs debt is incurred, the time considered for the assessment shall be that at which the customs authorities verified that these goods are found in one of the situations incurring the customs debt.
7. Whenever, for reasons attributable to the declarant, the time of incurrance of the debt or of its assessment is subject to delay, compensatory interest shall be due at the rate of 4%.

Article 316.

Date of calculation of the duties, customs value and exchange rate

1. The amount of customs duties and other taxes on the imported or exported goods must be calculated on the basis of the exchange rate and on the tariff classification, origin rules, and rates of customs duties and other taxes applicable to these goods:
 - a) On the date on which the customs declaration for the goods is accepted; and
 - b) In any other cases, on the date of payment of the customs duties and other taxes.
2. If the customs declaration was submitted before the arrival of the goods, pursuant to article 157 (2), the relevant date for the purposes of this article shall be the date of the arrival notification for the goods.

Article 317.

Error in the assessment

Whenever the Customs Services detect a positive or negative error in the assessment of the customs debt, the assessment record must be corrected within two (2) days from the date of notification of the error to the declarant.

Article 318.

Communication to the debtor

1. The amount of the duties and other taxes, calculated after the acceptance of the declaration, must be communicated to the debtor as soon as the assessment record becomes final.
2. Whenever the amount of the duties and other taxes to pay has been mentioned in the customs declaration, the customs authorities may determine, should they wish, that the communication referred to in the previous paragraph shall be made only if the amount indicated does not correspond to the amount they have calculated.
3. In the cases stipulated in article 315 (3), notification of the exit authorization for the goods shall be equivalent to the communication of the customs debt to the debtor.

4. Whenever an *ex-post* control results in the calculation of a customs debt in an amount different to the debt, by error, fault or omission of the declarant, the communication to the debtor shall not take place more than three (3) years after the date of incurrence of the customs debt.

Article 319.
Communication deadline

1. No communication with the debtor relating to payment of a customs debt shall take place after a period of five (5) years has elapsed from the date of incurrence of the customs debt, or three (3) years from the date of the assessment record.
2. When the customs debt results from an act that, on the date on which it was committed, gives rise to criminal proceedings, the deadline stipulated in the previous paragraph shall be extended to ten (10) years.

Article 320.
Payment deadline

1. The payment of the customs debt must occur within the maximum period of ten (10) days, from the date of notification of the amount to the debtor.
2. If the person responsible for the payment is entitled to the extension stipulated in the following article, payment shall be due within the period specified in the same.
3. When the legal deadlines for the payment have been exceeded, the unpaid amount is considered in default and increased by default interest from the date on which the debt was incurred.
4. The default interest shall be calculated per full calendar day, counting neither the day of notification of the debtor, nor the day of payment of the customs debt.
5. The amount of default interest payable shall be calculated, on the basis of the rate of 3% per month or part thereof, on the total amount of the customs debt.

Article 321.
Deferral of the payment

1. The Minister may authorize a person, upon request and with provision of an adequate guarantee, pursuant to article 323, to defer payment of import customs duties and other taxes or export customs duties and other taxes payable on the goods authorized to exit in relation to that person, but for a minimum period of fourteen (14) days to a maximum of thirty (30) days, from the date of that exit authorization. In addition, the granting of these payment facilities may give rise to the collection of expenses associated with establishing the process or for services provided.
2. The use of deferment under this article shall be subject to evidence of the timely fulfillment of the payment obligations, pursuant to the customs and tax legislation of Timor-Leste.

Article 322.
Payment method and location

A customs debt must be paid in cash, or by check made out to the Treasury, at the customs office where the declaration has been registered, or as otherwise specified in the notification to the debtor.

CHAPTER IV GUARANTEE OF THE CUSTOMS DEBT

Article 323. Requirement for a guarantee

1. Whenever, in the course of applying the customs legislation, the Customs Services require the provision of a guarantee to ensure the payment of a customs debt, this guarantee must be provided by the debtor.
2. When the debtor is a service of the Public Administration, the bank guarantee may be replaced by a payment commitment voucher (CVP – Voucher de Compromisso Pagamento). [Translator's note: the abbreviation CPV is used in article 202 in the source document]
3. The list of the Public Administration services authorized to use payment commitment vouchers must be approved by the Minister.

Article 324. Time of posting of the guarantee

1. The guarantee may be demanded at the time of the declaration of the goods for the customs procedure.
2. The amount of the guarantee to be posted must be equal to the amount of the debt incurred or to be incurred.
3. When the amount of the debt to be incurred has still not been set, the Customs Services must demand the provision of a guarantee in the largest amount they calculate as likely to be incurred.

Article 325. Guarantee arrangements

Unless otherwise provided in the customs legislation, the guarantee may be posted in the form of a cash deposit, presentation of a guarantor pursuant to the following article, including a bank guarantee, bond or mortgage surety, or any other form stipulated by the Customs Services, taking into consideration the intended objective.

Article 326. Presentation of a surety

1. When the guarantee method is the presentation of a surety, the guarantor must undertake, in writing, to pay, jointly and severally, upon first demand, the payment of the guaranteed amount.
2. The Customs Services may reject the proposed guarantor, when they consider that he or she does not have the required credibility and suitability.

3. When the Customs Services find that the guarantee provided does not cover or no longer covers, fully and securely, the payment of the customs debt by the set deadline, they shall demand that the debtor, or his or her guarantor, provide a supplementary guarantee.
4. The guarantee cannot be cancelled until the associated customs debt has been settled.
5. The guarantor must be jointly and severally liable with the debtor, and the Customs Services may issue demands to the principal debtor, the guarantor or both simultaneously.

CHAPTER V SETTLEMENT OF THE CUSTOMS DEBT

Article 327. Concepts

1. The customs debt is settled:
 - a) By payment of the amount of the duties;
 - b) By waiver of the payment;
 - c) By annulment of the customs declaration, pursuant to article 161;
 - d) By the irreversible loss of the goods, by accident or force majeure, or seizure and subsequent confiscation, or surrender to the State;
 - e) By destruction of the goods, under customs control.
2. The customs debt expires after a period of ten (10) years, subject to any suspension or interruption stipulated in law.

HEADING XVII REIMBURSEMENT AND WAIVER OF PAYMENT OF CUSTOMS DUTIES, TAXES AND CHARGES

Article 328. General provisions

1. The reimbursement or waiver of the payment of the customs duties and other taxes shall occur to the extent that it is proven that, at the time of their payment, the associated amount was not legally due or the assessment record was made incorrectly.
2. No reimbursement or payment waiver shall be allowed on the basis of this article when the events leading to the payment of an amount that was not legally due resulted from a deliberate act of the interested party.
3. The deadline for the declarant to claim the reimbursement of customs duties and other taxes shall be three (3) years from the date on which the Customs Services notified the debtor of the amount in question.

4. When the Customs Services find, before the deadline stipulated in the previous paragraph, that a payment, as described in paragraph 1 of this article, was made improperly, they shall effect the reimbursement thereof on their own initiative.
5. The reimbursement of the customs duties and other taxes must be made by the Customs Services within one (1) year of the date of receipt of the refund request, duly substantiated and provided that it has been accepted by the Customs Services.
6. The decisions of the Customs Services with regard to a reimbursement process shall be communicated to the declarant in writing.
7. Reimbursement by the customs authorities of the amount of the import duties shall not entail any payment of interest by these authorities.

Article 329.
Invalid declarations

The customs duties and other taxes must be reimbursed when a customs declaration is annulled and these have already been paid. The refund must be made after the decision of the Customs Services to annul the customs declaration.

Article 330.
Goods not meeting commercial requirements

1. The total amount of customs duties and other taxes paid on the goods, less one per cent (1%), shall be refunded at the request of the importer if these goods were exported or destroyed by the Customs Services, within one (1) year of the date of registration of the customs debt, in the following cases:
 - a) They did not comply with the sample or specifications;
 - b) They had been sent without the agreement of the recipient;
 - c) They were considered defective at the time of importation.
2. Withdrawal of goods by the importer shall result in the reimbursement procedure or waiver of payment of the import duties referred to in the present article not being applied.
3. Goods that the importer cannot test at the time and place of importation shall be excluded from the provisions of the previous paragraph.

Article 331.
Refund error

1. When the Customs Services find that an error occurred in the refund of the customs duties and other taxes, the debt initially incurred shall become due.
2. The deadline for giving notice that the debt is due shall be three (3) years from the date of discovery of the error by the declarant.

3. The Customs Services must notify the declarant of the error referred to in the previous paragraph within thirty (30) days from the date of its discovery.

HEADING VIII ENFORCED PAYMENT, CUSTOMS AND TAX ENFORCEMENT

Article 332. Debts subject to enforcement

The customs enforcement process covers the collection of the following debts:

- a) Customs duties and other taxes;
- b) Fines and, if appropriate, other administrative sanctions set in decisions relating to customs offences.

Article 333. Territorial jurisdiction

The Customs Services for the residence or registered office of the debtor, for the location of the items or for the assessment shall be competent to effect the enforcement, unless this relates to a fine for a customs offence and, where applicable, other pecuniary sanctions, in which case the Customs Service where the process for applying them took place shall be competent.

HEADING XIX CUSTOMS OFFENSES

CHAPTER I GENERAL PROVISIONS

Article 334. Scope and application

1. This Heading applies to any breaches of regulations governing customs activity, including those of the importation or exportation customs relief and tax benefits procedures that are not considered crimes.
2. The law shall define what are customs duty crimes and the associated prosecution process.
3. This Heading applies to acts performed within the customs territory, regardless of the nationality of the offender, and, unless otherwise provided, to acts performed outside the customs territory when the effects thereof are felt within it.

Article 335. Concurrence of offences

1. If the same event or illegal conduct simultaneously constitutes a crime and a tax and customs offence, the perpetrator shall be punished for the crime, without prejudice to the associated sanctions stipulated for the offence.

2. Deeds that are classified, in whole or in part, as customs duty offences under more than one legal provision shall be punished under the provisions establishing the most serious penalty.
3. When the same event simultaneously constitutes a customs duty offence and another type, such as a health, safety or environmental offence, the sanctions stipulated for both offences shall be cumulative, provided that separate legal interests have been violated.
4. The courts shall have exclusive jurisdiction over customs duty crimes, and shall prosecute and decide them, without prejudice to the judge's ability to request expert opinions, reports and collaboration from the Customs Services.

Article 336.
Punishability of attempted offences

1. The attempt to commit any customs duty offence provided for in law shall be punishable under the same terms as a consummated offence.
2. There has been an attempt when the perpetrator performs the acts of committing the offence he or she has decided to commit, but does not achieve consummation of it.
3. Acts of committing the offence are:
 - a) Those that include an element constituting that type of offence;
 - b) Those that could produce the result typical of the offence;
 - c) Those that, according to common experience and unless there are unforeseen circumstances, are such that it is believed they will be followed by acts of the type indicated in the previous items.
4. The attempt shall not be punishable when the perpetrator stops committing the offence or impedes the consummation or performance of the result included in the type of offence.
5. When the consummation or performance of the result are blocked by an event unrelated to the conduct of the perpetrator, the attempt shall not be punishable if he or she seriously attempted to prevent one and the other.
6. Half of the maximum fine provided for in law shall be applied for attempted offences.

Article 337.
Endurance of the obligation to pay duties and other taxes

1. Anyone convicted for committing a customs duty offence and complying with the penalty is not exempt from the obligation to pay the duties and other taxes due on the goods in relation to which the offence was committed, unless, when they are not among those that the law stipulates shall be lost, he or she has surrendered those goods that belong to him or her with their consequent loss to the State pursuant to the Code.
2. In the case provided for in the final part of the previous paragraph, whenever the surrendered goods are sold, the income from the sale shall be used to pay the customs duties and other taxes due.

3. The provisions of the previous paragraphs shall apply whether there is a conviction, an acquittal or a dismissal of proceedings.
4. Goods shall be considered surrendered to the State or placed under the control of the Customs Services if, after the decision from the competent authority, the formalities in the order were not initiated by the deadlines set, or the duties and other taxes due were not paid or a guarantee provided within, in both cases, ten (10) days from the corresponding notification.
5. By the deadline specified in the previous paragraph, the interested parties may declare, in writing, that they surrender the goods to the State or request their re-exportation.
6. The assessment of the customs receipts and formalities in the order, relating to the goods and the means of transport in relation to which the tax or customs offence was committed, shall be the exclusive competence of the Customs Services.

Article 338.
Third-party representation

1. The sanctions corresponding to breaches of the customs regulations shall apply to anyone acting voluntarily as an officer of the bodies of a legal person, company or mere unincorporated association, or in legal or voluntary representation of another person, even when the associated type of offence requires:
 - a) Certain personal elements and these are only found on the person of the represented party;
 - b) That the offender is committing to the deed in his or her own interest and the representative is acting in the interest of the represented party.
2. If the act that serves as grounds for the representation is ineffective, this shall not prevent the provisions of the previous paragraph being applied.
3. The representative shall not be liable if he or she proves:
 - a) That he or she did not participate in the illegal deed performed by the represented party or third party;
 - b) That, while not participating in the illegal deed, but having knowledge of it being performed, he or she informed the Customs Services this was happening;
 - c) That he or she acted with diligence at all times in the customs proceedings.

Article 339.
Liability of legal persons and equivalent entities

1. A legal person or association shall be held liable for committing customs offences, when these have been committed by its governing bodies, managers, directors or representatives, in its name or corporate interest.

2. This liability shall be considered excluded when the perpetrator of the offence acted against the express orders issued by the legal person or equivalent entity.
3. The liability of the entities referred to in paragraph 1 of this article does not exclude the individual liability of the offenders.
4. When an administrative sanction is imposed on a legal person or equivalent entity, the assets of the company shall be used for this sanction and, in their absence or shortfall, the property of each partner, who shall be jointly and severally liable.
5. If the sanction is applied to an entity without legal personality, the common property shall be used and, in its absence or shortfall, the property of each of the associates, jointly and severally.

Article 340.

Liability for payment of the administrative sanction

1. The employers of any perpetrators of customs offences shall be held jointly and severally liable for the payment of the amount equivalent to the administrative sanction applied to the employees, except when they demonstrate they have taken the measures necessary to comply with the law.
2. They, that is, both the employer and employee, shall be held jointly and severally liable for the full amount to be paid in respect of customs duties and other taxes.
3. The provisions of the previous paragraphs shall apply to the parents and legal representatives of minors, pursuant to general law, and to persons with mental disabilities, with regard to any offence committed by them.
4. The provisions of paragraphs 1 and 2 of this article shall apply to natural persons, legal persons and associations.
5. If the legal person or association in question no longer exists at the time at which the action is proposed, the individuals who were its partners shall be held jointly liable for the administrative sanctions, customs duties and other taxes due.

Article 341.

Processing of the administrative sanction for customs duties

Unless otherwise provided, articles 315 to 322 shall apply equally to any administrative sanction established under this Heading as if it were a customs duty, with regard to its processing.

Article 342.

Payment guarantee

1. Goods, means of transport and other valuables seized from suspects or defendants shall constitute guarantee of payment of any penalties or fines applied in the corresponding criminal or customs offence proceedings.

2. When the criminal or customs offence proceedings have ended, the same goods, means of transport or valuables shall constitute the payment guarantee for any customs tax debt assessed and charged by the Customs Services.
3. If these goods, means of transport or valuables belong to persons without any liability for the offence, these shall answer only for the sum of the customs tax installment due from them.

Article 343.
Payment in installments

1. Taking into consideration the particular circumstances of each case, and safeguarding the public interest, the Minister may, at the proposal of the Director-General, authorize an administrative sanction to be paid in monthly installments, up to the maximum number of twelve (12) installments, with the value of each installment being no less than USD 100, for natural persons, and USD 1,000, for legal persons.
2. The authorization to pay in installments shall depend on the presentation of a bank guarantee, cash deposit, bond or mortgage, to be provided by the applicant, in the full amount of the sanction payable.
3. Payment in installments may be requested at any time in the proceedings and, once approved, suspends the enforcement action on the assets of the debtor.
4. The sum to divide into installments shall not include the default interest, which shall continue to fall due in relation to the outstanding debt included in each installment until full payment has been made, and shall be included on the payment slip provided by the customs official to be paid jointly with the installment.
5. The failure to pay any installment shall cause those remaining to fall due should the judgment debtor not pay the unpaid installments within ten (10) days from notification to this effect, and tax enforcement proceedings shall begin at the end of this period.
6. The guarantee may only be withdrawn when the total amount of the administrative sanction has been settled.
7. The entity that has provided the guarantee shall be summoned, within thirty (30) days, to pay the outstanding debt up to the amount of the guarantee provided, under penalty of its execution as part of the proceedings.

Article 344.
Requirements for the application

1. In the application to pay in installments, the judgment debtor shall indicate the way in which he or she proposes making the payment and the grounds for the proposal.
2. Following receipt of the applications and incorporation of all available information, these shall be immediately assessed by the tax enforcement body or, if applicable, shall be immediately sent, following receipt, for higher approval, and payment of the first installment shall be made in the month following that in which notification of the order was given.

3. If the request to pay in installment meets all of the legal requirements, this must be immediately authorized by the body considered competent under the previous article and the applicant must be notified of this fact and that, should he or she wish to suspend the enforcement and normalize its tax status, then a suitable guarantee must be posted or provided pursuant to the previous article.
4. If it is assessed that the request for payment in installments does not meet the legal requirements for it to be authorized, this shall be immediately rejected, and the applicant notified of the grounds for this dismissal.

CHAPTER II
PROVISIONS COMMON TO CUSTOMS DUTY
OFFENCES AND ASSOCIATED SANCTIONS

Article 345.

**Determination of the amounts for administrative sanctions
– aggravating and mitigating circumstances**

1. The amount of an administrative sanction shall be determined on the basis of the seriousness of the offence and the degree of culpability of the offender and, subject to the maximum values for administrative sanctions stipulated under this Heading, must exceed, whenever possible, the economic benefit that the offender obtained from committing the offense.
2. The maximum amounts for the administrative sanctions defined in Chapter II of the Heading shall be adjusted as follows:
 - a) When the goods in relation to which a customs offence has been committed are goods for which the importation or exportation is prohibited by law or subject to excise duty, the maximum amount of the applicable administrative sanction shall be doubled;
 - b) When the administrative sanction is imposed on a legal person or association, the maximum amount of the applicable administrative sanction shall be doubled;
 - c) When the goods in relation to which a customs offence has been committed are goods for which the importation or exportation is prohibited by law or subject to excise duty and the administrative sanction is imposed on a legal person or association, the maximum amount of the applicable administrative sanction shall be quadrupled;
 - d) When the goods in relation to which a customs offence has been committed consist, in whole or in part, of items of considerable historic or artistic interest with a value greater than USD 1,000, the maximum amount of the applicable administrative sanction shall be tripled;
 - e) When the goods are included in the classifications in the Annexes of the Convention on International Trade in Endangered Species of Wild Fauna and Flora, the maximum amount of the applicable administrative sanction shall be tripled;
3. When two or more items in the previous paragraph of this article apply to an offence, the highest amounts for the administrative sanction shall serve as the basis for determining the same.

4. Without prejudice to the provisions in paragraph 2 of this article, when the administrative offence relates to goods with a value below USD 50, an administrative sanction of between USD 20 and USD 100 shall apply.
5. If the offender voluntarily informs the Customs Services of the circumstances of the offence being committed prior to it being identified by the Customs Services, the Director-General may consider such a confession to be a mitigating factor for the purposes of determining the amount of the administrative sanction to be imposed on the offender.

Article 346.
Associated sanctions

Together with the fine stipulated for the legal type of customs offence, one or more associated sanctions established in articles 347 to 353 may be applied to the offender.

Article 347.
Temporary prohibition on performing certain activities and professions

1. The prohibition on performing certain activities may be determined by the Minister on the justified proposal of the Director-General:
 - a) To official brokers, their deputies and trainees, private brokers and customs agents who routinely commit customs offences;
 - b) To the captain or crew of aircraft, and the captains, masters, first officers, coxswains or crew of ships or other vessels who routinely commit customs offences;
 - c) To the owners of road transport who routinely commit customs offences.
2. The prohibition on performing a profession or activity may only be imposed when embezzlement is committed and shall not continue beyond three (3) years after the final conviction decision.

Article 348.
Temporary prohibition from participating in trade shows, markets or public auctions for goods

1. The Minister may order the prohibition from participating in trade shows, markets or public auctions for goods, on the justified proposal of the Director-General.
2. The prohibition referred to in the previous paragraph shall not have a duration longer than three (3) years after the final conviction decision.
3. The decision may limit this prohibition to specific trade shows, markets and auctions or to certain territorial areas.

Article 349.
Suspension of tax benefits or prohibition on obtaining them

1. Anyone convicted of committing the offences stipulated in this legislation may be punished with the suspension of customs duty benefits, specifically relief from customs duties, and prohibited from obtaining or renewing any others.
2. The sanctions referred to in paragraph 1 shall have a maximum duration of three (3) years after the final conviction decision.
3. The decision may limit this suspension to specific benefits or customs duty procedures and shall be provided by the Minister, on the justified proposal of the Director-General of the Customs Services.

Article 350.

Annulment of licenses or concessions and suspension of authorizations

The Minister may decree, on the justified proposal of the Director-General, to annul licenses or concessions and to suspend, for up to three (3) years, authorizations in respect of the approval and granting of relief or simplified customs procedures, including for customs warehouses, provided that the offence has been committed using these licenses, concessions or customs authorizations.

Article 351.

Closure of customs warehouses or customs stores

1. Anyone convicted of committing the offences stipulated in the present Code may be punished with the closure of customs warehouses or customs stores for a period of up to three (3) years, by order of the Minister, on the justified proposal of the Director-General.
2. The application of the additional sanction stipulated in the previous paragraph shall not be obstructed by the transfer of the warehouse or store, or to the assignment of rights of any nature related to their operation, when this is conducted after proceedings have been initiated or before this has happened but after the offence was committed, unless, in the latter case, the buyer is acting in good faith.

Article 352.

Additional sanctions on legal persons and equivalent entities

The additional sanctions referred to in the previous article shall apply to legal persons and equivalent entities under the terms given there.

Article 353.

Requirements for applying additional sanctions

1. The sanctions referred to in the previous article may only be ordered when:
 - a) The objects were used or were intended to be used in the commission of an offence, or they were the product thereof;
 - b) The perpetrator committed the offence in a clear and serious and manifest abuse of his or her position, or in a clear and serious breach of the duties inherent to it;

- c) The offence was committed while at work or because of the activity in respect of which the benefit is granted;
 - d) The offence was committed during or because of participation in a trade show or market;
 - e) The offence was committed during or because of public acts, or in the performance or because of these activities.
2. The specific measure for the additional sanction shall be determined taking into consideration the nature of the offence, the harm or risk resulting from it, the degree of illegality and guilt, previous convictions and the economic capacity of the offender.

CHAPTER III CUSTOMS AND TAX OFFENCES IN PARTICULAR

Section I Classification

Article 354. Unlawful importation or exportation

An administrative sanction, to the value of the goods in question, may be used to punish anyone who, contrary to the provisions of the customs legislation and subsidiary legislation:

- a) Introduces goods to Timor-Leste without fulfilling the customs formalities, or attempts to do so;
- b) Exports goods from Timor-Leste without fulfilling the customs formalities, or attempts to do so;
- c) Does not declare to the Customs Services goods transported personally, or in baggage, on entry to or exit from Timor-Leste, or attempts not to do so;
- d) Removes goods from an area under customs control, from a free zone or from a free warehouse before their exit authorization, or other authorization issued by the Customs Services, or attempts to do so;
- e) Purchases or receives goods to which the person knows, or should know, one of the offences or crimes described in items (a) to (d) relates.

Article 355. Evasion of customs duties and other taxes

An administrative sanction, at triple the value of the customs duties and other taxes on the goods involved, may be used to punish anyone who, contrary to the provisions in the customs legislation:

- a) Does not indicate, on the customs declaration, accurate, truthful or complete information on the type, quantity, tariff classification, value or origin of the goods or does not declare all of the goods, resulting in the amount from the calculation of the customs debt being less than the true amount;
- b) Provides false elements and thereby obtains a customs duty or tax reduction, waiver or refund, or attempts to do so.

Article 356.
Administrative offences

1. An administrative fine from USD 500 to USD 5,000 may be used to punish anyone who, contrary to the provisions in the customs legislation:
 - a) Does not maintain the requested records, or refuses to deliver, show or present such records, specifically for accounting, declarations and documents, for verification by the Customs Services;
 - b) Does not submit a cargo declaration by the stipulated deadline;
 - c) Does not include or does not describe on the cargo declaration, any goods found on board a means of transport, or after disembarkation from this means of transport; [Translator's note: the text "de um" is repeated in error in the source text]
 - d) Unloads or transships goods without the authorization of the Customs Services, or at locations that have not been designated or approved by the Customs Services, or attempts to do so;
 - e) Transports goods brought to Timor-Leste, or in transit through it, by a route other than that specified by the Customs Services, or against the instructions of the Customs Services, or attempts to do so;
 - f) Is the person who brought goods into the customs territory, or is the person responsible for their transport after being brought to the customs territory, and does not inform the Customs Services of the arrival of these goods, or the full quantities of the goods unloaded, or refuses to present the goods to the competent entities for investigation and preliminary investigation of the offences stipulated in the present legislation, when this does not constitute a crime;
 - g) Uses goods stored in a temporary store in a way contrary to the conditions approved by the Customs Services;
 - h) Obstructs the checking of a customs declaration accepted by the Customs Services;
 - i) Produces a customs declaration with incorrect or incomplete information on the type and quantity of goods, identification of the parties, identification of the type of transport, trade or transport reference documents, permissions, authorizations or licenses, regardless of whether the incorrect or incomplete information affects the calculation or payment of the customs debt;
 - j) Does not fulfill any of the conditions or obligations stipulated in any authorization granted by the Customs Services, or established in this Code or stipulated for the use of a customs procedure, and in the case of a relief procedure breaches the legal framework for the same, and such behavior must not be considered a crime;
 - k) Does not communicate to the Customs Services when the exportation of goods declared for exportation is cancelled, as required under article 234;

- l) Does not present goods subject to the transit procedure, or the documents required at the destination customs office, in accordance with the provisions of this procedure;
 - m) Is responsible for the transport of goods under customs supervision in the customs territory and does not declare the goods transported pursuant to article 232, or does not present all of the goods referred to in the accompanying documents to the Customs Services at the destination location or who transports the goods without processing the applicable payment slips or other legally required documents or without applying seals, marks or other legally required signs, or attempts to do so;
 - n) Removes or destroys the customs seal, or other securing device or identification marks, or attempts to do so;
 - o) Obstructs the customs supervision of activities in a free zone or free warehouse, or attempts to do so;
 - p) Conducts activities in a free zone or free warehouse that breach the provisions of customs legislation or have not been authorized by the Customs Services, or attempts to do so;
 - q) Transmits to, receives from or accesses the customs computer system without authorization, or attempts to do so.
2. The same fine referred to in the previous paragraph shall apply to anyone who, by whatever means, obstructs or disturbs any verification or examination arranged for goods, by a competent customs official.
3. When the acts described in paragraph 1 of this article do not result from an intentional or negligent act or omission, an administrative fine of USD 250 to USD 2,500 shall apply.

Article 357.

Offence on the transport of goods under the relief procedure

1. An administrative sanction from USD 1,000 to USD 10,000 may be used to punish anyone who, in the course of the transport of goods dispatched under the relief procedure:
- a) Removes or replaces goods transported under this procedure;
 - b) Modifies or renders ineffective the sealing, security or customs identification means, with the purpose of breaching the law;
 - c) Does not observe the set itineraries, for the purpose of avoiding or escaping the supervision.
2. Attempts to do so shall also be punishable.

Article 358.

Destruction of goods

1. Anyone, whether the owner, the authorized warehouse keeper or the transporter of any goods apprehended pursuant to this legal principle, destroys, damages or disables this merchandise

during its apprehension or at a later time, shall be punishable with an administrative sanction corresponding to double the value of the goods.

2. The same fine shall apply to any person who, after becoming aware that an enquiry has been opened, or another action against him or her, or a co-offender, relating to an offence stipulated in this Code, destroys, disposes of or encumbers any goods that have been apprehended or seized as guarantee of payment of the amount pending for a customs or tax debt, even if this debt is attributable only to the co-offender or another debtor.

Article 359.
Fraud in obtaining custom duty benefits

1. An administrative sanction of 10%, calculated on the customs value of the goods, shall apply to anyone who, deliberately, obtains for himself or herself, or for another person, a tax benefit or advantage breaching the customs laws and in these circumstances, by any means, induces the Customs Services to make an error.
2. The maximum fine ceiling stipulated in the previous paragraph shall be doubled when applicable to offences committed under the scope of the following special procedures:
 - a) Importation of automobiles belonging to natural persons;
 - b) The importation, with any exemptions, of items intended for charitable, cultural or philanthropic purposes, when diverted to trade or other purposes, in breach of the associated charitable procedure.
3. With regard to goods subject to excise duty, pursuant to article 356. [Translator's note: translation follows the source, but it appears that this should be item c) under the above paragraph]

Article 360.
Frustration of credits

1. Anyone who, after an enquiry or customs offence proceeding has been opened, puts any form of sale, disposal or encumbrance on his or her property with the objective of frustrating, in whole or in part, the enforced payment of any amounts due to the State for committing this offence and for which he or she may be declared liable, shall be liable for an administrative sanction of 20%, calculated on the customs value of the goods.
2. Anyone who, on becoming aware of an enquiry or crime or offence proceedings being initiated against him or her relating to an offence or a crime, signs instruments or contracts that dispose of or encumber his or her property, with the intention and the effects referred to in the previous paragraph, shall find himself or herself subject to an administrative sanction of equal amount.
3. However, no sanction shall be applicable for the events described in the present article if the sums due have been fully paid during the course of the proceedings and by the deadline set for this purpose.

Section II
Apprehension, confiscation and seizure

Article 361.
Apprehension of goods

1. The goods to which a customs duty offence relates and, similarly, the means of transport, weapons and other instruments that were used in committing these offences, or that were intended to be used for this purpose, shall be apprehended and held in custody, pursuant to article 370.
2. Any goods shall be declared as confiscated and must be apprehended by the Customs service if:
 - a) They have been stolen, smuggled, or clandestinely imported or introduced to, or exported from, the customs territory, or an attempt to do so has been made;
 - b) Their importation or exportation is prohibited in law;
 - c) They are narcotics, trash, toxic materials, including foods, adulterated vaccines or medicines unsuitable for consumption or harmful to public health, imported or exported in a way contrary to the law;
 - d) Their importation or exportation requires a permit, license or other authorization under the law and this permit, license or other authorization has not been obtained;
 - e) They have been imported and notice of their arrival has not been given to the Customs Services, in breach of the obligations, pursuant to the customs legislation.
3. The Customs Services must immediately inform the Minister and the services of the State with competence on this matter about the apprehension of goods for which importation or exportation is prohibited in law.

Article 362.
Apprehension of goods subject to administrative sanction

1. When the Director-General has sufficient grounds to believe that a person has committed an administrative offence punishable with an administrative sanction, pursuant to this Heading, and this person is insolvent or outside the jurisdiction of Timor-Leste or such apprehension would be in any way essential to protect the collection of the receipts, he or she may order that the goods involved in this offence be apprehended and, after determination and final decision about an administrative sanction under this Heading, confiscated, unless the administrative sanction is paid by the deadline set in law.
2. The Director-General may authorize the return of the goods, by means of the deposit of a bond, which must not exceed the maximum amount of the administrative sanction that may come to be assessed.
3. The income from the sale of confiscated goods that exceeds the value of the administrative sanction and the expenses for the apprehension, maintenance and sale thereof, must be retained for the account of any interested party.

Article 363.
Apprehension of means of transport and instruments

1. Any means of transport, weapons or other instruments used to support or facilitate, through obtaining information or in another way, the importation, the entry, the unloading, the disembarkation, the removal, the hiding, the storage, or the subsequent transport or exportation of goods subject to apprehension pursuant to article 361, using this means of transport or by another means, must be apprehended and confiscated.
2. The apprehension of any means of transport may be replaced by a guarantee, bond or cash deposit in an amount equivalent to the value of the means of transport.
3. The confiscation of means of transport, weapons or other instruments that are apprehended under paragraph 1 of this article, may only be declared by court ruling.

Article 364.

Return

1. Except when the law prohibits their return, the goods, the means of transport and other instruments that have been apprehended under the customs legislation must be returned to the owners:
 - a) As soon as the court issues a final, unappealable decision in favor of the applicant, or when the Public Prosecutor declines to bring a prosecution, or the Customs Services end the proceedings and it becomes clear that there is no customs debt;
 - b) As soon as the expenses for the detention, preservation, custody and transport have been paid or a guarantee provided, and the customs debt is guaranteed or paid, together with the administrative sanction, if relevant.
2. In the cases provided for in the previous paragraph, the Customs Service shall give a decision on the customs debt, and on the possible authorization for re-exportation of the goods.

Article 365.

Seizure and bond

1. Goods, baggage or any valuables that, although not relevant to the proceedings, the defendants have at the Customs Services, in warehouses under the customs procedure or free warehouses and in any other locations under supervision action, or of which they are recipients or consignees, provided that they are holders, shall be considered seized to guarantee payment to the State and shall not be delivered until a bond has been provided, guaranteeing their value.
2. Without the guarantee referred to in the previous paragraph being provided, there shall be no delivery of the goods for which the bills of lading, airway bills or any other ownership documents have been endorsed by the defendants or responsible persons, subsequent to the notification of the decision order or equivalent.

CHAPTER IV PROCEDURE

Section I

Notice of offence, deposit and customs-approved treatment or use of goods

Article 366.
Official reports and incident reports on offences

1. When customs officials and any authorities or agents of the authorities discover any customs offence, they shall apprehend the goods, means of transport or instruments of the offence, which must be delivered to the Customs Services, pursuant to article 370, and when the offence is subject to a custodial sentence, they shall detain the offender caught in the act and bring him or her before the competent court as soon as possible, preparing, in any event, the required official report with a copy to the closest Customs Service or to the Directorate of the Customs Services, as appropriate.
2. Any persons referred to in the previous article with knowledge of facts that may, in their understanding, constitute a tax offence must share them in writing with the Customs Services.
3. Both the official report and the incident report shall, when possible, give all the facts, the date, time and location at which they occurred and accompanying circumstances, reasons for the witness believing that tax offences had occurred, the name, marital status, profession, age, place of birth and residence or other elements that serve to identify who committed them or who can be held responsible for them, the persons with knowledge of and the ability to testify to them, the quality, quantity, value and presumable destination of all of the goods, means of transport, weapons and other instruments relating to the possible offences and everything else that may contribute to uncovering and punishing the offences.
4. Whenever proceedings are initiated on the basis of a document that is not the official report, without prejudice to the provisions of article 372 on exemption from the finding of facts and enquiry, it is essential that the investigation and finding of facts in the proceedings take place, so as to gather the elements that prove an offence has actually been committed, its constituting elements and the degree of guilt of its perpetrator.

Article 367.
Notice of apprehension

1. When customs officials apprehend any goods under the customs legislation, they must give the owner of the goods and other interested parties written notice of their intention to confiscate and dispose of the goods, pursuant to the law, together with an explanation of the reasons for the apprehension and the rights of appeal under the Code.
2. This notice must be given as soon as possible, and never more than ten (10) days after the date of apprehension.

Article 368.
Loss to the State

1. The goods apprehended under the rules of the present Code must be declared as lost to the State by the Director-General when:
 - a) No appeal is lodged after the notice of apprehension;
 - b) Any appeal lodged pursuant to the present Code has been denied and there is no legal appeal lodged under the terms and by the deadline stipulated in law.

2. The declaration of loss under this article shall have the same effects as the final judgment of a competent court ordering loss in judicial confiscation proceedings.

Article 369.
Lapse and court judgment

1. The proceedings for a customs duty offence stipulated in this legislation shall lapse and so expire once the period of five (5) years has passed since the offence was committed.
2. When a fine lapses, an associated sanction that has still not been enforced shall also lapse.
3. The judgment for the acquittal or for the application of the fine must be provided within twenty (20) days of the presentation of the defense or the plea from the defendants, except in very complex cases or those awaiting expert reports or other investigations.

Article 370.
Deposit of apprehended goods in customs installations and immediate sale

1. The goods, means of transport, weapons and other instruments of the offence apprehended pursuant to the customs legislation must be deposited in customs installations, unless these lack the space to receive them.
2. When the goods referred to in the previous paragraph are degradable or perishable, or when it is justified by the public interest or public health, the Court, in the case of the crimes, and the competent authority responsible for the management and disposal of State assets, in the case of other offences, may authorize, at the proposal of the Customs Services, their destruction or sale, or the full or partial donation of the goods to a charitable institution.
3. The sale transactions must be carried out pursuant to the applicable laws and the income from the sale must be deposited as ordered in the associated proceedings.
4. If an appeal about the apprehension of the goods sold under this article is permitted and the confiscation dismissed, the owner of the goods must receive the income from the sale, from which the value of any administrative sanction owed shall be deducted.
5. If the court judgment does not order the loss and the owner is acquitted, the injured party shall receive the income from the sale.
6. The previous paragraph shall apply when no fine is imposed in the customs proceedings.

Article 371.
Other forms of deposit

1. When the goods, means of transport, weapons and other instruments that have been used in committing the offence cannot be immediately transported to the customs installations or these cannot receive them, these items shall be listed and described, with regard to their quality, quantity and value, and must be delivered to a suitable authorized warehouse, with the exception of weapons, which shall remain in the custody of the agents of the authority, who shall record the deposit in the corresponding document, signed by the apprehenders and witnesses, if any, and the trusted warehouse keeper, who shall retain a copy.

2. If there is no suitable authorized warehouse at the location of apprehension, the apprehended goods and other items shall remain in the custody of the agents of the authority.
3. When, in the case of the apprehension of livestock, the owner or transporter is unknown, or if the owner refuses to act as trusted warehouse keeper, the apprehended animals shall remain under the responsibility of the competent authority.

Section II
Acts and competences in customs proceedings

Article 372.
**When findings of facts and investigation in customs proceedings
are obligatory or can be waived**

1. Neither finding of facts nor investigation shall take place into offences committed in the course of customs clearing procedures and formalities, or proven in them, when these contain necessary elements for the decision, including evidence.
2. Similarly, there shall be no finding of facts or investigation whenever the official report or incident report contains:
 - a) The facts proving the offence, and the agent or witness was present at them.
 - b) Sufficient evidence to determine who committed the offence and the natural persons with civil liability, if relevant, as well as for the calculation of the associated liabilities.
3. Notice of the decision, pursuant to article 64, shall not be sent without the defendant being interviewed beforehand and being assured of the possibility of a defense and submitting any evidence he or she believes relevant, and being advised that he or she may request to immediately make the payment voluntarily and request the assessment stipulated in articles 374 and 375 of this Code.
4. In cases in which the finding of facts is required and if the defendant does not request to immediately make the payment of the customs debt and the fine voluntarily, he or she shall be notified that five (5) days are available to submit a defense and, after this is received, the competent entity shall decide if this counters the probative value of the official report or the incident report and, accordingly, whether to acquit the defendant or order him or her to pay a fine, setting the deadline of five (5) days to make this payment.
5. Grounds must be given for the decision, with the reasoning behind it made explicit, and must be provided before the aforementioned deadline of twenty (20) days, after the submission of the defense, this deadline being extendable in very complex cases.

Article 373.
Entities competent to impose administrative sanctions

1. Without prejudice to the entity superior in the hierarchy requesting that the proceedings be reviewed prior to the final decision, the competent bodies for processing the offences provided for in this legislation and applying the associated fines are as follows:

- a) The Director of the Customs Services at international ports and airports across the customs territory, who may delegate this competence and, also, the review of customs duty offences in Customs Services proceedings, on which no final decision has yet been made;
 - b) The Directors of the Customs Services and the heads of the customs posts in the respective jurisdictions.
2. Territorial competence shall be determined by the place of apprehension or, if this did not occur, by the location where the customs duty offence was committed, or also, if this is unknown, by the registered office of the entity that first became aware of this offence.
 3. The decision about applying associated fines and sanctions at fuel customs warehouses and which, in general, involve energy products essential to the Country, are the responsibility of the Director-General, with appeal to the Minister being permitted.

Section III

Voluntary payment and assessment request

Article 374.

Voluntary payment

1. Voluntary payment of administrative sanctions that correspond to the customs offences stipulated in this Code shall be permitted.
2. The offender may make the voluntary payment to the authority conducting the preliminary investigation for the proceedings, immediately or within five (5) days from the date of receipt of the notice imposing the administrative sanction.
3. The voluntary payment must be 25% of the maximum amount applicable to the administrative sanction, without prejudice to the obligation to pay the customs duties and other taxes or charges, or any decision that the Customs Services may take to suspend or revoke the licenses or authorizations stipulated in this Code.
4. With the voluntary payment of the administrative sanction, immediately or within two (2) days from the date of submission of the request, and once the customs duties and other taxes and charges have been assessed, the goods apprehended pursuant to article 362, to ensure the payment of the fine, must be returned to the owner or his or her legal representative, with the exception of weapons and other goods for which importation is prohibited by law, pursuant to this Code.

Article 375.

Assessment request

1. With respect to the offences stipulated in this Code, the offender may request, at any time in the proceedings, but before the final decision, the assessment and payment of all of amounts for which he or she is liable, and the competent entity must, after hearing the offender, immediately provide its decision, setting a sanction or acquitting the offender.
2. The proceedings may continue against another offender or other responsible persons.

HEADING XX
CHARGES FOR CUSTOMS SERVICES

Article 376.
Charges

1. A ministerial decree shall stipulate the payment of the charges for providing the services of the Customs Services to a natural person, in relation to the following acts:
 - a) Loading or unloading of goods at locations other than those designated for this purpose, or outside normal operating hours, when permitted under the customs legislation;
 - b) Declaration, verification or authorization for the exit of the goods, on request, outside normal operating hours, or at locations other than the designated customs offices, when permitted under customs legislation;
 - c) Access to, or movement or sampling of goods at, a customs warehouse or temporary warehouse by the owner or importer, at which the presence of the Customs Services is necessary;
 - d) Authorization, issue or renewal of a license, under this Code;
 - e) Provision of copies of forms, or documents at the request of a person;
 - f) Examination or sampling of goods for the purposes of verification, or the destruction of the goods, when there are costs other than those relating to the use of the Customs Services officials;
 - g) Storage of goods in public customs warehouses under the management of the Customs Services; or
 - h) Use of the customs computer system, provided that the amount of the charge does not exceed the approximate amount of the expenses and administrative costs of the service provided.
2. The provisions of article 63 of this Code apply, *mutatis mutandis*, to the imposition of any new charges or the amendment of existing charges and to the information stipulated in the previous paragraph.
2. With regard to the updating of the values given in articles 377 to 381, these shall be updated by ministerial decree.

Article 377.
Work and orders on merchant ships

1. For work relating to the entry, control and exit of every ship that operates commercially with goods or passengers, with the exception of warships and local fishing boats, the customs fees due shall be USD 100 per vessel.
2. For onboard visits, sealing, inspections, assistance and confirmation of packages an overall fee of USD 50 shall be due for processing each customs declaration.

3. The fees due shall be double those given in the previous paragraph on Sundays, public holidays or the nights of any days.

Article 378.

Entry and exit of commercial or recreational aircraft

1. For customs work relating to the entry, control and exit of every commercial or recreational aircraft conducting commercial operations with goods or passengers, except for warplanes, the fees due shall be USD 100 per aircraft.
2. For onboard visits, sealing, inspections, assistance and confirmation of packages an overall fee of USD 50 shall be due for processing each customs declaration.
3. The fees due shall be double those given in the previous paragraph on Sundays, public holidays or the nights of any days.

Article 379.

Entry and exit of commercial goods vehicles for road transport

1. For customs and tax clearance work relating to the goods entry processes, for every commercial transport vehicle and for processing each customs declaration:
2. For each customs service or customs post, during normal operating hours, the fees due shall be USD 25;
3. At other locations the sum due shall be USD 50.

Article 380.

Automobiles and baggage

1. For the customs work and tax clearance of unaccompanied baggage the fees due shall be USD 10.
2. For the customs work and tax clearance of automobiles, with the exception of bicycles and motorcycles, the fees due shall be USD 25.
3. For customs work and tax clearance of motorcycles the fees due shall be USD 15.
4. The fees due shall be double those given in the previous paragraph on Sundays, public holidays or the nights of any days.
5. No customs fees shall be due for handling baggage or automobiles exempt from duties by law.

Article 381.

Denaturing, coloring, tax marking and destruction of goods

1. For each attendance and per operation, including tax sealing, the fees due shall be USD 10.
2. The fees due shall be double those given in the previous paragraph on Sundays, public holidays or the nights of any days.

Article 382.
Travel at the request of the parties

1. The following fees shall apply to services provided for taxpayers at their request and for the associated travel of officials by the relevant Customs Service from their base:
 - a) For journeys of up to 40 kilometers total, USD 25 shall be due;
 - b) For journeys of up to 100 kilometers total, USD 50 shall be due;
 - c) For journeys of over 100 kilometers, USD 75 shall be due.
2. If the journey requires an overnight stay, USD 30 shall be due.

Article 383.
Minimum quantities paid

When, in the final confirmation services, the sums assessed for payment to the State are greater than USD 50, fees in the amount of USD 10 per declaration shall be collected.

Article 384.
The responsibilities of officials and prohibited acts

1. It is expressly prohibited for officials to receive fees in cash from taxpayers.
2. The collection of the fees stipulated in the present Code requires the officials to be constantly available, meaning that they are obliged to obey the orders given by their superior within and outside their normal working hours or usual place of work.

HEADING XXI
FINAL PROVISIONS

Article 385.
Setting of deadlines

1. The deadlines stipulated in the present legislation are given in accordance with the Administrative Procedure Code (Código do Procedimento Administrativo).
2. For the purpose of setting deadlines, any express reference in this legislation to days means working days.

Article 386.
Regulations

1. Without prejudice to the provisions in the present Code, the Government member responsible for the Customs Services area shall be competent to approve, by his or her own ministerial decree, the regulations necessary for its implementation.
2. All legislation to be approved in the area of customs must be connected to the procedure provided for in this Code.

3. The regulations provided for in paragraph 1 of the present article must be approved within one year of the date of publication of the present legislation.

Article 387.
Implementation measures

The Director-General may establish additional standards or directives, or generally applicable supplements that are not inconsistent with the regulations of the Minister, as believed necessary for the correct implementation of the provisions of the present Code.

Article 388.
Supplementary legislation

Without prejudice to the provisions of this Heading, until the supplementary legislation provided for in the present Code is published, the corresponding legislation that does not conflict with the provisions of this Code shall remain in force.

TABLE 1
CUSTOMS VALUE OF IMPORTED GOODS

1. INTERPRETATION

1. In this Table:

“Purchase commissions” means the values paid or payable by the purchaser to his or her agent for the service of representation abroad for the purchase of the goods subject to evaluation.

“Computed value” means the value determined pursuant to clause 7 of this Table.

“Country of exportation, or country to which the goods are exported” means the country from where the goods are directly dispatched to Timor-Leste, or, as appropriate, the country from which the goods are considered to have been dispatched, in accordance with this Table. [Translator's note: the source appears to be confusing different definitions here]

“Deductive value” means the value determined pursuant to clause 6 of this Table.

“Goods of the same class or type” means imported goods that:

- (a) Are in a group or variety of imported goods produced by a specific industry or industrial sector that includes goods identical or similar to those evaluated;
- (b) For the purposes of:
 - i. Clause 6 are exported from some country;
 - ii. Clause 7 are produced in and exported from a country in which the goods subject to evaluation are produced or exported;

“Identical goods” means imported goods that:

- (a) Are equal in all respects, including physical characteristics, quality and reputation, to the goods subject to evaluation, except with regard to small differences of appearance that do not affect the value of the goods;
- (b) Have been produced in the country where the evaluated goods have been produced;
- (c) Have been produced by, or in the name of, the person who produced the goods subject to evaluation, but does not include imported goods for which the engineering, study, artistic, design, planning or drawing work has been conducted in Timor-Leste and been supplied, directly or indirectly, by the purchaser of these imported goods free of charge, or at reduced cost, for use in connection with the production and sale for exportation of these imported goods.

“Price paid or payable” in relation to any goods, means the total of all amounts paid or payable by the purchaser to, or for the benefit of, the seller of the goods.

“To produce” means to farm, manufacture and mine.

“Similar goods” means imported goods that: [Translator’s note: these two lines are all in italics in the source, perhaps in error]

- (a) Are very similar to the evaluated goods with regard to the content of any materials, parts and characteristics and can replace, functionally and commercially, the evaluated goods with regard to the quality and reputation of the similar goods in comparison to the goods under evaluation;
- (b) Are produced in the country in which the goods under evaluation are produced;
- (c) Have been produced by, or in the name of, the person who produced the goods subject to evaluation, but does not include imported goods for which the engineering, study, artistic, design, planning or drawing work has been conducted in Timor-Leste and been supplied, directly or indirectly, by the purchaser of these imported goods free of charge, or at reduced cost, for use in connection with the production and sale for exportation of these imported goods.

“Sufficient information” in the context of the determination of any amount, difference or adjustment, means objective and quantifiable information that clearly and accurately establishes the amount, difference or adjustment.

“Transaction value” means the value determined pursuant to clauses 2 and 3 of this Table.

[Translator’s note: the formatting of the above two paragraphs requires attention in the source]

- (2) For the purposes of this Table, the persons are considered related only when:
 - (a) They are employees or managers of each others’ businesses;
 - (b) They are legally recognized partners in a business;
 - (c) They are employer and employee;

- (d) One is a person who owns, controls or holds 5 per cent or more of the voting rights or shares of both;
 - (e) One of them is directly or indirectly in the control of the other;
 - (f) Both are directly or indirectly controlled by a third person;
 - (g) Together, they directly or indirectly control a third person;
 - (h) They are members of the same family.
- (3) For the purposes of this Table, persons are considered to be of the same family when:
- (a) They are fourth-degree relatives or closer;
 - (b) They are married, in a civil union or cohabiting with each other, or one of them is married, in a civil union or cohabiting with a person who is a fourth-degree relative or closer of the other;
 - (c) A person who has been adopted while a child of the other person or someone of whom this person is a fourth-degree relative or closer.
- (4) For the purposes of this Table, when there are no goods produced by, or in the name of, the person who produced the goods under evaluation, but there are identical or similar goods produced by, or in the name of, a different person, these goods shall be considered identical or similar, as appropriate.
- (5) For the purposes of this Table, the interest payments in a financial agreement concluded by the purchaser and relating to the purchase of imported goods shall not be considered part of the customs value in any case where:
- (a) The interest rates are separate from the price actually paid or payable for the goods;
 - (b) The goods are actually sold at the price declared as the price actually paid or payable;
 - (c) The purchaser, if required, can prove that:
 - i. The financial agreement was concluded in writing;
 - ii. The declared interest rate does not exceed the value used, at that time, for such transactions in the country where the financing was provided.
 - iii. **[Translator's note: this item is blank in the source]**

2. USING THE TRANSACTION VALUE AS THE PRIMARY BASIS FOR THE EVALUATION

- (1) The customs value of the imported goods must be their transaction value, that is, the price paid or payable for the goods when sold for exportation to Timor-Leste, adjusted pursuant to clause 3 of the Table, if:

- (a) No restrictions have been placed on the availability or use of the goods by the purchaser, other than restrictions:
 - i. Imposed by law;
 - ii. (That limit the geographical area where the goods may be resold;
 - iii. (That do not substantially affect the value of the goods.
 - (b) The sale of the goods or the price paid or payable for the goods have not been subject to any condition or consideration for which a value cannot be determined;
 - (c) Any part of the income from a subsequent sale, disposal or use of the goods by the purchaser goes, directly or indirectly, to the seller, where the value of the price paid or payable for the goods includes the value of this part of the income or may be adjusted, in accordance with clause 3 of this Table;
 - (d) The purchaser and the seller of the goods were not related at the time at which the goods were sold for exportation or, if the purchaser and the seller were related at this time:
 - i. Their relationship did not influence the price paid or payable for the goods;
 - ii. The importer proves that the transaction value of the goods fulfills the requirements established in subclause 2 of this clause.
- (2) In a sale between related persons, the importer must present evidence that the transaction value of the goods subject to evaluation, taking into consideration any relevant factors including these factors and any differences that might be stipulated, brings the customs value of other goods exported at the same time, or thereabouts, significantly closer to the value of the goods under evaluation, meaning:
- (a) The transaction value of identical or similar goods with respect to the sale of these goods for exportation to Timor-Leste between a seller and a purchaser who are not related at the time of the sale;
 - (b) The deductive value of identical or similar goods determined in accordance with clause 6 of this Table;
 - (c) The computed value of identical or similar goods determined pursuant to clause 7 of this Table.
- (3) In any of these cases, where the Customs Services are of the opinion that the relationship between the purchaser and the seller of any goods influences the price paid or payable for the goods, the Customs Services must inform the importer, in writing if so required, of the reasons why the Customs Services have formed this opinion, giving the importer a reasonable opportunity to convince the Customs Services that the relationship did not influence the price.
- (4) When subclause 2 of this clause applies, the importer must, without limitation on the generic requirements of subclause 2, provide the following information:

- (a) The nature of the evaluated goods,
 - (b) The nature of the industry that produces the goods subject to evaluation;
 - (c) The season of the year in which the evaluated goods are imported;
 - (d) If any difference between the values is commercially significant;
 - (e) The commercial level at which the sales take place;
 - (f) The quantity of the sales;
 - (g) Any of the amounts referred to in clause 3 of this Table;
 - (h) The costs, charges or expenses incurred by the seller when the seller sells to a purchaser with which it has no relationship, which are not included when the seller sells to a purchaser to which it is related.
- (5) When:
- (a) In the opinion of the Customs Services, the customs value cannot be determined in accordance with this clause;
 - (b) The Customs Services have reason to question the truth or accuracy of the declared customs value and, after having attempted to obtain explanations or evidence showing that the declared customs value represents the total value paid or payable for the imported goods, the Customs Services are still not convinced that the customs value can be determined in accordance with this clause;
 - (c) The Customs Services may determine the customs value of the goods by means of the sequential use of clauses 4 to 8 of this Table, until the first clause that, in their view, enables the customs value to be determined.
- (6) Notwithstanding subclause 5 of this clause, at the written request of the importer to the Customs Services, the order in which the evaluation base stipulated in clauses 6 and 7 is considered may be reversed.

3. ADJUSTMENT OF THE PRICE PAID OR PAYABLE

- (1) When determining the transaction value of the goods under clause 2 of this Table, the price paid or payable for the goods must be adjusted -
- (a) By adding the amounts, to the extent that they were not already included in the price paid or payable and are determined on the basis of sufficient information, equivalent to:
 - i. Commissions and agency fees for the goods, incurred by the purchaser, apart from purchase commissions;
 - ii. (Costs and rates incurred by the purchaser for the goods, including the cost of packaging, boxes and other containers and covers that are treated, for customs

purposes, as part of the imported goods, and all expenditure on packaging inherent to the delivery of the goods in the condition in which they were dispatched for Timor-Leste;

- iii. The value of any of the following services and goods:
 - (A) Materials, components and other goods incorporated into the imported goods;
 - (B) Tools, dies, molds and other goods used in the production of the imported goods;
 - (C) Materials consumed in the production of the imported goods: [Translator's note: colon as in the source, perhaps in error]
 - (D) Engineering, development, artistic, design, planning or drawing work conducted in Timor-Leste and necessary for the production of the imported goods, determined pursuant to subclause 2, that were supplied, directly or indirectly, by the purchaser of these imported goods free of charge, or at reduced cost, for use in connection with the production and sale for exportation of these of these imported goods, divided into installments on the imported goods in a reasonable way and in accordance with generally accepted accounting principles.
 - iv. Royalties and licensing fees, including payments for patents, brands and copyright with regard to the imported goods that the purchaser has to pay, directly or indirectly, as a condition of the sale of the goods for exportation to Timor-Leste, excluding the charges inherent to the reproduction of the goods imported to Timor-Leste, or the payments made by the purchaser for the right to distribute or resell the imported goods, if these payments were not a condition of the sale for exportation;
 - v. The value of any part of the income from a subsequent sale, disposal or use of the goods by the purchaser that goes, directly or indirectly, to the seller;
 - vi. The value of any materials, components and other goods incorporated into the imported goods for the purpose of repairing or modifying these goods at a time prior to their exportation to Timor-Leste, and the price paid for the repair or modification service, as appropriate;
 - vii. The costs of transport and insurance and the embarkation, disembarkation and handling fees, as well as other charges and expenses associated with the transport of the imported goods until these goods have left the country of exportation, if such costs, charges and expenses are, directly or indirectly, paid or payable by the purchaser to the seller, as a condition of the transaction.
- (b) By deducting the amounts, to the extent that these are included in the price paid or payable for the goods, equivalent to:
- i. The costs of transport and insurance and the embarkation, disembarkation and handling fees, as well as other charges and expenses associated with the

transport of the imported goods until these goods have left the country of exportation, in addition to any cost, charges or expenses referred to in item (ii) (B) of this clause;

ii. Any of the following costs, charges and expenses:

(A) Any reasonable costs, charges and expenses incurred with the construction, building, assembly and maintenance, including the provision of technical assistance, for the goods after their importation;

(B) Any costs, charges and expenses incurred with the transport and insurance for the goods in Timor-Leste, including reasonable associated costs, charges and expenses;

(C) Any customs duties and other taxes payable in Timor-Leste due to the importation or sale of the goods, if the cost, charge or expense has been identified separately from the balance of the price paid or payable for the goods.

(c) With respect to computer media with data or instructions, to deduct the value of the data or instructions from the price paid or payable for the goods if:

i. The value of the data or information is distinguishable from the cost or value of the computer media;

ii. The data or instructions have not been incorporated into data processing equipment.

(2) The value of the goods and services described in subclause (a) (iii) of this clause shall be determined:

(a) In the case of materials, parts and other goods incorporated into goods subject to evaluation or any materials consumed in the production and goods that are evaluated:

i. By means of verification:

(A) Of its purchase cost when acquired by the purchaser from a person unrelated to the purchaser at the time of acquisition;

(B) Of their purchase cost incurred by the person related to the purchaser, when the goods have been acquired by the purchaser from a person related to the purchaser at the time of the acquisition, but who did not produce the goods;

(C) Of their production cost when produced by the purchaser or person related to the purchaser at the time of production.

ii. And adding:

(A) The cost of their transport to the production location of the goods subject to evaluation;

- (B) The value added by any repairs or modifications made after their acquisition or production.
- (b) In the case of tools, dies, molds and other goods used in the production of goods subject to evaluation:
 - i. By means of verification:
 - (A) Of their purchase cost when acquired by the purchaser from a person unrelated to the purchaser at the time of acquisition;
 - (B) Of their purchase cost incurred by the person related to the purchaser, when the goods have been acquired by the purchaser from a person related to the purchaser at the time of the acquisition, but who did not produce the goods;
 - (C) Of their production cost when produced by the purchaser or person related to the purchaser at the time of production.

[Translator's note: item ii is not given in the source document]

- iii. And adding:
 - (A) The cost of their transport to the production location of the goods subject to evaluation;
 - (B) The value added by any repairs or modifications made after their acquisition or production.
 - iv. And deducting an amount to take into account any prior use of the goods after the goods have been acquired or produced.
- (c) In the case of engineering, study, artistic, design, planning or drawing work conducted in Timor-Leste and necessary for the production of the imported goods subject to evaluation by the verification:
 - i. Of their purchase or rental cost, when they have been purchased or leased by the purchaser from a person who is not related to the purchaser at the time of the purchase or lease and they are not generally available to the public;
 - ii. Of their purchase or rental cost incurred by the person related to the purchaser, when they have been acquired or leased by the purchaser from a person related to the purchaser at the time of the purchase or lease, but who has not produced them and they are not generally available to the public;
 - iii. Of the cost at which the public can obtain them when they are generally available to the public;
 - iv. Of their production cost when they are produced by the purchaser or by the person related to the purchaser at the time of production.

- (3) For the purposes of item (c) of subclause (1) of this clause, the expression computer media does not include integrated circuits, semiconductors or similar devices, or articles incorporated into these circuits or devices; and the expression data or instructions does not include recordings of sound, video or by camera operators.
- (4) When any adjustments to the terms of the previous subclause have to be made, in the opinion of the Customs Services, owing to lack of sufficient information, the transaction value of the goods subject to evaluation shall not be determined in accordance with clause 2 of this Table.
- (5) Nothing shall be added to the actual price paid or payable in determining the customs value, other than what is provided for in this clause.

4. USING THE TRANSACTION VALUE OF IDENTICAL GOODS AS THE CUSTOMS VALUE

- (1) Pursuant to subclauses 2 to 4 of this clause, when the customs value of the imported goods cannot, in the opinion of the Customs Services, be determined in accordance with clause 2 of this Table, the customs value of the goods must be the transaction value of identical goods when these goods are sold for exportation to Timor-Leste if this transaction value is equivalent to the customs value of the identical goods and the identical goods were exported at the same or similar time to the goods subject to evaluation and sold under the following conditions:
 - (a) To a purchaser at the same, or equivalent, commercial level as the purchaser of the goods under evaluation;
 - (b) In the same or very similar quantities to the goods subject to evaluation.

[Translator's note: the paragraph numbering in the source document repeats, with the following also number (1)]

- (1) When the customs value of the imported goods could not be determined in accordance with subclause 1 of this clause because identical goods are not sold under the conditions described in subclause (1) (a) and (b) of this clause, identical goods sold under one of the following conditions shall replace them:
 - (a) To a purchaser of the same, or equivalent, commercial level as the purchaser of the goods subject to evaluation, but in different quantities to the quantities in which those goods were sold;
 - (b) To a purchaser of a different commercial level to the purchaser of the goods subject to evaluation, but in equal or very similar quantities to the goods subject to evaluation;
 - (c) To a purchaser of a different commercial level to the purchaser of the goods subject to evaluation and in quantities different to those in which the goods were sold.
- (2) For the purposes of determining the customs value of the imported goods under subclause (1) of this clause, the transaction value of the identical goods must be adjusted by means of the addition or subtraction, as appropriate, of the amounts that represent:

- (a) Significant commercial differences between the costs, charges and expenses referred to in clause 3 (1) (a) (vii) of this Table for identical goods and the relevance of these costs, charges and expenses to the goods subject to evaluation, due to the differences in the distances and mode of transport; [Translator's note: the source uses "custos, encargos e despesas" hereon, but earlier used "custos, taxas e despesas". Both have been translated as "costs, charges and expenses".]
- (b) When the transaction value relates to identical goods sold under the conditions described in paragraphs (a) to (c) of subclause (2) of this clause, the difference in the commercial levels between the purchasers of the identical goods and the goods under evaluation or the quantities in which the identical goods and the goods under evaluation are sold or both, as appropriate, if each amount can, in the opinion of the Customs Services, be determined on the basis of sufficient information. When this amount cannot be determined, the customs value of the goods subject to evaluation shall not be determined on the basis of the transaction value of the identical goods under this clause. [Translator's note: the difference referred to here is not a value and suggests the source needs some attention]
- (c) When, in relation to the imported goods under evaluation, there are two or more transaction values for identical goods that fulfill the requirements established in subclauses (1) to (3) of this clause or when, even without this transaction value, there are two or more transaction values for identical goods sold under the conditions described in items (a) to (c) of subclause (2) of this clause that fulfill the requirements established in the clause and are applicable by virtue of subclause 2 of this clause, the customs value of the goods subject to evaluation shall be determined on the basis of the lowest transaction value.

5. USING THE TRANSACTION VALUE OF SIMILAR GOODS AS THE CUSTOMS VALUE

- (1) Pursuant to subclause (2) of this clause and subclause (4) of clause 4 of this Table, when the customs value of the goods imported cannot, in the opinion of the Customs Services, be determined in accordance with clause 4 of this Table, the customs value of the goods shall be the transaction value of similar goods when these goods are sold for exportation to Timor-Leste if this transaction value is equivalent to the customs value of the similar goods, the similar goods were exported at the same or similar time to the goods subject to evaluation, and they were sold under the following conditions:
 - (a) To a purchaser of the same or equivalent commercial level as the purchaser of the goods under evaluation;
 - (b) In the same or very similar quantities to the goods subject to evaluation.
- (2) Subclauses (2) to (4) of clause 4 of this Table shall apply to this clause relating to similar goods, as if each reference in these subclauses to identical goods were a reference to similar goods.

6. USING THE DEDUCTIVE VALUE AS THE CUSTOMS VALUE

- (1) Subject to subclauses (5) and (6) of clause 2 of this Table, when the customs value, in the opinion of the Customs Services, cannot be determined in accordance with clause 5 of this Table, the customs value of the goods shall be the deductive value relating to the goods.
- (2) When the goods subject to evaluation or identical or similar goods are sold in Timor-Leste at the same or similar time to that of the imported goods subject to evaluation, the deductive value of these goods shall be the unit price relating to the sales described in subclause (5) of this clause, determined in accordance with this subclause and adjusted pursuant to subclause 6 of this clause, in accordance with the greatest number of units of goods under evaluation or identical or similar goods that have been sold.
- (3) When the goods subject to evaluation or the identical or similar goods are sold in the condition in which they were imported within 90 days from the importation of the goods under evaluation, but were not sold at the same time or soon after importation, the deductive value of the goods subject to evaluation shall be the unit price relating to the sales described in subclause (5) of this clause, determined in accordance with this subclause and adjusted pursuant to subclause 6 of this clause, in accordance with the largest number of units of goods under evaluation or identical or similar goods that have been sold on the closest date possible to the importation of the goods subject to evaluation.
- (4) When the goods subject to evaluation or the identical or similar goods are not sold in Timor-Leste in the circumstances described in subclause (2) or subclause (3) of this clause, but the goods under evaluation, after subsequent assembly, packaging or processing in Timor-Leste, are sold in Timor-Leste within ninety (90) days of importation and the importer of the goods subject to evaluation requests this subclause be applied with regard to the determination of the customs value of these goods, the deductive value of the goods subject to evaluation shall be the unit price relative to the sales described in the subclause of this clause, determined in accordance with this subclause and adjusted pursuant to subclause 6 of this clause, in accordance with the largest number of units of goods under evaluation that have been sold.
- (5) For the purposes of subclauses (2) to (4) of this clause, the unit price relating to any goods subject to evaluation, or to identical or similar goods, shall be determined by confirming the unit price of sales of goods at the first commercial level, after importation by persons who:
 - (a) Are not related to the persons who have purchased the goods at the time in which the goods were sold;
 - (b) Have not supplied, directly or indirectly, free of charge or at reduced cost for use in connection with the production and sale for exportation of goods, any goods or services mentioned in clause 3 (1) (a) (iii) of this Table, in accordance with the largest number of units of goods when, in the opinion of the Customs Services, a sufficient number of such sales have been made to enable the unit price of the goods to be determined.
- (6) For the purposes of subclauses (2) to (4) of this clause, the unit price relating to any goods subject to evaluation, or to identical or similar goods, shall be adjusted by deducting the amount equivalent to the sum:
 - (a) Of the amount, determined pursuant to subclause (7) of this clause, equal:

- i. To the amount of commission generally charged per unit;
 - ii. To the amount of the profit and general expenses, including the marketing costs for the goods, considered as a whole, that reflect generally per unit – relating to the sales in Timor-Leste of goods of the same class or type.
 - (b) The reasonable costs, charges and expenses incurred for the transport and insurance of the goods in Timor-Leste, and associated costs, charges and expenses to the extent that the amounts of these costs, charges and expenses are not deducted as general expenses pursuant to item (a) of this clause.
 - (c) The costs, charges and expenses mentioned in clause 3 (i) (b) (i) of this Table incurred in respect of the goods, to the extent that the amounts of these costs, charges and expenses are not deducted as general expenses pursuant to item (a) of this clause.
 - (d) Any customs duties or taxes payable in Timor-Leste due to the importation or sale of the goods, to the extent that the amounts of such customs duties or taxes are not deducted relative to the expenses pursuant to item (a) of this clause, the amount of the value added to the goods that is attributable to subsequent assembly, packaging or processing of the goods in Timor-Leste, when this amount is determined, in the opinion of the Customs Services, on the basis of sufficient information.
- (7) The amount considered equivalent to the amount of the commission or profit and general expenses mentioned in subclause (6) (a) shall be calculated on a percentage basis and determined on the basis of information prepared in a manner consistent with generally accepted accounting principles, which is supplied:
- (a) By, or in the name of, the importer of the goods subject to evaluation;
 - (b) When the information supplied by, or in the name of, the importer of the goods subject to evaluation is not sufficient information, but checking the sales in Timor-Leste of the most specific group or variety of goods, of the same class or type as the goods subject to evaluation, enables sufficient information to be obtained, in the opinion of the Customs Services.
- (8) When the amount referred to in subclause (6) (e) of this clause, relating to any goods subject to evaluation that cannot, in the opinion of the Customs Services, be determined on the basis of sufficient information, the customs value of the goods shall not be determined on the basis of the deductive value pursuant to clause (6) (e) of this clause.

7. USING THE COMPUTED VALUE AS THE CUSTOMS VALUE

- (1) Subject to subclauses (3) and (5) of clause 2 of this Table, when the customs value of the imported goods cannot, in the opinion of the Customs Services, be determined pursuant to clause 6 of this Table, the customs value of the goods shall be the computed value for these goods.
- (2) The computed value of the goods subject to evaluation is the sum of the amounts equivalent to:
 - (a) The costs, charges and expenses incurred for, or the value of:

- i. Materials employed in the production of the goods subject to evaluation;
 - ii. Production or other processing of the goods under evaluation, determined on the basis of:
 - (A) The business accounts of the producer of the goods subject to evaluation;
 - (B) Any other sufficient information relating to the production of the goods subject to evaluation, that is supplied by or in the name of the producer of the goods and prepared in a manner consistent with the generally accepted accounting principles of the country of production of the goods subject to evaluation, including, without prejudice to the general character of the above.
 - iii. The costs, charges and expenses mentioned in clause 3 (1) (a) (ii) of this Table;
 - iv. The value of any goods and services mentioned in clauses 3 (1) (a) (iii) and (vi) of this Table, determined and allocated to the goods under evaluation as mentioned in this clause, whether or not the goods and services have been supplied/provided free of charge or at reduced cost;
 - v. The costs, charges and expenses incurred by the producer for the engineering, study, artistic, design, planning or drawing work conducted in Timor-Leste and which was supplied, directly or indirectly, by the purchaser of the goods subject to evaluation for use in relation to the production and sale for exportation of these goods to the extent that these elements are charged to the producer of the goods and allocated to the goods subject to evaluation pursuant to clause 3 (1) (a) (iii) of this Table.
- (b) The amount, determined pursuant to subclause (4) of this clause, for profit and general expenses, considered as a whole, generally reflected in the sales for exportation to Timor-Leste of goods of the same class or type as the goods under evaluation, made by producers of the goods to purchasers in Timor-Leste that are not related to the producers who purchased the goods at the time at which they were sold.
- (3) For the purposes of this clause, the expression general expenses means the direct and indirect costs, charges and expenses of the production and sale of the goods for exportation, as well as the costs, charges and expenses mentioned in subclause (2) (a) of this clause.
- (4) The amount of profit and general expenses mentioned in subclause (2) (b) of this clause shall be calculated on a percentage basis and determined on the basis of information prepared in a manner consistent with generally accepted accounting principles of the country of production of the goods subject to evaluation, which is supplied: [Translator's note: the source text used a hyphen, not a colon, presumably in error.]
- (a) By or in the name of the importer of the goods subject to evaluation;
 - (b) When the information supplied by, or in the name of, the importer of the goods subject to evaluation is not sufficient information, but a check of the sales for exportation to Timor-Leste of the most specific group or variety of goods, of the same class or type

of the goods subject to evaluation, enables sufficient information to be obtained, in the opinion of the Customs Services.

8. RESIDUAL BASIS OF EVALUATION

- (1) When, in the opinion of the Customs Services, the customs value of the imported goods cannot be determined in accordance with clause 7 of this Table, it shall be determined from the information available in Timor-Leste on the basis of the value derived from the evaluation methods established in clauses 2 to 7 of this Table, interpreted flexibly and adapted reasonably so as to determine the customs value of the goods.
- (2) A customs value shall not be determined on the basis of:
 - (a) The selling price in Timor-Leste of goods produced in Timor-Leste;
 - (b) A method in which the highest value of two alternatives is accepted;
 - (c) The price of the goods on the domestic market of the country of exportation;
 - (d) The production costs, other than the computed values that have been determined for identical or similar goods under clause 7 of this Table;
 - (e) The price of goods for exportation for a country other than Timor-Leste, unless the goods have been imported to Timor-Leste;
 - (f) Minimum customs values;
 - (g) Arbitrary or fictitious values.