

**DECREE LAW NO. 5/ 2015**  
**of 22 January**  
**STATUTE OF THE SPECIAL ADMINISTRATIVE**  
**REGION OF OE-CUSSE AMBENO**

Law No. 3/2014, of 18 June, created the Special Administrative Region of Oe-Cusse Ambeno and the Special Economic Zone of Social Economy of Oe-Cusse Ambeno and Ataúro, defining the bases that govern them, in accordance with the Constitution of the Democratic Republic of Timor-Leste.

Within this framework, by implementing the special administrative regime constitutionally provided for the Oe-Cusse Ambeno enclave, the said Law granted it the status of a Special Administrative Region and conferred it the nature of a territorial legal person under public law, endowed with administrative and financial autonomy and own assets, as well as principles, regulatory power, rights, revenues, bodies and their own economic and financial regimes, to be implemented within the parameters of a regional autonomy bound to the principles of national solidarity, subsidiarity, direct application of national law, the conduct by the Government of external relations and direct responsibility of the Government for security and public order.

The Law created the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro, giving the Enclave and the Island a common legal and economic framework, although it recommends a differentiation in the respective special regimes by qualifying the Island of Ataúro as a complementary pole of development, as a result of the understanding, expressed in the Preamble of the Law, that the Constitution of the Republic advocates a more intense economic status for the Enclave than for the Island, due to its smaller size and greater proximity to the capital of the country.

The Law establishes, for the territorial areas of Oe-Cusse Ambeno and Ataúro, as a Special Area, a policy of economic and social development guided by the principle of social market economy, whose model is characterized as inclusive, participatory, economically and socially diversified, sustained and sustainable, in which investment enjoys special benefits, the development of infrastructure is fundamental, and human development an ever-present priority.

In order to comply with the provisions of the Law, the Authority has also created its own bodies - the Authority, the President of the Authority, and the Advisory Council of the Authority - as well as generically defining its composition, mandate and competences. Similarly, the Special Development Fund was set up as an institute for promotion and its general tasks were defined.

It is therefore important to regulate the application of the principles, rights and powers established, as well as the organization and functioning of the bodies of the Special Administrative Region of Oe-Cusse Ambeno, which are indispensable for their governance and administration, and of the Special Area of Social Market Economy of Oe-Cusse Ambeno and Ataúro.

Thus, under the provisions of subparagraph a) of paragraph 1 of Article 115 of the Constitution of the Republic and paragraph 4 of Article 15 of Law No. 3/2014 of 18 June, the Government decrees the following to be enforced as law:

## **CHAPTER I NATURE AND PRINCIPLES**

### **Article 1 Legal Nature**

1. The Special Administrative Region of Oe-Cusse Ambeno, a legal person of public law of regional scope, with territory delimited under Article 3 of Law No. 3 / 2014 of 18 June, enjoys administrative and financial autonomy, and own assets, and is endowed with its own mandate, public powers, organs of administration and consultation, public administration services and civil service.
2. The Special Administrative Region of Oe-Cusse Ambeno holds regional administrative powers in respect of Oe-Cusse Ambeno, as well as the administration of the Island of Ataúro, a complementary development pole, integrated in the Special Zone of Social Market Economy, of which Oe-Cusse Ambeno is also a part, as established by Article 37 of Law No. 3/2014 of 18 June.

### **Article 2 Principles**

1. The organic structure, functioning and action of the bodies of the Special Administrative Region of Oe-Cusse Ambeno must conform to the principles established by law, namely:
  - a) the principle of legality and direct application of national law in the Region;
  - b) the principle of national solidarity;
  - c) the principle of the unitary organization of the State and the subsidiarity of the functions of the regional bodies with the national bodies of the State and the Municipal and Suco bodies in the Region;
  - d) the principle of specialty of the deliberations and decisions of the regional bodies, which must conform to the powers legally conferred on them.
2. The deliberations and decisions of the executive bodies of the Special Administrative Region of Oe-Cusse Ambeno must take written form and be specifically reasoned whenever they affect legally protected rights and interests, impose or increase duties, charges or sanctions.
3. The deliberations and decisions of the regional bodies must be in the form prescribed by this statute and are subject to publication, in accordance with the law and the regional regulations.

## **CHAPTER II OVERSIGHT, ASSIGNMENTS, POWERS AND AUTONOMY**

### **Article 3 Oversight**

1. The Government is the oversight authority of the executive bodies of the Special Administrative Region of Oe-Cusse Ambeno, and its oversight powers are exercised by the Prime Minister.
2. The administrative oversight of the Government consists of verifying the legality of the regulatory and administrative acts of the administrative and advisory bodies of the Special Administrative Region of Oe-Cusse Ambeno and in verifying the merits of their deliberations and decisions, as well as omissions in situations defined by law.

3. The exercise of the Government's administrative oversight over the merits of the deliberations and decisions, as well as the omissions of the administrative and consultation bodies of the Oe-Cusse Ambeno Special Administrative Region, occurs in the following situations:
  - a) Appointment and dismissal of the President and members of the Authority of the Region;
  - b) Acceptance to integrate the regional budget in the proposed General State Budget, as well as amendments to it, through deliberation of the Council of Ministers;
  - c) Acceptance to integrate the Regional Development Plan into the National Development Plan, through deliberation of the Council of Ministers;
  - d) Growth of the organizational structure and human resources of the regional public administration beyond the parameters established in this law, upon approval by the Council of Ministers;
  - e) Regulation of the career system, remuneration, mobility of civil servants and performance assessment in regional public administration, subject to approval by the Council of Ministers.
4. The Government's administrative oversight, in the forms and situations defined in the preceding paragraphs, shall be exercised by means of ratifications and approvals or their substantiated denial, as well as recourse, if necessary, to inspections, inquiries, investigations, probing and requests for information and clarifications on matters of legality and merit and shall comply with the legally established procedures.
5. The administrative and advisory bodies and regional public administration services have a special duty to inform the Government and cooperate diligently with it in the exercise of its oversight powers, but the Authority and the President of the Authority may challenge the illegal exercise of these powers in court.
6. The conditions and terms for the exercise of the Government's oversight power shall be subject of a specific regulation to be approved by Government decree.

#### **Article 4**

##### **Tasks**

1. In order to achieve the objectives defined by law, the Special Administrative Region of Oe-Cusse Ambeno shall be responsible for the:
  - a) growth and economic and social development based on the implementation of a social market economy;
  - b) the promotion of investment in the creation, use, administration and maintenance of industrial, agricultural, logistics, trade, transport, tourism and social infrastructure;
  - c) processing, marketing, diversification and modernization of agriculture, including the creation of green belts in urban areas for domestic supply and export;
  - d) regional and international trade, including export and import, as well as regional internal trade with other parts of the national territory;
  - e) sub-regional and international competitiveness as a financial center, a free trade area, an industrial free zone and a development hub;
  - f) human and quality of life development - education, health, housing, water, sanitation, culture, sport and leisure - for the benefit of inhabitants and communities;

- g) development of public infrastructure in the Region, in particular regional roads, artificial harbors, docks and anchorages and airports and aerodromes of public interest;
  - h) use, improvement and conservation of water resources;
  - i) conservation and development of marine and terrestrial ecosystems;
  - j) research on natural resources and ecosystems;
  - k) development of renewable energies;
  - l) operation and extension of public electricity network coverage;
  - m) expansion of the telecommunications network;
  - n) tourism and gambling;
  - o) promotion of an extractive industry and construction materials and the construction of infrastructure, buildings and industrial and social equipment;
  - p) regional public administration, ensuring that it excels in capacity, efficiency, effectiveness, ethics and acting in accordance with the law.
2. The Special Administrative Region of Oe-Cusse Ambeno shall safeguard and promote the specific interests of the population of the Region, within the general framework of national interests, in accordance with the law and national policies of the State and the Government, maintaining, by reason of the matters within its scope of powers, appropriate relations of articulation, coordination and information, on the one hand, with the Government and the central public administration and, on the other hand, with the municipal bodies and the Sucos in the Region.

## **Article 5**

### **Government reserve**

1. Without prejudice to the powers, competences and modes of action of the sovereign bodies established by the Constitution of the Republic and by law, in the relationship with the Special Administrative Region of Oe-Cusse Ambeno, the Government reserves for the exercise through the national public administration of its competences in activities vital to the State, namely:
- a) defense, security and public order;
  - b) external relations and bilateral and multilateral cooperation between states and with systems of regional and international organizations;
  - c) preparation and implementation of the strategic development plan, as well as the proposal for the approval and control of the implementation of the General State Budget, including its regional component;
  - d) adoption and presentation of proposals for legislative acts and resolutions, as well as general lines of government policies and their regional implementation;
  - e) definition of general and special regional economic and social development schemes;
  - f) regulation of education and health;
  - g) drafting of bills and approval of regulations on currency, foreign exchange control, public finance, banking, insurance and reinsurance;

- h) formulation of proposals for policy and implementing tax and investment laws and regulations at the regional level;
- i) oil and strategic mining activities and their licensing;
- j) regulation of the public electricity service in the Region;
- k) approval and submission for legislative purposes of proposals for special economic and financial regimes applicable to the Region and Special Areas of Social Market Economy;
- l) authorization of loans to be taken out by the Region's authority;
- m) laying down rules and criteria for the granting of funding by the Region;
- n) general regulation of the organization of direct and indirect public administration and regional public service;
- o) approval of regional planning;
- p) regulations on migration and migrant work with regional application;
- q) proposition and conduct of the implementation of the national policy and the law and regulations of decentralization with application in the Region;
- r) regulation and conduct of electoral processes for representative national, municipal and community bodies, at the various levels that also take place in the territory of the Region;
- s) public laws on classified private property or on the use and enjoyment of private property, in particular for its historical, cultural or architectural interest;
- t) exercise of the supervisory and verification acts proper to the Region;
- u) other activities determined by law.

## **Article 6**

### **Powers and exercise of rights**

1. In order to carry out the duties and rights conferred on the Special Administrative Region of Oe-Cusse Ambeno, its administrative bodies shall enjoy, within the strict limits of their powers and in accordance with the terms and conditions prescribed by law or national regulation, the following public powers:
  - a) Regulatory;
  - b) Administrative;
  - c) Economic and financial, to foster and promote the development of a social market economy;
  - d) Public service concessions;
  - e) Monitoring;
  - f) Expropriation in the proven public purpose, as established by law.
2. In exercising the powers of public authority and the prerogatives of the State which it enjoys, the Region, through its competent administrative body, may, where necessary, enforce the administrative decisions and deliberations taken in accordance with the terms and limits of the applicable law and regulation.

## **Article 7**

### **Sufficiency of Resources**

In the performance of its duties and in the exercise of its powers and rights, the Special Administrative Region of OeCusse Ambeno is bound by the principle of sufficient financial resources and budgetary unity.

## **Article 8**

### **Administrative and Financial Autonomy**

1. The administrative autonomy enjoyed by the Special Administrative Region of Oe-Cusse Ambeno, to be exercised in accordance with the terms defined by law or regulation, comprises the following capacities:
  - a) Self-organization of direct and indirect regional public administration, including the creation, structuring, direction, supervision and termination of services;
  - b) Management and discipline of regional civil servants and public servants;
  - c) Administration of land and property cadaster in the Region;
  - d) The performance of final and enforceable administrative acts.
2. The financial autonomy enjoyed by the Special Administrative Region of Oe-Cusse Ambeno, to be exercised in accordance with the terms defined by law or regulation, comprises the following capacities:
  - a) Preparation and approval of the regional development plan, in coordination with the Government for inclusion in the national development plan, and the implementation and monitoring of the approved plan;
  - b) Preparation, approval, implementation, modification and monitoring of the business plans and executive plans of the regional development plan;
  - c) Preparation and approval of the annual regional budget proposal, in accordance with the rule of budget unity, submitting it to ratification by the Government;
  - d) Preparation and approval of activity and implementation reports and accounts for completed financial years;
  - e) Collection, unless otherwise provided for by law, of income from activities in the Region, both current and capital, and the approval of proposals for the application of such income on national territory and that of the Region, as well as partly abroad, for the exclusive benefit of the Region;
  - f) Authorizing and carrying out expenses;
  - g) Creating, holding, registering, managing, disposing of and supervising private assets of the Region;
3. The categories of revenue and expenditure specific to the Region shall be those laid down by law, with the competent regional direct administration department having the capacity to collect them and the Authority, acting on a proposal from the President of the Authority, being responsible for determining their destination, in accordance with the rules laid down for that purpose.
4. National public administration departments have a duty to collaborate with the administrative bodies and regional public administration departments in the development of autonomous regional administrative and financial management, respecting the specific competences of each administration.

## **Article 9 Civil Servants**

1. The Region has its own establishment plan, that it approves, which has as its matrix the national establishment plan model and takes into account the specificities justified by the activity.
2. The region's civil servants are subject to the general civil service regime, except as regards careers, remuneration, requisition, secondment, mobility and performance evaluation.
3. The regime of careers, remuneration and mobility of civil servants, as well as the performance and evaluation criteria of civil servants and regional public administration are proposed by the Region's Authority for approval by Decree Law of the Council of Ministers.
4. The national public administration departments have a duty to collaborate with the administrative bodies and regional public administration departments in the development of human resources, their management and performance evaluation by the regional public administration departments, respecting the specific competencies of each administration.

## **CHAPTER III ORGANIC STRUCTURE**

### **SECTION I REGIONAL BODIES**

#### **Article 10 Management bodies**

Administrative bodies of the Special Administrative Region of Oe-Cusse Ambeno are:

- a) The Authority of the Region;
- b) The President of the Authority of the Region.

#### **Article 11 Advisory Board**

The Advisory Board is the consultative body to the President of the Authority of the Special Administrative Region of Oe-Cusse Ambeno.

### **SECTION II THE AUTHORITY**

#### **Article 12 Nature**

The Authority is the deliberative collegial body of the Region.

#### **Article 13 Constitution**

1. The Authority shall have seven or nine members.
2. The members of the Authority shall be appointed by the Council of Ministers in a Government Resolution on a proposal from the President of the Authority.
3. Timorese citizens of recognized reputation, integrity and public trust may be members of the Authority.



## **Article 14**

### **Presidency**

1. The meetings of the Authority shall be chaired by the President of the Authority.
2. The President of the Authority shall appoint, from among the members of the Authority, who are to assist him in his duties as Chair of the meetings of the Authority.
3. Chairing the Authority's meetings shall include deciding on its schedule and agenda, ensuring preparation of its work, the conduct of its meetings, recording in the minutes of its deliberations, ordering their publication and monitoring their implementation by the addressees.

## **Article 15**

### **Mandate**

1. The term of office of the members of the Authority shall be five years and may be terminated at any time by a Resolution of the Council of Ministers, on a proposal from the President of the Authority.
2. Members of the Authority may be reappointed.
3. The taking up of duties as a member of the Authority shall be carried out before the President of the Authority.

## **Article 16**

### **Short-term absences and impediments**

1. Where the Chairperson is absent or prevented temporarily or for a short period, understood to be up to 30 days, from attending the meetings of the Authority, the Authority shall be chaired by a member of the Authority in the order of precedence adopted by the Authority during the first two months of the Authority's term of office, on a proposal from the President.
2. A member of the Authority who replaces the President of the Authority in his/her absence or in the event of temporary or short-term impediment shall report the matter to the Prime Minister, unless the President has already done so.

## **Article 17**

### **Meetings**

1. The Authority shall meet ordinarily and regularly on a weekly basis, according to a schedule it has previously approved.
2. Extraordinary meetings of the Authority shall be held whenever justified.
3. The President may change the scheduled dates of the Authority's meetings, subsequently proposing, if necessary, a revised schedule.
4. Meetings of the Authority shall be convened by its President, either on his/her own initiative, or at the request of at least one third of the members of the Authority.
5. The ordinary meetings of the Authority shall be held preferably in Oe-Cusse Ambeno and may, by decision of the President of the Authority, take place in Ataúro or elsewhere on national territory.
6. Extraordinary meetings of the Authority may take place in any part of the national territory, upon decision of its President, who shall, as a rule, give preference to holding them in Oe-Cusse Ambeno or Ataúro.



7. The Authority shall deliberate only on matters which are on the agenda, except in cases of urgency recognized by at least two-thirds of the members of the Authority, where it may, by way of exception, also deliberate on matters not previously on the agenda.
8. In accordance with the agenda and the invitation of the President of the Authority, guests may attend meetings of the Authority without the right to vote.

#### **Article 18**

##### **Quorum and voting**

1. The Authority may validly meet and deliberate when the majority of its members are present.
2. The vote is nominal and personal and cannot be transmitted or delegated.
3. The deliberations of the Authority shall be taken by an absolute majority of its members, with the President having a casting vote in the event of a tied vote, except in the case of a secret ballot.
4. Where it involves an appreciation of personal conduct or qualities, the vote shall be by secret ballot.
5. There will be a second vote, when the secret ballot has resulted in a tie, and, to be verified if there is again a tie, the third vote shall be taken by roll call.

#### **Article 19**

##### **Deliberative powers**

1. It shall be for the Authority, within the limits of the powers, duties and rights of the Region, to decide on the:
  - a) Regional administrative regulations;
  - b) Regional public policies, including special social market economy policy measures;
  - c) Regional economic and social plans;
  - d) Proposal for the regional annual budget and the annual implementation report and accounts for the preceding financial year
  - f) Social and financial participations of the Region in enterprises, institutions and companies in the Region, in national territory and abroad;
  - g) Proposals to grant loans or finance and to incur debts, subject to their ratification by the supervisory authority;
  - h) Purchase of goods and services and the award of contracts, in accordance with the procedures and within the limits defined by law;
  - i) Administration of the Region's own assets, in particular acquiring, encumbering or disposing of them;
  - j) Administration of the State's public domain assets in the Region, unless otherwise determined by law;
  - k) Determination of the sale by public auction of property in the Region's private domain;
  - l) Regional administration and regulation of agriculture, fisheries, industry, trade, electricity, transport, communications and tourism, without prejudice to national regulations;
  - m) Administration of health, education, research, culture, youth and sports in the Region, without prejudice to national regulations, projects and program applicable to these sectors;

- n) Administration and granting of natural resources of interest to the social market economy of the Region or which are not qualified by law as being strategic or vital to the national interest or the national economy;
  - o) Administration and concession of the construction, rehabilitation, expansion and operation of public infrastructure in the Region, as well as rural and urban equipment, under the terms and within the limits defined by law;
  - p) Administration and management of the regional territory in accordance with the approved spatial plans;
  - q) Constitution of regional areas of environmental conservation and their use, exploitation, administration and sustainable development;
  - r) Formation of companies in which the Region has an interest for their development, as well as public undertakings and public capital foundations awarded by the Region;
  - s) Establishment of regional public administration services;
  - t) Proposals for opinions and recommendations to amend national laws and regulations according to the specific characteristics and needs of the Region;
  - u) Exercise of public rights over classified property or over private property of public interest, in particular for historical, cultural, architectural or scenic reasons;
  - v) Hiring of national and foreign consultants and technicians for the provision of consultancy or specialized technical functions, as well as the supervision and evaluation of their performance;
2. It is the Authority's responsibility in particular to:
- a) Approve regulations on the Special Development Fund of the Region that derive from the decree of its institution by the Council of Ministers, as well as to exercise regional supervision over its performance, collaborating with the financial supervision of the Government exercised by the Minister of Finance;
  - b) Approve and submit annually to the Government, through the President of the Authority, the management plan proposal and the annual budget of the Special Development Fund of the Region, to be, as part of the General State Budget, subsequently submitted by the Government for deliberation by the National Parliament;
  - c) Approve and submit annually to the Government, through the President of the Authority, the report of activities and accounts of the Region's Special Development Fund for the past year;
  - d) Charge fees established by law, as well as tariffs for the provision of regional public services, unless otherwise provided by law;
  - e) Approve the proposal for a multi-annual, sustained and sustainable integrated development master plan for the Special Areas of Social Market Economy of Oe-Cusse Ambeno and Ataúro, and to ensure its implementation once approved;
  - f) Decide, within the territorial scope of the Region, on the definition of areas to be the object of an Authorization and the granting of an Authorization for the exercise of petroleum and mining activities, subject to the necessary prior consultation with the Government, as well as to consent to the exercise of rights by an Authorized Person under an Authorization when

they have as their object or affect property in the public domain and in the private domain of the State assigned to the Region, as well as public infrastructure, equipment, facilities, platforms or other assets of the Region's assets or under its responsibility, taking into consideration the provisions of Article 17 of Law No. 13/2005, applicable to petroleum and mining activities;

- g) Approve regional regulations on supervision and internal control of the Region and the Special Areas of Social Market Economy of Oe-Cusse Ambeno and Ataúro;
- h) Approve Rules of Procedure for the meetings of the Authority no later than sixty days after the appointment of its members.

### **SECTION III**

#### **PRESIDENT OF THE AUTHORITY**

##### **Article 20**

##### **Nature and Appointment**

1. The President of the Authority is the executive body and the highest representative of the Region, accountable for the exercise of its powers before the sovereign bodies.
2. The President of the Authority shall be appointed by the President of the Republic on a proposal from the Prime Minister.
3. Only Timorese citizens who are at least thirty-five years of age and who are usually resident in the national territory may be appointed as President of the Authority.

##### **Article 21**

##### **Mandate**

1. The term of office of the President of the Authority shall be five years, renewable successively.
2. The President of the Authority shall take up his duties before the President of the Republic and shall, on that date, commence the performance of his duties.
3. The term of office of the President of the Authority shall cease at the end of the Authority and shall not be renewed, by resignation by the President of the Republic, on the proposal of the Prime Minister, or by resignation of the holder.
4. The President of the Authority shall resign if he/she is incapacitated for the performance of his/her duties by reason of serious illness, or because of prolonged absence, or for other reasons which prevent the effective performance of the duties.

##### **Article 22**

##### **Impediment**

The President of the Authority shall be prevented from exercising, during his/her term of office, any private activity which may constitute a conflict of interest with his/her office and the performance of his/her duties.

##### **Article 23**

##### **Replacement and interim**

1. In the event of short-term disqualification from the duties of the President of the Authority, these duties shall be carried out by the member of the Authority who is first in the order of precedence approved by the Authority.

2. In the event of a vacancy in the office of President of the Authority, his/her functions shall be carried out on an interim basis, as provided for in the previous paragraph, and the interim holder of the office shall inform the Prime Minister thereof immediately and in writing,
3. In the event of a vacancy, the new holder of the office of President of the Authority shall be appointed, under the terms defined for that purpose, no later than one hundred and twenty days after the date of vacancy.

#### **Article 24**

##### **Regional administrative powers**

1. In regional administration, the President of the Authority has powers to:
  - a) Lead and represent the Region;
  - b) Chair the Authority and the Advisory Board;
  - c) Comply with and enforce national laws and regulations as well as administrative regulations and executive orders of the Region;
  - d) Propose to the Government the appointment and dismissal of members of the Authority;
  - e) Appoint and dismiss the members of the Advisory Board;
  - f) Appoint the Deputies to assist him/her in the activities of leadership and representation of the Region and to chair the Authority and the Advisory Board;
  - g) Propose its Rules of Procedure for approval by the Authority and to approve the Rules of Procedure of the Advisory Board;
  - h) Propose, for approval by the Authority, the regulations, regional policies and plans, as well as to sign the respective deliberations and define measures to implement regional policies in specific areas;
  - i) Communicate with the Government on the preparation of the annual budget proposals and the report on the accounts for the preceding financial year, as approved by the Authority, and sign them, subject to ratification by the Authority;
  - j) Prepare or ensure the preparation of proposals, deliberations, decisions, administrative regulations and regional executive orders falling within the competence of the Authority or the President of the Authority;
  - k) Approve regional executive orders;
  - l) Sign and have published the regional administrative regulations and executive orders as regulated;
  - m) Supervise and monitor the execution of regional administrative regulations and executive orders;
  - n) Ensure that activity licenses are issued or issuance of activity licenses for which the Region's administrative body is responsible;
  - o) Decide that the Advisory Council shall pronounce itself on matters of interest to the Region and its administrative bodies, including legislative initiatives, regional administrative regulations and executive orders, public policies, plans, budgets, financing and loans, social and financial participations, the establishment of public services and the setting up of commercial companies and foundations in which it has an interest;

- p) Sign contracts on behalf of the Region, namely financing, loans, acquisition of movable and immovable goods, provisioning and services, being able to delegate powers for their signature, in accordance with the applicable requirements, procedures and formalities;
  - q) Propose to the Authority the establishment of regional public services;
  - r) Appoint and discharge, in compliance with legal procedures, the holders of posts in the Region's public administration, ensuring the management, remuneration and discipline of civil servants and public agents, as well as the proper management and operation of public services, including individual and institutional performance evaluations;
  - s) Run the regional fire brigade, natural disaster relief and firefighting services in rural areas;
  - t) Award, in accordance with the law, medals and honorary titles established by regional administrative regulations.
2. Regarding the Special Area of Social Market Economy, the President is particularly responsible for:
- a) complying with and enforcing national laws and regulations as well as regional administrative regulations and executive orders applicable to it;
  - b) issuance of manager and operator certificates;
  - c) promoting investment, economic cooperation and regional and international trade relations.
3. The President of the Authority is also responsible for relations with the Government, as the Region's guardian to:
- a) Submit the approval or ratification of the oversight authority of proposals of deliberation or decisions of the regional administrative bodies that are subject to the oversight procedure, under the terms of this document;
  - b) Ensure the participation of the Region in national deliberations or decisions of regional interest;
  - c) Receive and give due consideration to the deliberations and decisions of the authority, ensuring compliance with those that require action in the Region;
  - d) Raise the Government's voice prior to regional deliberations and decisions, whenever there is a specific legal obligation or when it results from collaboration or information duties;
  - e) Pronounce, at the request of the oversight authority or on own initiative, on all matters relating to the Region;
  - f) Guide regional administrative bodies and public administration in their relations with sovereign bodies and central government, ensuring appropriate collaboration and participation in joint actions.

## **Article 25**

### **Specific powers**

1. In the field of external relations for which the Government is responsible, the President of the Authority, on behalf of and representing the Government, is empowered to:
- a) participate in, follow up and contribute to the negotiation of conventions or agreements that concern the Region, endeavoring to ensure that it shares significantly in the benefits they provide;

- b) propose initiatives and programs of regional and international economic relations for the benefit of the Region and the Special Zone of Social Market Economy of Oe-Cuse Ambeno and Ataúro, as well as to carry out on its own initiative, duly coordinated with the Government, actions for the implementation and development of economic cooperation that has been approved or ratified by the Government or National Parliament;
  - c) appoint representatives of the Region to participate as members of government delegations at conferences, organizations and forums dealing with matters relating to the Region, and to supervise and monitor their actions;
  - d) perform other acts or perform other functions which concern the Region, by delegation from the Government.
2. Without prejudice to the powers and actions of the organs of the State and Government in the area of internal and external security and public order, the President of the Authority shall be specifically responsible for supervising the coordination, information and cooperation relations between the organs and public administration of the Region and the services of that sector operating in the Region.
  3. In the context of law enforcement and the policy of administrative decentralization, with regard to the responsibility of the Government, the President of the Authority shall in particular be responsible:
    - a) to ensure the implementation of decentralization policies, programs and actions in the Region by promoting, in a planned manner, the necessary support in means and resources for the establishment, operation and municipal development in the Region;
    - b) to raise the opinions and recommendations of municipal bodies in the Region;
    - c) develop a relationship between the Region and municipal bodies that promotes its autonomy, in accordance with the law;
  - d) Promote in particular capacity building in municipal administration and management oriented to the performance of municipal functions, such as basic sanitation, environment, local markets, economic housing, water supply, addressing and the use and maintenance of municipal neighborhood infrastructure, roads and means of communication.
  4. In the field of relations with the Sucos and villages, to listen to the needs, wishes and opinions of the populations, Suco chiefs and community leaders, as well as justifiably allocate resources and means of training in order to enhance local initiative, encourage entrepreneurship of the populations, promote the culture of communities and strengthen social cohesion and harmony in the Region.
  5. In the planning and implementation of economic and social projects of a national nature in the Region, the President of the Authority shall be responsible for the general coordination and supervision of such projects and their main activities, without prejudice to the action of the appropriate national sectoral inspection, the Government being responsible for preventing the commencement or continuation of projects which are contrary to the Region's urban, rural and community development plans, as evidenced by the opinion of the Advisory Board approved by the President of the Authority.

## SECTION IV ADVISORY BOARD

### Article 26 Legal Nature

The Advisory Board shall be the advisory body to the President of the Authority.

### Article 27 Composition

The Advisory Board, chaired by the President of the Authority, is composed of seven members, two former members of the government, one *lianain* and one *suco* chief of Oe-Cusse Ambeno, one member of the security forces, and two municipal representatives.

### Article 28 Appointment and term of office

1. The members of the Advisory Board shall be appointed by the Chairperson of the Authority for a term of five years, which shall be renewable.
2. The term of office of the member of the Advisory Board shall end upon resignation, upon his/her inability to perform his/her duties, or upon the expiry of his/her term of office.
3. In the event of termination of Advisory Board members' term of office following the expiry of the President of the Authority's term of office, they shall remain in office until the new President of the Authority takes up his/her duties.
4. The President of the Authority shall be sworn in as a member of the Advisory Board.
5. The functions falling within the mandate of members of the Advisory Board shall be personal and may not be delegated.

### Article 29 Meetings

1. The Advisory Board shall meet when convened by the Chair of the Authority, who shall establish its schedule of meetings and the relevant agendas and agendas.
2. Where necessary, the Chair of the Authority may invite persons to attend meetings of the Advisory Board in accordance with the professional interest or expertise in relation to items on the agenda.
3. Meetings of the Advisory Board may be held in any part of the national territory, by decision of its Chairman, who shall give preference to holding them in Oe-Cusse Ambeno.

### Article 30 Powers

1. The Advisory Board shall, where determined by the President of the Authority, be responsible for:
  - a) issuing legally reasoned opinions, recommendations and information on matters of scope and interest to the Region;
  - b) conducting or coordinating studies and impact assessments and performance in relation to public policies, legislative and regulatory measures, plans, programs, projects, procedures and activities which have been determined by the President of the Authority.



2. As part of the budgetary procedure, the Advisory Board shall be responsible in particular for assisting the President of the Authority in drawing up the Region's annual budget proposal and for delivering opinions, information and reports on its implementation, on its own initiative or on the instructions of the President.
3. It shall also be for the Advisory Board, at its own initiative or at the discretion of the President of the Authority, to decide on:
  - a) proposals for policies, laws, decree-laws, government decrees and administrative regulations and regional executive orders;
  - b) proposals for regional plans and programs;
  - c) proposals for financing and borrowing;
  - d) measures to set up and develop public services and public institutes in the Region;
  - e) measures by the Region to encourage, promote and set up commercial companies and social and financial participation therein;
  - f) measures for inclusion and participation in economic and social undertakings by families, communities and natural and legal persons in the Region.
4. The members of the Advisory Board shall be provided with the necessary information, documentary, technological and institutional support in the performance of their duties and activities.
5. It is not for the Advisory Board to decide on appointments, dismissals or sanctions against officials and other servants of the Region who are directly responsible to the President of the Authority.

## **SECTION V**

### **INTERNAL INFORMATION, CONTROL AND MONITORING**

#### **Article 31**

##### **Information and documentation**

1. Minutes shall be taken of each meeting of the Authority and of the Advisory Board and shall be signed by the members who participated in the meeting to which the minutes relate.
2. The decisions of the President of the Authority and the deliberations of the Authority and the Advisory Board shall be reduced to writing in the form prescribed by this Statute and shall be signed by the President of the Authority and members held accountable for the matters under deliberation.

#### **Article 32**

##### **Declaration of assets**

1. On taking up office, the President of the Authority must present before the President of the Court of Appeal a declaration of assets which form part of his/her assets, subject to the rules applicable to the holders of sovereign bodies.
2. Members of the Authority shall make a declaration of assets in the situations and under the terms legally prescribed for public officials.

### **Article 33**

#### **Oversight**

The organs and services of the Special Administrative Region of Oe-Cusse Ambeno are subject to the oversight authority's administrative supervision and to the judicial administrative and accounting supervision established by law.

## **CHAPTER IV**

### **FORM AND PUBLICATION OF ACTS**

#### **SECTION I**

##### **FORM**

#### **Article 34**

##### **General rule**

1. The administrative regulations and executive orders of the regional administrative bodies shall be of an administrative nature, and shall take the form defined in this Statute, applying to them subsidiarily that foreseen in national regulations for Government acts, namely as regards the procedures for their identification, numbering and forms, with the exception of that which by its nature applies exclusively to sovereign bodies.
2. The acts referred to in the previous paragraph shall be carried out only by the regional administration and consultation bodies, as provided for in articles 35 to 38 of this law.

#### **Article 35**

##### **Acts of the Authority**

1. The Authority's deliberations, as an administrative regulation, shall take the form of a Regulation of the Authority and may, where appropriate, contain annexes, which shall form an integral part of the regional act approving it.
2. The deliberations of the Authority as a concrete act shall take the form of a Deliberation of the Authority and may, where necessary, contain in annex the contract, agreement or act approved or ratified.

#### **Article 36**

##### **Acts of the President of the Authority**

1. The decisions of the President of the Authority, as executive orders, take the form of an Executive Rule of the President of the Authority and may, where justified, approve permanent regional executive regulations, in annex, which will form an integral part of the approval statute.
2. The executive orders provided for in the preceding paragraph shall take the form of an Administrative Order, when they determine the rules of permanent implementation by the services of the regional public administration, namely on the mission, objectives, organization, management, operation and administrative procedures of those services, as well as the performance, management, evaluation and discipline of the civil servants of those services.
3. The decisions of the President of the Authority, which are of a concrete nature, shall take the form of an Order from the President of the Authority and may, where necessary, contain the approved or ratified document in an annex.
4. The President of the Authority may issue Notices whenever he/she wishes to define activities, clarify situations or inform about actions or conduct of interest to the Region.

**Article 37****Acts of the Members of the Authority**

The members of the Authority shall take decisions in specific acts in the form of an Executive Order, stating the reasons on which it is based and expressly mentioning the delegation of powers received which authorizes them to implement the act.

**Article 38****Statements, information and opinions**

The management and advisory bodies of the Region may make pronouncements in the form of Declaration and Information, and the Advisory Council is responsible for issuing opinions.

**SECTION II****PUBLICATION****Article 39****Obligation**

1. The publication of the acts referred to in Articles 35 and 36 of this law is mandatory and is a condition for their legal effectiveness.
2. The acts of the members of the Authority, notices, opinions, declarations and information of the regional administrative and advisory bodies shall be published only if the President of the Authority so orders.
3. The President of the Authority shall be responsible for giving visa for publication of the acts provided for in Articles 34 to 38 of this Statute.

**Article 40****Publication series**

The acts referred to in the preceding paragraph shall be published in the Official Gazette as follows:

- a) In the First Series, the Regulations and Deliberations of the Authority and the Executive Norms and Administrative Orders of the President of the Authority, as well as their annexes, insofar as they are to be published in accordance with the rules of transparency and confidentiality.
- b) In the 2<sup>nd</sup> Series, the Orders, Notices, Opinions, Statements and Information provided for in articles 36, no. 3, 37 and 38 of the present Statute, which have been ordered to be published by the President of the Authority, as well as the appointments and dismissals of the President of the Authority, the members of the Advisory Board, the Deputy Secretaries and the Regional Secretaries.

**CHAPTER V****REGIONAL PUBLIC ADMINISTRATION****SECTION I****PRINCIPLES****Article 41****Binding to the law**

The public administration and civil servants of the Special Administrative Region of Oe-Cusse Ambeno are bound by the Constitution of the Republic, laws, decrees and ministerial diplomas, at the national level, and regulations, executive orders, deliberations, orders and administrative decisions, at the regional level, in everything that applies to them.

## **Article 42**

### **Public liability**

The administrative bodies and services that make up the direct and indirect public administration of the Region, as well as their holders and officials, must act with public responsibility, at the service of the citizen and of development, guided by the following fundamental principles:

- a) Legality and transparency in decisions and services;
- b) Professional ethics, impartiality and impartiality;
- c) Strict pursuit of the public interest;
- d) Respect for the rights and legitimate interests of the citizen;
- e) Economy of resources, efficiency, speed and elimination of red tape;
- f) Proximity of services to the population;
- g) Consultation and participation of those who are or will be involved in decisions and services;
- h) Unity, collaboration and coordination of the action of the regional administration and the latter with the national administration;
- i) Efficiency in the allocation and use of public resources;
- j) Progressive increase in the quantity and quality of services to citizens;
- k) Initiative and entrepreneurial action in implementing defined public policies;
- l) Monitoring of administrative and technical activities;
- m) Evaluation of performance and results.

## **Article 43**

### **Delegation of powers and replacement**

1. The powers defined in this Statute, for the holders of the regional administrative bodies, shall be delegable, unless the contrary results from this Statute, from the law or from the nature of the service itself.
2. The delegation of powers which is in conformity with the provisions of the preceding paragraph and which is specific with regard to the acts or category of acts referred to therein shall be admissible, and the holder of a delegating body shall be prohibited from conferring all or a substantial part of his/her powers in such a way that his/her position loses substance in the exercise of the legally conferred functions.
3. Within the limits of the above paragraphs, the delegate may subdelegate the powers delegated to him/her by the holders of bodies entitled to do so, unless the delegate or subdelegate expressly so reserves.
4. In the instrument of delegation, the delegating or subdelegated body or holder must implement the powers in question or the acts which the delegator or sub-delegator may undertake.
5. The delegate or subdelegate must mention this capacity in the use of the delegation or sub-delegation and substantiate it.
6. The delegator or sub-delegator may issue binding directives or instructions to the delegatee or sub-delegatee on how the delegated or subdelegated powers are to be exercised.
7. The delegator or sub-delegator shall have the power to revoke at any time or in accordance with the terms of the delegation the acts done by the delegatee or sub-delegatee.

8. The delegation and sub-delegation of powers shall lapse upon revocation or lapse if they have exhausted their effects or if the office holders of the delegating, subdelegated or subdelegated bodies have changed.
9. The replacement shall be for the immediate superior indicated by the person replaced, or in the absence of an indication, for the hierarchical inferior who is the most senior and shall extend to all the powers of the person replaced, including those delegated or subdelegated.

## **SECTION II MANAGEMENT AND ORGANIZATION**

### **Article 44 Regional Secretaries**

1. The Deputy Regional Secretaries to the President of the Authority shall hold administrative implementation posts and shall be responsible for administering sets of specified areas of activity and shall be accountable for the performance of their duties directly to the President of the Authority.
2. The Deputy Regional Secretaries of the President of the Authority shall supervise and coordinate, by delegation from the President of the Authority, the work of the Regional Secretaries, who shall directly manage economic and social sectors or middle areas of regional public administration.
3. The Deputy Regional Secretaries of the President of the Authority and the Regional Secretaries are appointed by the Council of Ministers, on a proposal from the President of the Authority, and are answerable directly to the President and the latter, directly to the Deputy Regional Secretary and medially to the President of the Authority.
4. The Deputy Regional Secretary of the President of the Authority and the Regional Secretary shall be assigned, for the purposes of remuneration and protocol precedence, respectively, the level equivalent to Minister and Secretary of State.

### **Article 45 Regional Directorates**

1. Regional direct public administration services are the regional directorates by activities - end, as directed to manage sub-sectors or sub-ranges of economic or social activities, and by activities - means, as directed to manage the necessary resources and means.
2. The regional directorates are headed by regional directors-general who report directly to the regional secretary under their supervision.
3. Where the volume and specialization of activities so justify, regional directorates may be organized into departments and units, or directly into administrative units.

### **Article 46 Offices and secretariats**

1. The offices and secretariats are regional direct public administration services for socio-economic and legal advice, technical assistance, administrative support, media and image, secretariat, information, documentation and archiving, mandate management, interconnection institutional with the sovereign bodies and regional and international relations, which are structured for direct assistance to the President of the Authority in the exercise of his/her powers.

2. The internal control and monitoring services are also structured in offices.
3. The offices are headed by office directors.
4. The secretaries are headed by heads of secretaries.

#### **Article 47**

##### **Supervision**

1. The regional direct and indirect public administration is subject to internal supervision, without prejudice to external supervision established by law.
2. The acts and contracts carried out or concluded within the scope of the powers of the Authority and of the President of the Authority of the Region of Oe-Cusse Ambeno, as well as of the sovereign bodies in relation to those, fall within the legal framework of the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro, and are therefore subject to the concomitant and successive supervision of the Chamber of Auditors of the High Administrative, Tax and Audit Court, with dispensation from prior supervision, as provided for in Article 41 of Law No. 3/2014 of 18 June.
3. Without prejudice to the hetero-focalization mentioned in the previous paragraph, the Authority and the President of the Authority shall ensure self-control of the execution of their deliberations and decisions and the periodic evaluation of their impacts, as well as the supervision of direct and indirect regional administration, including commercial companies, foundations, public funds and other participated organizations, by a single regional inspection service supervised by the President of the Authority, as well as contract regular audits by specialized independent organizations of proven reputation approved by the Authority.

#### **Article 48**

##### **Dimension**

1. The administrative structure of the Region must be simple, austere and of a size appropriate for the effective and quality implementation of its tasks and competences, with a measured and controlled growth, and for this purpose a regional matrix of organization, human resources and development of the regional public administration must be approved by the Authority.
2. Until the approval of the regional matrix, which will govern the size of the organization, to which the previous paragraph refers, the regional public administration must remain within the following limits:
  - a) up to two Deputy Regional Secretaries;
  - b) up to seven Regional Secretaries;
  - c) not exceed, by the end of 2016, the number of 60 civil servants in the regional direct administration services.

#### **Article 49**

##### **Standard of service creation**

Direct and indirect regional public administration services are created by defining the following minimum elements:

- a) a normative act classifying the type of service and justifying its creation;
- b) the name of the service;
- c) the financial allocation, budget allocation or constitution fund by the Region and public bodies, as applicable;

- d) the mission, object and scope;
- e) the organizational structure and form of appointment of the manager and the management;
- f) the establishment plan and remuneration.

## **Article 50**

### **Public institutes and foundations**

1. The indirect public administration services of the Region comprise public units and establishments, public institutes and foundations with public assets whose tasks are in the direct public interest and constitute an indirect way of organizing public administration in the performance of the Region's tasks.
2. The Authority shall, within two years of the entry into force of this legal decree, set up a development foundation and define and allocate the necessary public funds, as a patrimonial contribution for the constitution and start-up of the foundation, of which it is the patron, together with strategic partners to be involved, so that it can assist, finance and frame initiatives for the benefit of the communities and with their participation, for the improvement of the quality of life of citizens in the Region.

## **Article 51**

### **Public undertakings**

1. Public undertakings may be set up by the Authority when the activities necessary for the performance of the Region's tasks are carried out with a more appropriate cost-benefit ratio and quality of services, through an undertaking with exclusively public capital, provided that the creation is preceded by a project plan and a socio-economic and financial feasibility study by an independent entity of recognized reputation, demonstrating that there is economic viability as an investment, based on a positive ratio of own income and expenditure.
2. It is forbidden to set up public companies for the pursuit of activities of a purely administrative nature, unlikely to generate positive annual financial results or whose sole purpose is profit, over and above the proper legal framework in the social market economy.
3. Without prejudice to the preceding paragraphs, the following are activities which may in principle be carried out through public undertakings: trade, economic services, development, management and maintenance of urban and rural infrastructure and facilities, industrial and transport activities, educational, cultural, health, sports, recreational and ecological protection and development services.
4. Public undertakings shall be subject to the supervision and control of merit and legality, including the inspection of the Authority and of the President of the Authority, which shall be set out in the respective statutes.
5. The Authority, through its President, may delegate powers to public undertakings which are under its oversight and supervision, provided that this is expressly provided for in the respective statutes.
6. Public undertakings may carry out public service tasks and obligations and may operate services of general economic interest.
7. Public undertakings may conclude program contracts with the Authority, represented by its President, setting out in detail the subject matter and tasks to be performed and the amount of public funding to which they are entitled.



## Article 52

### Companies

1. The Region of Oe-Cusse Ambeno may also participate in commercial companies that contribute to the pursuit of the objectives and duties of the Region, in particular with regard to the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro.
2. The Authority shall promote the incorporation of a development company of the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro, as a public limited company, to which the provisions of this statute, the regional administrative regulation of creation, the respective statutes and the legislation that regulates the commercial companies shall apply, with the exception of what results from the public nature of the purposes intended with the development company.
3. The Authority shall be responsible for approving the statutes of the development company, determining in the respective administrative regulations the rights granted to it, as well as the powers of assignment and exploitation conferred on it, with its consent in its transmission, for the pursuit of the company's object.
4. The rules on the corporate object, the relations between shareholders, the composition of corporate bodies, the right to vote, the administration, the allocation of results, the reinvestment and distribution of dividends, as well as the dissolution, liquidation and division of the development company, which shall be included in the respective articles of association and the partial agreements that shareholders may enter into, shall reflect their public orientation. This law is based on the fact that the majority of its capital is public and on what is defined in this law, as well as on the adequate care of private interests and of investors that may participate in the company or associate themselves with it in the conception, development, construction, operation, exploration and management of projects and undertakings, whose purpose is to contribute to the development of the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro.
5. The development company, as concessionaire of public rights for the exercise of activities of management, exploration and development of the Special Zone of Social Economy of Oe-Cusse Ambeno and Ataúro, will pursue purposes of public interest and to that extent may, by administrative regulation of the Authority, be vested with powers of public authority.
6. The powers of public authority, referred to in the previous paragraph, shall be individually expressed in the administrative regulations of the Authority, which creates the development company, namely in what concerns the construction, development, management, operation, rehabilitation, readjustment, and maintenance of public infrastructures, being compulsory to mention:
  - a) The right, according to the law, to benefit from the expropriation of real estate that is necessary for the pursuit of its corporate purpose and, for this purpose, previously and timely declared of public purpose;
  - b) The right to use, administer and exploit the assets in the public domain which are or may be assigned to the exercise of its activity and to temporarily admit the management and exploitation, on its behalf, of those assets, unless there is legal impediment;

- c) To execute the decisions of the organs of the Region concerning the protection, vacancy, demolition and administrative defense of the possession of land and installations assigned to it and of works executed or contracted by it; it may also, by decision of the organs of the Region, temporarily occupy the private land it needs for the building site, the deposit of materials, the accommodation of workers and the installation of offices, without prejudice to the right to compensation.
- d) The right to charge fees for the services which it provides and to collect them in accordance with the law.
- e) The right to request the competent authority, if necessary, to enforce decisions in enforcement; and management of public infrastructure undertakings and projects or other declared of public interest.

## **CHAPTER VI TRANSITIONAL AND FINAL PROVISIONS**

### **Article 53**

#### **Transfer of services and resources**

1. The Government shall establish by resolution, within a period of 30 days from the date of publication of this Statute, a Monitoring Commission for the Implementation Program of the Special Zones of Oe-Cusse Ambeno and Ataúro - Pilot Project, composed of members of the Government appointed by the Prime Minister, the President of the Authority and members of the Authority appointed by him/her, with the task of ensuring effective coordination between the Government and the Authority in matters of allocation of resources, oversight and institutional collaboration defined in this Statute, for the period up to 31 December 2015.
2. The transfer of functions and human, material, financial and institutional resources to the regional administrative bodies and the regional public administration should be completed during 2015.

### **Article 54**

#### **Special area and special arrangements**

1. The powers of the Authority and of the President of the Authority in relation to the Region, established in the present legal diploma, also cover the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro, safeguarding those that by their nature and effects are only applicable to the Region and the special relationship of the Region with the Island of Ataúro, as a complementary pole of development.
2. The Region shall apply the special economic and financial regimes that may be established for the Special Zone of Social Market Economy of Oe-Cusse Ambeno and Ataúro, ensuring in this regard the adequacy that results from its specific economic regime.
3. The President of the Authority may take the initiative to propose legislation to the Government under the special economic and financial regimes referred to in the previous paragraph.

### **Article 55**

#### **Municipalization**

The regional administration and consultation bodies will participate in the municipalization at the level of the Region, in accordance with the provisions of the law and the respective national policy, contributing to the effective installation of the municipal bodies and their capacity building in terms of human, financial, material resources and assets necessary for the exercise of their core functions.

**Article 56**

**Sucos**

The President of the Authority and the members of the Authority shall develop relations of support and collaboration with the Sucos, as well as the institutional and resource support necessary to carry out the tasks assigned by law to the Sucos.

**Article 57**

**Entry into force**

This decree-law shall enter into force on the day following its publication in the Official Gazette.

Approved by the Council of Ministers on 13 January 2015.

The Prime Minister,

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**Kay Rala Xanana Gusmão**

Promulgated on 22 January 2015

Be it published.

The President of the Republic,

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**Taur Mata Ruak**