

VIII CONSTITUTIONAL GOVERNMENT

Considering the need to provide the Timorese legal system with a general regime of rules of origin that, respecting existing customs legislation, defines the general principles of rules of origin, establishing a general procedure for issuing certificates of origin and creating the necessary bodies the international harmonization of rules of origin, establishing the bases for the celebration of international agreements and/or treaties on rules of origin that serve the interests of economic development of Timor-Leste.

The Government decrees the following, under paragraph n), number 1 of Section 115 and paragraph d) of Section 116 of the Constitution of the Republic, to be valid as law:

## CHAPTER I

### GENERAL PROVISIONS

#### Article 1

##### Object

The present Decree Law establishes the legal regime of the rules of origin and the issue of certificates of origin.

#### Article 2

##### Scope of application

The present decree-law applies to the national territory of Timor-Leste.

#### Article 3

##### Definitions

For the purposes of the present document:

- a) Customs Authority (AA) - refers to the Customs Authority or equivalent body, of the government department that oversees the customs area;
- b) Directorate General of Commerce (DGC) - Refers to the Directorate General of Commerce, or equivalent organism, of the Ministry that oversees the area of Commerce.
- c) Exporter: the person by, or for whom the goods are exported and includes the person who is or becomes the owner, or the holder of possession, or the beneficiary interested in such goods at the time, or after the export declaration and before they are exported;

- d) Importer - the person by or for whom the goods are imported and includes the consignee of the goods, or the person who is or becomes the owner, or the holder of possession, or the beneficiary interested in such goods from the time of importation until the completion of the customs formalities;
- e) Material - any tangible or intangible good, product, article or material used in the production of a good;
- f) Merchandise - any tangible or intangible good, product, article or material intended for commercialization;
- g) Non-originating Merchandise or non-originating material - means a merchandise or material that does not qualify as originating from a certain country, in accordance with this Decree Law;
- h) Originating Merchandise or Originating Material - means a merchandise or material that qualifies as originating in accordance with this Decree Law;
- i) Harmonized System - means the Harmonized Commodity Classification and Coding System, established in attachment to the International Convention on the Harmonized Commodity Classification and Coding System, done at Brussels on June 14, 1983, respective Amendments and Explanatory Notes";
- j) National Content Value (NCV) - the percentage of the value of the goods that results from materials and other original production costs, determined in accordance with the criteria of this Decree-Law.

#### Article 4

##### Principles

Rules of origin shall be clear, predictable, transparent and aimed at international harmonisation.

#### Article 5

##### Interpretation

Rules of origin should be interpreted and applied in an impartial, transparent, predictable, consistent and neutral manner with a view to facilitating and not creating unnecessary obstacles to international trade.

#### Article 6

##### Non-preferential and preferential rules of origin

1. Non-preferential rules of origin are the body of laws, regulations and administrative determinations of general application used by any State in specifying the criteria for



- b) products of the vegetable kingdom harvested in that country;
- c) live animals born and raised there;
- d) products obtained from live animals raised therein;
- e) products obtained by hunting or fishing conducted there;
- f) Sea-fishing products and other products taken from the sea, outside the territorial sea of any country, by vessels registered or recorded in that country and flying its flag;
- g) goods obtained on board fBTTQq0.000008866 0 59G[Sea]TJETQ5f0.00wIhi866p3()-0 59Gr0008-3(d)3( in

2. The criteria for calculating the VCN are defined by Government Decree, on the initiative of the member of the Government responsible for the area of commerce, under the proposal of the Committee of Rules of Origin.

#### Article 12

##### Change of Tariff Classification

It is considered that there is a change in the tariff classification relevant, for the purposes of Article 10(b), when the good resulting from the processing of non-original materials undergoes a change in tariff classification consisting of changes in the two-digit harmonized system level classification (chapter) and level of four digits of the harmonized system (title) for preferential rules of origin.

#### Article 13

##### Transformation process

1. Goods resulting from the substantial transformation of non-original materials through a production process provided for in the rules of origin are considered original, for the purposes of paragraph c) of article 10.º.
2. The production process referred to in paragraph 1 is regulated in a separate statute.

### CHAPTER III

#### RULES OF CONSIGNMENT

#### Article 14

##### Rules of consignment

An exported or imported merchandise keeps its quality of

CHAPTER IV  
CERTIFICATES OF ORIGIN

Article 15

Concept

1. The certificate of origin is a document whereby the competent authority or the body authorised to issue it identifies and attests that the goods covered by the certificate originate in a given country.
2. It is the responsibility of the Directorate General of Customs, under the terms of the customs legislation, to supervise and verify the origin of imported products for the purpose of applying customs tariffs.

Article 16





4. The Committee of Rules of Origin shall approve its functioning regulations, in compliance with the provisions of the present Decree Law.

#### Article 21

##### Functions

Without prejudice to other functions that may be assigned to it by law, the functions of the Rules of Origin Committee shall be

- a) Submit proposals for the regulation of this diploma to the member of the Government responsible for the area of commerce;
- b) Issue a binding opinion on procedures for certificates of origin under the terms of article 16;
- c) Issuing a non-binding opinion on proposals for international agreements and treaties that establish preferential rules of origin and/or procedures for issuing and recognizing certificates of origin;
- d) Monitor the negotiations and implementation of international treaties on rules of origin.

#### Article 22

##### Reports

1. The Rules of Origin Committee shall prepare an annual report assessing the status of regulation and implementation of rules of origin and certificates of origin.
2. The report referred to in the preceding paragraph shall be forwarded to all members of the Government represented on the Rules of Origin Committee and to the Prime Minister.
3. The Rules of Origin Committee may submit to the Government, or to the competent line ministers, extraordinary reports on any relevant matters in the area of rules of origin and certificates of origin.

### CHAPTER V

#### Final and Transitory Provisions

#### Article 23

##### Application of law in time

1. Certificates of origin issued on a date prior to the entry into force of this statute shall remain valid and effective for the time period and conditions established therein.



The President of the Republic,

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José Ramos-Horta