It is imperative that the Government establish specific procedures for the request of quotations for the projects duly identified in this diploma, based on criteria of priority and importance for national development, and also take into account their relatively low value, allowing the State to promote the emergence and strengthening of the small and medium entrepreneur fabric in Timor-Leste.

Therefore,

The Government decrees, under the terms of subparagraph e) of paragraph 1 of article 115 and sub-paragraphs a) and d) of article 116 of the Constitution of the Republic, that the following become law:

**Article 1**

Special procedure for requesting quotations

1. A special procurement procedure by request of quotations, applicable to the projects set out in Annex 1 to this diploma, which are in integral part of it.

2. By way of Government Resolution, the regime set out in this diploma may be extended to other projects which meet the criteria set out in the following article.

**Article 2**

Criteria

1. The projects set out in nº 2 of article 1 above to be included within the scope of the application of this legal diploma shall be subject to the following criteria:

   a) An amount equal to or higher than 150,000 USD (one hundred and fifty thousand dollars);

   b) Contracts awarded exclusively to national entrepreneurs, preferably to the local business community.

2. For the purposes of this legal diploma, the local business community shall be understood as Timorese companies with head offices located in the sub-districts where the work is being undertaken.

3. The Government shall govern by decree the special procedure for requesting quotations.

**Article 3**

Special projects

1. The direct adjustment regime set out in article 44 of Decree-Law no. 10/2005 of 21st of November in the text given by Decree-Law no. 24/2008 of 23rd of July, is also applicable to the projects set out in Annex 2 to this diploma and of which it is an integral part.

2. The projects listed in Annex 2 are based on the following criteria:
a) Flood control projects or;

b) Rehabilitation projects of communication routes.

**Article 4**

**Subsidiary regime**

The procurement regime set out in Decree-Law referred to in Article 3 above, shall be subsidiarily applicable to everything which shall not contradict the terms and provisions set out in this legal diploma.

**Article 5**

**Entry into force**

This diploma shall become enter into force on the day following its publication, and shall retroactively produce effects on 1st of October 2009.

The Prime Minister

**Kay Rala Xanana Gusmão**

Finance Minister

**Emília Pires**

Promulgated on 23/10/09

To be published

The President of the Republic

**José Ramos Horta**