

**Government Decree  
No. 13/2008 of August 13<sup>th</sup>  
Rules for the intervention in the public supply and prices**

Considering that Law No. 28 of August 13, 2008, which instituted the judicial regime of public supply of essential goods and management of the negative effects of inflation, expressly foresees its complementary regulation;

Attending to the fact that the procedures concerning to intervention in the market distribution rules, namely in the settlement of prices and subsidies, as well as to the period of intervention are crucial to the execution and transparency of the policy;

Aware that the practice of administrative fixating of prices in order to face an abnormal rise in prices of first necessity products, must be a transitory and last resource measure;

Thus:

The Government decrees based on the decision of Law No. 28 of August 31, 2008, to serve as law, the following:

**CHAPTER I  
SCOPE AND OBJECTIVES**

**Article 1  
Application Scope**

1. The present Regulations are applied to the procedures to be observed in the intervention regimes in the public supply of essential goods, through the creation of security stocks and stabilization of prices with and without subsidized resources.
2. Due to the persistent circumstantial rise in prices of fuel and rice, specific mechanisms are established, including the resource of temporary price subsidy, with the intent of supplying the needs and the risks induced in the country's supply.

**Article 2  
Objectives**

1. Transitorily and occasionally guarantee the importation and supply of rice and alimentary oil, assuming the expenses inherent to the transportation, stocking and the gratuitous availability to the receivers beholders of the right, as well as safeguard the participation of the sector's wholesalers, at subsidized prices.
2. Occasionally intervene in the sector of essential raw materials for civil construction and public works, specifically cement, tar, iron, etc., importing these goods directly and maintaining a security stock, making them available for the sector's wholesalers, without profit but without subsidy.
3. Establish and manage a temporary subsidy, capable of guaranteeing a social price to the users of public transportation of passengers, in other words, the vans (microletes) and coaches (camionetas), tending to prevent an uncontrolled and distorted increase in the sector's prices.
4. Exercise the oversight for possible interventions over prices and supply of essential alimentary goods in general, as well as over the essential goods for civil construction and public works.

**CHAPTER II**  
**NORMS RELATIVE TO THE SUPPLY OF RICE AND ALIMENTARY OILS**

**SECTION I**  
**ATTACHED CRITERIA**

**Article 3**  
**Opportune criteria of the intervention**

1. The intervention in markets of essential goods included in the present document must be measured through the verification of one or more of the following situations:
  - a) A disruption in the supply, regardless of the factors that have determined it;
  - b) Situations of illicit distortion of the market, through monopolies, cartels or of artificial collusion of price fixing;
  - c) Substantial variation of prices with speculative profits unjustified by the economic circumstances;
  - d) Monopolizing, which is understood as the building of abnormally large stocks, with the intent of obtaining a dominant position in the market of these essential goods;
  - e) Prevision of the need for large stocks of a determined good, that the market forces do not have financial liquidity to support the respective costs, either to purchase or to maintain, nominally due to the announcement of large public works or of bad agricultural crops;
  - f) Alimentary emergency situations, including catastrophes and other unpredictable events;
  - g) Unequivocal result of the oversight of prices of essential goods, the prevision of a lack of stock in the market capable of supplying the population's basic needs, nominally, but not limited to a sudden circumstantial crises.

**Article 4**  
**Inter-ministerial agreement for the fixating of critical territorial areas**

1. The Inter-ministerial Committee defines the intervention areas according to the purposes of evident and relevant social investment, of impact of immediate poverty and of the creation of local jobs.
2. In case it is found that the supply crises persists only in a certain region or certain districts, nominally, in the case of bad crops or catastrophes, the intervention can concentrate and focus only on these territorial areas.

**Article 5**  
**Priority criteria for apportionment**

1. In application of the decisions in article 11 of Law No. 28 of August 13, 2008, or "Classification Law", the apportionment among the interested wholesalers is based on criteria of the strategic localization, determined by the location of the wholesalers' headquarters and warehouses, and the antiquity in the activity.
2. The antiquity criteria is assessed through the activity license date of the company and that such authorization unequivocally respects the wholesale commercialization of rice and alimentary oils or, in general, of alimentary products.
3. The decision applies directly to the decision in the classification law, about the unavailability of sales to wholesalers and about the existent in the emergency alimentary reserves.

**Article 6**  
**Participation in National, International and NGO Organizations**

1. The participation of national and international unprofitable entities or organizations, as well as NGOs, although they can be compensated for the cost of participating, can be admitted or requested.
2. In the panel of the participation agreements of the entities foreseen in the previous number, the Program-Contracts will be valid for a period not superior to 1 year.

**Article 7**  
**Quantity and quality of alimentary goods**

1. The Ministry of Tourism, Commerce and Industry, from now on MTCI, along with the Ministry of Agriculture and Fishing and with the Ministry of Social Solidarity, fixate the necessary amount for the supply and for reserve stock, submitting to the decision of the Inter-Ministerial Committee.
2. The Alimentary and Economic Inspection, in collaboration with the Health Inspection Services of the Ministry of Health, safeguarding the quality conditions and norms of the alimentary goods foreseen in the present Regulation.

**Article 8**  
**Provisioning Criteria**

The judicial regime foreseen and established in Law no. 10/2005, which approved the Judicial Provisioning Regime is applicable.

**SECTION II**  
**DURATION OF THE INTERVENTION**

**Article 9**  
**Beginning and end of the intervention**

1. The intervention measures regulated in the present document are occasional and are designated to supply the needs and the risks induced in the supply of the country, motivated by the abnormal circumstances of high international prices over essential goods.
2. The beginning of the intervention is counted from the effective importing and physical storage of the goods and must end as soon as the circumstance and the market have the conditions to supply the referred needs.
3. A "Campaign" is the effective period of the intervention of subsidies to the prices and security stocks, ending, if possible, at the end of the fiscal year.

**Article 10**  
**Action scheduling**

1. Without jeopardizing the decision in the program-contracts foreseen in the present document, the ministerial document that starts off the invitations for proposals and manifestations of interest to the business sector, wholesalers can include a schedule of actions, with references to the quantities and the districts of operation.
2. When dealing with actions of alimentary goods supply, subsidized for social solidarity purposes, it is up to the Ministry of Social Solidarity, in collaboration with the MTCI, to define the actions and periods or action, in cased it deems it necessary.

**SECTION III**  
**FIXATING PRICES**

**Article 11**  
**Ratification and Publication**

Under the terms and for the effects of the decision in the Classification Law, the sales price to the public and/or the commercialization margin and the subsidy of the transportation costs of the goods regarding the present Chapter, may they be made available by the Government to the wholesalers, is fixated by the Inter-Ministerial Committee.

**Article 12**  
**Principles of price fixating**

1. The government supports all the costs inherent to the initial transportation, CIF and/or stored in its warehouses.
2. The Government guarantees the sale and availability of rice and alimentary oils, to the sector's wholesalers, properly licensed and who request them, compensating them for the transportation costs to the retail destination, under the terms of the present Regulation.
3. The top sales prices must be broadly divulged.

**Article 13**  
**Composition of transportation costs**

1. The ministerial document that fixates the sales prices to the public will also establish the compensation of the transportation costs, opting for the reduction in the sales price for the wholesalers, due to the territorial distances of the places they are designated to, or by directly subsidizing this cost, on the base of money/km according to tables 1 or 2.
2. In the execution of the decision in Law No. 28/2008, the transportation costs to be subsidized obey the optional composition included in Tables 1 or 2, annexed to the present document.
3. The direct subsidy attribution table "per kilometer", can be eventually indexed to the one practiced by the World Food Program in Timor-Leste.

**SECTION IV**  
**PARTICIPATION AND SELECTION OF THE WHOLESALERS AND TRANSPORTERS OF THE PRIVATE AND COOPERATIVE SECTORS**

**Article 14**  
**Forms of participation**

1. The participation proposals obey the decision in Law No. 28/2008 and in article 5 of the present Regulation, about priority and apportionment criteria, and they are as follows:
  - a) Punctual candidacies, by means of the presentation of proposals to the respective public participation invitations, published by MTCI in 2 newspapers with at least 3 business days of antecedence;
  - b) Presentation of proposals for the signing of program contracts, in reply to a specific public invitation;
  - c) Manifestations of interest, at the initiative of the wholesalers, at any moment, which will be maintained in its own registration and that can be considered for selection informed of the modalities foreseen in previous paragraphs during the respective deadlines.
2. The ministerial document that article 11 refers to, can include a public invitation referred to in paragraphs a) and b) of the previous number and the incentive to the presentation of manifestations of interest foreseen in paragraph c).

## **Article 15 Participation Process**

1. As soon as the sales price to the public is fixated and/or the margin of commercialization and the subsidy to the cost of transportation of goods, the presentation of proposals procedure, replies or manifestations of interest is begun, under the terms of the previous article.
2. The participation proposals, whichever their format is, must contain at least the necessary elements to the eventual contracting, foreseen in article 20 and a declaration that the proponents meet the requirements foreseen in the following article

## **Article 16 Requirements and essential capacity of the participants**

1. In order to participate in the public supply and respective transportation, the potential candidates must accredit the fulfillment of the following essential requirements:
  - a) Have enough business capacity, reliability, experience and reputation to give guarantees of fulfilling the contract;
  - b) Have the legal capacity to sign the contract;
  - c) Have enough financial resources for the fulfillment of the contract;
  - d) Have the personnel with qualifications and professional and technical competence required to guarantee the fulfillment of the contract;
  - e) Have met all tax obligations and contributions to social security;
  - f) Not present any of the causes for disqualification foreseen by the present document.
2. The custody can require the candidates to provide appropriate documentation or other information that might be considered useful to certify their qualification.

## **Article 17 Causes for disqualification and impediments**

1. The competitors that are included in one of the following situations will be disqualified and excluded from participating:
  - a) Be insolvent or declared bankruptcy;
  - b) Are in a situation or process of cessation of activities, trusteeship, bankruptcy or under liquidation;
  - c) Their businesses are being managed by a court or judicial agent;
  - d) Have had their business activities suspended by judicial decision;
  - e) Have tax, social contribution or debts of any nature with the State;
  - f) The directors or administrators have been convicted by judicial sentence for providing false declarations or erroneous information as to their qualifications, for the signing of a contract with any public institution over the last 3 years;
  - g) Directly or through mediation submit more than one participation proposal for the same public invitation.
2. The disqualification can occur at any point, in case it is verified that the information provided regarding the qualifications are false or contain errors or essential omissions.

## **Article 18 Selection**

The selection process follows the principles enunciated in article 5 according to the required requisites of 16, where the guarantee is conferred to the participants that at least one of the members of the jury is also a member of Government.

**Article 19**  
**Specific duties of the wholesalers**

For the effects of the present Regulation, the specific duties of the wholesalers are:

- a) The duty of cooperating with the objectives of public interest inherent to the public supply of essential goods;
- b) Prior payment and presentation of proof of payment of the price of the goods, as a contractual requirement of their acquisition at a subsidized price and the included transportation to the warehouses;
- c) Accounting rules in general, added with what is foreseen in article 34.

**Article 20**  
**Essential elements of the contracts**

The contract text must include at least the following basic elements:

- a) Identification of the parties;
- b) Object of the contract;
- c) Conditions and deadlines for fulfilling the parties' obligations;
- d) Terms of payment of the transportation subsidy, if applicable;
- e) Penalties for non-fulfillment;
- f) Competent court to decide on eventual conflicts between the parties, which will be the competent Court in Timor-Leste.

**Article 21**  
**Regime of transporter contracting**

- 1. The wholesalers freely chose and contract the transporters, aware that the subsidy for transportation costs is fixated, except for the minimal requirements foreseen in article 16.
- 2. The transportation from the port of Dili to the government warehouses in the capital, when it cannot be done by vehicles of the State or by international organizations at cost, it will be contracted with the Transportation Association, under the terms of the decision in article 23.
- 3. The contracting of transporters by the MTCI, follows the regime applicable to the participation, selection and contracting of the wholesalers, established in previous articles.
- 4. The transportation and social distribution to the legal beneficiaries are contracted by the Ministry of Social Solidarity and follows the regime established in the previous number.
- 5. The decision in article 14 about the modalities of participation is applicable.

**Article 22**  
**The transporters rights and duties**

Besides the general duties for the effects of the present Regulation, the transporters specific duties are:

- a) The duty of cooperation with the objectives of national interest inherent to the public supply of essential goods;
- b) Strict fulfillment of the obligations relative to the circulation documents foreseen in articles 25 and 29, of the attached models;
- c) Accounting rules in general, plus those foreseen in Section VII.

**SECTION V**  
**LOGISTIC OPERATIONS AND RESPECTIVE CONTROL**

**Article 23**  
**Transportation to the Government's warehouses**

1. The transportation from the port of Dili to the Government's warehouses in the capital, when unable to be transported by vehicles of the State or of international organizations at cost, it will be contracted with the Transportation Association.
2. The transportation from other entry points of the country to the Government's warehouses, is preferably contracted under the CIF regime and, if this is not possible, giving preference to local transportation companies, as long as they ensure a more advantageous price and safety conditions.

**Article 24**  
**Storage**

1. The storage locations and facilities for alimentary goods to which the present document refers are subject to permanent security and supervision by the authorities referred to in section VIII.
2. Without jeopardizing the gratuitous utilization or warehouse reduced prices or warehouse space donated by national or international organizations, as long as there aren't warehouses belonging to the State in the Districts, the government can lease the necessary space through contracts that will always include the clauses of security and duration.
3. The sanitary conditions are guaranteed by the authorities referred to in article 7.

**Article 25**  
**Logistic documental support**

1. In each of the Government's warehouse, there will be two sequential registration books, where Book 1 is relative to the entries and exits and Book 2 for the reports of inutility and other fortuitous cases.
2. The models of the records are respectively included in Annexes I and II of the present Regulation and are an integral part of it.
3. No alimentary good covered by the intervention can enter or exit the respective warehouses without such a movement being integrally recorded.
4. At the exit from the warehouse, a probative document will be issued and handed to the transporter, according to Annex III, with the data regarding the quantities, qualities and identification of the destination, for the control of the circulation.

**Article 26**  
**Warehouse Operators**

1. Regardless of the position title, the main responsible for the warehouse and his assistant, or co-responsible immediately inferior in the hierarchy, are designated for the present effect as "warehouse operators".
2. The warehouse operators respond civilly, disciplinarily and criminally, for the intervened goods deposited in it, their movement and records.

**Article 27**  
**Places of delivery and sale to wholesalers**

The place of delivery of the goods made available to the wholesalers is the Government warehouse of the respective intervention District, where they are forbidden to take the merchandise directly from the port of Dili, except in justified and properly authorized cases.

**Article 28**  
**Transportation and distribution to the beneficiaries of the social solidarity**

The Ministry of Social Solidarity organizes and ensures the transport and the gratuitous distribution to the legal beneficiaries, within the principles of the present Regulation.

**SECTION VI**  
**CONTROL DOCUMENTS**

**Article 29**  
**Documents of obligatory circulation**

1. Without jeopardy to the decision in number 2, the documents that must accompany the means of transportation of the intervened goods, are the following:
  - a) Original certificate and copy of the contract granted with the Ministry of Tourism, Commerce and Industry/
  - b) Probative document issued at the exit from the warehouse, which refers to article 25, number 4, according to Annex III, with the identification data of the movement.
2. In the exclusive and direct circulation between the Government's warehouses, the document, issued by the exit warehouse, in paragraph b) of the previous number is mandatory.
3. In the transportation movements without escorts, the competent authorities oversee the observance of these requirements, at any time of the day or night.
4. The transportation from the port of Dili to the Government's warehouses in the city, are forced to have and present the usual legal documents issued by the port and customs authority and will always be escorted.

**Article 30**  
**Lack of or refusal to present the circulation documents**

In the lack of or refusal to present the circulation documents to the competent authorities, the means of transportation and their cargo are held in a place that does not put traffic into jeopardy and with permanent security, until they are presented and confirmed by the MTCI.

**Article 31**  
**Escort**

1. The transportation from the port of Dili to the warehouses in the city, are always accompanied by a police or military escort.
2. The transportation from the Government's warehouses, or between them, by land or sea, designated for gratuitous distribution, is always accompanied by an escort.
3. The subsidized transportation of alimentary goods made available for the wholesalers, from the Government's warehouses, will be escorted whenever possible, by decision of the Minister of Tourism, Commerce and Industry according to the availabilities, risks and costs.
4. In the cases of the previous number, the accompaniment of at least one credentialed MTCI employee will be guaranteed, namely from the Alimentary and Economic Inspection or from the Auditing or any other nominated, who will present a report of where the destination location or locations of the goods are.
5. It is understood that an escort is the accompaniment of the means of transportation of the essential goods, which are the object of the intervention, by national or international security force, besides the agents of the supervising entities to be nominated by the Ministers of Social Solidarity and MTCI.



## **SECTION VII ACCOUNTING RULES**

### **Article 32 Ministries**

The Ministries of Finances and MTCI will maintain accounting records organized in the following order:

- a) Intervention campaign, with mention to their respective period;
  - b) Total value withdrawn from the Economic Stabilization Fund (ESF);
  - c) Importing or acquisition of the quantities and by type of alimentary goods;
  - d) Participants and quantitative apportionment to each one, including Social Solidarity;
  - e) Total value of the costs and expenses, by rubrications of: subsidy to the campaign, announcements and divulgation, inherent to the importing, storage, transportation, security and general logistics and salaries;
  - f) Total value returned to ESF and respective balance: total of b) – f).
3. The Ministry of Social Solidarity keeps the records and accounting support foreseen in paragraphs a), c) and e) of the previous number.

### **Article 33 Accounting of entries and exists from the Government's warehouses – Remission**

The logistical documental support foreseen and established in article 25, must reflect all of their quantitative movements, always with the available balance in sight.

### **Article 34 Wholesaler and transporter accounting**

The wholesalers and transporters, including the cooperative sector, will keep their accounting organized under the general legal terms, but with the obligation of resulting clear and unequivocal accounting supports referring to:

- a) The purchase operations to the State per campaign; and
- b) The respective acquisition and sales prices, per product.

## **SECTION VIII SUPERVISION, INSPECTION AND EVALUATION**

### **Article 35 Supervision**

1. It is up to the National Board of Domestic Commerce, along with the Alimentary and Economic Inspection – Regulatory Unit of the Public Supply, of the MTCI, to promote and supervise the campaigns and operations of their implementation, under the terms of the respective organic structures and competencies.
2. The Ministry of Social Solidarity is up to the quantitative and qualitative supervision of the goods and of the management operations and their gratuitous and effective distribution to the beneficiaries to whom this right is legally attributed.
3. The Ministry of Finances is responsible for the supervision regarding the release and use of ESF funds, without jeopardy to the other prerogatives foreseen in the law and in the present Regulation.

### **Article 36 Inspection**

1. It is up to the Alimentary and Economic Inspection – Operational Control and Risk Analysis Unit, to inspect the actions of inspection and investigation, along with other Services, nominally of Health, of Finances, of Agriculture and Environment, under the terms of the respective organic competencies.
2. The PNTL collaborates with the ministerial tutelage identified above under the punctual or protocolar terms concerted.
3. The Church, with its assent, conditions and availabilities, can support the control of the effective reception of the essential alimentary goods by the needy population who have the gratuitous right to them.

### **Article 37 Evaluation**

The MTCl will present a summarized report to the Prime-Minister and the Ministries involved, on the evaluation of each intervention campaign.

## **CHAPTER III NORMS RELATIVE TO THE SUPPLY OF BASIC MATERIALS DESIGNATED TO CIVIL CONSTRUCTION AND PUBLIC WORKS**

### **Article 38 Criteria and Principles to be Observed**

1. The criteria and principles foreseen and established in Sections I and II are applied with the proper adaptations, always taking into consideration that the intervention and the campaigns referring to the goods and materials of the present Chapter exclude the subsidy to transportation in favor of the wholesalers, under the terms of the decision in article 2 of the present Regulation.
2. In exceptional and justified cases of intervention in order to guarantee maximum prices of essential goods and materials foreseen in the Classification Law, in public works of large value and size, can restrict itself to the availability and sale only to the respective consignees of the job in a public contract with the State, by means of a ratification of the Prime-Minister.
3. The specific regime foreseen in the previous number will have to be justified based on the serious and predictable risk of breaches in the stable stocks, of rupture in the supply and consequent delays and prices rises of the public works, due to:
  - a) Notorious financial incapacity of the importers to satisfy the quantities involved/
  - b) The forming of cartels of speculative artificial price fixating and/or
  - c) Of monopolization.

### **Article 39 Initiative and organization of the processes**

1. It is up to the Ministry of Infrastructure to supervise and initiate the procedure and judge the opportunity and necessity of the intervention, for the preparation of a dossier for each intervention campaign.
2. The dossier must reflect the quantitative and qualitative intervention materials with the utmost rationality and efficiency, nominally:
  - a) Purpose and objectives of the intervention;
  - b) Duration and eventual scheduling;

- c) Identification of the goods to be purchased;
  - d) Maximum prices;
  - e) Method or methods of the proposed selection;
  - f) Need and form of diffusion in the adequate media;
  - g) Specific logistics;
  - h) Reserve of exclusive availability for the contractors of public works, if applicable.
3. The dossier is sent to the Inter-ministerial Commission, under the terms and for the effects of the decision in the Classification Law.

#### **Article 40**

##### **Implementation procedures and norms – Remission**

The criteria and principles foreseen and established in Sections III to VIII of Chapter II are applicable, with the necessary adaptations, always taking into consideration that the intervention and the campaigns referring to the goods and materials of the present Chapter, exclude the subsidy to transportation in favor of the wholesalers, under the terms of the decision in article 2 of the present Regulation.

#### **CHAPTER IV**

### **NORMS RELATIVE TO THE SUBSIDY OF FUEL FOR THE PUBLIC TRANSPORTATION OF PASSENGERS**

#### **Article 41**

##### **Regime classification norms**

1. The attribution of the temporary subsidy, has the intent of guaranteeing a social price for the users of public transportation, vans and coaches, tending to prevent an uncontrolled and distorted increase of prices, where all other means of transportation are excluded.
2. Under the terms of the decision in the Classification Law, only the fuel sold directly to gas stations, exclusively designated for the refueling of the public transportation of passengers, properly licensed and with the required technical inspections having been done, is benefited by a social price, subsidized by the Government.
3. The indicative maximum limit of the social expense financed by the Government is 30% of the average price practiced by any four fuel dealers in the city of Dili.
4. The subsidy is fulfilled through the allocation of inviolable passwords or coupons to the private sector, with a non-fractional face value of 10, 20 or 50 US dollars, and up to the quantitative limits foreseen in the classification Law.
5. The physical supply of subsidized fuel is done exclusively directly for the vehicle deposits, where its sale to tanks or any other containers is prohibited.

#### **Article 42**

##### **Publication and application of the social price**

1. The subsidized social price will be published after being ratified by the Inter-ministerial Commission, with the indication of the date and time of the beginning of distribution of passwords and coupons.
2. The face value of the passwords and coupons is reimbursed to the fuel dealers within the maximum period of 3 business days or twice a week.

#### **Article 43**

##### **Characteristics of the passwords and coupons**

1. The consignees of the contracts of elective supply, declare and guarantee, in writing, that the place where the passwords and coupons are manufactured is situated at a distance superior to a radius of two thousand kilometers from Dili and that they respect the veracity of the quantities declared.

2. The passwords or coupons are numbered sequentially in an indelible fashion, by series and with enough recognition marks to avoid forgery including internal or aggregate fibers recognizable through touch or light.
3. The validity of each series must be quite visible and, at the end of the respective time, will not be accepted by the dealer or have the values reimbursed.
4. The passwords and coupons are covered by a semi-impermeable material, in order to avoid its deterioration, predictably for the period of 5 years.
5. The drawings and colors are the responsibility of the MTCI, which will keep two passwords and coupons as specimen models filed, sending a third original sample, to the Ministry of Finances and will provide for its divulgation by the dealers under the terms of the following article.
6. If possible, a computerized control system will replace the use of passwords and coupons.

#### **Article 44**

#### **Allocation of the passwords and coupons to the public transporters of passengers**

1. At least 2 days before the making them available for the eligible public transporters, the MTCI must divulge and give a specimen of the passwords and coupons to the national fuel dealers, directly or through their representative associations, in order to avoid that they become the object of fraud, by means of the presentation of false types and models.
2. The public transporters of passengers must request the passwords and coupons to the competent services of the Ministry of Tourism, Commerce and Industry or at the places authorized to do so, on a monthly base and all at once, up to the limits established by the classification Law.

#### **Article 45**

#### **Procedure of dealer reimbursement**

1. The dealers are restituted within the maximum period referred to in No. 2 of article 42, by means of their claim to the Ministry of Tourism, Commerce and Industry or authorized locations, where the passwords and coupons must be turned in as representative titles of their credits.
2. The face value of the passwords and coupons represent the credit, where, according to the terms of the decision in the classification Law, the reimbursement can only be refused based on forgery or if illegible, and non-fractioned.

#### **Article 46**

#### **Dealers' rights and duties**

1. The fuel dealers have the right to be compensated and reimbursed by the Government, of the difference between the average market price and the social price represented by the passwords and coupons, under the terms of the present document and the classification law.
2. The fuel dealers have the right and duty to refuse refueling at the social price when confronted with illegible official passwords and coupons or that present strong indications of being forged, with the penalty of having their reimbursement refused.
3. The fuel dealers have the right to refuse the refueling whenever the presentation of the activity licenses are refused by the individual operators and companies that intend to refuel at social prices.
4. The fuel dealers have the duty to refuse fractioned or partial refueling of the passwords or coupons as well as the duty to refuse their transaction for other goods and services other than the refueling of gasoline or diesel.
5. The physical refueling of subsidized fuel for the public transportation of passengers is only permitted under the precise terms of the decision in No. 6 of article 41, for the deposits of the vehicles.

6. Beyond the conditions referred to in the previous numbers, it is prohibited for the dealers to refuse refueling for the holder of the legitimate passwords or coupons.
7. The accounting of the fuel dealers must reflect the sale of subsidized fuel, with reference to the quantities of passwords or coupons.

## **CHAPTER V FINANCIAL DECISIONS**

### **Article 47**

#### **ESF Normalized Flow for public supply campaigns (financial protocol circuit)**

1. Without jeopardy to the implementation of simplified regimes, the normal flow of the transferences from the Economic Stabilization Fund (ESF), only takes place after the ratification of the dossier by the Inter-ministerial Commission, which includes the quantities, provisioning modality and other requirements, according to the protocol included in the following numbers.
2. The disbursement of funds for the subsidized and approved intervention campaigns will be properly accounted in the registration of movement of the ESF, always maintaining an accounting balance of commitments and another balance of availabilities.
3. The MTCl must present a single payment commitment form (PCF) for each approved intervention campaign for eligible alimentary goods, material for construction and public works or public transportation, gathering the enabling documents, at the Ministry of Finances, before contracting the supply.
4. The MTCl receives and advance of 10% of the total value of the campaign for preparatory divulgation expenses, passwords, contracting and logistics, maintaining each one's own accounting.
5. The Ministry of Finances processes the request, and disburses the contracted value, in favor of the supplier of the goods object of the campaign, as soon as the merchandize arrives in the country (CIF), or according with another procedure ratified by the Prime-Minister.
6. The participating wholesale companies pay the value of the subsidized goods they are entitled to at commercial Banks, in the Ministry of Finances' accounts, where each account corresponds to each one of the four categories foreseen in the paragraphs of No. 1 of article 2.
7. With the respective confirmation of payment, the wholesalers or consignees of public works referred to in article 38, present themselves at the MTCl or the MI, respectively to sign the contract of purchase and selling of alimentary goods or designated to construction or public works.
8. As soon as each one of the contracts of purchase and selling of goods is concretized, at subsidized prices, and the respective price is paid, the participant wholesalers can retrieve the goods at the Government's warehouses, under the terms of the classification law and the present Regulation.
9. At the end of the respective campaign, after the last payment, the MTCl or the Ministry of Infrastructure, presents a final report of accounts to the Prime-Minister and the Inter-ministerial Commission, with a specific mention regarding:
  - a) Money that was not used and if the decision in article 25 of Regulation 13/2001 was fulfilled/
  - b) Comprehensible summary of the expenses spent during the divulgation, contracting, logistic and other phases, for effects of the decision in No. 4.
10. In case there is money not used by the MTCl and/or the Ministry of Social Solidarity, and under the terms of the decision in article 25 of the UNTAET Regulation No. 13/2001, it will be deposited, through reposition forms, in the states' coffers, up to December 31 of the respective fiscal year.

#### **Article 48**

#### **Normalized ESF Flow for the social price of public transportation (financial protocol circuit)**

1. The financial protocol referring to the subsidy of public transportation prices, is based on the decisions in articles 44, 45 and 46 of the previous Chapter and in the classification law.
2. Numbers 1 through 9, 9 and 10 of the previous article are applicable with the proper adaptations, nominally taking into account that the Government does not intervene in the quality of storage or salesperson.
3. The passwords and coupons are sent to places determined by the Ministry of Tourism, Commerce and Industry or authorized places to be distributed following the procedures in articles 44 and 45.
4. At the end of the campaign, if there are participating entities in the distribution of passwords and coupons, they present a summary of accounts to the MTCI, returning the passwords and coupons that hadn't been distributed and hand in the list of the transporters who received them.
5. In case the entities referred to in the previous number have agreed with the MTCI, the payment of a compensation for expenses and taxes while processing, verifying and distributing the passwords and coupons, this will be done within the maximum period of 5 business days after the delivery of the documents referred to in the previous number.
6. The recovered passwords and coupons are filed at the MTCI for at least 5 years, for eventual audits.

#### **CHAPTER VI**

#### **FINAL AND TRANSITORY DECISIONS**

#### **Article 49**

#### **Norms of Price Supervision**

1. Until the ministerial document on the subject is published and/or the Risk and Operational Control Analysis Unit and the Public Supply Regulatory Unit, both belonging to the Alimentary and Economic Inspection structure, are indued with the respective personnel, the supervision of other basic products follow the current MTCI criteria.
2. The analysis of risks falls upon, preferably, essential alimentary goods, in situations of serious risk of rupture of stocks or that are the object of monopolization, speculation or other practices that jeopardize the market and the population.

#### **Article 50**

#### **Public contracts for supply and transportation in effect**

The contracts already signed and in effect since July 1, 2008, are kept in effect until the end of the 2008 fiscal year, under the terms assumed by the parties, without jeopardy of being renewed for 2009, in this case according to principles established in the present Regulation and the classification law.

#### **Article 51**

#### **Going into effect**

The present document goes into effect on the date following its publication.

Approved by the Council of Ministers, on June 25, 2008.

To be published.

The Prime-Minister



**Annex III**  
**Model of circulation document**  
**(To which articles 25 and 29 refer)**

Date/Time	Warehouse (Neighborhood and City)	Quantity loaded	Type of Product	Wholesale Company	Vehicle Matriculation	Driver	Warehouse Operator
							Page No.

**Table 1**  
**Elements that compose the transportation costs to the Districts**  
**(To which article 13 refers)**

Dispatch District	Destination District	Transportation cost per ton (USD\$)	Transportation cost per sack (USD\$)	Transportation price 3 ton trucks
Dili	Dili			
Dili	Liquiçá			
Dili	Mantuto			
Dili	Aileu			
Dili	Ermera			
Dili	Maliana			
Dili	Suai			
Dili	Ainaro			
Dili	Same			
Dili	Lospalos			
Dili	Viqueque			
Dili	Baucau			
Dili	Oe-Cussi			By sea



**Table 2**  
**Transportation costs to the Districts according to mileage or distance**  
**(To which article 13 refers)**

<b>Dispatch District</b>	<b>Destination District</b>	<b>Transportation cost per ton/km (USD\$)</b>	<b>Transportation cost per 35 kg sack/km (USD\$)</b>	<b>Transportation price 3 ton trucks</b>
Dili	Dili			
Dili	Liquiçá			
Dili	Mantuto			
Dili	Aileu			
Dili	Ermera			
Dili	Maliana			
Dili	Suai			
Dili	Ainaro			
Dili	Same			
Dili	Lospalos			
Dili	Viqueque			
Dili	Baucau			
Dili	Oe-Cussi			* By sea

**Notes:**

- 1) The ponderation used by the World Food Organization, cfr. Article 8 of Law No. 28/2008 can be adopted.
- 2) The criteria for the composition of Tables 1 and 2 are not accumulative. This type of ponderation according to mileage is alternative to Table 1, the option must be mentioned in the ministerial expedition of price fixating by the MTCl to which article 2 , No. 3 of article 2 of Law No. 28/2008 refers.