

**LAW NO. 8/2007
OF 21 SEPTEMBER**

LAW ON THE BUDGET PERIOD

Preamble

Considering that most countries adopt annual budgets, thereby making them coincide with civil, calendar or economic year;

Since it is peacefully accepted that the main reason for adopting annual budgets lies on the advantages of making the financial year coincide with the period companies prepare their annual plan as well as with the fiscal year;

Considering that such coincidence per se does not represent any serious problem and that it, on the contrary, it contributes to harmonizing and correcting the existing dualist criterion;

Since, with the change being proposed, a temporal hiatus will emerge in the second semester of 2007, which is equally regulated by the present law;

Thus, pursuant to article 92 and to subparagraph q) of article 95.2 of the Constitution of the Democratic Republic of Timor-Leste, the National Parliament enacts the following to have the force of law:

**Article 1
Definition of budgetary period**

1. The budgetary period shall commence on 1 January and end on 31 December of every year.
2. The budgetary period defined in the preceding paragraph shall enter into force on 1 January 2008.
3. The expression “financial year” is adopted for references to the budgetary period and, consequently, it replaces the expression “fiscal year”, a notion that corresponds only to taxes and not to the entire financial activity of the State as provided for in the Budget law.

4. References to “fiscal year” contained in UNTAET Regulation No. 2001/13 of 20 July are hereby considered to be attributed to “financial year”.

Article 2

Transitional budgetary period

1. For the purposes of the present law, transitional budgetary period shall be the period between 1 July and 31 December 2007.

2. The Government shall, within fifteen days from the date of publication of this law, submit to the National Parliament a Draft-Law on the State Budget for the transitional period.

Article 3

Changes

1. Subparagraphs a) and b) of article 39.1 of UNTAET Regulation No. 2001/13 of 20 July on budget and financial management shall now read as follows:

“(a) no later than 31 March, a final budget reconciliation report on the budget for the previous financial year;

b) no later than 30 June, a set of financial statements compiled by the Treasury consistent with international accounting standards that have been audited as required by Section 40;

2. Paragraph 4 of article 40 of UNTAET Regulation No. 2001/13 of 20 July on budget and financial management shall read as follows:

“40.4 The independent auditor shall submit his or her report by 30 June following the end of the financial year to which the annual report relates.

Article 4 Revocations

The following are hereby revoked:

- a) The definition of “fiscal year” contained in article 1 of UNTAET Regulation No. 2001/13 of 20 July;
- b) The definition of “fiscal year” provided for in subparagraph b) of article 2.1 of Law No. 9/2005, Law on Petroleum Fund;
- c) Any other definitions of “fiscal year” contained in other statutes, which are now to be in conformity with the contents of the present law.

Article 5 Entry into force

The present law shall enter into force on the day after its publication in the Official Gazette.

Approved on 18 September 2007

The Speaker of the National Parliament

Fernando La Sama de Araújo

Promulgated on 18/9/07

For publication

The President of the Republic

José Ramos-Horta