



DIRECTIVE NO. 2001/4

**ON AMENDING DIRECTIVE 2000/7 (OF 21 NOVEMBER 2000) ON THE
REGISTRATION OF CHARITABLE ORGANIZATIONS**

The Special Representative of the Secretary-General (hereinafter: Transitional Administrator),

Pursuant to the authority given to him under United National Security Council resolution 1272 (1999) of 25 October 1999, as reaffirmed in United Nations Security Council resolution 1338 (2001) of 31 January 2001,

Taking into account United Nations Transitional Administration in East Timor (UNTAET) Regulation No. 1999/1 of 27 November 1999 on the Authority of the Transitional Administration in East Timor,

Pursuant to UNTAET Regulation No. 2000/18 of 30 June 2000 (as amended) on a Revenue System for East Timor,

For the purpose of amending UNTAET Directive 2000/7 of 21 November 2000 on the Registration of Charitable Organizations with respect to requirements for the transfer of assets upon the winding up of a charitable organization and the period in which audited financial reports of the organization must be delivered to the Commissioner,

Promulgates the following:

Section 1
Amendments to Directive 2000/7

The text of Directive 2000/7 shall be deleted in its entirety and replaced by the following:

"Section 1
Registration of charitable organizations

1.1 The *Commissioner* shall establish a register of qualifying charitable organizations entitled to exemptions or concessional treatment under Regulation No. 2000/18 of 30 June 2000 (as amended) on a Revenue System for East Timor.

1.2 The name and physical address within East Timor of an organization included on register established pursuant to Section 1.1 of the present Directive, together with the date that the organization was included on the register and, in the event that an organization is removed from the register in accordance with Section 3 of the present Directive, the date that the organization was removed from the register, shall constitute a part of the public record of East Timor and shall be available for inspection by the public at the office of the *Commissioner*.

Section 2 Qualifying organizations

To qualify for registration on the register described in Section 1, an organization must satisfy the following conditions:

- (a) the organization may not operate any enterprise or carry on activities for profit;
- (b) the rules governing the operation of the organization must:
 - (i) prevent the distribution of any benefits by the organization to anyone other than qualifying persons;
 - (ii) provide for all assets of the organization upon its winding up:
 - (A) to be contributed to another registered charity, the United Nations or one of its Specialized Agencies, Programmes or Funds or the representative office or diplomatic or consular mission of a foreign government; or
 - (B) to be exported from East Timor in satisfaction of a condition stipulated by a donor by which the organization is funded; and
 - (iii) prevent the changing of the rules referred to in paragraphs (i) and (ii) so long as the organization exists;

or, where an organization has its principal management and control outside of East Timor, the organization must satisfy the *Commissioner* that it is registered in its home country and satisfies similar requirements in its home country;

- (c) the organization must distribute its benefits solely on the basis of need by the recipient and must not discriminate between potential recipients on the basis of race, sex, ethnic group, religion, political affiliation, or membership in any organization;
- (d) the organization must not conduct or engage in political activities; and
- (e) each year the organization must deliver to the *Commissioner*, within 6 months after the end of its financial year or such further time as the *Commissioner* allows, audited financial accounts that detail receipts and expenditures by the organization, including all applications of funds, during such financial year.

Section 3

Refusal to include on or removal from the charitable organizations register

3.1 Where the *Commissioner* has reasonable ground to believe that an organization registered in accordance with the present Directive no longer satisfies all the conditions set out in Section 2 hereof, the *Commissioner* shall immediately remove the organization from the register described in Section 1 and such removal shall be treated as if it occurred at the time the organization no longer satisfied all of such conditions.

3.2 Any organization refused registration on or de-registered from the charitable organizations register as provided in Section 3.1 of the present Directive may appeal a decision of the *Commissioner* in accordance with the applicable provisions of UNTAET Regulation 2000/18 (as amended).

Section 4

Definitions

In the present Directive "*Commissioner*" has the meaning given in Regulation No. 2000/18 (as amended).

Section 5

Application

The present Directive shall apply from 1 January 2001."

Section 2

Entry into force

The present Directive shall enter into force on 17 May 2001.

Sergio Vieira de Mello
Transitional Administrator