



REGULATION NO. 2000/1

**ON THE ESTABLISHMENT OF THE
CENTRAL FISCAL AUTHORITY OF EAST TIMOR**

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

Pursuant to the authority given to him under United Nations Security Council
resolution 1272 (1999) of 25 October 1999,

Taking into account United Nations Transitional Administration in East Timor
(UNTAET) Regulation 1999/1 of 27 November 1999 on the Authority of the
Transitional Administration in East Timor,

For the purposes of establishing the Central Fiscal Authority in East Timor,

Promulgates the following:

Section 1
Central Fiscal Authority

1.1 The Central Fiscal Authority, acting under the authority of the
Transitional Administrator, is responsible for the overall financial management
of the Budget of East Timor, including the budgets under the responsibility of
the districts, which together form the East Timor Consolidated Budget.

1.2 The East Timor Consolidated Budget will be developed, adopted and
executed separately from the budget of UNTAET that is adopted by the General
Assembly of the United Nations.

Section 2
Responsibility concerning overall fiscal strategy

The Central Fiscal Authority shall formulate an overall fiscal strategy for the
East Timor Consolidated Budget, in the light of macroeconomic conditions and
the effect that fiscal policy may have on economic and social conditions.

Section 3
Responsibilities concerning revenues and expenditures

The Central Fiscal Authority, having consulted the responsible central and district spending authorities, shall make recommendations to the Transitional Administrator concerning the:

- (a) Establishment of the Consolidated Fund of East Timor (CFET), and rules and regulations governing the operation and management of the CFET;
- (b) Development of a public revenue and expenditure programme for the East Timor Consolidated Budget and formulation of plans for the control and execution of spending under that revenue and expenditure programme;
- (c) Formulation of policies for the raising and collection of revenues including, but not limited to, direct and indirect taxes, customs and excise taxes, sales taxes, service charges and donor contributions;
- (d) Control and execution of the raising of revenues and spending under the East Timor Consolidated Budget;
- (e) Establishment of appropriate internal audit arrangements for the East Timor Consolidated Budget;
- (f) Management of the bank accounts of the East Timor Consolidated Fund.

Section 4
Budgetary responsibilities

The Central Fiscal Authority shall:

- (a) Develop the East Timor Consolidated Budget and present this budget to the Transitional Administrator for approval and adoption by regulation;
- (b) Ensure that the budgets of the districts are developed and executed by district Administrators in a manner consistent with the East Timor Consolidated Budget;
- (c) Record and report to the Transitional Administrator on expenditures and revenues of the East Timor Consolidated Budget;
- (d) Arrange for the establishment of an information technology environment to support the functions;
- (e) Perform any other functions necessary for the above mentioned activities.

Section 5
Head of the Central Fiscal Authority

5.1 The Head of the Central Fiscal Authority shall be appointed by the Transitional Administrator and shall report to the Transitional Administrator through the Deputy Transitional Administrator for Governance and Public Administration.

5.2 The Head of the Central Fiscal Authority shall be responsible for managing the central Fiscal Authority and ensuring that the functions entrusted to it are implemented.

5.3 The Head of the Central Fiscal Authority shall staff, organize and administer the Central Fiscal Authority. In addition, the Head of the Central Fiscal Authority shall issue administrative instructions and operating guidelines relating to administration of the East Timor Consolidated Budget and on any matters pertaining to the functions of the Central Fiscal Authority.

Section 6
East Timor Consolidated Budget accounts

6.1 Except as otherwise determined by the Transitional Administrator, the fiscal year is a year of 12 months, starting on the first of July and ending on the thirtieth of June of each calendar year.

6.2 The Head of the Central Fiscal Authority shall open and maintain one or more bank accounts for the receipt, custody, payment or transmission of moneys raised or received relating to the East Timor Consolidated Budget.

6.3 Moneys raised or received shall constitute the East Timor Consolidated Fund, irrespective of whether such monies are initially received into Central Payment Offices (CPO) of East Timor or into bank accounts. With regard to moneys received from the UN Trust Fund for the UNTAET, allocation and reporting arrangements with regard to the transfer shall be entered into by the Controller of the Transitional Administration.

6.4 No expenditure shall be made from the East Timor Consolidated Fund except by means of appropriations contained in a regulation promulgated by the Transitional Administrator, after consultation with the National Consultative Council.

Section 7
Independent audit

The Transitional Administrator shall ensure that appropriate independent audit arrangements following international standards are established for the East Timor Consolidated Budget. The auditors shall report to the Secretary-General

of the United Nations.

Section 8
Currency

The currency to be used by the Central Fiscal Authority shall be the legal tender as determined by an UNTAET Regulation.

Section 9
Implementing directives

In accordance with Section 6 of UNTAET Regulation No. 1999/1, the Transitional Administrator may issue administrative directives for the implementation of the present regulation

Section 10
Entry into Force

The present regulation shall enter into force on 14 January 2000.

Sergio Vieira De Mello
Transitional Administrator