



REGULATION NO. 2001/14
ON THE OFFICIAL CURRENCY AND LEGAL TENDER 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, 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,

Codifying the Executive Order of the Transitional Administrator of 26 April 2001 on the Prohibition of the Unlicensed Importation of Foreign Currencies and Other Currency Exchange Matters, and recognizing the need to

(a) incorporate the remaining relevant provisions of UNTAET Regulation No. 2000/2 of 14 January 2000 on the Use of Currencies in East Timor and UNTAET Regulation No. 2000/7 of 22 January 2000 on the Establishment of a Legal Tender for East Timor, and

(b) supplement the operation of UNTAET Regulation No. 2000/5 of 20 January 2000 on the Licensing of Currency Exchange Bureaux with respect to the addition of administrative and other enforcement mechanisms, and

After consultations in the National Council, and in recognition that the Constituent Assembly may propose future amendment hereof,

For the purpose of strengthening the economy in East Timor by establishing the legal tender for East Timor, preventing illicit movements of money into and from East Timor and assuring economic stability associated with a stable and freely convertible currency,

Promulgates the following:

Section 1
Definitions

Wherever used in the present Regulation, the following terms shall have the following meanings:

(a) “*affected foreign currency*” means any currency, other than the *official currency of East Timor*, subject to limitations imposed by the issuing authority of such currency on the import or export of that currency from its country of origin, as reported to and recorded by the International Monetary Fund pursuant to Article IV of its Articles of Agreement, including but not limited to those currencies listed in the Annex to the present Regulation, as the same may be amended from time to time by the *Central Payments Office* following notice from the International Monetary Fund with respect to the same.

(b) “*Central Payments Office*” means the Central Payments Office of East Timor as established pursuant to UNTAET Regulation No. 2000/6 or any successor office fulfilling similar functions.

(c) “*currency exchange*” means the conduct of currency exchange transaction, including the sale and purchase of currencies, travelers’ cheques and similar negotiable instruments.

(d) “*foreign currency(ies)*” means any currency other the *official currency of East Timor* as provided by the present UNTAET Regulation.

(e) “*official currency of East Timor*” means the currency of East Timor as specified in Section 3.1 of the present Regulation.

(f) “*person*” means:

- (i) a natural person;
- (ii) a company or other juridical entity, wherever incorporated or formed;
- (iii) a partnership, wherever formed;
- (iv) a trust, wherever established;
- (v) a business registered pursuant to UNTAET Regulation No. 2000/4 or
- (vi) any other incorporated or unincorporated association or body.

(f) “*US dollar*” or “*US\$*” means the official currency of the United States of America.

Section 2 Effect

2.1 UNTAET Regulation No. 2000/2 on the Use of Currencies in East Timor and UNTAET Regulation No. 2000/7 on the Establishment of a Legal Tender for East Timor are hereby superseded.

2.2 Notwithstanding Section 2.1 of the present Regulation, all instructions, guidelines, licenses and other actions issued or taken in accordance with the provisions of UNTAET Regulation No. 2000/2 or UNTAET Regulation No. 2000/7 prior to the date hereof shall continue in force until superseded or repealed by instructions, guidelines, licenses and other actions issued or taken under the present Regulation.

Section 3 Legal Tender

3.1 The official currency of East Timor is the *US dollar*.

3.2 The banknotes and coins of the *US dollar* are the sole legal tender for all public and private transactions in East Timor.

Section 4
Prices of and Payments for all Goods and Services

4.1 The prices of all goods and services, and the monetary consideration in respect of all other transactions, shall be denominated in units of the *official currency of East Timor*.

4.2 All payments arising from or in connection with any contract or other transaction, public or private, including

(a) payments in discharge of any debt or obligation, and

(b) payments owed to or by any public authority in East Timor,

shall be made only in the *official currency of East Timor*.

4.3 Notwithstanding any other provision of the present Regulation, any private debt or obligation created prior to and existing on the effective date of this Regulation denominated in a *foreign currency* may, at the option of the parties to such private debt or obligation, be settled in such *foreign currency* or the *official currency of East Timor*.

Section 5
Accounting and Financial Records

All budgets, financial records and accounts of all *persons*, including government, municipal and other public bodies, units, agencies or institutions and UNTAET, shall be based upon and maintained utilizing the *official currency of East Timor*.

Section 6
Restriction on the Importation of Foreign Currencies

No *person* shall import into East Timor an *affected foreign currency* or a *foreign currency* other than an *affected foreign currency* in excess of amounts to be set forth in administrative instructions issued by the *Central Payments Office* unless such *person* shall have first obtained from the *Central Payments Office* a permit for the same in accordance with the provisions of the present Regulation.

Section 7
Permit Procedure

7.1 Each application for a permit to import *foreign currencies* as provided in Section 6 of the present Regulation shall be made in writing to the *Central Payments Office* in a form and according to procedures, and must be accompanied by the applicable fee (which shall reasonably relate to the administrative cost of processing an application), as may be prescribed by the *Central Payments Office* in administrative instructions.

7.2 A permit to import *foreign currencies* as provided in Section 7.1 of the present Regulation may be issued by the *Central Payments Office* for single use, a specified number

of importation or multiple importation, and any such permit may be extended or renewed upon application in writing to the *Central Payments Office* in a form and according to procedures, and upon the payment of the applicable fees, as may be prescribed by the *Central Payments Office* in administrative instructions.

7.3 The *Central Payments Office* may refuse to issue a permit for the import of *foreign currencies* as described in Section 7.1 of the present Regulation only in compelling circumstances, in which event the *Central Payments Office* shall provide to the applicant, in writing, the reasons for such refusal. For purposes of this Section, compelling circumstances include, but are not limited to:

(a) prior criminal conviction or pending charges against the application relating to financial crimes (including, but not limited to money laundering, tax evasion, counterfeiting and the like) or other felony in East Timor or any other jurisdiction;

(b) the applicant has been subject to an insolvency proceeding as a debtor in East Timor or any other jurisdiction;

(c) the *Central Payments Office* has determined that the applicant has been party to a transaction that violated this Regulation or any other UNTAET Regulation or Directive, or instruction issued pursuant thereto, relating to banking or *foreign currency exchange* in East Timor;

(d) the applicant shall have otherwise failed to reasonably establish the need for the importation of *foreign currencies* into, and their intended use within, East Timor; or

(e) the *affected foreign currency* would, if imported, in the judgment of the *Central Payments Office* have an adverse effect on the payments systems of East Timor.

7.4 Any failure by the holder of a permit or principal thereof to comply with all conditions and other requirements issued by the *Central Payments Office* in connection with such permit shall render the permit immediately void, and the permit shall be surrendered to the *Central Payments Office* upon the demand of the General Manager thereof, and no fees paid in connection therewith shall be refundable to the applicant or holder of such permit.

7.5 Notwithstanding any provision of Section 7 of the present Regulation, no permit shall be required for any *person* to own, possess or dispose of any *foreign currency*, whether in specie or in a bank or other type of account, whether situated inside or outside of East Timor, and all restrictions on the ownership, possession or disposition of *foreign currencies*, whether in specie or in a bank or any other type of account, whether situated inside or outside of East Timor, that exist under the laws applied in East Timor according to UNTAET Regulation No.1999/1, are hereby removed.

Section 8 Additional Currency Exchange Provisions

The *Central Payments Office* shall be empowered to apply, to the same extent and with the same effect, the provisions of UNTAET Regulation No. 2000/5, Section 9, to all *persons* engaged in *currency exchange*, irrespective of whether such *person* shall have obtained from the *Central Payments Office* a *currency exchange* license in accordance with the provisions of such Regulation.

Section 9
Offenses and Enforcement

9.1 Each failure to fully comply with the provisions of this Regulation shall constitute an offense and shall result in its prompt enforcement by all means available to the Transitional Administration of East Timor, including its law enforcement and border services.

9.2 A *person* who commits an offense in relation to Section 4 of the present Regulation at any time after 0001 hours, local time, on 20 August 2001 shall, in addition to all other applicable civil and criminal penalties, be subject to a penalty not exceeding US\$5,000 per offense, as determined by the General Manager of the *Central Payments Office*.

9.3 A *person* who commits an offense in relation to Section 5 of the present Regulation at any time after 0001 hours, local time, on 20 August 2001 shall, in addition to all other applicable civil and criminal penalties, be subject to a penalty not exceeding US\$5,000 per offense, as determined by the General Manager of the *Central Payments Office*.

9.4 A *person* who commits an offense in relation to Section 6 of the present Regulation shall, in addition to all other applicable civil and criminal penalties, be subject to the following administrative penalties:

(a) the confiscation of all *foreign currencies* imported in violation of the present Regulation, which confiscated *foreign currencies* shall be forfeit to and shall become the property of the Transitional Administration of East Timor upon the date thirty calendar days following its seizure unless proper authority to possess the same shall have been established prior to such date;

(b) a penalty not exceeding US\$5,000 per offense, as determined by the General Manager of the *Central Payments Office*.

9.5 Any *person* engaged in *currency exchange*, whether as a currency exchange bureau licensed pursuant to UNTAET Regulation No. 2000/5 or otherwise, who violates any provision of UNTAET Regulation No. 2000/5 shall be guilty of an administrative offense. A *person* who commits an offense as set forth in this Section 9.5 shall, in addition to all other applicable civil and criminal penalties, be subject to a penalty not exceeding US\$5,000 per offense, as determined by the General Manager of the *Central Payments Office*.

Section 10
Review Procedure

10.1 A *person* against whom a penalty has been imposed or from whom *foreign currency* has been confiscated (including any *person* otherwise asserting an ownership interest in such confiscated *foreign currency*) pursuant to Section 9 of the present Regulation may request the General Manager of the *Central Payments Office* to review the decision, which request shall:

(a) be in writing, delivered to the General Manager of the *Central Payments Office* within seven calendar days of the date of the imposition of such penalty or the confiscation of *foreign currency*; and

(b) include all such documentary evidence, data, statements and such other information as may be relevant to the establishment of compliance with the requirements of the present Regulation or, with respect to Section 9.5 of the present Regulation, the applicable provisions of UNTAET Regulation No. 2000/5,

10.2 Any decision of the General Manager of the *Central Payments Office* arising in connection with a submission permitted under Section 10.1 of the present Regulation shall be delivered in writing to the *person* making such submission within seven calendar days of the date of the submission, which decision, together with all documentary evidence, date, statements and such other information provided by the *person* making the submission, shall constitute, and shall be retained as, the official record of the consideration of the submission.

10.3 A *person* whose submission under Section 10.1 of the present Regulation shall have been rejected may, within seven calendar days of the date of such decision, appeal such decision to the tribunal for the review of administrative matters of the East Timor Transitional Administration or, pending the establishment thereof, the District Court for the District of Dili. The decision of the tribunal for the review of administrative matters of the East Timor Transitional Administration or, pending its establishment, the District Court for the District of Dili shall be final.

10.4 In the event compliance with the provisions of the present Regulation relating to the imposition of a penalty or the confiscation of *foreign currency* shall have been determined in accordance with this Section 10,

(a) the amount of the penalty paid to which such determination applies shall be refunded to the payer thereof, plus interest from the day of payment by such *person* to the day of refund at the rate prescribed by the Head of the Central Fiscal Authority with respect to similar obligations of the Transitional Administration; and

(b) the confiscated *foreign currency* to which such determination applies shall be released to the possession of the *person* from who the same was confiscated;

provided, however, UNTAET shall in no event be liable for any claim, suit, demand or liability of any kind, including costs or expenses, arising out of or in any way associated with the imposition of any penalty or the confiscation of any *foreign currency* with respect to which compliance with the provisions of the present Regulation shall have been subsequently determined in accordance with this Section 10.

10.5 The burden of establishing proper compliance with a provision of the present Regulation shall at all times be upon the *person* asserting the same.

Section 11 Accrual of forfeit funds and penalties

All confiscated *foreign currencies* forfeit to the Transitional Administration of East Timor and all fines arising under Section 9 of the present Regulation shall accrue to the benefit of, and shall be delivered to the *Central Payments Office* for deposit into, the Consolidated Fund of East Timor (as such term is defined in UNTAET Regulation 2000/1).

Section 12 Implementation

The Transitional Administrator may issue administrative directives and other instruments in connection with the implementation of the present Regulation.

Section 13
Transitional Provisions

The Transitional Administrator shall, in recognition of the resolution of the National Council of 13 July 2001, refer the present Regulation to the Constituent Assembly for its consideration, including its possible amendment pursuant to UNTAET Regulation No. 2001/2 of 16 March 2001.

Section 14
Entry into force

The present Regulation shall enter into force upon signature.

Sergio Vieira de Mello
Transitional Administrator

ANNEX TO UNTAET REGULATION 2001/14

AFFECTED FOREIGN CURRENCIES

(as of 20 July 2001)

Bangladesh	Taka
Fiji	Dollar
India	Rupee
Indonesia	Rupiah
Lao People's Democratic Republic	Kip
Malaysia	Ringgit
Mongolia	Tugrik
Myanmar	Kyat
Nepal	Rupee
Papua New Guinea	Kina
The Philippines	Peso
Republic of Korea	Won
Samoa	Tala
Solomon Islands	Dollar
Sri Lanka	Rupee
Thailand	Baht
Vietnam	Dong