



IV CONSTITUTIONAL GOVERNMENT SECRETARIAT OF STATE OF COUNCIL OF MINISTERS

PRESS RELEASE

Meeting of the Council of Ministers from 29th of September of 2010

The Council of Ministers held a meeting this Wednesday, 29th of September of 2010, in its meeting room, in the Government Palace, in Díli, and approved:

1. Alteration Proposal to the Electoral Law for the President of the Republic

The alteration to Law n.º 7/2006 has the objective of improving the Law, in particular at a procedural level, in face of the general election that will take place in 2012.

It is worth reminding that the Electoral Law for the President of the Republic regulates the election of this sovereign organ, symbol and guarantee of national independence, of State unity and of the regular functioning of the democratic institutions.

The independent and 'non-partisan character of the Office of the President is accentuated, the fundamental principals regarding the electoral campaign are defined and the general norms in relation to the presentation of candidatures, the election method and the electoral process are established by this Law.

2. First Alteration to the Government Decree that Regulates the Statute for Holders of Sovereign Organs / Government Deliberation regarding the suspension of the Vice Prime Minister for Social Affairs and the Minister of Foreign Affairs.

The Council of Ministers understands that the Decree Law n.º 2/2007, of 1st of August that Regulates the Statute of Holders of Sovereign Organs lacks adjustments that need to be defined. In particular, the fact that privileges regarding benefits for representation expenses, daily allowances and other complementary benefits or extraordinary (except those referring to housing allowance), free-pass, diplomatic passport and official vehicles presuppose the effective performance of official duties.

The rights and personal benefits given to holders of Sovereign Organs are predicted in Law n.º 2/2007 of 25th June, which also defines the impediments and incompatibilities during the performance of their duties. It is also important to reference that the holders of political positions are integrated in the organs

that are the guarantee of the State's independence and unity, and where these holders, representing all the Timorese citizens, are accountable for the guidance and execution of policy and public administration of the country.

Meanwhile, and taking into account the letter sent to the Prime Minister, from the Prosecutor-General of the Republic, informing him of the indictment made against the Vice-Prime Minister for Social Affairs and the Minister for Foreign Affairs, the Council of Ministers discussed the issue in order to understand, based on the document sent by the public prosecutor's office, on the Republic's Constitution and on the Penal Code, from what date should the suspension have become effective. The Council of Ministers concluded that it should await deliberation from the National Parliament, according to the constitutional proceedings.

The Council of Ministers also analyzed:

1. Presentation on diversification of Petroleum Fund Investments

Taking into account that the investment flexibility allowed by the current Petroleum fund Law has already been exhaustingly explored, it becomes necessary to make alterations to said law, so that diversification may continue to exist in the investment strategy of profit obtained from oil exploration, in order to give sustainability to the income. A working group from the Ministry of Finance has developed proposals to change the Law, having consulted the Investment Consulting Council, as well as external advisors. The proposal will be presented to the Council of Ministers soon.

2. Presentation regarding Expenses and Domestic Revenue Mechanisms

The Government is studying ways to increase investment in infrastructure and human capital in Timor-Leste. The expense and domestic revenue mechanism was presented to the Council of Ministers, showing in which way domestic investment should be attributed for infrastructures and human capital in a way to promote development and economic growth, These investments will later generate domestic revenues.

3. Updating on the Petroleum Fund: the new mandate on investment

The Council of Ministers discussed the plan for diversifying investment from the Petroleum Fund and the process for the future development of the Funds management and investment strategy.

4. Presentation of the Proposal on the Law for the Court of Auditors

This preliminary draft regarding the Organic Law for the Accounting Sector of the Supreme Administrative, Fiscal and Court of Auditors of the Timor-Leste Democratic Republic was drawn up in cooperation with

the Court of auditors in Portugal. It establishes the competency, organization and functioning of the Accounting Sector of the Supreme Administrative, Fiscal and Court of Auditors, as well as the statute for the respective judges. This Court, according to the proposal, will have jurisdiction and financial control powers, within national territory as well as overseas, in regards to State services, organisms or representations abroad. Another of its competencies will be the surveillance and audit of the legality and regularity of public expenses and revenues, as well as the examination of good financial management and establishing responsibilities for financial infractions.

5. Presentation of Proposal to Alter the Lei for Organs of Electoral Administration

The proposal for the first alteration of Law n.º 5 / 2006 has the objective of adjusting the current situation of the organs for electoral administration to the Timorese reality. This need for adjustment rises from the experience obtained during the elections that took place in the country, until now.

6. Presentation of the Proposal of Alteration of the Electoral Law to the National Parliament

With this project for alteration of Law n.º 6 / 2006, it is intended to modify procedural issues in order to improve the law, having present the parliamentary elections that will take place in 2012, namely the systematization of the candidacy procedures for the elections.