



PRESIDENCY OF THE
**COUNCIL OF
MINISTERS**

EIGHT CONSTITUTIONAL GOVERNMENT



Office of the
Spokesperson

Press Release

Meeting of the Council of Ministers of 8 May 2020

The Council of Ministers met at the Kay Rala Xanana Gusmão Auditorium, at the Ministry of Finance, in Dili and approved a draft Decree-Law, presented last Wednesday by the Coordinating Minister for Economic Affairs, Fidelis Manuel Leite Magalhães, on the moratorium on compliance with obligations arising from credit concession contracts under the economic policy of response to COVID-19. This Decree-Law aims to respond to the constraints and difficulties resulting from the decrease in revenues and incomes inherent in the slowdown of the economy due to the outbreak of COVID-19 and the risk of a spiral of non-compliance, which could have negative effects on the financial system and consequently on the real economy. The approved Diploma establishes a moratorium on the fulfillment of capital and interest obligations arising from credit agreements, delaying their maturity by three months. There is also a reduction to 40% during three months following the entry into force of the diploma, of the obligation to pay interest in the debtor's charge, with the remaining 60% being financed by the State.

The Council of Ministers also approved the draft Decree-Law, presented by the Prime Minister, Taur Matan Ruak, regarding the first amendment to Decree-Law No. 12/2020 of April 14, which regulates the COVID-19 Fund. In order to respond to the difficulties encountered and to ensure faster processing of procurement procedures and the conclusion of public contracts aimed at responding to urgent situations, this decree confers on the Council of Ministers the competence, through a Government Decree, to allow, in duly justified and transitory cases, the bodies of a particular governmental department or public legal person to perform acts whose competence would, in principle, be included in the framework of tasks of another governmental department or public legal person. With the approval of this Decree-Law, the Directors-General, responsible for the financial services of the various government departments, are also granted the competence to authorize the



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performance of procurement procedures for the award of public contracts, the expenditure of which is financed by the COVID-19 Fund, and which do not exceed ONE million US dollars, as well as to sign the contracts awarded following the performance of these procurement procedures. **ENDS**



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