

The Secretary of State for the Council of Ministers and
Official Spokesperson for the Government of Timor-Leste
Ágio Pereira

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Díli, Timor-Leste



Timor-Leste Improves Domestic Revenue Collection for 2011

Recent figures reporting revenue collection for the first quarter of 2011 demonstrate an increase in collection compared to figures for the same period in 2010 across the three responsible Government Directorates within the Ministry of Finance. Amongst the factors leading to improved collection; enhanced systems, better compliance, more stringent systems and procedures and increased training for staff which have delivered more effective outcomes for the State.

The National Directorate of Domestic Revenue collected \$6.953 million in the first quarter of 2011, an increase of \$800,000 in collected revenue. This represents a 13% improvement in revenue collection from compared to the first quarter in 2010. The National Directorate of Customs collected \$10.25 million, a 55% increase in revenue collected for the same period in 2010. Breaking previous records, the National Directorate of Petroleum Revenue collected approximately \$ 447.1 million from January to March 2011, with \$ 361.1 million in collection payments for all types of tax and \$79.0 million in audit payments. This represents a 39% increase over the same period last year.

The new set of Tax and Customs laws, due to be adopted in coming months, along with the adoption of new technologies to trace tax evaders will see even higher compliance and increased funds collected for National Development.

Throughout 2010 the National Directorate of Domestic Revenue conducted workshops and information sessions on tax laws for District Finance Officers and business communities in Díli and the districts to promote voluntary compliance by educating taxpayers about their tax obligations and responsibilities. The capacity of Audit Staff to identify potential risk cases to target for audit was exponentially increased resulting in 49 audit cases finalized in 2010 with additional revenue of \$2.04 million in taxes and penalties.

Staff training, application of risk management principles and new cargo clearance arrangements were areas of focus in 2010 within the National Directorate of Customs. The utilization of x-ray technologies and improved electronic systems together with a closer working relationship with Industry and international trading partners have all contributed to increased collections in 2011.

The first comprehensive petroleum tax audit that started in 2010 continues in 2011. The National Directorate of Petroleum Revenue (NDPR) is involved in strategic discussions with Petroleum Companies to ensure compliance. NDPR plays an active role as one of the core working group members within the Timor-Leste Extractive Industry Transparency Initiative, doing their part to operate within world's best practice as collectors of Timor-Leste's oil and gas revenues.

Spokesperson for the Council of Ministers, Ágio Pereira noted "the Ministry of Finance has seen sweeping reforms over the past three years, allowing the development of a more efficient and transparent system of Public Financial Management and revenue collection. The Government congratulates these key directorates on their progress; mindful of their dedication, discipline and hard work as they strive to offer better service to the People of Timor-Leste to collect revenue for the State that is ultimately reinvested back for national development. "ENDS

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