



PRESS RELEASE

FEDERAL RESERVE BANK OF NEW YORK IS A TRUSTED PARTNER OF TIMOR-LESTE

Dili, 24rd February 2021

The Governor of Banco Central de Timor-Leste (BCTL), Mr Abraão de Vasconcelos, said today that the BCTL had been following the public news circulating in Timor-Leste regarding the government's access to the Petroleum Fund account held at the Federal Reserve Bank of New York. He said that some of the news had suggested the Federal Reserve or the Government of the United States of America had been preventing the Government of Timor-Leste from accessing the Petroleum Fund account.

Mr Vasconcelos clarified that the news was completely unfounded and had no basis in fact. He further clarified that the account at the Federal Reserve Bank of New York is the State of Timor-Leste's fund and registered in the name of the BCTL where the relationship between the BCTL and the Federal Reserve Bank of New York is managed. The Law provides the Government has only one account at the BCTL. Whenever the Government wishes to withdraw money from the Petroleum Fund, the Minister of Finance simply sends a withdrawal instruction to the BCTL after all other political processes have been completed and published in the *Journal da Republica* while the remaining process with the Federal Reserve is the competence of the BCTL. The BCTL has never been prevented from accessing the Petroleum Fund account at the Federal Reserve, nor has the Federal Reserve ever indicated that it intended to take such action.

The Governor said that the actual situation was quite the opposite. The Federal Reserve has been and continues to be a valuable and trusted partner that has supported the BCTL in the management of the Petroleum Fund account since the inception of the Petroleum Fund in 2005. He said that since 2001 Timor-Leste has had an excellent relationship with the Federal Reserve, which has faithfully executed all valid instructions received from BCTL relating to the Petroleum Fund and other bank accounts.

Finally, Mr Vasconcelos requested that the public and media should cease circulating the rumours and in future the public and the media should check the facts with the Central Bank or the Minister of Finance before repeating unfounded rumours about the Petroleum Fund's management.

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