Proposed Laws for the Ratification of the Treaty Establishing the Maritime Borders between Timor-Leste and Australia

Approved in Generality

The National Parliament approved today, July 18, 2019, a legislative package for the ratification of the Treaty Establishing the Maritime Borders between Timor-Leste and Australia, signed on March 6, 2018, by the two countries.

The amendments were presented by the Government and the Negotiating Team on Tuesday, July 16, 2019, in the presence of the Minister of State of the Presidency of the Council of Ministers and Minister of Petroleum and Minerals, Agio Pereira, and the acting Minister of Finance, Sara Lobo Brites and included a detailed presentations on the Draft Laws and the Treaty, by the Chief Negotiator of the Negotiating Team of the Permanent Maritime Border Treaty with Australia, Xanana Gusmão and the President of the National Authority of Petroleum and Minerals (ANPM), Gualdino da Silva. This legislative package was approved in an Extraordinary Meeting of the Council of Ministers on July 8 and 9.

The initiatives were analyzed and subjected to the opinion of the parliamentary committees on July 17 and, on July 18 the debate, vote and approval in general of the following legislative initiatives: Draft Law 4/V (1st), regarding the second amendment to Law no. 13/2005, of September 2, the Law of Petroleum Activities; Draft Law No. 5/V (1st), regarding the second amendment to Law no. 9/2005, of August 3, the Petroleum Fund Law; Draft Law No. 6/V (1st), regarding the first amendment to Law no. 8/2008, of June 30, the Tax Law, first amendment to Law no. 3/2003, of July 1 on the Taxation of Bayu-Undan Contractors and first amendment to Law 4/2003 of 1 July on the Development of Timor Sea Oil (Tax Stability); Draft Law No. 7 / V (1), on the Special Labor and Migratory Regime Applicable to the Bayu-Undan Project; and Draft Resolution No. 2 / V (1), on the Ratification of the Treaty between Timor-Leste and Australia, which establishes its Maritime Borders in the Timor Sea.

The Chief Negotiator and the President of ANPM presented the summary and outcome of the negotiation process with the petroleum companies currently operating in the joint development area (JPDA) and under licenses issued by Australia, explaining that the draft laws seek to adapt existing legislation necessary for the ratification of the Treaty between Timor-Leste and Australia establishing the maritime borders in the Timor Sea.

On 18 July, during the opening speech of the general debate, the Minister of State stressed that “the definition of maritime borders with Australia, according to international law, will not only position Timor-Leste in a socioeconomic global context, but also enhance sustainable and balanced development for our young country. Contributing to the construction of a prosperous future for all of us!”. He added that “the definition of borders will undoubtedly make it possible to strengthen foreign business and investment, increase jobs and develop, among others, the fisheries and tourism sectors”.

The Minister explained that the obligations arising from the Timor Sea Treaty, including the Treaty itself now being submitted for ratification, expressly provide that they will only start coming into effect after the two States – Timor-Leste and Australia -, conclude the so-called transitional arrangements.

Agio Pereira also stated that “the text of the Maritime Borders Treaty that the Government submits for Ratification of the National Parliament, together with the four draft laws, aims to enable Timor-Leste to consolidate its independence and territorial sovereignty insofar as it is necessary to ensure ratification of the Maritime Borders Treaty”. He appealed to the members of the National Parliament to fight, “through the exercise of the mandate conferred by the people of our Nation” together “with the
other State bodies to allow the entry into force of the Maritime Boundary Treaty on August 30, when together we will celebrate not only the 20th anniversary of the popular consultation but also the entry into force of the Treaty which will enable us to exercise sovereignty in the waters and resources of the Timor Sea, achieve our full sovereignty and become in an ever stronger nation”.

The draft laws will now be debated and voted on in the specialties by the committees of the National Parliament, from July 19-23.

On July 24, the legislative package returns to the Plenary for the final global vote on the Draft Laws and for the vote on the Resolution ratifying the Maritime Borders Treaty between Timor-Leste and Australia. The final texts will be sent to the President of the Republic on July 26th.