



Democratic Republic of Timor-Leste

Law No 13/2009 of 21 October 2009

(as revised by Law No 9/2011 of 17 August 2011, with new text in yellow and repealed text shown with yellow strikeouts.)

(as further revised by Law No 4/2013/III of 7 August 2013, with new text in blue and repealed text shown with blue strikeouts.)

Budget and Financial Management

*Unofficial English translation edited and circulated by La'o Hamutuk.
The official Portuguese version and related information are available at
<http://www.laohamutuk.org/econ/debt/09Borrowing.htm#bfm>.*

The present Act introduces the legal regime on Budget and Financial Management within the legal framework of Timor-Leste, for the first time after the approval of the Constitution of the Republic.

The need to define in a clear manner the relationship between the National Parliament and the Government regarding budget and financial management powers justifies the drafting of this new Act, which represents the setting of a normative system involving the budget initiative by the central administration, the powers of approval and authorization, the validity regime and respective changes, as well as the principles and manners in which the various forms of public financial accountability are to be achieved, within the scope of the Budget and Financial Management of the State.

Thus the National Parliament decrees, under section 95 of the Constitution of the Republic, the following as law:

TITLE I Object and scope

Article 1 Object

The present law establishes:

- a) The general and common framework for the State Budget;
- b) The rules and procedures concerning the organization, drafting, presentation, discussion, voting, alteration and execution of the State Budget and the corresponding budget verification and accountability;
- c) The rules and procedures concerning guarantees and loans granted to the State or granted by the State;
- d) The rules concerning the organization, drafting and presentation of the annual report on State accounts;

- e) The rules and procedures to be applied in the financial management of the State.

Article 2
Scope

1 – The present law applies to the State Budget, which includes the budgets of the services that do not have administrative and financial autonomy, the autonomous services and bodies, as well as the corresponding accounts.

2 – In order to be autonomous, services and funds must meet all of the following requirements:

- a) Do not have the nature and form of a public company, foundation or association, even if submitted to the regime of any of the latter by another diploma;
- b) Have administrative and financial autonomy;
- c) Have their own revenues to meet their expenses, according to the law.

3 – The present Act applies to the budgets of local government the financing of which will be the subject of a separate law.

TITLE II
Budget principles and rules

Article 3
Annuity

1 – The State Budget is annual.

2 – The drafting of the budget indicated in the previous paragraph shall be inserted within the multiyear perspective determined by the requirements of financial stability.

3 – The State Budget may include programs, projects or activities that imply multiyear charges, presenting the total expense foreseen for each and, with indicative character, for at least the next two years.

4. A program shall mean an important realization of activities relating to the provision of services for a given objective or a result or a specific group, including all the activities where such activities constitute a single set of activities.

5. Project shall mean a set of operations, limited in time, the result of which enlarges or improves the operations of the Government.

6 – The financial year coincides with the calendar year.

7 – All budget appropriations concerning a fiscal year expire after 31 December of that financial year.

Article 4
Unity and universality

The State Budget is unitary and covers all revenues and expenses of the services and bodies of the State which do not have administrative and financial autonomy, as well as of autonomous services and funds.

Article 5
Non-compensation

1 – All revenues are foreseen at the full sum for which they were evaluated, without any deduction for collection charges or for charges of any other nature, except when foreseen by law.

2 – All expenses shall be registered at their full amount, without any kind of deduction.

Article 6
Non-consignation

1 – The product of any head of revenue cannot be allocated for covering pre-identified expenses.

2 – Exceptions are revenues corresponding to allowances, donations or legacies by private parties, that according to their wishes should be allocated to meet certain expenses, as well as revenues that, by a special reason, are allocated to certain expenses by a specific legal or contractual statute.

Article 7 Specification

1 – The State Budget shall specify in a adequate detail the estimated revenues and the expenses set therein.

2 – Budget credits enabling the existence of appropriations for confidential uses or secret funds shall be void.

3 – The budget of the Ministry of Finance shall include a contingency appropriation meant to meet unforeseen and urgent expenses.

Article 8 Balance

The State Budget shall identify financing to meet all state expenditures.

Article 9 Intergenerational Equity

The State Budget shall respect the principle of intergenerational equity in the use of resources.

Article 10 Management Instruments

The organisms of public administration should comply with the Official Plan of the Public Accounts, and may also use other instruments necessary to good management and control of public money and other public assets in accordance with the law.

Article 11 Publication

The Government shall assure the publication of all documents necessary to assure the disclosure and transparency of the state budget and its execution and shall use, when appropriate, the most advanced forms of communications available for this purpose.

Article 12 Public Monies

1 – For the purposes of the present Act, public monies mean:

- a) Money or valuables in the possession of the Government;
- b) Money or valuables in the possession of a natural or legal person acting on behalf of the Government, according to the law.

2 – The following revenues are considered public monies:

- a) Taxes;
- b) Fees;
- c) Interests;
- d) Dividends or other payments from public companies where the State holds capital;
- e) Revenues from the location of movable or immovable assets;
- f) Revenues from the licensing or selling of any rights controlled by the State;
- g) Royalties;
- h) Fines, regulatory fees, civil case indemnities and insurance revenues;

- i) Donations and gifts.

Article 13
Receiving Public Monies

- 1 – No Public Administration officer may retain or keep under their control public monies awaiting transfer to the State, except in accordance with the law and whenever duly authorized in writing by the Government member responsible for the area of Finance.
- 2 – All revenues must be deposited in the official bank accounts.
- 3 – Entities receiving public monies must immediately deposit the full amount in an official bank account.

Article 14
Spending Public Monies

- 1 – No person may spend or use public monies in an improper or illegitimate manner.
- 2 – Public monies should only be spent after the Director of Treasury issues an Expenditure Authorization Notice, informing the Ministry or Secretariat of State that it is authorized to carry out expenses regarding the budget appropriation specified in the notice.
- 3 – Payments with public monies may only be done in accordance with the Expenditure Authorization Notice regime, as set in the present diploma.

Article 15
Official Bank Accounts

- 1 – The Minister of Finance is responsible for opening one or more official bank accounts in order to deposit public monies, having the possibility to delegate this competence unto the Director of Treasury.
- 2 – In cases where public monies are kept in custody, they shall be treated as being in an official bank account until such a time as when they are effectively received by the State.
- 3 – Any official bank account opened under paragraph 1 shall include the work “official” in its denomination.
- 4 – The opening of accounts to receive, keep, pay or transfer public monies shall respect the regime set in the present article.
- 5 – No Ministry, Secretariat of State or local Government body may open a bank account without the respective approval being communicated to the bank and to the requesting entity.

Article 16
Investment of State monies

- 1 – The Minister of Finance, with the approval of the Council of Ministers may authorise the short-term investment of temporary surpluses of public funds in short term financial instruments entailing low risk and high liquidity with the objective of ensuring efficient management of temporary surpluses.
- 2 - Interest received from investments made according to the present article shall be included in the Consolidated Fund of Timor-Leste.

Article 17
Allocated Revenue Accounts

- 1 – The Minister of Finance is responsible for creating separate accounts for allocated revenues, ensuring that the budget appropriations made from those accounts serve only the intended purposes.

2 – The Minister of Finance may delegate the competence described in the previous paragraph to the Director of Treasury.

3 – Interests or other revenues generated from the investment of allocated revenues are subject to the same rules applied to original allocated revenues.

Article 18
Revenues allocated to autonomous funds

Revenues allocated to autonomous funds must be used only for the intended purposes.

Article 19
Civil Service Salaries

1 – The Ministry of Finance is responsible for paying all civil servants, as well as for ensuring that taxes are withheld at the source and other deductions are made according to the law.

2 – Should there be no budget appropriation for paying salaries to civil servants during a certain period, the obligation by the civil servants to perform their duties and the obligation by the State to pay their salaries shall be suspended during that period.

Title III
Public Debt

Article 20
Guarantees and borrowing by the State

1 – In the annual public revenue and expenditure estimates submitted to the Parliament, the Government shall specify the amount it expects to receive from borrowings and grants during the financial year, in order to fund State expenses.

2 – The Government shall only issue debt certificates when it has effectively received the amount or goods covered by the loan.

3 – The Minister of Finance is the only authority for lending or borrowing on behalf of the State, and:

- a) Represents the Government in all lending or borrowing agreements;
- b) Maintains the original documents and records regarding all lending or borrowing agreements, including guarantees and contingency obligations.

4 – All revenues obtained under the present article shall be transferred to the Consolidated Fund of Timor-Leste, being available to fund State expenses according to the State Budget Law.

5 – The Minister of Finance may issue a guarantee binding the Government, without a second authorization, provided that the amount in question does not exceed the unspent budget appropriations allocated to the Ministry of Finance and in the cases of specified amounts when duly authorized by law.

6 – The Government shall only be bound in relation to guarantees, insurances or financial instruments similar to the ones listed in paragraph 8 of the present article.

7 – Government expenses resulting from the compliance with guarantees and insurances are considered debt service expenses.

8 – In the annual public revenue and expenditure estimates submitted to the Parliament, the Government shall specify the necessary amount for meeting the cost of the operation of all borrowings under the present law, whether through the settlement of the capital or through the payment of interests or other fees in relation to the borrowings during the financial year to which these estimates relate.

9 – The settlement of borrowings and interests, as well as any other amounts to be paid provided that they do not concern guarantees or indemnities, is to be paid from the Public Fund, without any other appropriation.

Article 21
Loans by the State

1 – The Government may loan money to legal persons provided that:

- a) The details of the operation, reimbursement of interests, non-compliance and loan redemption conditions are duly set in the law;
- b) The law and the title of the debt contain provisions regulating noncompliance, namely enabling the Government to demand the anticipated reimbursement of the entire capital and interests in the event of noncompliance or delay to comply;
- c) The Government credit, whether in terms of capital or interest, is fully insured in case of noncompliance.

2 – The conditions of the loan may only be altered:

- a) By law;
- b) By the Government, in accordance with an opinion by an independent auditor, justifying the lack of existence of objective conditions for recovering the debt or part of it.

Title IV
General State Budget

CHAPTER I
Content and Structure

Article 22
Content of the State General Budget

1 – The State General Budget contains, in relation to the period it concerns:

- a) General information on the budget;
- b) A plan with expenditure appropriations and revenue estimates;
- c) Information on assets and liabilities.

2 – The general information on the budget shall include:

- a) An internal and external macroeconomic study;
- b) Short and medium term fiscal strategies;
- c) Budget objectives and priorities, including revenue and expenditure estimates;
- d) Budget deficit or surplus concerning the previous financial year, transported into the financial year corresponding to the State Budget Law;
- e) Detailed information on the funding of the budget deficit;
- f) Other information considered necessary for the transparency and clarification of the State General Budget Law.

3 – The planned expenditure appropriations and revenue estimates for the financial year include:

- a) The total revenues foreseen by the Government, as well as the expenses and resulting balances for the next two years;
- b) Estimate of revenues to be received;
- c) Budget appropriations for each service without administrative and financial autonomy and for autonomous services and funds;

- d) Budget appropriations for allocated revenues;
- e) Budget appropriations for public grants;
- f) Conditions linked to any budget appropriation;
- g) Budget appropriations for paying interests and settling debts;
- h) Budget appropriation not exceeding 5% of the total spending with contingency expenses;
- i) The estimated number of Government permanent and temporary staff members to be paid from budget appropriations;
- j) Estimated future expenses with acquisitions from the start of the financial year;
- k) Projections of revenues from fees;
- l) Estimated cost of previous uncollected revenues, tax or customs benefits expressly foreseen by law, attributed to services without administrative and financial autonomy and to autonomous services and funds by expenditure programs related with the activity covered by the tax or customs benefits;
- m) Estimation of revenues uncollected as a result of the application of tax legislation provisions exempting persons or transactions from the application of tax legislation, attributed to services without administrative and financial autonomy and to autonomous services and funds responsible for the application of legal provisions within this sphere;
- n) Estimation of revenues uncollected as a result of non-financial benefits concerning goods and services;
- o) Other information considered necessary by the Government.

4 – The information on assets and liabilities for a financial year includes:

- a) The investment strategy of the Government;
- b) Borrowings by and loans to the Government;
- c) Changes made to borrowings and loans under article 12 in the previous financial year;
- d) Borrowings by or loans to the Government;
- e) Setting an overall limit on guarantees and borrowings by the Government;
- f) Estimated amount of Government contingency liabilities that may be transferred into actual liabilities;
- g) Other information considered relevant by the Government.

Article 23

Content of the State Budget and mandatory Expenses

1 – The Budget shall indicate the entity responsible for the budget appropriation, as well as the expenditure category.

2 – Should the purpose of a budget appropriation be to pay an autonomous fund, it should indicate the amount attributed for capitalization, loans and expenses with the acquisition of goods or services.

3 – Should the purpose of a budget appropriation be to pay a debt by the Government, it should indicate the amount attributed for the payment of interests or for settling the borrowing.

4 – The State Budget should indicate the proportion of budgeted appropriations to be funded through:

- a) Money from the Consolidated Fund of Timor-Leste;
- b) Future revenues from donations by foreign governments or international organizations;

c) Other duly foreseen revenues.

5 – The Government should propose to the Parliament the maximum amount to be lent and borrowed by the Government.

6 – The State General Budget must indicate:

- a) The appropriations required to meet the obligations resulting from the law or a contract;
- b) The appropriations meant to pay charges resulting from court sentences;
- c) Other appropriations determined by law.

7 – Appropriations corresponding to mandatory expenses of a set amount, known at the time the State Budget is presented, must be duly recorded in the latter.

CHAPTER II Law on State Budget

Article 24 Formal content and structure

The State Budget Law contains the exposition and the budget charts, the latter being approved in an attachment.

Article 25 Exposition

1 – The exposition of the State Budget Law contains namely:

- a) The approval of the budget charts;
- b) The approval of the authorization for transferring funds from the Petroleum Fund;
- c) The approval of funds to be managed by the Ministry of Finance;
- d) The approval of funds to be provided to local government;
- e) Other articles considered to be necessary.

Article 26 Specification of the budget of services without administrative and financial autonomy

The specification of budget expenditure by services without administrative and financial autonomy is done by grouping expenditure into titles, divided into chapters, which in turn may be divided into one or more disaggregation levels, as required for a proper specification of expenditure.

Article 27 Specification of the budget of autonomous services and funds

1 – In the Budget of the autonomous services and funds subsector, including that of each of these services and funds, revenue and expenditure are specified in the following manner:

- a) Overall revenue;
- b) Overall expenditure.

Article 28 Budget Charts

1 – The charts indicated in article 24 (a) are the following:

- a) CHART I, “Estimated Revenues to be Collected”;
- b) CHART II, “Appropriations from the State General Budget”;
- c) CHART III, “Autonomous Bodies partly funded by self-revenues within the State General Budget”;

- d) Other charts duly approved in the exposition may also be added.

Article 29
Draft Budget Law

The draft Budget Law has a structure and a formal content identical to the ones of the Budget Law.

Article 30
Time limits for presentation

1 – The Government shall present to the National Parliament by the 15 October the draft Budget Law for the following financial year.

2 – The time limited indicated in the previous paragraph does not apply in the following circumstances:

- a) The acting government has tended its resignation;
- b) The new Government enters into office ;
- c) The legislature is concluded.

Article 31
Duodecimal regime

1 – Should the Budget not enter into force at the start of the financial year, the Government may resort to temporary budget appropriations to continue its activity, provided that:

- a) Each budget appropriation covers an expense for a period not exceeding one month;
- b) Each budget appropriation is done according to the present article and does not exceed one twelfth (1/12) of the budget appropriation for the same purpose foreseen in the Budget Law for the previous year.

2 – Budget appropriations done according to the present article expire when the new budget law enters into force, with all such expenses being integrated in the Budget for the ongoing financial year.

Article 32
Special funds

1 – Whenever authorized by law, the Minister of Finance may establish special funds that are not part of the Consolidated Fund.

2 - The revenues, incomes and profits from these funds are not transferred to the Consolidated Fund at the end of the year, being instead retained by the funds to serve the purposes for which they were established.

3 – The Minister of Finance is responsible for managing and controlling the funds set according to the present article.

4 – Any legislative instrument drafted according to the present article shall:

- a) Indicate the purposes for which the fund was establish;
- b) Identify the entity responsible for its operations.

5 – All expenses done through the funds require an authorization by the Minister of Finance addressed to the responsible entity.

6 – The authorization indicated in the previous paragraph can only be issued if the Parliament is presented estimates for the revenue and expenditure of the special fund within that financial year, drafted according to the instructions issued and approved by the Minister of Finance.

7 – Should a special fund lack the money and there be no legal provision to place any further sums in that fund, or if it is in the public interest to close the special fund, the Minister of Finance may dissolve the fund.

8 – The remaining amount or other resources belonging to the dissolved fund shall be transferred to the Consolidated Fund.

9 – In the case of the special funds under the responsibility of other Government members, the Minister of Finance will only dissolve the funds after consulting with the responsible Government member.

Article 33

Funds from Development Partners and International Organizations

1 – The Government member responsible for the area of finance may draft a special fund budget that is not part of the Consolidated Fund of Timor-Leste, containing the following details:

- a) Money sums granted by international organizations or foreign governments for the benefit of Timor-Leste;
- b) Estimates of any assistance in kind granted by international organizations or foreign governments for the benefit of Timor-Leste.

CHAPTER III

Rectification budgets

Article 34

Rectifying budget

1 – The Government may present alterations to the approved State Budget when the circumstances so justify it.

2 – The structure and content of the budget alteration laws comply with the provisions of chapters I and II, the rules of which apply with the necessary adaptations.

Article 35

Budget alteration law

1 – Should the budget alteration law determine an expenditure increase for the ongoing financial year, it should foresee a sufficient budget appropriation to meet the respective expenses and indicate the funding proportion of that budget appropriation from:

- a) Public monies unallocated and currently contained in the Consolidated Fund of Timor-Leste;
- b) Estimated future revenues;
- c) Public monies that become unallocated sums by way of the cancellation of part of an existing budget appropriation.

2 – In the cases foreseen in article (c) above:

- a) The part of the budget appropriation to be cancelled must be specified;
- b) The new budget appropriation is only valid after the cancellation has occurred.

Article 36

Bank charges and fees

All bank charges and fees regarding Government accounts or investments shall be paid from budget appropriations of the Ministry of Finance.

Article 37

Contingency Expenses

In the case of urgent and unforeseen expenses, the Minister of Finance may change part of a budget appropriation for contingency expenses by a Ministry or Secretariat of State.

Article 38

Budget alterations in services without administrative and financial autonomy

1 – The Government is responsible for altering the budgets of services without administrative and financial autonomy under a Ministry or Secretariat of State, provided that the amount of the transfer does not exceed 20% of the budget appropriation from which the amount is transferred.

2 – The transfer from budget appropriations attributed to the services indicated in the previous paragraph must be authorized by the Minister of Finance.

3 – No transfer of funds is allowed from the budget category of capital development to any other budget category.

4 – No transfer of funds is allowed from the budget category of wages and salaries to any other budget category.

5 – The Government is responsible for transferring sums from one chapter to the other within the budgets of services without administrative and financial autonomy.

TITLE V

Budget execution

Article 39

Expenditure Authorization Notices

1 – The Director of Treasury shall issue Expenditure Authorization Notices, subject to the availability of funds, authorizing Ministries and Secretariats of State to spend or to commit budget appropriations or part of budget appropriations.

2 – Expenditure Authorization Notices must specify the time period during which the authorization is valid.

3 – No money shall be withdrawn from the Consolidated Fund of Timor-Leste for an expense unless it is authorized by an Expenditure Authorisation Notice.

4 – An Expenditure Authorization Notice shall not be valid if it authorizes the spending of public monies not foreseen as expenses within a budget appropriation.

5 – The procedure to be followed for payments authorized by an Expenditure Authorization Notice shall be determined by the Director of Treasury and communicated to the Ministries and Secretariats of State.

Article 40

Repealing and amending an Expenditure Authorization Notice

The Director of Treasury may at any moment repeal an Expenditure Authorization Notice with the approval of the Minister of Finance should he conclude that the repeal or amendment:

- a) Is desirable for a prudent financial management;
- b) Is appropriate to ensure the continuation of expenses throughout the financial year.

Article 41

Amounts due in Expenditure Authorization Notices

1 – Should an amount specified in an Expenditure Authorization Notice be not fully spent at the time its validity expires, the person responsible for the Ministry or Secretariat of State may request the Minister of Finance to continue the availability of the unspent sum to another period.

2 – The person responsible for the Ministry or Secretariat of State may request the Minister of Finance to increase the amount specified in an Expenditure Authorization Notice if the additional funds are available in the appropriation.

TITLE VI
Budget control, reports and financial accountability

CHAPTER I
Jurisdictional Control

Article 42
Opinion of the High Administrative, Tax and Audit Court

The Administrative, Fiscal, Auditors High Court or until this body has been established, the entity established in article 164 of the Constitution, shall transmit to the National Parliament, under the terms of the organic law of the Chamber of Auditors of that Court [Law no. 9/2011 of 17 August], the report and opinion on the General State Accounts.

~~1 – The Government accounts shall be sent to the High Administrative, Tax and Audit court or pending the establishment of that body to the organ identified in article 164 of the Constitution.~~

~~2 – The organ identified in the previous section shall send the accounts to the National Parliament within 30 days of receipt.~~

~~3 – The organ identified in the first section may nominate an independent auditor to examine the accounts.~~

~~4 – In the case of the nomination of an independent auditor a copy of the report shall be sent to the National Parliament.~~

~~5 – The audited accounts shall be sent to the competent organ within six months of the end of the financial year.~~

~~6 – The competent organ shall assess the accounts of the state and give an opinion of the legality of the public expenditure in accordance with section 3 of Article 129 of the Constitution.~~

~~7 – The opinion referenced in the preceding section shall be sent to the National Parliament within 10 months of the end of the fiscal year to which it refers.~~

CHAPTER II
Records, Accounting and Audit

Article 43
Budget and accounting records

1 – The Minister of Finance shall establish classification systems in order to record budget and accounting information that facilitates the control of spending by the Government and that enables an expenditure review according to organization, function and economic category, in accordance with the cash basis classification requirements by the Financial Statistics of the Government, as prescribed by the International Monetary Fund.

2 – The Treasury shall maintain accounting records on:

- a) Government Revenues;
- b) Appropriations;
- c) Adjustments to budget appropriations in conformity with the present diploma;
- d) Budget appropriations made available to Ministries in relation to expenses through Expenditure Authorization Notices;
- e) Actual expenses made;
- f) Liabilities in arrears.

Article 44 Quarterly Reports on Budget Execution

1 - The Government shall submit to the National Parliament and the Chamber of Auditors of the Administrative, Fiscal, Auditors High Court reports on the progress of the budget concerning the first three, six and nine months of each financial year.

~~1 – The Government shall present to the National Parliament reports on the evolution of the budget during the first three, six and nine months of every financial year.~~

2 – The time limit for delivering the reports indicated in the previous paragraph is two months after the end of the period covered by the reports.

3 – The reports on the evolution of the budget shall include a report on revenues and expenses, containing the information described in article 4, along with information on assets and liabilities containing the information described in article 45.5.

~~4 – Should the reports on the evolution of the budget fail to contain all information indicated in the previous paragraph, they must justify the reasons for it.~~

Article 45 Final report on the General State Accounts Budget

1. The Government shall submit to the National Parliament and to the Chamber of Auditors of the Administrative, Fiscal, Auditors High Court the Report on the General Accounts of the state, within **five seven** months after the end of the financial year, a report containing the financial balance sheets compiled by the Treasury, compatible with international accounting standards.

2. The reports to which the preceding paragraph refers shall contain the following information:

- a) An overall view of the most important real general revenues and expenses;
- b) Details on the way the budgetary deficit was financed or how the budgetary surplus was invested;
- c) The real revenues compared to the revenues set out in the Budget;
- d) The real revenues allotted and received during the financial year;
- e) The real expenses effected from budgetary allocations from allocated revenues;
- f) The number of permanent or temporary Government employees paid from budgetary allocations in the current financial year;
- g) The payment of interest on a debt incurred by the Government and the reimbursement of the debt;
- h) Expenses regarding each category of budgetary allocation and corresponding budgetary heading compared to:
 - i. Budgetary allocation for that category;
 - ii. Expenses for that category in the previous financial year;
 - iii. Details of additional budgetary allocations made within the scope of a budget rectification.
- i) Details of all beneficiaries of public subsidies granted in the financial year and the amount they received;
- j) Details of contingency expenses;
- k) Details of all adjustments and budgetary allocations made under the terms of the present law;

- l) Revenues from rates and taxes;
- m) Information on the execution of special funds;
- n) Other information considered necessary.

3. Information on assets and liabilities contains:

- a) Details on investments on public monies made during the financial year;
- b) Details on any change made under the terms of paragraph 2 of article 21 for loans for the preceding financial year;
- c) Details of any loans granted by the Government during the financial year;
- d) Details of any loans taken out by the Government during the financial year;
- e) Details of differences between the amount of the guarantees and loans established by the Government during the financial year and the guarantees actually granted and the loans actually taken out;
- f) Details of the difference between the amount established for the Government's contingency liabilities and the amount of the contingency liabilities which actually existed;
- g) The accounting of the assets at the end of the financial year, including the value of property and other assets belonging to the State;
- h) The commitments taken on by the State resulting from multi-annual programs and contracts;
- i) Other information considered necessary.

~~1—The Government shall present to the National Parliament:~~

- ~~a)—Three months after the end of the fiscal year, an intermediate budget execution report concerning the previous financial year;~~
- ~~b)—Nine months after the end of the fiscal year, the set of financial balances compiled by the Treasury, audited and in conformity with the international accounting standards.~~

~~2—The intermediate execution report mentioned in the previous paragraph shall include a report on revenues and expenses.~~

~~3—The audited annual accounts shall include the following information:~~

- ~~a)—An overall view of the main actual revenues and expenses;~~
- ~~b)—Details on the manner in which the budget deficit was funded or on how the budget surplus was invested;~~
- ~~c)—Other information considered to be necessary.~~

~~4—The report on revenues and expenses contains information on:~~

- ~~a)—Actual revenues compared with the revenues foreseen in the Budget;~~
- ~~b)—Actual allocated revenues received during the financial year;~~
- ~~c)—Actual expenses made from budget appropriations of allocated revenues;~~
- ~~d)—The number of permanent or temporary Government staff members paid from budget appropriations in the ongoing financial year;~~
- ~~e)—The payment of interest on a debt contracted by the Government and the reimbursement of the debt;~~

- ~~f) Expenses concerning each budget appropriation category compared with:

 - (i) The budget appropriation for that category;
 - (ii) The expenses for that category in the previous financial year;
 - (iii) Details on additional budget appropriations done under a rectifying Budget.~~
 - ~~g) Details on all beneficiaries from public allowances granted in the financial year and the amounts they have received;~~
 - ~~h) Details on contingency expenses;~~
 - ~~i) Details on all adjustments to budget appropriations done according to the present law;~~
 - ~~j) Revenues from the fees;~~
 - ~~k) Other information considered to be necessary.~~
- ~~5) The information on assets and liabilities shall include:~~
- ~~a) Details on the investment of public monies during the financial year;~~
 - ~~b) Details on any changes made under article 21.2 concerning borrowings and loans in the previous financial year;~~
 - ~~c) Details on any loans by the Government during the financial year;~~
 - ~~d) Details on any borrowings by the Government during the financial year;~~
 - ~~e) Details on the differences between the amounts of guarantees and borrowings estimated by the Government during the financial year and the guarantees actually granted and the amounts actually borrowed;~~
 - ~~f) Details on the difference between the amount foreseen for Government contingency liabilities and the amount of contingency liabilities that actually took place;~~
 - ~~g) Asset accounting at the end of the financial year;~~
 - ~~h) Other information considered to be necessary.~~

CHAPTER III Accountability

Article 46 Accountability for budget execution

1 – The holders of public office are politically, financially, civilly and criminally accountable for the acts and omissions they perform within the exercise of their budget execution duties, according to the Constitution and further applicable legislation, which typifies the criminal and financial infractions, as well as the respective sanctions, whether they are done intentionally or not.

2 – Every holder of a political office is responsible for the efficient, effective and ethical use of the budget appropriations allocated to him.

3 – Staff members and officers shall be disciplinarily, civilly and criminally accountable for their acts and omissions that violate the budget execution rules, according to the Constitution and applicable legislation.

Article 47 Financial accountability

Subject to the specific means for enforcing the remaining accountability forms indicated in the previous paragraph, the financial accountability is enforced by the High Administrative, Tax and Audit Court, according to the respective legislation.

Article 48 (repealed)**Referral of the opinion by the High Administrative, Tax and Audit Court**

~~For purposes of enforcing eventual financial or criminal responsibilities resulting from the execution of the State Budget, the Plenary of the National Parliament may choose to refer to the competent entities the opinion of the High Administrative, Tax and Audit Court regarding the Final Budget Execution Report.~~

TITLE VII**Rules for Autonomous Funds****Article 49****Capitalization of autonomous funds**

Budget appropriations for paying an autonomous fund in the event of its transformation into a public company are allowed if:

- a) The autonomous fund issues to the Government stock or other proof of participation in the capital of the public company;
- b) The diploma creating the autonomous fund foresees that the Government is entitled to receiving all accrued capital and reserves even after liquidation;
- c) The diploma creating the autonomous fund displays its social purpose and determines that it should apply its capital and revenues exclusively for that purpose, forbidding the issuing of new stock to owners other than the Government.

Article 50**Acquisitions from autonomous funds**

Budget appropriations for the purchase of goods and services from autonomous services are allowed provided that the amount to be paid does not exceed the market value of those goods and services.

Article 51**Borrowing by autonomous funds**

The provisions of article 20 of the present diploma apply to borrowings from the Government by an autonomous fund.

Article 52**Accounting practises**

1 – The financial year of an autonomous fund shall coincide with the calendar year.

2 – Autonomous funds shall maintain their accounts and financial records in conformity with the International Accounting Standards, duly recording and explaining their transactions and financial situation, and maintaining those records so as:

- a) To enable the drafting of the financial balances required by the present diploma;
- b) To enable these financial balances to be duly audited according to the present diploma.

3 – The Government, through the Minister of Finance, may allow temporary cash-basis accounting standards for accounts and financial records concerning the first year of an autonomous fund.

4 – Autonomous funds shall maintain their accounts and financial records for at least seven years after the conclusion of the transactions they concern.

5 – Autonomous funds shall provide their records for purposes of inspection and verification.

Article 53**Reports**

Autonomous funds report according to Title VI Chapter II, with the necessary adjustments.

Title VIII
Final provisions

Article 54
Repeals

UNTAET Regulation 2001/13, of 20 July, on Budget and Financial Management, is hereby repealed.

Article 55
Entry into force

The present diploma enters into force on the day after its publication.

Approved on 25 September 2009.

President of the National Parliament,
Fernando La Sama de Araújo

Promulgated on 15 October 2009.

Published on 21 October 2009

President of the Republic,
José Manuel Ramos Horta