

**LAW No. 7/2020
of 26 August 2020**

MEASURES TO PREVENT AND COMBAT CORRUPTION

Corruption is a pernicious phenomenon that subverts the fundamental values of life in society. Corruption undermines the foundations of the democratic rule of law, distorting the fair distribution of national wealth, and foments divisions and friction in society. In other words, corruption undermines justice and social harmony.

Fundamental principles of the Constitution such as the universality of rights, equality, and legality are emptied of content in favor of the particular interests of a few unscrupulous people.

As corruption is now a global phenomenon that is increasingly difficult to pursue and combat, the Timorese State must adopt exceptional measures to ensure greater effectiveness in the fight against this crime.

The fight against corruption needs, therefore, to be taken up by all and to be equipped with legal mechanisms that allow it to confront its hidden nature because, although it offends the foundations of the State, it ends up having no one, in particular, as a victim.

The Timorese legal framework already has legal instruments to prevent and combat corruption and associated crimes, such as the Penal Code and the legal regime to prevent and combat money laundering and the financing of terrorism.

In the current context, it is important, in coherence with the existing legal framework, to establish new measures to prevent and combat corruption.

That is why it was understood that this law should contain, as it does, provisions of a preventive and not just criminal nature. And, within this framework, it was also considered convenient to lay down the regime for the declaration of income, assets and interests.

With regard to criminal matters, it was decided to concentrate all crimes of corruption in a single piece of legislation, which resulted in the removal of those that were provided for in the Criminal Code and their insertion in this law, together with the new types that it enshrines.

Thus,

The National Parliament enacts the following, pursuant to Article 95(1) of the Constitution of the Republic, to be valid as law:

**TITLE I
OBJECT**

**Article 1
Object**

1. The present law establishes general preventive measures, the system for declaring income, property and interests, defines the crimes of corruption, the penalties applicable thereto and the special means for obtaining and preserving evidence.
2. This law makes the sixth amendment to the Criminal Code, approved by Decree-Law No. 19/2009 of 8 April and amended successively by Law No. 6/2009 of 15 July, by the Legal Framework on the

Prevention and Combating of Money Laundering and Financing of Terrorism, Law No. 17/2011 of 28 December, by the Law Making the First Amendment to the Legal Regime for the Prevention and Combat of Money Laundering and the Financing of Terrorism, Law No. 4/2013, of September 11, by the Law on the Prevention and Fight Against Trafficking of Persons, Law No. 3/2017, of January 25, and by the Legal Regime Relating to the Practice of Martial Arts, Rituals, White Weapons, Rama Ambon, Law No. 5/2017, of April 19.

3. The present law proceeds with the first amendment to the Law on the Anti-Corruption Commission, Law No. 8/2009, of July 15.

TITLE II

PREVENTIVE MEASURES FOR FIGHTING CORRUPTION

CHAPTER I

GENERAL PREVENTIVE MEASURES

Section I

National Strategy

Article 2

Policy of prevention and fight against corruption

1. The Government shall approve, upon the proposal of the Anti-Corruption Commission, the national strategy for the prevention and fight against corruption and the action plans aimed at its execution.
2. The national strategy and the action plans shall promote the widest possible public participation, namely through civil society organizations and the private sector, in their conception, execution and evaluation, and shall reflect the principles of the rule of law, good management of public affairs and assets, integrity, transparency and accountability.
3. The national strategy shall be based on rigorous collection, compilation and analysis of factual information on the causes and consequences of corruption in Timor-Leste.
4. The national strategy sets clear and achievable objectives, time-bound targets, and the sequence in which specific objectives are to be met. The national strategy is intended to provide overall guidance leading to the development and implementation of sector- or institution-specific action plans to ensure that the strategy is cascaded down and is not merely a statement of intent.
5. The Anti-Corruption Commission is responsible for overseeing and coordinating the execution of the national strategy and action plan, periodically evaluating its implementation, and proposing adaptations, when necessary.
6. The legal instruments and administrative measures shall be regularly evaluated in order to ascertain whether they are adequate to prevent and combat corruption.

Section II

Public Sector and Codes of Conduct

Article 3

Recruitment in the public sector

The recruitment, hiring, retention and promotion of non-elected public officials shall include:

- a) Adequate procedures for selecting and training persons for public positions considered especially exposed to corruption and, where appropriate, rotation in such positions;
- b) Education and training programs to enable them to meet the requirements for the proper, dignified, and adequate performance of public functions and to enhance their awareness of the risks of corruption inherent in the performance of their duties.

Article 4

Codes of conduct for public and private agents

1. Codes of conduct for public officials shall be adopted in order to promote personal standards of behavior of integrity, honesty and responsibility, as well as professional standards of responsibility of correctness, impartiality, honesty and proper performance of public functions.
2. In the development of codes of conduct for public officials, the Framework Code of Conduct for Public Officials annexed to United Nations General Assembly Resolution 51/59 of 12 December 1996 shall be taken into consideration.
3. Specific codes of conduct should be adopted for public officials in areas especially exposed to corruption, imposing conduct appropriate to their specific corruption risks.
4. Codes of conduct necessarily impose disciplinary sanctions against violation of their precepts and standards.
5. Private sector organizations are encouraged to adopt codes of conduct similar to those applicable to the public sector, which also include provisions specific to the nature of the organization and the functions of its employees.

Article 5

Measures to facilitate reporting of acts of corruption

The competent police and judicial authorities shall take measures to facilitate the reporting by public officials to the appropriate authorities of acts of corruption which come to their attention in the course of their duties, including accepting anonymous reports, protecting the identity of whistleblowers and protecting against retaliation.

Article 6

Measures regarding political parties

Political parties have the obligation to promote knowledge and awareness among their militants and leaders of the risks of corruption, and are responsible for adopting preventive measures.

Section III

Contracting in the public sector

Article 7

Publicity and transparency of the provisioning in the public sector

1. The provisioning and public contracting is based on the principles of publicity and transparency, which seek to deter corrupt practices and allow a social scrutiny of the public agents affected to the provisioning services and the people who contract with the State. The publicity and transparency take place both in the provisioning and contracting phase, as well as in the contract execution phase.

2. The training, with the respective certification of the acquired knowledge, of the public agents assigned to the provisioning and public contracting services, must include a deep knowledge of the techniques and applicable legal rules, as well as awareness about the harmful effects of corruption and the benefits of appropriate ethical conduct.
3. The public agents allocated to the provisioning and public procurement services are subject to the declaration of assets, income and interests, under the terms established in the proper legal provisions on the matter, with the objective of transparency in the manner in which they acquire their wealth and the detection and prevention of conflicts of interest.
4. The legal regime of provisioning and public contracts must establish an effective system of internal audit to the provisioning procedures and execution of public contracts, as well as a clear and effective system of appeals in case of non-compliance with the rules and procedures.

Article 8

Fair and efficient provisioning

1. The provisioning must be economical and based on the principle of the optimization of the relationship between cost and benefit, which must result in the best quality of goods, services and works for the price paid.
2. The decisions for awarding contracts for the supply of goods, services and works must be fair and impartial, observing the following:
 - a) Public funds shall not be used to grant favors;
 - b) Requirements and specifications must be non-discriminatory;
 - c) Bidders must be selected on the basis of their qualifications and the merit of their bids;
 - d) The competitors must be treated with absolute equality.
3. The complexity of the provisioning process and rules must reflect the value and the complexity of the good, service or work to be acquired, avoiding unnecessary bureaucratic intervention.

Section IV

Transparency of the public administration

Article 9

Disclosure of the activity and operation of public institutions

1. State institutions shall regularly publish reports on their activities, which shall be made more widely available to the public.
2. Ministries and other State institutions shall make the widest possible use of electronic means for the dissemination of general information to the public on their organization, functioning and decision making processes. This information shall be sufficiently clear to enable the public to know, in general, where to apply for and obtain a decision, what documents are required to process a request, who is responsible for decisions, how they can be contacted, what information about the process is available, and to whom they can appeal the decision.
3. Effective access to information about the decisions of public authorities includes:
 - a) Public knowledge of those responsible for decisions;
 - b) Public knowledge of the content of the decisions;

- c) Public access to the technical information contained in decisions explained in plain language;
- d) The disclosure of the decisions taken and the reasons for those decisions;
- e) The existence of effective and accessible means of appeal against decisions.

Article 10

Simplification of administrative procedures

The Anti-Corruption Commission shall promote, on its own or in collaboration with the government, periodic studies, with the participation of public entities, civil society and academic institutions, with a view to simplifying procedures, in order to facilitate public access to the competent decision-making authorities, and to reduce unnecessary bureaucratic expedients that create opportunities for corruption.

Article 11

Assessment of corruption risks in the Public Administration

The Anti-Corruption Commission shall promote periodic studies, with the participation of public entities, civil society and academic institutions, on the risks of corruption in the Public Administration and shall propose possible legislative and other solutions.

Article 12

Obstruction of access to information

Any public official who, having custody of a document or any other information relevant to the decision-making process to which the public has the right of access guaranteed by law, refuses to provide a document or information, commits a disciplinary infraction punishable by suspension, preceded by disciplinary proceedings, without prejudice to any criminal proceedings that may ensue.

Article 13

Judicial appeal

Decisions denying access to information guaranteed by law may be appealed to the courts, once administrative appeals have been exhausted.

Section V

Integrity of the judiciary and reduction of opportunities for corruption

Article 14

Measures for strengthening the integrity of judicial magistrates and public prosecutors

1. The competence, professionalism and integrity of judges and prosecutors are fundamental to the success of the fight against corruption. The judiciary as an institution is essential to the rule of law and can influence efforts to eradicate corruption.
2. The concept of integrity of magistrates should be understood broadly to include:
 - a) The ability to act free from any external influences, persuasion, threats or interference, direct or indirect, whatever their origin or motivation;
 - b) Impartiality, as the ability to act without favor or bias;
 - c) A personal conduct beyond reproach in the eyes of an ordinary observer;
 - d) Proper manner, or appearance thereof, in the way one conducts oneself in personal and professional life;
 - e) Technical competence;
 - f) Diligence and discipline.

3. The independence of the judiciary must be based on three essential conditions, which must be enshrined in proper legislation:
 - a) The guarantee of maintenance in office, career or by mandate, against arbitrary and discretionary interference by other powers of the State with a view to the removal or transfers of magistrates;
 - b) Financial guarantees, including fair remuneration, social security, and retirement pension, immune from arbitrary interference by the executive branch
 - c) Institutional independence in relation to administrative matters directly related to the exercise of the judicial function and to the management of the financial resources allocated to the judiciary.

Article 15

Measures to reduce opportunities for corruption

1. The processes of recruitment, appointment and promotion of judicial magistrates and public prosecutors, as well as public defenders, shall be transparent and based on merit and pre-established criteria, and shall reflect the specialized professional competence required for the performance of the respective functions.
2. Recruitment processes shall include scrutiny of a candidate's past conduct prior to appointment.
3. Strengthening the integrity of the judiciary requires legislative measures to ensure that:
 - a) Judicial proceedings are open and accessible to the public, without prejudice to exceptional circumstances in which this should not occur;
 - b) Judges are required to give reasons for their decisions
 - c) Decisions are subject to appeal and the respective procedures ensure the effective exercise of this right.
4. Day-to-day administration of judicial proceedings is an important component in preventing corruption. Measures in this area may include:
 - a) The assignment of responsibilities to judges in reducing delays in the conduct and conclusion of cases and discouraging dilatory maneuvers, which can be done, among other actions, through the monthly circulation among judges of a list of pending cases and judgments;
 - b) The computerization of court cases, as a way to prevent their disappearance or undue retention by anyone;
 - c) A public and transparent procedure for distributing cases to judges, as a way of combating the apparent or real perception of control over cases by litigants;
 - d) The implementation of measures to reduce unjustifiable variations in criminal sentences.

Article 16

Measures concerning standards of professional conduct

1. Access to judicial and prosecutorial careers shall be contingent upon a high level of legal education, which shall also be ensured throughout the career through continuous professional development by the public institutions responsible on a regular basis. The training of magistrates should incorporate an important ethical component.
2. In formulating or reviewing the ethical conduct imposed on judicial magistrates and prosecutors, the following shall be taken into consideration

- a) The "Basic Principles on the Independence of the Judiciary," adopted by United Nations General Assembly Resolutions 40/32 of November 29, 1985 and 40/146 of December 13, 1985;
- b) The "Bangalore Principles of Judicial Conduct", adopted by the Judicial Group for Strengthening the Integrity of the Judiciary and reviewed by the Presidents of the Supreme Courts, at The Hague, on November 25-26, 2002, and endorsed by the United Nations, through Economic and Social Council Resolution, ECOSOC 2006/23.
- c) The "Guiding Principles Concerning the Role of Public Prosecutors", adopted by the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Havana, Cuba, from August 27 to September 7, 1990;
- d) The "Code of Conduct for Criminal Law Enforcement Officials", approved by United Nations General Assembly Resolution 34/169 of 17 December 1979 and the "Guide for the Effective Implementation of the Code of Conduct for Criminal Law Enforcement Officials", adopted by Resolution 1989/61 of 25 May 1989 of the United Nations Economic and Social Council.

Article 17

Bailiffs and criminal investigation officers

The measures prescribed for judicial magistrates, public prosecutors and public defenders shall apply, with the necessary adaptations, to court officials, public prosecutors and criminal investigation agents.

Article 18

Lawyers and public defenders

1. Lawyers and public defenders shall guide their professional conduct by high deontological standards and shall possess high legal qualifications, to be laid down in specific legislation and based on internationally recognized values and principles, namely the "Basic Principles on the Role of Lawyers", adopted by the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, held in Havana, Cuba, from 27 August to 7 September 1990.
2. The competent institutions of the State shall ensure that criteria compatible with the provisions of the preceding paragraph are observed in relation to access to the profession, as well as guarantee, directly or indirectly, initial training and continuous professional development on a regular basis.

Section VI

Private sector

Article 19

Participation of the private sector in the formulation of anti-corruption policies and strategies

The private sector, notably through its representative associations, shall participate in the formulation of anti-corruption strategies and policies, in the formulation or review of administrative procedures relating to the transparency of the public administration, and in other relevant initiatives taken by the public entity responsible for the policies to prevent corruption.

Article 20

General measures for the prevention of corruption in the private sector

1. The formulation and development of standards and procedures, on a self-regulatory or hetero-regulatory basis, with a view to safeguarding the integrity of private sector entities shall include, in

particular, matters pertaining to codes of conduct and corporate governance codes, to the proper, dignified and adequate performance of economic activities and the exercise of the corresponding professions, to the prevention of conflicts of interest, and to the promotion of good business practices in relations between companies, as well as in their contractual relations with the State.

2. The violation of the conduct imposed shall be subject to sanctions provided for in the bylaws of business associations.

Article 21

Disclosure of information on beneficial ownership

1. For the purposes of this law, beneficial owners are those defined as such in the law governing commercial companies, and the presumptions made therein regarding ownership or direct and indirect control over a commercial company.
2. In addition to the entities provided for in the Companies Act, to whom commercial companies are obliged to provide information on their beneficial owners, commercial companies may also request this information from the public prosecutor, who shall be obliged to provide it within 10 days:
 - a) The Public Prosecutor's Office, within the scope of an investigation;
 - b) The entities in charge of verifying declarations of income, assets and interests;
 - c) The entities awarding public contracts, within the scope of a diligence to verify a potential conflict of interest.
3. Failure to supply information within the period stipulated in paragraph 2 is punishable by a fine of \$500 US dollars.
4. If the commercial company is granted a new deadline, which may not exceed 10 days, by the entities referred to in sub-paragraphs a) and b) of paragraph 2, and continues to fail to comply with the deadline, it incurs a crime of disobedience and is subject to the main and accessory penalties applicable to legal entities, as provided for in this law.

Article 22

Prohibition to exercise private functions

1. The former public agent, as a public agent is defined in this law, is prohibited, for a period of 2 years after the termination of the exercise of public office, whether by end of term, resignation, retirement or any other form, from employment or provision of service in any capacity in the private sector, whenever the service to be provided or the employment is directly related to the functions performed by him or under his supervision when he was in office.
2. Violation of the prohibition constitutes an offense punishable by:
 - a) Fine of \$500 to \$5,000 to be applied to the private sector entity;
 - b) Fine of \$200 to \$2,000 American dollars to be applied to the former public agent, without prejudice to the criminal proceedings that may be applicable.

Article 23

Reporting acts of corruption and preventive measures

1. The sole supervisor and the supervisory board, collectively or each of its members separately, of commercial companies shall be obliged to:

- a) Report acts of corruption that they suspect have occurred or are in the process of occurring;
 - b) Propose concrete measures for the prevention of corruption, appropriate to the risks identified in the course of their supervisory activities, namely in the annual report they prepare on their supervisory activities, mandated by the Companies Act.
2. Whoever infringes the provisions of subparagraph a) of the preceding paragraph shall be guilty of failure to participate.

Section VII

Participation by the Company

Article 24

Promoting public participation in decision-making processes

1. The formulation of prevention strategies, namely the national strategy for preventing and combating corruption, and its revision or reformulation, shall rely on the participation of all representative sectors of organized civil society, including, inter alia, non-governmental organizations, trade unions, the media and religious organizations.
2. The State shall also ensure that the perspectives and views of those without any form of representation, particularly the most marginalized groups, are also reflected, through, inter alia, housing or other surveys or consultations.

Article 25

Public information and education

1. The Anti-Corruption Commission carries out publicity campaigns, which include pamphlets and posters to be displayed in all public institutions, the use of the Internet, and publicity spots on radio and television.
2. All public institutions shall make easily accessible information available to the public about their organization, functions and services they provide, including information on how a person from the public can file a report of alleged acts of corruption, including anonymous reporting.
3. The Anti-Corruption Commission shall work together with public institutions to ensure that information on anti-corruption measures is disseminated within public entities, among the public, non-governmental organizations and educational institutions, in order to promote adequate prevention work, as well as the integration of anti-corruption awareness into the curricula of schools and universities.

Article 26

Training for journalists and investigative journalism

1. The Anti-Corruption Commission promotes, encourages and conducts training for journalists to promote the competence and independence of journalism and its role as a competent and credible source of information and education of the public on corruption and efforts to combat it.
2. The training also aims at the competent mastery and use of the legal regime on access to information by journalists, as a means of enhancing and enabling in practice the exercise of their freedom to seek, receive, publish and disseminate fair and accurate information on corruption.

CHAPTER II
THE REGIME OF DECLARATION OF INCOME,
ASSETS AND INTERESTS

Section I

Purpose

Article 27

Purpose

This regime establishes the rules for the system of declaration of income, assets and interests, hereinafter referred to simply as "declaration", of people who exercise public functions, which has the following purpose

- a) To detect and prevent conflicts of interest;
- b) To monitor changes in wealth in order to detect significant and unjustified increases in the assets of persons subject to the declaration.

Section II

Competent Authority

Article 28

Competent authority

1. The competent authority for receiving and verifying declarations is the Anti-Corruption Commission, except for the President of the Republic, Members of the National Parliament, Members of the Government and public agents of the Anti-Corruption Commission, whose declaration is received and verified by the Supreme Court of Justice.
2. Without prejudice to the other competencies provided for in this law, it is also incumbent upon the competent authority
 - a) Elaborate a guide with explanations on how to fill out the declaration;
 - b) Establish a consultation mechanism by telephone or e-mail, through which declarants may clarify their doubts about the completion of the declaration and other obligations related to it;
 - c) The application of the penalties provided in this law punishable with fines.
3. The competent authority shall produce a biennial statistical report containing:
 - a) The number of persons obliged to declare;
 - b) The number of persons who have not submitted their declaration within the time limit;
 - c) The number of people who have been administratively, disciplinarily or criminally sanctioned, indicating the violation and the sanction applied;
 - d) The number of persons whose verification of the declaration has led to measures being taken to prevent or put an end to a situation of conflict of interest.

Section III
Declaration of Income, Assets and Interests

Article 29
Persons required to declare

The persons, hereinafter referred to simply as "declarants", who exercise the following functions are required to declare income, assets and interests

- a) President of the Republic;
- b) Member of the National Parliament;
- c) Member of the Government;
- d) Elective office in the Local Government;
- e) Judicial Magistrate;
- f) Public Prosecutor
- g) Ombudsman for Human Rights and Justice and their Deputies;
- h) Member of the National Electoral Commission;
- i) Public Defender
- j) Ambassador, Consul and Finance Officer of diplomatic representations;
- k) Rectors and Deans of public universities;
- l) Top leader of the indirect administration body, autonomous and independent administrative entities;
- m) Head of the Civil House of the President of the Republic;
- n) Secretary General and Deputy Secretary General of the National Parliament;
- o) Commissioner of the Anti-Corruption Commission and its Deputies;
- p) Chief of Staff of a member of the Government;
- q) Municipal Administrator and Chairman of Municipal Authority;
- r) Chairman and secretaries of the Oe-Cusse Ambeno Special Administrative Region Authority;
- s) Director General, director and head of department of the direct, indirect and autonomous Public Administration, including the services of the Presidency of the Republic, the Parliament and the Courts, as well as independent administrative entities;
- t) Director General, director and head of department of the local government administration;
- u) Manager and employee assigned to the provisioning and public contracting service;
- v) Director and official in charge of the tax assessment and collection service;
- w) Manager and official assigned to the customs duty collection and liquidation service;
- x) Manager and official assigned to the land management service, real estate property and other assets of the State and local authorities;
- y) Officer and employee assigned to the inspection, supervision and audit service;
- z) Court official of the Courts, Public Prosecution Service and Public Defender's Office;
- aa) Member of the criminal investigation police and of the Migration Services;
- bb) Advisor in the office of a member of the Government.

Article 30

Members of the declarant's household

1. In his declaration, the declarant shall provide information about income, assets and interests, obligations and expenses of members of his household.
2. Members of the declarant's household are considered to be the declarant's spouse or person with whom he/she lives with as a cohabitant, minor children or economically dependent on him/her, and the person under his/her economic dependence.

Article 31

Ad hoc declaration

The competent authority may require any other person holding a public function or office, outside the list of those required to declare, to submit an ad hoc declaration.

Article 32

Frequency of the declaration

1. Declarants must submit the declaration on the following occasions:
 - a) Initial declaration, no later than 30 days after taking office or beginning duties and contains information on assets and interests existing at the date of taking office or beginning duties;
 - b) Annual declaration, up to January 31 of the following year and covers the period corresponding to the calendar year (from January 1st to December 31st);
 - c) Final statement, up to 30 days after termination of office or duties and covers the period from January 1st to the date of termination of office or duties;
 - d) Post-exercise declaration, annually, in the three years following the termination of the exercise of the position or duties and covering each year a period of 12 months, counted from the day and month in which the exercise of the position or duties ceased.
2. The declaration may be presented at any time, at the declarant's initiative, whenever there is a substantial change in his/her assets and interests.
3. The first annual declaration shall contain information about income, assets and interests existing between the date of assuming office or beginning functions and December 31st of the same year.
4. The declarant mentioned in items u), v), w), x), y), z) and aa), of article 29, in lieu of the annual declaration, shall make a declaration every 3 years.

Article 33

Obligation of bank deposit

1. When submitting the declaration upon assuming office or commencing duties, the declarant is obliged to deposit in a bank account money in his or her possession, in any currency, above \$1,000 US dollars, failing which the possession of any amounts of money above this limit cannot be used to justify the financing of expenses.
2. Possession of cash, in any currency, in excess of \$25,000 US dollars gives rise to the obligation to explain its origin.

Article 34**Content of the declaration**

1. The declaration, presented before the competent authority, must contain the information detailed in the following number, regarding the interests, income, assets, obligations, and expenses of the declarant and his/her household, in the country and abroad.
2. The declaration shall contain the following information:
 - a) Complete personal information of the declarant, indicating his/her identity document, tax payer number, marital status, position or function he/she holds, the entity in which he/she holds the position or function;
 - b) Complete information about the people that are part of his/her household, indicating their identity document, tax payer number, if applicable, marital status, professional activity and the entity where they work
 - c) Income from salary and accessory remuneration, fees, pensions, rents, profits and other business gains, interest, compensation paid by insurance companies, sales revenues, loans taken out, gains from games of chance and fortune, and inheritances;
 - d) Real estate, even if in co-ownership, and any significant improvements made to real estate, as well as an indication of the direction, location, real estate registry identification, percentage of ownership interest, date of acquisition, amount paid on the date of acquisition, and the source of funds for acquisitions subsequent to the beginning of the term of office or function;
 - e) Land vehicles, boats and aircraft, even if in co-ownership, with the indication of the make, model, year of manufacture and identification number; date of registration, date of acquisition and the amount paid on the date of acquisition, and the origin of funds for acquisitions subsequent to the beginning of the term of office or function
 - f) Precious objects of a value in excess of \$1,500, with an indication of the date of acquisition, the amount paid for the acquisition, and the source of the funds used in the acquisitions subsequent to the commencement of the office or function;
 - g) Capital investments in shares, government bonds and other financial instruments, marketed inside or outside the country, with the indication of the type of investment, value, registration number, date of issue, issuer and quantity, determined or determinable; the date of acquisition, the amount paid on that date and the origin of the funds used in each acquisition subsequent to the beginning of the term of office or function;
 - h) Commercial companies in which they have a stake or have had a stake in the three years prior to the beginning of the term of office or function, whether incorporated within or outside the country, with the indication of the name, corporate purpose, tax identification number of the company, percentage and nature of the stake and indication of the natural or legal person through whom the stake is held, if applicable; indication of the date of acquisition of each stake, the amount paid on that date and the origin of the funds used in each acquisition subsequent to the beginning of the term of office or function;
 - i) Balance in current accounts, deposit accounts and other financial products in banks, domestic or foreign, as well as amounts in cash, either in local or foreign currency, and virtual currency; indicating the bank or financial institution concerned;

- j) Securities, including shares and other financial instruments, held in the name of an interposed person, in whole or in part, for the benefit of the declarant, indicating the date of acquisition, value on the date of acquisition, the current value, and rents or payments made to the declarant from the assets;
 - k) Debts and other financial obligations, with the indication of the creditor and the amount owed;
 - l) Identification and brief description of gifts, including travel and other leisure or entertainment activities, over \$250 U.S. dollars, with indication of the donor and approximate value, except those received because of traditional cultural acts and ceremonies;
 - m) Trips abroad and other lavish expenses, including school fees and living expenses for study purposes, above \$2,500 US dollars;
 - n) Executive management bodies, boards of directors, supervisory or advisory boards, or any collegial body of a commercial company, paid or unpaid, of which you are or have been a member in the three years prior to the commencement of the position or office;
 - o) Private organizations, including political parties, political associations, associations and other non-profit organizations of which he/she is a member or has been a member in the three years prior to taking office or holding office;
 - p) Express statement that the information provided is true and accurate;
 - q) Express statement that no relevant income, asset or interest has been omitted.
3. The person making the declaration is obliged to keep all of the documentation related to the transactions declared, for the eventual satisfaction of a request for additional information by the competent authority during a verification.

Article 35

Declaration of the household

1. The information provided under the terms of lines c) to m) of number 2 of the previous article must include information regarding members of the declarant's household.
2. In case of refusal to provide information to the declarant by a member of the household, which constitutes an infraction under the terms of this law, the declarant must indicate such fact in the respective field of the form.

Article 36

Currency

1. All amounts must be indicated in the currency of the country.
2. Amounts in foreign currency shall be converted into the currency of the country at the exchange rate of the Central Bank of Timor-Leste.
3. For digital currencies the conversion may be made by reference to one of the recognized internet platforms.

Article 37

Form

1. The competent authority shall define the declaration form based on the provisions of this law, which it shall revise whenever it deems necessary.
2. The competent authority may revise the minimum values mentioned in the article dealing with the contents of the declaration to reflect changes in values caused by inflation or other factors.

Article 38

Submission

1. The declaration shall be completed online in an electronic form made available by the competent authority on its website, which shall also ensure secure electronic identification of the declarant.
2. The competent authority shall acknowledge receipt of the declaration by email to the declarant or by any other means that provides evidence of its receipt by the competent authority.
3. In the event of manifest impossibility of completing the electronic form for the declaration on the website, it may be submitted on paper, duly signed and delivered to the competent authority, and the latter shall issue a receipt of receipt.

Article 39

Self-correction

The declarant who realizes that he has submitted an incorrect declaration may, within 30 days of the deadline for submitting the declaration, submit a corrected version, together with an explanation for the incorrect declaration. Both declarations shall be kept.

Section IV

Verification of compliance with the obligation to declare

Article 40

Enrolment of declarants

1. The service in which the declarant holds office or position shall forward the list of declarants to the competent authority by July 31st of each year, and shall also forward the list of new declarants to the competent authority within seven days after assuming office or taking up duties.
2. The competent authority shall make the annual list of all declarants by September 30th, which includes declarants who have taken up or left office during the year, identified by their national ID card number, as well as the members of their respective households.
3. The list of declarants shall be kept in a database, in order to allow for the search of information, as well as its updating, through the addition or suppression of persons, positions, functions, and members of the household, among other information.

Article 41

Formal verification

1. Once the declaration has been received, the competent authority will verify that the declaration form is complete and correctly filled out.
2. If a formal error is identified, consisting of an omission or inaccuracy, the competent authority shall notify the declarant to make the correction within 15 days.
3. After the period has elapsed without the declarant making the correction, the declarant shall be subject to the disciplinary sanctions applicable, for which purpose the competent authority shall notify the service where the declarant performs functions and the Civil Service Commission, and to the sanctions provided for in this law.

Section V
Verification of the Declaration

Article 42
Purpose of Verification

The purpose of the verification of the information presented in the declaration is to determine whether there have been significant and unjustified increases in the assets of the declarant or the members of his/her household, as well as the existence of conflicts of interest.

Article 43
Compulsory verification

Verification by the competent authority is mandatory, covers all declarations and is performed every two years.

Article 44
Scope of verification

1. Verification shall consist of an audit with a view to determining, in relation to assets
 - a) The veracity of the information provided by the declarant, that is, whether it is correct and complete;
 - b) The origin of the assets incorporated to the estate of the declarant and his/her household members during the period analyzed in the verification;
 - c) Whether the variation in the declarant's or his/her household members' wealth in relation to the most recent declaration is consistent with their legitimate income.
2. The verification may include the investigation of undeclared assets when the competent authority has sufficient reason to believe that they are under the control of the declarant or person of his household who are their de facto owners, in which case it may focus on the origin of the funds used to acquire these assets.
3. In relation to conflicts of interest, the purpose of the verification is to determine whether the interests declared are compatible with the exercise of his or her office or function, in accordance with the rules governing conflicts of interest, incompatibilities and impediments.

Article 45
Request for additional information from the declarant

1. The competent authority may request the declarant, by letter, additional information for the purpose of the verification.
2. The information must be provided within 15 days, under penalty of the sanctions established in this law.

Article 46
Power to request and obtain information

1. The competent authority may request the information it deems necessary from any national public entity, private natural or legal person with whom the declarant or member of his/her household has carried out transactions or who is in possession of information about transactions subject to declaration, and from the members of the declarant's household, who shall be obliged to provide the

information within the period set by the competent authority, which may not be less than 10 working days, under penalty of the sanctions established in this law.

2. The competent authority shall be guaranteed access
 - a) To databases, for the purpose of cross-checking information, namely those of the civil registry, the registry of vehicles, boats and aircrafts, the registry of commercial companies and civil societies, the registry of properties, and if applicable by providing online access;
 - b) Information from casinos and other gaming establishments about prize winners and their respective amounts;
 - c) Information from banks and other financial institutions on, inter alia, current bank accounts, term accounts and banking transactions, account balances and account movement statements.
3. The Financial Intelligence Unit shall report to the competent authority any suspicious financial transactions relating to a reporter.
4. The competent authority may also obtain information abroad through access to freely accessible databases or through cooperation with foreign authorities.
5. The competent authority may use inter national cooperation for the purpose of obtaining information from foreign banks, legal persons and governments if the assets are outside the country.

Article 47

Result of verification

1. The competent authority may notify the declarant in order for him to provide such justification as it deems appropriate and to submit such evidence as it deems necessary to substantiate that justification, when the verification results in sufficient indication to
 - a) Raise doubts about the legitimacy of the origin of the increase in assets, that is, an imbalance between expenses incurred and known lawful income; or
 - b) Suspect that there was a false declaration, because the declared value is obviously and flagrantly out of line with reality; or
 - c) Presume that there are undeclared assets under the control of the declarant or a member of his/her household who are their de facto owners.
2. The competent authority shall evaluate the justification presented by the declarant and, if it is not satisfied with it or if the declarant chooses not to offer justification, it shall initiate the criminal, administrative and disciplinary proceedings that may be applicable.
3. Where verification of the declaration provides indications of a potential or actual conflict of interest, or a potential or actual violation of rules on incompatibilities, impediments or any other duties or obligations established for the performance of public office or function, the competent authority shall notify the declarant and the entity where he/she holds the office or function, making known its opinion and the measures to be taken in accordance with the applicable rules in order to prevent a potential conflict of interest or to put an end to an actual conflict of interest.

Section VI
Infractions and Sanctions

Subsection I
Sanctions for Infractions by Declarants

Article 48
Late submission

The declarant that submits the declaration after the deadline is sanctioned with a fine corresponding to 25% of the value of his/her monthly base salary.

Article 49
Failure to submit after notification

The declarant who has not filed the declaration and notified by the competent authority not to file within 3 months, shall be punished with a fine corresponding to 30% of his/her monthly base salary, for each month following the deadline and until the declaration is filed.

Article 50
Refusal by Household Member

A member of the household who has not provided the information necessary for the declarant to complete the declaration, and who has been notified by the competent authority to do so, but fails to provide the required information within the timeframe set by the latter, incurs a crime of disobedience as provided for and punished in the Penal Code.

Article 51
Incomplete declaration

1. The declarant who fails to provide information required on the declaration form shall be sanctioned with a fine corresponding to 25% of his/her monthly base salary and notified to complete it, within the time limit set by the competent authority.
2. If he/she fails to complete the declaration within the time limit, he/she incurs the crime of qualified disobedience foreseen and punished in the Penal Code.

Article 52
Omission of information

1. The declarant who omits interests, income, assets, obligations or expenses subject to declaration is punished with a fine corresponding to 50% of the omitted value.
2. If the omission refers to a non-quantifiable interest, the declarant is punished with a fine of \$1,500.

Article 53
False information

1. The declarant who provides false information in the declaration and the falsehood is revealed by him or herself shall be punished by a fine in the amount corresponding to his/her monthly base salary.
2. If the discovery of the falsehood is not due to disclosure by the declarant, the latter shall be punished with a prison sentence of up to 3 years or a fine.

Subsection II
Sanctions for Infractions Committed by Non-Declarants

Article 54

Obstruction to verification

1. Whoever obstructs or delays verification by refusing to provide due cooperation to the competent authority shall be punished by imprisonment for up to 3 years or a fine.
2. If the agent is a public official, the penalty shall be increased by one-third at its maximum limit.
3. If the agent is a political office holder or magistrate the penalty is increased by half of its maximum limit.
4. In the case of a public official, the penalty applied shall not prejudice the disciplinary procedure to which the conduct gives rise.

Article 55

Non-compliance with an obligation by an agent of the competent authority

A public agent of the competent authority who fails to comply with an obligation, delays or impedes diligence or verification procedures, shall be punished with a prison sentence of 2 to 5 years or a fine, without prejudice to the disciplinary process to which the conduct may give rise.

Article 56

Disclosure of information

1. The public agent of the competent authority who intentionally or negligently makes information contained in a statement known to someone or publicly discloses it, shall be punished with:
 - a) Penalty of imprisonment from 2 to 5 years or fine, if he has acted intentionally;
 - b) Imprisonment for up to two years or a fine, if he/she acted negligently.
2. In no case shall the disciplinary procedure to which the conduct gives rise be prejudiced.

Section VII

Guarding and Conservation

Article 57

Conservation period

1. Declarations shall be kept for a period of five years after the declarant ceases to hold office.
2. If the declarant or a member of his/her household is under investigation for a crime of corruption or other crime against the public administration, the declaration shall be kept, even if the time limit in the previous number has been exceeded, until the investigation or criminal process has been concluded.
3. Upon expiration of the retention period, the statements shall be destroyed, unless they are given archival value, under the terms of the appropriate legislation.

Article 58

Responsibility for safekeeping and conservation

The custody and conservation of declarations is the responsibility of the competent authority, which must ensure good archiving and security conditions for declarations.

TITLE III

CRIMINAL PROVISIONS

CHAPTER I

GENERAL PROVISIONS

Article 59

Definition of public official

For the purposes of the provisions of this Title, the term public official shall include:

- a) The President of the Republic
- b) The Members of the National Parliament;
- c) The member of the Government;
- d) The judicial magistrate and the magistrate of the Public Prosecution Service;
- e) The public defender;
- f) The holder of elective office in Local Government;
- g) The civil public servant;
- h) Public Administration agents;
- i) The member of the armed forces and police force;
- j) The official of a public international organization whom such organization has authorized to act on its behalf;
- k) Whoever, even provisionally or temporarily, for remuneration or free of charge, voluntarily or compulsorily has been called upon to perform or participate in the performance of an activity comprised in the public administrative or judicial function, or, under the same circumstances, performs functions in public utility organizations or participates in them;
- l) The manager, the holder of a supervisory body and the employees of public companies, companies with majority public capital and other public legal persons;
- m) A foreign public official occupying a legislative, executive, administrative or judicial post of a foreign country, already appointed or sworn in, or a person exercising a public function for a foreign country, including in a public body or a public enterprise.

Article 60

Liability of legal persons

1. Companies and legal entities governed by private law are liable for criminal offenses committed by their bodies or representatives, on their behalf and in the pursuit of the interests of the respective collective, unless the agent acted against the orders or instructions of the represented party.
2. The people referred to in the previous number are liable for the crimes of active corruption of a public agent, active corruption in the private sector, influence peddling, bribery, obstruction of the production

of evidence, obstruction of the activity of a magistrate or official, fraud in the construction, obstruction or removal of a bidder from public supply or sale, foreseen in this law, as well as for the crime of money laundering.

3. In the case of an entity without legal personality, the common assets, and in the absence or insufficiency thereof, the assets of each of the associates shall be liable for the compliance of the financial penalty.
4. The liability of the entities referred to in paragraph 1 shall not exclude the individual liability of the respective agents.

Article 61

Acting on behalf of another person

It is punishable who acts as the holder of an organ of a legal person or a mere de facto association, or as a representative of another person, even if the conditions, qualities or relations required by the type of crime to prove authorship of the infraction do not exist in him/her, but in the person on behalf of whom he/she acts.

Article 62

Criminal co-participation

The rules on criminal co-participation set out in the Penal Code shall apply to the crimes under this law, considering for this purpose that the quality of agent constitutes a special quality or relation on which the illicitness or degree of illicitness of the fact depends.

Article 63

Specialty

The provisions contained in this law prevail over the provisions of the Penal Code or other criminal laws.

Article 64

Attempt and withdrawal

1. In the crimes provided for in this law, an attempt is always punishable, regardless of the penalty provided for the completed crime.
2. The rules on desistance provided for in the Penal Code shall apply to the crimes provided for in this law.

Article 65

Effects of conviction

1. The effects of conviction applicable to a President of the Republic who has been definitively convicted of a crime provided for in this law shall be as established in Article 79 (5) of the Constitution of the Republic, subject to the provisions of this Article on the initiation of proceedings.
2. A final conviction of the President of the National Parliament, a member of the National Parliament or a member or holder of an elective local authority body for a crime provided for in this law and punishable with a prison sentence of more than five years, committed during the exercise of their respective functions, shall result in the loss of the corresponding office, the impossibility of re-election and a prohibition on holding or holding public office for a period of between five and ten years.

3. A final conviction of the Prime Minister or any other member of the Government for a crime provided for in this law and punishable by imprisonment for a maximum term of more than five years, committed during the exercise of the respective functions, shall result in prohibition from holding or holding public office for a period of 5 to 10 years.

Article 66

Temporary prohibition to hold public office

An employee definitively convicted of a crime provided for in this law and punishable by imprisonment for a maximum of more than five years shall be prohibited from holding or holding public office for a period of 5 to 10 years.

Article 67

Establishment of temporary prohibition to hold or exercise public offices

In establishing the period of temporary prohibition from holding or exercising public office, including political office, the court shall pay special attention to the seriousness of the punishable act on which the agent's conviction is based, the circumstances surrounding the commission of the crime, the previous conduct and the impact of the fact on the agent's civic or political reputation, and the degree of his or her guilt.

Article 68

Procedure for applying the effects of the conviction

1. As soon as the decision that convicts the agent for committing a crime outlined in this law and that carries a prison sentence of more than five years becomes final and binding, the Public Prosecutor's Office shall request the court that handed down the decision, in an autonomous process and with due regard for the principle of hearing and the guarantees for the defence, to decree the agent's disqualification from holding, or prohibition from holding or exercising, public office, under the terms established in this law.
2. The request referred to in paragraph 1 above shall be accompanied by a certificate of the conviction and a copy of the final and unappealable decision.

Article 69

Statute of limitations for criminal proceedings

1. The statute of limitations for criminal proceedings provided for in the Penal Code shall be increased by one third for the crimes provided for in this law.
2. The statute of limitations is 10 years when the perpetrator of the crime is a legal person. Article 70 Statute of limitations for penalties 1. The statute of limitations for penalties provided for in the Criminal Code shall be increased by one third for the crimes provided for in this law.
2. The statute of limitations is 10 years when the perpetrator of the crime is a legal person.

Article 71

Penalty applicable to legal persons

1. Under the terms of this law, companies and legal persons governed by private law shall be punished with a fine for the crimes for which they are liable.

2. The fine penalty shall be fixed in days, ranging from a minimum of 50 days to a maximum of 100 days.
3. Each day of fine corresponds to an amount between \$1,000 and \$10,000 US dollars.

Article 72

Accessory penalties applicable to legal entities

1. The following accessory penalties are applicable to legal persons
 - a) Prohibition to exercise certain activities for a period of 6 months to 3 years;
 - b) Prohibition to contract with the Public Administration for a period of 1 to 3 years;
 - c) Deprivation of the right to public subsidies, grants or support for a period of 1 to 5 years;
 - d) Publicity of the condemnatory decision, at its own expense, in the two official languages, in one of the newspapers with the largest circulation in the country.
2. The accessory penalties may be applied cumulatively.

Article 73

Extraordinary mitigating circumstances

Without prejudice to those provided for in the Penal Code, the circumstances of extraordinary mitigation are the useful information that the perpetrator provides to the judicial authorities, allowing for

- a) Prevent or limit the effects of the crime; (b) identify, pursue or prosecute other perpetrators of the crime;
- c) Prevent the commission of other corruption crimes
- d) Depriving perpetrators of the proceeds of the crime or recovering the proceeds.

Article 74

Extent of extraordinary mitigation

Whenever extraordinary mitigation of the penalty is applied, the provisions of the Penal Code shall be observed with regard to the limits of the applicable penalty.

Article 75

Aggravation

1. If the advantage referred to in the types defining the crimes of passive corruption and active corruption is of high value, the perpetrator shall be punished with the penalty applicable to the respective crime, aggravated by one quarter in both its minimum and maximum limits.
2. If the advantage referred to in the crimes of passive corruption and active corruption is of a considerably high value, the perpetrator shall be punished with the penalty applicable to the respective crime, which shall be increased by a third in both the minimum and maximum limits.
3. For the purposes of the provisions of the preceding paragraphs, the following shall be deemed to be
 - a) "High value", that which exceeds \$5,000 US dollars and does not exceed \$10,000 US dollars, resulting from the evaluation of the advantage by reference to the moment of the commission of the fact;

- b) "Considerably high value" shall be that which exceeds \$10 000 US dollars, resulting from the evaluation of the advantage by reference to the moment of the commission of the fact."

Article 76

Protection

Witness protection measures shall apply to the perpetrators of crimes under this law who cooperate with the judicial authorities.

Article 77

Exemption from punishment

The perpetrator shall be exempt from punishment whenever

- a) Before committing the intended act, voluntarily returns the advantage received or requests its return, or repudiates or withdraws the promise made;
- b) Has committed the fact at the request of the public official, directly or through a third party, and denounces the crime prior to the commencement of criminal proceedings, within 90 days following the practice of the intended act.

Article 78

Subsidiary law

The provisions of the Penal Code and the Code of Criminal Procedure apply to everything that is not provided for in this Title.

CHAPTER II

CRIMES OF CORRUPTION

Section I

Crimes of corruption committed in the exercise of public functions

Article 79

Passive corruption of a public official for an illicit act

1. A public official who, on their own behalf or through a third party, with their consent or ratification, requests or accepts for themselves or a third party, without being due to them, a patrimonial or non-pecuniary advantage, or the promise thereof, to perform or refrain from performing an act contrary to the duties of their office, even if prior to the request or acceptance, shall be punished by imprisonment of between 3 and 15 years.
2. If the agent, prior to the act, voluntarily repudiates the offer or promise he/she had accepted, or restores the advantage or, in the case of fungible goods, its value, he/she will be exempt from punishment.

Article 80

Passive corruption of a public agent for a licit act

1. Any public official who, on their own behalf or through a third party, with their consent or ratification, requests or accepts for themselves or a third party, without being due to them, a material or non-material advantage, or the promise thereof, to perform or refrain from performing an act not contrary to the duties of their office, even if prior to the request or acceptance, shall be punished by a prison sentence of up to 3 years or a fine.

2. The same penalty shall be incurred by any public official who, on his own behalf or through an intermediary, with his consent or ratification, requests or accepts for himself or a third party, without being due to him, a patrimonial or non-pecuniary advantage from a person who has had, has or will have any claim against him depending on the exercise of his public functions.

Article 81

Active corruption of a public agent

1. Whoever, by themselves or through an intermediary, with their consent or ratification, gives or promises to a public official, or to a third party with their knowledge, a patrimonial or non-pecuniary advantage that is not due to the public official, in order that the latter perform or refrain from performing an act contrary to the duties of the office, shall be punished by imprisonment of 3 to 10 years.
2. If the purpose of the conduct described in the previous paragraph is to practice or abstain from practicing an act not contrary to the duties of the office, the agent shall be punished with a prison sentence of up to 2 years or with a fine.

Article 82

Embezzlement

1. A public official who unlawfully appropriates for their own benefit or that of another person, money or movable public or private property that is given to them, is in their possession or is accessible to them as a result of their duties, shall be punished with a prison sentence of between 3 and 10 years, if a more serious penalty is not applicable under any other legal provision.
2. If a public official loans, pledges or in any way encumbers the valuables or objects referred to in the previous paragraph, he or she shall be punished with a prison sentence of up to three years or a fine, if a more serious penalty is not provided for under any other legal provision.
3. If the valuables or objects referred to in the previous numbers exceed \$5,000 US dollars, the penalties are imprisonment for 4 to 12 years or 2 to 5 years, respectively.
4. If the valuables or objects referred to in paragraph 1 are worth less than \$50 US dollars, the agent shall be punished by imprisonment for up to 3 years or a fine.

Article 83

Embezzlement of usage

A public official who uses or allows another person to use for purposes other than those for which they were intended, vehicles or other movable things of significant value, which are delivered to him, are in his possession or are accessible to him by reason of his duties, in order to obtain, for himself or a third party, an illegitimate benefit or cause harm to someone, shall be punished by imprisonment for up to 2 years, if those things are in his possession or are accessible to him by reason of his duties.

Article 84

Attempt to the right of participation and the equality of the candidates in a provisioning, sale or concession tender

The public agent that, with the intent of obtaining, for himself or a third party, an advantage that is not due to him, performs or refrains from performing an act contrary to his functional duties, related to the

guarantees of the right to participation and equality of the candidates of public service provisioning, sale or concession tenders, is punished with a prison sentence of up to 2 years or a fine.

Article 85

Abuse of power

The public agent that, outside of the cases foreseen in the previous articles, abuses powers or violates duties inherent to his functions, with the intent of obtaining for himself or a third party, an illegitimate benefit or cause damage to another person, is punished with a prison sentence of 1 to 4 years, if a more serious punishment does not fit under another legal provision.

Article 86

Economic Participation in Business

1. A public official who, due to the exercise of public office, must intervene in a contract or other operation or activity, and takes advantage of this condition to obtain for themselves or a third party, directly or through an intermediary, a patrimonial advantage or, in any other way, an illicit economic participation and in this way cause damage to public interests that they should administer, supervise, defend or carry out, shall be punished by a prison sentence of between 2 and 8 years.
2. If the previous conduct results in losses to the State that exceed \$10,000 US dollars, the penalty for imprisonment shall be between 3 and 15 years.

Article 87

Conflict of interests

A public official, or a close relative or an associate thereof, who has a direct or indirect private interest in relation to a natural person or a legal person who has a claim vis-à-vis the public entity where the public official serves, in any capacity, to obtain employment or a contract, or to buy or take on lease, or any other business, shall declare in writing to the public entity the nature of his or her interest and shall refrain from taking part in any procedure or decision concerning that claim, under penalty of imprisonment from 2 to 8 years.

Section II

Crimes of corruption committed in the exercise of private functions

Article 88

Private sector

For the purposes of this Section, the private sector includes all organizations not belonging to the public sector, whether profit-making or non-profit-making, namely the business sector, the cooperative sector, non-profit associations, non-governmental organizations, political associations and political parties.

Article 89

Passive corruption of those who exercise functions in the private sector

1. Whoever, while exercising functions for a private sector entity, even if irregularly constituted, by himself or through a third party, with his consent or ratification, requests or accepts for himself or a third party, without being owed one, a patrimonial or non-pecuniary advantage, or the promise thereof, to perform or refrain from performing an act contrary to his functional duties, shall be punished by imprisonment of 2 to 8 years.

2. If the act or omission envisaged in the previous paragraph is capable of causing a distortion of competition or damage to the property of third parties, the agent shall be punished with a prison sentence of between 3 and 10 years.

Article 90

Active corruption by those exercising functions in the private sector

1. Whoever, by himself or through an intermediary, with his consent or ratification, gives or promises to a person who performs functions for a private sector entity, even if irregularly constituted, a patrimonial or non-pecuniary advantage that is not due to him, to perform or refrain from performing an act contrary to his functional duties, shall be punished by imprisonment of 2 to 8 years.
2. If the act or omission envisaged in the previous paragraph aims to obtain or is capable of causing a distortion of competition or damage to the property of third parties, the agent shall be punished with a prison sentence of between 3 and 10 years.

Article 91

Embezzlement in the private sector

Any person who, while performing functions for a private sector entity, in any capacity, illegitimately appropriates for his or her own benefit or that of another person, any monies or any goods or values that have been handed over, are in his or her possession or are accessible to him or her by virtue of his or her functions, shall be punished with a prison sentence of up to 2 years or with a fine, if a more serious penalty is not applicable under any other legal provision.

Section III

Other crimes of corruption

Article 92

Influence peddling

1. Whoever, by himself or through an intermediary, with his consent or ratification, requests or accepts, for himself or a third party, a material or non-material advantage, or the promise thereof, in order to abuse his real or supposed influence over any public entity, shall be punished
 - a) With a prison sentence of 2 to 6 years, if a more serious penalty is not applicable under any other legal provision, if the purpose is to obtain any favorable illicit decision;
 - b) With a prison sentence of up to 1 year or with a fine, if a more serious penalty is not applicable under any other legal provision, if the purpose is to obtain a favorable legal decision.
2. Whoever, by themselves or through an intermediary, with their consent or ratification, gives or promises a material or non-material advantage to the people mentioned in the previous point is punished
 - a) With imprisonment for up to 4 years or with a fine, if the intended purpose is to obtain any favorable unlawful decision;
 - b) With a prison sentence of up to 1 year or with a fine, if the purpose is to obtain a favorable legal decision.

Article 93

Bribery

1. Whoever persuades or attempts to persuade another person, through the giving or promising of a material or non-material advantage, to commit any of the acts referred to in articles 278 and 279 of the Criminal Code, shall be punished by a prison sentence of up to 4 years or a fine, when this occurs.
2. If the acts referred to in Articles 278 and 279 of the Criminal Code are not committed, the agent shall be punished with a prison sentence of up to 3 years or with a fine.

Article 94

Obstructing the production of evidence

1. Whoever uses physical force, threat or intimidation, and the promise, offering or granting of an undue benefit to obtain false testimony or to prevent testimony or the presentation of evidence related to the commission of crimes provided for in this law, shall be punished by imprisonment for a term of 2 to 5 years.
2. The same penalty shall apply to anyone who, having been legitimately requested by the competent authority to provide due cooperation for the administration of justice in criminal investigation or proceedings related to crimes provided for in this law, refuses to provide it without justifiable reason.
3. If the perpetrator of the acts described in paragraph 1 above holds any political office, civil, police or military public office, he or she shall be punished by imprisonment for a term of 2 to 8 years.

Article 95

Obstruction to the activity of magistrate or employee

1. Whoever uses physical force, threat or intimidation to prevent a magistrate or judicial or police employee from performing the duties inherent to their function, in relation to the commission of crimes provided for in this law, shall be punished by imprisonment for a term of 2 to 6 years.
2. If the agent who commits the facts described in paragraph 1 exercises any political function, civil, police or military public function, he shall be punished with imprisonment from 2 to 10 years.
3. If, as a result of the conduct described in paragraph 1, the magistrate or judicial or police official omits or performs an act in violation of express law that results in harm to third parties, the penalty shall be 3 to 12 years in prison.

Article 96

Fraud in construction

1. The seller of construction materials or the builder of a public or private infrastructure project who fails to supply or use the quantity or quality of materials in the project that he or she is obliged to supply, or fails to apply the technical methods or procedures that he or she is obliged to apply, in order to obtain a financial advantage, is punished with a prison sentence of 2 to 6 years, if a more serious penalty is not applicable under any other legal provision.
2. The same penalty is incurred by anyone who, being entrusted by the construction owner with the supervision of the work or the reception of materials, or the reception of the work, intentionally allows the conduct described in the previous paragraph.

Article 97

Obstruction and removal of a competitor from the provisioning or public sale

1. Whoever, with the intent of obtaining patrimonial advantage, by himself or through a third party
 - a) Impede or disturb an act related to a provisioning or sale procedure, performed by a public or private entity; or
 - b) Remove or attempt to remove a competitor or bidder with the use of force, serious threat, fraud or offering an advantage, is punished with a prison sentence of up to 2 years or with a fine.
2. The same penalty is incurred by anyone who refrains from competing or bidding because of an advantage offered.

Article 98

Unjustified possession of wealth

1. Anyone who is required by law to declare income, assets and interests due to the exercise of public office and who does not justify the origin of their wealth, when requested to do so by the competent authority, when the latter invokes and proves that the wealth in their possession, during the exercise of their office and up to three years after it ceases, is significantly greater than their known lawful income, shall be punished by a prison sentence of up to five years, if a more serious penalty is not applicable under any other legal provision.
2. For the purposes of this article, wealth is understood to be significantly greater than known lawful income when it exceeds it by at least 25%.
3. The settlement of debts shall be considered an increase in wealth.
4. The court mandatorily decrees the forfeiture to the state of assets exceeding known lawful income.
5. Whoever, having relations of kinship or close friendship or association with the people mentioned in paragraph 1, fails to justify the origin of his assets, when requested to do so by the competent authority, when the latter has reason to believe that he possesses such assets on behalf or in the name of the person subject to the declaration of income, assets and interests, shall have the assets forfeited to the State.

Article 99

Laundering

Laundering the proceeds of the crime of corruption is punishable under the terms of Article 313 of the Penal Code.

CHAPTER III

CRIMINAL PROCEDURAL PROVISIONS

Section I

Identification, Breach of Secrecy, Searches and Seizures

Article 100

Information about property and valuables and breach of secrecy

1. Without prejudice to the provisions of the Penal Code and the Code of Criminal Procedure in relation to searches and seizures, any public authorities or private entities may be requested to provide information or documents concerning assets, deposits or any other valuables belonging to individuals

suspected or accused of committing crimes under this law, with the aim of producing evidence, freezing or seizing them.

2. The request, formulated by the judge at the request of the Public Prosecutor's Office, may not be refused provided that it specifies the individuals concerned, the information to be provided and the references of the respective case file.
3. If the person or persons holding the accounts or involved in the transactions are not known, it is sufficient to identify the accounts and transactions for which information is to be obtained.
4. When the request referred to in the preceding paragraphs is addressed to a banking or financial institution, it shall be submitted through the Central Bank of Timor-Leste.
5. Public authorities and private entities and their employees shall be bound by the secrecy of justice.

Article 101

Searches, searches and wiretaps

The provisions of the Code of Criminal Procedure and the Criminal Code shall apply to searches, searches, and wiretaps.

Section II

Seizures

Article 102

Freezing and apprehension

1. The court may, on its own initiative or at the request of the Public Prosecutor's Office, impose a provisional freezing or seizure measure with the intention of preserving assets and valuables that may be subject to confiscation in favor of the state.
2. Freezing or seizure shall also apply:
 - a) To property into which the proceeds of crime have been transformed or converted;
 - b) Legally acquired property with which it has been mixed, up to the estimated value of the product with which it has been mixed;
 - c) Proceeds or other benefits obtained with the proceeds of crime, with goods into which the proceeds have been transformed or converted or with goods with which they have been mixed.
3. The freezing or seizure of assets and valuables in the name of a third party takes place when there are reasonable grounds to believe that they constitute the object or proceeds of a crime.
4. The provisions of the preceding paragraphs shall apply without prejudice to the rights of bona fide third parties.
5. The enforcement of these measures may be terminated at any time by order of the court that ordered them, on its own initiative or at the request of the Public Prosecutor's Office, or of the persons claiming ownership of the funds or property.
6. Failure to comply with the court order for freezing is punishable by a fine of \$500 to \$5 000 US dollars per day.

Article 103

Effectuation of the apprehension and destination of the apprehended goods

The corresponding provisions of the Code of Criminal Procedure shall apply to the execution of the apprehension and the destination of the apprehended goods.

Section III

Forfeiture of Objects and Proceeds of Crime

Article 104

Confiscation of objects and proceeds of crime

1. The following are declared forfeited to the state
 - a) The goods, equipment and other instruments used or intended to be used in the commission of the crimes provided for in this law;
 - b) The proceeds of crime, including rights and advantages, acquired directly or indirectly, for the perpetrator or for another person;
 - c) Property into which the proceeds of crime have been transformed or converted
 - d) Legally acquired property with which it has been mixed, up to the estimated value of the product with which it has been mixed
 - e) Income or other benefits obtained from the proceeds of crime, from property into which the proceeds have been transformed or converted or from property with which they have been mixed.
2. The rights of bona fide third parties shall be safeguarded.

Article 105

Invalidity of legal transactions

1. The court shall declare the invalidity of any legal transaction that has been entered into with the purpose of preventing the loss of the proceeds of crime.
2. If the contract to be invalidated has already been performed, the party who acted in good faith shall only be reimbursed for the amount actually paid.

Article 106

Lawful origin

Once the proceeds of crime have been declared forfeited to the State, the defendant or whoever claims to be the owner of the asset may oppose the declaration by demonstrating the licit origin of the proceeds.

Section IV

Protection for whistleblowers, informants and witnesses

Section 107

Non-punishable conduct and reimbursement to the whistleblower

1. A person who makes a report of a crime of corruption, having himself or herself been a victim of the crime, because he or she was solicited and agreed to offer an advantage to a public official or a person exercising functions in the private sector, shall be entitled to reimbursement of what he or she paid or the expenses incurred.

2. The conduct of the whistleblower is not punishable.
3. The whistleblower shall enjoy the protection offered to witnesses.

Article 108

Protection of witnesses, experts and victims

1. The witness protection regime provided for by law shall apply to proceedings concerning crimes of corruption.
2. The witness protection system provided for by law shall also apply, with the necessary adaptations, to experts and victims when the latter are required to testify as witnesses.

Article 109

Anonymous accusation

1. Corruption crimes may be reported anonymously, in addition to the other forms of reporting the crime established in the Criminal Code.
2. Proceedings for crimes of corruption may also be initiated through the reporting of suspicious transactions by the competent financial authority, namely, the Financial Intelligence Unit.
3. Any person who has reported to the competent authorities, in good faith and based on reasonable suspicion, any facts relating to the crimes provided for in this law shall be lawful.

Section V

Civil Liability

Article 110

Compensation

Compensation for losses and damages resulting from a crime of corruption shall be ascertained and arbitrated in accordance with the provisions of the Penal Code.

TITLE IV

FINAL AND TRANSITORY PROVISIONS

Article 111

Past declarations

Declarations of income, assets and interests made and delivered to an entity prior to the entry into force of this law, by any persons who were obliged to do so, shall, on the date on which this law enters into force, be transferred to the Anti-Corruption Commission or the Supreme Court of Justice, as the case may be.

Article 112

Amendment to the Law on the Anti-Corruption Commission

Articles 4 and 23 of the Law on the Anti-Corruption Commission, Law No. 8/2009 of July 15, are amended to read as follows:

"Article 4 [...] The Commission's mission is to carry out actions for the prevention and criminal investigation of corruption crimes.

Article 23 [...] 1. [...] 2. Instrumental acceptance of benefits may also be authorized if it is appropriate to prove the commission of the crimes provided for in Article 4."

Article 113

Repeal

All legal provisions to the contrary are hereby revoked.

Article 114

Revocation of provisions on the declaration of income, assets and interests

All legal provisions on declarations of income, assets and interests relating to persons required to declare by this law are hereby revoked.

Article 115

Revocation of provisions of the Criminal Code

Articles 192, 281, 292, 293, 294, 295, 296, 297 and 299 of the Criminal Code are hereby revoked.

Article 116

Repeal of the provision of the Law on the Anti-Corruption Commission

Article 2 of the Law on the Anti-Corruption Commission, Law No. 8/2009, of 15 July, is hereby repealed.

Article 117

Entry into force

This law shall enter into force 180 days after its publication.

Approved on July 20, 2020.

The Speaker of the National Parliament,

Aniceto Longuinhos Guterres Lopes

Promulgated on August 24, 2020.

Be it published.

The President of the Republic,

Francisco Guterres Lú Olo