

# 1.3 Timor-Leste Customs Information

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## Timor-Leste Customs Information

Although the Government of Timor-Leste has been member of the WCO since 2003, Annex J-5 revised Kyoto convention, tampere convention and OCHA model agreements have not been officially ratified by the government of Timor-Leste as they are still in the process of developing and implementing customs protocols and processes.

Their laws however do agree in principle with all major international trade and customs conventions and practically endorse the outcomes of such international agreements, customs authorities have been facilitating express customs clearances in emergencies and tax exemptions for good destined for humanitarian projects.

The customs authorities are still lacking full capacities, consequently implementation is still in progress and they cannot guarantee 100% compliance with all international agreements.

### Duties and Tax Exemption

For contact information regarding government custom authorities, please follow the link below:

[4.1 Timor-Leste Government Contact List](#)

[4.2 Timor-Leste Humanitarian Agency Contact List](#)

[Timor-Leste Ministry of Finance Customs Website](#)

### Emergency Response:

[Note: This section contains information which is related and applicable to 'crisis' times. These instruments can be applied when an emergency is officially declared by the Government. When this occurs, there is usually a streamlined process to import goods duty and tax free.]

| Agreements / Conventions Description  | Ratified by Country?<br>(Yes / No) |
|---|------------------------------------|
| <b>WCO (World Customs Organization) member</b>  | Yes                                |
| <b>Annex J-5 Revised Kyoto Convention</b>   | n/a                                |
| <b>OCHA Model Agreement</b>   | n/a                                |
| <b>Tampere Convention (on the Provision of Telecommunication Resources for Disaster Mitigation and Relief Operations)</b> | n/a                                |
| <b>Regional Agreements (on emergency/disaster response, but also customs unions, regional integration)</b>                | n/a                                |

### Exemption Regular Regime (Non-Emergency Response):

The directorate of customs is in the process of rolling out the ASYCUDA++ customs system; this should help to streamline the customs process and is expected to be completed within the next six months at the port, airport and Batugade border crossing.

WTO harmonised system for nomenclature is utilised for classification goods.

Customs brokers clearing goods must comply with the regulations of the respective importation regime, eight importation regimes have been established for various scenarios (consumption, temporary, re-imports, transit, exemptions etc.).

Clearances involve the processing phase of SAD (single administrative document):

Brokers compile the required supporting documentation (as specified below) and submit to CREP (Customs Review Entry Processing) in customs dispatch section.

Customs official verify the documentation, process in the ASYCUDA system and conduct physical inspection.

Clearances are then completed on presentation of receipt for payment of duties or proof of tax and duties exemption.

Duties comprise:

2.5% importation duty on all imported goods.

2.5 sales tax on all imported goods.

Excise tax, applicable to certain products (alcoholic beverages, tobacco products, fuel etc) with variable rates.

Legal references include:

The 2008 Taxation Act.

Decree law No 11 2004; customs code.

Decree law No 10 2004; customs tax offences.

*[Note: This section should contain information on the usual duties & taxes exemption regime during non-emergency times, when there is no declared state of emergency and no streamlines process (e.g. regular importations/development/etc.).]*

| <b>Organizational Requirements to obtain Duty Free Status</b>   |
|---|
| <b>United Nations Agencies</b>  |
| UNTAET / UNDP developed an agreement with the government of Timor-Leste where tax exempt statuses are assured for all UN agencies operating in Timor-Leste.<br>UN agencies should refer to their tax exempt status in any memorandums or letters of understanding with the government of Timor-Leste.<br>Registration with the Ministry of finance to attain a Tax Identification number is required.   |
| <b>Non Governmental Organizations</b>   |
| NGOs are required to register with the Ministry of Justice to attain an NGO status which entitles them to tax exemption in accordance with articles 39 to 41 in decree law No. 5/2005.<br>Registration with the Ministry of Finance to attain a Tax Identification Number and a CERTIDAO DE DIVIDAS is then required.<br>NGOs are further required to obtain a letter of approval of tax exemption for each shipment from the respective ministry responsible for the related area of intervention (medicines from the Ministry of Health etc). |

### Exemption Certificate Application Procedure:

| <b>Duties and Taxes Exemption Application Procedure</b>  |
|--|
| <b>Generalities (include a list of necessary documentation)</b>  |
| Tax Identification Number (TIN) is required for all exemption applications and customs clearances.<br>Customs declarations are to be submitted for all cargos whether or not the tax exempt status is approved.<br>Tax exemptions are granted based on the end use of the imported goods, e.g. when exempt items are no longer used for humanitarian purposes payment of duties are then due to be imposed.<br>Organisations are required to attain their own tax exemptions, only customs clearances can be outsourced to agents.   |
| <b>Process to be followed (step by step or flowchart)</b>  |
| UN agencies:<br>1. Heads of agencies write a letter requesting tax exemption for any given shipment referencing their tax exempt status.<br>2. This letter, with any associated documentation (as stipulated in the matrix below) is attached to the customs declaration.<br>3. These are then submitted (either directly or via a customs agent) to the customs authorities for approval.<br>NGOs:<br>1. Heads of organisations write a letter requesting tax exemption for any given shipment referencing their tax exempt status.<br>2. This letter is then submitted to the ministry of finance with the following supporting documentation:<br>Copy Tax Identification Numbers (TIN) are required for all exemption applications and customs clearances.<br>Copy of Certidao de Dividas<br>Copy of NGO Registration with MOJ<br>Copy of the NGO Registration with NGO Forum<br>Copy of the shipment documentation including the Invoices and packing list<br>3. This letter is also submitted to the respective ministry responsible for the related area of intervention (medicines from the Ministry of Health etc), from whom a corresponding letter of approval is subsequently attained.<br>4. These letters, with any associated documentation (as stipulated in the matrix below) is attached to the customs declaration.<br>5. These are then submitted (either directly or via a customs agent) to the customs authorities for approval. |

### Exemption Certificate Document Requirements

|   | <b>Food</b>                                      | <b>Shelter, Wash and education</b>               | <b>Medicines</b>                                 | <b>Vehicles and Spare parts</b>                  | <b>Staff and office supplies</b>                 | <b>Telecoms equipment</b>                        |
|---|--|--|--|--|--|--|
| <b>Invoice</b>                                | YES, 1 COPY                                      | YES, 1 COPY                                      | YES, 1 COPY                                      | YES, 1 COPY                                      | YES, 1 COPY                                      | YES, 1 COPY                                      |
| <b>AWB, BoL, or Other Transport Documents</b> | YES, 1 COPY<br>Authenticated by shipping agents. | YES, 1 COPY<br>Authenticated by shipping agents. | YES, 1 COPY<br>Authenticated by shipping agents. | YES, 1 COPY<br>Authenticated by shipping agents. | YES, 1 COPY<br>Authenticated by shipping agents. | YES, 1 COPY<br>Authenticated by shipping agents. |

|  |             |             |   |   |             |             |
|--|-------------|-------------|---|---|-------------|-------------|
| <b>Donation Non-Commercial Certificate</b> | YES, 1 COPY | YES, 1 COPY | YES, 1 COPY                                     | YES, 1 COPY   | YES, 1 COPY | YES, 1 COPY |
| <b>Packing List</b>                        | YES, 1 COPY | YES, 1 COPY | YES, 1 COPY                                     | YES, 1 COPY   | YES, 1 COPY | YES, 1 COPY |
| <b>Other Documents</b>                     | -           | -           | Original Ministry of Health letter of approval. | Original Directorate of Land Transportation letter of approval. | -           | -           |

NOTE: Tax Identification Number (TIN) is required for all exemption applications

## Customs Clearance

### General Information

| Custom Information           | Comments   |
|------------------------------|--|
| <b>Document Requirements</b> | All imports and exports require written customs declarations, TIN – Tax Identification Number, and processed SAD documents.  |
| <b>Embargoes</b>             | None   |
| <b>General Restrictions</b>  | The usual prohibitions are in place covering counterfeits, firearms, narcotics<br>NOTE: Considering Timor-Leste copied a relative large part of their customs procedures from Australia, rather stringent quarantine rules are in place at Dili International Airport. |
| <b>Prohibited Items</b>      | None   |

### Customs Clearance Document Requirements

|   | Food  | Shelter, Wash and education  | Medicines   | Vehicles and Spare parts     | Staff and office supplies    | Telecoms equipment           |
|---|---|------------------------------|---|------------------------------|------------------------------|------------------------------|
| <b>D&amp;T Exemption Certificate</b>          | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       |
| <b>Invoice</b>                                | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       |
| <b>AWB, BoL, or Other Transport Documents</b> | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       |
| <b>Donation Non-Commercial Certificate</b>    | Recommended but not required  | Recommended but not required | Recommended but not required  | Recommended but not required | Recommended but not required | Recommended but not required |
| <b>Packing List</b>                           | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.  | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       | Yes, Original, 1 copy.       |
| <b>Phytosanitary Certificate</b>              | N/A   | N/A                          | N/A   | N/A                          | N/A                          | N/A                          |
| <b>Other Documents</b>                        | Frozen and fresh foods require certificate of origin for quarantine and ministry of agriculture approvals.(1) | -                            | MoH stamp of approval is required on the invoice; written request is submitted to MoH with Invoice, WB and Packing list attached. | See notes below (2)          | -                            | -                            |

NOTE:

(1) UN food imports are also exempt from quarantine requirements.

(2) All vehicles must be less than 5 years old when they are brought into the country.

Imported vehicles are inspected in the port by representatives from Ministry of Trade Commerce and Industry, Directorate of Land Transportation and Customs officials (UN vehicles are exempt from inspection procedures).

Vehicles must be registered before they leave the port, applications must be made in writing to the Directorate of Transportation, all specification of the vehicle stipulated (chassis number, engine number, engine type, year of production, model etc), with an importation licences from the customs authority and a letter of authorisation from the ministry of trade and commerce. Usually registration is complete and number plates can be provided within 1 week of the vehicle arriving in Dili.

It is possible to clear vehicles prior to arrival so they can leave the port immediately after inspection (in 1-2 days).

## Transit Regime

Transit cargos do not have to pay taxes but are required to leave the country within 28 days of arrival.

For longer periods temporary importation regulations apply, where taxes due are held on deposit (BNU Bank) until the goods leave the country, for a maximum of one year.

Freight forwarders indicate that the system is working well for transshipment cargos passing through Dili port, however they maybe unwilling to accept transit cargos passing the land border as procedures are not so well established there and complications can arise.

For information on Timor-Leste customs focal points and information by entry points, please see the following document:

[Timor-Leste Customs additional information](#)

**Note: The information provided in the attached documents, which has been taken from the old DLCA, does not match the structure of the new LCA and is therefore provided separately.**