

**DEMOCRATIC REPUBLIC OF TIMOR-LESTE**



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**REGULATION NO. 2/2014, of 24 OCTOBER 2014**

**FIRST AMENDMENT TO REGULATION NO. 1/2012, OF 24 OCTOBER 2012, ON  
ADMINISTRATIVE PROCEDURES, REQUIREMENTS AND FEES FOR THE  
GRANTING, RENEWAL AND MODIFICATION OF DOWNSTREAM ACTIVITIES'  
LICENSES**

Two years after the enactment of Regulation No. 1/2012, of 24 October 2012, on administrative procedures, requirements and fees for the granting, renewal and modification of downstream activities' licenses, and taking into account the experience gathered by the ANP in its implementation, as well as the recent developments in the downstream market in Timor-Leste, the ANP has reached the conclusion that setting minimum and maximum thresholds of the fees payable in respect of each Downstream License, as currently provided for in Regulation No. 1/2012, on the one hand, and establishing in each sectorial Downstream Regulation the specific criteria for determining the fee amount effectively due for each such License, on the other hand, is capable of generating uncertainty in the economic operators. Therefore, in order to create greater regulatory certainty, the ANP has decided to eliminate the maximum and minimum thresholds from Regulation No. 1/2012, so that the fees due for Downstream Licences be hereinafter exclusively determined in accordance with the objective criteria set forth in the specific Regulations applicable to each Downstream Activity.

In addition, from a bureaucratic standpoint, this amendment has the advantage of not requiring the ANP to amend Regulation 1/2012 each time the ANP decides to update the amounts of the fees due for Downstream Licenses in each specific Downstream Activity regulation.

Finally, bearing in mind that the table of contents provided for in Regulation 1/2012 was published by mistake, the ANP takes this opportunity to proceed with its removal, so as to avoid undesirable future misinterpretation issues in this respect.

Therefore, under the terms of Articles 1.2, 3.4, 4.1 (a), 4.2 and 8.1 (c) of Decree-Law No. 20/2008, of 19 June 2008 and Articles 7.2 (a) and 14.1 of Decree-Law No 1/2012, of 1 February 2012, the Governing Board of the ANP approves the following Regulation:

**Article 1**  
**Amendment to Regulation No. 1/2012, of 24 October 2012**

Article 23 of Regulation No. 1/2012, of 24 October, is amended as follows:

**“Article 23”**  
**[...]**

1. The granting and Renewal of Downstream Activity Licenses is subject to the payment of fees, the amount and frequency of which shall be determined by objective criteria set forth in the regulations applicable to each Downstream Activity.

2. In case of Late Renewal of Downstream Activity Licenses the fees set forth in the applicable regulations shall be increased by 50%.
3. The Transfer or Amendment of a Downstream License shall be subject to payment of a fee corresponding to 50% of the fee set forth in the applicable regulations.
4. The fees must be paid by the Licensee prior to the issuance, renewal, transfer or modification of the License, and thereafter with the frequency established in the License. Failure to pay the fees shall result in the non-issuance, or cancellation of the License, or non-renewal or refusal of transfer or amendment thereof, as the case may be.
5. The fees set forth in the applicable regulations are aimed at reimbursing the ANP for the costs incurred by it in its licensing and supervision activities, and funding its activities in the downstream sector, and shall constitute exclusive revenue of the ANP to be collected by it.
6. The fees set forth in the applicable regulations shall be periodically revised by the ANP and published in the *Jornal da República* and on the ANP website.

**Article 2  
Revocation**

The Table of Contents is hereby eliminated from Regulation No. 1/2012, of 24 October 2012.

**Article 3  
Pending Applications and Existing Licenses**

1. The applications for the granting or Renewal of Downstream Activity Licenses submitted prior to the entry into force of this amendment continue to be subject to the rules in force at the time they were submitted.
2. The renewal, transfer or modification of Licenses issued prior to this amendment shall be governed by the new rules.

**Article 4  
Republication**

The full version of Regulation No. 1/2012, of 24 October 2012, incorporating amended provisions is republished in its entirety as provided in the annex of this Regulation

**Article 5**  
**Entry into force**

This Regulation shall enter into force on the day immediately after its publication in the *Jornal da República*

Approved by the ANP Board of Directors, on 11 September 2014

Members:

- 1) Gualdino do Carmo da Silva – Chair .....
- 2) Jorge Martins, Non – Executive .....
- 3) Mateus da Costa - Executive Board Member .....
- 4) Nelson de Jesus - Executive Board Member .....

**ANNEX**

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**REGULATION NO. 1/2012, OF 24 OCTOBER 2012**

**ON**

**ADMINISTRATIVE PROCEDURES, REQUIREMENTS AND FEES  
FOR THE GRANTING, RENEWAL AND MODIFICATION  
OF DOWNSTREAM ACTIVITIES' LICENSES**

This Regulation builds on Decree-Law No. 1/2012 of 1 February 2012, on Downstream Activities in Timor-Leste and sets forth the technical rules, procedures and deadlines for the granting of Downstream Activities' Licenses by the ANP, that are required for the practical implementation of the above-mentioned Decree-Law.

Once these Regulations are approved, ANP shall effectively manage Downstream Activities to be carried out in the country by granting Licenses within the framework of Decree-Law No. 1/2012 and this regulation.

Therefore, under the terms of Articles 1.2, 3.4, 4.1 (a), 4.2 and 8.1 (c) of Decree-Law No. 20/2008, of 19 June 2008 and Articles 7.2 (a) and 14.1 of Decree-Law No. 1/2012, of 1 February 2012, the Governing Board of the ANP approves the following Regulation:

**CHAPTER I GENERAL  
PROVISIONS**

**Article 1**

**Definitions**

1. The expressions, terms and concepts used in this Regulation and defined in Article 2 of Decree-Law No.1/2012, of 1 February 2012, shall have the same meaning as conferred upon them in the above mentioned Decree-Law.
2. Notwithstanding Article 1.1, for the purposes of this Regulation, the following terms shall have the meanings set out below:
  - (a) *Bunkering activities*: means the activity covered by a Marketing License aimed at supplying marine bunker Fuel, including diesel and/or fuel oil from an onshore

bunkering facility into a vessel or from vessel(s) to vessel(s) whether in coastal waters or on the high sea;

- (b) *Amendment of a Downstream Activity License*: means the administrative procedure through which the holder of an existing Downstream Activities' License applies for an amendment to the same aimed at covering new Downstream Activities to be performed as a main activity alongside those already covered by the existing License and not as a mere ancillary activity or of a supporting nature, or at changing any details or specifications of the existing License;
- (c) *HSE Plans*: means the plans prepared by the applicant under Article 10.1 (n) detailing the procedures aimed at protecting the health, safety & environment in the performance of the Downstream Activities it intends to carry out, and which will be prepared in accordance with international best practices in the downstream petroleum sector;
- (d) *Health, Work Environment, Safety and Hygienic-sanitary Rules*: means any and all rules that may be approved, from time to time, by the ANP or any other relevant authorities of the Democratic Republic of Timor-Leste, aimed at guaranteeing the health and safety of employees, adequate workplace conditions, and hygiene in the workplace;
- (e) *Renewal of a Downstream Activity License*: means the administrative procedure through which the holder of a License to conduct Downstream Activities applies for the renewal of an existing License under the same terms and conditions;
- (f) *Late Renewal*: means a request for Renewal of a Downstream Activity License filed after the deadline set forth in Article 11.1 has expired, and which will be assessed in accordance with the rules and conditions set forth in Article 11.4;
- (g) *Transfer of a Downstream Activity License*: means the administrative procedure through which the holder of a License to conduct Downstream Activities seeks approval from the ANP to transfer the License to another Interested Person.

## **Article 2**

### **Purpose**

This Regulation sets forth the Administrative procedures, requirements and fees for the granting, renewal and modification of Licenses authorizing the performance of Downstream Activities.

**Article 3**

**Scope**

This Regulation shall apply to all legal or physical persons, irrespective of their public or private nature, or nationality, that wish to carry out Downstream Activities in Timor-Leste, including all members of international organizations or missions present in the Territory of Timor-Leste, irrespective of their mandate.

**CHAPTER II**

**MANAGEMENT AND REGULATION OF DOWNSTREAM ACTIVITIES**

**SECTION I**

**Licensing of Downstream Activities**

**Subsection I**

**General Provisions**

**Article 4**

**General Rules on Licenses**

1. No one may engage in any Downstream Activity unless authorised to do so under a License issued by the Autoridade Nacional do Petróleo (“ANP”).
2. A License to conduct Downstream Activities shall only be granted to Interested Persons having a demonstrated technical and financial capacity to perform such activities.
3. Licensees are responsible for ensuring that the licensed activities are conducted in a prudent manner, in accordance with applicable laws and regulations and in compliance with internationally accepted technical and economic practices and standards accepted by the ANP, having due regard for the safety and health of personnel, and for the protection of the environment and the facilities, as well as for the rational use of petroleum resources.
4. The application for the issuance, renewal or modification of a Downstream Activity License shall be made to the ANP in a manner and form approved by the ANP and containing the information required by the ANP.
5. The ANP may, if the requirements for late renewal set forth in Article 11.4 below are met, approve applications for renewal of Licenses submitted after the previous term of the License has expired.

6. The processing of an application for the granting of Licenses to conduct Downstream Activities is subject to the payment of a fee under the terms set forth in this Regulation.

## **Article 5**

### **Types of Downstream Activities' Licenses**

1. Downstream Activities are carried out under the following Licenses:
  - (a) Supply Activities License;
  - (b) Processing Activities License;
  - (c) Storage Activities License;
  - (d) Transport Activities License;
  - (e) Marketing Activities License;
  - (f) Trading Activities License;
  - (g) License for construction and operation of pipelines and fuel distribution networks;
  - (h) License for construction and operation of fuel supply stations;
  - (i) Licenses authorizing the performance of any other activities falling within the scope of the ANP's authority, as may be specifically provided for in regulations to be approved by the latter.
2. Licensees may hold one or more Licenses as necessary to perform the different Downstream Activities they propose to carry out.
3. Import of asphalt, bitumen and similar products for the exclusive use of the importer may be exempted from licensing by the ANP on a case-by-case basis, but the importation shall always be subject to prior communication to ANP, and to the latter's prior approval and inspection to confirm that the imported products comply with the product specifications in force in Timor-Leste.
4. The Licensing of Bunkering Activities shall be made exclusively by the ANP under Article 5.1 (e). For such purpose the ANP may, at its sole discretion, and in accordance with any existing sectorial regulations, hear the non-binding opinion of other State bodies within the area of their powers and attributions.

## **Article 6**

### **Form**

Downstream Activities Licenses shall be issued in the form attached hereto as Annex I, which may be revised by the ANP from time to time by means of an Official Instruction.

**Subsection II**  
**General Requirements and Duties**

**Article 7**  
**Licensee Requirements**

An Interested Person requesting the granting of a Downstream Activity License shall possess the following general requirements in respect of the specific Downstream Activity to which the licensing is requested:

- (a) Knowledge and relevant experience in the performance of activities in which it seeks to conduct operations under the respective License;
- (b) Technical and operating skills supported by research and development capability;
- (c) Demonstrated development and project management experience;
- (d) Financial and organizational capacity for carrying out the proposed Downstream Activities;
- (e) Demonstrated track record of compliance with Health Safety & Environment requirements and standards.

**Article 8**  
**License Duties**

Licensees shall:

- (a) Implement health safety & environment guidelines and acceptable criteria for risk assessment in accordance with the HSE Plans filed under Article 10.1 (n), as approved by the ANP;
- (b) Maintain the ANP informed of the status of scheduled activities;
- (c) Involve their personnel in the development and updating of the management system;
- (d) Pay compensation for damages, servitudes, rights of way and expropriation of rights, in accordance with applicable law;
- (e) Comply with the applicable laws and regulations;
- (f) Be responsible for operations for which the respective license has been granted;
- (g) Pay the bond or deposit defined by the ANP, under Article 24 below;
- (h) Pay the fees determined by the ANP under this Regulation.

**Subsection III**  
**Downstream Activities Application Forms**

**Article 9**

**Processing of Application Forms**

1. Applications for Downstream Activities Licenses shall be filed with the ANP in the form attached hereto as Annex II.
2. The License application shall be submitted with all the necessary supporting documents listed in this Regulation and ancillary regulations.
3. Failure to submit all the necessary supporting documents in accordance with Article 9.2 shall cause the application to be rejected by the ANP.
4. Within ten (10) working days of the submission of the License application, ANP shall review it to determine whether all supporting documentation has been filed and the application properly completed.
5. The ANP may request that additional documents or other elements be produced to support the application.

**Article 10**

**Submission of Documents**

1. Application forms for requesting or renewing a Downstream Activities License shall be submitted to ANP accompanied by the following information:
  - (a) Companies' Registry Certificate or document evidencing registration with the National Directorate of Registries and Notary of the Ministry of Justice or another government body responsible for company registration;
  - (b) Tax registration;
  - (c) Registration with the National Directorate of Commerce of the Ministry of Tourism Commerce and Industry or another government body responsible for licensing of economic activities when applicable;
  - (d) Copy of the company's by-laws and other documents evidencing that a participating interest of at least 5% is held by a public entity or Timorese State-owned company, by Timorese citizens, or by a legal person ultimately controlled by Timorese citizens;
  - (e) Proof of deposit or full subscription and paying up of an amount of share capital at least equivalent to the minimum required for each type of activity;
  - (f) Tax returns for the past two (2) years, if applicable;
  - (g) Certificate confirming that the applicant has no outstanding tax or social security debts;

- (h) Insurance policy covering the activity or activities the applicant wishes to carry out, including coverage against general civil liability for damages to individuals and assets, accidents at work and occupational illness, and environmental damage, with the limits and requirements set forth in the Regulations applicable to the activities effectively carried out
  - (i) Documentation supporting the applicant's organizational, technical and financial capacity;
  - (j) Documents evidencing the existence of the necessary equipment to carry out the activities intended to be performed, or the respective acquisition plan;
  - (k) Detailed business plan attesting the project's economic feasibility and that the proposed activities' structure complies with all environmental protection laws and regulations in force and with all laws and regulations applicable to protection of occupational and public health and safety. The detail of this plan shall take into consideration the size and complexity of the Downstream Activities to be undertaken and the Downstream Infrastructure covered by the License;
  - (l) Identification card of the applicant or the applicant's representative;
  - (m) If the applicant is a legal person or is represented by a third party, a power of attorney granting sufficient powers to handle the registration process;
  - (n) A HSE Plan outlining the applicant's proposed health safety & environment procedures and adequate risk assessment criteria considering the size and complexity of the Downstream Activities to be undertaken and the Downstream Infrastructure covered by the License;
  - (o) A decommissioning and abandonment plan detailing the actions, activities and work that the Licensee undertakes to carry out after termination of the License to clean up and restore the land on which the Downstream Infrastructure is located to its prior conditions, in accordance with applicable environmental laws and standards. The clean-up and restoration duties undertaken by the Licensee shall survive termination of the License;
  - (p) Any additional documentation or details listed in the ANP Regulations applicable to the Downstream Activities for which a License is requested.
2. In addition to the elements listed in Article 10.1 the following information may be required by the ANP in support of the Technical Capacity of the Interested Person:
- (a) If applicable, detailed experience statement for the same or similar proposed Downstream Activity for the previous five (5) years, mentioning the size, complexity, methods, technology and other characteristics of the applicant's prior operations;

- (b) List of existing contracts in the same Downstream Activity or respecting to similar projects for the previous five (5) years, if applicable;
  - (c) List of the staff proposed for the implementation and performance of the Downstream Activity, with the CVs of key staff members (Project Managers, Technical Directors, Engineers, etc.) and any additional key staff required to perform the Downstream Activity;
  - (d) Documents, including staff maps, lists of equipment, description of facilities and other relevant information concerning the logistics of the Downstream Activity to be carried out, which shall demonstrate the Interested Person's ability to undertake the proposed Activities. The Interested Person must further indicate whether such equipment is owned by it, hired, or used by subcontractors;
  - (e) A list of materials and any supplies intended for use in the activities, stating their origin and conformity with internationally accepted standards;
  - (f) A work programme with detailed descriptions of the major activities to be carried out, demonstrating the sequence and proposed timetable for their execution. In particular, the Interested Person shall detail the temporary and permanent works to be undertaken, and must consider the need to prepare designs and, if necessary, to obtain building permits prior to the execution of any construction works;
  - (g) A detailed memorandum outlining the operational methods to be adopted in the performance of the Downstream Activities;
  - (h) Information on subcontractors and the percentage of works to be subcontracted.
3. In addition to the elements listed in Article 10.1, the following information may be required by the ANP - in support of the Financial Capacity of the Interested Person:
- (a) Evidence that the Interested Person's net assets and access to credit facilities are adequate for the proposed activities, confirmed by the financial statements of the previous 3 years and audited by a chartered accountant;
  - (b) Audited financial statements for the previous three (3) years;
  - (c) A letter from a financial institution confirming credit access conditions;
  - (d) Financial projections for the first two years of activity;
  - (e) Audited financial statements for the last three (3) years demonstrating the current soundness of the Interested Person's financial position and its prospective long term profitability.
4. When the applicant is a consortium, the information required under this Article 10 shall be submitted by each consortium member.

## **Article 11**

### **Renewal of Licenses**

1. Licenses may be renewed by the ANP, at the request of the Licensee, by submitting a License extension request at least 60 calendar days prior to the expiration of the initial term or any renewal thereof.
2. The Renewal of a Downstream Activity License is subject to the Licensee having complied with:
  - (a) the legal, technical, safety and other requirements applicable to the Activities during the current term of the License;
  - (b) all obligations towards the ANP and the State of Timor-Leste under the existing License during the current term thereof.
3. The Licensee must also comply with any requirements in force on the date of submission of the renewal request or submit a detailed plan for bringing its operations into compliance with such requirements.
4. Except for the cases of Article 11.5 below, should the existing License expire prior to the ANP having decided on the renewal request, the Licensee shall be authorized to continue operating, provided it has adequately proven that it complies with all applicable rules and requirements.
5. A request for Late Renewal of a Downstream Activity License may be filed by the Licensee up to three months following the expiration of the existing License term, subject to compliance with the requirements set forth in Article 11.1 through 11.3 above, and payment of the late renewal fee referred to in Article 23.2.

## **Article 12**

### **Processing of Applications**

1. Once all the details and documents listed in Article 10 above have been submitted to the ANP, the respective services shall prepare an opinion on the compliance of the application with the necessary conditions and requirements, which shall be forwarded for review and decision by the ANP.
2. The ANP shall issue a decision on the granting of the License within 90 (ninety) days of the date on which it receives the last document required under Article 10 above or any additional documents requested by the ANP, or a longer term established by the ANP in light of the complexity of the application.
3. Where no decision is issued within the deadline referred to in Article 12.2 above, the application shall, for all purposes, be considered as having been rejected.

4. Notwithstanding the tacit rejection set forth in Article 12.3, the ANP may, however, at any time expressly approve the granting of the requested License if the necessary requirements have been met.

### **Article 13**

#### **Special Application Periods and Public Tenders**

1. In order to streamline the processing of applications for Downstream Activities Licenses, the ANP may, at its sole discretion, determine that applications shall only be submitted during a certain special period or periods each year.
2. The ANP may also, at its sole discretion, when it deems that reasons of protection of the public interest so require, decide that the granting of Downstream Activities Licenses shall be made by public tender to be held under regulations to be approved by it for such effect.

### **Article 14**

#### **General duties of ANP Staff**

All members of the ANP acting under this Regulation, notably the Inspection Manager, Inspection Officers, and Inspection Assistants of the Downstream Inspection Division, are bound by the following duties:

- (a) To act in respect of any matter of their responsibility impartially, diligently and equitably;
- (b) To act assiduously and zealously;
- (c) To excuse themselves from cases where they deem such to be appropriate;
- (d) To avoid possible future conflict of interest situations.

### **Article 15**

#### **Conflict of interests and impediments**

1. In performing their duties under Decree-Law No. 1/2012 and these Regulations, the ANP staff must comply with the general duties set forth in Article 14 above and the specific provisions provided for in this article.
2. A member of the ANP shall not participate or take part in any licensing procedure or any other matter:
  - (a) In which he/she has or may have a direct or indirect interest or benefit;
  - (b) That could result in a benefit for his/her relatives or any other person to whom he/she is related by marriage, dowry or a de-facto union.

3. For the purposes of Article 15.2, a relative shall mean:
  - (a) Grandparents, parents, children and grandchildren;
  - (b) Brothers, sisters, aunts and uncles.
4. The members of the ANP's Board of Directors shall not take part in any decision-process hereunder when the decision to be made falls under any of the situations described in Articles 14, 15.2 and 15.3 above.

#### **Subsection IV**

#### **Rejection of Applications and Issuance of Licenses**

##### **Article 16**

##### **Rejection of Applications**

1. Without prejudice of Article 12.3, if an application is rejected the applicant shall be promptly advised of the decision and of the reasons and legal grounds on which the rejection was based.
2. Any Interested Person or Licensee whose interests are negatively affected by a decision of the ANP under this Regulation may submit an administrative appeal to the member of the government responsible for the petroleum sector or a judicial appeal to Court under the terms of the law.

##### **Article 17**

##### **Granting, amendment and renewal of Downstream Activities Licenses**

1. The ANP shall inform the applicant of the decision to issue a new, amended or renewed License within five (5) working days, detailing the conditions and requirements applicable to the License.
2. The issuance of the License is subject to the payment of the corresponding fee as provided for in Section II of this Chapter II.
3. The issuance of the License shall be further subject to a technical and safety preliminary inspection to be carried out in accordance with Article 18 hereof and the regulations on the ANP Downstream Inspection Division, on the licensing of Downstream facilities, and on each specific activity, to be approved by the ANP.

##### **Article 18**

##### **Preliminary Inspection**

1. The preliminary inspections to sites, buildings, facilities and equipment are performed to ensure compliance with the applicable laws and regulations and to

confirm that they meet the necessary technical and safety conditions for the carrying out of Downstream Activities.

2. The ANP Officers shall verify, *inter alia*, whether the Downstream Activity to be carried out is in accordance with the applicable legal and regulatory requirements in respect of:
  - (a) Compliance with Health, Work Environment, Safety and Hygienic-sanitary Rules;
  - (b) Existence of facilities and equipment described;
  - (c) Compliance and suitability of the project to the type of Downstream Activity for which the License was requested;
  - (d) Any other mandatory requirements in accordance with the applicable legislation or regulations;
  - (e) Compliance with the approved HSE Plan.
3. The preliminary inspection mentioned in this article shall be performed by the ANP Downstream Inspection Division, under the terms and according to the procedures set forth in Article 11 of the Downstream Inspection Division Regulations..

## **Article 19**

### **Downstream Activities License Conditions**

The Downstream Activities License, approved in accordance with Annex I of Decree-Law No.1/2012, of 1 February 2012 and reproduced in Annex I to this Regulation, shall comprise the following specific conditions and information:

- (a) the Licensee's name;
- (b) the Licensee's tax identification number;
- (c) the Licensee's registered address;
- (d) the activities to which the License respects and any special conditions, duties or limits applicable to their performance;
- (e) the duration of the License;
- (f) the type, number and characteristics of authorised vehicles used in the activities;
- (g) frequency of payment of the due fees;
- (h) the area in which the authorised Downstream Activity operations may be exercised, if applicable;
- (i) any other details deemed relevant by the ANP.

**Article 20**

**Duration and Possession**

1. The maximum terms of the Licenses are as follows:
  - (a) Supply activities License – up to 10 years;
  - (b) Processing activities License – up to 30 years;
  - (c) Storage activities License – up to 20 years;
  - (d) Transportation activities License – up to 10 years;
  - (e) Marketing activities License – up to 20 years;
  - (f) Marketing activities License covering Bunkering Activities – up to 10 years;
  - (g) Trading activities License – up to 10 years;
  - (h) License for the construction and operation of pipelines and fuel distribution networks – up to 30 years;
  - (i) License for construction and operation of fuel supply stations – up to 10 years.
2. A License shall be effective as of the date specified therein.
3. The specific term of the License shall be determined according to the financial and technical proposal presented by the Licensee, and be sufficient to allow recovery of the capital investment, in accordance with the financial model included in the License application.
4. Notwithstanding the maximum term of the Licenses set forth in Article 20.1 above and the specific term set forth in each License, the ANP may, under the terms set forth in Article 22 and Decree-Law No.1/2012, revoke at any time an existing License grounded on the Licensee's breach of statutory or regulatory rules or the terms and conditions set forth in the License, including failure to comply with, amongst others, rules on health, safety, and environment, technical regulations, and any conditions respecting Licensee's financial capacity.
5. Whenever the performance of one Downstream Activity requires the performance of other Downstream Activities with a merely ancillary or supporting nature, only one License shall be required for the main commercial activity, with the duration of the License issued for the main activity also applying to the ancillary or supporting activities.
6. The Licensee shall always exhibit a copy of the License in a visible place in the premises, vehicles or facilities used for Downstream Activities.

**Subsection V**  
**Transfer of Licenses**

**Article 21**  
**Transfer of Licenses**

1. A License may only be transferred to another company with the prior written authorization of the ANP, and if the requirements listed in Article 11.4 of Decree-Law No. 1/2012, of 1 February 2012 are complied with.
2. In case of merger, or total or partial acquisition of a Licensee's shares by a third party, the ANP may reassess the situation to determine if the Licensee maintains the necessary requirements to carry out the Activities it is licensed for. If necessary, the ANP may require that the Licensee implement corrective measures aimed at maintaining or reinstating the referred requirements, under pain of termination of the License.
3. The sale, lease or other form of assignment of the equipment, installations or facilities where Downstream Activities are carried out shall also be subject to the prior written authorization of ANP.
4. The authorizations provided for in this Article 21 shall not be granted if the License transfer or the sale of Downstream assets causes the assignee or the buyer to hold a market share of more than 30% in the relevant Downstream Activity, or if it causes breach of any competition rules contained in any Regulations applicable to the specific Downstream Activity(ies) carried out under the License.

**Subsection VI**  
**Termination**

**Article 22**  
**Cancellation or suspension of License**

1. The ANP may cancel, suspend or revoke Licenses on the following grounds:
  - (a) Non-compliance with applicable laws and regulations;
  - (b) Bankruptcy or insolvency of the Licensee;
  - (c) Serious and wilful breach of the Licensee's duties or of applicable laws and regulations;
  - (d) Unjustified interruption of the Downstream Activities for more than 90 (ninety) calendar days;
  - (e) For any other reason set forth in the regulations applicable to the specific Downstream Activity or to Downstream Activities in general.

2. Cancellation, suspension or revocation of the License under this Article 22 or any other provision of Decree-Law No. 1/2012, of 1 February 2012, this Regulation or any other Regulations enacted under the said Decree-Law 1/2012, shall not affect Licensee's clean-up and restoration obligations, or any other duty or obligation towards the ANP or the State of Timor-Leste arising out of the performance of Downstream Activities which should survive termination.
3. The ANP may require the Licensee or former Licensee to return the License issued to the ANP within a specified period of time.
4. A Licensee who refuses or fails to comply with a request made under Article 22.2 is guilty of a serious administrative offence punished with a fine under the terms of Article 57.2 of Decree-Law No.1/2012, of 1 February 2012.

## **SECTION II**

### **Fees and Bonds**

#### **Article 23**

##### **Fees**

1. The granting and Renewal of Downstream Activity Licenses is subject to the payment of fees, the amount and frequency of which shall be determined by objective criteria set forth in the regulations applicable to each Downstream Activity.
2. In case of Late Renewal of Downstream Activity Licenses the fees set forth in the applicable regulations shall be increased by 50%.
3. The Transfer or Amendment of a Downstream License shall be subject to payment of a fee corresponding to 50% of the fee set forth in the applicable regulations.
4. The fees must be paid by the Licensee prior to the issuance, renewal, transfer or modification of the License, and thereafter with the frequency established in the License. Failure to pay the fees shall result in the non-issuance, or cancellation of the License, or non-renewal or refusal of transfer or amendment thereof, as the case may be.
5. The fees set forth in the applicable regulations are aimed at reimbursing the ANP for the costs incurred by it in its licensing and supervision activities, and funding its activities in the downstream sector, and shall constitute exclusive revenue of the ANP to be collected by it.
6. The fees set forth in the applicable regulations shall be periodically revised by the ANP and published in the *Jornal da República* and on the ANP website.

**Article 24**

**Bonds and Security**

1. As a condition for the granting, renewal, transfer or amendment of a Downstream Activities License, the ANP may require that the Licensee provide a bond or security aimed at ensuring compliance with the administrative, operational and technical requirements and duties set forth in Decree-Law No. 1/2012, of 1 February 2012, this Regulation, and any other applicable rules or Regulations issued by the ANP.
2. The type, amount, and characteristics of the bond or security shall be determined by the ANP considering, amongst other factors:
  - (a) the size and complexity of the operation;
  - (b) the Licensee's track record in performing Downstream Activities and complying with environmental rules and standards;
  - (c) the Licensee's financial capacity, considering the Downstream Activities it intends to carry out; and
  - (d) the guidelines on bonds and security set forth in each regulation applicable to the specific Downstream Activities to be carried out.
3. The bond or security may consist in a bank guarantee, security deposit, parent company guarantee, shareholders' personal guarantee, or any other type that the ANP deems adequate to ensure compliance by the Licensee with the duties and requirements mentioned in Article 24.1.

**CHAPTER III FINAL  
PROVISIONS**

**Article 25**

**Confidentiality**

1. A person who is or has been engaged in the administration or enforcement of this Regulation must not disclose any information obtained whether by that person or some other person under or in relation to the administration of this regulation, except as permitted herein.
2. A person who is or has been engaged in the administration or enforcement of this Regulation may disclose information obtained whether by that person or some other person under or in relation to the administration hereof:
  - (a) with the consent of the person from whom the information was obtained or to whom the information relates;
  - (b) in connection with the administration or enforcement of this regulation or related laws or regulations; or

- (c) for the purposes of any legal proceedings arising out of the administration or enforcement of this regulation or a corresponding law.
3. The ANP may disclose information obtained under or in relation to the administration or enforcement of this Regulation that does not directly or indirectly identify a particular Licensee or any particular person to whom a regulatory scheme under this regulation or related regulations applies.
4. A person other than a person who is or has been engaged in the administration or enforcement of this regulation must not disclose information that:
- (a) has been obtained whether properly or improperly and whether directly or indirectly from another person who is or has been engaged in the administration of this regulation; and
  - (b) the other person obtained under or in relation to the administration of this regulation.

#### **Article 26**

##### **Repealed Legislation**

All regulatory provisions contrary to or inconsistent with the provisions of this Regulation are hereby repealed.

#### **Article 27**

##### **Entry into Force**

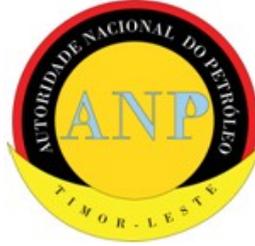
The present Regulation shall enter into force on the date of its publication.

Approved by the ANP Board of Directors, on 3<sup>rd</sup> September, 2012

Members:

- 1) Gualdino do Carmo da Silva – Chair .
- 2) Jorge Martins, Non – Executive
- 3) Emmanuel Angelo Lay - Executive Board Member
- 4) Nelson de Jesus - Executive Board Member

**ANNEX I  
FORM OF DOWNSTREAM ACTIVITIES' LICENSE**



**DOWNSTREAM ACTIVITIES LICENSE  
No. \_\_\_\_/20\_\_**

<b>COMPANY IDENTIFICATION</b>		
Name or Company Designation:		
Registration No.:	Share Capital:	
Taxpayer Identification No.:		
Representative:		
Address:		
ZIP Code:	District:	Suco:
		Aldeia:
Telephone:	E-mail address:	

<b>ACTIVITIES</b> Please check where applicable	
<b>Main Activity(ies)</b>	<b>Supporting Activity(ies)</b>
<input type="checkbox"/> Supply	<input type="checkbox"/> Supply
<input type="checkbox"/> Processing	<input type="checkbox"/> Processing
<input type="checkbox"/> Storage	<input type="checkbox"/> Storage
<input type="checkbox"/> Transportation	<input type="checkbox"/> Transportation
<input type="checkbox"/> Marketing	<input type="checkbox"/> Marketing
<input type="checkbox"/> Trading	<input type="checkbox"/> Trading
<input type="checkbox"/> Construction and operation of pipelines and fuel distribution networks	<input type="checkbox"/> Construction and operation of pipelines and fuel distribution networks
<input type="checkbox"/> Construction and operation of fuel supply stations	<input type="checkbox"/> Construction and operation of fuel supply stations
<input type="checkbox"/> Marketing including Bunkering	<input type="checkbox"/> Marketing including Bunkering
<input type="checkbox"/> Other _____ <small>Please specify</small>	<input type="checkbox"/> Other _____ <small>Please specify</small>

<b>LICENSE TYPE</b> Please check where applicable	
<input type="checkbox"/> New	<input type="checkbox"/> Renewal
Duration: ____years	Fee amount and periodicity:
Identification of the vehicles used in the activities:	

Special conditions, duties or limits of the License:
Additional details:

<b>DOCUMENTS FILED</b> Please check where applicable	
The Applicant has filed the following documents with the ANP:	
<input type="checkbox"/> Companies' Registry certificate	<input type="checkbox"/> Certificate confirming non-existence of tax and social security debts
<input type="checkbox"/> Copy of the company's by-laws and proof of deposit of the share capital	<input type="checkbox"/> Proof of insurance covering the activity or activities the company wishes to carry out
<input type="checkbox"/> Registration with the National Directorate for Commerce of the Ministry of Tourism Commerce and Industry	<input type="checkbox"/> Documents evidencing the company's organizational and financial capability to carry out the activities for which it is seeking licensing
<input type="checkbox"/> Taxpayer registration	<input type="checkbox"/> CV's of the technical staff responsible for the management of its operations, evidencing that they have the necessary training, experience and know-how to carry out the same
<input type="checkbox"/> Proof of filing of the previous year's tax return, if applicable	<input type="checkbox"/> Detailed business plan
Observations:	

<p align="center"><i>Signature of Legal Representative</i></p> <p>Signature: _____</p> <p>Place: _____ Date: ____/____/____</p>	<p align="center"><small>To be completed by ANP</small></p> <p>Fees paid: _____</p> <p>Receipt No. _____</p> <p align="center">Signature of the individual in charge</p> <p align="center">_____</p>
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**ANNEX II**  
**DOWNSTREAM ACTIVITIES' LICENSE APPLICATION FORM**



1. APPLICANTS IDENTIFICATION		
Name or Company Designation:		
Type of Identification Document:	Identification Document No.:	
Taxpayer Identification No.:		
Certificate of registration No.:	Share Capital:	
License to do Business No.:		
Representative:		
Address:		
ZIP Code:	District:	Suco: Aldeia:
Telephone:	E-mail address:	
Fax No.:		

2. LICENSE TYPE
-----------------

<input type="checkbox"/> New	<input type="checkbox"/> Renewal Please provide a description of the existing Company's downstream activities for the purposes of Article 65.2 of Decree-Law No. 1/2012, of 1 February 2012.  Commencement of activity in the country: Date (dd/mm/yyyy):  Please detail the current status of your registration and/or authorization procedure: <input type="checkbox"/> Registered and/or authorized to engage in activity <input type="checkbox"/> Waiting for registration or authorization / Provisional registration
<input type="checkbox"/> Transfer Please include details on the entity you wish to transfer the License to, and provide all relevant documents required under Decree-Law 1/2012 and applicable Regulations.	<input type="checkbox"/> Amendment Please include details on the changes you wish to make to the License to, and provide all relevant documents required under Decree-Law 1/2012 and applicable Regulations.

3. ACTIVITIES
---------------

Please check the activities to be carried out in the country / current activities being carried out in the country

<input type="checkbox"/> Supply
<input type="checkbox"/> Processing
<input type="checkbox"/> Storage
<input type="checkbox"/> Transportation

<input type="checkbox"/> Marketing
<input type="checkbox"/> Trading
<input type="checkbox"/> Marketing including Bunkering
<input type="checkbox"/> Construction and operation of pipelines and fuel distribution networks
<input type="checkbox"/> Construction and operation of fuel supply station
<input type="checkbox"/> Other _____ Please specify

<b>4. DOCUMENTS FILED</b>	
Please check where applicable	
The Applicant has filed the following documents with the ANP:	
<input type="checkbox"/> Companies' Registry certificate (or document evidencing provisional registration)	<input type="checkbox"/> Certificate confirming non-existence of tax and social security debts
<input type="checkbox"/> Copy of the company's by-laws and proof of deposit of the share capital	<input type="checkbox"/> Proof of insurance covering the activity or activities the company wishes to carry out
<input type="checkbox"/> Registration with the National Directorate for Commerce of the Ministry of Tourism Commerce and Industry	<input type="checkbox"/> Documents evidencing the company's organizational, technical and financial capability to carry out the activities for which it is seeking licensing
<input type="checkbox"/> Taxpayer registration	<input type="checkbox"/> CV's of the technical staff responsible for the management of its operations, evidencing that they have the necessary training, experience and know-how to carry out the same
<input type="checkbox"/> Copy of the companies' by-laws evidencing a 5% participating interest of a Timorese State-Owned Company, Timorese citizens	<input type="checkbox"/> Detailed business plan
<input type="checkbox"/> Proof of deposit or full subscription and paying up of the amount of share capital equivalent to the minimum required for the type of activity	<input type="checkbox"/> Copy of tax returns for the past 2 years (and, if applicable)
<input type="checkbox"/> Documents evidencing the existence of the necessary equipment to carry out the activities or acquisition plan	<input type="checkbox"/> Power of Attorney if the applicant is a legal person or represented by a third party
Observations / Additional supporting information:	
<input type="checkbox"/> Please mark if additional information is provided in Annexes	

I certify that all of the information contained in this form is complete and accurate. I understand the information provided to the ANP is subject to review and audit. The detailed records which substantiate the information contained herein are available upon request.

**NOTE:** This form and any relevant additional information is of public record and will remain on file. By filing this form you are declaring that you will not use the information you receive now or afterwards for any illegal or unlawful purposes.

<p align="center"><i>Signature of Legal Representative</i></p> <p>Signature: _____</p> <p>Place: _____ Date: ____ / ____ / ____</p>	<p>To be completed by ANP</p> <p>Fees _____ paid: _____</p> <p>Receipt _____ No. _____</p> <p>Signature of the individual in charge _____</p>
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**ANNEX III**

**SUPPORTING INFORMATION ON TECHNICAL AND FINANCIAL CAPACITY**

**A. INFORMATION IN SUPPORT OF TECHNICAL CAPACITY**

Article 10.2 of Regulation No. \_\_\_ / \_\_\_, of 20\_\_

The Applicant has filed the following additional documents with the ANP:  
(Please describe)

**B. INFORMATION IN SUPPORT OF FINANCIAL CAPACITY**

Article 10.3 of Regulation No. \_\_\_ / \_\_\_, of 20\_\_

The Applicant has filed the following additional documents with the ANP:  
(Please describe)

**C. INFORMATION ON HEALTH SAFETY & ENVIRONMENT COMPLIANCE**

Article 7 (e) of Regulation No. \_\_\_ / \_\_\_, of 20\_\_

The Applicant has filed the following additional documents with the ANP:  
(Please describe)

**D. DESCRIPTION AND PLANS OF INFRASTRUCTURE TO BE BUILT**

As required by the specific ANP Regulations applicable to the Activity (ies) to be carried out

The Applicant has filed the following additional documents with the ANP:  
(Please describe)

**E. DESCRIPTION OF EQUIPMENT TO BE USED**

As required by the specific ANP Regulations applicable to the Activity (ies) to be carried out

The Applicant has filed the following additional documents with the ANP:  
(Please describe)