

LAW No. 4/2012 of February 21
Labour Law

Through UNTAET Regulation No. 2002/05, of May 1st, a Labour Code was approved for Timor-Leste, and this has since being the governing law for labour relations in our country.

The economic and social development of the country in the last decade demands the adoption of a legislative instrument that responds to Timor-Leste labour and business market current needs, allowing, harmoniously, business activities investment and development, and the protection of workers and their professional development.

Featuring of a new legal framework governor of labour relations, through this law, represents a crucial contribution to the development process of the Timorese economy and society.

Having heard representatives from employers and workers' organizations;

The National Parliament decrees, pursuant to paragraph 1 of article 95 of the Constitution of the Republic, to be enforced as law, the following:

PART I
INTRODUCTORY PROVISIONS AND FUNDAMENTAL
PRINCIPLES

CHAPTER I
OBJECT AND SCOPE

Article 1
Object

1. This law establishes the legal regime applicable to individual relations and collective labour relations.
2. Provisions of this law shall not be detached by individual contract or work collective agreement, except for establishing more favorable conditions to the worker.
3. Exceptions to the provisions of preceding paragraph are the mandatory requirements prescribed by law.

Article 2
Scope of Application

1. This law shall apply within the national territory to employees and employers, and their respective organizations in every sector of activity.
2. This law shall not apply to civil servants, members of Armed Forces and Police.
3. Household work shall be regulated by special legislation.
4. Also excluded from application of this law shall be the labour relations developed by family members, within the scope of small family industrial or agricultural properties operation, and the results of which are intended in support of family subsistence.

Article 3
Temporal Application

Shall be subject to the regime established in this law the individual employment contracts and collective agreements concluded prior to its entry into force, except as regards the conditions of validity and effects of facts or situations already constituted prior to entry into force.

Article 4
Counting of periods

Unless otherwise expressly provided, periods defined in this law shall be counted in consecutive days.

Article 5
Definitions

For the purposes provided in this law, the following expressions shall mean:

- a) Occupational injury, one that occurs during the performance of work, or in the course of the worker's trip between his home and the place of work, at the service of employer, resulting in personal injury, functional disturbance or illness, and causing death or permanent or temporary reduction of ability to work;
- b) Collective agreement, the agreement between a trade union and an employer or employers' organization, whose primary purpose is to establish labour conditions for a group of workers or professional category;
- c) Seniority, working time counted from the date of commencement of employment contract implementation until its cessation;

- d) Occupational category, definition of worker position by describing functions to be performed by the worker;
- e) Termination of employment, the termination of the employment relationship between the employee and employer;
- f) Apprenticeship contract, contract of employment concluded with participants of training programmes or vocational qualification or with people looking for first employment;
- g) Employment contract, the agreement by which the worker is obliged to perform activity for the employer, under its authority and direction, against payment of remuneration;
- h) Child, a person under the age of 17 years, as provided in the Civil Code;
- i) Employer, individual or collective person, including, among others, the liberal professional and non-profit institution, to which another person, the worker, provides a particular activity under the authority and direction of the employer, against the payment of a remuneration;
- j) Absence, the worker's absence from the workplace during the normal working hours that is required to perform their activities;
- k) Working hours, the determination of the start and end of the normal daily working hours, including rest breaks;
- l) Workplace, the place where the worker must provide their activity to the employer, as provided for in the contract of employment or another location which results from the agreement of the parties;
- m) Collective bargaining, the process by which a trade union and an employer or an employers' organization discuss the celebration of a Collective Agreement;
- n) Employers' organization, the permanent association of persons, natural or legal person, by private law, holders of a company, who have usually employees at their service;
- o) Operation period, the period of time that elapses between the beginning and end of the daily activity of the employer;
- p) Normal working hours, the daily working hours during which the worker is obliged to perform activity, as provided for in the employment contract or determined by the employer;
- q) Probation, the initial period of the employment contract, remunerated, during which the interest of employment contract continuation is evaluated, namely the workers' performance and working conditions offered by the employer, and any one of the parties may terminate the employment contract without prior notice or invocation of just cause and with no indemnification;
- r) Remuneration, compensation the worker is entitled to, in accordance with the employment contract, collective agreement or the use, with respect to work performed, including the basic salary and other benefits of regular and periodic character made either in cash or in kind;
- s) Base salary, the minimum amount specified in the employment contract, received by the employee in direct compensation for provision of work;
- t) Sector of activity, the area in which an individual or collective person develops a profitable or non-profit activity;

- u) Trade union, a permanent and voluntary workers' organization, aiming to promote and defend the rights and interests of workers;
- v) Night work, the work performed between 9:0 pm of one day and 6:0 am of next day following;
- w) Shift work, the way of organizing team works in which workers take up consecutively the same workstation, in different working hours;
- x) Seasonal work, the work whose production cycle takes place in a particular period of the year;
- y) Overtime, the work performed beyond the normal working hours;
- z) Employee, the individual who performs an activity under the authority and direction of the employer, against remuneration;
- aa) Foreign worker, the non-Timorese citizen residing and performing task in Timor-Leste.

CHAPTER II BASIC PRINCIPLES

Article 6 Principle of equality

1. All employees, men and women, shall be given equal opportunities and shall be treated equally in regards to employment access, training, and occupational capacity building, working conditions and remuneration.
2. No worker or job candidate shall be, directly or indirectly benefited, harmed, deprived of any right or exempted from any duty on grounds, inter alia, of race, color, marital status, sex, national origin, ancestry or ethnic origin, social position, economic condition or political or ideological beliefs, religion, education or physical or mental condition, age and health status.
3. Any distinction, exclusion, or preference based on qualifications required for accessing or performing a particular job shall not constitute discrimination.
4. Measures of a temporary nature, specifically defined, of a legislative nature, that benefit certain disadvantaged groups, including by gender, reduced working capacity or disability, with the aim of guaranteeing the exercise, on an equal base, of the rights provided for in this law, shall not be considered discriminatory.
5. The compensation differences shall not constitute discrimination if based on objective criteria, common to men and women, in particular, the distinction on the basis of merit, productivity, attendance, or seniority of employees.
6. It's up to one who allege discrimination to substantiate it, indicating against which candidate or employee is considered discriminated, leaving to the employer to prove that the preference in the access to employment or the differences in working conditions are not based on any of the factors listed in paragraph 2.

Article 7
Harassment

1. Harassment to job candidate and employee shall be prohibited.
2. Harassment is defined as any unwanted conduct affecting the dignity of women and men or that is considered offensive, as verbal, non-verbal, or physical, and of creating an intimidating, hostile, humiliating, and destabilizing working environment to the harassed person.
3. Sexual harassment constitutes any unwanted behavior of sexual nature, which affects the dignity of women and men or that is considered offensive, as verbal, non-verbal or physical, such as contact or allusion, sexual character comments, display of pornography and sexual demands, or that creates an intimidating, hostile, humiliating, and offensive working environment to the person harassed.
4. The employer shall take all the necessary measures to prevent cases of harassment, including sexual harassment, in the workplace.

Article 8
Prohibition of forced labour

1. Compulsory or forced labour shall be prohibited.
2. It is understood as forced or compulsory any work or service exacted from any person under threat or coercion, and that is not volunteered, including:
 - a) The work performed in retribution of a personal debt or others;
 - b) The work performed as a means of political coercion or education, punishment for expressing certain political or ideological opinions;
 - c) The work performed as a method of mobilizing and using labour for purposes of economic development;
 - d) The work performed as measure of racial, social, national, or religious discrimination.
3. Shall not constitute forced or compulsory labour:
 - a) Work or service required by reason of compulsory military service laws with the sole purpose of military works;
 - b) Work or service which forms part of the common civic obligations of citizens;
 - c) Work or service required from any person as a result of judicial conviction, provided that the work or service is carried out under the supervision and control of a public authority and that the person is not hired by private individuals, companies or associations, or placed at their disposal;
 - d) Work or service required under emergency conditions, namely, in conditions of war or natural disaster, fire, flood, epidemic, or any other circumstances that undermine the safety and life in part or the entirety of the population;
 - e) Small community services, run by members of the community in their direct interest, may be considered as common civic obligations of its members,

provided that such members or their direct representatives have the right to be consulted with reference to the need for these services.

**PART II
INDIVIDUAL WORKING RELATIONSHIPS**

**CHAPTER I
EMPLOYMENT CONTRACT**

**SECTION I
EMPLOYMENT CONTRACT RULES**

**Article 9
Employment Contract**

1. A contract of employment is an agreement whereby a natural person, the employee agrees to work for another person, the employer, under their direction and control, in exchange of payment.
2. Clauses established in the employment contract contrary to imperative provisions of this law or other relevant laws are void.
3. The partial invalidity of the employment contract shall not determine the nullity of the whole contract, unless when it is becomes apparent that the contract would not have been concluded without the part affected by the nullity.
4. Null and void provisions are deemed replaced by corresponding provisions provided in the applicable legislation.

**Article 10
Form and requirements**

1. Employment contracts shall be concluded in writing, in one of the official languages, and signed by both parties and shall contain at least the following clauses:
 - a) Employer and employee identification;
 - b) Post and tasks to be carried out by the employee;
 - c) Work location;
 - d) Normal working hours and break time;
 - e) The amount, mode and frequency of remuneration;
 - f) Employee professional category;
 - g) Contract signing date and starting date, in case this is different;
 - h) Probationary period duration;

- i) Contract duration and respective justification, in the case of fixed-term employment contract;
 - j) The applicable collective employment agreement, if exists.
2. Without prejudice to paragraph 1, the lack of written form shall not affect the validity of the employment contract nor the rights and duties of the employee and the employer, and in particular those lay down in articles 20 and 21, assuming that their absence is attributable to the employer which is automatically subject to all legal consequences.
 3. Nothing being said as to the date of commencement of contract execution, it shall be presumed that the employment contract enters into force from the date of its conclusion.

Article 11

Employment contract duration

1. The employment contract shall be established:
 - a) For an indefinite period, or
 - b) For a fixed period.
2. An employment contract that does not adopt the written form shall always be regarded as employment contract for indefinite period.
3. Shall be presumed as indefinite period the employment contract that does not establish the respective duration period, and the employer may confute this presumption by proof of temporality or transience of activities that constitute the object of the employment contract.
4. Fixed-term employment contracts, including renewals, must not exceed the period of three years.

Article 12

Fixed-term employment contract

1. Fixed-term employment contracts shall only be entered into to meet provisional needs of the employer, including:
 - a) Replacement of the absent worker or who, for whatever reason, is unable to provide work;
 - b) Seasonal activities;
 - c) Works in construction, project, or other specific and temporary activity.
2. Fixed-term contracts shall provide clearly the justification for its conclusion, as well as the relationship between the grounds invoked and the deadline, otherwise the justification shall be considered null and the employment contract is deemed as an employment contract for indefinite period.
3. Without prejudice to paragraph 1, apprenticeships contracts may also be signed for fixed period.

4. It is considered for an indefinite period the fixed-term employment contract signed based on the same justification and with the same employee with whom an employment contract for a fixed period has been previously signed, before the expiration of 90 days between the end of the first contract and the commencement of the second contract.
5. It is also considered for an indefinite period the employment contract initially signed for a fixed period exceeding the maximum duration period.
6. Apprenticeship agreement entered into with participants of training programmes or professional qualification shall not exceed six months.
7. If a fixed-term contract is declared as for an indefinite period, the employee's seniority counts from the starting of the provision of work.

Article 13 **Renewal of contract**

1. Employment contract for a fixed period, as provided in paragraph 1 of the preceding article, may be renewed by written agreement between the parties, provided that they continue the facts that justified its initial celebration, shall not exceed the maximum period set out in paragraph 4 of article 11.
2. Employment contract for a fixed period shall expire when the period prescribed therein ceases, except if the parties agree to its renewal.
3. It is considered as a single employment contract the specific contract of employment and related renewal.

Article 14 **Probation period**

1. Employment contracts are subject to a probationary period during which either party may terminate the contract without notice or invocation of just cause, there shall be no right to compensation, unless agreed otherwise in writing.
2. In employment contracts for an indefinite period, the probationary period may be up to 1 month, except in relation to employees engaged in positions of high technical complexity or responsibility, or carrying out the duties of trust, in that the probationary period can be set up to 3 months.
3. Fixed-term employment contracts whose duration is:
 - a) 6 months or less, the probationary period shall not exceed 8 days;
 - b) Greater than 6 months, the probationary period shall not exceed 15 days;
4. Seniority for employee counts from the start of the probationary period.

Article 15

Suspension of the contract or reduction of the normal period of employment

1. The employer may suspend temporarily employment contracts or reduce the normal working period due to market, technological, structural, natural disasters, or other occurrences beyond its control, which have seriously affected the normal activity of the company, whenever such measures are essential to ensure the viability and maintenance of employment contracts.
2. Suspension of employment contracts shall not exceed 2 months.
3. Temporary reduction of working time shall not exceed 40 per cent of the normal working hours, nor more than 3 months duration.
4. The employer shall communicate, in writing, to the workers affected by suspension or reduction of normal working hours, their representing union and to the Mediation and Conciliation Service, their intention to adopt any measures referred to in the previous paragraphs and the reasons for its adoption, at least 15 days before the date scheduled for the start of suspension or temporary reduction.
5. During periods of suspension or reduction of normal working period, the rights and duties of employees and employers which do not involve the effective provision of work shall remain in force.
6. Suspension or reduction period shall count for seniority purposes and shall not affect the expiration and duration of the leave period.
7. During the suspension period of the employment contract, the employee shall be entitled to receive half of the respective remuneration.
8. During the reduction period of employment contract, the employee shall be entitled to receive a value proportional to the number of hours worked.
9. At the end of the suspension period of the employment contract, the employer and the employee may agree on the termination of employment contracts, and the employee shall be entitled to be paid compensation as provided for in article 55.

SECTION II

AMENDMENTS TO EMPLOYMENT CONTRACT

Article 16

Employment contract object amendment

1. The employee is required to perform functions concerning the position for which he was hired or promoted, and shall not be placed in substandard category or demoted, unless such change is enforced by mandatory requirements of the company or by strict need of the employee and accepted by him.
2. Without prejudice to the provisions of the preceding paragraph, the employer shall, in case of force majeure or unforeseeable and urgent needs of the company, assign to the employee, for a required period, activities not included in the object

of the contract, provided that this does not entail any reduction in remuneration or any other employee's rights and guarantees.

3. The employee shall, for a fixed period, exercise functions concerning a post higher than that for which he was hired and shall, therefore, be remunerated in accordance with the values and benefits allocated to that position.

Article 17

Transfer of an employee to another place of work

1. The employee shall perform his duties at work location defined in the employment contract, except as provided in the following paragraphs.
2. Unless otherwise provided in the employment contract, the employer may transfer the employee to other work location provided there is proven need of the company, that work cannot be performed by another worker and that the transfer does not cause any prejudice to the employee.
3. In the event of prejudice, the employee may terminate the contract, and entitled to compensation, in accordance with article 55.
4. Employee transfer costs, permanently or temporarily, shall be the sole responsibility of the employer, and shall not, in any way, be borne by the employee.
5. The employer shall observe the provisions of the foregoing article whenever the employee's transfer to another place of work involves the modification of the object of the contract.

Article 18

Transmission from Company or Establishment

1. Change in ownership of company or establishment shall not imply termination of employment contracts, the rights, and duties of previous employer established in individual employment contracts shall be transferred to new owner.
2. The new owner is mutually liable for the obligations of overdue work up to two months prior to transmission; even these obligations involve employees whose employment contracts have already expired.

**CHAPTER III
PERFORMANCE OF WORK**

**SECTION I
RIGHTS AND DUTIES OF PARTIES**

**Article 19
Mutual duties**

1. Employers and employees shall respect the law and ensuring that law and applicable collective agreements are respected and collaborate to achieve high levels of productivity of the company and in the social and human promotion of employee.
2. The party that, culpably, disrespecting their duties shall be liable for the damage caused to another party.

**Article 20
Employer duties**

Without prejudice to additional obligations provided for in the law, in the collective agreement or employment contract, the employer shall:

- a) Provide the employee with good working conditions, both from the physical point of view as moral, in particular with regard to health, hygiene and safety at work;
- b) Contribute to raising the level of worker productivity, providing them, within the company or outside it, appropriate vocational training opportunity to the position;
- c) Pay on time a fair remuneration on the basis of the quantity and quality of work executed;
- d) Permit the employee to perform duties of representation in workers' organizations and trade union activity, without prejudice by this exercise;
- e) Prevent occupational accidents and risks of disease, providing the necessary preventive equipment and information to the employee;
- f) Maintain records of company personnel updated with names, hire date, type of contract of employment, job title, salary, vacation and justified and unjustified absences;
- g) Treat employees with respect and fairness; avoid attempting against their honor, reputation, public image, privacy, and dignity.

**Article 21
Duties of employee**

Without prejudice to other obligations provided for in the law, in the collective agreement or employment contract, the employee must:

- a) Maintain assiduous and punctuality, and provide work with zeal and diligence;
- b) Comply with the orders and instructions of the employer or representatives in whatever concerns the performance and discipline at work, unless they are against fundamental rights and guarantees of employee;
- c) Attend vocational training activities offered by the employer, except if there exist relevant impeditive reasons;
- d) Maintain loyalty to employer and never bargain, on their own or of others, in competition with him, or disseminating information relating to the organization, means of production or type of business;
- e) Ensure the conservation and adequate use of working instruments that are entrusted to him by the employer;
- f) Promote and perform all acts aimed at improving the productivity of the company;
- g) Contribute to the improvement of safety, hygiene and health at work implemented by the company and comply with the requirements established by law or collective agreement, and the employer's directives on this matter;
- h) Treat the employer, superiors and colleagues with respect; avoid attempting against their honor, reputation, public image, privacy, and dignity.

Article 22

Guarantees of employee

Without prejudice to other obligations provided for by law, on collective agreement or employment contract, the employer is prohibited:

- a) To oppose, in any way, the employee to exercise his or her rights, terminating his contract by applying other penalties, or treating it unfavorably due to this exercise;
- b) Prevent, unjustifiably, the effective performance of work;
- c) Reduce the remuneration, except as provided by law or set out in collective agreement;
- d) Downgrade employee category, except as provided by law or set out in collective agreement;
- e) Forcing the employee to acquire goods or services provided by the employer or by persons indicated by him.

Article 23

The employer's powers and disciplinary authority

1. Within the limits imposed by collective agreement or employment contract law, the employer or his representative shall be entitled to determine the terms on which the job shall be performed.
2. The employer shall possess disciplinary authority over the employee for the duration of the employment contract.

3. Disciplinary power shall be exercised by the employer or his representative under the terms established by the employer.
4. In case of breach by the employee of the duties prescribed by law, in the contract of employment or collective agreement, the employer is permitted to apply the following disciplinary measures:
 - a) Verbal warning in a language accessible to the employee;
 - b) Written notice, stating the reasons for the decision, in a language accessible to the employee;
 - c) Suspension of the employee, for a maximum period of three days, with loss of remuneration, following 3 written warnings;
 - d) Termination on the employment contract with just cause, without any indemnity or compensation pursuant to article 50.
5. The disciplinary measure must be commensurate with the seriousness of the violation and the employee's fault.
6. The disciplinary measures provided for in subparagraphs c) and d) of the preceding paragraph can only be applied upon opening and completion of disciplinary proceedings.
7. For the same offence shall not be applied more than one disciplinary sanction.
8. The disciplinary infraction shall lapse within six months from the date of its occurrence.
9. The employer shall promote the implementation of disciplinary sanction within thirty days from the date of the decision delivered in the context of disciplinary proceedings.

Article 24

Disciplinary proceeding

1. The disciplinary proceedings shall be drafted in writing and shall commence within 20 days following the date on which the employer or his representative with disciplinary powers, became aware of the violation.
2. The disciplinary proceedings shall lapse if, after the expiry of six months from the date of its opening, the employee has not been notified of the final decision.
3. The employer shall notify the employee in writing of the essential facts for which he is accused, and the notification shall contain a detailed description of the alleged facts.
4. The right to defense shall be guaranteed to the employee, which shall be exercised within 10 days starting from day of notification of the facts alleged against him or her.
5. The employee shall present his defense in writing, and shall submit documents, apply for his hearing and other measures of inquiry.
6. If the employee refuses to receive notification of the facts by which he is accused, such refusal shall be recorded in the notification itself and confirmed by two witnesses, and they shall be workers.
7. Under conditions provided in the previous paragraph, as well as in the case of an employee being subjected to disciplinary proceedings if absent and unknown

- place, a notice letter shall be issued by which the employee is summoned to receive the accusation with a special warning that the deadline for submission of defense shall be count from the date of publication of the notice.
8. It is prohibited calling the employees, to receive the accusation and present defense, through any social communication means.
 9. The employer takes the final decision in the context of disciplinary proceedings in writing and shall be substantiated with express indication of the penalty applied within no later than 10 days to be counted from:
 - a) The presentation of the defense by the employee, or at the end of that period with no defense has been lodged; or
 - b) Completion of probation proceedings required by the employee.
 10. The employee shall appeal against a decision imposing a disciplinary action to the employer or to the immediate hierarchical superior who has applied the disciplinary measure, as appropriate, without prejudice to the right to request assistance from the mediation and conciliation bodies with a view to settling the conflict.

Section II

Working time duration

Article 25

Normal working period

1. Normal working period shall not exceed 8 hours per day, or 44 hours per week.
2. After a 5 hours period of continuous work, the employee is entitled to a break, to rest of at least 1 hour.

Article 26

Working timetable

It is for the employer to establish the working hours of the employee within the rules set out by law, in the collective agreement or employment contract.

Article 27

Overtime

1. Work performed overtime shall be compensated with the normal hourly pay, increased by 50 per cent.
2. Work completed on weekly rest day or compulsory holiday shall be compensated with the normal hourly pay increased by 100 per cent.
3. Duration of the work performed on weekly rest day or compulsory holiday shall not exceed 8 hours per day.

4. Every employee shall not perform more than 4 hours of overtime work per day or 16 hours per week.
5. Excepted from the limits provided for in paragraphs 3 and 4, the work performed in cases of force majeure or those are essential in order to prevent or remedy serious harm to the company or to its viability.
6. The employer shall maintain records for each employee, which shall include start and end of overtime working hours.

Article 28

Night work

The provision of night work, including between 9 pm and the next day's 6 am, shall be remunerated with normal working hours pay increased by 25 per cent.

Article 29

Shift work

1. Staff shifting shall be organized whenever the company operation period time exceeds the normal working period time, in accordance with provisions in article 25.
2. Duration of each shift work shall not exceed the ceilings of the normal period of work.

Section III

Suspension of work provision

Article 30

Weekly rest

1. The employee is entitled to a paid weekly rest period of, at least, 24 consecutive hours.
2. The weekly rest day shall only cease to be on Sunday when the employee provides indispensable work to the continuity of services that cannot be stopped or that have to be performed necessarily on Sunday.

Article 31

Statutory holidays

1. Holidays established by law shall be deemed mandatory.
2. Failure to perform duties on mandatory holidays shall not determine loss of wages or any other employee's rights.

Article 32
Holidays

1. Employees shall be entitled to annual leave with pay for every completed year of work.
2. Annual leave period shall not be less than 12 working days.
3. In cases of termination of employment before completing the cycle of 1 year of work, the employee is entitled to pro-rata leave at the rate of 1 day for each month worked.
4. Annual leave period shall be planned by mutual agreement between the employee and the employer, being the employer to establish, in the absence of agreement.
5. If the employer, intentionally, prevent from taking of annual leave, within the 12 months following the date on which the employee has acquired the right, the employee shall be entitled to a compensation corresponding to double the pay of days of untaken leave.

Article 33
Absence

1. Absences shall be justified or unjustified.
2. Justified absences shall be reported in advance or as soon as possible to the employer, not implying the loss of remuneration or any other rights.
3. Employees shall be permitted to justifiably be absent from work 3 days per year in case of marriage, death of family members and community and religious events.
4. Employees shall also be absent from work with justification on the grounds of illness or accident, presenting medical certificate, up to 12 days per year, of which 6 are paid in full and the remaining 6 days paid 50 per cent of daily remuneration amount.
5. Unjustified absences constitute breach of the duty of assiduity determining loss of remuneration correspondent to the missing period, being discounted in the employee seniority and shall be grounds for termination of employment, in accordance with article 50.
6. Justified absences shall not have effect on the employee's annual leave entitlement.
7. The employer may require the employee to make proof of the facts alleged in justification of the absence.

SECTION IV
HYGIENE AND HEALTH, SAFETY AT WORKPLACE

Article 34

General principles

1. The employee is entitled to provide work in appropriate conditions of safety, hygiene, and health which must be guaranteed by the employer.
2. The employee is entitled to compensation for damages arising from accidents at workplace or occupational disease, resulting from normal exercise of functions, and that are caused by the omission of information or failure to provide suitable equipment to the employee.
3. If the accident at workplace or occupational disease referred to in the preceding paragraph results in the worker's death, compensation is attributed to the worker's spouse, in the absence of spouse, to the children of the employee, in the absence of such children to the parents of the worker and, in the absence of them, to the brothers of the worker.

Article 35

Employer general duties

1. The employer is required to ensure decent safety, hygiene, and health conditions at workplace to employees, preventing accidents and hazards arising from work, whether they are work-related and occur during the work, and minimizing the causes of risks inherent to the working environment.
2. For the purpose established in the preceding paragraph, the employer shall take the following measures:
 - a) Identification and assessment of occupational hazards;
 - b) Elimination or, when this is not possible, reduction of risk factors or accidents;
 - c) Planning and organization in the company or establishment of an occupational risks prevention system, first aid, fire-fighting and employees evacuation in the event of accident;
 - d) Information, training, consulting and participation of workers and their representatives regarding risks to health and safety, as well as on the prevention and protection measures and how these are applied both at the workplace or function, as well to the company in general;
 - e) Promotion and monitoring of health and safety of employees, and of third parties that may be affected inside or outside the workplace.
3. In applying the adopted measures, the employer shall utilize the necessary resources and appropriate services, internal or external to the company, as well as the necessary protection equipment, and give instructions, verbally or in writing, in a language accessible to the employee, for their correct use.

Article 36

Employee general duties

1. For the purposes of provisions of this section, it is the duty of the employee:

- a) Comply with health, hygiene and safety requirements set out in legal provisions and collective agreements, as well as the instructions of the employer, or their representatives, adopted with the same goal;
 - b) Ensure that their health and safety, as well as the health and safety of other persons who may be affected by their actions or omissions at work;
 - c) Use properly, and in accordance with the instructions given by the employer or by its representative, machines, appliances, instruments, hazardous substances and other means, in particular, the individual and collective protection equipment at your disposal;
 - d) Cooperate towards the establishment and improvement of the health, hygiene, and safety system at workplace in the company.
2. The measures and activities concerning health, hygiene, and safety at workplace do not entail any financial burden on the worker, without prejudice to civil and disciplinary liability emerging from unjustifiable failure to perform its respective obligations.

Article 37 **Join Committee**

1. It is compulsory the establishment of a Joint Committee in companies with more than 20 employees or in businesses, regardless of the number of employees, whose activity poses special risks for the health, safety, and hygiene of employees.
2. The Joint Committee shall be composed by:
 - a) 2 members, 1 representative of workers and 1 representative of employer, in companies with equal or less than 20 employees;
 - b) 4 members, 2 representatives of employees and 2 representatives of employer, in companies with more than 20 employees.
3. The Joint Committee members are responsible for promoting, periodically, employees' awareness about risks inherent to their work, as well as on measures for their elimination or reduction.
4. Workers' representatives shall be elected in workers' meeting expressly convened for that purpose.

CHAPTER III **REMUNERATION OF THE WORK**

Article 38 **General principles**

1. Every employee, without any distinction, is entitled to receive a fair remuneration, taking into account the quantity, nature and quality of the work completed, by observing the principle of equal pay for equal work or of same value.

2. The remuneration of the employee shall not be below the minimum defined by law or by collective agreement of the category.
3. Shall be deemed null and legally void any provision of the employment contract whereby the employee waives the right to remuneration or subject remuneration to an uncertain fact event or realization.

Article 39
Basis of remuneration

1. Remuneration shall be fixed or variable.
2. Fixed remuneration means the exact amount and defined in the employment contract to be paid periodically to an employee under provision of work.
3. Variable remuneration means that, in addition to the fixed remuneration, shall be paid to the employee on the basis of his or her performance or productivity.
4. Shall not be considered part of the remuneration:
 - a) The amounts paid by way of allowance, including transportation, food, accommodation or amounts paid by reason of the employee's transfer to another place of work;
 - b) Gratifications or participation in profits made on the grounds of the economic performance of the company or establishment;
 - c) Amounts paid for overtime work;
 - d) Other extraordinary benefits granted by the employer.

Article 40
Time, place, and manner of remuneration payment

1. The remuneration is paid in cash; payment must be made in legal tender in the country, by cheque or by bank transfer.
2. The payment of the remuneration shall be made on a working day and at the place where the employee performs duties and shall, whenever possible, exceptionally, agreed on another location if it is more favorable to the employee.
3. The remuneration shall be paid directly to the worker and in exact periods, not exceeding one month, the interval between each payment.
4. At the time of payment of the remuneration, the employer gives the employee a receipt document containing the period regarding the remuneration, the gross amount and the net amount received, discounts and retentions made and all additional benefits.
5. The remuneration shall be paid to the employee on the date of pay or, if this is a Saturday, Sunday or public holiday, on the working day immediately preceding pay date.

Article 41
Remuneration for part-time work

1. The employee who provides part-time work shall be remunerated proportionally to the hours worked.
2. The value of the remuneration of part-time employee is calculated based on the value of the hourly remuneration of a full-time employee, occupying the same job or position.

Article 42
Discounts on remuneration

1. The employee must authorize in writing any discounts or deductions concerning his or her remuneration.
2. Without prejudice to the provisions of preceding paragraph, the employer is authorized to perform discounts or deductions for the Social Security System, as well as in other cases established by law or by court decision.
3. The discounts made shall not exceed, per month, 30 per cent of the total remuneration received by the employee.
4. The employer must indicate in the remuneration receipt all discounts and deductions affected.

Article 43
Protection of remuneration

1. Except as expressly provided by law, the employer shall not, through remuneration, offset credits that has on the employee.
2. The payment of due credits arising from the remuneration of the employee and respective interest or damages arising from the termination of employment contracts shall enjoy preference even related to credits of the State, in the event of bankruptcy or liquidation of the company or establishment.

Article 44
Annual Allowance

1. The employee is entitled to an annual allowance of value not less than 1 month salary, which must be paid by the employer until 20 December of each calendar year.
2. The calculation of annual allowance is proportional to the months of work performed in each calendar year.

CHAPTER IV
TERMINATION OF EMPLOYMENT CONTRACT

Article 45

Prohibition of unfair dismissal

1. It is prohibited unfair dismissal or on political, religious, and ideological reasons, as well as on the grounds listed in paragraph 2 of article 6.
2. It is, also, not considered just cause for dismissal:
 - a) Be a member of a trade union or participation in trade union activities outside of regular working hours or, with the consent of the employer, within working hours;
 - b) Take part in the election or by exercise, or have exercised, a role in trade unions;
 - c) Have signed complaints or have participated in proceedings against the employer involving violation of the law or regulations or by appealing to competent authorities;
 - d) Age, except in accordance with the law and rules of Social Security on retirement;
 - e) Pregnancy or absence on maternity leave, in accordance with article 59;
 - f) Temporary absence due to illness or accident, pursuant to paragraph 4 of article 33;
 - g) Absence due to military service or other civil obligation.
3. Dismissal pursuant to this article is null, conferring to the employee the right to be compensated in accordance with the provisions of article 55.

Article 46

Forms of termination of employment contracts

Employment contracts can terminate by reasons of:

- a) Obsolescence;
- b) Agreement between parties;
- c) Termination on the employee's initiative;
- d) Termination by the employer's initiative on the basis of just cause;
- e) Termination due to market, technological or structural reasons concerning the company or establishment.

Article 47

Termination by obsolescence

1. Employment contract shall expire:
 - a) With the verification of the term of employment contract for a fixed period;
 - b) Should there be any absolute and definitive supervening inability for the employee to perform the work or for the employer to receive the employee, such as, employee's death or death of the employer that entail the closure of the activities of the company or total and definitive closure of the company for other reasons, in this case, without prejudice to provisions of articles 18 and 52;

- c) With employee's retirement due to old-age or disability.
2. The contract of employment for a fixed period shall expire when the period prescribed therein ceases, except if the parties agree to its renewal.

Article 48

Termination of employment contracts by agreement of parties

The employer and the employee may terminate the employment contract by agreement, which must be in writing and signed by both, stating the terms under which the termination takes place, the date of the agreement, the start taking effect, as well as, if applicable, the compensation to be received by the employee.

Article 49

Termination on the employee's initiative

1. Occurring just cause, the employee may terminate the employment contract immediately.
2. The notice of termination must be made in writing and present the fact on which it is based, within fifteen days following the event of these facts.
3. Constitutes just cause for termination of the contract by the employee:
 - a) Culpable breach of employee's rights and guarantees established by law in the employment contract or in the collective agreement;
 - b) Failure of timely payment of remuneration;
 - c) Offenses to moral or physical integrity, freedom, honor or dignity of the employee, committed by the employer or by its representative;
 - d) The need to comply with legal obligations incompatible with the execution of the employment contract;
 - e) Substantial and lasting change in working conditions in the legitimate exercise of powers by the employer, when exceeded a period of 3 months.
4. Termination on the grounds of the basis provided for in subparagraphs a) to c) of the preceding paragraph grants the employee the right to compensation without prejudice to the establishment of due legal process to establish civil and criminal responsibilities of the employer or his representative.
5. The compensation referred to in the preceding paragraph shall be calculated in accordance with article 55 thereof, being the employee entitled to twice the amounts indicated in that article.
6. The employer may challenge in court the termination on the employee's initiative, within 60 days of its notification, without prejudice to appeal to the conciliation and mediation services pursuant to article 97.
7. If the court declare unfounded the just cause relied upon by the employee, the employer is entitled to be compensated for damages caused.
8. The employee may also terminate the employment contract irrespective of just cause, by written notification sent to the employer at least 30 days in advance.
9. Failure to comply, partially or totally with the notice established in the preceding paragraph shall determine the payment of compensation by the employee to the

employer in an amount equal to the remuneration corresponding to the days not completed.

Article 50

Termination on employer's initiative on the basis of just cause

1. Constitutes just cause for termination of employment contract the employee's wrongful conduct which, by their seriousness and consequences, makes immediately and practically impossible the maintenance of labour relationship.
2. In assessing the just cause, the degree of injury to the interests of the employer must be taken into account, the character of relations between the parties, or between the employee and coworkers and other circumstances regarded relevant to the case.
3. Constitute just cause for the termination, without notice, in particular, the following behaviors of the employee:
 - a) Unlawful repeated disobedience to orders given by the employer or by his superiors;
 - b) Unjustified absence from work for more than 3 consecutive days or for more than 5 days interspersed in a month;
 - c) Repeated lack of interest in fulfilling diligently obligations inherent to respective job or position;
 - d) Intentional or negligent conduct which endangers the safety or health conditions at workplace or results in damage to another employee;
 - e) Intentional or negligent conduct which results in damage to property, tools or equipment of the employer;
 - f) Physical violence on others in the workplace, unless exercised in self-defense;
 - g) Dishonest or immoral conduct that offends other employees and/or the employer;
 - h) Breaching of professional confidentiality and disclosure of information or secrets relating to the activity provided by the employer.
 - i) Criminal conviction of the employee, by final decision, provided that the penalty makes it impossible to comply with the provision of work.
4. The employment contract shall not be terminated without the employee to present his/her defense, by applying the rules set out in articles 23 and 24.

Article 51

Unlawful termination on the employer's initiative on the basis of just cause

1. Termination on employer's initiative based on just cause shall be unlawful when
 - a) The legal grounds that justify the termination is deemed to be unfounded;
 - b) Has not been preceded by the disciplinary proceedings;
 - c) During the course of disciplinary proceedings, some of the formalities prescribed by law were not respected, in particular the absence hearing the employee and the lack of reasoning of the decision;

- d) Upon expiry of disciplinary proceedings commencement period, prescription of the offense and the disciplinary proceedings, and for execution of the disciplinary sanction.
2. The illegality of termination is declared by the courts and the competent judicial action be brought within sixty days of its notification to the employee, without prejudice to appeal to conciliation and mediation services pursuant to article 97.
3. The Declaration of illegality by the court gives the employee the rights provided for in article 55.

Article 52

Termination for market, technological and structural reasons

1. An employer may terminate an employment contract on grounds of market, technological or structural reasons provided that the termination is essential for economic viability or reorganization of the company.
2. Termination of employment contract in accordance with preceding paragraph shall only take place after appeal to the measures provided for in article 15.
3. The employer may, on grounds referred to in paragraph 1, terminate one or more employment contracts.
4. Whenever the employer intends to proceed with the termination of employment contracts under the terms of this article, shall notify its intention, in writing, to the affected employees and their representatives, if any, sending also one copy to the Conciliation and Mediation Service.
5. The notification referred to in preceding paragraph shall include the following information:
 - a) Basis for the termination;
 - b) Number, identification and classes of employees covered;
 - c) Criteria's against which employees were selected, and whose contracts are to be terminated;
 - d) The time period during which terminations shall be completed.
6. Within five working days upon dispatch of the communication referred to in paragraph 2, the employer shall initiate negotiations with workers or their representatives aiming at reaching an agreement on the process of termination of employment contracts.
7. Mediation and Conciliation Service attends these meetings held between employers and employees or their representatives, under the terms of preceding paragraph, with the aim of reconciling the interests of the parties.
8. In the absence of employees' representatives on the date of the notification referred to in paragraph 2, they may designate, within three days, a representative commission.

Article 55
Notification of termination

1. Completed the bargaining process between the parties, without being able to avoid contract terminations, the employer shall notify each affected employee, in writing, with a copy to the representative commission, if any, and to the Conciliation and Mediation Service, the decision to terminate with express indication of substantiating motive, date of termination of the contract and the compensation amount to be received.
2. The notification referred to in the preceding paragraph shall be communicated at least 15 days before the date of termination of the contract in case the employee holds a seniority equal or less than 2 years, and at least 30 days in case the employee holds a seniority of more than 2 years.
3. Failure to comply with the notice referred to in paragraph 1 shall be subject to the payment of the remuneration corresponding to the missing days.
4. During the notice period, the employee shall be entitled to use a credit hours corresponding to two days of work per week without prejudice to the right to the corresponding remuneration.
5. The employee must inform the employer how he is going to use the credit hours, at least 1 day in advance.

Article 54
Unlawful termination on technological and structural grounds and market

1. Termination on market, technological and structural reasons shall be illegal when:
 - a) The reasons invoked for the termination are manifestly nonexistent;
 - b) Procedures or the time limits provided in articles 52 and 53 are not observed.
2. The illegality of termination shall be declared by the courts and the competent judicial action be brought within sixty days of its notification to the employee, without prejudice to appeal to conciliation and mediation services pursuant to article 97.
3. The Declaration of illegality by the court confers the employee the rights provided for in article 55.

Article 55
Reintegration and Indemnity

1. In case a decision to terminate an employment contract on the basis of just cause or on grounds of market, structural, technological reasons or be declared unlawful, the employee shall be entitled to be reinstated in his/her job and the right to receive due remuneration from the date of termination of the contract up to the date of reinstatement.
2. The period elapsing between the date of termination of the contract and the reintegration of the employee account for his seniority purposes.

3. Without prejudice to provisions in paragraph 1, if the employee expressly declare that he does not want the reintegration, or if the court consider, upon reasoned request of the employer, that reintegration is detrimental to the operation of the company, the employee is entitled to payment of the following compensation:
 - a) Half of 1 month's salary in the case where the duration of the employment contract had been greater than 1 month but less than 6 months;
 - b) 1 month's salary in the case where the duration of the employment contract had been greater than 6 months but less than 1 month;
 - c) 2 month's salary in the case where the duration of the employment contract had been greater than 1 year but less than 2 years;
 - d) 3 month's salary in the case where the duration of the employment contract had been greater than 2 years but less than 3 years;
 - e) 4 month's salary in the case where the duration of the employment contract had been greater than 3 years but less than 4 years;
 - f) 5 month's salary in the case where the duration of the employment contract had been greater than 4 years but less than 5 years;
 - g) 6 month's salary in the case where the duration of the employment contract had been greater than 5 years;

Article 56
Compensation for length of service

Regardless of the reason for termination of the contract of employment the employee is entitled to compensation for length of service in the value corresponding to 1 month's salary for each period of 5 years of work at the service of the employer.

Article 57
Certificate of employment

1. In case of termination of employment contracts, regardless of the cause forced, the employer shall issue a certificate of employment which shall bear the name of the employee, the beginning and end of the employment contract and the functions performed by the employee.
2. The employer must indeed give the employee a document containing discount and deductions data made under the Social Security system and others required by law or by judicial decision.

CHAPTER V
SPECIAL REGIME OF PROTECTION AT WORKPLACE
SECTION I
MATERNITY AND PATERNITY PROTECTION

Article 58
General principles

Maternity and paternity constitute an eminent social value, being guaranteed to working mother and working father all rights related to maternity and paternity.

Article 59
Maternity leave

1. The employee shall be entitled to a maternity leave with pay for a period of at least 12 weeks, 10 weeks of which must necessarily be taken after childbirth without loss of seniority rights and remuneration.
2. Maternity leave period shall not affect pay and statutory leave period.
3. Without prejudice to the maternity leave provided for in paragraph 1, the employee has the right to statutory leave prior to childbirth, in situations of clinical risk for the employee or unborn child, impeditive to performing duties, for as long as is necessary to prevent the risk, be fixed by medical prescription.
4. In case of termination of pregnancy the employee is entitled to leave with duration of 4 weeks.

Article 60
Paternity leave

1. The employee is entitled to a paid leave of 5 working days for paternity, after the birth of their child, with no loss of seniority rights.
2. Paternity leave period shall not affect pay and statutory leave period.
3. In case of birth of the son followed the death of the spouse or person with whom he lives in de facto union, on the moment or up to two weeks after childbirth, the employee is entitled to leave provided in paragraph 1 of the preceding article, with no loss of remuneration and seniority right .

Article 61
Responsibility

It is the responsibility of the employer to pay the remuneration to employees during the period of maternity and paternity leaves, until the establishment of social security system.

Article 62
Waiver for medical consultation and nursing

1. Pregnant employee shall be entitled to be absent from work, with no loss of remuneration or any rights, to carry out medical examinations, by time and number of times required, upon submission of the corresponding justification to the employer .
2. The employee shall be entitled to time off work to breastfeed or nurse the child this completes six months of age, with no loss of remuneration or any rights.
3. Provision of preceding paragraph, the employee shall be entitled to (two periods daily, with the duration of one hour each).

Article 63
Health and safety protection

1. Pregnant or nursing employees are entitled, with no reduction of pay, to not perform tasks clinically inadvisable to her condition, namely involving physical exertion or exposure to hazardous substances for their self or for their child.
2. The pregnant or nursing employee shall be entitled to not perform overtime or night work.

Article 64
Absence to care for children

1. Employees with children under 10 years of age shall be entitled to time off, up to a maximum of 5 days per year, to provide immediate and vital assistance, in case of illness or accident of that, and shall submit justification.
2. The right to absence established on previous paragraph determines solely the loss of pay related to the days in question.

Article 65
Protection against dismissal

1. The employee, upon ending the maternity leave, shall be entitled to be reinstated in her job or an equivalent job with the same pay.
2. Shall be prohibited the dismissal of employees on grounds of pregnancy, breastfeeding or nursing.
3. It is for the employer who dismisses a pregnant, breastfeeding or nursing employee to prove that the dismissal was not based on these facts.

SECTION II
CHILD LABOUR

Article 66
General principles

1. The employer shall provide children who, in accordance with the law, are permitted to work, appropriate working conditions to the respective age and beware of their safety, health, physical, mental and moral development, education and training, preventing particularly any risk resulting from lack of experience and awareness of existing or potential hazards.
2. The employer shall, in a special way, evaluate the risks associated with the work before the child start working and whenever there is any major change in working conditions.

Article 67
Special protection

1. It is prohibited to employ children to perform hazardous work or at a point of risking their education, harmful to their health or their physical, mental, moral or social development.
2. It is also prohibited the following:
 - a) Every form of slavery or practices similar to slavery, such as the sale and trafficking of children, debt bondage, serfdom, forced labour, including forced or compulsory recruitment of children for compulsory use in armed conflicts;
 - b) The use, demand and supply of children for prostitution, production of pornography or pornographic performances;
 - c) The use, demand and supply of children for illicit activities, in particular for the production and trafficking of drugs as defined in relevant international treaties;
 - d) The work which, by its nature or the conditions in which they are performed, are susceptible to harm the health, safety, or morality of the child.

Article 68
Minimum age for admission to employment

1. Minimum age for admission to employment shall be 15 years.
2. Minors who have not reached the minimum age of admission to employment shall not be accepted to perform work, with the exception of light work, and attendance of vocational training, technical or artistic programmes, legally recognized.
3. Children between 13 and 15 years of age may perform light work, pursuant to the following article.
4. Children shall not perform dangerous, unhealthy tasks or requiring great physical effort, as defined by the competent authority.

5. Employers who hire children shall allow and encourage them to attend regular education classes or equivalent recognized by the competent government agency according to the rules provided for in article 76.

Article 69
Light works

1. Light work is defined as activity consisting of simple and defined tasks, requiring elementary knowledge and do not require physical and mental efforts that may endanger the health and development of the child and these do not affect their education or participation in vocational training programmes approved by the Government.
2. Shall not be deemed light work, namely:
 - a) A work exceeding 5 hours per day and 25 hours per week;
 - b) Night work;
 - c) Work that entail a weekly rest period of less than two days;
 - d) Work entailing a period of more than 3 consecutive hours without being interrupted by an interval of not less than 1 hour.
3. It is prohibited to require or permit overtime work taken by children hired to provide light work.

Article 70
Medical examination

1. Children may only be admitted to execute work after having undergone a medical examination to ensure their physical and mental ability to perform the tasks, and must be taken prior to the execution of work.
2. The medical examination referred to in preceding paragraph shall be repeated every year, to prevent the exercise of a professional activity from resulting in harmful to health and physical and mental development of children.

SECTION III
EMPLOYEES WITH PHYSICAL DISABILITY OR CHRONIC DISEASE

Article 71
General principles

The worker or job candidate, with physical disability or chronic disease, enjoys the rights provided for in this law, and shall not be discriminated against in accessing employment, vocational training and professional promotion, and to working conditions, and his employment contract shall not be terminated on the basis of this reason.

Article 72
Medical examinations

1. The employer shall not require the job candidate or employee to carry out medical examinations, including examinations for detection of HIV, unless the examinations are indispensable for protection and safety of the employee and with a written consent of the employee.
2. For the purposes of the preceding paragraph, the employer shall not put pressure, directly or indirectly, the job candidate or employee to consent in writing to undergo medical examinations.
3. It shall be null and void, all and every act by the employer whereby the job candidate or employee are pressured, directly or indirectly, to consent to undergo medical examinations.
4. The practitioner conducting medical examinations shall only communicate to the employer if the employee is or is not able to perform the activity.
5. The employer must ensure preservation of confidentiality of the result of any medical examination.

Article 73
Confidentiality

To the employee or job candidate is guaranteed the right to confidentiality of information relating to their health condition.

Article 74
Precautions at the workplace

The employer must ensure that employees are not exposed to risks harmful to their health, including risks of contamination at the workplace, and promote awareness programmes and, if required, provide equipment to safeguard the safety of employees.

Article 75
Suitability of the type of work and time

The workplace and working hours shall be appropriate and adapted to health condition of employees with disability or chronic disease.

**SECTION IV
STUDENT-EMPLOYEE**

**Article 76
Protection of student-employee**

1. It shall be deemed student-employee the employee who attends any level of official education or equivalent recognized by the competent government agency.
2. In the organization of working hours, the employer shall facilitate the student-employee attendance in classes or in school or vocational training courses, under the terms of preceding paragraph.
3. The student-employee is entitled to absence with no loss of remuneration or any rights, to perform evaluation tests.
4. The student-employee under age shall have the right to align the work leave period with the school holiday period.
5. For the purposes of provision of this article, the employee must provide proof of their status as student, showing proof of enrollment, the respective school timetable, and school certification must be presented periodically in accordance with the educational institution calendar.
6. To hire an underage student-employee, the employer shall observe the rules provided in article 68.

**SECTION V
FOREIGN EMPLOYEE**

**Article 77
Foreign employee**

1. The foreign worker to carrying out professional activity shall enjoy the same rights and be subject to the same duties applicable to national employees in accordance with the provisions of this Law and International Labour Conventions ratified by Timor-Leste.
2. The employment contract established with foreign worker must be written and be authorized by the competent authority, in accordance with the rules provided for in special legislation.

**PART III
COLLECTIVE WORK RELATION
CHAPTER I**

FREEDOM OF ASSOCIATION AND FREEDOM OF TRADE UNION

Article 78 General principles

1. Every employee and employer, without any discrimination and without need for prior authorization may form and join organizations with the purpose of promoting and defending their rights and interests.

Article 79 Objectives

The unions and employers' organizations, in carrying out its activities, shall aim to:

- a) Promote and defend the rights and interests of its members;
- b) Cooperate with the Government in the development and achievement of objectives set out in the labour policy;
- c) Exercise the right of collective bargaining;
- d) Cooperate with Labour Inspectorate concerning the application of rules provided for in law and collective agreement;
- e) Participate, pursuant to terms legally established, in the drafting of labour legislation.

Article 80 Rights

Unions and employers' organizations, duly registered, shall have the right to:

- a) Negotiate and sign collective agreements, in accordance with provisions of the law;
- b) Provide support services to its members;
- c) Initiate and intervene in administrative proceedings to defend the rights and interests of their members, in accordance with the law;
- d) Join world-class organizations.

Article 81 Freedom and union protection

1. No employee shall be forced to join, not to join or to stop affiliation to a union organization.
2. The employee shall not join in more than one union of the same level, and the same industry, at the same time, under the same profession or activity.

3. Shall be deemed null all and any acts that aim to:
 - a) Restrict access to employment or membership to a particular trade union organization;
 - b) Dismiss, transfer or impair the employee for being affiliated with a trade union or not, or for carrying out activities related to their freedom of association.

Article 82
Freedom of assembly and display

1. The trade union may hold meetings within the company or establishment for the purpose of informing and discussing union matters of interest to the employees.
2. Meetings shall be held outside normal working hours, unless by express authorization from the employer.
3. Meetings shall be convened with a minimum of 48 hours in advance
4. Trade union has the right to post notices, texts, or information about the trade union activity in place of easy viewing and accessible to all employees in the workplace.

Article 83
Independence and autonomy

1. Employees' organizations and employers' organizations are independent and autonomous, with each other, from the State, political parties, religious institutions and any associations of different nature, being prohibited any such interference of these organizations in its functioning, as well as its funding.
2. Employers shall not, either individually or through another person, promote the establishment, maintenance or funding of operation, by any means, of employee' organizations or, by any means, interfere in its organization or direction, or prevent and hinder the exercise of their rights.
3. Public authorities shall refrain from any intervention that may restrict the exercise of trade union rights provided in the law or to prevent the lawful exercise thereof.
4. Workers' organizations may form themselves into:
 - a) Union;
 - b) Federation - Association of three or more unions of the same profession or the same business activity; or
 - c) Confederation – trade unions' national association.
5. Employers' organizations may form themselves into:
 - a) Employers' organization;
 - b) Federation, composed by three or more employers' organizations of the same business activity;
 - c) Confederation, composed by national association of employers' organization.
6. Trade unions and employers' organizations may constitute regional and national level organizations.

Article 84
Right to self-regulation

Trade union organizations and employers' organizations shall have the right to draft their statutes and elect their members, governed by democratic principles and existing regulations in accordance with the law.

Article 85
Registration, legal personality, and responsibility

1. The application for registration of a trade union or employers' organization shall attach the following documents:
 - a) Application for registration signed by the president of the constituent assembly, addressed to the competent government agency;
 - b) Minutes of the constituent assembly;
 - c) Approved Statutes;
 - d) Founding members name list.
2. Established the requirements for registration, the competent member of the Government must transcribe the registration records appropriate notebook and have it published within a maximum of 30 days in the Jornal da República and a notice in two widely circulated newspapers in the country, informing the public of the issuance of the certificate on behalf of the organization.
3. Trade unions and employers' organizations acquire legal personality with the registration of their statutes with the Government agency responsible for the area of work.
4. With the acquisition of legal personality, trade unions and employers' organizations have the ability to contract, to acquire and dispose of movable and immovable property and be a party to legal proceedings.
5. Trade unions and employers' organizations may only start performing their activities following the publication of its statutes or, in their absence, after 30 days upon registration.
6. No member or manager of enterprise trade union or organization must respond by obligations and liabilities incurred in the name of the institution, unless in cases of proven fraud.

Article 86
Content of the statutes

1. The statutes of trade unions and employers' organizations shall contain and regulate expressly:

- a) The name, headquarters and business activity that represents;
 - b) The goals of the organization and its geographic level of performance;
 - c) The requirements for the acquisition and loss of membership;
 - d) The rights and duties of members;
 - e) The form of collection of quota;
 - f) The disciplinary regime;
 - g) The bodies that compose the institution, its competences, the rules for election and mandate period;
 - h) Assembly meetings and the voting mode;
 - i) Financial administration regime;
 - j) Proceedings of statutes amendment;
 - k) Applicable regime for merging, dissolution, and extinction of the organization, as well as the liquidation of assets.
2. Amendments to the statutes, adopted by the organization's assembly, shall be recorded in the competent body within 30 days.
 3. Registration and amendments to the statutes of the organizations shall be subject to the provisions of paragraphs 2 and 3 of the preceding article, shall only affect third parties after its due publication.

Article 87

Revocation of registration

1. The registration of a trade union or employers' organization may only be cancelled by a decision in assembly plenary in accordance with internal statutes or by judicial decision.
2. The extinction, voluntary or by judicial decision, of a trade union or employers' organization shall be notified to the competent government agency in order to proceed with the cancellation of the registration and subsequent publication, in accordance with paragraph 3 of article 86.

Article 88

Subsidiary legislation

The legal framework of associations shall be applied mutatis mutandis to trade unions and employers' organizations.

Article 88

Arrangements for collecting quotas

1. The worker shall not be obliged to pay fees to the union in which he or she is not affiliated.

2. The worker must authorize in writing the collection of quotas to be deducted directly from his or her salary, stating the name of the union, the amount to be deducted and the periodicity of the discount.
3. In the case the employee can not read and write or with visual disability, the authorization must contain his fingerprint, as well as the signature of two witnesses properly identified.
4. Quota amounts levied by the union shall not exceed 2 percent of the worker's salary.
5. The employer shall make the deductions permitted and ship immediately the amounts levied to the trade union, informing the list with employees' names, individual quota amount paid, and the total discounted value.

Article 90 Annual Report

1. Employees' organizations and employers' organizations shall submit to the competent government agency, within two months after the end of each fiscal year, a report containing:
 - a) The Balance Sheets;
 - b) Identification of elected representatives; and
 - c) Number of registered members.
2. Employees' organizations and employers' organizations shall make financial reports available to all members.

CHAPTER II RIGHT TO COLLECTIVE BARGAINING

Article 91 General principles

1. Collective bargaining aims the establishment and stabilization of collective labour relations, regulating inter alia:
 - a) Mutual rights and duties of employers and workers bound by an individual employment contract;
 - b) Revision or extension of the collective agreement previously concluded.
2. The right to collective bargaining is guaranteed to all workers and employers, in accordance with provisions of the following article.
3. Parties involved in collective bargaining process must respect the principle of good faith during the process.
4. Parties shall respond as soon as possible the proposals and counter proposals submitted during collective bargaining, as well as attend meetings scheduled for this purpose.

5. Parties shall be subject to a duty of confidentiality regarding information received subject to confidentiality.
6. Parties shall consult their constituents on the steps of negotiation, shall not use this right to suspend or interrupt the negotiation process.

Article 92
Parties of collective bargaining

1. Parties of collective bargaining are:
 - a) Trade union organizations, in accordance with subparagraph a) of article 80, and those duly authorized to negotiate on behalf of workers;
 - b) Employer or employers' organization, in accordance with subparagraph a) of article 80, and that is duly authorized to negotiate on behalf of the employer or employers;
2. Employers must permit workers' representatives to be absent from workplace during regular operation hours of the company, with no loss of pay, so as to participate in collective bargaining.

Article 93
Bargaining process

1. The collective bargaining process begins with the submission to the other party the proposal of conclusion or review of collective agreement.
2. The negotiating proposal shall be in writing, dully substantiated, and contain, as a minimum:
 - a) The designation of proposing entity who supports it;
 - b) The matter on which negotiation shall focus on.
3. The party receiving the collective bargaining proposal shall schedule the first meeting within fifteen days of the reception of the proposal.
4. On the day of the meeting, the response shall be lodged by expressing a position related to each clause of the proposal, accepting, rejecting or counter-proposing.
5. In cases where the party have not schedule the meeting within the time limit set out in paragraph 3, either by the unwillingness of one of the parties or by the non-recognition of a trade union by the employer, or where an agreement was not reached, either party may appeal to Conciliation and Mediation Service demanding the establishment of the mediation process of negotiations.
6. Mediation and Conciliation Service shall begin the process of mediation and call a meeting within 48 hours, and shall complete the process within no later than 10 days.

Article 94
Collective Employment Agreement

1. Collective agreement must be in writing and may not counteract the legislation in force, except to establish conditions more favorable to workers.
2. The collective agreement shall contain, at a minimum:
 - a) Name of contracting parties;
 - b) Professional category and business activity to which it applies;
 - c) Matters covered;
 - d) Relations between the trade unions and employers who are participating in the collective bargaining process;
 - e) The way to resolve disputes arising from the interpretation of the agreement;
 - f) Signing date and validity period of the agreement.
3. The collective agreement must be registered with the competent government agency.
4. The registration of collective agreement may be refused if does not comply with provisions in paragraphs 1 and 2 and if violating the imperative legal regime of supervising workers' rights.
5. On expiry of collective agreement with no request for new negotiations, this same collective agreement shall be automatically renewed for the same period.
6. The collective agreement shall only bind the celebrant parties.

CHAPTER III
RIGHT TO STRIKE AND LOCKOUT

Article 95
Right to strike and lockout

1. The right to strike enjoys State protection, pursuant to provisions of the Constitution.
2. Lockout is prohibited.
3. The exercise of the rights to strike and lockout are object of specific legislation.

PART IV
WORK CONFLICTS

Article 96
Principles

1. In processes of work conflict resolution, the parties shall act in accordance with good faith principles.

2. Authorities responsible for conflict resolution shall abide by the principles of impartiality, independence, justice, and processual speed.

Article 97
Conflict resolution

1. Conflicts arising from individual and collective relations provided in this law may be resolved by the parties, by means of conciliation, mediation, or arbitration, through Conciliation and Mediation Services and Labour Arbitration Board, without prejudice to the intervention of the courts.
2. Individual work conflicts shall be mandatory to be submitted to conciliation and mediation before appealing to the courts.
3. Exceptions to provisions of previous paragraph are conflicts regarding the illegality of contract termination by the employer or by the worker on the grounds of just cause and of the termination of contract on grounds of market, technological and structural grounds.
4. Within the scope of individual work conflicts, the appeal to arbitration is voluntary and may result from a request of involved parties, or at the request of one of them, in which case the other party is summoned to declare whether or not to accept the appeal to arbitration.
5. Collective labor conflicts, upon request of the parties involved, shall be subject to arbitration by the Labour Arbitration Board.

PART V
SUPERVISION AND SANCTIONS REGIME

Article 98
Legality of acts

The supervision and control of the legality of work shall be carried out by the Labour Inspectorate, whose nature and status are determined specific legislation.

Article 99
Penalties

1. Violation of regulations of this act is punishable by fines and other sanctions, taking into account the relevance of interests infringed, in terms to be established by specific legislation.
2. The violation of rights of children and the demand for forced labour, as provided for in this law and the international conventions ratified by Timor-Leste, shall be

notified to the Public Prosecutor Office in order to initiate judicial proceedings for clearance of civil and criminal liability of those involved.

PART VI FINAL AND TRANSITIONAL PROVISIONS

Article 100 Labour National Council

The Government promotes the establishment of the Labour National Council, composed of three representatives from the Government, two representatives of employers' organizations and two representatives of trade unions, with empowered to:

- a) Promoting social dialogue and consultation between the social partners;
- b) Advise on the development of policies and legislation related to employment relationship;
- c) Propose the national minimum salary;
- d) Any other functions conferred by law.

Article 101 Conflict resolution and Labour Arbitration Board

1. The procedure applicable to the settlement of labour conflicts and the creation of bodies responsible for this shall be defined in specific law passed by the Government.
2. Mediation and Conciliation Services and the Labour Arbitration Board shall have representative offices in all districts.
3. The Labour Arbitration Board shall be composed of, at least, one Government representative, one representative from employers' organizations and one representative from unions.
4. The Labour Arbitration Board shall be empowered, inter alia, to:
 - a) Appraise and decide over labour disputes submitted to it;
 - b) Any other functions conferred to it by law.
5. The decisions referred to in subparagraph a) of the preceding paragraph shall be submitted to district court for verification of legality and homologation of the sentence, producing the same effect as a judgment by the courts and shall be enforceable against the losing party.
6. Until the establishment of the bodies referred to in paragraph 2 of this article, the courts shall be responsible for ruling on labour disputes.
7. In judicial proceedings concerning labour disputes, the rules established in civil processual law shall be applied.

Article 102
Regulations

The rights, duties, limits, and the procedures to be applied by Labour Inspectorate, as well as the sanctions regime shall be governed by specific legislative instrument

Article 103
Repealing norm

UNTAET Regulation No.2002/5, of May 1st, and additional legislation that counteracts the norms of Labour Law shall be repealed.

Article 104
Enter into force

The present law enters into force 120 days after its publication in the Jornal da República.

Approved on December 20, 2011.

President of National Parliament,

Fernando La Sama de Araújo

Promulgated on 2 /02 /2012.

Let it be published.

The President of the Republic,

José Ramos-Horta