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ACCESSION OF TIMOR-LESTE

QUESTIONS AND REPLIES

The following submission, dated 24 July 2023, is being circulated at the request of the Delegation of the Democratic Republic of Timor-Leste.

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II. ECONOMIC POLICIES

Question .

Paragraph 8:¹ Timor-Leste lists agriculture as one of the priority sectors to drive economic diversification. In document WT/ACC/TLS/28, Question 15, we asked about Timor-Leste's value of agricultural production. Timor-Leste provided the value of production for two specific agricultural products (corn and rice), and assured Members that the POVO KUDA GOVERNU SOSA program terminated in 2012.

We would like to note that our question was not motivated by an interest in POVO KUDA GOVERNU SOSA. Rather, we asked about value of agricultural production because of its relevance to the commitments in the Agreement on Agriculture, specifically Article 6. Article 6, Paragraphs 4(a) and (b) describe "*de minimis*" domestic support levels which Members can exempt from their calculations of Current Total AMS. The non-product-specific *de minimis* is calculated against the value of a member's total agricultural production. In document WT/ACC/SPEC/TLS/1/Rev.2, Timor-Leste circulated Supporting Tables DS:1 through 9. Document G/AG/2 containing the notification requirements for domestic support does not include reporting the value of agricultural production, but some Members choose to include it for context.

We thank Timor-Leste for sharing each of the values for the product-specific value of production of corn and rice. However, we are still interested in Timor-Leste's total value of production for all agricultural products. Since Timor-Leste has indicated that agricultural development is a priority, Timor-Leste may find it useful to use the value of production to calculate the non-product-specific *de minimis*, which is part of the broader picture when Timor-Leste considers how much policy space for agricultural subsidies will be available upon accession to the WTO.

Answer:

The total value of agricultural production in Timor-Leste, for the period 2013-2021, is as follows:

In US\$

Year	Value
2013	408,430,000
2014	444,318,000
2015	496,159,000
2016	443,338,000
2017	411,966,000
2018	455,260,000
2019	522,675,000
2020	547,868,000
2021	710,227,000

Source: FAOSTAT.

Question .

Paragraph 10: The Draft Working Party Report states that, in August 2020, the Government of Timor-Leste had adopted the Economic Recovery Plan for 2020-2023. It also states that in 2020-2022, the Government had implemented four short-term ERP measures: (i) universal Basic Basket program, (ii) recovery subsidies for the private sector, (iii) contributory subsidies for the private sector, and (iv) special support for informal workers. We applaud Timor-Leste's efforts to address the food security of its people. We have few questions including:

¹ Here and below, unless otherwise specified, paragraph and annex numbers are meant to refer to the revised draft Report of the Working Party (document WT/ACC/SPEC/TLS/5/Rev.1).

- **Was the Government of Timor-Leste able to cover the costs of the Basic Basket program, or was assistance needed from international donors?**
- **Was assistance provided in the form of cash payments (or vouchers) to Timorese consumers, or was the assistance provided as an actual basket of food (or food and other non-food products)?**
- **What criteria and data did the Ministry of Agriculture and Fisheries use to identify the beneficiaries of the Basic Basket program?**

Answer:

The Economic Recovery Plan, approved by Government Resolution No. 28/2020 of 19 August 2020, included the implementation of extraordinary measures to promote the economic recovery of the country including the Basic Basket Program. The Government of Timor-Leste was able to cover the costs of the Basic Basket program with its own resources. A special COVID Fund was created to cover the costs of all extraordinary measures implemented during and after the COVID-19 pandemic, including this program.

As per Article 4(1)(2) of the Decree-Law No. 48/2020 of 7 October 2020 on "Supporting Measures to Families through the attribution of the "Basic Basket" and to Local Economic Operators, within the Economic Recovery Plan, and Establishment of a Special Procurement Regime", as amended by the Decree-Law No. 1/2021 of 6 January 2021, the assistance was provided in the form of actual baskets of food and other products. As per the Decree-Law, in the main cities, such baskets could be replaced by vouchers linked to the same products. In practice, only baskets of food and other products were distributed.

The beneficiaries of the program were identified through the national "Uma Kain" (family units) registration books. As per Decree-Law No. 48/2020 of 7 October 2020, any citizen was eligible for the support. As per Decree-Law No. 10/2022 of 4 March 2022 on "Approval of Measures to Strengthen the Distribution of Basic Food Baskets to Timorese families in Most Need and to Support Local Economic Operators and Creation of a Special Procurement Regime for this Purpose, under the Economic Recovery Plan" (provided to the Working Party, see notice of legislation in document WT/ACC/TLS/30), only individuals with a monthly income under US\$ 500 were eligible for the Basic Basket program.

The program discontinued as of 30 June 2023.

- Monetary and fiscal policy

Question .

Paragraph 16: It is stated "As of 2022, there was no indication of when Timor-Leste might adopt its own currency. The Government had entrusted the CBTL [central bank] to undertake research to study such a possibility."

In its staff report following the 2022 Article IV Consultation with Timor Leste, the IMF noted advantages to the economy from de-dollarization and suggested that the central bank could "start developing a strategy—such as in the form of a White Paper—to explore the necessary steps to introduce a national currency and raise awareness."

- **What are the government's views on this recommendation?**
- **What steps is the government considering to begin work on a strategy for transitioning to a national currency?**

Answer:

The Central Bank of Timor-Leste (CBTL) recognizes that there are advantages to the de-dollarization/establishment of a national currency, the main one being the opportunity of controlling its own economic policy.

As the introduction of a national currency was included in the National Strategic Plan, the Central Bank has been determined in preparing the conditions, including the overall process of building institutional capacity, starting with the drafting of the Central Bank Law and the transformation of the Banking and Payments Authority (BPA) into the Central Bank of Timor-Leste in 2011. Further steps were the development of its own financial strategic plan, promoting and developing the modern national payment and financial system. Answering to the needs of the public has also been a priority as well as preparing for the implementation of an effective monetary policy if or when the time comes. Thus, the CBTL will continue undertaking research to study the possibility of introducing a national currency. However, considering new trends such as the introduction of central bank digital currencies, the CBTL needs to prepare and adjust itself to the world's new demands, slowing the eventual introduction of the national currency. Hence, there are no plans in the short term for the introduction of a national currency. At this moment, the CBTL will continue building its capacities and Timor-Leste is focused on strengthening its fiscal policy and its capacities and expertise.

- **Investment regime**

Question .

Paragraph 29: The World Bank's 2016-2017 Investment Reform Map reportedly suggested that the government of Timor-Leste target crops such as coffee, candlenut, maize, rice, cocoa, vanilla, cattle, goat, pig, chicken, broccoli, cauliflower, banana, mango, avocado, tangerine, red beans, mung beans, soybeans, peanuts, peppers, and cloves, and that short-term reforms would be needed to target these sectors. Timor-Leste's Investment and Export Promotion Agency (TradeInvest Timor-Leste) has been refocused to concentrate on these sectors.

- **Please describe the changes made at TradeInvest Timor-Leste to focus on the agricultural products described above.**
- **Please describe any new programs that TradeInvest Timor-Leste will carry out to develop investment in production of the agricultural goods described above.**
- **We are interested to hear how TradeInvest Timor-Leste has promoted gender equality and the participation of women (as planned in several provisions of Decree-Law No. 45/2015), particularly gender equality and participation of women in the agriculture sector.**

Answer:

Timor-Leste would like to notify that the Investment Reform Map (IRM) revision process has now come to a completion (subject to approval by the Coordinating Minister for Economic Affairs and appreciation by the Council of Ministers). The draft IRM has been provided to the Working Party (see notice of legislation in document WT/ACC/TLS/30). The IRM revision has focused on the investment and export promotion and facilitation of productive sectors including agriculture products as described in the DWPR. In order to focus on the agricultural products as described in the draft Report of the Working Party, TradeInvest has developed a 5-year strategic plan (2022-2027) which outlines sector prioritization strategies focusing on the agricultural sector and its subsectors.

Some of the new programs that TradeInvest Timor-Leste will carry out to develop investment in production of the agricultural goods are:

- TradeInvest Timor-Leste (with support from IFC) is developing value propositions (investment promotion packages) focusing on the agricultural sector. The value propositions aim to attract and develop investment in the production of agricultural products. TradeInvest Timor-Leste is currently working on developing value propositions for the cattle industry as well as for other sectors such as aquaculture, forestry (e.g. bamboo) and horticulture products (e.g. fruits and vegetables). The propositions will be finalized in 2023, to be implemented in 2024.
- TradeInvest Timor-Leste (with support from the New Zealand Government Program called Volunteer Service Abroad or VSA) is currently developing project data for potential agriculture products for the export market. TradeInvest Timor-Leste has developed project data for

agriculturally based industries crops and horticulture products such as maize, coconut, candlenut and tangerine. The project data aims to target a niche segment of market/consumers, specifically those that value organically grown and processed products and those that value the adoption of fair-trade practices in the agriculture sector.

Timor-Leste would like to clarify that Decree-Law No. 45/2015 on the "Establishment of TradeInvest Timor-Leste" has been amended by Decree-Law No. 58/2022 of 24 August 2022. In terms of gender equality, the Government of Timor-Leste, through TradeInvest Timor-Leste puts high value on women's participation in all economic activities. TradeInvest Timor-Leste promotes and facilitates investment and women-oriented exports in productive sectors such as agriculture and fisheries, tourism, manufacturing, and the processing industry. Gender equality is specifically mentioned as a priority in Decree-Law No. 58/2022, namely in Article 6(d) which establishes that Tradeinvest supports the definition and implementation of policies and strategies of the Government making sure that a gender perspective is taken into account. Article 16(n) indicates that the Executive Director of TradeInvest Timor-Leste is to consider gender equality when preparing personnel maps. Also, Article 30-B (2)(c) states that TradeInvest Timor-Leste must work together with the relevant national institutions to ensure women participation.

The provision of women participation has been embedded in TradeInvest Timor-Leste's strategic plan, taking into account the IRM as the basis document. At the implementation level, some examples include:

- TradeInvest Timor-Leste has issued an investment certificate to a national woman-owned company that invests in the livestock sector (specifically in broiler production);
- TradeInvest Timor-Leste has awarded an Export Award Certificate (TradeInvest Timor-Leste Annual Program) to a national woman-owned company that does business in the manufacturing sector (garment production) and agriculture sector (fresh, organic and local vegetables and strawberry production);
- TradeInvest Timor-Leste has built a strong relationship with Timor-Leste's Women Business Association by promoting and facilitating their participation in promotional events such as business forum, trade fair and conferences in the country and overseas to build and expand their networks and identify opportunities for market access.

Timor-Leste would welcome any technical assistance from development partners to continue assisting TradeInvest Timor-Leste with market intelligence and networking with buyers in the niche agriculture sectors as well as to further assist with knowledge in integrating gender equality and women's participation in trade.

III. FRAMEWORK FOR MAKING AND ENFORCING POLICIES

Question .

Paragraph 79: Timor-Leste has explained that the Coordinating Minister for Economic Affairs handles public policies related to economic development and works with the Ministries and Secretaries covering Agriculture and Fisheries; Tourism, Commerce and Industry; Vocational Training and Employment; Cooperatives; and Environment. The government of Timor-Leste's website includes a page on an Inter-ministerial Commission for Coordination of the Value Chain and Stimulation of Local Production (<https://www.cadeiadevalor.gov.tl/about/tl/structure>).

- **Please explain if this commission conducts activities related to agricultural goods, industrial goods, or both.**
- **Is this commission involved in the marketing and promotion services that Timor-Leste listed on page 3 (f) of Domestic Support and Export Subsidies Tables - WT/ACC/SPEC/TLS/1/Rev.2?**
- **Does this commission work in conjunction with Timor-Leste's Ministry of Agriculture and Fisheries to promote agricultural development in Timor-Leste? If so, please**

describe the responsibilities of each and how the two parts of the government work together.

Answer:

The inter-ministerial Commission for Coordination of the Value Chain and Stimulation of Local Production was established by Government Resolution No. 20/2022 of 18 May 2022 (provided to the Working Party, see notice of legislation in document WT/ACC/TLS/30). The Commission was created as an advisory entity and not as an implementing agency and it does not conduct direct activities related to agricultural or industrial goods. It is not involved either in the marketing and promotion services that Timor-Leste listed on page 3(f) of Domestic Support and Export Subsidies Tables in document WT/ACC/SPEC/TLS/1/Rev.2. The Commission was created to make recommendations to the Council of Ministers aiming to improve public policies, systems and administrative procedures as well as to advise regarding the legal framework related to the coordination of the value chain and to the stimulation of the growth of the national production. The Commission is composed of the Prime Minister, the coordinating minister for Economic Affairs, the Minister for Tourism, Trade and Industry, the Minister of Agriculture and Fisheries, the Minister of Finance and the Minister of Public Works.

IV. POLICIES AFFECTING TRADE IN GOODS

A. IMPORT REGULATIONS

- Ordinary customs duties

Question .

Paragraph 110: In a December 2022 Law, Timor-Leste increased its tariff rate across the board from 2.5 % ad valorem on all goods (regardless of classification) to 5 %. Paragraph 19 indicates that inflation in Timor-Leste was 8 % as of June 2022 and the Government estimated inflation in the range of 4 to 6 %. The increase in the tariff rate is likely to affect consumer prices.

- **Please explain Timor-Leste's reasoning for increasing the tariff rate from 2.5 % to 5 %.**

Answer:

One of the objectives under the current ongoing implementation of the Timor-Leste's Public Finance and Management and Fiscal Reform Strategies for the years 2022-2027 is to enhance domestic resource mobilization to increase domestic revenue. Thus, one of the fiscal measures (policy decision) that the Government of Timor-Leste has taken to meet the said objective is to increase the import duty rate/tariff from 2,5 % to 5 %. This increase was approved in the 2023 State Budget Law (Law No. 15/2022 of 21 December 2022) for the year 2023.

Question .

Paragraph 111: The Customs Code of Timor-Leste reflects Tariff Nomenclature in HS 2017. Please explain if Timor-Leste has plans to implement the HS 2022 and has a process for future updates to Tariff Nomenclature.

Answer:

Timor-Leste plans to implement the HS Code 2022 tariff nomenclature before the end of 2023. We are currently working on aligning the HS Codes of the national tariff nomenclature to the AHTN 2022 (ASEAN Harmonized Tariff Nomenclature) which is based on HS 2022. Once updated, the new version of the national tariff nomenclature will be submitted to the Council of Ministers for approval and immediate implementation.

Also, Timor-Leste is in the process of ratifying the International Convention on the Harmonized Commodity Description and Coding System. The respective draft resolution of the Parliament has been provided to the Working Party (see notice of legislation in document WT/ACC/TLS/30).

- Fees and charges for services rendered

Question .

Paragraph 122: Article 66 of Decree-Law No. 21/2003 of 31 December 2003 states that Timor-Leste will have service fees for granting of import licenses, issuance of sanitary and phytosanitary certificates, inspections, treatments, proofs, analyses and tests, maintenance of items in quarantine facilities as well as any other services in the commercial or private import of animals, plants, or of any other item subject to inspection, veterinary and phytosanitary control and quarantine. Timor-Leste's Questionnaire on Import Licensing Procedures (WT/ACC/TLS/10) states (on page 15, Sectoral licence fees) that fees to obtain non-automatic sectoral licenses (presumably including those required for animal and plant products) are regulated according to legislation pertaining to the Ministry or Agency providing the license (in the case of animal and plant products, presumably this is the Ministry of Agriculture and Fisheries).

- **Please clarify when Timor-Leste plans to start collecting fees for sanitary and phytosanitary import licenses.**
- **Please describe how fees will be assessed and imposed.**

Answer:

Decree-Law No. 21/2003 of 31 December 2003 has been repealed by recently approved Decree-Law No. 36/2023 of 31 May 2023 on "Plant Health and Quarantine" and Decree-Law No. 41/2023 of 31 May 2023 on "Animal Health and Quarantine" (circulated to the Working Party, see notice of legislation WT/ACC/TLS/30). These legislations determine that a service fee will be charged for granting import licences, issuance of certificates or any other fees for services. However, there is not yet a timeline for the implementation of this provision. According to the above-mentioned legislations, the fees will be defined by a Ministerial decree. Such a Ministerial decree will eventually define the mechanisms for the fees to be assessed and imposed. The fees, when imposed, will be in line with the requirements of Articles III and VIII of the GATT 1994.

- Rules of origin

Question .

Paragraph 147: The Draft Working Party Report states that certificates of origin are "requested" for the importation of goods subject to SPS requirements, but that certificates of origin are "required" in case of suspicion of fraud.

- **Describe the process Timor-Leste will use to determine and notify countries when the certificate of origin is required for the importation of goods subject to SPS requirements.**

Answer:

The recently approved Decree-Law No. 36/2023 of 31 May 2023 on "Plant Health and Quarantine" and Decree-Law No. 41/2023 of 31 May 2023 on "Animal Health and Quarantine" (provided to the Working Party, see notice of legislation in document WT/ACC/TLS/30) includes the possibility of requesting a phytosanitary or an animal health certificate that will indicate the origin of the imported product.

In addition, as per Article 95 of the Customs Code, when the origin of the goods are indicated in the customs form, the Customs Authority can request documental proof issued by the authorities of the country of origin. This proof can consist of a certificate of origin or equivalent. Additional documents proving the origin can be required in all cases where fraud is suspected.

- **Anti-dumping, countervailing duties, safeguard regimes**

Question .

We propose the following adjustments on the text of the draft Working Party Report:

Paragraph 164: A Member requested the Government of Timor-Leste to commit not to impose any antidumping, countervailing or safeguard measures, including the initiation of any investigations, until its authorities and legislation were notified to the appropriate WTO Committees. The representative of Timor-Leste responded that, as Timor-Leste did not have any anti-dumping, countervailing or safeguard frameworks in place, any policy decisions on such actions could be taken once the appropriate, WTO-consistent legislation was enacted, notified, and reviewed by the relevant WTO Committees.

Paragraph 165: [The representative of Timor-Leste confirmed that his Government would not apply any anti-dumping, countervailing or safeguard measures until it had implemented and notified to the WTO appropriate laws consistent with the provisions of the WTO Agreement on Safeguards, the WTO Agreement on the Implementation of Article VI of the GATT 1994, and the WTO Agreement on Subsidies and Countervailing Measures, and the appropriate laws were reviewed by the relevant WTO Committees. Timor-Leste would ensure the full conformity of any such legislation with the relevant WTO provisions, including Article VI and XIX of the GATT 1994, the WTO Agreement on Safeguards, the WTO Agreement on the Implementation of Article VI of the GATT 1994, and the WTO Agreement on Subsidies and Countervailing Measures. After such legislation was implemented, Timor-Leste would only apply any anti-dumping duties, countervailing duties and safeguard measures in full conformity with the relevant WTO provisions. The Working Party took note of these commitments.]

Answer:

We thank the Member for the proposal on the commitment language. Timor-Leste would prefer to keep the previous commitment, as reflected in the draft Working Party Report circulated in document WT/ACC/SPEC/TLS/5/Rev.1, which is in line with the requirements of the Agreement on the implementation of Article VI of the GATT (Anti-Dumping), the Agreement on Safeguards, and the Agreement on Subsidies and Countervailing Measures. At the same time, we propose to include an additional language on notification in paragraph 164 as follows:

164. A Member requested the Government of Timor-Leste to commit not to impose any antidumping, countervailing or safeguard measures, including the initiation of any investigations, until its authorities and legislation were notified to the appropriate WTO Committees. The representative of Timor-Leste responded that, as Timor-Leste did not have any anti-dumping, countervailing or safeguard frameworks in place, any policy decisions on such actions could be taken once the appropriate, WTO-consistent legislation was enacted **and notified to the relevant WTO Committees.**

165. [The representative of Timor-Leste confirmed that his Government would not apply any anti-dumping, countervailing or safeguard measures until it had implemented and notified to the WTO appropriate laws consistent with the provisions of the WTO Agreement on Safeguards, the WTO Agreement on the Implementation of Article VI of the GATT 1994, and the WTO Agreement on Subsidies and Countervailing Measures. Timor-Leste would ensure the full conformity of any such legislation with the relevant WTO provisions, including Article VI and XIX of the GATT 1994, the WTO Agreement on Safeguards, the WTO Agreement on the Implementation of Article VI of the GATT 1994, and the WTO Agreement on Subsidies and Countervailing Measures. After such legislation was implemented, Timor-Leste would only apply any anti-dumping duties, countervailing duties and safeguard measures in full conformity with the relevant WTO provisions. The Working Party took note of these commitments.]

C. INTERNAL POLICIES AFFECTING FOREIGN TRADE IN GOODS

- Technical barriers to trade, standards and certification

Question .

Page 51, Paragraph 181: Timor-Leste indicates that Rosito de Sousa Monteiro, President of the Quality Institute of Timor-Leste is the designated focal point for Timor-Leste's TBT enquiry point. Are there any additional points of contact at the Quality Institute of Timor-Leste, or a general inbox for inquiries in case of Rosito de Sousa Monteiro's absence?

Answer:

According to the current mandate, the Institute of Quality Timor-Leste (IQTL) is the sole agency or focal point responsible for handling TBT issues. For the time being, the contact person/focal point remains the President of the IQTL. In addition, Timor-Leste has set up a general inbox for inquiries: igt2022@gmail.com. The designated focal point can also be reached by phone no.: +670 3310158.

- Sanitary and phytosanitary measures

Question .

Paragraph 190: Timor-Leste states, due to public health concerns, importation of listed products is prohibited, such as the importation of any proteins for animal feeding containing meat powder, bone powder, blood powder, or fat from mammal tissues.

- **Please clarify whether Timor-Leste will take a Member's level of prevalence of specific diseases or pests into consideration.**
- **If so, describe the process for determining how Timor-Leste will evaluate exporting Members' pest or disease-free areas and areas of low pest or disease prevalence.**
- **Please identify and provide the measures that give Timor-Leste's competent authority the ability to conduct and make regionalization determinations.**

Answer:

Timor-Leste intends on considering an exporting Member's plant pest status and plant pest prevalence in assessing the phytosanitary risks of imported products in accordance with international plant health standards for pest risk analysis (ISPM 2 – Framework for Pest Risk analysis, ISPM 11 – Pest Risk Analysis for Quarantine Pests, ISPM 21 – Pest risk Analysis for Regulated non-quarantine pests). Thus, Timor-Leste intends to adopt and follow international standards to assess exporting Members' animal disease-free areas and areas of low animal disease prevalence. Among others, Timor-Leste plans on adopting the relevant-related dispositions of the [WOAH Terrestrial Code](#).

Timor-Leste intends to adopt and follow international plant health standards to assess exporting Members' plant pest free areas (ISPM 4 – Requirements for the establishment of pest free areas), areas of low pest prevalence (ISPM 22 – Requirements for the establishment of areas of low pest prevalence), and plant pest status (ISPM 8 – Determination of pest status in an area, particularly section 5, exchange of pest status information between NPPO's).

Timor-Leste is yet to elaborate on measures to make regionalization determinations, within the requested transition period for the implementation of the SPS-related regime in line with the SPS Agreement. Timor-Leste will appreciate advice and guidance from Members on the implementation of such measures, given its capacity constraint as an LDC.

Question .

Paragraph 201: Timor-Leste identifies that live plant import permits cannot be issued to individuals or to private companies and specifies a list of seeds subjected to import authorizations.

- **Please describe and provide the measure(s) that outline these requirements and identify the IPPC international standards, guidelines, or recommendations that these measures conform to.**

Answer:

According to Decree-Law No. 36/2023 of 31 May 2023 on "Plant Health and Quarantine" (provided to the Working Party, see notice of legislation in document WT/ACC/TLS/30), there is no longer a ban on individuals or private companies to import live plants. According to the Decree-Law (Article 28) the individuals and private companies can import live plants and plant products to Timor-Leste provided that they are in possession of (a) an import licence, when required by the law, (b) a phytosanitary certificate issued by the country of export, when required by the law, and (c) any other documents that may be prescribed by the law, its regulations or any other commercial or customs legislation.

Question .

Paragraph 205: Timor-Leste indicates that, for the SPS enquiry point, Dr. Jong is the designated contact point for veterinary issues, and Mr. Brito is the designated contact point for plant issues.

- **Further, please identify who will be designated as Timor-Leste's national notification authority.**

Answer:

According to Article 10(1)(x) of Decree-Law No. 41/2023 of 31 May 2023 on "Animal Health and Quarantine" (provided to the Working Party, see notice of legislation in document WT/ACC/TLS/30), the General Directorate for Quarantine and Biosecurity, instructed by the Ministry of Agriculture and Fisheries (MAF) and in coordination with the relevant national directorates and entities of the MAF, is responsible for the coordination of all international compulsory notifications to WOA and other international partners related to Animal Health and Quarantine, including the notifications in the context of the WTO.

According to Article 9(u) of Decree-Law No. 36/2023 of 31 May 2023 on "Plant Health and Quarantine" (provided to the Working Party, see notice of legislation in document WT/ACC/TLS/30), the General Directorate for Quarantine and Biosecurity is responsible for all notifications to other countries and international partners related to Plant Health and Quarantine. This includes notifications in the context of the WTO.

Question .

Paragraph 213: According to this paragraph, in practice, the Government of Timor-Leste bans the importation of antibiotic and growth promotion substances and has decided to prohibit non-therapeutic uses of antimicrobials under all circumstances.

- **Please identify and clarify the scope of import products that will be subjected to this prohibition and provide the scientific justification for this/these measure(s).**

Answer:

The recently approved Decree-Law No. 36/2023 of 31 May 2023, on "Plant Health and Quarantine" and Decree-Law No. 41/2023 of 31 May 2023 on "Animal Health and Quarantine" provide that the list/scope of import products that will be prohibited, including antibiotic and growth promotion

substances, is to be developed and approved by a Ministerial decree after a thorough scientific study which is yet to be conducted.

Question .

Paragraph 221: This paragraph of the draft Working Party Report requests a transition period until 2027 for implementation of WTO SPS Agreement, but Paragraph 222 mentions a transition period until 2028, and Annex 18 lists 1 January 2028.

- **What is the correct date for the transition period that Timor-Leste is requesting?**

Answer:

The correct date is 1 January 2028 as reflected in Annex 18 of the draft Report of the Working Party.

Question .

Timor-Leste clarified that a list of maximum residue limits (MRLs) and a list of veterinary drugs will be developed by 2024 and will be based on recommendations from the Codex Alimentarius Commission and regularly reviewed and updated to ensure consumer health.

- **Please clarify and describe if Timor-Leste has an approach or a timeline for developing a list of MRLs for pesticides in food.**

Answer:

Timor-Leste is in the process of finalising a Decree-Law on Pesticides which will be in line with the recommendations from the Codex Alimentarius Commission. This draft Decree-Law has been submitted for review of the Working Party (see notice of legislation in document WT/ACC/TLS/15). It is expected that the draft Decree-Law will be submitted to the Council of Ministers in the 3rd quarter and enacted in the 4th quarter of 2023. Following the approval and entry into force of this legislation, the list of MRLs for pesticides in food will be developed.

Question .

Document WT/ACC/TLS/13/Rev.2: Page 3, boxes 3(a) – 3(d) outline the Government of Timor-Leste commitments to develop measures which align with the SPS Agreement principles on transparency.

- **Please clarify the timeline when these measures will be developed and provided to the Working Party for review.**

Answer:

Timor-Leste intends to achieve full compliance with the SPS Agreement by 1 January 2028.

More specifically, the following transition period is requested for:

- (a) identification of authority responsible for making notifications to the WTO and ensuring transparency obligations are met on an ongoing basis – 2023 (already implemented, see response to Question 14);
- (b) establish guidance or law requiring publication of proposed measures at an early stage for comment – 2024;
- (c) provision in law or administrative procedure to provide copies of proposed measures to WTO Members 2024; and,

- (d) require in law or administrative procedure, a reasonable period of time for comment from Members and the public, and establishment of a process to take comments into account without discrimination – 2024.

Question .

Notice of Legislation WT/ACC/TLS/18: Law No. 6/2020 of 6 February 2020 on "Legal Framework for the Protection and Conservation of Biodiversity", Article 41 - Genetically modified organisms:

- 1. The import, export, research, performance of experiments, use and release into the environment of genetically modified organisms, which as a result of biotechnology may have an adverse environmental impact, may affect the conservation of biodiversity and the sustainable use of its components and pose risks to human health, is subject to special legislation.***
 - 2. Without prejudice to the provisions of the preceding paragraph, scientific research into genetically modified organisms shall be subject to the provisions of Chapter VII.***
- **Please explain how Timor-Leste will ensure that its laws and policies are consistent with relevant WTO agreements with regard to science- and risk-based regulation of products of agricultural biotechnology.**

Answer:

Timor-Leste is committed to ensure that its laws and policies are consistent with relevant WTO Agreements in this area, namely the SPS and the TRIPS Agreements. According to Article 41 of Decree-Law No. 6/2020 of 6 February 2020 on "Legal Framework for the Protection and Conservation of Biodiversity", the regulation of Genetically Modified Organisms (GMO), including products of agricultural biotechnology, are subject to specific legislation yet to be developed. Timor-Leste will ensure through careful studies and consultations, including the development of the relevant pieces of legislation with entities such as WIPO, that the legislation, when developed, will be consistent with the Timor-Leste's WTO commitments.

Question .

Notice of Legislation WT/ACC/TLS/18: Law No. 6/2020 of 6 February 2020 on "Legal Framework for the Protection and Conservation of Biodiversity", Article 42 - Other threats:

- 1. Any existing or potential activities, processes or actions that pose a threat, have or may or may come to have an impact on the conservation of biodiversity and the sustainable use of its components must be identified, and effective measures to reduce and mitigate their impacts must be defined.***
 - 2. In view of the challenges arising from climate change and its negative effects on biodiversity, the government entity responsible for the environment must promote the adoption of mitigation and adaptation measures that promote the resilience of local communities, ecosystems and species.***
- **Climate change requires adaptation and resilience. How will Timor-Leste use agricultural biotechnology to adapt to and mitigate climate change?**

Answer:

The Government of Timor-Leste has been investing in the areas of education, science, and technology as well as investing in human capacity building in order to respond to and increase our capabilities to adapt to and mitigate climate change. Timor-Leste is in the process of increasing its knowledge in the field of agricultural biotechnology and more specifically how to apply it to tackle the effects of climate change. Timor-Leste will continue focusing on developing agricultural biotechnology techniques involving the use of scientific tools including genetic engineering, molecular markers, molecular diagnosis, vaccines and tissue culture, modification of living microorganisms and plants.

- **Agricultural policies**

Question .

Paragraph 257: Timor-Leste reports having invested over \$119 million between 2013 and 2017, and over \$60.9 million between 2018 and 2021 on agricultural development. One of the outcomes listed is a "development of livestock programme." A development of livestock programme does not seem to be listed in WT/ACC/SPEC/TLS/1/Rev.2. Is it part of one of the listed activities in Supporting Table DS:1, 2(a) through 2(f), or 3.? If so, which one? If not, was it conducted in a period prior to the 2019-2021 period covered by WT/ACC/SPEC/TLS/1/Rev.2?

Answer:

We confirm that the development of livestock programme is part of the activities listed in Supporting Table DS:1 in document WT/ACC/SPEC/TLS/1/Rev.2 (2(a) – "Building foundation for smart agriculture development, inclusive natural resource management monitoring and surveillance scheme; evidence-based policy formulation and establishment of regulatory framework for natural resources management", which also includes building foundation for smart livestock development, Inclusive livestock and veterinary management).

V. TRADE-RELATED INTELLECTUAL PROPERTY REGIME

Question .

As indicated in the Report, the government of Timor-Leste intended to establish plant variety protection laws consistent with Part II, Section 5, Article 27(3)(b) of the TRIPS Agreement. We would like to request Timor-Leste to commit itself to ensure, before its accession to the WTO, that its relevant laws allow natural or legal persons of all WTO Members to apply for plant variety rights.

Answer:

The Government of Timor-Leste recognizes the importance of aligning its intellectual property legislation with international standards, and we are dedicated to fulfilling our obligations under the TRIPS Agreement. At the same time, we also recognize the importance of protecting plant varieties and fostering innovation in agriculture. Therefore, the Government through the Ministry of Agriculture and Fisheries in collaboration with the World Intellectual Property Organization (WIPO) has taken proactive steps to initiate the drafting of specific legislation related to Plant Variety Protection (PVP). Timor-Leste is fully committed to implementing the Plant Variety Protection (PVP) law in strict accordance with the Action Plan for the Implementation of the WTO's Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement), specifically Annex 19, as part of its commitment to the WTO as well as to agricultural development and ensuring the rights of breeders.

Even if the current legal framework in Timor-Leste does not cover the protection of plant varieties, Timor-Leste, in accordance with the action plan on the implementation of the TRIPS Agreement, is committed to develop a Law on Plant Variety Protection by 2026. To this end, a task force will be established in 2024 composed of the relevant ministries and line agencies. Public consultations and awareness campaigns will be conducted. In this regard, the draft Law on Plant Variety Protection

has also been added in Part I(B) of the Legislative Action Plan (circulated in document WT/ACC/TLS/6/Rev.7).

Question .

We suggest to add a subheading "Transitional arrangements" after paragraph 290, since Paragraphs 291 – 293 and transitional periods do not apply only to the criminal provisions in TRIPS. "Transitional arrangements" would be more accurate and would be consistent with the terminology in the TRIPS Agreement (see TRIPS Part VI (Transitional Arrangements)).

Answer:

We appreciate your suggestion regarding the addition of a subheading titled "Transitional arrangements" in the draft Working Party Report. We appreciate your attention to detail and commitment to maintaining accuracy and consistency with the terminology used in the TRIPS Agreement. Upon further consideration, we agree that using the term "Transitional arrangements" would be more precise and aligned with the language used in the TRIPS Agreement, specifically in Part VI, which addresses transitional arrangements.

Question .

It is not clear what the commitment in paragraph 293 is referring to, as paragraphs 291 and 292 do not reference specific protection for intellectual property (IP) rights. Please provide clarification.

Answer:

Paragraph 293 refers to the protective measures that Timor-Leste has already put in place regarding intellectual property rights, including the Copyright Law, approved by the National Parliament through Law No. 14/2022 and Decree-Law No. 95/2022 on "Rules of Origin". Also, the draft of the Industrial Property Code has already been finalized and circulated to Working Party (see notice of legislation in document WT/ACC/TLS/27).

More specifically, the Copyright Law provides protection for the artistic and intellectual creation of national authors, a demand from the artistic community and a measure that will stimulate national artistic and cultural production with rules that aim to guarantee fair payment for all those involved in the production of events and works and protection against the counterfeiting of works. A national registry will be created that will provide due recognition and organization to this sector of the national industry that has already amply demonstrated its value on international stages in the fields of music, painting, poetry, and cultural art.

Question .

Annex 19: In the "Action Plan for the Implementation of the WTO TRIPS Agreement," the 9th row is "Development of Law on Plant Variety Protection," and the 21st row is also "Development of Law on Plant Variety Protection." It seems the same activity is repeated twice.

Answer:

Thank you for bringing the duplication in the "Action Plan for the Implementation of the WTO TRIPS Agreement" to our attention. We appreciate your diligence in spotting this error, as it helps us ensure the accuracy and integrity of our documentation. To rectify this issue, we will address the duplication by consolidating the two rows into a single entry.
