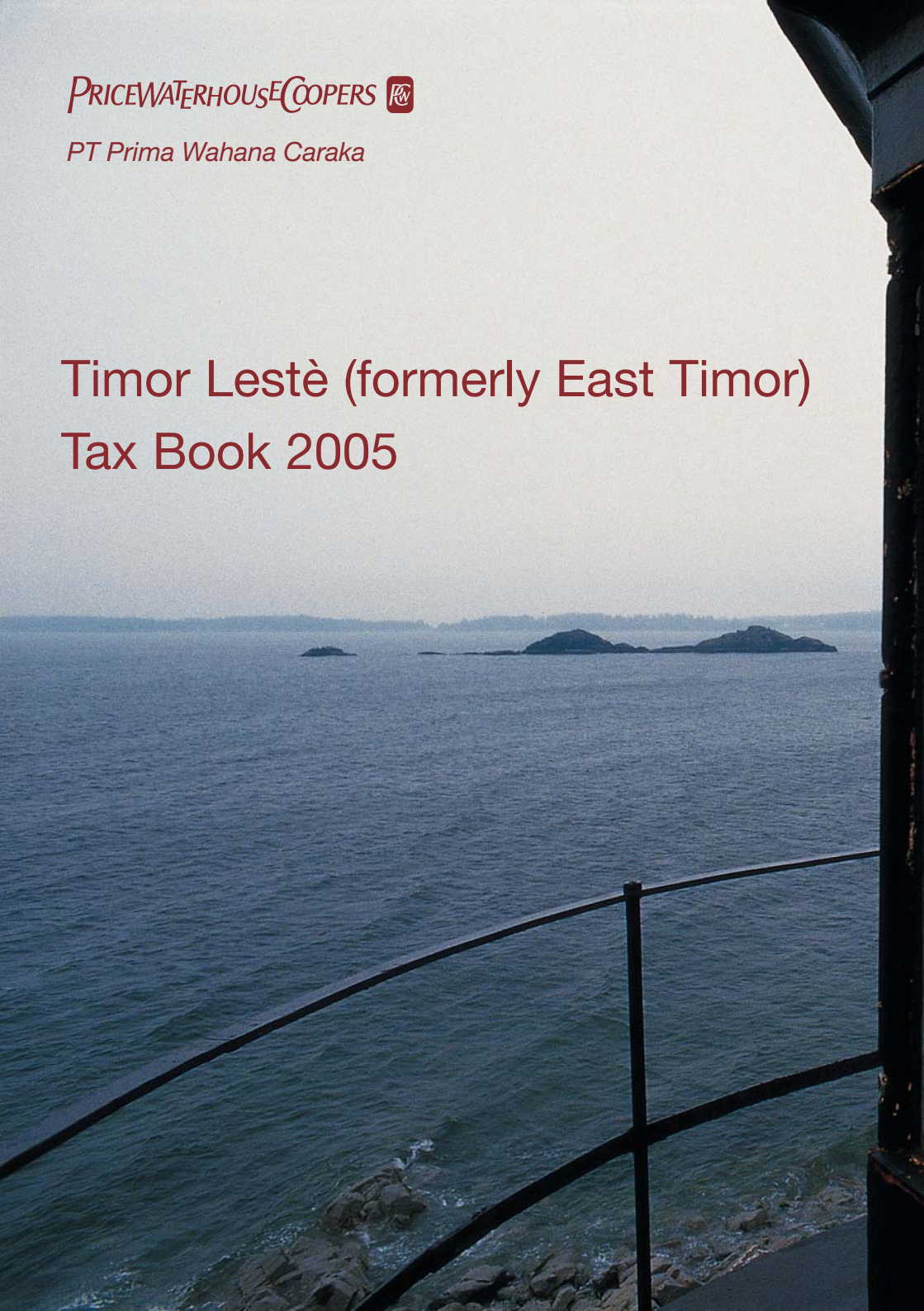


PRICEWATERHOUSECOOPERS 

PT Prima Wahana Caraka

Timor Lestè (formerly East Timor) Tax Book 2005





PT Prima Wahana Caraka

Timor Lestè (formerly East Timor) Tax Book 2005

A SUMMARY OF TIMOR LESTÈ TAXATION

The information in this booklet is based on current taxation rules and practices including legislative proposals and measures as at 1 July 2005.

**This booklet is intended as a general guide and not as specific advice to any party.
Where specific transactions are being contemplated, definitive advice should be sought.**

©2005 PricewaterhouseCoopers. All rights reserved. PricewaterhouseCoopers refers to the network of member firms of PricewaterhouseCoopers International Limited, each of which is a separate and independent legal entity.

Design: M&C Dept. - PwC Jakarta

CONTENT

OVERVIEW	6
Political Background	6
Investment Overview	7
 PART A – OUTSIDE THE JPDA	 9
 INCOME TAX	 10
General/Transitional	10
Scope of Taxation	11
Residency and Source	11
Rates of Tax	12
Collection of Tax (including 1% minimum tax)	12
Business Profits	13
Calculation of Taxable Income	13
Allowable Deductions	13
Non-Allowable or Conditional Deductions	14
Losses	15
Transfer Pricing	15
Administration	15
 WITHHOLDING TAXES	 15
General/Transitional	15
Payments	16
Administration	18
 SERVICES TAX	 18
General	18
Rates of Tax	18
Administration	19
 EXCISE TAX	 19
General	19
Rates of Tax	19
Basis of Taxation	20
Administration	20
 IMPORT/EXPORT DUTY	 20

General	20
WAGE INCOME TAX (“WIT”)	21
General/Transitional	21
Scope of Taxation	21
Deductions	21
WIT Rates	22
Administration	22
FISCAL ADMINISTRATION	22
General	22
Registration	23
Assessments	23
Books and Records	24
Rulings	24
Appeals	24
DOUBLE TAXATION AGREEMENTS	24
INTERNATIONAL AGREEMENTS	25
PART B - JPDA RULES	27
BACKGROUND	28
Legislative/Political	28
INCOME TAX	30
General/Transitional	30
Uniformity Principle	30
Scope of Taxation	32
Residency and Source	32
Rates of Tax	32
Collection of Tax	33
Business Profits	33
Calculation of Taxable Income	33
Allowable Deductions	34
Non-Allowable or Conditional Deductions	35
Losses	35
Transfer Pricing	35
Administration	36
WITHHOLDING TAXES	36

General	36
Payments/Rates (pre-ToBUCA)	36
Administration	40
VALUE ADDED TAX	40
TAXATION OF BAYU-UNDAN CONCTRACTORS ACT (TOBUCA)	41
Summary of Changes	41
New Withholding Tax Rates	42
NEW LEGAL REGIME FOR THE TIMOR LESTÈ PETROLEUM ACTIVITIES	43
DEVELOPMENT OF THE GREATER SUNRISE FIELD	44
Appendix A	45
REGULATIONS/DOCUMENTS OF RELEVANCE (NON- JPDA)	45
General	45
Income Tax	45
Wage Income Tax	45
Service Tax	46
Withholding Tax	46
Appendix B	47
COMPARISON TIMOR GAP & TIMOR SEA TREATIES-MAJOR COMPONENTS	47

OVERVIEW

Political Background

From a taxation point of view, Timor Lestè (formerly known as East Timor) fell under the umbrella of Indonesia's tax regime from 1975. On 30 August 1999, Timor Lestè elected to "begin a process of transition towards independence". On 25 October 1999, the United Nations' Security Council issued Resolution 1272 pursuant to which effective authority for the administrative of Timor Lestè was transferred to the "United Nations' Transitional Administration in East Timor" ("UNTAET"), headed by "the Special Representative of the Secretary General". This transfer included all legislative, judicial and executive authority.

On 27 November 1999, UNTAET issued Regulation 1999/1. Regulation 1999/1 provided that all laws applying in East Timor prior to 25 October 1999 shall continue to apply, until they are replaced by UNTAET or subsequently established democratic institutions. Regulation 1999/1 had application from 25 October 1999.

On 8 March 2000, UNTAET issued Regulation 2000/12 entitled a "Provisional Tax and Customs' Regime for East Timor". Regulation 2000/12 was transitional in nature and levied an excise on the import, domestic production and the export of certain goods. Regulation 2000/12 had application from 8 March 2000.

On 20 December 2000, UNTAET issued Regulation 2000/18 entitled "A Revenue System for East Timor". Regulation 2000/18 (as amended most recently by the Revenue System Amendment Act 2002) provides the basis for the current taxation regime and much of the information outlined in this booklet (other than for the area covered by the Timor Sea treaty-see Part B). Particularly in regard to Income Tax, Regulation 2000/18 largely adopts the Indonesian Income Tax Law with specified modifications. Regulation 2000/18, has general application from 1 July 2000, although certain Income Tax amendments apply from 25 October 1999.

On 30 August 2001, elections for Timor Lestè's first "Constituent Assembly" took place. Fretelin won 55 of the 85 available seats. On 14 April 2002, elections for East Timor's first President took place. Xanana Gusmao was elected with an 85% majority.

On 20 May 2002, President Gusmao was sworn in. Full administrative authority passed from the UNTAET to the newly established Timor Leste Government. On the same day, a new Timor Seas treaty was agreed between East Timor and Australia. The treaty was however subject to ratification.

On 2 April 2003, ratification of the Timor Sea treaty was completed by the Australian Government. Notwithstanding this, the general date of operation of the treaty continues to be 20 May 2002.

On 6 June 2003, the Timor Leste Government passed into law the Taxation of Bayu-Undan Contractors Act ("ToBUCA") and the Timor Sea Petroleum Development (Tax Stability) Act. The ToBUCA relates to the taxation of petroleum contractors operating in the Bayu-Undan project in Production Sharing Contracts (PSCs) JPDA 03-12 and JPDA 03-13. Subcontractors providing goods or services directly or indirectly to contractors in respect of these PSCs are also covered by the ToBUCA.

Investment Overview

The official currency of Timor Leste is the US dollar. All accounting and tax related obligations are determined in this currency.



PART A – OUTSIDE THE JPDA

INCOME TAX

General/Transitional

Until 24 October 1999, Timor Lestè's Income Tax rules were those applying in Indonesia. From 25 October 1999 Regulation 2000/18 applies. Subject to a limited number of specific modifications (outlined below), Regulation 2000/18 adopts the Indonesian tax rules.

In summary, Timor Lestè's Income Tax rules currently provide for:

- i) a top corporate tax rate of 30%, as applied to taxable income (although certain income is "final taxed" on a withholding basis-see below);
- ii) taxable income calculated according to normal accounting principles as modified by certain tax adjustments;
- iii) internationally familiar concepts of residency and source;
- iv) an extensive collection of cross-border and domestic withholding taxes;
- v) with effect from the 2002 tax year, a "minimum" level of Income Tax liability equal to 1% of turnover.

Modifications Timor Lestè has made to Indonesia's Income Tax Law include:

- i) an exclusion for "wages" received or accrued after 31 December 2000 (note: wages are thereafter taxed under a separate Wage Income Tax);
- ii) an exclusion for all income derived between 25 October to 31 December 1999;
- iii) an exclusion of \$20k in taxable income for the 2000 tax year;
- iv) the removal of the Rp1m "fiscal departure tax" with effect from 25 October 1999;
- v) the deeming of the entitlement to tax credits or refunds that existed as at 25 October 1999, to be nil on that date;
- vi) the deeming of tax losses to be nil as at 31 December 1999;
- vii) the cancellation of any concessions or facilitations which have the effect of reducing a tax liability with effect from 31 December 2000;

- viii) the creation of a quarterly corporate tax installment regime for taxpayers with turnover of US\$1m or less (but see the 1% minimum tax liability from 2002);
- ix) an exclusion from application in the territory covered by the “Timor Gap” (now “Timor Sea” treaty) arrangements;
- x) special arrangements for income earned on the export of coffee beans after 19 March 2000 (final taxed at 5% of export value until 31 May 2001. Exports after 31 May 2001 are exempt).

Scope of Taxation

Timor Lestè’s Income Tax seeks to tax business profits and “designated passive” income. Business profits can include capital gains. Passive income includes interest, royalty, rental and dividend income (although see comments on Withholding Tax below). Employment related income is not however, subject to Income Tax (although see the separate Wage Income Tax).

Various taxpayer “entities” are recognised including companies, partnerships and individuals. There is an internationally recognisable, and extensive permanent establishment (“PE”) definition. There are also “force of attraction” principles requiring the aggregation of PE and non-PE activities.

Residency and Source

For non-individuals, a Timor Lestè resident includes a “body established or domiciled in Timor Lestè”. A body includes a limited company, limited partnership, state owned enterprise and “other forms of business”.

For individuals, a resident includes a person “residing in Timor Lestè or being present in Timor Lestè, for more than 182 days in a calendar year”.

Timor Lestè residents are taxable on world-wide income/profits while non-residents are taxable on Timor Lestè sourced income/profits only. Residents earning foreign sourced profits and income can receive credits for foreign taxes suffered.

Rates of Tax

The standard Income Tax rates for resident companies is 30%. The rates for resident individuals are as follows:

	Annual Taxable Income	Rate	Tax
	US\$		US\$
on the first	3,368	10%	337
on the next	3,368	15%	505
over	6,737	30%	-

However, a significant number of business activities will be subject to a “final” tax withheld by the payer (see Withholding Taxes below). Individuals receiving remuneration financed out of the UN “Trust Fund for East Timor” may also be entitled to an Income Tax (or WIT-see below) exemption of that income.

Collection of Tax (including 1% minimum tax)

Most tax resident companies, businesses and PEs are required to pay monthly or quarterly instalments of Income Tax equal to 1% of turnover.

Based on the self-assessment system, when submitting an annual tax return, taxpayers have to pay the amount of tax calculated in the annual tax return to the extent this amount exceeds tax instalments paid during the year, tax withheld by third parties, tax paid on imports and tax paid or due overseas on income obtained overseas.

With effect from 1 January 2002 however, all taxpayers will have a minimum Income Tax liability equal to 1% of turnover of the year in question. This liability will apply irrespective of whether a liability would otherwise exist (i.e. irrespective of whether the taxpayer is in loss). Turnover for these purposes will not include any turnover subject to a “final” withholding tax.

Tax on the income of resident taxpayers subject to final tax is generally collected by designated withholders, and the associated income is excluded from the annual corporate tax return.

Business Profits

Taxable business profits are generally computed on an accrual basis. Under the accruals regime, income is assessable when “receivable” while expenses are deductible when “payable”. A taxpayer with turnover of less than \$100,000 may however, elect to pay tax on a cash basis.

Calculation of Taxable Income

For Timor Lestè residents, taxable income is essentially the difference between total revenue, whether domestic or foreign sourced, and “allowable expenses” paid or incurred to carry on the business.

Income is defined widely to mean “any increase in economic capacity received or accrued”. Specifically it includes:

- i) profits from business;
- ii) gains from the sale or transfer of property;
- iii) refunds of deductible tax payments;
- iv) interest, premiums, discounts and compensation from loan repayments guarantees;
- v) dividends;
- vi) royalties;
- vii) rent;
- viii) gains from the cancellation of indebtedness;
- ix) gains from the fluctuation in foreign currencies;
- x) gains from the revaluation of property;
- xi) insurance premiums.

Allowable Deductions

Timor Lestè’s tax rules contain a general deductibility provision under which all expenditure first falls for consideration as a deduction. Any expenditure satisfying the general criteria will be fully deductible in that year unless specific provisions apply. Such expenditure specially includes:

- i) losses suffered on the sale of property;
- ii) losses arising from fluctuations in foreign exchange;

- iii) expenditure on tangible property with a useful life of more than 1 year – depreciable at designated rates as follows:

Items (useful life)	Depreciation rate	
	Straight line	Dim. value
Buildings – permanent	5%	N/A
Buildings – non-permanent	10%	N/A
Property (4 years)	25%	50%
Property (5-8 years)	12.5%	25%
Property (9 years +)	6.25%	12.5%

- iv) expenditure on intangible property (including pre-operating costs) with a useful life of more than 1 year-amortizable at designated rates as follows:

Items (useful life)	Straight line depreciation rate
Property (4 years)	25%
Property (5-8 years)	12.5%
Property (9-16 years)	6.25%
Property (17 years +)	5%

- v) interest paid by a Timor Lestè company (other than a bank) to the extent the interest does not exceed the sum of interest income and half of the net non-interest income.

Non-Allowable or Conditional Deductions

These include:

- i) payments, including for wages, are not deductible until any relevant withholding tax is remitted. (see Withholding Taxes and Wage Income Tax sections below);
- ii) private expenses;
- iii) non-business gifts and aid;

- iv) provisions/reserves, except for provisions for doubtful debts of banks which satisfy Regulation 2000/8;
- v) Income Tax payments;
- vi) penalties, fines etc.;
- vii) expenses relating to income taxed on a “final-taxed” basis (see Withholding Taxes section below);

Losses

Taxpayers may carry forward their losses for five years. The carry-back of losses is not permitted. There is no provision for any form of consolidated filing or group loss relief. Note also that losses in existence at 31 December 1999 are deemed to be nil.

Transfer Pricing

The Income Tax Law provides wide powers for the Timor Leste authorities to redistribute income and deductions between parties under “a special relationship”. Special Relationship will exist at a relatively low 20% level.

Administration

Income Tax returns are to be filed annually by the 15th of the third month following year end. The standard tax year is the calendar year although different accounting year-ends can be granted upon application. The tax is also due by the 15th day of the third month.

WITHHOLDING TAXES

General/Transitional

Until 24 October 1999, the withholding tax rules were as set out in Indonesia’s Income Tax Law. For the period 25 October to 31 December 1999 all income was exempt from Income Tax meaning no withholding obligation existed. Effective 1 January to 31 December 2000 all withholding tax rates were reduced to zero. The income was still however subject to tax in the hands of the recipient at the standard tax rates (maximum of 30%).

From 1 January 2001 onwards withholding tax applies at rates ranging between 2% and 15% for residents, and 20% for non-residents. For the

period up to 1 July 2002, the tax withheld, in all cases, constitutes a final tax. For the period after 30 June 2002, tax withheld on dividends, interest, royalties and rent paid to Timor Leste residents or permanent establishments, is non-final. (Note, in all cases, withholding tax is not a separate tax. It is merely a withholding obligation in relation to Income Tax).

Payments

Regulation 2000/18 contains a raft of withholding obligations for certain income payments. Of importance is that the obligations only apply to payments made by residents. The withheld tax also constitutes a final tax when withheld in respect of non-residents and, generally, in respect of residents.

Some of the payments caught, from 1 January 2001, are as follows:

	Rate	Final Tax
Interest, Dividends and Royalties		
Payments by any resident to:		
- any resident	15%	N*
- any non-resident	20%	Y
Rent (Land & Buildings)		
Payments by any resident to:		
- any resident	10%	N*
- any non-resident	20%	Y
Rent/Leasing (Moveable Prop.)		
Payments by any resident to:		
- any resident	0%	N/A
- any non-resident	20%	Y

	Rate	Final Tax
Construction/Building Activities		
Payments by any resident to:		
- any resident	2%	Y
- any non-resident	20%	Y
Construction/Project Management/Engineering Services etc.		
Payments by any resident to:		
- any resident	4%	Y
- any non-resident	20%	Y
Air or Sea Transportation		
Payments by any resident to:		
- any resident	2.64%	Y
- any non-resident	20%	Y
Petroleum/Geothermal Drilling Services etc.		
Payments by any resident to:		
- any resident	4.5%	Y
- any non-resident	20%	Y
Mining & Mining Services		
Payments by any resident to:		
- any resident	4.5%	Y
- any non-resident	20%	Y
Miscellaneous Services		
Payments by any resident to:		
- any resident	0%	N/A
- any non-resident	20%	Y

* final up to 30 June 2002

Administration

Withheld Income Tax is required to be remitted and reported (in a monthly return) by the income payer on a monthly basis, by the 15th day of the succeeding month. There is no annual return or reconciliation for withholding taxes.

SERVICES TAX

General

Services Tax is imposed on the gross consideration received for the provision of a designated service after 30 June 2000.

Gross consideration includes all amounts received for the designated service, including by associates, and all amounts received in respect of any other service or good to the extent the cost of the designated service is equivalently reduced.

Rates of Tax

Designated services, and the Services Tax rates, are as follow:

Service	Service Tax Rate **
hotel services;	0% or 12%
restaurant and bar services*;	0% or 12%
telecommunication services;	0% or 12%
rental services of cars, trucks and similar motorized land vehicles, helicopters, airplanes and sea going vessels.	0% or 12%

* special rules for period 1 July to 31 December 2000

** 12% rate (10% before 1 July 2002) applies where monthly turnover ≥ US\$500

Note, services covered by the Timor Sea treaty are not subject to Services Tax.

Administration

Providers of designated services must complete a monthly return and make monthly remittances. The returns and remittances are due by the 15th day of the succeeding month.

EXCISE TAX

General

Excise Tax is imposed on the import or domestic production (but not both) of certain goods on or after 20 March 2000.

Rates of Tax

The list of goods subject to Excise Tax is extensive. Selected goods and rates of Excise Tax are as follows:

Goods	Rate*
Confectionery, fruit juices, ice creams	12% of excise value
Soft drinks, flavoured water	\$65¢ per litre
Tobacco and tobacco products	\$19 per kg
Gasoline, diesel & other products	\$6¢ per litre
Beer, wines, other alcohol	\$1.90 to \$8.90 per litre
Make-up, shampoos, toiletries	12% of excise value
White goods, electrical goods	12% of excise value
Mobile phones/TVs	12% of excise value
Motor cars	36% of excise value, or \$500, whichever is higher
Motorcycles	12% of excise value
Arms/ammunition	120% of excise value

* covers new rates applying from 1 July 2002

Basis of Taxation

For imported goods the taxpayer is the importer. For goods produced domestically, the taxpayer is the producer. A good is considered produced at the earlier of the time it is available for sale/consumption, or is actually sold.

Goods are exempt from Excise Tax if they exported from East Timor within 28 days of production and exempt from Import Duty, or relate to the Timor Sea Treaty.

Administration

For imports, Excise Tax is payable at the time of import. For domestic production the taxpayer must complete a monthly return and make monthly remittances. The returns and remittances are due by the 15th day of the succeeding month.

IMPORT/EXPORT DUTY

General

Import Duty is imposed on the import of certain goods on or after 20 March 2000.

At the time of writing all imported goods were subject to Import Duty at the rate of 6% of the customs' value (from 1 July 2002). Customs' value is the fair market CIF value per GATT rules.

Liability to Import Duty rests with the importer. There are a number of exemptions including for goods:

- which accompany an individual upon arrival into Timor Leste (limits apply);
- being re-imported after export;
- imported on a temporary basis;
- constituting certain infant and female hygiene products;
- which fall under the Timor Sea Treaty.

WAGE INCOME TAX (“WIT”)

General/Transitional

For the period 25 October to 31 December 1999, employment related income was exempt from all taxes. Effective 1 January to 31 December 2000, the salary related withholding tax rate was reduced to zero although the income was still taxable directly at the top Income Tax rate of 30%. For wages received on or after 1 January 2001 WIT, rather than Income Tax, is imposed.

WIT applies to both cash salary and “fringe benefits” i.e. both constitute “taxable wages” and are taxable to the employee.

Scope of Taxation

WIT is due on wages paid to a person who is “in employment in Timor Lestè”. This captures the provision of personal services in Timor Lestè. WIT therefore extends to employment related remuneration only, as opposed to general personal income per se. Genuine consulting income is also excluded (although such income will be subject to Income Tax). There are rules that enable the authorities to deem certain consultants to be employees.

Taxable wages constitute “wages” less exempt wages and less certain allowances (currently none). Wages means any reward for personal services including:-

- salary, leave, overtime, commissions, bonuses;
- directors fees;
- gifts;
- allowances;
- severance payments;
- reimbursements;
- waivers.

Deductions

No deductions appear to be available. However, from 1 July 2002, a \$10 WIT credit is available for each employee.

WIT Rates

An employee is not required to register and obtain a tax identification number. However, an employee may voluntarily register so as to reduce the relevant WIT rate (and this may be expected in the future in any case).

Where the employee is a resident and has been appropriately registered, WIT (from 1 July 2002) is due as follows:

Monthly Salary (US\$)	Rate
0 – 550	10%
Over 550	30%

The rate for appropriately registered non-resident employees is a flat 20%. Where the employee is not registered the rate is a flat 30%.

In all cases, WIT is withheld and remitted by the employer. Where WIT has been correctly withheld, no further WIT is due on those wages.

Administration

Employers are required to withhold WIT from wages. Employers must also complete monthly returns and remittances. The monthly returns and remittances are due by the 15th day of the succeeding month. An annual return is due by the last day of February following the end of the tax year. Information on tax withheld must also be provided to each employee on an annual basis or on termination of employment.

FISCAL ADMINISTRATION

General

Pursuant to Resolution 1272 of 25 October 1999, UNTAET was established with overall administrative responsibility. Pursuant to UNTAET Regulation 2000/1, UNTAET established the “Central Fiscal Authority” (“CFA”). The CFA is responsible for:

- i) the overall financial budget;
- ii) the overall fiscal strategy;
- iii) the establishment of the “Timor Leste Revenue Service” (“TLRS”).

The TLRS is headed by a Commissioner. The Commissioner's obligations include enforcement of Regulations in relation to the collection of taxes, duties & fees. This may be delegated.

Registration

Most persons liable to tax are required to obtain a unique tax identification number. Note, this obligation does not extend to individuals deriving income only from employment activities (although see earlier comments on WIT and voluntary registration). A register of the tax identification numbers is maintained by the Commissioner.

Assessments

Assessments may occur as follows:

- i) upon the delivery of a tax return form and payment;
- ii) after receipt of a return where the Commissioner believes a return is incorrect;
- iii) where a taxpayer fails to file a return.

Assessments may be amended:

- i) by the taxpayer upon delivery to the Commissioner of an amended assessment;
- ii) via a taxpayer request to the Commissioner;
- iii) via specific amendment by the Commissioner.

Amendments resulting in tax refunds are to be applied first against any other taxes. Interest is to be paid. The Commissioner has 5 years from the date the return was due to assess or amend. However, if deliberate evasion or fraud is involved there is no time limit.

Where tax is not paid on time the Commissioner may take action in the Courts. Unpaid tax also creates a lien over taxpayer property. This can extend to property controlled by an agent or partners. Directors may be exposed if they caused the company not to pay.

Books and Records

Taxpayers are required to create records showing the calculation of their tax liability. The records must be kept in an official language, and for a period of 5 years after the relevant tax year.

The Commissioner has wide powers to review, make copies, seize or retain such records. The Commissioner also has powers allowing for the collection of information in regard to the taxpayer's affairs from third parties.

Rulings

The Commissioner is entitled to issue rulings on the Commissioner's interpretation of the law. The rulings are binding on the Commissioner.

The Commissioner is entitled to issue a private ruling to a particular taxpayer. A private ruling is also binding on the Commissioner.

Appeals

It is intended that the Commissioner will establish an Appeals Office within the TLRS. Taxpayers may then make appeals to the Appeals Office within 60 days of the date of receipt of the assessment in dispute. A decision of the Appeals Office is binding on the Commissioner.

Taxpayers may appeal a decision of the Appeals Office to the Board of Trade and Customs within 60 days of receiving the notice of decision.

The commencement of action in the Appeals Office or the Board of Trade and Customs does not extinguish a liability to pay the tax in dispute.

DOUBLE TAXATION AGREEMENTS

At the time of writing, Timor Lestè had not negotiated any double taxation agreements.

There is a question as to whether Timor Lestè effectively adopted Indonesia's tax treaties from 25 October 1999. While this remains unclear, Regulation 2001/6 removed any possible application with effect from 1 July 2001.

INTERNATIONAL AGREEMENTS

At the time of writing Timor Lestè had not entered into any Investment Promotion and Trade Agreements.



PART B –JPDA RULES

BACKGROUND

Legislative/Political

The Timor Sea area has been known to be rich in hydrocarbon deposits for many years. Rights in regard to the exploration and exploitation of these hydrocarbons have been the subject of contention between Australia and, depending upon the era, Indonesia, Timor Lestè or even Portugal, as the case may be. The contention has largely related to the delineation of the seabed boundary between Australia to the South and the relevant state to the North.

An initial treaty was concluded between Australia and Indonesia in 1972. However the legality of this treaty was challenged at the time, particularly by Portugal who had issued competing exploration permits.

In 1989 Australia and Indonesia agreed to jointly share in the exploitation of the disputed geographical area known as Zone A (i.e. “Zone of Cooperation – A” or “ZOCA”). The so-called Timor Gap treaty was thereby signed on 11 December 1989 and became operative from 9 February 1991. Essentially, the Timor Gap treaty provided as follows:

- i) that “ZOCA” shall fall under the joint control of both Indonesia and Australia with equal sharing in the associated petroleum resources. This control was exercised by a “Joint Authority” containing representation from both countries;
- ii) that exploration and exploitation activities in ZOCA was to be carried out pursuant to “production sharing contracts” (“PSC”) entered into between the Joint Authority and the oil company in question;
- iii) that ZOCA should be considered to be within the taxation jurisdictions of both Indonesia and Australia;
- iv) that the business profits or losses of an entity carrying on business in ZOCA shall be taxable in both Indonesia and Australia, after being reduced by 50%. This effectively means that the respective tax rates of Indonesia and Australia were halved;
- v) that the remuneration income of an individual resident in Indonesia or Australia, arising from activities in ZOCA, shall be taxable only in the country of residence. Remuneration of third country nationals was taxable in both Indonesia and Australia with an entitlement to a 50% rebate in each country.

With the formal transfer of administration of Timor Lestè to the UNTAET on 25 October 1999 an exchange of notes took place between the UNTAET and Australia on 10 February 2000. Under the notes, the UNTAET assumed all rights and obligations under the Timor Gap treaty on behalf of Timor Lestè, but only until the date of Timor Lestè's full independence.

On 20 May 2002, full administrative authority for Timor Lestè passed from the UNTAET to the new Timor Lestè Government. On the same day, representatives of the Governments of Timor Lestè and Australia entered into the Timor Sea Treaty (as a successor to the Timor Gap treaty). Ratification on this treaty was completed by both Governments on 2 April 2003. However, the Timor Sea Treaty is effectively operative from 20 May 2002 onwards and provides as follows:

- i) that the "Joint Petroleum Development Area" ("JPDA"), formerly known as ZOCA, falls under the joint control and management of Timor Lestè and Australia. For the first three years, this should be exercised by a "designated authority";
- ii) that the JPDA includes all of the reserves constituting the Bayu-Undan field. However, the JPDA covers only 20.1% of the reserves making up the Greater Sunrise field;
- iii) that petroleum activities, covering exploration, development, processing, transportation and marketing of hydrocarbons, are to be carried out pursuant to a contract between the designated authority and the oil company in question;
- iv) that the JPDA is considered to be within the taxation jurisdiction of both Timor Lestè and Australia;
- v) that the business profits or losses of an entity carrying on business in the JPDA are reduced by the "reduction percentage". For Timor Lestè the reduction percentage is 10% while for Australia it is 90%. This effectively means that the tax rates in Timor Lestè and Australia are at 90% and 10% of their normal levels;
- vi) that the remuneration income of an individual resident in Timor Lestè or Australia arising from activities in the JPDA is taxable in both Timor Lestè and Australia, subject to the 10%/90% reduction percentage.

On 3 June 2003, Timor Lestè passed the "Taxation of Bayu-Undan Contractors Act" ("ToBUCA"). ToBUCA outlined a number of (generally) concessional tax arrangements for activities relating to JPDA PSCs 91-12 and 91-13. These included reductions and exemptions in a number of (25 October 1999) taxes, as well as certain special rules in regard to the

calculation of taxable income. These changes were effective from 1 January 2002 (and are discussed in more detail below).

Separately, the Timor Lestè authorities have recently circulated drafts of a number of new petroleum related laws including:-

- i) the Petroleum Fund Act;
- ii) the Timor Lestè Petroleum Law; and
- iii) the Timor Lestè Petroleum Taxation Law.

At the time of writing, these new laws were yet to be promulgated. Draft versions of the Petroleum Taxation Law indicate that it may apply throughout Timor Lestè, including in the JPDA (but other than for the Bayu-Undan and Greater Sunrise projects). Draft versions indicate that special rules will be introduced in regard to the calculation of taxable income.

INCOME TAX

General/Transitional

Regulation 2000/18 (see Part A of this booklet) has no application to activities carried out in the territory constituting the JPDA (at least in regard to Income Tax). On this basis, Timor Lestè's Income Tax rules applying to activities carried out in the JPDA consist entirely of Indonesia's Income Tax rules as at 25 October 1999 (i.e. without the modifications mentioned in Part A of this booklet and the tax changes introduced by ToBUCA – where relevant). These changes are discussed in further detail below.

In summary, Timor Lestè's Income Tax rules currently provide for:

- i) a top corporate tax rate of 30%, as applied to taxable income (although certain income is “final taxed” on a withholding basis-see below);
- ii) taxable income calculated according to normal accounting principles as modified by certain tax adjustments;
- iii) internationally familiar concepts of residency and source;
- iv) an extensive collection of cross-border and domestic withholding taxes.

Uniformity Principle

PSC activities in Indonesia (which should set precedence for Timor Lestè) have traditionally been taxed solely according to the “uniformity principle”

(i.e. the principle that cost recoverable and tax deductible expenditure should be identical). In this regard, and from the Indonesian experience, cost recovery has been limited to exploration, development and production related spending as formally approved for cost recovery purposes by the relevant Government Agency (BP Migas but formerly Pertamina).

A historical perspective on Indonesia's uniformity principle is worth noting. From the early 1960's, contractors in Indonesia were entitled to take their share of production on a "net of tax" basis. In the late 1970's this was changed to a "gross of tax" basis, to accommodate US foreign tax credit rules. This change led to a calculation of taxable income being necessary and an actual payment of Income Tax by the contractors.

However, the change from a "net of tax" to a "gross of tax" sharing basis was not meant to disturb the desired after-tax take. It therefore became necessary to adopt the "uniformity principle" in relation to the calculation of taxable income, so that the treatment of income and expenditure items for cost recovery and tax deductibility purposes became identical.

Uniformity therefore meant that tax deductibility followed the rules of cost recovery as set out in the relevant PSC (usually included as Exhibit C to the PSC), rather than the rules set out in the actual Indonesian Income Tax Law (i.e. uniformity is arguably contrary to the Income Tax Law in many respects). Uniformity also meant that the Income Tax rate was set for the life of the PSC, and so continues to apply irrespective of any changes in that rate under the general tax law.

Uniformity therefore, whilst well established for Indonesian PSC entities, is however, an ad-hoc arrangement that emerged from Indonesia's enforced shift from a net-of-tax, to a gross-of-tax production sharing formula in the late 1970s. Uniformity is also technically contrary to the Income Tax law itself, and only loosely set out in a number of Ministry level regulations.

It is not clear, at this stage, how closely the Timor Lestè authorities will seek to follow uniformity for the determination of taxable income for Timor Lestè PSC entities. Current indications are that the taxable income of Timor Lestè PSC entities will likely be determined with respect to specific tax rules and so uniformity will largely not be applied. The discussions below follows this assumption. However, PSC entities should seek specific advice on this point noting the many modifications that are already being made to the transitional Indonesian Income Tax rules (see ToBUCA, etc. below).

Scope of Taxation

Timor Lestè's Income Tax seeks to tax business profits and "designated passive" income. Business profits can include capital gains. Passive income includes interest, royalty, rental and dividend income (although see comments on Withholding Tax below). Employment related income is also subject to Income Tax (i.e. not the separate Wage Income Tax as set out in Part A of this booklet).

Various taxpayer "entities" are recognised including companies, partnerships and individuals. There is an internationally recognisable, and extensive permanent establishment ("PE") definition. There are also "force of attraction" principles requiring the aggregation of PE and non-PE activities.

Residency and Source

For non-individuals, an Timor Lestè resident includes a "body established or domiciled in Timor Lestè". A body includes a limited company, limited partnership, state owned enterprise and "other forms of business".

At this point in time however it is likely that all JPDA activities will be being performed by non-Timor Lestè incorporated entities. Timor Lestè's major taxation focus will be on a PE basis.

For individuals, a resident includes a person "residing in Timor Lestè or being present in Timor Lestè, for more than 182 days in a calendar year".

Timor Lestè residents are taxable on world-wide income/profits while non-residents are taxable on Timor Lestè sourced income/profits only. Residents earning foreign sourced profits and income can receive credits for foreign taxes suffered.

Rates of Tax

The standard income tax rates for resident companies and individuals is as follows:

	Annual Taxable Income	Rate	Tax
	US\$		US\$
on the first	3,368	10%	337
on the next	3,368	15%	505
over	6,737	30%	-

However, a significant number of business activities will be subject to a “final” tax withheld by the payer (see Withholding Taxes below).

Collection of Tax

Most tax resident companies, businesses and PEs are required to pay monthly instalments of tax. These instalments are generally calculated with reference to the most recent corporate tax return. Special calculations of instalments apply to new taxpayers, finance leasing companies, banks and state owned companies.

Based on the self-assessment system, when submitting an annual tax return, taxpayers have to pay the amount of tax calculated in the annual tax return to the extent this amount exceeds tax instalments paid during the year, tax withheld by third parties, tax paid on imports and tax paid or due overseas on income obtained overseas.

Tax on the income of resident taxpayers subject to final tax is generally collected by designated withholders, and the associated income is excluded from the annual tax return.

Business Profits

Taxable business profits are generally computed on an accruals basis. Under the accruals basis, income is assessable when “receivable” while expenses are deductible when “payable”.

Calculation of Taxable Income

For Timor Lestè PEs operating in JPDA, taxable income is essentially the difference between total revenue attainable to the PE, and “allowable expenses” paid or incurred to carry on the business. Certain income and expenditure of the PE’s head office can also be forcibly attracted to the PE.

Income is defined widely to mean “any increase in economic capacity received or accrued”. Specifically it includes:

- i) profits from business;
- ii) gains from the sale or transfer of property;
- iii) refunds of deductible tax payments;
- iv) interest, premiums, discounts and compensation from loan repayments guarantees;
- v) dividends;
- vi) royalties;
- vii) rent;
- viii) gains from the cancellation of indebtedness;
- ix) gains from the fluctuation in foreign currencies;
- x) gains from the revaluation of property;
- xi) insurance premiums.

Allowable Deductions

Timor Lestè’s tax rules contain a general deductibility provision under which all expenditure first falls for consideration as a deduction. Any expenditure satisfying the general criteria will be fully deductible in that year unless specific provisions apply. Such expenditure specially includes:

- i) losses suffered on the sale of property;
- ii) losses arising from fluctuations in foreign exchange;
- iii) expenditure on tangible property with a useful life of more than 1 year – depreciable at designated rates as follows:

Items (useful life)	Depreciation rate	
	Straight line	Dim. Value
Buildings – permanent	5%	N/A
Buildings – non-permanent	10%	N/A
Property (4 years)	25%	50%

Property (5-8 years)	12.5%	25%
Property (9-16 years)	6.25%	12.5%
Property (17 years +)	5%	10%

- iv) expenditure on intangible property (including pre-commencement costs) with a useful life of more than 1 year-amortizable at designated rates as follows:

Items (useful life)	Straight line depreciation rate
Property (4 years)	25%
Property (5-8 years)	12.5%
Property (9-16 years)	6.25%
Property (17 years +)	5%

Non-Allowable or Conditional Deductions

These include:

- i) private expenses;
- ii) non-business gifts and aid;
- iii) general provisions/reserves;
- iv) Income Tax payments;
- v) penalties, fines etc.;
- vi) expenses relating to income taxed on a “final-taxed” basis (see Withholding Taxes section below).

Losses

Taxpayers may carry forward their losses for five years. The carry-back of losses is not permitted. There is no provision for any form of consolidated filing or group loss relief.

Transfer Pricing

The Income Tax Law provides wide powers for the Timor Lestè authorities to redistribute income and deductions between parties under “a special relationship”. A Special Relationship will exist at a relatively low 25% level.

Administration

Income Tax returns are to be filed annually within 3 months of year end. The standard tax year is the calendar year although different accounting year-ends can be granted upon application. The tax is due by the 25th day of the third month.

WITHHOLDING TAXES

General

At 24 October 1999, the withholding tax rules applying in the JPDA are those as set out at Indonesia's Income Tax Law as at 24 October 1999 (with amendments for activities in the Bayu-Undan field as outlined under ToBUCA).

Payments/Rates (pre-ToBUCA)

Some of the payments caught, from 25 October 1999, are as follows:

“Article 21” Withholding Taxes (payment from resident-incl. PE, to resident)

Type	Rate* (Max.)	Final Tax (Y/N)
On salaries/wages	30%	N
Severance payments	15%	N
Pension payments	30%	N
Fees paid to independent, individual professionals	6%	N

* before JPDA reduction factor of 10%

“Article 23” Withholding Taxes (payment by resident to resident, or PE to PE)

Type	On gross amount/Est. Net Income (ENI)?	ENI percentage	WHT rate	Actual WHT rate* (% of gross amount)	WHT rate with 10% reduction percentage applied	Final Tax (Y/N)
Interest	Gross	-	15%	-	13.5%	N
Royalties	Gross	-	15%	-	13.5%	N
Drilling and support services in mining	ENI	30%	15%	4.5%	4.05%	N
Prizes and awards	Gross		15%	15.0%	13.5%	N
Rent (other than land and building)	ENI	40%	15%	6.0%	5.4%	N
Technical and management services	ENI	40%	15%	6.0%	5.4%	N
Architecture, interior, and landscape design	ENI	40%	15%	6.0%	5.4%	N
Accounting and bookkeeping	ENI	40%	15%	6.0%	5.4%	N
Timber cutting	ENI	40%	15%	6.0%	5.4%	N
Pest control and cleaning services	ENI	10%	15%	1.5%	1.35%	N
Intermediary	ENI	60%	15%	9.0%	8.1%	N
Appraisal	ENI	40%	15%	6.0%	5.6%	N
Actuary	ENI	40%	15%	6.0%	5.4%	N
Film dubbing/mixing	ENI	40%	15%	6.0%	5.4%	N
Other services which payments are borne by Government Budgets	ENI	10%	15%	1.5%	1.35%	N

* before JPDA reduction factors of 10%. May be an additional tax on branch profits if earned by a PE.

Note: WHT= withholding tax

“Article 26” Withholding Taxes (payments by resident – (incl. PE), to non-resident)

Type	On gross amount/ Est. Net Income (ENI)?	ENI percentage	WHT rate	Actual WHT rate* (% of gross amount)	WHT rate with 10% reduction percentage applied	Final Tax (Y/N)
Dividends	Gross		20%	20%	18%	Y
Interest, including premiums, discounts, and guarantee fees	Gross		20%	20%	18%	Y
Royalties	Gross		20%	20%	18%	Y
Rental and payments for the use of assets	Gross		20%	20%	18%	Y
Fees for services, work, and activities	Gross		20%	20%	18%	Y
Prizes and awards	Gross		20%	20%	18%	Y
Pension and any other periodical payments	Gross		20%	20%	18%	Y
Notional annual distribution of after-tax profits of a branch (or so-called “PE”)	Gross		20%	20%	18%	Y
Insurance premium paid by:						
- by the insured	ENI	50%	20%	10%	9%	Y
- by Indonesian insurance companies	ENI	10%	20%	2%	1.8%	Y
- by Indonesian reinsurance companies	ENI	5%	20%	1%	0.9%	Y

* before JPDA reduction factor of 10%

Specifically regulated payments of income

Type	On gross amount/ Est. Net Income (ENI)?	Rate*	WHT rate with 10% reduction percentage applied	Final Tax (Y/N)
- Payment from resident to resident:				
Rentals of land and buildings:				
- if the lessor (i.e. the owner) is a corporate taxpayer	Gross	6%	5.4%	Y
- if the lessor (i.e. the owner) is an individual taxpayer	Gross	10%	9%	Y
- if the lessor is a corporate taxpayer but the owner is an individual taxpayer	Gross	10%	9%	Y
Fees for construction and consulting services:				
- construction contracting	Gross	2%	1.8%	Y
- construction planning	Gross	4%	3.6%	Y
- construction supervision	Gross	4%	3.6%	Y
- consulting services (other than tax and legal)	Gross	4%	3.6%	Y
Payment of interest from banks	Gross	15%	13.5%	Y
Payment to shipping/airlines companies	Gross	1.2%	1.08%	Y
- Payments from resident to non-resident (incl. PE to PE)				
Payment to shipping/airlines companies	Gross	2.64%	2.376%	Y

* before JPDA reduction factors of 10%. May be an additional tax on branch profits if earned by a PE.

Administration

Withheld Income Tax is required to be remitted by the income payer on a monthly basis, by the 10th day of the succeeding month. A monthly return is required to be remitted by the 20th day of the succeeding month. There is no annual return.

VALUE ADDED TAX

Indonesia's tax law as at 25 October 1999 included a broad-based VAT levied at the rate of 10%. On the basis that Regulation 2000/18 has no application in JPDA, a 10% VAT does have application in JPDA. This is the case, notwithstanding that there is no VAT applying in Timor Leste outside of JPDA.

As the legislative framework in regard to VAT is unclear, this area needs to be approached with some caution. However, based largely on a TLRS draft discussion paper of 14 October 2001, we understand that VAT is to be administered as follows:

- a) imports of goods: - the Timor Sea treaty appears to allow Timor Leste the option to levy VAT;
- b) imports of services: - likely to be subject to VAT on a self-assessed basis, at least where dealing with "first tier" contractors (i.e. the PSC holding entity);
- c) second tier contractors:- appear not to be required to register for VAT, based upon an administrative mandate.

As the exemption from charging and paying VAT is based largely on administrative practice of the TLRS, it is recommended that all enterprises seeking to do business in the JPDA obtain an up to date VAT advice before executing binding agreements.

TAXATION OF BAYU-UNDAN CONTRACTORS ACT (TOBUCA)

Summary of Changes

ToBUCA was introduced in an attempt to provide specific tax related concessions and obligations considered necessary to help ensure the early development of the Bayu-Undan field. The underlying intention was to encourage the Bayu-Undan contractors to proceed with the gas phase of the project.

Although ToBUCA entered into force on 6 June 2003, it applies retrospectively from 1 January 2002. Summarised below is an outline of the changes. It should be noted that ToBUCA applies to contractors, and subcontractors, supplying goods or services in respect of PSCs JPDA 03-12 (excluding the Elang Kakatua Kakatua North area) and JPDA 03-13.

ToBUCA changes to 25 October 1999 Indonesia Income Tax Law	Description of Change
Taxes Covered	Income Tax (including associated withholdings), VAT, Sales Tax.
Activities Covered	Petroleum activities in relation Bayu-Undan, other than Elang Kakatua Kakatua North
Activities Exempted	Income and activities connected to the Bayu-Undan export pipeline
Branch Profits Tax	General elimination of tax on branch profit remittances for “first tier” contractors (i.e. PSC entities) and sub-contractors.
Withholding Taxes	General reduction in withholding tax rates on a wide range of service charges (see below for further detail)

**ToBUCA changes to 25
October 1999 Indonesia
Income Tax Law**

Description of Change

Additional Profit Tax	Introduction of an “Additional Profit Tax” on significant oil and gas profits.
Decommissioning Costs Reserve	Introduction of an entitlement to progressively accrue qualifying decommissioning costs. Accrual is tax deductible.
Depreciation/Amortisation	Acceleration of tax depreciation and amortization rates for Bayu-Undan assets

New Withholding Tax Rates

Summarised below are the main withholding tax rate changes arising from ToBUCA

Type of activity	Pre-ToBUCA		Post-ToBUCA		
	Actual WHT on gross amount	10% Reduction % applied rate	Post ToBUCA rate (reduction % not applied)	10% Reduction % applied	Final Tax (Y/N)
Drilling Services (by a PE)*	4.5%	4.05	1.8%	1.62%	Y
Drilling Support Services	4.5%	4.05	1.8%	1.62%	N
Construction Services	2.0%	1.8%	0.8%	0.72%	Y

Type of activity	Pre-ToBUCA		Post-ToBUCA		
	Actual WHT on gross amount	10% Reduction % applied rate	Post ToBUCA rate (reduction % not applied)	10% Reduction % applied	Final Tax (Y/N)
Construction	4.0%	3.6%	1.6%	1.44%	Y
Consulting Services					
Royalties – to residents (or PE)	15.0%	13.5%	6.0%	5.4%	N
Royalties – to non residents	20.0%	18.0%	8.0%	7.2%	Y
Shipping and Air Charter Service (by a PE)	2.64%	2.376%	0.72	0.648%	Y
Payments for (most) services to residents (or PE)	6.0%	5.4%	2.4%	2.16%	N
Payments for services to non-residents	20.0%	18.0%	8.0%	7.2%	Y

*not actually a WHT

NEW LEGAL REGIME FOR THE TIMOR LESTÈ PETROLEUM ACTIVITIES

The Timor Lestè Government is developing a set of new laws to govern the further development of petroleum resources in Timor Lestè. This will include upstream activities, both on and offshore, in Timor Lestè's exclusive political areas, as well as the JPDA and quasi-JPDA such as for Greater Sunrise field. The proposed new laws include:

- i) the Petroleum Fund Act;
- ii) the Timor Lestè Petroleum Law;
- iii) the Timor Lestè Petroleum Taxation Law; and

- iv) the Petroleum Mining Code for the JPDA subject to the Timor Sea Treaty.

In addition to these, model contracts (in form of PSCs) are being developed. At the time of writing, these proposed laws had not been promulgated.

DEVELOPMENT OF THE GREATER SUNRISE FIELD

The Sunrise and Troubadour fields (collectively known as “Greater Sunrise”) are estimated to contain some 8 tcf of gas, and 300mm barrels of condensate. Greater Sunrise straddles waters falling within the JPDA (approximately 20.1%) and waters that are claimed exclusively by both Australia and Timor Lestè.

In respect of the straddling Annex E to the Timor Sea Treaty obliged Timor Lestè and Australia to agree on an unitisation agreement for the hydrocarbon reserves contained in Greater Sunrise. The treaty also stipulated that the unitisation would be subject agreement on a permanent agreement of the seabed boundary between Timor Lestè and Australia for the area outside of the JPDA. The project itself has been delayed awaiting the resolution of these key matters.

Timor Lestè and Australia have recently been involved in prolonged negotiations on this matter. At the time of writing, press reports were indicating that an in-principle agreement had been reached. Whilst the details are yet to emerge, it seemed possible that Australia would agree to a 50:50 production sharing for the entire field, in exchange for a deferral on agreement of a permanent maritime boundary for 50 years.

REGULATIONS/DOCUMENTS OF RELEVANCE (NON- JPDA)

General

- Regulation 2000/18 of 30 June 2000 (as amended)
- Regulation 2001/16 of 21 July 2001
- Regulation 2001/17 of 21 July 2001
- Regulation 2001/18 of 21 July 2001
- Public Rulings 2001/1 to 2001/11
- Revenue System Amendment Act 2002

Income Tax

- Directive No.2001/2 of 31 March 2001
- Public Ruling 2001/6 of 14 March 2001
- Public Ruling 2001/7 of 31 March 2001
- Public Ruling 2001/18 of 31 March 2001
- 2001 Income Tax Return Form Guide
- 2002 Income Tax Return Form Guide
- 2003 Income Tax Return Form Guide
- 2004 Income Tax Return Form Guide
- UNTAET Directive No.2001/2 (as amended)

Wage Income Tax

- Public Ruling 2001/3 of 6 March 2001
- Public Ruling 2001/5 of 6 March 2001

Service Tax

- Public Ruling 2001/4 of 1 April 2001

Withholding Tax

- Guide for Landlords and Tenants

COMPARISON TIMOR GAP & TIMOR SEA TREATIES-MAJOR COMPONENTS

	Timor Gap	Timor Sea	Comments
CONTRACTING PARTIES	Aust. & Indo.	Aust. & East Timor	
TERRITORY OF COVER	ZOCA	The JDPA*	Geographical ly identical
BASIS OF CO-OPERATION	Joint Control, Equity Sharing	Join Control, Equity Sharing of: -90% to East Timor -10% to Australia	Formerly 50%/50% Indonesia/ Australia
FORMAT OF CO-OPERATION	Ministrial Council & Joint Authority	Designated Authority (for the 1 st 3 years of Timor Sea) Joint Commission Ministerial council	
BASIS OF ENGAGEMENT	PSCs	PSCs	
BASIS OF EXPLORATION	Special Mining Code	Special Mining Code (to be negotiated by Australia and Timor Lestè).	
TAXATION - general	ZOCA part of both countries Aust: Income Tax, FBT, Sales Tax Indo: Income Tax, VAT & LST	JPDA part of both countries Aust: Income Tax, FBT, Goods & Service Tax, Superannuation Guarantee Charge Timor Lestè: Income Tax, VAT & LST, Sales Tax	

	Timor Gap	Timor Seas	Comments
- business profit	50% taxable in both countries	10% taxable in Australia 90% taxable in Timor Lestè	
- employment	Aust. Resident-taxed only by Aust. Indo. Resident-taxed only by Indo. 3 rd country – 50% in both	10% taxable in Australia – all residents 90% taxable in Timor Lestè-all residents	

* including 100% of Bayu Undan field but excluding 79.9% of Greater Sunrise field

PricewaterhouseCoopers has extensive experience in advising on Timor Lestè as well as international tax matters.

This tax book has been prepared for the general information and assistance of those investing in Timor Lestè.

Tax and Investment:

Jakarta, Indonesia

Firdaus Asikin	(firdaus.asikin@id.pwc.com)
Tim Watson	(tim.robert.watson@id.pwc.com)
Ali Mardi	(ali.mardi@id.pwc.com)

Australia

David W. Young	(david.w.young@au.pwc.com), Perth
Glenn Russell	(glenn.russell@au.pwc.com), Brisbane

Audit:

Bill Deertz (william.deertz@id.pwc.com)

All based at:

Jakarta:

PricewaterhouseCoopers
Jl. HR. Rasuna Said Kav.X-7 No.6
Jakarta 12940
INDONESIA
Tel. +62 21 521 2901
Fax: +62 21 521 5050

Perth:

PricewaterhouseCoopers
QV1 250 St. Georges Terrace
Perth WA 6000
AUSTRALIA
Tel: +61 8 9238 3000
Fax: +61 8 9238 3388

Brisbane:

PricewaterhouseCoopers
Waterfront Place, Level 17
1 Eagle Street
Brisbane, QLD 4001
AUSTRALIA
Tel. +61 7 32575000
Fax: +61 7 32575999

The information in this publication is prepared for the sole use of partners, staff and selected clients. Whilst every care has been taken in the preparation of this publication, no warranty is given as to the correctness of the information it contains and no liability is accepted for any statement or opinion, nor for any error or omission. When specific problems occur in practice, it may be necessary to refer to laws and regulations and to obtain appropriate tax and other advice.

www.pwc.com/id



*connectedthinking

PRICEWATERHOUSECOOPERS 