

Starting a Business

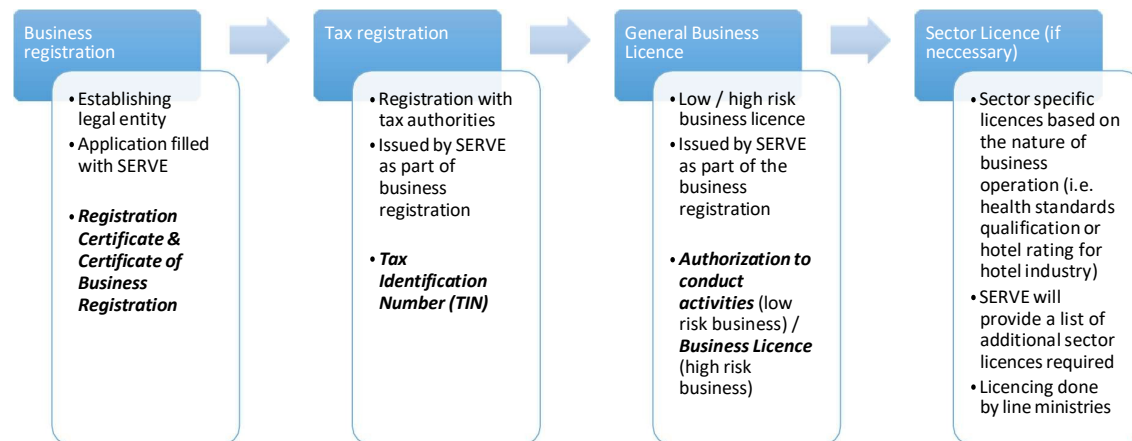
Legal Framework:

Starting a business is based on the following laws:

1. Government Law 4/2004 (Commercial Companies)
2. Government Decree Law 7/2006 (Business Registration)
3. Government Decree Law 18/2010 (Company Incorporation)

Setting Up Business:

Setting up business in Timor-Leste in general is not that complicated even though there is no one-stop- shop yet for business registration. SERVE is the Government Agency that is responsible for Business Registration and Verification.



The business registration process in Timor-Leste targets a maximum 5 processing days although it might take longer if any follow up questions rise. All registrations must be done offline (directly at SERVE's office) and there are plans for online registration in the near future. As for the company's capital, business owner are free to decide on the capital value (the minimum value of capital is USD 1).

General Required Documents for business registration (SERVE):

1. Company Profile

Contains the following information:

- Firm (Commercial Name);
- Date of Establishment;
- Office Address;
- Shareholder (S);
- Share Capital;
- Social Object (Objective);
- Administration Council / Social Organ; And
- Approval Date And Signature of The Shareholder (S).

2. Identification Card (Electoral Card; Identity Card and Passport)
3. Map of locality
4. Act of deliberation (minutes or resolution of the company)
5. Power of attorney

Once the registration process is done, companies are required to obtain a certificate of Debts (Certidao de Dividas) by confirming their registration with the Ministry of Finance, after receiving the TIN from SERVE .

The followings documents will be issued by SERVE.:

1. REGISTRATION CERTIFICATE (Certificado de Registo Comercial, CRC) - Summary of the Act of Association (AoA)
2. CERTIFICATE OF BUSINESS REGISTRATION (CBR) which indicates the company's registration number, the tax identification number (TIN)
3. AUTHORIZATION TO CONDUIT THE ACTIVITY (ACA) – refers to the Economic Activities with LOW RISKS
4. BUSINESS LICENSE (BL) – refers to the Economic Activities with high risks

The four documents are the primary documents that each company shall have with them when they have finished with the registration process at SERVE. There are some types of sectorial licenses (permits) that the investor has to obtain before they exercise their business activities. These sectorial permit may be vary depends on the nature of the business (SERVE will advise the company on what type of sectorial permit will be needed). For example, a hotel investor will be required to obtain few sectorial licenses from the pertinent Ministries such as Ministry of Tourism (hotel rating) and Ministry of Health (health standard qualification).

Types of Business entities that are available in Timor-Leste:

- *Sociedade anonima* (S.A) company with joint stock. Minimum shareholder is 3 with minimum value for share capital is USD 50.000 no maximum value.
- *Sociedade Unipessoal (Unipessoal Lda)* Enterprise or company with single shareholder with limited liability.
- *Representação Permanente (R.P)* permanent representation or foreign branch. Share capital is limited or defined with the minimum value is USD 5,000.00 no maximum value.
- *Sociedade por quotas limitada (Lda)* Company with limited liability (Lda/Ltd). Minimum Number of shareholder is 2 and maximum is 30 with minimum value for share is USD 1.
- *Sole Trader*, share capital is unlimited or undefined there is no share capital for sole trader.

Renewal of business License:

The validity of Business license may vary depends on the each of the ministries whom issued the permit. For example the environment permit might take up to 6 months to be issued. Business license renewal done by MCIA (Ministry of Commerce Industry and Environment) companies is required to get the receipt to do the payment at the Bank for the renewal purpose.

Foreign Exchange Policy in Timor-Leste

Official Currency

- The United States Dollar (USD) is the official currency of Timor-Leste for banknotes.
- Timor-Leste also issues its own coins called centavos, which circulate alongside USD notes:

Common denominations include 10, 25, 50, 100 (equivalent to USD 1), and 200 centavos (USD 2).

Currency Controls & Reporting

- There are no comprehensive foreign exchange controls, but:

Cash above USD 5,000 must be declared when importing/exporting.

Amounts exceeding USD 10,000 require prior authorization from the Central Bank of Timor-Leste.

Central Bank Role

- The Banco Central de Timor-Leste (BCTL) is responsible for implementing Timor-Leste's foreign exchange policy; supervising the financial system; managing payment systems; and promoting financial stability.

2. Financial Institutions Operating in Timor-Leste

Central Monetary Authority

- Banco Central de Timor-Leste (BCTL) – The central bank that regulates all banking and financial institutions, foreign exchange operations, and oversees monetary policy.

Commercial Banks

Commercial banks licensed to operate in Timor-Leste include:

1. [ANZ Timor-Leste](#)
 - A branch of Australia and New Zealand Banking Group (ANZ).
 - Operating since January 2001, it offers corporate, business, trade finance, international transactions, and electronic banking services to local and international clients.
2. [BNU Timor – Banco Nacional Ultramarino](#)
 - Branch of Portugal's Caixa Geral de Depósitos (BNU). Offers full commercial banking services.

3. **[Banco Nacional de Comércio de Timor-Leste \(BNCTL\)](#)**
 - State-owned bank and largest commercial bank in Timor-Leste. Provides deposit accounts, loans, electronic services, ATM network, remittances, and financial education services.
4. **[PT Bank Mandiri Dili-Timor-Leste Branch](#)**
 - Branch of Indonesia's Bank Mandiri offering basic banking, ATMs, and other retail services.
5. **[PT Bank Rakyat Indonesia \(BRI\) Timor-Leste Branch](#)**
 - Branch of Bank Rakyat Indonesia, providing banking and ATM services.
6. **[Banco do Nosso Futuro \(BNF\)](#)**
 - A newly licensed private Timorese bank with exclusively local capital, inaugurated in September 2025.
 - BNF is the first private commercial bank in Timor-Leste owned entirely by Timorese stakeholders (not state-owned).

Money Transfer Operators & Currency Exchange

In addition to the banks, there are several licensed money transfer operators and currency exchange bureaus that facilitate remittances and foreign exchange services. These fill gaps in cash movement and retail forex services.

- Money Transfer Operators (e.g., Sahabat Loro Sa'e, Island Dream Money, Pacific Holdings, etc.).
- Foreign currency exchange bureaus (e.g., Global EX, Island Dream Money Exchange, etc.) offering retail exchange services.

Insurance & Fintech

- **Insurance companies:**
 - *Sinarmas Insurance, S.A.*
 - *Federal Insurance Timor, S.A.*
 - *Sinar Mas Life Insurance, S.A.* – serving life insurance segments.
- **Fintech / Other financial institutions:** Various licensed non-bank financial and technology firms (Telemor Fintech, Tellin Digital Solution, T-Oan Fintech, etc.) are active in digital finance and mobile money services.

Relevant Authorities:

SERVE (www.serve.gov.tl)

SEFOPE (www.facebook.com/sepfope).

Please contact TradeInvest for further information and we can help you work through corporate taxation processes in Timor-Leste.

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