



Comissão Nacional de Eleições  
(CNE)

# Political Finance Legal Framework in Timor-Leste

By :

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# Introduction:

I will start, by thanking all of the organizers of this event, who, as I do believe, tried to lead and encourage all of us, present here, to focus on such a pertinent topic, so crucial in the process of building a true democracy in modern societies,.

This topic is important because seek to analyse and understand, correctly, how the democracies of today's world work are financially supported.



### **Dear Friends and colleagues,**

- The quality of any democracy is measured by the conscious and responsible practice of citizens that, according to the Constitution and laws of a State, are invited to vote. It should also be measured by that vote being faithfully interpreted and implemented by those that have been entrusted to govern by that vote. It is, importantly, the intention of the voters, not the intention of those who have the money to finance an election that is the true measure of a democracy.
- In some countries voting is compulsory, in others voting is a right. In other countries, it seems to me that with the increasing interdependence between States and Nations, there are various tendencies that may work towards this requirement being abandoned.
- I want to underline that it has been through the great struggles to defend the rights of citizens, the great struggles of ordinary men and women that has forced many tyrants to adapt to the evolution of democracy. One of the enduring and great characteristics of democracy has been to grant to all citizens the benefit of the proposition that political power resides in the people and it is to be exercised in accordance with their wishes and in accordance with the law.

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- These standards have been formally adopted by democratic States that is by the States governed by the Rule of Law, by the Popular States. Throughout the last century's slavery, dictatorships, and many other forms of oppression have been toppled. State's that in the past denied to their citizens political rights, may be now move into a new path. . It has been these standards that have partially shook the pillars of new regimes that, rhetorically advocated democracy and the vote, but continued to maintain in a 'hidden' way the various anti-democratic, fascist or dictatorial characteristics of their regimes.
- With the birth of political parties, pluralist or multi-party democracy have developed. Parties have become the last and the only real and effective vehicles to achieve powering democratic societies. And the competition of elections have become the measure of classification of legitimacy as to whether this or that government is one elected by the people or not, whether it is democratic and constitutional or not.
- However, the nature of the regimes has changed little. Only in a few or rare instances can we really say that political parties and the government's they might compose is the true expression of citizens. In many instances, given the absence of the State and of militants themselves financing their own political parties, political power has becomes something that is open to capture and becoming a vehicle of the interest groups that finance them. The people may vote, but the material reality is that those who benefit from party, governmental and state policies are the large "conglomerates" with the money to purchase policy. This situation, this problem is one of the great challenges of modern societies and its form of representative democracy. It tends to push us away from **a social contract** to a situation of **a private contract** between finance and political power.
- One has to ask: Is there another better way to "empower" the people and their parties in order to free them from the 'hitched carriages'? Today, here, it is up to this room to analyse and discuss!

# LEGAL FRAMEWORK FOR POLITICAL FINANCING IN TIMOR-LESTE:

- Well, to address this topic, I will briefly, given the time, take you to the Constitutional and legal framework as it exists today.
- The State of Timor-Leste assumes itself as a State of Democratic Rule of Law. In one of the Preamble paragraphs to the Constitution of RDTL it is concisely expressed:  
  
**"... Fully aware of the need to build a democratic and institutional culture of the rule of law where the respect for the Constitution, the laws and institutions democratically elected be its unquestionable basis".**

# Cont:

- It was on the basis of this principle that article 1 is expressed, stating:  
**“...The Democratic Republic of Timor-Leste is a democratic, sovereign, independent and unitary State, based on the popular will and respect of the dignity of the human person.”**
- And then in Article 2 it emphasizes:  
**“... Sovereignty resides in the people, who exercise it under the terms of the Constitution.”**
- In compliance with the aforementioned constitutional provisions and in accordance with article 46 of the RDTL Constitution, the Timorese State approved the law on political parties in 2004 (3/2004 of April 14, on Political Parties), which was later amended by the law 2/2016 of February 3rd. In the Law of Political Parties, the preamble defines political parties as organizations that:  
**“... catalyse and organize citizen participation in the political life of the country and today it is unquestionable that multi- party system constitutes one of the mainstays of contemporary democracy.”**

# Political Finance Legal Framework Statute in Timor-Leste:

1. The Constitution of Law, of the Democratic Republic of Timor-Leste;
2. Law Number 2/2016 The Law for the Political Parties;
3. Law Number 6/2008, The Law for the Political Finance and Subsidiary;
4. Law Number 9/2017, The Law for Parliamentary Elections;
5. Law Number 16/2021, The Law for the Elections Management Bodies;
6. Law Number 17/2021, The Presidential Election Law
7. Political Campaign Regulations; and
8. Political finance Scheme by CNE

# Cont:

Carefully reading the text, it is concluded that the State of Timor-Leste places political parties as the most important vehicle for citizen participation. So in Chapter IV - **Political Parties Finance and Presentation of Accounts** - and Article 21 - **sources of funding** – it is determined that the sources of funding of political parties consist of its own revenues, and revenues from private funding.

And in the same law it is determined that a party's own revenues come from:

- a) The dues and other contributions of party members;
- b) The product of fundraising activities carried out by the party;
- c) Income from the party's assets;
- d) The proceeds of loans.
- e) And as for private financing, the law determines:
- f) Donations from individuals;
- g) The product of inheritance or legacies.



# Cont:



The same law closes the doors to other funding and clearly mentions in article 22 – ***prohibited funding*** – which states that it is prohibited for political parties to accept donations from:

- a) Public companies;
- b) Companies with exclusive capital or majority owned by the State;
- c) Public service concessionaire companies;
- d) Collective persons of public utility or dedicated to charitable or religious activities;
- e) Professional, union or employer associations;
- f) Foundations;
- g) Government or foreign legal persons.

# Cont:

Looking at the provisions cited in the Law on Political Parties in Timor-Leste, it can be easily deduced that there is a legal framework for financing political parties, theoretically speaking. And looking closely, the provision that addresses **private financing (individuals, inheritance or legacies)** overall indicates that the legal framework allows political parties to obtain donations from individual or natural persons. But there is still an absence of deep explanation of the subject.

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- In order to properly regulate the financing of political parties, the RDTL Government on April 16, 2008 approved another Law on the legal regime for the financing of political parties (Law No. 6/2008 of April 16). This Law carries the provisions already mentioned in the Law on Political Parties and in article 11 determines:  
**“...The National Parliament annually sets the global amount of the public subsidy for political parties with parliamentary representation, which is entered in the General State Budget as a heading specific to be included in the budget of the National Election Commission, hereinafter referred to as CNE.”**
- Given the time, I cannot address the relevant articles of the Law on the financing of political parties in detail. I can only quote the titles to inform this forum that in Timor-Leste there are actually laws that regulate the financing of political parties. The important articles of the Financing Law are articles 13 - **ordinary presentation of accounts, article 16 - appraisal of accounts, article 17 - final decision, article 21 - failure to comply with organized accounting rules and article 22 - non-presentation of accounts.** All of these items give to the CNE the power and competence to control and audit the accounts of political parties.
- In conclusion, I will leave it open to discuss, and welcome, any doubts regarding the legal framework of political financing in Timor-Leste. I believe that a disinterested and warm discussion by everyone present in this room about the norms of our legal framework can help produce new paths to be followed.

# CONCLUSION:



To summarise my presentation, allow me to conclude my presentation in the following terms:

1. In Timor-Leste, there is a legal framework for the financing of political parties (***see: the Law on Political Parties, The Law on Political Party Financing and the regulations of the CNE, as manager of public subsidies allocated to parties with parliamentary seats***);
2. However, there are "legal loopholes" and some deficiencies in the standard of subsidies which only allows and assigns the grant to those political parties represented in Parliament. I note that many political parties that previously held parliamentary seats and as such received subsidies no longer have representation. In any new election these parties (in which we can say the State invested and has now lost that investment) must now compete in elections without any State financing, becoming mere electoral instruments and not pillars of participatory democracy. They are reborn on the political arena of competition, when an election time comes or arrives!



1. If the State wants to qualify political parties as fundamental pillars of democracy, I think it is important to have a new public subsidy policy that allows granting all parties competing in elections a subsidy, guaranteeing equality and allowing these parties to prepare to intervene in the political life of the Nation, even though it does not have a parliamentary seat. In this way they can independently and without threat or fear of capture by vested interests organize for new elections.
2. The Law on Political Parties clearly, in its Chapter I – **General Provisions** – article 1, number 4 states that parties lose:  
***“... the status of political party as an organization that does not participate with its own program in any election at local or national level due to a period of time exceeding five years”.***

# REMARKS:

- As someone said, whoever speaks, never hears what he said! And those who hear very carefully, are more prepared to “combat” the facts or ideas of those who speak .
- So, allow me to conclude my intervention and give me time to hear and share your ideas or disagreements on what I have just said.

A warm hug.



**THANK YOU**

