

Minutes of Meeting

Petroleum Fund of Timor-Leste Investment Advisory Board

Held on 19th January 2006

At the Office of the Banking and Payments Authority

Present:

Abraão de Vasconcelos, General Manager of BPA
Cristino Gusmão, Director of Macroeconomic
Sigurd Klakeg, Fiscal and Petroleum Fund Advisor

In attendance:

Maria Jose Sarmiento, Acting Executive Director - Petroleum Fund, BPA
Gastão de Sousa, Chief Economist, BPA
Sam Robinson, Petroleum Fund Advisor, BPA

The meeting was opened at 14.45 by the Minister of Planning and Finance, Mrs. Maria Madalena Boavida, who officially welcomed the members of the Board to its first meeting. She acknowledged the important preparatory work that had been done by the members in setting up the Board, and indicated that she intended to complete the remaining appointments.

She congratulated the members on their appointments, and the election on Mr. Abraao de Vasconcelos to act as the Chairman for the first year.

The Minister left the meeting at 15.30, and Mr. de Vasconcelos took the Chair.

Mr. de Vasconcelos requested that the meeting be adjourned for a short period to hold a press conference at which the formation of the Board was announced. The meeting then adjourned for 30 minutes.

Rules of Procedure

A draft Rules of Procedure prepared in accordance with the provisions of Article 16.4 of the Petroleum Fund law was tabled by the Chairman for discussion. The Board discussed the document, and requested that the Secretariat update it to incorporate the results of the discussion and present it to the next meeting for approval.

It was resolved that the deliberations of the Board should be transparent, and that accordingly the minutes of the Board should be published, with confidential material removed as permitted by law, following ratification at the subsequent meeting.

Budget

The Board discussed the means by which it would be funded, and noted the provisions of the Petroleum Fund law, namely that the management fee paid to the BPA would cover the secretariat expenses (Article 17.2), with members' remuneration being paid from the state budget (Article 17.3).

It was noted that Board would likely need access to professional and other services in the future, and the possibility existed that other expenses may be incurred in the conduct of the Board's business.

The Board requested the Secretariat to prepare a proposal to address the issue of preparing and funding the Board's budget for discussion at the next meeting.

Role of the Board

The members noted the need to interpret Article 16 of the Petroleum Fund law, which sets out the functions of the Board, into an operational means of working.

The Board noted the need for its members to have a consistent informed view of the investment universe, and proposed that experts be invited from time to time to deliver the Board with short seminars on topics of interest.

It was resolved that the Board should be guided by a work plan.

The Board requested the Secretariat to prepare a draft document for discussion at its next meeting.

Declaration of Members' Assets and Income

The Board noted the requirements of Article 17.4 of the Petroleum Fund law for its members to disclose assets and investment income, but observed that the law did not prescribe the form of the declaration, to whom the declaration should be made, and whether or not the information in the declaration should be confidential.

It was agreed that in the absence of guidelines, these issues should be resolved prior to the initial declarations being filed, and the Board requested that the Secretariat present proposed guidelines and a format for the declaration to the next meeting for approval.

Other Business

It was **resolved** that ordinary meetings of the Board be held quarterly.

The date of the next meeting was set for 17 April 2006.

There being no other business, the Chairman declared the meeting closed at 18.00.

Chairman

Minute Secretary

