



PRESS RELEASE

GOVERNOR REACTS TO DILI POST REPORT THAT THE FED HAS REJECTED TIMOR-LESTE STATE PAYMENTS

Dili, 11 March 2021

The Governor of Banco Central de Timor-Leste (BCTL), Mr. Abraao de Vasconcelos, today denied that a report in the Dili Post about alleged actions of the Federal Reserve Bank of New York (FRB) was true.

The report, under the headline “Federal Reserve Bank of America rejects three withdrawal requests from BCTL”, states that according to the Rector of Universidade da Páz (UNPAZ), Adolmando Amaral, the FRB has rejected three requests from the BCTL to make transfers in order to finance the state budget for 2021.

Governor Abraão said that the Rector, who was reported as having a source inside the central bank, was completely wrong. The Governor was surprised that the Rector of one of Timor-Leste’s most respectable universities should make such a statement without first verifying its accuracy, particularly as the BCTL had issued a public statement on 24 February denying rumours that were circulating at that time.

The Governor said that based on a request to BCTL from the Minister of Finance the FRB had transferred \$200 million from the Petroleum Fund to the State Budget account at BCTL on 23 February. Furthermore, the FRB had transferred \$886.3 million from the Petroleum Fund account to the state budget account during 2020.

The Governor said that he could not understand why a member of the central bank’s staff would want to leak false information. All central bank staff were bound by a strict Code of Conduct which, based on his experience, had been complied with over the years and that the BCTL did not have a tradition of leaking non-public information. The Governor added that the Organic Law of the BCTL has express provisions that forbid staff from disclosing non-public information.

Governor Abrãao reiterated his previous public statement that the Federal Reserve has been and continues to be a valuable and trusted partner that has supported the BCTL in the management of the Petroleum Fund account since the inception of the Petroleum Fund in 2005.

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