



**INSTRUCTION No. 14/2021<sup>1</sup>**  
**ON THE SUBMISSION OF FINANCIAL INSTITUTION REPORTS VIA BANKING  
SUPERVISION APPLICATION**

Taking into account that Banco Central de Timor-Leste (BCTL) has introduced the Bank Supervision Application (BSA) to automate the submission of returns by financial Institutions operating in Timor-Leste.

With this application, financial institutions have the capability of submitting their fortnightly, monthly, quarterly and annual reports on-line without any delay.

The automation of key supervision functions is expected to enhance the data quality for prudential analysis.

All Financial Institutions licensed and supervised by the BCTL are required to submit their returns via Bank Supervision Application.

After the BCTL having consulted with all financial institutions operating in Timor-Leste, the Governing Board of Banco Central de Timor-Leste, pursuant to the authority granted in Article 31 paragraph 1 of Law no. 5/2011 of 15 June, hereby resolves to approve the following Instruction:

**Article 1**  
**Purpose**

The purpose of this Instruction is to automate the financial system supervision function, enhance data quality for prudential analysis and harmonize supervision functions within the supervisory authority.

**Article 2**  
**Applicability**

1. This Instruction shall apply to all Financial Institutions licensed by BCTL, namely banks, ODTIs, MTOs, CEBs, Insurance Companies and Insurance Intermediaries, including branches of foreign entities licensed by BCTL to operate in Timor-Leste and other entities, as may be determined by BCTL from time to time.
2. All Financial Institutions are required to submit their reports via BSA under the terms prescribed in this Instruction, instead of submitting them in paper format.

**Article 3**  
**Definitions**

Wherever used in the text of this Instruction, the following terms shall have the following meanings:

- a) "BSA" or "Banking Supervision Application" shall mean a web-based banking supervision application available for the safe submission and validation of financial statements, and analysis of prudential indicators;
- b) "Bank" means a legal person engaged in the business of accepting deposits from the public in East Timor and using such funds, either in whole or in part, to make extensions of credit or investments for the account of and at the risk of the person carrying on the business according to Article 49. (c) of Regulation No. 2000/8 on Bank Licensing and Supervision;
- c) "BCTL" means the Banco Central de Timor-Leste;

<sup>1</sup> Please refer to the Portuguese version for official use. This English version is prepared to facilitate the availability information for the financial institutions.



- d) "CEB" or "Currency Exchange Bureau" means an agency which has as its sole activity the conduct of currency exchange transactions according to Regulation No. 05/2000;
- e) "Insurance Company" means a company that carries of the business of insurance;
- f) "Reporting Entity" means a BCTL licensed and supervised entity, operating pursuant to applicable Law and Regulation;
- g) "BSO" or "BSA Support Office" is the unit established by the BSA stakeholders, responsible for development, maintenance and provision of second level support for users of BSA;
- h) "Insurance Intermediary" means the insurance agent, sub-agent or broker, whether they have been constituted as companies or not;
- i) "MoE" or "Movement of Exchange" means any transaction related with the sale and purchase of currency;
- j) "ODTI" or "Other Deposit-Taking Institution" means any organization or company that is licensed according to Public Instruction 06/2010 of December 17;
- k) "Opening Period" means a facility in the BSA application system to allow later submissions by financial institutions;
- l) "MTO" or "Money Transfer Operator" means a legal person that provides Remittance Services and renders no other type of financial services to persons in Timor-Leste according to the BCTL Instruction 01/2013 of September 27, 2013;
- m) "Return" means financial information to be submitted by financial institutions either on a fortnight, monthly or quarterly basis using single or group return templates;
- n) "Return Group" means financial information to be submitted by financial institutions either on monthly or on quarterly basis using different templates separated by sheets in an Excel file according to the defined group in BSA system.

#### **Article 4** **Requirements for Returns**

1. The Reporting Entities shall submit to BCTL the returns specified in this Instruction via the BSA and within the prescribed time limits as described in Article 5.
2. Every template either Return or Return Group shall be completed with the institutional code, current financial year of reporting, start date and end date. The institutional code in each template is the indication of the name of relevant institution.
3. All returns shall be prepared and submitted in accordance with International Accounting Standards, unless otherwise prescribed by Instruction of the BCTL.
4. All Reporting Entities are required to submit financial information either as Return or as Return Group using downloadable templates and as defined in the BSA system.
5. The BCTL may from time to time require new returns to be submitted and authorise new Reporting Entities to participate in the BSA system.
6. The BCTL may from time-to-time update new features in the BSA application based on current BSA development and Reporting Entities are required to incorporate the updated features.

#### **Article 5** **Dates for Submission of Returns**

1. All the returns are required to be submitted by financial institutions no later than the corresponding periods, as established by applicable Instructions of BCTL.
2. In case of late submission, period for submission will be automatically closed by the system.
3. An opening period may be opened, on the grounded request by Reporting Entities for late submission of their Reports, subject to approval by BCTL.

#### **Article 6** **Numerical Conventions**



Reporting Entities shall use the following conventions to submit numbers and currency amounts to the BSA system:

- a) Decimal symbol shall be represented by a dot (.)
- b) Digit groupings shall be separated by a comma (,)
- c) The number of decimal places for monetary amounts shall be two.

#### **Article 7** **Obligation of the Reporting Entities**

1. Each Reporting Entity shall establish appropriate internal procedures to regulate the reporting and retrieving of the data or information from BSA together with procedures for reviewing and correcting inaccurate or inadequate data.
2. Each Reporting Entity shall take all the necessary measures to secure and protect the Data reported to the BSA System from damage or unauthorized usage.

#### **Article 8** **Requirement for Users**

1. Reporting Entities are required to appoint users to access the BSA system, such appointment remaining subject to approval of BCTL.
2. Reporting Entities are required to advise any change of users to BCTL in advance, users operating in the name and on behalf of the corresponding Reporting Entity.

#### **Article 9** **Fees for Using**

The BCTL may charge administrative fees to Reporting Entities for using this system by notification to all Reporting Entities.

#### **Article 10** **Administrative Penalty**

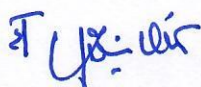
1. Reporting Entities that fail to meet the requirements of any of the provisions established in this Instruction or delay the submission of their Reports within the deadlines provided in the BCTL Instructions referred in Article 5.1 above, will be subject to an administrative penalty of up to US\$50,000 (US\$ Fifty thousand) for each infraction.
2. BCTL will notify the Reporting Entities in case of sanctioning pursuant to the previous paragraph and the corresponding penalty amounts may be debited directly from the Settlement account of the relevant Reporting Entity held at Banco Central de Timor-Leste.
3. For the Reporting Entities that do not have a Settlement account, the BCTL will send the notification to the relevant Reporting Entity and require to make payment by transfer to BCTL account held at commercial bank, within 3 days.

#### **Article 11** **Entry into force**

This Instruction shall enter into force on the day after its publication in the Jornal da República.

Approved on 25 November 2021

The Governor,



**Abraão de Vasconcelos**