INSTRUCTION NO. 32/2026

FIRST AMENDMENT TO INSTRUCTION NO.01/2013 OF 27 SEPTEMBER ON THE LICENSING AND SUPERVISION OF MONEY TRANSFER OPERATOR

Considering the result of the national risk assessment of Timor-Leste' financial sector particularly in the MTO sector and the latest development in the international standards related to the combating of money laundering and countering financing of terrorism.

Furthermore. Taking into consideration that persons that specialize in providing Remittance Services require regulation that is specific to the risks associated with those services, specialize regulation for Money Transfer Operators will facilitate their business development and their ability to grow in a safe and sound manner which, in turn, will help to develop the national economy, specialize regulation for Money Transfer Operators helps protect the financial system against money laundering and other criminal activities and provides protection to their customer.

It is essential for reducing the risk of Money Transfer Operators in Timor-Leste becoming vehicles for/or victims of financial crime and suffering consequential damage.

Therefore, under the provisions of Articles 29 and 31 of Law no. 5/2011 of June 15 on Organic Law of Central Bank of Timor-Leste, the Governing Board of the Central Bank of Timor-Leste approves the follow Instruction:

Article 1
Purpose

This Instruction introduces the first amendment to instruction no.1/2013 of 27 September on Licensing and Supervision of Money Transfer Operators

Article 2
Amendment

The following legal provisions, comprising of Articles 1, 2, 3, 4, 5, 7, 8, 11, 12, 13, 14 and 15 of the Instruction N.1/2013 dated 27 September, pertaining to Licensing and Supervision to Money Transfer Operator, is hereby amended and rephrased as follows:

Article 1
[...]

In this Instruction unless otherwise stated the terms of below shall have the following meaning:

a) [...];
b) [...];
c) [...];

d) [...];
e) [...];
f) “Beneficial owner “means the natural person[s] who ultimately owns or control a customer and/or the natural person on whose behalf a transaction is being conducted including those persons who exercise ultimate effective control over a legal person or arrangement.
g) “License” means an authorization issued by the BCTL granting the right to engage remittance activities.
h) “Persons” “person” includes an individual and a juridical person (a company, partnership, association, and group of persons acting together with a common purpose, whether organized as a formal business entity).
i) [Previous paragraph f)]
j) [Previous paragraph g)]
k) [Previous paragraph h)]
l) FIU” means the Financial Information Unit, established under Law no. 17/2011 of 28 December, amended by Law no. 05/2013/III of 14 August, on the Legal Regime for Prevention and Combating Money Laundering and Financing of Terrorism.
m) CTR means Cash Transaction Report.
n) STR means Suspicious Transaction report.

Article 2
[...]

The instruction shall apply to person or business entities providing Remittances Services in Timor-Leste including Agents and Branches of an MTO, their Administrator and Principal Shareholders, who wish to incorporate a local company to conduct a remittance service in Timor-Leste.

Article 3
[...]

1. No licensed MTO shall engage in any financial activity other than providing Remittance Service to persons in Timor-Leste.
2. [...]
3. [...]
4. MTO shall inform to BCTL about their counter parts in overseas which their operation fully authorized by home country supervisor.
5. Foreign MTO shall not engage directly in any Remittance Service in Timor-Leste. These financial activities only can perform by the local agencies those licenses from BCTL.

Article 4
[...]

1. [...]
2. [...]
3. [...]
4. [...]
5. [...]
6. [...]
7. Within Sixty (60) business days counted from the date of the receipt of the application and supplementary information the BCTL shall grant a preliminary approval or deny, the application and

notify the applicant of its decision in writing, provided that the application has been completed to the satisfaction of the BCTL.

8. The BCTL may request additional information as it deems necessary to assist in the application review process where the BCTL requests additional or supplementary information, the time limit of sixty (60) days for a decision on an application for a license may be extended by twenty (20) days. If the time limit is extended, the BCTL shall notify the applicant in writing.
9. [...]
    a) [...]
    b) [...]
    c) [...]
    d) [...]
    e) [...]
    f) Has a sufficient source of fund to run the remittance business;
    g) The Anti-Money Laundering and Combating Financing Terrorism procedures as required by law or by BCTL in place; and
    h) Has adequate internal standard operating procedures (SOP) to perform remittance services.
10. [...]
11. [...]
    a) To register its remittance activity with the relevant authority in Timor-Leste;
    b) [Previous paragraph a)];
    c) [Previous paragraph b)];
    d) [Previous paragraph c)];
    e) [Previous paragraph d)];
    f) Opened a separate bank account for MTO with an amount balance of US$ 10,000 (ten thousand United States dollars) for MTOs that aim to provide only outgoing remittances services and an amount of US$50,000 (fifty thousand United States dollars) for MTOs that aim to provide both incoming and outgoing services in one of the licensed commercial banks in Timor-Leste.
12. [...]
13. [...]
14. [...]

Article 5
[...]

1. [...].
2. Applicant shall apply an administration fee of US$ 1,000 (One Thousand United States dollars) for a Money Transfer Operator and US$ 100 (One hundred United States dollars) for an Agent. The BCTL may determine application and issuance of licence fees with notification issue by the BCTL.
3. [...].
4. An MTO shall pay an annual license fees of US$2000 (Two Thousand United States dollars) or an amount to be determined by BCTL from time to time, payable on or before the anniversary of the grant of the license every 12 (twelve) months afterward.
5. [Previous No. 4].

Article 7
[...]

1. An MTO that provide only one-way remittances services shall at all times maintain a minimum balance of US$ 10,000.00 (ten thousand Unites States dollars) in a bank licensed to operate in Timor-Leste.
2. An MTO that provide two ways remittances services shall always maintain a minimum balance of US$ 50,000.00 (fifty thousand Unites States dollars) in a bank licensed to operate in Timor-Leste.
3. The amount mentioned in above paragraph may determine in case-by-case basis with a notification issue by BCTL.
4. An MTO or its agent(s) shall at all times produce a written receipt in electronic or hard copy for each customer which shall indicate the names, date of birth, addresses, type of identification, identification number of the customer, and the beneficiaries, date of transfer takes place, the dollar amount, the rate applied, the account number of beneficiaries, and the fees charged if applicable.
5. An MTO and its agent (s) shall execute the transfer in a form that contains all information required in Annex V of this instruction for every transaction at all times.

Article 8
[...]

1. [...].
2. [...].
3. An MTO shall submit a financial statement report describes the detail of balance sheet and income statement of MTO no later than ten (10) business days into the following month, pursuant to Annex VI of this Instruction.
4. An MTO shall submit report on transactions for residence and non-residence describes all the total number and value of transactions for outward and inward no later than ten (10) business days into the following month after each quarter end, pursuant to Annex VIII of this Instruction.
5. The manner of reports submission including the forms shall be adhering to requirement under Instruction No 14/2021 on the submission of Financial Institution reports via banking Supervision Application.
6. [Previous No. 3].
7. [Previous No. 4].

Article 11
[......]

1. [...].
2. An MTO and its Agent(s) shall conduct a formal customer identification process for all customers, whether natural persons, legal persons, or legal arrangements, using reliable and independent source documents, data, or information to establish the identity of its customer before providing any Remittance Services.
3. [...].
   a) [...].
   b) [...].
   c) For transactions equivalent or above US$ 1,000 (One thousand United States dollars), beside comply with requirement established on previous paragraphs, it is also required to request information on source of fund and reason for conducting the transaction.
4. If a MTO and its Agent(s) have any doubt as to whether as customer specified in paragraph 3 above acts for his/her own account or making transaction on behalf of other person(s) or institutions the

MTO and its agent(s) shall take all reasonable measures to verify the identity of the person(s) or to verify the relationship of the customer and the institution on whose behalf the customers is acting.

5. The MTO and its Agent(s) shall be required to systematically understand and, as appropriate, obtain and document information regarding the purpose and intended nature of the business relationship or long-term remittance profile for all corporate customers, legal arrangements, and recurring natural persons.
6. If a staff member in an MTO and/or its Agent(s) identifies a customer as PEP, it is required to obtain information as described in paragraphs 2 and 3.b) and c) and it shall obtain authorization from the compliance officer before executing any remittance services.
7. [Previous No. 6].
8. [Previous No. 7].
9. Where the customer is a legal person or a legal arrangement, a MTO and its Agent(s) shall identify and verify the identity of the natural person(s) who ultimately own or control the customer, including the beneficial owner, as well as the identity of the person authorised to act on behalf of the customer. For this purpose, the MTO and its Agent(s) shall:
   a) obtain documentary evidence of the legal existence of the entity, including documents issued by the competent registration authority, such as the Serviço de Registo e Verificação Empresarial (SERVE, I.P.) or other relevant authority;
   b) verify the registered address of the entity and, where the principal place of business differs from the registered address, verify the actual business address through independent and reliable means.
10. Where the BCTL determines that a jurisdiction presents a higher risk of money laundering or terrorist financing, a MTO and its Agent(s) shall, in addition to Enhanced Due Diligence measures, apply such specific countermeasures as the BCTL may from time to time instruct, including restricting or prohibiting business relationships and transactions with persons from that jurisdiction.

Article 12
Customers Verifications

1. For verification, "reliable and independent source documents, data, or information" shall include, but not be limited to:
   a) For Natural Persons: A valid original passport, national identity card, or voter registration card or unique ID Card.
   b) For Legal Persons: An updated extract from the commercial registry (SERVE I.P.), Tax Identification Number (TIN) or a certificate from the tax authorities, or the entity's founding statutes.
   c) For Legal Arrangements: The original or a certified copy of the trust deed or equivalent legal instrument attesting to the arrangement's legal status and the powers of those who bind it.
   d) For all customers that are legal persons or legal arrangements, the MTO and its Agent(s) shall identify and verify the physical address of the customer's registered office using reliable and independent source documents, data, or information.
   e) Identification of legal persons or legal arrangements and verify the identity through the following information:
      i. name, legal form and proof of existence;
      ii. the powers that regulate and bind the legal person or arrangement, as
      iii. well as the names of the relevant persons having a senior management
      iv. position in the legal person or arrangement; and
      v. the address of the registered office and, if different, a principal place
      vi. of business.

2. Where the customer's principal place of business or main operational headquarters is different from its registered office, the MTO and its Agent(s) shall be strictly required to explicitly identify and verify the physical address of that principal place of business using additional independent verification means (such as physical site verification, utility bills in the entity's name, or certified commercial lease agreements) prior to establishing a business relationship or executing transactions.
3. Where the customer is a legal person or a legal arrangement, the MTO shall verify the identity of the natural person(s) who ultimately own or control the entity (the Beneficial Owner), as well as the identity of the person authorized to act on behalf of the entity.
4. When conducting due diligence on existing customer relationships at appropriate times, the MTO shall be strictly required to take into account whether and when due diligence measures were previously undertaken, as well as the complete adequacy of the data obtained during those prior instances. If the historical data is deemed inadequate or non-compliant with current requirements, a full updated CDD process must be executed prior to processing further transactions.
5. MTO and its Agent(s) shall maintain records in an appropriate record keeping system from the information required in Article 7.4 and 11.1 to 11.9 above including other information required in this instruction and ensures that the records and underlying information are readily available to the BCTL, and other competent authorities established by law.
6. Unless a higher period is established by law, the records referred to in the previous paragraph shall be maintained for at least five (5) years.

Article 13
[......]

1. [...] as required in BCTL's Circular Letter No. 006/2024: Guidelines on the Reporting of Suspicious and Cash Transactions through SINTRAF even in the case of attempted transactions.
2. Where the MTO or its Agent(s) forms a reasonable suspicion that a transaction or business relationship may be linked to money laundering or terrorist financing, and reasonably believes that performing or continuing the Customer Due Diligence (CDD) process will tip-off the customer or compromise an investigation, the MTO and its Agent(s) are required to not pursue the transactions and must report STR to the FIU.
3. [...] US$ 1,000 (one thousand United States dollars) [...]. UIF as required in BCTL's Circular Letter No. 006/2024: Guidelines on the Reporting of Suspicious and Cash Transactions through SINTRAF, or any other applicable regulatory instrument issue by BCTL.

Article 14
Roles and Responsibility of Management

1. MTO's management shall appoint a dedicated person responsible for matter related to AML/CFT and able to carry out his/her responsibilities effectively and become the point of contact for the BCTL and the FIU for operational matter specially related to AML/CFT including CTRs and STRs.
2. MTO's management must ensure that staff are aware of MTO AML/CFT procedures including sufficient knowledge to identify suspicious activities as required in Article 13 of this instruction and are able to communicate to relevant institution.
3. MTO shall develop internal procedure which include but not limited to the following:
   a) Identification and verification of the customer;
   b) Monitoring and fully control of large amount and risk;
   c) Communicate with any suspect operation;
   d) Develop list PEP;
   e) Recordkeeping;
   f) Training program.

Article 15
Infractions Administrative Penalty and Remedial Measure

1. [...].
   a) [...].
   b) [...].
   c) [...].
2. [...]
   a) [...].
   b) [...].
   c) [...].
      i. [...].
         (1) Fails to submit incomplete or inaccurate information as required in Article 8.2 to 8.4, and Article 13.
         (2) Fails to cooperate with examiners of the BCTL appointed for purpose of Article 8.6.
      ii. [...].
         (1) [...].
         (2) [...].
         (3) Fails to comply with requirement set in Article 11.7.
      iii. [...].
         (1) Fails to identify and verify the customers and maintain an appropriate record keeping system as required in Article 11.1 to 11.6, 11.8 to 11.9, 12.1 to 12.4 and 12.5 to 12.6.
         (2) Fails to report the transaction as required in Article 13.1 to 13.3.
   d) [...].
      i. [...].
      ii. [...].
      iii. [...].
      iv. [...].
3. [...] 15.2

Article 3
Republication

The Instruction No/1/2013 dated 27 September on Licensing and Supervisions of Money Transfer Operator with the changes introduce by this instruction, shall be republished it current wording as provided in Annex, which is an integral part of the present instruction.

Article 4
Enter Into Force

1. This Instruction shall enter into force on the day following its publication.
2. In accordance with article 66 Paragraph 1 of the Organic Law of the Central Bank, this Instruction shall be published in the Jornal da República.

Approved on 28 May 2026.

The Governor,

Helder Lopes

Annex

(As referred to the Article 4)

Republication of Instruction No.1/2013 of 27 September, on Licensing and Supervision of Money Transfer Operators

Taking into consideration the registration of Money Transfer Activities within Central Bank of Timor-Leste, under Article 28 of Law no. 17/2011 of December 28, on the Legal Regime to Prevent and Combat Money Laundering and the Financing of Terrorism. as amended.

Furthermore. taking into consideration that persons that specialize in providing Remittance Services require regulation hat is specific to the risks associated with those services, specialize regulation for Money Transfer Operators will facilitate their business development and their ability to grow in a safe and sound manner which. in tum, will help to develop the national economy, specialize regulation for Money Transfer Operators helps protect the financial system against money laundering and other criminal activities and provides protection to their customers.

It is essential for promoting a sound and efficient growth of Remittance Services in the economy and reducing the risk of Money Transfer Operators in Timor-Leste becoming vehicles for/or victims of financial crime and suffering consequential damage.

Therefore, under the provisions of Articles 29 and 31 of Law no. 5/2011 of June 15 on Organic Law of Central Bank of Timor-Leste, the Governing Board of the Central Bank of Timor-Leste approves the follow Instruction:

Chapter I
General Provisions

Article1
Definitions

In this Instruction unless otherwise stated the terms of below shall have the following meaning:

a) “Principal Shareholder” · means any person who directly or indirectly owns ten percent or more of any class of shares or participation with voting rights of an MTO.
b) “Administrator” means any person who is an officer of a Money Transfer Operators and has the authority to enter into commitments for the account of the Money Transfer Operator.
c) “Agent” means a legal or natural person who is authorized by a Money Transfer Operator to provide Remittance Services on behalf of that Money Transfer Operator.
d) “BCTL” means the Banco Central de Timor-Leste established under Law no. 5/2011 of June 15.
e) “Beneficiary” refers to natural person who is identified by the customer as the receiver of the requested money transfer.
f) “Beneficial owner “means the natural person[s] who ultimately owns or control a customer and/or the natural person on whose behalf a transaction is being conducted including those persons who exercise ultimate effective control over a legal person or arrangement.
g) “License” means an authorization issued by the BCTL granting the right to engage remittance activities.
h) “Persons”) “person” includes an individual and a juridical person (a company, partnership, association, and group of persons acting together with a common purpose, whether or not organized as a formal business entity);

i) "Politically Exposed Person• or "PEP" means the same as defined in Law no. 17/2011 of December 28, as amended.
j) "Money Transfer Operator or MT0" means a legal or natural person that provides Remittance Services, and no other type of financial services, to persons in Timor-Leste.
k) "Remittance Service" means a service that enables members of the public to send and/or receive funds transfers
l) "FIU" means the Financial Information Unit, established under Law no. 17/2011 of 28 December, amended by Law no. 05/2013/III of 14 August, on the Legal Regime for Prevention and Combating Money Laundering and Financing of Terrorism.
m) CTR means Cash Transaction Report
n) STR means Suspicious Transaction report.

Article 2
Applicability

The instruction shall apply to person or business entities providing Remittances Services in Timor-Leste including Agents and Branches of an MTO, their Administrator and Principal Shareholders, who wish to incorporate a local company to conduct a remittance service in Timor-Leste.

Article 3
Prohibitions and restrictions

1. No licensed MTO shall engage in any financial activity other than providing Remittance Service to persons in Timor-Leste.
2. The BCTL may review the above provision from time to time.
3. An MTO shall keep the accounting and other corporate records of its remittance services activities separate from the records of its other commercial activities.
4. MTO shall inform to BCTL about their counter parts in overseas which their operation fully authorized by home country supervisor.
5. Foreign MTO shall not engage directly in any Remittance Service in Timor-Leste. These financial activities only can perform by the local agencies those licensed by BCTL.

Chapter II
License Process

Article 4
License application and decision

1. Persons who wish to establish or continue the business of a Money Transfer Operator in Timor-Leste shall apply in writing to the BCTL for a license using the form prescribed in Annex I of this Instruction and submit the information and materials as required in that form.
2. Money Transfer Operator that wishes to appoint an agent shall apply in writing to the BCTL for a license for that Agent using the form prescribed in Annex III of this instruction and submit the information and materials as required in that form.
3. Application referred to the previous paragraph shall also be accompanied by the Declaration form as provided in Annex II and Annex IV of this instruction.
4. The applicant shall submit it to be signed by an authorized person(s) and shall be submitted in one of the official languages of Timor-Leste and in English, with one original and two copies.
5. The applicant shall authorize in writing a spokesperson to act on their behalf regarding the application process.

6. Any change in the spokesperson, including address and contact number, shall be immediately informed to BCTL in writing.
7. Within Sixty (60) business days counted from the date of the receipt of the application and supplementary information the BCTL shall grant a preliminary approval or deny, the application and notify the applicant of its decision in writing, provided that the application has been completed to the satisfaction of the BCTL.
8. The BCTL may request additional information as it deems necessary to assist in the application review process where the BCTL requests additional or supplementary information, the time limit of sixty (60) days for a decision on an application for a license may be extended by twenty (20) days. If the time limit is extended, the BCTL shall notify the applicant in writing.
9. The decision to grant the preliminary approval of the application shall be based on the conditions that the Principal Shareholder and/or Administrators of the applicant fulfil the following requirements:
   a) Have no evidence of financial fraud, tax avoidance and default on indebtedness;
   b) No evidence of any financial or administrative problems at his/her previous work;
   c) No previous involvement in insolvent or bankrupt companies;
   d) Free from criminal proceeding;
   e) Never been convicted of crime;
   f) Has a sufficient source of fund to run the remittance business;
   g) The Anti-Money Laundering and Combating Financing Terrorism procedures as required by law or by BCTL in place; and
   h) Has adequate internal standard operating procedures (SOP) to perform remittance services.
10. The decision of the BCTL to refuse a license shall be final and shall include an explanation of the grounds on which the license was refused.
11. If preliminary approval of a license is granted, the applicant must fulfil the following conditions before final approval by the BCTL for a license for the MTO to commence those activities in which it is authorized to engage:
    a) To register its remittance activity with the relevant authority in Timor-Leste;
    b) Has the Anti-Money Laundering and Combating Financing Terrorism procedure as required by law or by BCTL in place;
    c) Has the appropriate operations equipment and the establishment of operations systems, including risk measurement and controls, and internal audit controls;
    d) Has a proper training of staff and an Agent if applicable; and
    e) Opened a separate bank account for MTO with an amount balance of US$ 10,000 (ten thousand United States dollars) for MTOs that aim to provide only outgoing remittances services and an amount of US$50,000 (fifty thousand United States dollars) for MTOs that aim to provide both incoming and outgoing services in one of the licensed commercial banks in Timor-Leste.
12. If an MTO fails to comply within six (6) months with the conditions specified in the previous paragraph, the preliminary approval of the application for the license shall lapse.
13. The BCTL shall issue final approval of the MTO license based on the result of an on-site examination of the MTO premises and confirmation of satisfactory compliance with all conditions described in paragraph 11 of this Article.
14. An MTO that wishes to establish and/or close a branch office or appoint and/or terminate the contract of an Agent must obtain prior approval of the BCTL.

Article 5
Scope of license and fees

1. A license to provide Remittance Services shall be granted for an indefinite period of time, subject to Article 6, and shall not be transferable.
2. Applicant shall apply an administration fee of US$ 1,000 (One Thousand United States dollars) for a Money Transfer Operator and US$ 100 (One hundred United States dollars) for an Agent. The BCTL may determine application and issuance of licence fees with notification issue by the BCTL.
3. This Fee is non-refundable, including cases where the application is unsuccessful, or the license of a Money Transfer Operator or its Agent is subsequently revoked pursuant to Article 6.
4. An MTO shall pay an annual license fees of US$2000 (Two Thousand United States dollars) or an amount to be determined by BCTL from time to time, payable on or before the anniversary of the grant of the license every 12 (twelve) months afterward.
5. BCTL may, by means of Instruction, establish, and revise, from time to time, fees applicable for the possession of a license.

Article 6
Revocation of a license.

1. The BCTL may revoke the license of Money Transfer Operator of its Agents under the following circumstances:
   a) Upon the request of the Money Transfer Operator;
   b) Following an infraction of the present instruction of any instruction/regulations issued by BCTL or any applicable law; or
   c) On one or more of the following grounds:
      i. The license was obtained on the basis of false information submitted by or concerning the applicant;
      ii. The MTO has not commenced operations within sixty (60) business days after the receipt of the license without the applicant having given written notice to the BCTL;
      iii. The owners of the MTO have decided to dissolve or to liquidate the MTO, or MTO has ceased to exist as a legally or operationally independent entity;
      iv. The MTO has intentionally or continually presented fraudulent reports or reports with false information to the BCTL;
      v. The license has been convicted due to engagement in illegal practices, false accounting practices, or fraudulent acts;
      vi. The license at any time fails to pay its liabilities, or in the opinion of the BCTL, the affairs of the MTO or its Agent are conducted in a manner detrimental to its customers or with a negative impact on the market;
      vii. The license fails to pay the annual license fee.
2. The decision to revoke the license of an MTO shall automatically result in the revocation of the license of its Agents.
3. The decision by BCTL to revoke a license shall be communicated in writing to the MTO or the Agent concerned.
4. A decision to revoke a license shall immediately be published in a newspaper of wide circulation wherever the offices of the MTO concerned are located.

Chapter III
Report and supervision

Article 7
Operations

1. An MTO that provides only one-way remittance services shall at all times maintain a minimum balance of US$ 10,000.00 (ten thousand United States dollars) in a bank licensed to operate in Timor-Leste.
2. An MTO that provide two ways remittances services shall at all times maintain a minimum balance of US$ 50,000.00 (fifty thousand United States dollars) in a bank licensed to operate in Timor-Leste.
3. The amount mentioned in the above paragraph may determine in case-by-case basis with a notification issued by BCTL.
4. An MTO or its agent(s) shall at all times produce a written receipt in electronic or hard copy for each customer which shall indicate the names, date of birth, addresses, type of identification, identification number of the customer, and the beneficiaries, date of transfer takes place, the dollar amount, the rate applied, the account number of beneficiaries, and the fees charged if applicable.
5. An MTO and its agent (s) shall execute the transfer in a form that contains all information required in Annex V of this instruction for every transaction at all times.

Article 8
Reports and Inspection

1. An MTO is required to record all operations, including the activities of its agents that are carried out within the scope of its license activities.
2. An MTO shall submit a consolidated monthly report to the BCTL no later than ten (10) business days into the following month, pursuant to Annex VII of this Instruction.
3. An MTO shall submit a financial statement report that describes the details of the balance sheet and income statement of the MTO no later than ten (10) business days into the following month, pursuant to Annex VI of this Instruction.
4. An MTO shall submit a report on transactions for residence and non-residence every quarter, describing the total number and value of transactions for outward and inward, no later than ten (10) business days into the following month after each quarter end, pursuant to Annex VIII of this Instruction.
5. The manner of reports submission, including the forms, shall adhere to the requirements under Instruction No 14/2021 on the submission of Financial Institution reports via the Banking Supervision Application.
6. The BCTL may conduct inspections at any time on the premises of MTOs or any of its Agents.
7. The inspection shall include examining the records and other relevant documents and information.

Chapter IV
Customer Protection

Article 9
Disclosure requirements

1. An MTO and its Agent (s) and its branches shall clearly disclose the terms and conditions of the Remittance Services that provides including all fees and charge imposed.

2. The notice in the previous paragraph and the MTO license shall be displayed in a prominent place easily accessible to the customers and must be written in an official language without prejudice of disclosure simultaneously of translations in foreign or local languages.

Article 10
Responsibilities and complaint management

1. A MTO and its Agent (s) shall be responsible for the outwards remittance and delivery of transferred funds to the intended beneficiary.
2. A MTO and its Agent (s) shall not be responsible for the delay or non-receipt of funds being transferred inwards unless a valid funds transfer instruction has been received from the remitting party.
3. In the event that an outward remittance is lost or unduly delayed in transit, the MTO shall reimburse its customer with the remittance amount and the fees paid or re-send the remittance at no additional cost to the customer.
4. In the event that a customer believes that an MTO has failed to meet its obligation under this Article, the customer has the right to submit a compliant to the MTO:
   a) The complaint shall be in writing;
   b) The compliant shall be supported by copies of all relevant documents including a copy of the remittance receipt; and
   c) If appropriate the complaint shall be supported by statutory declaration from the intended beneficiary that the funds have not been received.
5. A MTO shall investigate each compliant received and shall respond to the customer in writing within ten (10) business days setting out a proposes remedy to the customers complaint.
6. MTOs shall remit to BCTL copy of all complaint received under the previous paragraph.

Chapter V
Customer identification, Verification, record keeping and transaction report.

Article 11
Customer Identification

1. An MTO and its Agent (s) are prohibited from dealing with unknown customers and shall cease to deal with customers who refuse to provide the details as required in the following paragraphs.
2. An MTO and its Agent(s) shall conduct a formal customer identification process for all customers, whether natural persons, legal persons, or legal arrangements, using reliable and independent source documents, data, or information to establish the identity of its customer before providing any Remittance Services.
3. An MTO and its Agent(s) shall conduct a customer identification process for its customers based on the following:
   a) Obtain the identification document of the customer and the beneficiary and register the full name, date of birth, address, and identification number of the customer and/or the beneficiary when the amount of the transaction is less than US$ 500 (five hundred United States dollars);
   b) For transactions equivalent to or above US$ 500 (Five hundred United States dollars), a copy of the customer's identification is required;
   c) For transactions equivalent to or above US$ 1,000 (One thousand United States dollars), beside comply with the requirements established in previous paragraphs, it is also required to request information on the source of funds and the reason for conducting the transaction.

4. If a MTO and its Agent(s) have any doubt as to whether as customer specified in paragraph 3 above acts for his/her own account or making transaction on behalf of other person(s) or institutions the MTO and its agent(s) shall take all reasonable measures to verify the identity of the person(s) or to verify the relationship of the customer and the institution on whose behalf the customers is acting.
5. An MTO and its Agent(s) shall be required to systematically understand and, as appropriate, obtain and document information regarding the purpose and intended nature of the business relationship or long-term remittance profile for all corporate customers, legal arrangements, and recurring natural persons.
6. If a staff member in an MTO and/or its Agent(s) identifies a customer as PEP, it is required to obtain information as described in paragraphs 2 and 3.b) and c) and it shall obtain authorization from the compliance officer before executing any remittance services.
7. An MTO and its Agent(s) are prohibited from acting as intermediaries in a chain of payments.
8. If a MTO and its Agent(s) received money or value transfer that does not contain the complete originator information, they shall take necessary measures to obtain and verify missing information from the ordering institution or the beneficiary and should those fail to release the information, they shall refuse acceptance of the transfer and report it to the BCTL, and the other competent authorities established by law.
9. Where the customer is a legal person or a legal arrangement, an MTO and its Agent(s) shall identify and verify the identity of the natural person(s) who ultimately own or control the customer, including the beneficial owner, as well as the identity of the person authorised to act on behalf of the customer. For this purpose, the MTO and its Agent(s) shall:
   a) obtain documentary evidence of the legal existence of the entity, including documents issued by the competent registration authority, such as the Serviço de Registo e Verificação Empresarial (SERVE, I.P.) or other relevant authority; and
   b) verify the registered address of the entity and, where the principal place of business differs from the registered address, verify the actual business address through independent and reliable means.
10. Where the BCTL determines that a jurisdiction presents a higher risk of money laundering or terrorist financing, a MTO and its Agent(s) shall, in addition to Enhanced Due Diligence measures, apply such specific countermeasures as the BCTL may from time to time instruct, including restricting or prohibiting business relationships and transactions with persons from that jurisdiction.

Article 12
Customers Verifications

1. For verification, "reliable and independent source documents, data, or information" shall include, but not be limited to:
   a) For Natural Persons: A valid original passport, national identity card, or voter registration card or unique ID Card;
   b) For Legal Persons: An updated extract from the commercial registry (SERVE I.P.), Tax Identification Number (TIN) a certificate from the tax authorities, or the entity’s founding statutes;
   c) For Legal Arrangements: The original or a certified copy of the trust deed or equivalent legal instrument attesting to the arrangement's legal status and the powers of those who bind it;
   d) For all customers that are legal persons or legal arrangements, the MTO and its Agent(s) shall identify and verify the physical address of the customer's registered office using reliable and independent source documents, data, or information;

e) Identification of legal persons or legal arrangements, and verification of the identity through the following information:
   i. name, legal form, and proof of existence;
   ii. the powers that regulate and bind the legal person or arrangement, as well as the names of the relevant persons having a senior management position in the legal person or arrangement; and
   iii. the address of the registered office and, if different, a principal place of business.

2. Where the customer's principal place of business or main operational headquarters is different from its registered office, the MTO and its Agent(s) shall be strictly required to explicitly identify and verify the physical address of that principal place of business using additional independent verification means (such as physical site verification, utility bills in the entity's name, or certified commercial lease agreements) prior to establishing a business relationship or executing transactions.
3. Where the customer is a legal person or a legal arrangement, the MTO shall verify the identity of the natural person(s) who ultimately own or control the entity (the Beneficial Owner), as well as the identity of the person authorized to act on behalf of the entity.
4. When conducting due diligence on existing customer relationships at appropriate times, the MTO shall be strictly required to take into account whether and when due diligence measures were previously undertaken, as well as the complete adequacy of the data obtained during those prior instances. If the historical data is deemed inadequate or non-compliant with current requirements, a full updated CDD process must be executed prior to processing further transactions.
5. MTO and its Agent(s) shall maintain records in an appropriate record keeping system from the information required in Article 7.4 and 11.1 to 11.9 above including other information required in this instruction and ensures that the records and underlying information are readily available to the BCTL, and other competent authorities established by law.
6. Unless a higher period is established by law, the records referred to in the previous paragraph shall be maintained for at least five (5) years.

Article 13
Transactions Reports

1. An MTO and its Agent(s) that suspects or has reasonable grounds to suspect that funds are the proceeds of crime or are related or linked to or are to be used for the financing of terrorism or that have knowledge of a fact or an activity that may be an indication of money laundering or financing of terrorism is required to submit promptly a report setting forth its suspicious to the FIU and other competent authorities established by law as required in BCTL's Circular Letter No. 006/2024: Guidelines on the Reporting of Suspicious and Cash Transactions through SINTRAF even in the case of attempted transactions.
2. Where the MTO or its Agent(s) forms a reasonable suspicion that a transaction or business relationship may be linked to money laundering or terrorist financing, and reasonably believes that performing or continuing the Customer Due Diligence (CDD) process will tip-off the customer or compromise an investigation, the MTO and its Agent(s) are required to not pursue the transactions and must report STR to the FIU.
3. A MTO and its Agent(s) shall report all transactions equal to or above than US$ 1,000 (one thousand United States dollars) to BCTL and other competent authorities established by law using the form as required in BCTL's Circular Letter No. 006/2024: Guidelines on the Reporting of Suspicious and Cash Transactions through SINTRAF, or any other applicable regulatory instrument issue by BCTL.

Article 14
Roles and Responsibilities of Management

1. MTO's management shall appoint a dedicated person responsible for matters related to AML/CFT and able to carry out his/her responsibilities effectively and become the point of contact for the BCTL and the FIU for operational matter specially related to AML/CFT including CTRs and STRs.
2. MTO's management must ensure that staff are aware of MTO AML/CFT procedures including sufficient knowledge to identify suspicious activities as required in Article 13 of this instruction and are able to communicate to relevant institution.
3. MTO shall develop internal procedure which include but not limited to the following:
   a) Identification and verification of the customer;
   b) Monitoring and fully control of large amount and risk;
   c) Communicate any suspect operation;
   d) Develop list PEP;
   e) Recordkeeping; and
   f) Training program.

Chapter VI
Final Provision

Article 15
Infractions Administrative Penalty and Remedial Measure

1. The BCTL may take actions or impose the penalties set forth in this Article with respect to a MTO or an Agent if it determines that the MTO or the Agent or any of its Administrator or Principal Shareholder has committed an infraction consisting of:
   a) The violation of provision of the present instruction of or of any instruction, circular or order issued by the BCTL applicable to an MTO;
   b) The violation of any condition, restriction, or provision of an authorization issued to an MTO on an Agent by the BCTL;
   c) The violation of a provisions established in Law no. 17/2011 of 28 December on the Legal Regime to Prevent and Combat Money Laundering and the Financing of Terrorism.
2. Following a determination prescribes in paragraph above the BCTL may take one or more of the following actions or impose the following penalties:
   a) Issue written warning;
   b) Issue written orders to cease and desist from such infractions and to undertake remedial action;
   c) Impose fines on the MTO or the Agent or any of its Administrators or Principal Shareholders as detailed bellow:
      i. Amount US$ 250 (two hundred and fifty United States dollars) to US$ 1,000 (one thousand United States dollars) as total amount or per day for each of the following infractions;
         (1) Fails to submit incomplete or inaccurate information as required in Article 8.2 to 8.4, and Article 13;
         (2) Fails to cooperate with examiners of the BCTL appointed for purpose of Article 8.6.
      ii. Amount US$ 500 (five hundred United States dollars) to US$ 1500 (one thousand and five hundred United States dollars) as a total amount of per day for each of the following infractions if continued:
         (1) Fails to comply with requirement established under Article 4.1 to 4.2;
         (2) Fails to disclose the terms and conditions of the Remittance Services and other information as required in Article 9.1 and 9.2.

(3) Fails to comply with requirement set in Article 11.7.

iii. Amount US$ 5,000 (five thousand United States dollars) to US$ 500.000 (five hundred thousand United States dollars) once or per day for each of the following infractions:

(1) Fails to identify and verify the customers and maintain an appropriate record keeping system as required in Article 11.1 to 11.6, 11.8 to 11.9, 12.1 to 12.4 and 12.5 to 12.6;

(2) Fails to report the transaction as required in Article 13.1 to 13.3.

d) Taking into consideration the seriousness of the infraction committed and the level of responsibility of the MTO or its Agent(s), determine the application of the follow ancillary penalties:

i. Revocation of the license as per Article 6 of this Instruction;

ii. Suspension of the license;

iii. Suspension or banishment of any Administrator, Principal Shareholder from any financial or related activities in Timor-Leste;

iv. Communication of the infractions committed, and the penalties applied to the foreign supervision authority if applicable.

3. The measures and penalties provided in Article 15.2 shall not preclude the application of the civil criminal or administrative penalties as provided in other applicable laws or regulations.

Article 16
Entry into Force

1. This instruction shall entry into force from the day of its publication.
2. In accordance with Article 66 Paragraph 1 of the Organic Law of the Central Bank, this Instruction shall be published in the Journal da República.

Approved on 27 September 2013.

The Governor

Abraão de Vasconcelos

APPLICATION FORM TO BECOME A MONEY TRANSFER OPERATOR'-[1]

I. PARTICULARS OF THE APPLICANT

1. Full name	
2. Full address	
3. Proposed name of the MTO	
4. Full address of location where the business will be conducted	
5. Name of the bank in which the applicant has an account and will use when providing Remittance Services	

II. COPY OF DOCUMENTS TO BE SUBMITTED)[2]

1. Cover Letter addressed to the Governor or the Vice Governor of BCTL.	☐ Yes	☐ No
2. Identification card foreigners are required to submit also residency permit.	☐ Yes	☐ No
3. Curriculum vitae of the proposed Administrators and Shareholder as detailed as possible.	☐ Yes	☐ No
4. Draft statute of the company for business entities only	☐ Yes	☐ No
5. Internal procedure on AML/CFT prevention according to Law No.17/2011 as amended, the procedure shall cover the process of customers' identification, transactions monitoring, cash and suspicious transaction reporting.	☐ Yes	☐ No
6. Internal procedure on operational including transfers mechanism, internal control system and information system that apply.	☐ Yes	☐ No
7. Police clearance certificate stating that the person(s) has not been convicted of a crime not is in the process of being prosecuted for a crime.	☐ Yes	☐ No
8. Authorization letter from company as a partner to authorize the use of the application system or software to be used for Money Transfer Operator in Timor-Leste.	☐ Yes	☐ No
9. Statement from relevant tax authorities stating that the applicant has complied with all past and current tax obligations	☐ Yes	☐ No

[1] The application shall be presented by the principal shareholder or a person designated by the shareholder.

[2] it is required to submit all the documents for each person involved in the application.

10. Most recent bank statement	☐ Yes	☐ No
11. Personal Declaration, see Annex II	☐ Yes	☐ No
12. Application processing fees	☐ Yes	☐ No

III. PURPOSE TO STABLISH THE MTO

Please provide a narrative explanation of not more than 500 words which outlines why the applicant(s) is applying to become a Money Transfer Operator.

I/We hereby declare that the forgoing information is true. I/We are aware that submitting false information will lead to denial of my/our application).

Signature and date

PERSONAL DECLARATION FORM[3]

(I/We hereby undertake to abide by and be governed by the " Instruction no. 32/2026 on the Licensing and Supervision of Money Transfer Operators“ issued by the Banco Central de Timor-Leste, and such other applicable Rules, Instructions, or Orders as issued by or may be issued by the Banco Central de Timor-Leste).

I/We also certify that all information submitted in connection with this application is true and correct, and authorize the Banco Central de Timor-Leste to make such enquiries as it may deem appropriate to verify it.

I/We understand that any misleading or inaccurate information will lead to the rejection of the application, or if already approved the cancellation of the Money Transfer Operator license.

I/We hereby accept to be an Agent for [Insert name of MTO].

Name of MTO	
Name of Principal shareholder	
Position	
Signature	
Date	

[3]Personal Declaration shall be signed by the Principal shareholder of the MTO or a person that officially appointed.

ANNEX III of Instruction No. 32/2026

APPLICATION FORM TO APPOINT AN AGENT[4]

I. PARTICULARS OF THE APPLICANT

1. Name of the MTO	
2. Address	
3. License number issued by BCTL if provided	

II. PARTICULARS OF THE PROPOSED AGENT

1. Full Name	
2. Address	
3. Proposed name if the Agent *if applicable*	
4. Full address of location where the business will be *conducted if different from above*	
5. Name of the bank in which the applicant has an account and will be use when providing Remittance Services.	

III. COPY OF DOCUMENTS TO BE SUBMITTED)[5]

1.	Identification card foreigners are required to submit also the residency permit	☐ Yes	☐ No
2.	Curriculum vitae of the person(s) responsible for the Agent, as detailed as possible.	☐ Yes	☐ No

[4] Application form to appoint an Agent shall be signed by the principal shareholder or administrator of the MTO

[5] It is required to submit all the documents for each person involved in the application.

3. Business registration *for business entities* only ☐ Yes ☐ No

4. Police clearance certificate stating that the person)s) has not been convicted of crime nor is in the process of being prosecuted for a crime ☐ Yes ☐ No

5. Statement from relevant tax authorities stating that the applicant has completed with all past and current tax obligation ☐ Yes ☐ No

6. Most recent Bank Statement ☐ Yes ☐ No

7. Personal Declaration (see annex IV) ☐ Yes ☐ No

8. Application Processing fee ☐ Yes ☐ No

I/We hereby declare that the foregoing information is true. I/We are aware that submitting false information will lead to denial of my/our application

Signature

PERSONAL DECLARATION FORM

I/We hereby undertake to abide by and be governed by the" Instruction No.32/2026 on the Licensing and Supervision of Money Transfer Operators • issued by the Banco Central de Timor-Leste, and such other applicable Rules, Instructions, or Orders as issued by or may be issued by the Banco Central de Timor-Leste.

I/We also certify that all information submitted in connection with this application is true and correct, and authorize the Banco Central de Timor-Leste to make such enquiries as it may deem appropriate to verify it.

I/We understand that any misleading or inaccurate information will lead to the rejection of the application, or if already approved the cancellation of the Money Transfer Operator License.)

I/We hereby accept to be an Agent for *[Insert name of MTO].*

Section1. MTO

Name of MTO :	
Name of Principal Shareholder:	
Position :	
Signature :	
Date :	

Section 2. Agent

Name of Agent :	
Name of Administrator :	
Position :	
Signature :	
Date :	

INFORMATION REQUIRED FOR ALL TRANSACTIONS RECORD

Name of MTO
Date
MTCN (Transaction/Reference Number)
Amount
Amount (In words)
Fee
Exchange rate
Total amount received by receiver
For transaction equal to or greater than US$ 500 copy of identification of the customers should be obtained.

Signature of MTO

RECEIVER

Destination
- Full Name
- Date of Birth
- Full Address
- Type of Identification
- Identification Number
- Data of Issue
- Date of expired
- Contact Number
- Source of Funds should be declared for transactions equal or greater than US$ 1000
- Purpose of Transactions
- Receiver Signature

SENDER

- Full Name
- Date of Birth
- Full Address
- Type of Identification
- Identification Number
- Complete Address
- Contact Number
- Sent From

BALANCE SHEET

Descriptions	Amount US$
Assets	
Liquid Funds	
Cash in the bank	-
Petty Cash	-
Account Receivable	-
Fixed Assets	-
Premises	-
Furniture & Fixtures	-
Machinery & Equipment	-
Offices	-
Leasehold improvements	-
Less: Reserve for Depreciation	-
Other Assets	-
Total Assets	-
Liabilities & Capital Account	
Liabilities	
Account Payable	-
Accrued Expense	-
Unearned Revenue	-
Long Term Debt	-
Total Liablities	-
Owner's Equity	-
Paid Up-Capital	-
Retained Earning	-
Profit/(Loss)	-
Total Equity	-
Total Liablities & Capital	-

INCOME STATEMENT

Descriptions	Amount US$
Interest Income	
Income from remittances	
Other income	
Total Interest Income (A)	-
Operating Expenses	
Salary & Employee Benefits	
Administrative Expense	
Rent Paid	
Other Operating Expense	
Total Opertaing Expenses (B)	-
Income before taxes C = (A-B)	-
Taxes (D)	
Net Income (C-D)	-

CONSOLIDATED MONTHLY REPORT

Remittances by Sector					
Descriptions		Outward		Inward	
		Number	Value in US$	Number	Value in US$
1	Public Sector				
2	Private business				
3	Individual				
4	NGO				
5	Other				
	Total	-	-	-	-

Remittances by Nature					
Descriptions		Outward		Inward	
		Number	Value in US$	Number	Value in US$
1	Transfer to family				
2	Education				
3	Business investment or purchase				
5	Saving				
6	Other				
	Total	-	-	-	-

Remittances by Destination					
Descriptions		Outward		Inward	
		Number	Value in US$	Number	Value in US$
1	Domestic	-	-	-	-
	a). Aileu				
	b) Ainaro				
	c) Baucau				
	d) Bobonaro				
	e) Covalima				
	f) Dili				
	g) Ermera				
	h) Lautem				
	i) Liquica				
	j) Manatuto				
	k) Manufahi				
	l) Oecussi				
	m) Viqueque				
2	Asia-Pacific	-	-	-	-
	a) Indonesia				
	b) Malaysia				
	c) Philippine				
	d) Thailand				
	e) Singapore				
	f) Fiji				
	g) Papua New Guinea				
	h) South Korea				
	i) Others				
3	Australia				
4	Africa	-	-	-	-
	a) South Africa				
	b) Angola				
	c) Cabo Verde				
	d) Moçambique				
	e) Nigeria				
	f) Others				
5	Americas				
6	Northern Ireland				
7	United Kingdom				
8	Portugal				
	Total	-	-	-	-

Remittances by Amounts					
Descriptions		Outward		Inward	
		Number	Value in US$	Number	Value in US$
1	Up to $500				
2	$501 - $1,500				
3	$1,501 - $2,500				
4	$2,501 - $5,000				
5	Over $5,000				
	Total	-	-	-	-

ANNEX VIII of Instruction No. 32/2026

QUARTERLY REPORT FOR RESIDENCE AND NON-RESIDENCE REPORT

1. REMITTANCES PERFORMED BY RESIDENT AND NON RESIDENT CLASSIFIED BY SECTOR

Sector	Resident				Non Resident			
	Outward		Inward		Outward		Inward	
	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer
Public Sector								
Private business								
Individual								
NGO								
Other								
TOTAL								

2. REMITTANCES PERFORMED RESIDENTS AND NON-RESIDENTS CLASSIFIED BY NATURE

Nature	Residents				Non Residents			
	Outward		Inward		Outward		Inward	
	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer
Transfer to family								
Education								
Business investment or purchase								
Saving								
Other								
TOTAL								

3. REMITTANCES EXECUTED BY RESIDENT AND NON-RESIDENT CLASSIFIED BY MUNICIPAL Should describes total number and amount of transaction for outward and inward by municipal

Municipal	Resident				Non Resident			
	Outward		Inward		Outward		Inward	
	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer
Aileu								
Ainaro								
Baucau								
Bobonaro								
Cova Lima								
Dili								
Ermera								
Liquiçá								
Lautém								
Manufahi								
Manatuto								
Oecusse								
Viqueque								
TOTAL								

4. **REMITTANCES PERFORMED BY RESIDENT AND NON-RESIDENT CLASSIFIED BY COUNTRIES** Should describes total number and amount of transaction for outward and inward by countries

Countries	Resident				Non Resident			
	Outward		Inward		Outward		Inward	
	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer
Americas								
Angola								
Australia								
Brunei								
Cambodia								
Cave Verde								
Canada								
China								
Fiji								
India								
Indonesia								
Japan								
Laos								
Malaysia								
Mozambique								
Myanmar								
Nepal								
Nigeria								
Northern Ireland								
Others African Countries								
Others Asian and Pacific Countries								
Others European Countries								
Pakistan								
Papua New Guinea								
Philippine								
Portugal								
Singapore								
South Africa								
South Korea								
Srilangka								
Thailand								
United Kingdom								
Vietnam								
TOTAL								

5. **REMITTANCES PERFORMED BY RESIDENT AND NON-RESIDENT CLASSIFIED BY AMOUNT**

Amount Excecuted	Residents				Non Residents			
	Outward		Inward		Outward		Inward	
	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer	∑ Transfer	Amount of Transfer
Up to $ 500								
$ 501 until $ 1,500								
$ 1,501 until $ 2,500								
$ 2,501 until $ 5,000								
Over $ 5,000								
TOTAL								