



PRESS RELEASE

Publication of Instruction No.25/2023 of July 4 on the Licensing and Supervision of Finance Companies

Dili, 2 October,2023

On 4 July 2023, The Governing Board of Banco Central de Timor-Leste (BCTL), under authority defined in Article 31.1 of Law No. 5/2011, approved Instruction No. 25/2023 on the Licensing and Supervision of Finance Companies that effective enforce from the date of its publication in the Official Gazette (*Journal da República*) on 21 September 2023.

Considering the importance of this licensing and supervision framework as a critical component that contributes to a dynamic non-banking financial market development, the BCTL collaborated with International Finance Corporation (IFC), a Member of the World Bank Group has initiated the establishment of a modern framework for the licensing and supervision of Finance Companies in Timor-Leste. The framework will play a pivotal role in fostering healthy credit markets to provide vital financing opportunities for the private sector, especially micro, small, and medium-sized enterprises (MSMEs).

The Instruction is in line with international best practices and designed to bring about a proper balance between the required flexibility for the finance companies to develop innovative products in the sense of helping the necessities of both businesses and consumers, including the necessary to maintain the responsible business practices and adequate protection of consumer rights.

For further information, contact the License and Regulation Division of BCTL via mobile number +6703313712 or send via email: dsf.licensing@bancocentral.tl.

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This Instruction is available at the BCTL's website:

https://www.bancocentral.tl/uploads/documentos/documento_1695167649_7781.pdf

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