

Legal Review of Registration Service Mechanism And Business Verification in Timor-Leste (SERVE, IP/Serviço De Registo E Verificação Empresarial, Instituto Publico)

Felix Cristovão Pinto¹⁾ & Anis Mashdurohatun²⁾

¹⁾Faculty of Law, Universitas Islam Sultan Agung, Semarang, Indonesia, E-mail: felixcristovaopinto.std@unissula.ac.id

²⁾Faculty of Law, Universitas Islam Sultan Agung, Semarang, Indonesia, E-mail: anismashdurohatun@unissula.ac.id

Abstract. *This study aims to examine the legal and analytical mechanisms of business registration and verification services in Timor-Leste implemented by the Serviço de Registo e Verificação Empresarial, Instituto Público (SERVE, IP) as a public institution responsible for the legalization process of business entities. The focus of the research is directed at the legal basis underlying the operations of SERVE, IP., business registration and verification service procedures, and challenges faced in implementing government policies in the field of economic licensing. The research method used is normative juridical with a descriptive-analytical approach, through a literature study of regulatory analysis, and relevant laws and regulations, as well as official documentation from the Timor-Leste government. The approach method used in compiling this thesis is normative juridical research (normative legal research method). The normative juridical research method is a library legal research conducted by examining library materials or secondary data only. The research results show that the existence of SERVE, IP., has made a significant contribution to the government's efforts to create legal certainty, transparency, and efficiency for businesses in Timor-Leste. The mechanism implemented is relatively simple with a one-stop shop concept that simplifies the business registration process. However, its implementation still faces quite complex obstacles, including limited competent human resources, less than optimal use of information technology in the service system, and overlapping sectoral regulations and applicable economic licensing regulations. These factors affect the speed, effectiveness, and quality of services provided to the public and the private sector. To improve the effectiveness of service mechanisms, efforts are needed to harmonize sectoral regulations with national economic licensing policies, increase the institutional capacity of SERVE and IP, and develop a more integrated digital service system. Thus, the implemented business registration and verification policies are expected to support private sector growth, improve the investment climate, and strengthen sustainable economic development in Timor-Leste.*

Keywords: *Business; Government; Registration; Verification.*

1. Introduction

The obligation of the State of Timor-Leste to build, guarantee and maintain the sustainability

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of the business environment both on a national and international scale as regulated in Article 138 concerning "The economic arrangement of Timor-Leste will be based on a mixture of forms of community economy with a free economy and a free enterprise management economy, as well as on the equal existence of the public sector, private sector, cooperative and social sectors, regarding ownership of means of income",¹ and Article 61 paragraph (3)² in the RDTL Constitution of 2002 which states that, "The State must promote actions aimed at protecting the environment and maintaining sustainable economic development".

These two articles demonstrate that in the development of its legal and regulatory business system, and in its economic growth, it is crucial for Timor-Leste to have a strong legal framework to protect the business environment. Legal protection of the business environment encompasses various aspects, from business and investor rights, legal certainty, to protection of fair and transparent business practices.

The government, through the Coordinating Ministry for Economic Affairs or MCAE, has established an institute for fostering registration and verification of business services or SERVE, IP., as a service for managing business permits, one of the institutes that was established by the government of Timor-Leste whose processes and responsibilities for the registration and verification of business services are regulated in law no. 35/2012 and ratified on July 18, 2012.³ Its purpose is to provide public services related to commercial registration and licensing of commercial activities, in accordance with simple and fastest procedures and administration. SERVE, IP., is a new business registration system that maintains its operation and functions in 2013. SERVE, IP, always operates with the same political platform and scheme to serve clients in the process of verifying the requirements of entrepreneurs, as well as in the process of registering businesses and companies based on their type and juridical nature.

According to Siswosoediro H. (2007, p. 2-3), we need legal power that can protect us, one of which is by taking care of and completing the necessary licensing documents so that every business we undertake can have legal force and it is easier to increase the profits of the business we run then, updating it to reflect the needs of the existing government perspective at that time, Law No. 83/2022, dated November 23, amending Law No. 34/2017, dated September 27, 2015, concerning the licensing of economic activities, substantially changed the regime by eliminating the need for authorization to engage in any of the economic activities identified in its appendix. However, licensing requirements remain in place for activities whose implementation is subject to permissive action by the public administration.

Considering that, according to paragraph 2 of article 4 of the same decree law, the prior declaration for the commencement of economic activity (preliminary declaration of commencement of economic activity) is made on a specific form, it is necessary to approve the model to be adopted by the One-Stop-Shop service of SERVE, IP, and made available to interested parties. Two different declaration models are approved, depending on the implementation of the activity or type of activity that is of interest to be initiated by a person (see business and company) who is interested in starting or not subject to prior sectoral licensing. In addition, a model for requesting or applying for this license, the application for which is made in accordance with article 14 of the referred legal provisions, is also approved.

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In other words, this sentence informs that a license for a specific sector has been issued by an authorized institution and submitted to SERVE, IP., in accordance with applicable legal regulations. At SERVE, IP., the licensing process for business clients typically follows a few general steps, although details can vary depending on the type of license required. The following are common steps that may be involved, such as:

- 1) Initial Registration: Clients submit an initial application, including basic information about their business. This typically involves filling out a form and gathering supporting documents such as company identification, a business plan, and owner information.
- 2) Initial Evaluation: SERVE, IP., will evaluate the application to ensure all required documents are included and meet the requirements initial requirements. If there are any deficiencies, they will ask the client to complete them.
- 3) Review Process: Once the documents are complete, a review process is conducted to verify eligibility and compliance with applicable regulations. This may involve a background check, environmental impact analysis, or risk evaluation.
- 4) Assessment and Clarification: If necessary, SERVE, IP., may request additional clarification from the client or hold a meeting to discuss certain aspects of the application.
- 5) Issuance of Permits: Once the review process is complete and all requirements are met, SERVE, IP., will issue the necessary permits.
- 6) Monitoring and Compliance: Once a permit is issued, it is possible that SERVE, IP., will conduct monitoring to ensure the business complies with the requirements stated in the permit.
- 7) Extension and Renewal: The permit issued may have a certain validity period and the client must apply for an extension or renewal before the permit expires.

This process is designed to ensure that businesses operate in accordance with applicable regulations and standards, and to protect the public interest and the environment.

After looking at the applicable rules to implement existing regulations, and looking in depth at SERVE, IP., really needs human resources, namely employees, to be able to handle or provide services to those who process business registration and verification documents for their clients who come to take care of business licensing documents related to business permits.

However, based on known information and investigations from the public such as TV media and online media, especially at the SERVE, IP., location, there are problems. Then from the government of the Ministry of MCAE, which intervened and submitted a request in accordance with the interpretation of political policy to terminate or end many employee contracts at SERVE, IP., whose contract period will end or be completed in 2027, but has been completed early due to political policy intervention from the current government. Based on the legal perspective or political policy of SERVE, IP., and the decision to terminate employee contracts, and this decision has ended on December 31, 2023 with a total of 166 employees.

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Overall, significant staff reductions like these require careful planning to ensure service efficiency is maintained. Implementation of changes must be closely monitored to identify areas for improvement. Simply reducing staff without providing a justification could create obstacles or inconvenience for businesses seeking new licenses or extending existing ones, and could also hinder economic development in Timor-Leste.

Thus, the employees of the business registration and verification service, public institute or SERVE, IP., along with 166 personnel who are currently no longer working at the place asked the leadership of SERVE, IP., to also conduct an evaluation of their performance, because they followed a long recruitment process and tests in the system established by the State Civil Service Commission/Civil Servant Commission/CFP, which the employees entered in 2013, 2015, 2017, 2020 to 2022, asking to provide a good solution for the employee so that he can carry out his duties properly.

Benjamin Pinto, as spokesperson, stated that for the 166 registered employees, their contracts will be valid until December 31, 2027, despite the decision of the Director of SERVE, IP., based on a legal opinion (Parecer Jurídico) has issued a disposition to suspend them. But they asked the Deputy Prime Minister and the Coordinating Minister for Economic Affairs and the Minister of Tourism and the Environment, to provide alternatives or other solutions for this. And they requested that in relation to this, the employees of SERVE, IP., want to inform all media regarding the decision of the Executive Director of SERVE, IP., which sacrifices or revokes the contractual rights of employees based on the contract period institutionally agreed with employees in a duration of five years until the end of the contract on December 31, 2027.

Because previously, these employees participated in a recruitment process or public competition announced by the State Civil Service Commission / Civil Service Commission, and employees who had worked for several years such as four years, seven years, and so on, were appointed as SERVE. IP. employees, with the same contract duration, after undergoing training at home and abroad who understood the work system well. However, in the current situation, the 166 employees are facing problems. Based on the notification on December 17, 2023, SERVE, IP., received notification from the Deputy Prime Minister and Coordinating Minister for Economic Affairs and the Minister of Tourism and the Environment, regarding the announcement to the highest leadership of Public Institutes and Public Companies, including SERVE IP., to inform employees-employees whose contracts must end on December 31, 2023 and cannot be extended.

Then, on December 29, 2023, the Director of SERVE, IP., held an official meeting with all employees, including those in the RAEOA Municipality, giving a general notice and issuing notices to employees individually. The Director also provided an interpretation of the legal opinion that had been received and explained that legally the employees would no longer be associated with SERVE, IP., after their contracts expired on December 31, 2023. He explained that previously, the joint contract employees were 230 personnel including the Executive Director, and 64 people continued their work, but 166 people followed the official document indicating that as of January 1, 2024 they were no longer legally associated with SERVE, IP., said the Executive Director.

The top leadership of SERVE. IP., reminded that previously, the Deputy Prime Minister and the Coordinating Minister for Economic Affairs and the Minister of Tourism and the Environment had stated that restructuring changes would be implemented within the next month. Then a new structure will be established to fill the vacancies, but the instructions given by the Deputy Prime Minister were clear to those of us who have the authority, namely regarding the capacity and experience of employees to continue the work, and if not, the institution will consider other matters, he stated to journalists. 10 The Minister said that the meeting would also examine work priorities for 2024, as the Government has not made any changes to Public Institutes and Public Companies. And there have been no changes to Public Companies and Public Institutes, because we have not made any changes, but they remain as before.

2. Research Methods

Research is a series of scientific processes designed to solve a problem. To produce good scientific work that can be accounted for its accuracy, it must be supported by accurate facts obtained from the research. Research is essentially a Basically, what is sought is none other than "knowledge" or more precisely "correct knowledge", where this correct knowledge can later be used to answer certain questions or ignorance. in this case, the use of several research tools that are in accordance with this research method is very important in order to obtain maximum results.

3. Results and Discussion

3.1. Business Registration and Verification Service Mechanism in Timor-Leste

A service mechanism is a method or procedure used to provide services to customers. This service system involves various aspects, such as physical facilities, human resources, and information systems, with the goal of providing customer satisfaction. It encompasses the stages of activities, processes, and procedures that must be followed to achieve the service's objectives. Services are intangible, indefinable activities that are the primary object of transactions designed to provide customer satisfaction. While goods are produced through a production process, services result from the provision of facilities and infrastructure supported by the delivery of specific skills. The concrete manifestation is how a business entity can provide satisfactory service to customers.

In relation to service, there are two terms that need to be understood: serving and service. According to the Great Dictionary of the Indonesian Language, the definition of service is helping to prepare (take care of) what someone needs. Meanwhile, service is the effort to meet the needs of others. Therefore, service is the key to success in various business activities that are service-based. Because service is essentially an activity offered by an organization or individual to consumers, which is intangible and cannot be owned. However, the service mechanism is the series of activities carried out in the service process, from registration to completion. And also the service mechanism.

Licensing and non-licensing services are a series of activities in the permit issuance process, starting with registration and ending with the permit being issued. If the requirements are

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not met or complete, the permit application will be rejected.

With the business registration and verification service mechanism or SERVE, IP., in Timor-Leste, in the provisions that serve as the legal basis of the Coordinating Minister for Economic Affairs, namely through Ministerial Diploma no. 33/2023 dated June 28; regarding the previous statement to start economic activities is Law Regulation no. 83/2022, dated November 23, which amends Law Regulation no. 34/2017, dated September 27, on the licensing of economic activities, substantially changing the regime by eliminating the need for authorization to engage in any economic activity mentioned in its annex. However, the requirement for licensing remains in force for activities whose implementation is subject to licensing action by the Public Administration.

Considering that in accordance with Article 4 paragraph (2) of the Government Regulation, the initial statement of the commencement of economic activities is made in a specific form, it is necessary to agree on the form to be used by the service, the One-Stop Integrated Service SERVE, IP., and provide it to the interested parties.

From the Government, through Ministerial Diploma no. 33/2023 dated June 28; in Article 2 regarding the model of statements and applications are:

- 1) The initial statement to start economic activities (initial statement of commencement of economic activities) as regulated in Article 4, regarding legislation no. 34/2017 dated September 27, as amended by legislation no. 83/2022 dated November 23, is made in a special form, in accordance with the model listed in Attachments I and II of this Diploma, which are an integral part of it, and accompanied by a copy of the personal identity document of the declarant.
- 2) The model in Appendix I is used for statements of activities that are not subject to licensing, and the model in Appendix II is used for statements of activities that are subject to sectoral licensing that the declarant already holds.
- 3) The model in Appendix III is used to apply for sectoral permits for activities subject to the valid licensing regime, as stipulated in Article 14 of government regulation no. 34/2017 dated 27 September, and as amended by government regulation no. 83/2022 dated 23 November.
- 4) The form is filled out in duplicate, with one copy kept by the SERVE One-Stop Integrated Service, IP., and the other copy kept by the declarant or applicant.

Two different declaration models were then approved, depending on whether the activity or type of activity an individual (Business or Company) is interested in initiating or not subject to prior sectoral licensing. Furthermore, a model for requesting or applying for this license, which must be submitted in accordance with Article 14 of the relevant legal provisions, was also approved. This article states that the license request is as follows:

- 1) The implementation of economic activities is subject to sectoral licensing if there are special laws and regulations that clearly and firmly regulate the licensing procedures.
- 2) Applications for sectoral permits for economic activities are submitted to the One-Stop

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Counter SERVE, IP., which immediately sends them to the government agency responsible for the relevant sectoral permits.

3) Upon receipt of the communication referred to in the previous paragraph, the competent authority for issuing sectoral permits shall notify SERVE, IP., within three days, the estimated date of delivery of the respective permit, in accordance with the decree of this law and the deadlines established in the applicable sectoral regulations.

4) Once the license is received, SERVE, IP., affixes/pastes a registration number to the license and notifies the individual or parties concerned that they can pick it up at the SERVE, IP. integrated counter.

One of the forms of licensing in business in Timor-Leste is that individuals and business entities that import and export goods commercially are required to obtain authorization from the MCIE or the Ministry of Trade, Industry and Environment, in accordance with the law on licensing commercial activities (Law no. 24/2011).

Article 9 of Law No. 24/2011 regulates the criteria and information requirements for obtaining commercial permits. Applications are submitted to the Commercial Registration and Verification Service (SERVE), which is authorized to Approve Implementation Activities or AEAs for businesses engaged in risky activities.

Low. For medium- and high-risk activities, SERVE, IP., will forward the business authorization application to the Ministry of Trade, Industry, and Environment (MCIE) for further assessment. A list of activities by risk category is not publicly available. Additionally, the Directorate General of Customs and Excise (DGCA) requires all commercial importers to prove they have a Timor-Leste Taxpayer Identification Number (NPWP) or TIN, and companies must prove they are legally incorporated. NPWPs and TINs are issued to taxpayers by the Tax Authority.

While it is true that Government Regulation no. 34/2017 of September 27, regulates the licensing of economic activities within the country's legal system, this law also reveals a flawed licensing legal framework, called "sectoral", which has caused various obstacles or problems not only for individuals but also for the Government itself, which due to the absence of clear and firm laws that apply to the most diverse licensing regimes for economic activities. Medium and high risk activities, as the regime has been based on this distinction, hampered in their efforts to contribute to a more conducive business environment for national economic development.

Medium- and high-risk activities would require a licensing regime, broadly understood, to encompass all of the Government's permissive measures. However, these regimes have often been slow to establish, and distinctions based on the risk of the activities to be undertaken have proven unreliable, as medium- and high-risk activities are not always subject to licensing, and the alleged gaps often reflect the legislator's own intention to exclude certain activities from licensing. The removal of this distinction was a requirement for reform of the regime, and it has therefore been removed, paving the way for the approval of a common framework for classifying economic activities, known as the Timor-Leste Classification of Economic

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Activities (CAE).

The collection of this information by SERVE, IP., and its submission to the appropriate entities has two distinct objectives. The CAE's objectives are primarily statistical, with classification rules and the determination of main activities falling under statistical objectives, but the CAE can also be used for non-statistical purposes, particularly taxation. Cross-referencing data between the various Public Administration institutions will also contribute to the formalization of the economy and the consolidation of the State. With the model advocated by decree-law no. 34/2017 of September 27 already consolidated, it must be recognized that the current reality requires further legislative intervention. Therefore, the Government intends to end the current authorization regime, whose bureaucratic procedures no longer have a justification for existence, in favor of greater service efficiency and genuine freedom of initiative and business management in the private sector.

Beyond quantity, human resource quality is also a key determinant. SERVE, IP., officers are not only required to master administrative aspects, but also to understand cross-sectoral regulations, master the digital systems currently being developed, and be able to provide fast, transparent, and professional services. Therefore, capacity building through ongoing training, certification, and digital skills updates is an urgent need. Therefore, strengthening human resource capacity needs to be combined with a system modernization strategy. The increasing daily statistics should be an indicator for the government to increase budget allocations, improve employee distribution across municipalities, and expand digital-based services so that employee workloads do not rely solely on the service center in Dili. In this way, SERVE, IP., can address the challenge of increasing business registration volumes with more efficient, integrated, and investment-friendly services.

Thus realizing that there is indeed room to make the licensing process more predictable, transparent, and simple, the 8th Constitutional Government, led by Prime Minister Former General Mr. Taur Matan Ruak, in a joint effort, has revised and simplified it through Law Regulation no. 83/2022 on November 23rd concerning the first amendment to Law Regulation no. 34/2017, on September 27th, Concerning Licensing of Economic Activities.

In addition, limited institutional and bureaucratic capacity with limited budget and human resources from the SERVE institution, IP., is still limited both in terms of the number of employees and technical capabilities, especially the layoffs of these employees with minimal budgets making the development of online systems and digital services run slowly, also hampering the investment climate, because inadequate regulations and limited personnel cause inconsistent, slow services, and lack of legal certainty to business actors and investors. This condition results in higher economic costs and reduces the attractiveness of Timor-Leste as an investment destination.

In terms of service modernization, digitalization or online registration is still not fully widespread. The government has signed an agreement to strengthen the online registration system, but this is still in the strengthening stage and has not yet reached a stage of established utilization. Due to infrastructure constraints outside of Dili, one-stop shop services are not yet widespread, and many areas still struggle to access services due to digital

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and physical infrastructure limited access is limited, reducing fair access for businesses in the regions. As a result, businesses in various regions, especially outside Dili, still struggle to access services efficiently.

Furthermore, regulatory changes through Law No. 83/2022, which revised the rules on Economic Activity Licensing, are expected to make the mechanism more predictable, transparent, and simple. However, the implementation of this new regulation still requires time and adjustments between agencies to truly simplify bureaucracy and strengthen service certainty for businesses in Timor-Leste. Furthermore, policy and regulatory constraints related to the one-stop shop regulation are still changing, for example, the change from Law No. 34/2017 to Law No. 83/2022, creating legal uncertainty for investors and technical implementers. Some regulations are also not yet harmonized across sectors, leading to differing interpretations.

Thus, weak system integration results in the information systems between SERVE, IP, and other ministries/agencies being poorly connected. As a result, company data registered with SERVE is sometimes not automatically updated with other agencies, such as taxation, social security, or technical licensing. The impact of integration issues is that the business registration process remains complicated, often taking longer than the official target. The lack of certainty and transparency for both foreign and domestic investors raises doubts about the system's consistency.

Issues like these, in discussions related to the Government Regulation on business registration and verification, regarding the amendment or change of the law, have significant impacts on regulations and the private sector in Timor-Leste. This regulatory change has sparked protests from SERVE, IP., which states that the law could have negative impacts on the private sector. In general, The policies and regulations related to SERVE, IP., aim to ensure the effectiveness of the business registration and verification system, as well as protect the interests of the private sector in Timor-Leste. However, the regulatory changes have caused controversy and raised questions about their implications for economic growth and investment in the country. In connection with this issue, SERVE, IP., has submitted a request to the Minister in charge to review Law No. 83/2022, on November 23. If the government maintains the existing law, it will pose a major challenge to Timor-Leste's accession process to the Association of Southeast Asian Nations (ASEAN) and the World Trade Organization (WHO).

3.2. Factors Influencing the Business Registration and Verification Service Mechanism in Timor-Leste.

The business registration and verification service mechanism in Timor-Leste is influenced by several factors that can impact its effectiveness and efficiency. Some of the main factors affecting the service mechanism are:

1) Government Policies and Regulations

The Timor-Leste government needs to ensure that regulations governing business registration and verification services are clear, simple, and unambiguous. The Timor-Leste government has various regulations and policies related to SERVE, IP., which may refer to business

registration and verification services and related activities. Some key regulations include Decree-Lei no. 16/2017, dated May 17, concerning Trade Registration. Along with the innovations brought by SERVE, trade registration in Timor-Leste has experienced a division between two distinct organizational and regulatory systems. On the one hand, entities established before 2012 have their registration conducted through the National Directorate of Notary Registration (DNRN) on an independent database that is not connected to the system established by SERVE starting in 2012, when this institution acquired exclusive competence for initial trade registration. On the other hand, trade registration is regulated simultaneously by two regulations, without complementarity and with various incompatibilities: the Trade Registration Code from Decree-Lei no. 7/2006, dated March 1, and the second legal decision no. 35/2012, dated July 18, which established SERVE.

Then Law no. 10/2017, dated May 17, concerning the New Law on Trading Companies.¹⁴³ From the creation of a comprehensive legislative framework and in accordance with international best practices for the implementation of trading activities is an important factor in encouraging consistent and sustainable economic development for every modern country, both through the creation of legal instruments necessary to carry out economic activities in the global market, as well as through the image of progress and credibility generated towards other countries, international organizations, and foreign investors.

And Government Decree no. 28/2017, dated July 12, on the Model Deed of Establishment of Trading Companies, Law no. 10/2017, dated May 17, which ratified the New Law on Trading Companies, introduced profound changes to the existing legal framework, by completely repealing Law no. 4/2004 on Trading Companies, aiming to establish a stable legal regime for all types of specialized trading companies to be established in the future.¹⁴⁴ Then Government Decree no. 27/2017, dated July 12, on Establishing Criteria for the Obligation of the Existence of a Supervisory Organ or External Auditor in Trading Companies, Law no. 10/2017, dated May 17, which ratified the New Law on Trading Companies, introduced profound changes to the existing legal framework, by completely repealing Law no. 4/2004 on Trading Companies, aiming to establish a stable legal regime for all types of specialized trading companies to be established in the future.

In the context of the objectives of reforming the legal framework applicable to trading companies, the simplification of the relevant legal regime is prominent, which is reflected through: the reduction of the types of companies according to law, the elimination of bearer shares, the simplification of the regime of limited capital companies (*sociedades por quotas*), and the establishment of certain types of deeds and documents. In this regard, paragraph (3) of Article 71 of the New Law on Trading Companies stipulates that limited liability companies (*sociedades anónimas*) are required to have a supervisory board if the number of shareholders, authorized capital, balance sheet value, or volume of revenue exceeds the limits established by Government Decree.

Government policies and regulations related to the Business Registration and Verification Service, Institut Públiku in Timor-Leste include Law No. 7/2017, Law No. 34/2017, and Government Regulation No. 1/2017. These laws regulate business registration and verification, including amendments made, such as Law No. 83/2022. These regulations also

affect the private sector and the challenges faced. In addition, the government has also established a regime General law for transactions, registration, and electronic signatures, which applies primarily to e-commerce, was enacted through Legal Decree No. 12/2024 on February 13. The government has established regulations to support the development of e-commerce in the country. The Trade Information Portal/TIP provides comprehensive information on export-import regulations.

However, Law No. 34/2017, enacted on September 27, on the Licensing of Economic Activities, under the 6th Constitutional Government led by Prime Minister Dr. Rui Maria de Araújo, has made significant efforts to improve the country's business environment. To this end, the Government has implemented a series of reforms designed to revise the current regulatory framework for the implementation of economic activities, making it simpler and less bureaucratic while maintaining the certainty and security necessary for legitimate trade.

The current legal framework for licensing economic activities dates from 2011 and has been partially repealed by several laws since then. Reforms and institutional changes implemented since then, notably the establishment of the Enterprise/Business Registration and Verification Service and the Economic, Health, and Food (IP) Supervision and Oversight Authority, have also introduced new practices designed to facilitate and create favorable conditions for private sector development and the protection of consumer rights. Consultations with the private sector also indicated the need to simplify the licensing process, making it less burdensome and bureaucratic, and to channel all services necessary for starting a business through a single entity, acting as a one-stop shop.

This legislation is in line with the recent private sector legislative reforms implemented by the Sixth Constitutional Government, in particular with the provisions of Law no. 7/2017 of March 22, which transformed SERVE into a public institution; Law no. 10/2017 of May 17, which enacted the new commercial companies law; and Law no. 16/2017 of May 17, which enacted the new Commercial Registration regime. Then, in Ministerial Decree no. 31/2018, of October 31 on the Organic Regulation of SERVE, IP., in Decree Law no. 7/2017, of March 22, officially established the Business Registration and Verification Service, or SERVE, IP., as a public institution with administrative, financial and asset autonomy under the supervision and oversight of responsible government officials on economic development. The agency's mission is to promote business registration and provide more efficient services to citizens and businesses.

4. Conclusion

The business registration and verification service mechanism in Timor-Leste through SERVE, IP., (Serviço de Registo e Verificação Empresarial, Instituto Público) has essentially implemented a one-stop service principle with the aim of simplifying and accelerating the legalization process for business entities. The applicable procedures include name registration, document verification, issuance of registration certificates, processing of Fiscal Identification Numbers, and facilitation of economic activity licenses and sectoral licenses according to risk levels. With this mechanism, SERVE, IP., acts as the main gateway for business legalization as regulated in Law/Decree no. 34/2017, Regulation/Regulation on

Licensing of Economic Activities(*Regime do Licenciamento das Atividades Económicas*).178 This regulation was then updated through Legislative Regulation/Decreto-Lei no. 83/2022, (First Amendment to Legislative Regulation/Primeira Alteração ao Decreto-Lei) no. 34/2017 to adapt to the needs of national economic development. However, legal and institutional issues remain in its implementation. The lack of clarity regarding sectoral licensing regulations in Law/Decree No. 34/2017 has led to overlapping authority between agencies, while limited human resources, service infrastructure, and access to regulations, most of which are only available in Portuguese, have hampered the provision of adequate services.

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