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ASSIGNMENT OF CONTRACTUAL POSITION BETWEEN PUBLIC ENTITIES

It has recently been published Decree-Law 14/2020, of 22 April 2020 (“**DL 14/2020**”), approving the rules applicable to assignments of contractual position between public entities, which may be summarized as follows:

- Public entities are generally entitled to assign between them the contractual positions in contracts with private entities in relation to (i) public contracts for the provision of goods and services, and (ii) public works contracts;
- Private entities’ consent is not required, unless expressly required by law or contract;
- Assignment agreements shall be made in writing and comply with the following formalities:
 - (a) use the language of the underlying contract;
 - (b) identify the parties, the underlying contract and the relevant private contracting party;
 - (c) if required, evidence that the private entity granted its prior consent to the assignment;
 - (d) specify whether the assignment is made for compensation or not;
 - (e) must be executed by the legal representatives of both assignee and assignor.
- The Public Procurement Act, the Public Contracts Act and other ancillary legal statutes may apply on a subsidiary basis, namely in relation to approvals and authorizations;
- The legal regime of DL 14/2020 shall also apply to the assignment of debts and credits between public entities.