

Original: ENGLISH
CHINESE, ENGLISH AND RUSSIAN ONLY

**Draft Transit Traffic Agreement between the Government of
the People's Republic of China, the Government of Mongolia and
the Government of the Russian Federation**

The Government of the People's Republic of China, the Government of Mongolia and the Government of the Russian Federation (hereinafter referred to as the original Contracting Parties),

Desiring to maintain, further develop and strengthen friendly relations and cooperation among themselves,

Aware of the growing interdependence of the economies of the States of the Contracting Parties regionally,

Bearing in mind the right of landlocked States to access to and from the sea and to freedom of transit, as underlined in the United Nations Convention on the Law of the Sea of 10 December 1982,

Recognizing the importance of adequate transit traffic arrangements for regional and international trade and for acceleration of the economic development of the States of the Contracting Parties,

Reiterating their commitment to fostering smooth, rapid and efficient movement of goods between and among the States of the Contracting Parties,

Have agreed as follows:

Article 1
Use of terms

For the purpose of this Agreement:

- (a) "Contracting Parties" means Governments parties to this Agreement by signature, approval or accession;
- (b) "Landlocked State" means a State of a Contracting Party that has no sea coast;
- (c) "Transit State" means a State of a Contracting Party, with or without a sea coast, through whose territory transit traffic passes;

- (d) "Transit traffic" means traffic of goods across the territory of the State of a Contracting Party or Contracting Parties, when the passage of goods by means of transport across such territory with or without trans-shipment, warehousing, breaking bulk or change in the mode of transport is only a portion of a complete international journey that begins or terminates in the territory of the State of a Contracting Party;
- (e) "Means of transport" means any means of transport, defined in annex..., registered in the territory of the State of one of the Contracting Parties;
- (f) "Carrier" means any person, physical or legal, registered in the territory of the State of one of the Contracting Parties and, in conformity with national legislation, undertaking international carriage of goods, by whom or in whose name a contract of carriage has been concluded with a shipper;
- (g) "Goods" means material assets, things or other property accepted under a contract of carriage and specified as those in the transportation document. Where the goods are consolidated in a container, pallet or similar article of transport or where they are packed, "goods" includes such articles of transport or packaging if supplied by the shipper;
- (h) "Customs control" means measures applied by the Customs authorities of the Contracting Parties to ensure compliance with the laws, regulations and agreements that they are responsible for enforcing;
- (i) "Permit" means a document issued by the competent authority of a Contracting Party and giving the right to a vehicle registered in the territory of the State of another Contracting Party to enter, leave and/or pass in transit through the territory of the State of a Contracting Party while carrying out traffic of goods between and among the States of the Contracting Parties or in transit, including passage without goods.

Article 2
Purpose and objective

1. The purpose of this Agreement is to provide a favourable arrangement for facilitating transit traffic through the territories of the States of the Contracting Parties.
2. The Contracting Parties shall take all necessary measures:
 - (a) For expeditious movement of transit traffic and for the avoidance of unnecessary delays to transit traffic through the territories of their States;
 - (b) To reduce the cost of transit traffic conducted via the territories of their States; and
 - (c) To bring about simplification and harmonization of Customs and other relevant documentation and procedures relating to transit traffic through the territories of their States, in accordance with international standards recognized and accepted by the Contracting Parties.

Article 3
Scope of application

1. The provisions of this Agreement shall apply to transit traffic that begins or terminates in the territory of the State of any Contracting Party.
2. This Agreement does not in any way entail the withdrawal of facilities for transit traffic that are greater than those provided for in this Agreement, provided the terms and conditions for use of such facilities are consistent with the principles embodied in this Agreement. This Agreement also does not preclude the grant of such greater facilities in the future.
3. The provisions of this Agreement shall not affect the rights and obligations of the Contracting Parties arising from the international treaties to which their States are parties.
4. The provisions of this Agreement relating to the exercise of the right of access to and from the sea, establishing rights and facilities on account of the special geographical location of landlocked States, are excluded from the application of the most-favoured-nation clause.

Article 4
Right of transit

1. Each Contracting Party shall grant the other Contracting Parties the right of transit by means of transport through the territory of its State under the conditions provided for in this Agreement and its annexes. The Contracting Parties shall provide each other with facilities and guarantees required for this purpose.
2. Except in the case of *force majeure*, Contracting Parties shall take all appropriate measures to ensure the smooth, most direct and unimpeded movement of transit traffic of the Contracting Parties, including trans-shipment of transit goods, and to avoid delays or other difficulties in such transit.
3. Landlocked States shall have the right of access to and from the sea through the territories of transit States for the purpose of exercising the freedom of transit provided for in paragraph 1 of this Article, as stipulated in the United Nations Convention on the Law of the Sea.
4. For the convenience of transit traffic, Customs control facilities may be provided in accordance with relevant domestic laws and regulations at the border-crossing points between the territories of the States of the Contracting Parties.
5. Transit States, in the exercise of their full sovereignty over their territories, shall have the right to take all measures necessary to ensure that the rights and facilities provided for in this Agreement for landlocked States shall in no way infringe on their legitimate interests.

Article 5
Transit routes

1. The routes designated by the Contracting Parties for transit traffic are specified in annex....
2. In conformity with this Agreement, it is permitted, on the routes designated for transit traffic by road transport, to carry out traffic between, among and through the territories of the States of the Contracting Parties.

Article 6
Transit traffic requirements and discipline

1. Carriers and personnel engaged in transit traffic that enter the transit State shall abide by the laws and regulations of that State.
2. Means of transport engaged in transit traffic that enter the territory of the transit State shall follow the routes designated in annex ... and shall not deviate from these routes unless authorized by relevant authorities of the transit State.
3. Drivers shall be in possession of driving licences issued by the competent authorities from the Contracting Parties and mutually recognized by the Contracting Parties.

Article 7
Tariffs, taxes and charges

1. Goods from Contracting Parties which are in transit shall be exempted from Customs duties and taxes under the supervision and conditions established by the Customs authorities of the transit States. Guarantees for goods in transit shall be provided by the carrier in accordance with national legislation of the transit State.
2. Means of transport and their associated fuels (not exceeding the standard content of the tank originally installed by the manufacturer and connected directly to the vehicle engine fuel system as well as the fuel in the additional tank for operating the refrigeration unit) and lubricants, self-carried accessories and easily worn parts for the round-trip transport shall be exempted from Customs duties and taxes.
3. Other taxes and charges, particularly for the use of toll sections of roads and highways, bridges and tunnels, shall be imposed in accordance with the principle of national treatment.

Article 8
Modern methods of transportation

1. The Contracting Parties shall encourage and promote modern methods of transportation of goods (combined, multimodal and others).
2. All modern methods of transportation mentioned in paragraph 1 above shall be based on internationally recognized documentation and procedures.

Article 9
Measures designed to expedite clearance of transit traffic

To ensure smooth and expeditious transit traffic, the Contracting Parties shall make efforts to:

- (a) Establish posts at designated border-crossing points with control areas in such a way that means of transport and goods could be examined and cleared at the same place in the territory of the Contracting Party, so that repeated unloading and reloading may be avoided;
- (b) Ensure the expeditious carrying out of control procedures;
- (c) Harmonize the working hours of vis-à-vis border-crossing points.

Article 10
Safety of transit traffic

1. The Contracting Parties shall take all measures, including regulations relating to sanitary and phytosanitary measures and the prevention of contagious diseases, necessary to ensure the safety of traffic and of goods, as well as environmental protection.
2. The competent authorities of the Contracting Parties shall provide all possible immediate assistance in the event of traffic accidents in their territories involving means of transport engaged in transit traffic, especially when persons, dangerous goods and perishable foodstuffs are involved.

Article 11
Establishment of offices

1. The carriers of the State of one Contracting Party may establish offices in the territory of the States of other Contracting Parties for the purpose of operating transit traffic of goods in accordance with the legislation of the respective Contracting Parties.
2. The above-mentioned offices shall also assist in handling emergencies, including traffic accidents involving vehicles, drivers and crew members in transit operations.

Article 12
Visa facilitation

1. Each Contracting Party shall facilitate visa issuance for transit personnel.
2. In the event of illness or injury of persons, or accident or damage to vehicles, the period of stay shall be extended for a period consistent with the anticipated delay.
3. Procedures for the granting and extending of visas mentioned in paragraphs 1 and 2 above shall be in accordance with the domestic legislation of the Contracting Party concerned.

Article 13
Road transport

1. The Contracting Parties shall grant each other permits to carry out transit traffic in the territory of the States of the Contracting Parties. Other specific provisions related to terms and conditions for road traffic shall be elaborated in annexes.

2. Transit transport of goods shall be undertaken by means of transport under the compulsory third party liability insurance.

Article 14
Railway transport

In respect of transit traffic undertaken by rail transport on the basis of this Agreement, procedures and rules of the Organization for Railway Cooperation shall be applied.

Article 15
Maritime ports

The Contracting Parties that have maritime ports in the territory of their States shall grant the required port-handling capacities to customers from the States of other Contracting Parties on terms not less favourable than those applied to other foreign customers.

Article 16
Border entry/exit inspection and control procedures

1. The Contracting Parties shall take measures to simplify border-crossing control procedures for goods, means of transport, drivers and crew members, including their personal belongings, while in transit.

2. Means of transport, goods, drivers and crew members engaged in transit traffic shall pass through border-crossing points on the routes designated for transit traffic within the framework of this Agreement and are subject to inspection in accordance with the above border-crossing control procedures by the relevant authorities of the transit State.

3. Customs seals and identification marks affixed by the Customs of departure in the territory of the State of one of the Contracting Parties or by the Customs of a third country shall be accepted for the purposes of the transit traffic of goods unless:
 - They are considered not to be sufficient; or
 - They are not secure.

4. Where Customs seals and identification marks are accepted in accordance with paragraph 3 above, goods shall not be delayed en route for the purpose of Customs inspection on the territory of the transit State except in cases where the transit of goods and means of transport is not allowed under the national legislation of a Contracting Party or where there are warranted reasons to assume that breaches of Customs rules or regulations have occurred.

5. Drivers and crew members engaged in transit traffic shall bear legitimate documents for international travel or other documents mutually accepted by the Contracting Parties and shall abide by the entry/exit laws and regulations of the transit States.

6. In respect of the control procedures, the provisions of international treaties to which all the Contracting Parties are Parties shall be applied. To solve issues that are not covered by these treaties, the legislation of the State in whose territory the control is carried out shall be applied.

Article 17 **Consolidation and alignment of documentation**

The Contracting Parties acknowledge that documentation and procedures represent important cost and time-cost elements affecting the efficiency of transit operations. In order to keep these costs and delays to a minimum, the Contracting Parties shall make efforts to:

- (a) Minimize, as appropriate, the number of documents and reduce, to the extent possible, procedures and formalities required for transit traffic;
- (b) Align their documents, as appropriate, with the United Nations Layout Key for Trade Documents;
- (c) Reduce to a minimum the number of competent agencies involved in handling documents referred to in subparagraph (a) of this paragraph; and
- (d) Harmonize the nature of the information to be contained in the documents referred to in sub-paragraph (a) of this paragraph.

Article 18 **Basic documentation and procedures**

The basic documentation and procedures to be applied for transit traffic in accordance with this Agreement are specified in annex....

Article 19 **Applicable laws**

Transit traffic in the territory of the transit State shall be subject to the relevant laws and regulations of the transit State.

Article 20
Committee of National Coordinators

1. The Contracting Parties shall establish a Committee of National Coordinators to supervise jointly the implementation of this Agreement and to refer for expeditious solution to the competent authorities of their own countries any question arising in the process of carrying out international traffic in the territories of the States of the Contracting Parties.
2. The Committee shall have a supervisory and coordinating role, and its terms of reference shall be established at a plenipotentiary meeting by the Contracting Parties accordingly.
3. The Committee shall meet as often as may be mutually agreed, but at least once a year.
4. The Committee shall, *inter alia*, determine annually the number of permits for transit traffic on the basis of requirements of carriers.

Article 21
Consultations

The Contracting Parties shall resolve any differences among themselves relating to the interpretation of this Agreement through consultations.

Article 22
Depositary

..... is hereby designated as the depositary of this Agreement.

Article 23
Amendment

1. Amendments may be made to this Agreement and its annexes. Any amendment proposed by a Contracting Party shall be sent to the depositary, who shall inform all the other Contracting Parties.
2. Amendments shall enter into force after all Contracting Parties reach agreement and sign separate protocols.

Article 24
Accession

1. After entering into force, this Agreement is open to non-signatory States, which may accede to it only with the agreement of all Contracting Parties.
2. The instruments of accession shall be deposited with the depositary. The depositary shall notify the Contracting Parties to this Agreement.

3. This Agreement shall enter into force for the State acceding to it on the thirtieth day following the date of deposit of the instrument of accession with the depositary.

Article 25
Entry into force

This Agreement shall enter into force on the thirtieth day following the date of the deposit of the third and last written instrument of completion by the Contracting Parties of the internal procedure required for its entering into force with the depositary.

Article 26
Denunciation

Any Contracting Party may denounce this Agreement at any time by written notification to the(depositary), who shall thereafter inform the other contracting Parties to this Agreement. The denunciation shall take effect on the ninetieth day after the date of receipt of the notification by the ...(depositary).

Article 27
Status of the annexes and amendments

The annexes, as well as valid amendments approved by the Contracting Parties, form an integral part of this Agreement. Any reference to this Agreement includes the annexes and valid amendments relating thereto.

Done in XXXX on the XX day of XX, XXXX in four originals in the Chinese, Mongolian, Russian and English languages, all texts being equally authentic. In the event of any divergence in interpretation of this Agreement, the English text shall prevail.

For the Government of the People's Republic of China

.....

For the Government of Mongolia

.....

For the Government of the Russian Federation

.....