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

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

Desiring to maintain, further develop and strengthen friendly relations and cooperation
between them;

Aware of the growing interdependence of the States of the Contracting Parties, regionally
and internationally;

Bearing in mind the right of land-locked 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 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; and

Desiring to develop further their transit traffic regimes based on the experience gained and
on international standards;

Have agreed as follows:

**Part I
General provisions**

**Article 1
Use of terms**

For the purpose of this Agreement:

(a) "land-locked State" means a Contracting Party which has no sea coast;

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(b) "transit State" means a Contracting Party, with or without a sea coast, through whose territory transit traffic of a land-locked State passes;

(c) "transit traffic" means transit of [persons] ~~passengers~~, [luggage], goods and means of transport across the territory of the State of a Contracting Party, when the passage 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 which begins or terminates in the territory of the State of a Contracting Party;

(d) "means of transport" means railway rolling stock or road vehicles, as the case may be;

(e) "means of transport" may, by agreement between the Contracting Parties, be extended to include **[oil and gas pipelines]** and means of transport other than those included in sub-paragraph (d);

(f) "carrier" means any person physical or legal, registered on the territory of the State of one of the Contracting Parties and, in conformity with national legislation, undertaking international carriage of goods and persons, by whom or in whose name a contract of carriage has been concluded with a shipper;

(g) "shipper" means any person by whom or in whose name or on whose behalf a contract of carriage of goods has been concluded with a carrier, or any person by whom or in whose name or on whose behalf the goods are actually delivered to the carrier in relation to the contract of carriage of goods;

(h) "consignee" means the person entitled to take delivery of the goods;

(i) "goods" includes live animals. 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;

(j) "contract of carriage" means any contract whereby the carrier undertakes for reward, for his/her own account, or free of charge, as the case may be, to carry out traffic of goods from the territory of the State of one Contracting Party to the territory of the State of another Contracting Party or in transit across the territory of the State of a Contracting Party;

[(k) "passenger" means any person who, in the performance of a contract of carriage made by him/her or on his/her behalf, is carried either for reward or free of charge by a carrier;

(l) "luggage" shall be understood to comprise any article carried under a contract of carriage of passengers, including vehicles but not motor coaches or lorries in commercial traffic;]

(m) "customs control" means measures applied by the Customs authorities of the Contracting Parties to ensure compliance with the laws, regulations and agreements which they are responsible for enforcing;

(n) "import duties and taxes" means Customs duties and all other duties, taxes, fees and other charges which are collected on or in connection with the import of goods, but not including fees and charges except charges for specific services of administration and supervision entailed by such import traffic and limited in amount to the approximate cost of such services;

(o) "temporary admission" means temporary import, subject to re-export within the allowed time limit, free of import duties and taxes and free of import prohibitions and restrictions;

(p) "container" is a generic term for a box to carry freight, strong enough for repeated use, usually stackable and fitted with devices for transfer between modes;

(q) "dangerous goods" means any substance or article which is either listed in the classes, or covered by a collective heading of the classes of the United Nations Recommendations on the Transport of Dangerous Goods;

(r) "domestic legislation" means the entire body of national laws and regulations in force in the territory of the State of a Contracting Party;

(s) "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; and

(t) "perishable foodstuffs" means goods considered as perishable according to the Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment to Be Used for Such Carriage (ATP) 1970.

Article 2

Purpose and objective

1. The purpose of this Agreement is to provide the most stable 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 the States;
 - b) to reduce cost on mutually agreed transit traffic conducted via territories of the States; and

c) to bring about simplification and harmonization of customs and administrative documentation and procedures relevant to transit traffic through the territories of the States, **[in accordance with internationally recognised standards] [in accordance with international standards jointly accepted by the Contracting Parties].**

Article 3

Scope of application

1. The provisions of this Agreement shall apply to transit traffic by all means of transport.
2. This Agreement does not in any way entail the withdrawal of facilities for transit traffic which 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 conventions and agreements to which they are party.

Part II

Facilitation of transit traffic of the contracting parties

Article 4

1. Each Contracting Party shall grant to the other Contracting Party the right of transit traffic by all means of transport through its national territory, 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 smooth, most direct and unimpeded movement of transit traffic of the Contracting Parties, including trans-shipment of transit goods, and avoid delays or other difficulties in such transit.
3. Land-locked 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 traffic 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 clearance facilities may be provided in accordance with relevant domestic laws and regulations at the ports of entry and exit in the territories of the States of the Contracting Parties by agreement between them.

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 Part for land-locked states shall in no way infringe on their legitimate interests.

**[Article 5
Transit routes**

1. **[The routes designated by the Contracting Parties for purposes of customs control are specified in Annex ... which is an integral part of this Agreement.**
2. **In conformity with this Agreement it is permitted, on the routes designated for transit traffic by road transport, to carry out traffic of goods between, among and through the territories of the States of the Contracting Parties.]**

Article 6

Transit traffic discipline

1. Vehicles and personnel engaged in transit traffic that enter the transit State shall abide by the traffic laws and regulations of that State. Any violation shall be subject to the penalty of the transit State.
2. Vehicles engaged in transit traffic that enter compare to the territory of the transit State shall be driven on the route designated **[by the State] [under the Annex ...]** and shall not be driven beyond that route unless being notified by relevant authorities of the transit State. Any violation shall be subject to penalty in accordance with the laws and regulations of that State.

Article 7

**[Customs and road duties, taxes and charges]
[Customs tariffs, taxes and charges]**

1. Goods in transit and means of transport, self-carried fuels and lubricants, and self-carried accessories and parts easily frayed for the **[round-trip]** transit transport shall be exempt from Customs **[duties, taxes and other charges] [tariffs] [under the supervision of the Customs Authorities,]** except charges for specific services rendered in connection with such transport.
2. **Carriage of goods and passengers conducted on the basis of permits issued by carriers of one of the Contracting Parties in the national territory of the other Contracting Party within the framework of this Agreement shall be excepted from charges related to the issuing of permits, ownership and use of road vehicles, as well as use and maintenance of motorways, with the exception of charges for the use of toll sections of roads and highways, bridges and tunnels.]**
- 2bis. **Carriage of goods conducted on the basis of permits issued to carriers by one of the Contracting Parties in the territory of the State of the other Contracting Party within the framework of this Agreement shall be, except for carriage by**

heavy and large-sized vehicles, exempted from charges related to the issuing of permits, ownership and use of road vehicles, as well as the use and maintenance of motorways. Charges for the use of toll sections of roads and highways, bridges and tunnels shall be imposed in the same way as for domestic users.

**Article 8
Combined and multi modal transport**

1. The Contracting Parties shall encourage and promote combined and multi-modal transport.
2. Multi-modal transport operations mentioned in paragraph. 1 above shall be based on internationally recognized documentation and procedures.

**[Article 9
Measures designed to expedite clearance of transit traffic
Alternative 1**

To ensure smooth and expeditious transit traffic, the Contracting Parties shall make efforts to establish, where necessary and possible, posts at designated frontier points with Customs control areas in such a way that means of transport and goods can be examined at the same place, so that repeated unloading and reloading may be avoided;

**Article 9
Alternative 2**

1. **[To ensure the smooth and expeditious movement of transit traffic, the Contracting Parties shall make efforts to:**
 - a) **establish, where necessary, posts at designated frontier points with control areas which are physically adjacent and arranged in such a way that means of transport and goods can be examined at the same place, so that repeated unloading and reloading may be avoided;**
 - b) **ascertain that adequate manpower resources are made available for the speedy completion of frontier formalities;**
 - c) **provide warehousing facilities for the storage of goods awaiting Customs clearance;**
 - d) **coordinate the working hours of adjacent frontier posts;**

e) provide adequate parking space for containers, trucks and other vehicles waiting for clearance of goods;

f) provide reliable mail and telecommunication services; and

g) so far as not already provided for in relevant international conventions, adopt a uniform set of consignment notes/way-bills.]

Article 10 Safety of transit traffic

1. The Contracting Parties shall take all measures necessary for ensuring the safety of traffic, and for preventing infectious diseases of humans and animals, other diseases, insect pests and weeds dangerous to plants, and other harmful organisms which might be brought with goods, equipment, facilities and personnel engaged in transit traffic and environmental protection along transit routes.
2. The Contracting Parties shall provide all possible immediate assistance in the event of traffic accidents in their territories involving transit vehicles, especially when **[passengers,]** dangerous goods and perishable foodstuffs are involved.

Article 11 Establishment of offices

1. The Contracting Parties shall grant permission to transport companies engaged in transit traffic services on the territories of the States to establish offices for the purpose of operating such services.
2. Establishment of the offices mentioned in paragraph 1 above shall be in accordance with the domestic legislation of the Contracting Party in which the relevant offices are established.

Article 12 Visa facilitation

1. Each Contracting Party shall render visa facilitation for the transit personnel.
2. In case 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.

Part III
Road transport

Article 13

Road transport is an important means of transit traffic. Within the framework of this Agreement, the Contracting Parties shall establish a special group of experts for coordinating and settling issues arising in the process of carrying out international traffic on the territories of the States of the Contracting Parties. Specific provisions related to conditions for road traffic will be elaborated in Annex ...

Part IV

Rail transport
Article 14

1. In view of the fact that all Contracting Parties are members of the Organization for Railway Cooperation, rail transport within the framework of this agreement shall be coordinated by that organization and its consultative mechanism.
2. **[Notwithstanding the provisions of paragraph 1 above, the Contracting Parties with a view to promoting economically viable and integrated services, may consider within the framework of this Agreement matters relating to complementarity and cooperation between transport modes and modal choice optimisation, provided that recommendations which require action to be taken by railways are referred to the Organization for Railway Cooperation for further deliberation and action.]**
- 2 bis. **The Contracting Parties, in case of occurrence of questions on transit traffic performed by railway transport should review and solve those in accordance with the procedures and rules of the Organization Railway Cooperation or by means of negotiations among the parties to the present agreement, including bilateral negotiations.**

Part V

Article 15
Maritime ports

The Contracting Parties shall undertake to provide the necessary maritime ports and facilities to other Contracting Parties. The conditions of such provisions shall be specified in Annex

Part VI

Air transport

Article 16

- [1. The Contracting Parties agree to strengthen the subregional airline industry, enhance its overall performance and sustain its competitiveness.**
- 2. In order to promote the provision of better and more efficient air transport, the Contracting Parties undertake to strengthen their bilateral agreements and elaborate a regional agreement which will be an Annex to this Agreement.]**

[Part VII

Dangerous goods

Article 17

Carriage of dangerous goods shall be in accordance with the provisions of the existing international agreements which the Contracting Parties are party to.]

Part VIII

Border entry/exit inspection and control

Article 18

Simplification and harmonization of border entry/exit inspection and control procedures

- 1. The Contracting Parties shall, on the basis of mutual agreement, take measures to simplify border entry/exit inspection and control of means of transport, goods, drivers, crew members and luggage engaged in transit traffic.**
- 2. Means of transport, goods, drivers and crew members engaged in transit traffic shall pass through the frontier posts on the routes designated for transit traffic within the framework of this Agreement and are subject to inspection by 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 should 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 narcotic drugs or psychotropic substances or similar goods prohibited from exportation, transit or importation in the transit State are suspected to be contained in a transit unit and revealed in the course of inspection (examination), only the goods concerned may be detained, while other goods loaded together with them onto the transit unit are allowed to continue their journey to the Customs of their final destination.**
- 5. Where Customs seals and identification marks are accepted according to paragraph 3, no goods shall be delayed en route for the purposes of Customs inspection or other purposes.]**
6. 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 administration regulations of the transit States.

Part IX

Documentation and procedures

Article 19

Consolidation and alignment of documentation

The Contracting Parties recognize 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 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, when necessary, to the United Nations layout key for trade and transport documents;

c) reduce to a minimum the number of competent agencies involved in handling documents referred to in sub-paragraph (a) of this paragraph; and

d) harmonize the nature of the information to be contained in documents referred to in sub-paragraph (a) of this paragraph.

Article 20

Basic documentation and procedures

The basic documentation and procedures to be applied by the Contracting Parties in the implementation of this Agreement are specified in Annex ...

Article 21

Applicable laws

Transit transportation on the territory of the transit State shall be subject to its relevant domestic laws and regulations.

Part X

Intergovernmental consultative mechanism

Article 22

Issues not covered

Issues which are not covered by the present Agreement shall be settled by mutual consultations among the Contracting Parties.

Article 23

[Implementation by Transit Traffic Co-ordination Council

- 1. The Contracting Parties shall set up, within six months of the entry into force of this Agreement, a Transit Traffic Co-ordination Council (hereinafter referred to as the “Council”) for monitoring implementation and co-ordination of transit traffic policies under this Agreement.**
- 2. All Contracting Parties shall ipso facto be members of the Council.**
- 3. The status of the Council, including its terms of reference, composition, mandate and method of financing, is set out in Annex ...]**

[Article 23 bis Liaison Officers

Each Contracting Party shall appoint Liaison Officers to supervise jointly the working of this agreement and to refer for expeditious solutions to the competent authorities of their own countries, any question arising from the operation of this agreement. The liaison officers of all Contracting Parties will meet as often as may be mutually agreed. Such consultation shall take place annually.]

Article 24

[Procedure and Rules

In order to implement the present Agreement, the competent authorities of the Contracting Parties will meet to work out procedures and rules.]

Part XII Dispute settlement

[Article 25 Dispute settlement

- 1. Any dispute, controversy or claim between the Contracting Parties arising out of or relating to this Agreement and its Annexes, or the breach, termination or invalidity thereof, shall be settled by consultations between the Contracting Parties in the dispute.]**
- 1 bis. The Contracting Parties agree to resolve any divergence relating to the interpretation of this agreement through consultations, and, in the event of failure to reach a settlement, to refer the matter to an arbitrator acceptable to all concerned parties, whose decision shall be binding.**

**Article 25 bis
Dispute settlement**

The Contracting Parties agree to resolve any divergence relating to the interpretation of this agreement through consultations, and in the event of failure to reach a settlement, to refer the matter to an arbitrator acceptable to all concerned parties, whose decision shall be binding.

**Part XIII
Final Clauses**

**Article 26
Entry into force**

[1. This Agreement shall enter into force on the 30th day following the date of deposit of instruments of ratification by all the Contracting Parties with the Contracting Parties.]

1 bis. This Agreement shall enter into force on the 30th day following the date of deposit of the third and last instrument of ratification of the Contracting Parties mentioned in paragraph 1 of Article 38.

1 ter. The present Agreement shall come into force on the 30th day following the date of the last notification of the completion of legal procedures by the Contracting Parties required for the entering into force of the Agreement. The notification will be received by the Depository State. The Depository State will be the State on whose territory the Agreement will be signed.

**Article 27
Denunciation**

1. Alternative

1. Any Contracting Party may denounce this Agreement [by notifying the Depository.]

[2. Denunciation shall take effect three months after the date of receipt by the other Contracting Parties.

Alternative 2

Version A: Each Contracting Party has the right to terminate this Agreement by sending an appropriate notification to all Contracting Parties on this Agreement not less than three months before the supposed date of withdrawal from this Agreement.

Version B: This Agreement may be denounced by any Contracting Party by sending an appropriate notification to the Depository. Denunciation will take effect three months after the date of deposit of an appropriate notification with the Depository.

Alternative 3

Any Contracting Party may denounce the present agreement by notifying the Depository State. Denunciation shall take effect on the 90th day after the date of receipt of notification by the other Contracting Party.]

Article 28 Amendment

1. Any Contracting Party may propose amendments to this Agreement which shall be incorporated by means of Protocols. If agreed to by all Contracting Parties, amendments shall enter into force in accordance with the procedures governing the entry into force of this Agreement.
- [2. Each Contracting Party which accedes to this Agreement shall be deemed to have accepted the amendments to this Agreement which were in force at the time of its accession.]**
- [3. Amendments can be made to the present Agreement. Any proposed amendment should be sent to the Depository State, who shall inform the Contracting Parties. Amendment will be adopted by agreement of all the Contracting Parties through signing of separate protocols.]**

Status of the Annexes and amendments

4. The Annexes to this Agreement, as well as valid amendments to them and also new Annexes adopted by the Contracting Parties, form an integral part of this Agreement. Any reference to this Agreement includes the Annexes and valid amendments thereto.

Article 29

[Signature, Ratification, Acceptance, Approval and Accession

1. **The Governments of the People's Republic of China, Mongolia and the Russian Federation are entitled to become Contracting Parties to this agreement. A State may become a party to this agreement by:**
 - a) **signature not subject to ratification, acceptance or approval; or**
 - b) **signature subject to and followed by ratification, acceptance or approval;**
or

- c) **accession.**
- 2. **After entry into force this Agreement shall be open for accession of any member State of the United Nations only upon the agreement of all Contracting Parties. This Agreement shall enter into force for the State that accedes to it on the 30th day following the date of deposit of the instrument of accession with the Depository.**
- 3. **Instruments of ratification, acceptance or approval and accession shall be deposited with the Secretariat.]**

Article 29 bis

- 1. **This agreement and all instruments of Definitive Signature, Ratification or Accession shall be deposited with the Depository.**
- 2. **The Depository shall:**
 - a) **receive and keep custody of the original text of this Agreement;**
 - b) **prepare certified copies of the original text of this Agreement and transmit them to the Contracting Parties to this Agreement;**
 - c) **receive any signatures to this Agreement and receive and keep custody of any instruments, notifications and communications relating to it;**
 - d) **examine whether the signature or any instrument, notification or communication relating to this Agreement is in due and proper form and, if need be, bring the matter to the attention of the State in question;**
 - e) **inform the Parties and the States entitled to become Parties to this Agreement of acts, notifications and communications relating to this Agreement;**
 - f) **inform the States entitled to become Parties to this Agreement when the signatures or the instruments of ratification, acceptance, approval or accession required for the entry into force of this Agreement have been received or deposited; and**
 - g) **register this Agreement with the Secretariat of the United Nations.**
- 3. **In the event of any difference appearing between a State and the Depository as to the performance of the latter's functions, the Depository or that State shall bring the question to the attention of the Signatory States and the Contracting Parties or, where appropriate, to the Transit Traffic Co-ordination Council.]**

**[Ratification
Alternative 1**

This Agreement shall be subject to ratification in accordance with the respective domestic laws of the Contracting Parties.

Alternative 2

This Agreement shall enter into force on the 30th day following the date/of deposit with the depositor of sending of the third written notification of fulfilment by the Contracting Parties which signed its of the internal procedures necessary for its entry into force.]

**Article 29 ter
Join**

4. The present Agreement is open to other States, who can join it with the concurrence of all the Contracting Parties.

Period in force

1 bis. The present Agreement shall remain in force for a period of 10 years. Unless either of the Contracting Parties gives to the others notice in writing to terminate the present Agreement 6 months before the expiration of this period, the present Agreement shall be automatically prolonged for another period of 10 years, and thereafter be renewable accordingly.

In witness of the undersigned, being duly authorized thereto have signed this Agreement. Done in quadruplicate in xxxx on the xx day of xx, xxxx in the Chinese, Mongolian, Russian and English languages, all texts being equally authentic. The original copy is being deposited in xxxx, which will send copies to the other Contracting Parties. In case there is any divergence of this Agreement, the English text shall prevail.

**[Article 30
Registration with the United Nations**

1. This Agreement and its Annexes shall be registered with the United Nations pursuant to Article 102 of the Charter of the United Nations.]

In witness where of the undersigned, being duly authorized thereto, have signed this Agreement.

Done at on, 2002 and in triplicate in the Chinese, Mongolian, Russian and English languages, all texts being equally authentic. [Each

Contracting Party shall keep an original copy of this Agreement in its own language[s] and the English version.] In case of interpretation or dispute, 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
.....]