

**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 original 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;

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) Contracting Parties means Governments parties to this Agreement by ratification, approval or accession. Original Contracting Parties means the

Governments of the People's Republic of China, Mongolia and the Russian Federation;

- (b) "land-locked State" means a State of the Contracting Party which has no sea coast;
- (c) "transit State" means a State of the Contracting Party, with or without a sea coast, through whose territory transit traffic passes;
- (d) "traffic in transit" means transit of goods, drivers, crew members, **(passengers)** 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;
- (e) "means of transport" means railway rolling stock or road vehicles, as the case may be;
- (f) "means of transport" may, by agreement between the Contracting Parties, be extended to include means of transport other than those included in sub-paragraph (e);
- (g) "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;
- (h) "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;
- (i) "consignee" means the person entitled to take delivery of the goods;
- (j) "goods" means material assets, things or other property, accepted under a contract of carriage and specified as those in the transportation document
"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;
- (k) "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;
- [l] "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;**

(m) "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;]

(n) "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;

(o) "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;

(p) "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;

(q) "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;

(r) "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;

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

(t) "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

(u) "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 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 by means of transport bearing valid permits (agreed as referendum).
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 **Right of transit**

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, to 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 transit traffic are specified in Annex I.
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 discipline**

1. Vehicles and personnel engaged in transit traffic that enter the transit State shall abide by the 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 the territory of the transit State shall follow the routes designated under Annex ... and shall not deviate from these routes unless authorized 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 **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 exempted 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.
- (1bis. Goods and means of transport, self-carried fuels and self-carried accessories and parts easily frayed for the round-trip transport shall be exempted from tariffs under the supervision of Customs authority, except charges for specific management and services rendered in connection with such transport.)**
- (1ter. Goods in transit and means of transport, self-carried fuels and lubricants, self-carried accessories and parts easily frayed for the transit transport shall be exempted from tariffs (under the supervision of Customs authorities) (and from all transit duties or

other charges imposed in respect of transit), except charges for specific services rendered in connection with such transport.

Goods in transit and means of transport, fuels, lubricants and accessories and parts necessary for their operation, shall be exempted from **(tariffs) (customs duties)** and **(from all transit duties or other charges imposed in respect of transit)**, except charges for specific services rendered in connection with such transport.

2. Carriers undertaking carriage 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

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. Specific provisions related to customs issues shall be elaborated in Annex II.

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 persons, dangerous goods and perishable foodstuffs are involved.
3. Carriers for transit vehicles shall purchase third party motor insurance valid in the transit State.

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.
3. The above-mentioned offices shall also assist in handling the traffic accidents vehicles involved in transit operations.

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
(Alternative 1

Within the framework of this Agreement the Contracting Parties shall establish a special group of experts for coordination and settling of issues arising in the process of carrying out international traffic on the territories of the States of the Contracting Parties. Specific provisions related to terms and conditions for road traffic shall be elaborated in Annex...

Alternative 2

1. **Road transport between and among the territories of the States of the Contracting Parties shall follow routes designated in Annex.... of this Agreement. Specific provisions related to conditions for road traffic shall be elaborated in Annex.....**
2. **Where road transport permits are prescribed as a condition of carriage between and among the States of the Contracting Parties, the Contracting Parties shall provide for the issue of such permits.)**

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. The Contracting Parties, in case of occurrence of questions regarding transit traffic performed by railway transport, should review and solve those in accordance with the procedures and rules of the Organization for Railway Cooperation. In case of failure to do so, bilateral or multilateral negotiations between the Contracting Parties shall be undertaken to solve relevant problems.

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 III.

Part VI

Air transport
Article 16

- (1. The Contracting Parties agree to strengthen the sub-regional 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 international treaties and domestic legislation of the States of the Contracting Parties.)

Part VIII

Article 18
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, including plants and live animals, 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 (**including health and quarantine 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 customs seals and identification marks are accepted according to paragraph 3, no goods shall be delayed en route for the purpose of customs inspection or other purposes.]**
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 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 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, 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 IV.

Part X
Article 21
Applicable laws

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

Part XI
Article 22
Intergovernmental consultative mechanism
Liaison Officers

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

Part XII
Article 24
Issues not covered

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

Part XIII
Article 25
Dispute settlement

The Contracting Parties agree to resolve any differences 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, and whose decision shall be binding.

Part XIV
Final clauses

Article 26
Depositary

1. The depositary will be the State of the original Contracting Party on whose territory this Agreement is signed.

The depositary 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;
 - (c) receive and keep custody of any instruments, notifications and communications relating to it;
 - (d) examine whether 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 Contracting Parties and the States entitled to become Parties to this Agreement of acts, notifications and communications relating to this Agreement; and
 - (f) register this Agreement, including its Annexes and the amendments, to be agreed later on with the Secretariat of the United Nations.
2. In the event of any difference appearing between the Contracting Parties and the depositary as to the performance of the latter's functions, the depositary or that State shall bring the question to the attention of the Contracting Parties.

Article 27
Ratification or approval

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

Article 28
Amendment

1. Amendments can be made through this Agreement. Any proposed amendment shall be sent to the depositary, which shall inform all the other Contracting Parties.
2. Amendments shall enter into force after the Contracting Parties reach agreement and sign separate protocols, unless otherwise provided in the amendment itself.

Article 29
Accession

1. After entering into force, this Agreement is open to non-signatory states, who may accede to it only upon the agreement of all Contracting Parties.
2. The instruments of accession shall be deposited with the depositary. The depositary shall notify the Contracting Parties of this.
3. This Agreement shall enter into force for the State acceding to it on the 30th day following the date of deposit of the instrument of accession with the depositary.

Article 30

Entry into force

1. This Agreement shall enter into force on the 30th day following the date of deposit of the third and last instrument of ratification or approval of the original Contracting Parties.
2. The instruments of ratification or approval shall be deposited with the depositary.

Article 31

Denunciation

Any Contracting Party may denounce this Agreement by written notification addressed to the depositary. The denunciation shall take effect on the 90th day following the date of receipt of the notification by the depositary.

Article 32

Status of the Annexes and amendments

The Annexes, as well as valid amendments, form an integral part of this Agreement. Any reference to this Agreement includes the Annexes and valid amendments relating thereto.

Article 33

Registration with the United Nations

This Agreement, including its Annexes and the amendments to be agreed later on, shall be registered with the United Nations pursuant to Article 102 of the Charter of the United Nations.

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

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

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

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For the Government of Mongolia

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For the Government of the Russian Federation

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