
Agreement

Between and Among the Governments of

**the Lao People's Democratic Republic, the Kingdom of Thailand, and
the Socialist Republic of Viet Nam**

for

Facilitation of Cross-Border Transport of Goods and People

dated

26 November 1999

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The Governments of the Lao People's Democratic Republic, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, referred to hereinafter as the "Contracting Parties";

Animated by the desire to maintain, further develop, and strengthen their friendly relations and cooperation;

Keen to contribute to further the development of their trade relations within the framework of the economic transition in many countries of the subregion;

Determined to promote collaboration in road transport;

Desirous to facilitate the movement of goods and people between and among the Contracting Parties in their common interest;

Recognizing that countries in the region have taken steps bilaterally and multilaterally to engage in cooperative arrangements to facilitate land transport;

Emphasizing their commitment to develop and maintain a mutually beneficial, smooth, swift, rational, and efficient system of transport and communication;

Recalling the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP) Resolution 48/11 on Road and Rail Transport Modes in Relation to Facilitation Measures, and the Recommendations of the Third Meeting of the Subregional Transport Forum held in Kunming from 12 to 13 December 1996 under the Greater Mekong Subregion (GMS) Program;

Have agreed as follows:

PART I: GENERAL PROVISIONS

Article 1: Purpose and Objectives

The objectives of the Agreement are:

- (a) to facilitate the cross-border transport of goods and People between and among the Contracting Parties;
- (b) to simplify and harmonize legislation, regulations, procedures, and requirements relating to the cross-border transport of goods and People; and
- (c) to promote multimodal transport.

Article 2: Scope of Application

- (a) The Agreement applies to cross-border (into, out from, or across the territory of one of the Contracting Parties) transport (either carried by a Vehicle or not, either conveyed commercially by public operators or privately, and either Transported for Own Account or for hire or reward) by road (including river crossing by ferry, where there is no bridge) of either goods or People.
- (b) Unless expressly stated otherwise, the Agreement does not deal directly with trade and immigration matters. Consequently, it does not affect the right of the Contracting Parties to make the admission to their territory subject to their laws and regulations on import/export/transit of goods and entry/exit/transit of People.

Article 3: Definitions of Terms Used in the Agreement

For the purposes of the Agreement, the following meanings shall apply to the underlined terms:

- (a) Agreement: this Agreement together with its Annexes and Protocols between and among the Governments of the Lao People's Democratic Republic, the Kingdom of Thailand, and the Socialist Republic of Viet Nam for the Facilitation of Cross-Border Transport of Goods and People.
- (b) Annex: an attachment to the Agreement that will contain technical details. An Annex forms an integral part of the Agreement and will be equally binding.

- (c) Cabotage: internal transport between two points situated within the territory of one Contracting Party performed by a Transport Operator established in another Contracting Party.
- (d) Competent Authority: agency or agencies appointed by the government and responsible for the implementation of the Agreement.
- (e) Dangerous Goods: goods of the categories defined in Annex 1.
- (f) Domestic Traffic: transport within the territory of one Contracting Party.
- (g) Home Country: for People, the country of usual residence; for Transport Operators, the country of establishment; for Vehicles, the country of registration.
- (h) Host Country: the country where transport is performed.
- (i) Landlocked Country: a country that has no sea-coast.
- (j) Motor Vehicle: a power-driven Vehicle that is normally used for carrying People or goods by road of the types defined in Annex 2.
- (k) Non-scheduled Transport Service: a transport service that does not qualify as a scheduled service.
- (l) People: refers to people engaged in transport operations and people not engaged in transport operations, including passengers and tourists.
- (m) Perishable Goods: goods of the categories defined in Annex 3.
- (n) Protocol: an attachment to the Agreement that will contain time- and/or site-specific variable elements. A Protocol forms an integral part of the Agreement and will be equally binding.
- (o) Road Transportation: includes river crossing by ferry where there is no bridge available.
- (p) Scheduled Transport Service: a transport service over a specified route, according to a fixed route table with predetermined stopping places and for which set fares are charged, accessible to everyone either on a first-come, first-served basis, or with prior booking.

- (q) Third Country: a country that is not a Contracting Party to the Agreement.
- (r) Transport Operator: a natural or legal private or public person who carries goods and/or People by road for reward.
- (s) Transport for Own Account: a transport operation that is an ancillary activity of an enterprise in view of moving its employee or the goods that are the object of its commercial activity in Vehicles owned by the enterprise and driven by its employees.
- (t) Transit Country: a country through the territory of which traffic in transit passes.
- (u) Transit Traffic: transport of goods across the territory of a Contracting Party when the passage through this territory is only a portion of a complete journey starting and ending beyond the frontiers of a Contracting Party across whose territory the traffic passes.
- (v) Vehicle: any means of road transport.

PART II: FACILITATION OF BORDER CROSSING FORMALITIES

Article 4: Facilitation of Border Crossing Formalities

The Contracting Parties shall gradually adopt the following measures in order to simplify and expedite border formalities, in accordance with Annex 4:

- (a) Single-window inspection: The different inspections and controls of People (passport/visa, driving license, foreign exchange, customs, health/epidemiological), Vehicles (registration, roadworthiness, insurance), and goods (customs, quality, phytosanitary/plant protection, veterinary) shall be carried out jointly and simultaneously by the respective Competent Authorities involved (e.g., customs, police, immigration, trade, agriculture, health department).
- (b) Single-stop inspection: The officials of the country pairs shall assist one another to the extent possible in the performance of their duties. The two adjacent national authorities will carry out their inspections jointly and simultaneously. Where the local configuration does not allow the installation of physically adjacent back-to-back frontier control posts,

the control officials from one Contracting Party shall be allowed to perform their duties on the territory of the other Contracting Party.

- (c) Coordination of hours of operation: The Contracting Parties will coordinate the hours of operation of their adjacent frontier crossing control authorities.
- (d) Advance exchange of information and clearance: The Contracting Parties will work together to allow for advance exchange of information and clearance of goods and People.

PART III: CROSS-BORDER TRANSPORT OF PEOPLE

Article 5: Visas

(a) For People Engaged in Transport Operations

The Contracting Parties undertake to grant visas to nationals of the other Contracting Parties engaged in transport operations and who are subject to visa requirements, multiple entry, transit, and exit visas for prolonged periods.

(b) For People not Engaged in Transport Operations

The conditions and modalities of visa issuance will be elaborated in Annex 5.

Article 6: Transport of People

The performance of cross-border transport of People (such as Vehicles, transport routes, ticket pricing) will be clearly stipulated in Annex 5 and Protocol 1.

PART IV: CROSS-BORDER TRANSPORT OF GOODS

Article 7: Exemption from Physical Customs Inspection, Bond Deposit, and Escort

- (a) The Contracting Parties undertake to exempt cargoes in international transit from: (i) routine customs physical inspection at the border, (ii) customs escorts in the national territory, and (iii) the deposit of a bond as a guarantee for the customs duties.
- (b) For that purpose, the Contracting Parties undertake to institute a transit and inland customs clearance regime, as specified in Annex 6.

Article 8: Transit Traffic

- (a) The Contracting Parties grant freedom of transit through their territory for Transit Traffic to or from the territory of the other Contracting Parties.
- (b) Transit Traffic shall be exempt from any customs duties and taxes.
- (c) Charges relating to Transit Traffic other than customs duties and taxes shall be gradually levied in two steps:
 - Step 1: Charges concerning Transit Traffic other than customs duties and taxes shall be levied as determined in Protocol 2.
 - Step 2: Charges levied on Transit Traffic shall only be cost related.

Article 9: Phytosanitary and Veterinary Inspection

The Contracting Parties shall comply with international agreements related to the regulations of the World Health Organization, Food and Agriculture Organization, and Office International des Epizooties in applying inspection of goods crossing the border.

Article 10: Special Regimes for the Transport of Particular Categories of Goods

- (a) The Agreement shall not apply to the transport of Dangerous Goods, as defined in Annex 1.

- (b) The transport of Perishable Goods, as defined in Annex 3, shall be granted a priority regime for border crossing clearance formalities, set out in Annex 3, so that they may not be unduly delayed.

PART V: REQUIREMENTS FOR THE ADMITTANCE OF ROAD VEHICLES

Article 11: Admittance of Road Vehicles in Other Contracting Parties

Subject to the conditions set out in this Part, the Contracting Parties shall admit to their territory Vehicles, whether left hand or right hand drive, (operated either commercially for reward or for own account or privately) registered by another Contracting Party.

Article 12: Registration

- (a) Vehicles in cross-border traffic shall be registered in their Home Country and in accordance with the rules set out in Annex 2.
- (b) The Vehicles shall bear identification marks (trademark of manufacturer, chassis and engine serial number), carry a registration certificate, display their registration number on a plate in the rear and the front, and display a distinguishing sign of the country where it is registered.

Article 13: Technical Requirements

Vehicles and containers traveling to the territory of other Contracting Parties shall satisfy the equipment safety and emissions standards in force in their Home Country. With respect to weights, axle loads and dimensions, Vehicles traveling to the territory of other Contracting Parties must comply with the technical standards of the Host Country.

Article 14: Recognition of Technical Inspection Certificates

- (a) Vehicles traveling to the territory of other Contracting Parties shall be in good working order.
- (b) The Home Country is charged with the supervision of the roadworthiness of the Vehicles registered in its territory, based on which it will issue a technical inspection certificate.

(c) The other Contracting Parties will recognize such technical inspection certificates.

Article 15: Road Traffic Regulations and Signage

The Contracting Parties undertake to gradually adopt their road traffic regulations and signage to the rules and standards set out in Annex 7.

Article 16: Compulsory Third-Party Motor Vehicle Liability Insurance

Motor Vehicles travelling to the territory of other Contracting Parties shall comply with the compulsory third-party motor vehicle liability insurance required in the Host Country.

Article 17: Driving Permits

The Contracting Parties shall recognize driving licenses issued by all other Contracting Parties in accordance with the Agreement on the Recognition of Domestic Driving Licenses issued by ASEAN Countries signed at Kuala Lumpur on 9 July 1985.

Article 18: Temporary Importation of Motor Vehicles

The Contracting Parties shall grant temporary admission to Motor Vehicles (and the fuel contained in its supply tanks, its lubricants, maintenance supplies, and spare parts in reasonable quantities) registered in the territory of another Contracting Party, without payment of import duties and import taxes, without depositing a Customs' guarantee bond and free of import prohibitions and restrictions, subject to re-exportation and subject to the other conditions laid down in Annex 8.

PART VI: EXCHANGE OF COMMERCIAL TRAFFIC RIGHTS

Article 19: Traffic Rights

Traffic rights shall be gradually exercised in two steps:

Step 1: Subject to the conditions set out in this Part, Transport Operators established in one Contracting Party may undertake the following transport operations:

(a) Transit through the other Contracting Parties;

- (b) Inbound into another Contracting Party; and
- (c) Outbound from another Contracting Party.

Step 2: Transport Operators established in one Contracting Party may, according to free market forces, undertake transport operations into, from, or across the territory of other Contracting Parties. Cabotage shall, however, only be permitted on the basis of a special authorization from the Host Country.

Article 20: Designation of Routes and Points of Entry and Exit

Protocol 1 defines permissible routes, and points of entry and exit for cross-border transport of goods and People.

Article 21: Licensing of the Transport Operator (Access to the Profession)

- (a) Transport Operators shall be licensed for cross-border transport operations by their Home Country according to the criteria set out in Annex 9.
- (b) The operating license cannot be sold or transferred by the legal entity to which it is issued.
- (c) The Host Country will recognize the operating license issued by the Home Country.

Article 22: Market Access

- (a) Any Transport Operator properly licensed for cross-border transport operations in its Home Country according to the criteria set in Annex 9, shall be entitled to undertake cross-border transport operations under the Agreement.
- (b) The Host Country shall grant permission to Transport Operators engaged in cross-border transport to establish representative offices for the purpose of facilitating their traffic operations.

Article 23: Free Market for Transport Services

Transport operation shall be gradually authorized in two steps:

Step 1: The Vehicles to be operated in accordance with the Agreement shall be designated in Protocol 3 of the Agreement. Transport frequency may be determined in Protocol 3. In addition, the time frame to implement Step 1 shall be determined in Protocol 3. The National Transport Facilitation Committee of each Contracting Party, as specified in Article 28, will exchange and issue the agreed number of permits each year.

Step 2: The frequency and capacity of the transport operations under the Agreement will not be subject to any restriction other than contained in the Agreement.

Article 24: Pricing and Conditions of Transport

- (a) Conditions of transport: The conditions of transport will conform to the rules set out in Annex 10.
- (b) Pricing: Price setting for cross-border transport will be free and determined by market forces, but subject to antitrust restrictions and supervision of the Joint Committee so as to avoid excessively high or low pricing.

PART VII: INFRASTRUCTURE**Article 25: Road and Bridge Design Standards**

- (a) Construction or reconstruction of the roads (including bridges) linking the countries and shown in Protocol 1 shall be carried out within the framework of national public works programs or with international financing.
- (b) Construction or reconstruction of the agreed roads (including bridges) shall be carried out in accordance with the minimum characteristics set out in Annex 11, to the extent permitted by available financial resources.
- (c) The Contracting Parties will ensure that the agreed roads are safe, secure, and in good condition. They undertake to carry out the necessary repairs.

Article 26: Road Signs and Signals

The Contracting Parties undertake to gradually bring the traffic signs and signals on their territory in line with the standards set in Annex 7.

Article 27: Border Crossing Facilities

The Contracting Parties undertake to build or upgrade the required infrastructure at the border crossing points and to staff them so as to assure speedy and efficient completion of frontier crossing formalities as specified in Annex 12.

PART VIII: INSTITUTIONAL FRAMEWORK**Article 28: National Transport Facilitation Committees**

The Contracting Parties will each establish a permanent National Transport Facilitation Committee chaired by a Minister or Vice Minister or its equivalent. It will bring together representatives of all parties concerned with the implementation of the Agreement.

Article 29: Joint Committee

- (a) Representatives of the respective National Transport Facilitation Committees will form together the Joint Committee.
- (b) The Joint Committee will monitor and assess the functioning of the Agreement. It will serve as a platform for discussion, a forum for amicable settlement of disputes, and it may address advice to the Contracting Parties and formulate proposals for amendment of the Agreement.

PART IX: MISCELLANEOUS PROVISIONS**Article 30: Observance and Enforcement of National Laws and Regulations**

- (a) People, Transport Operators, and Vehicles shall comply with the laws and regulations in force in the territory of the Host Country.

- (b) The enforcement of the local laws and regulations will be the sole competence of the authorities of the Host Country, in whose territory the law was infringed.
- (c) The Host Country may temporarily or permanently deny access to its territory to a person, a driver, a Transport Operator, or a Vehicle that has infringed the provisions of the Agreement or its national laws and regulations.

Article 31: Transparency of Legislation, Regulation and Status of Infrastructure

The Contracting Parties undertake to make available in the English language a comprehensive brochure on the national laws, regulations, procedures and technical information relating to the cross-border transport of goods and People, as stipulated in the Agreement.

Article 32: Nondiscriminatory Treatment

The Contracting Parties undertake to provide equal and not less favorable treatment to the Vehicles, goods and People of the other Contracting Parties than to those of any Third Country, in the cross-border transport in accordance with the provisions of the Agreement.

Article 33: Assistance in the Case of Traffic Accidents

In case of a road traffic accident involving People, Transport Operators, Vehicles or goods from another Contracting Party, the Host Country will provide all possible assistance and notify the Competent Authorities of the Home Country as soon as possible.

Article 34: Multimodal Transport

The Contracting Parties undertake to promote multimodal transport operations via:

- (a) application of a uniform multimodal transport liability regime, set out in Annex 13a;
- (b) laying down of minimum qualifications for multimodal Transport Operators, set out in Annex 13b; and
- (c) a special container customs regime as set out in Annex 14.

Article 35: Documentation and Procedures

- (a) The Contracting Parties recognize that documentation and procedures represent important time and cost elements affecting the efficiency of transit operations and agree to keep these costs and delays to a minimum.
- (b) The Contracting Parties therefore undertake to:
 - (i) limit the number of documents and reduce to the extent possible, procedures and formalities required for cross-border traffic;
 - (ii) provide English translation of all documents used for cross-border traffic;
 - (iii) align their documents to the United Nations layout key for trade documents;
 - (iv) harmonize, as far as possible, commodity codes and descriptions with those commonly used in cross-border trade, as set out in Annex 15;
 - (v) review periodically the need for and usefulness of all documents and procedures required for cross-border traffic;
 - (vi) eliminate any documents and formal requirements that are superfluous or do not serve any particular purpose;
 - (vii) undertake to conform all measurements with SI Units (the International System of Modern Metric Units), by 2005; and
 - (viii) give due advance notice to the other Contracting Parties of any additional requirement or modification in prescribed documentation and procedures to be introduced regarding cross-border traffic.

PART X: FINAL PROVISIONS**Article 36: Ratification or Acceptance**

The Agreement is subject to ratification or acceptance of the Governments of the Contracting Parties.

Article 37: Conforming National Law

Where necessary, the Contracting Parties undertake to conform their relevant national legislation with the contents of the Agreement.

Article 38: Reservations

No reservation to the Agreement shall be permitted.

Article 39: Entry into Force

The Agreement will come into force on the day that all the Contracting Parties have ratified, or accepted the Agreement.

Article 40: Suspension of the Agreement

Each Contracting Party may temporarily suspend the application of the Agreement with immediate effect in the case of emergencies affecting its national safety. The Contracting Party will inform the other Contracting Parties as soon as possible of such suspension, which will end as soon as the situation returns to normal.

Article 41: Relationship with Other International Instruments

The Agreement or any actions taken thereto shall not affect the rights and obligations of the Contracting Parties under any existing agreements or international conventions to which they are also Contracting Parties.

Article 42: Dispute Settlement

Any dispute between or among two or more Contracting Parties on the interpretation or application of the Agreement shall be settled directly or by amicable negotiation in the Joint Committee.

Article 43: Amendment

Any Contracting Party may propose amendments to the Agreement via the Joint Committee. The entry into force of such amendments shall be subject to the unanimous consent of the Contracting Parties.

Article 44: Denunciation

- (a) The Agreement may be denounced by any Contracting Party thereto after the expiration of two years from the date when it came into force by means of a notification addressed to the other two Contracting Parties.
- (b) The denunciation shall take effect one year after its notification.

In witness whereof, the undersigned, being duly authorized to sign the Agreement, have signed the Agreement on the Facilitation of Cross-Border Transport of Goods and People.

Done at Vientiane, on 26 November 1999 in three originals in the English language.

Signed:

For the Government of the Lao People's Democratic Republic

(SGD) H.E. Phao Bounnaphol
Minister of Communication, Transport, Post and Construction

For the Government of the Kingdom of Thailand

(SGD) H.E. Suthep Thaugsuban
Minister of Transport and Communications

For the Government of the Socialist Republic of Vietnam

(SGD) H.E. Le Ngoc Hoan
Minister of Transports