

MEMORANDUM BETWEEN THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA AND THE GOVERNMENT OF THE REPUBLIC OF INDIA ON THE RESUMPTION OF BORDER TRADE

The Government of the People's Republic of China and the Government of the Republic of India, being desirous of promoting trade relations between China and India, and through friendly consultations, have agreed to the resumption of border trade, on the basis of equality and mutual benefit and have reached the following understanding:

1. The border trade referred to in this Memorandum includes overland trade, and the exchange of commodities by the residents along the border between the Tibet Autonomous Region of China and the State of Uttar Pradesh of India as well as other areas as may be mutually agreed upon from time to time.

2. The trade and exchange of mutually agreed

commodities in the border areas of the two countries shall be carried out in accordance with the laws, regulations and rules in force in either country.

3. The Government of the People's Republic of China and the Government of the Republic of India presently agree to establish the border trade markets at the following locations:

a. Pulan in the Tibet Autonomous Region of China;

b. Gunji in the Pithoragarh District of the State of Uttar Pradesh of India.

The border trade activities between the two countries shall take place at the above-mentioned border trade markets during mutually agreed periods of each year.

4. With a view to facilitating the visits of persons engaged in border trade and the exchange of commodities and means of transportation, the Government of the People's Republic of China and the Government of the Republic of India have decided that Qiangla (Lipulekh) be the border pass for the entrance and exit of the said persons, commodities and means of transportation from the two sides. Upon entrance into either side's territory, the persons, commodities and

means of transportation must be accompanied by valid papers for entrance and exit and shall be subject to the supervision and control of the authorities concerned of either country.

5. Payment for border trade may be made in freely convertible currencies acceptable to both sides or in barter mode. The specific mode of payment for border trade will be decided by the buyers and sellers. If it is necessary a banking arrangement on border trade will be negotiated and signed between the banks designated by the two Governments.

6. With a view to ensuring the implementation of this Memorandum, the Government of the People's Republic of China and the Government of the Republic of India may designate relevant border authorities respectively to coordinate and resolve issues, if any, arising from border trade activities.

7. *This Memorandum* shall come into force on signature and shall remain in force for a period of two years. It shall be automatically extended for subsequent periods of one year each unless a written notice is given by either side for its termination at least three months before the date of expiry.

Done in New Delhi on the 13th day of December, 1991 in two originals, in the Chinese, Hindi and English languages. The three texts shall be equally authentic, but in case of any divergence of interpretation, the English text shall prevail.

For the Government
of the People's
Republic of China

李岚清

For the Government
of the Republic
of India

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