

**AGREEMENT BETWEEN
THE GOVERNMENT OF
THE PEOPLE'S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF
THE MONGOLIAN PEOPLE'S REPUBLIC
ON THE ACCESS TO AND FROM
THE SEA AND
TRANSIT TRANSPORT BY MONGOLIA
THROUGH CHINA'S TERRITORY**

The Government of the People's Republic of China and the Government of the Mongolian People's Republic (hereinafter referred to as the Contracting Parties), desiring further to promote friendly relations and cooperation between the two countries, and taking into consideration the special needs of the Mongolian People's Republic as a land-locked state for transit through the territory of the People's Republic of China and access to and from the sea, have, through friendly consultations, agreed as follows:

Article 1

For the purpose of this Agreement,

1. The term “land-locked State” means the Mongolian People’s Republic.

2. The term “transit State” means the People’s Republic of China.

3. The term “traffic in transit” means the passage of citizens, luggage, parcels, goods and transport means of the Mongolian People’s Republic through the territory (including territorial land, inland waters and territorial seas) of the People’s Republic of China, with or without transshipment, warehousing, assembly, disassembly or change in the mode of transport.

4. The term “transport means” includes: railway and road vehicles, vessels and other transport means agreed upon by the Contracting Parties.

5. The term “transit procedures” means procedures for passage of goods, luggage and parcels of the land-locked State from port of entry to port of exit under the supervision and control of customs, quarantine and inspection departments of the transit State.

6. The term “import and export duties and other

taxes” means custom duties and all other taxes, or levies related to transit transport of luggage, parcels and goods excluding fees charged by transit State for services provided to landlocked State.

Article 2

1. Subject to assurance of its legitimate rights and interests, the transit State shall grant the land-locked State facilities in:

a. access to and from the sea at designated ports in the transit State and transit through its territory in conformity with the provisions of this Agreement.

b. The designated port referred to in the previous paragraph means Tianjin’s Xingang international port of the transit State.

c. The provision of paragraph 1. b. of this article does not prejudice the land-locked State under normal conditions using in accordance with the Agreement on International Railway Cargo Through Transport and international customary practice seaports of the transit state other than the one designated in the preceding paragraph.

2. The land-locked State should observe the rele-

vant laws and regulations of the transit State in the exercise of the above-mentioned rights.

Article 3

1. Vessels flying the national flag of the land-locked State shall observe the relevant regulations of the transit State when passing through its inland waters and territorial seas.

2. At the seaports of the transit State, vessels flying the national flag of the land-locked State shall enjoy equal treatment as accorded to other foreign vessels.

Article 4

1. The transit transport of goods of the land-locked State shall be conducted and handled in the following manner:

a. Goods in transit by road shall be transported by transport means of the transit State. When necessary, the relevant departments of the Contracting Parties shall through consultations decide on the possibility and the specific modalities of the use of the transport

means of the land-locked State in transportation of goods in transit.

b. Goods in transit by railway vehicles shall be handled in accordance with the Agreement on International Railway Cargo Through Transport which entered into force on 1 July 1990.

c. Goods in transit by sea shall be transported as far as possible by vessels of the transit State or by vessels flying the national flag of the land-locked State.

d. The volume of goods in transit shall be agreed upon by competent authorities of the Contracting Parties by taking into consideration the transport and port storage capacity of the transit State.

2. The transport of luggage and parcels between international railway passenger connecting stations and between such a station and a railway station at the city of a seaport in the transit State shall be handled by the passenger himself (or herself) or by his (or her) agent in accordance with the Agreement on International Passenger Through Transport which entered into force on 1 July 1987 and the domestic regulations of the transit State respectively.

The transit State shall provide transport means for the transshipment of international mail dispatch

between the international mail exchange points at the entry and exit; the passage of international mail dispatch through the transit State shall be handled in accordance with the provisions of the relevant agreements and their implementation regulations of the International Postal Union.

3. Goods, luggage and parcels in transit shall not stay in the transit State without the permission of the customs and competent quarantine and inspection authorities of the transit State.

Article 5

1. The transit transport of hazardous, erosive, perishable goods and goods exceeding the normal specifications for transport shall be handled in accordance with special requirements provided for in the relevant international treaties and agreements which the Contracting Parties have concluded or acceded to and relevant laws and regulations of the transit State. Such goods the transit of which is not handled in accordance with the special requirements may be intercepted and dealt with by the transit State in conformity with the relevant international treaties and agreements con-

cluded or acceded to by the Contracting Parties and relevant laws and regulations of the transit State.

2. The transit of goods the passage of which is not permitted under the relevant laws and regulations of the transit State or under relevant international treaties and agreements concluded or acceded to by the Contracting Parties, including narcotic drugs, psychotropic substances, pathogenetic microorganism (virus and bacterium), biological products, as well as arms and ammunition as ordinary goods, is prohibited.

Under special circumstances, the above-mentioned goods of the land-locked State can be transported under special requirements across the territory of the transit State only with the special approval of the transit State.

The aforementioned prohibited goods, luggage and parcels of the land-locked State found to be transported across the transit State without the prior consent of the transit State shall be dealt with in accordance with the relevant international treaties and agreements concluded or acceded to by the Contracting Parties and the relevant regulations of the transit State. The loss thus incurred shall be borne entirely by the land-locked State while the loss and damage

caused to the transit State shall be compensated for by the land-locked State.

Article 6

1. The land-locked State shall bear the transport expenses when transporting goods, luggage and parcels through the transit State.

2. When using the port space or facilities of the transit State to warehouse goods, luggage and parcels, the land-locked State shall bear the leasing expenses arising therefrom in accordance with the regulations of the transit State.

3. The land-locked State shall bear the service expenses for transit transport by the transit State.

4. The Contracting Parties agree that the above-mentioned expenses should be fair, reasonable and in conformity with the relevant international agreements concluded or acceded to by the Contracting Parties, and should take into account the special needs of Mongolia as a land-locked state for transit through the territory of China and access to and from the sea.

Article 7

1. Unless provided for otherwise in the laws and regulations of the transit State and in the relevant international treaties and agreements concluded or acceded to by the Contracting Parties, the transit State shall facilitate transit transport and customs clearance of goods, luggage and parcels of the land-locked State through its territory.

The land-locked State may use bonded areas and the bonded warehouses at the designated sea port of the transit State.

2. The goods, luggage and parcels in transit of the land-locked State while en route are generally not subjected to examination by the customs and the relevant quarantine and inspection departments of the transit State if they are satisfied that the requirements for transit procedures are met.

3. The goods, luggage and parcels in transit shall be exempted from import and export duties and other taxes, or deposits for the payments of these taxes if the customs and the relevant quarantine and inspection departments of the transit State are satisfied that the

requirements for transit procedures are met.

4. The foregoing provision does not preclude levying charges in the interests of the public safety or sanitation and other service charges by the transit State in accordance with its regulations.

Article 8

1. Unwarranted impediments to traffic in transit shall be eliminated as expeditiously as possible.

2. Differences over the implementation of this Agreement shall be resolved by the competent authorities of the Contracting Parties through consultations.

Article 9

The relevant authorities of the Contracting Parties shall conclude corresponding specific agreements on the implementation of the matters provided for in this Agreement.

Article 10

This agreement may be amended upon agreement reached between the Contracting Parties through consultations.

Article 11

This Agreement is subject to approval and shall come into force as of the date of the exchange of note of approval.

This Agreement shall remain in force for a period of ten years, renewable automatically for successive periods of five years unless terminated by either side of the Contracting Parties upon serving a written notice to the other side one year prior to the date of expiration.

Done in duplicate in Ulaanbaatar on 26 August 1991, in the Chinese, Mongolian and English languages, all three texts being equally authentic. In case differences arise over the interpretation of this Agreement, the English text shall prevail.

For the Government of the
People's Republic of China

For the Government of the
Mongolian People's Republic

王丙乾

