

**AGREEMENT BETWEEN THE GOVERNMENT
OF THE PEOPLE'S REPUBLIC OF
CHINA AND HIS MAJESTY'S
GOVERNMENT OF NEPAL ON
TRADE AND OTHER RELATED
MATTERS BETWEEN THE TIBET
AUTONOMOUS REGION OF
CHINA AND NEPAL**

The Government of the People's Republic of China and His Majesty's Government of Nepal (hereinafter referred to as the two Parties);

Being desirous of further developing the friendly and good-neighborly relations between the two countries;

With a view to enhancing the traditional friendly relations between the peoples of the two countries, and particularly between the inhabitants of the Tibet Autonomous Region of China and the people of Nepal on the basis of the Five Principles of mutual respect for each other's sovereignty and territorial integrity, mutual non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and

peaceful co-existence.

After friendly consultations, have agreed on the following:

Article 1

The two Parties agree that the movement of persons between the Tibet Autonomous Region of China and Nepal shall be governed by the following provisions:

1. Diplomatic personnel, civil servants and other nationals (except those covered by paragraphs 3, 5, and 6 of this Article and paragraph 3 of Article 7) of either country who wish to travel to the other country shall hold valid passports issued by their own country and visas issued by the other country. Nationals of either country entering the Tibet Autonomous Region of China or Nepal via a third country shall also hold valid passports issued by their own country and visas issued by the other country.

2. Traders of either country customarily and specially engaged in trade between the Tibet Autonomous Region of China and Nepal (other than those persons covered by paragraph 3 of this Article), their spouses,

dependent children and attendants shall hold valid passports issued by their own country and visas issued by the other country. They may be given visas for a single, double or a multiple entry valid for one year, depending on the situation and their needs.

3. Inhabitants of the border districts as specified by either Party (hereinafter referred to as “border inhabitants”) who wish to travel to the border districts of the other country for border trade including small fairs or border trade in small volumes or petty trade, or for visiting relatives or friends shall hold exit-entry passes of the border districts (Details of such passes shall be determined by the two Parties through diplomatic channels and implemented duly) issued by the competent authorities and accept the check-up by the Frontier Inspection Station or Border Check-Post, or the first encountered duly authorized government agency before travelling to the border districts of the other country. They shall not go beyond the border districts into the interior of the other country. However, the existing practices shall continue until such specification and the introduction of the new arrangement referred to in this paragraph.

4. Border inhabitants who wish to travel beyond

the border districts of the other country and other nationals of either country shall hold valid passports issued by their own country and visas issued by the other country.

5. Border inhabitants of either country who are religious believers may travel to the other country for the purpose of pilgrimage with exit-entry passes of the border districts, provided that they will not go beyond the border districts of that country; border inhabitants of either country who wish to travel beyond the border districts of the other country and religious believers of either country who are not border inhabitants shall hold valid passports issued by their own country and visas issued by the other country or identity certificates of pilgrims affixed with the pictures of the holders, issued by the authorized agency of their own government and recognized by the other country, and accept the check-up by the Frontier Inspection Station or Border Check-Post or the first encountered duly authorized government agency of the other country at the entry and exit points. Those who hold the identity certificates of pilgrims shall enter into and exit from the other country only through the entry points agreed upon by the two sides and shall not stay in the border

districts of the other country more than one month. Until such points are agreed upon, the existing entry-exit points shall continue to be utilized.

6. Porters, muleteers, drivers of motor vehicles and artisans of either country may not enter the border districts of the other country without an exit-entry pass of the border district and without accepting the check-up by the Frontier Inspection Station or the Border Check-Post or the first encountered duly authorized government agency and they shall not go beyond the specified areas. Motor vehicles of either country may, after obtaining permission of the other country, enter into appropriate places of the other country.

7. Border inhabitants of either country may travel to the other country for border trade, small fairs or border trade in small volumes or petty trade for the purpose of pilgrimage or for visiting relatives or friends through the routes and entry points agreed upon by the authorities of the two Parties through consultations. Until such routes and entry points are specified, the existing routes and entry points shall continue to be utilized. Traders of either country who wish to travel to the other for trade in large volumes or in groups or delegations shall go through the routes

and entry points opened by the two governments. i. e. Purang, Kyerong, Nyalam and Riwo on the Chinese side and Yari, Rasuwa, Kodari and Olangchung Gola on the Nepalese side and any other points as may be agreed upon between the two governments from time to time. However, the provisions of this paragraph shall in no way affect the facilities being enjoyed by the inhabitants of border districts to carry on the traditional trade on barter basis under the provisions of Article 8 of the Trade and Payments Agreement of 1981. Further, such traditional trade on barter basis shall not be restricted by the provisions mentioned in this paragraph as regards routes and exit-entry points.

8. Government officials, pilgrims, businessmen and tourists of both countries shall have the facility of engaging the means of transport at normal and reasonable rates.

9. Notwithstanding the provisions of the foregoing paragraphs of this Article, either Party has the right to refuse entry into its territory of any persona non grata.

10. Nationals of either country who have entered the territory of the other country in accordance with the foregoing paragraphs of this Article may stay with-

in the territory of the other country only after completing the procedures specified by the other country.

Article 2

The two Parties agree that pilgrimage contacts between the Tibet Autonomous Region of China and Nepal shall be maintained and for this purpose have agreed on the following provisions:

1. The competent local authorities of either country shall provide facilities for pilgrims to enter into and exit from its territory.

2. Pilgrims of either country shall complete the procedures specified in paragraph 5 of Article 1 of the present Agreement for their entry into and exit from the territory of the other.

3. The personal luggage and pilgrimage articles carried by pilgrims as stipulated by the laws of either country shall be exempted from duties.

Article 3

The two sides agree to make full use of the Lhasa-Kathmandu Highway on a reciprocal basis to transport

passengers and cargo, and promote cooperation between the two countries in trade, tourism and other fields, according to the procedures agreed upon by the two Parties.

Article 4

In order to ensure that the nationals of either country live and work in peace and contentment in the territory of the other and promote the development of friendship between the two countries, the two Parties have agreed on the following:

1. Either country shall protect the life, property and legitimate rights and interests of the nationals of the other country in its territory.

2. Unless otherwise agreed by the two Parties, nationals of either country shall not be allowed to engage without permission in such activities as herding, grazing, farming, hunting, felling trees and picking medicinal herbs in the territory of the other country. Any violation of this provision shall be handled by the host country according to its laws.

3. Nationals of either country in the territory of the other shall abide by the laws and regulations of the

host country, pay taxes and respect the local customs.

4. All civil and criminal cases or disputes in the territory of either country involving nationals of the other country shall be handled by the Government or the judicial organs of the host country. If such a case comes up, the host country shall inform without undue delay the diplomatic or consular missions or local foreign affairs office, as the case may be, of the sending country.

5. Livestock, plants and their products of either country shall require duly certified quarantine certificates of the exporting country and the importing country shall recognize such certificates on a reciprocal basis.

6. The two Parties shall cooperate with each other in the conservation, promotion and development of the protected zones in the border areas of the two countries, and in prohibiting illegal export and import of specimens or products or any part of the dead or living wild animals, birds and plants. The two Parties have also undertaken to protect and conserve the animals and birds migrating across the border.

Article 5

1. The two Parties shall encourage and support the development of economic and trade relations between the Tibet Autonomous Region of China and Nepal. The authorities concerned of either country shall protect the legitimate rights and interests of the traders of the other country in its territory and facilitate their business activities. The traders of either country in the territory of the other must abide by the laws and regulations of the host country and shall be subject to the jurisdiction of the authorities concerned of that country.

2. The two Parties shall promote traditional border trade between the Tibet Autonomous Region of China and Nepal. Border inhabitants and traders of either country shall enter into and exit from the other country through the entry points and routes designated by the competent local authorities of that country and shall do business in the designated places. The competent local authorities shall provide facilities and protection to the border inhabitants and traders of the other country who are engaged in barter trade, trade paid in

cash or other forms of border trade.

3. The two Parties should encourage and support payment through banks for such trade, particularly by letters of credit. The two Parties shall take pragmatic attitude and facilitate the border trade between border inhabitants and traders of the two sides when condition are not ripe for trade by letters of credit. In case of any debt disputes arising from border trade, the local officials of the two Parties shall try to settle them through consultations.

Article 6

The two Parties shall encourage and support co-operation between the Tibet Autonomous Region of China and Nepal in tourism, economic development, technological innovation, trade promotion, and civil aviation service.

Article 7

1. In order to strengthen the friendship between the local officials of the two Parties and settle any disputes, which may arise from time to time, the local

officials of the border districts of the two Parties may hold meetings and exchange information as and when necessary.

2. The level, time and venue and other matters concerning such meetings shall be decided through consultations between the local officials concerned of the two Parties.

3. Local officials of either country shall travel to the other country for such meetings with exit-entry passes of the border districts or identity certificates affixed with the pictures of the holders, issued by the authorized agency of their own government and recognized by the other government.

Article 8

The two Parties may enter into specific arrangements for the purpose of implementing the provisions of this Agreement and make other arrangements independent of this Agreement.

Article 9

This Agreement shall come into force on the date

of its signing and shall remain in force for a period of ten years and shall be renewed automatically for further periods of ten years unless it is terminated by either Party through a written notice to that effect six months before its expiration. Amendment to this Agreement shall be negotiated by the two Parties and confirmed through diplomatic channels if either Party proposes to amend the Agreement.

Done at Beijing on the Tenth Day of the Month of July of the Year Two Thousand Two in duplicate in the Chinese, Nepali and English languages, all texts being equally authentic. In case of divergence, the English text shall prevail.

For the Government of
the People's Republic
of China

For His Majesty's
Government of Nepal

王 毅

Handwritten signature

**AGREEMENT BETWEEN THE GOVERNMENT
OF THE PEOPLE'S REPUBLIC OF
CHINA AND HIS MAJESTY'S
GOVERNMENT OF NEPAL ON
TRADE, INTERCOURSE AND RELATED
QUESTIONS BETWEEN THE TIBET
AUTONOMOUS REGION OF
CHINA AND NEPAL**

The Government of the People's Republic of China and His Majesty's Government of Nepal,

Being desirous of further developing the friendly and good-neighbourly relations between the two countries,

Reaffirming the Five Principles, i. e. ,

1. Mutual respect for each other's sovereignty and territorial integrity,

2. Mutual non-aggression,

3. Non-interference in each other's internal affairs,

4. Equality and mutual benefit, and

5. Peaceful co-existence,

as the fundamental principles guiding the relations be-

tween the two countries,

Desiring to develop on the basis of these principles the traditional friendly relations between the peoples of the two countries, and particularly between the inhabitants of the Tibet Autonomous Region of China and the people of Nepal,

Have agreed to conclude the present Agreement on the basis of the Agreement Between the Government of the People's Republic of China and His Majesty's Government of Nepal on Trade, Intercourse and Related Questions Between the Tibet Autonomous Region of China and Nepal signed by the two Governments on 2 May 1966.

After friendly consultations, the two Governments have agreed upon the following:

Article 1

The two Governments agree that the movement of persons between the Tibet Autonomous Region of China and Nepal shall be governed by the following provisions:

1. Diplomatic personnel, civil servants and other nationals (except those covered by paragraphs 2, 3, 5

and 6 of this Article) of either country going to the other country shall hold valid passports issued by their own country and visaed by the other country. Nationals of either country entering the Tibet Autonomous Region of China or Nepal via a third country shall also hold valid passports issued by their own country and visaed by the other country.

2. Traders of either country known to be customarily and specially engaged in trade between the Tibet Autonomous Region of China and Nepal (not being those persons covered by paragraph 3 of this Article), their wives and children dependent upon them for livelihood and their attendants shall hold valid passports issued by their own country and visaed by the other country or other certificates issued by their own Government or its duly authorized agency.

3. Inhabitants of the border districts as specified by either side in future (hereinafter referred to as border inhabitants) who proceed to the border districts of the other country to carry on petty trade, to visit friends or relatives, or for seasonal change of residence shall hold border inhabitant certificates issued by concerned authority and register at the border checkpoint or the first encountered duly authorized

government agency of the other country before carrying out activities in the border districts, provided that existing practices may continue until such specification. However, they shall not be allowed to proceed to the interior of the other country.

4. Border inhabitants who travel beyond border districts of the other country and other nationals shall hold valid passports issued by their own country and visaed by the other country.

5. Among religious believers of either country who travel for the purpose of pilgrimage, those who are inhabitants of the border districts and travel within the border districts of the other country shall hold border inhabitant certificates; those who travel beyond border districts of the other country and those who are not inhabitants of the border districts shall hold valid passports issued by their own country and visaed by the other country or shall hold certificates for pilgrimage issued by local government of their own country. Religious believers of either country shall register at the border checkpost or the first encountered duly authorized government agency of the other country and obtain permits for pilgrimage.

6. Porters, muleteers, drivers of motor vehicles

and artisans of either country shall hold border inhabitant certificates or certificates valid for a period of not more than one year issued by the local government of their own country or by its duly authorized agency and register at the border checkpoint of the other country. After obtaining permission, they may conduct activities within designated areas. Motor vehicles of either country may, after obtaining permission of the other country, enter into appropriate places of the other country.

7. Border inhabitants of both countries while travelling across the border shall use routes and entry points designated by local authorities of border administration.

8. Government officials, pilgrims, traders and tourists of both countries shall have the facility of engaging the means of transport at normal and reasonable rates.

9. Notwithstanding the provisions of the foregoing paragraphs of this Article, either Government may refuse entry in its territory to any particular person, if it deems this necessary.

10. Nationals of either country who enter the territory of the other country in accordance with the foregoing paragraphs of this Article may stay within

the territory of the other country only after complying with the procedures specified by the other country.

Article 2

The two Governments agree that pilgrimage between the Tibet Autonomous Region of China and Nepal shall be maintained, and for this purpose have agreed on the following provisions:

1. The local authorities concerned of either country shall suitably facilitate the entry into or departure from its territory of pilgrims from the other country.

2. Pilgrims of either country entering or leaving the territory of the other country shall comply with the procedures specified in Article 1 paragraph 5 of the present Agreement.

3. The personal luggage and articles as specified by the laws of either country and used for pilgrimage carried by pilgrims shall be exempted from duties by both Governments.

Article 3

Subject to the procedures to be mutually agreed

upon, the two Governments agree to make full use on a reciprocal basis of the Lhasa—Kathmandu Highway to develop cooperation between the two countries in trade, tourism and other fields.

Article 4

In order to ensure the peaceful living and normal pursuits of either country's nationals in the territory of the other and promote the development of friendship between the two countries, the two Governments have agreed on the following:

1. The respective Government shall protect the life, property and legitimate interests of the nationals of the other country in its territory.

2. Nationals of either country are not allowed to engage without permission or mutual consent in such activities as herding, grazing, farming, hunting, felling trees and picking medicinal herbs in the territory of the other country.

3. Nationals of one country in the territory of the other shall be subject to the jurisdiction of the Government of the host country and abide by its laws and regulations, pay taxes and respect the local customs.

4. All civil and criminal cases or disputes in the territory of either country involving nationals of the other country shall be handled by the Government of the host country.

5. Livestock, plants and their products of either country should be quarantined before being taken out of the country and quarantine regulations of the host country should be observed conscientiously after they are brought into its territory.

Article 5

1. The two Governments shall encourage and support the development of economic and trade relations between the Tibet Autonomous Region of China and Nepal. The authorities concerned of either country shall protect the legitimate interests of the traders of the other country in its territory and facilitate their business activities. The traders of either country in the territory of the other must abide by the relevant laws and regulations and shall be subject to the jurisdiction of the host country.

2. The two Governments should promote traditional petty trade across the border between the Tibet Autonomous Region of China and Nepal. When carrying on

trade, border inhabitants and traders of either country shall enter and exit from the entry points and routes designated by the local authorities concerned of the other country and engage in trade in designated places. The local authorities concerned should give facility and protection to the border inhabitants of the other country engaged in such normal petty trade based on barter.

Article 6

The two Governments shall encourage and support cooperation between the Tibet Autonomous Region of China and Nepal in developing tourism and economic and technological cooperation and expanding trade and civil aviation links.

Article 7

The Government of the people's Republic of China agrees to the establishment of a consulate-general in Lhasa by His Majesty's Government of Nepal.

His Majesty's Government of Nepal agrees to the establishment of a consulate-general in Kathmandu by the Government of the People's Republic of China.

Article 8

1. In order to strengthen the friendship between the local officials of the two Governments and settle in time problems arising in the intercourse between the border inhabitants of the two countries, the local officials of the border districts of the two Governments may hold meetings as and when necessary.

2. The rank, time, place and other matters concerning each meeting shall be decided through consultations between the local officials concerned of the two Governments themselves.

3. Local officials of either government, who travel to the other country for such meetings will hold valid passports, or identification documents issued by their local authorities and visaed by the immigration officials of the other country at the border checkpost.

Article 9

1. The present Agreement, upon coming into force, abrogates the Agreement between the Government of the people's Republic of China and His

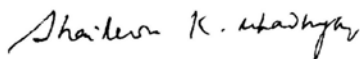
Majesty's Government of Nepal on Trade, Intercourse and Related Questions Between the Tibet Autonomous Region of China and Nepal of 2 May 1966 and also the letters exchanged in April 30 1976 and April 30 1986 concerning the extension of the same Agreement.

2. The present Agreement shall come into force on the date of its signing and shall remain in force for a period of ten years. Amendment or extension of the present Agreement may be negotiated by the two Governments six months before its expiration, if either Government proposes to amend or extend the present Agreement and obtain the consent of the other Government.

Done in duplicate in Beijing on 1 August 1986 in the Chinese, Nepali and English languages, all texts being equally authentic. In case of divergence the English text shall prevail.

吴学谦

Plenipotentiary
of the Government of the
People's Republic of China



Plenipotentiary
of His Majesty's
Government of Nepal

**AGREEMENT BETWEEN THE
GOVERNMENT OF THE PEOPLE'S
REPUBLIC OF CHINA AND HIS
MAJESTY'S GOVERNMENT OF
NEPAL ON TRADE, INTERCOURSE
AND RELATED QUESTIONS
BETWEEN THE TIBET AUTONOMOUS
REGION OF CHINA AND NEPAL**

The Government of the People's Republic of China and His Majesty's Government of Nepal,

Being desirous of further developing the friendly and good-neighbourly relations between the two countries,

Reaffirming the Five Principles, i. e. ,

1. Mutual respect for each other's territorial integrity and sovereignty,
2. Mutual non-aggression,
3. Non-interference in each other's internal affairs for any reasons of an economic, political or ideological character,
4. Equality and mutual benefit, and
5. Peaceful co-existence,

as the fundamental principles guiding the relations between the two countries,

Desiring to develop on the basis of these principles the traditional friendly relations between the peoples of the two countries, and particularly between the inhabitants of the Tibet Autonomous Region of China and the people of Nepal,

Have agreed to conclude the present Agreement on the basis of the "Agreement to Maintain the Friendly Relations between the People's Republic of China and the Kingdom of Nepal and on Trade and Intercourse between the Tibet Region of China and Nepal" signed by the two Governments on September 20, 1956.

After friendly consultations, the two Governments have agreed upon the following:

Article 1

The two Governments agree that the movement of persons between the Tibet Autonomous Region of China and Nepal shall be governed by the following provisions:

1. Diplomatic personnel, civil servants and other

nationals (except those covered by paragraphs 2, 3, 4 and 5 of this Article) of either country shall hold passports issued by their own country and visaed by the other country. Nationals of either country entering the Tibet Autonomous Region of China or Nepal via a third country shall also hold passports issued by their own country and visaed by the other country.

2. Traders of either country known to be customarily and specially engaged in trade between the Tibet Autonomous Region of China and Nepal (not being those persons covered by paragraph 3 of this Article), their wives and children dependent upon them for livelihood and their attendants shall hold passports issued by their own country and visaed by the other country or other certificates issued by their own Government or its duly authorized agency.

3. Inhabitants of the border districts of either country who proceed to the border districts of the other country to carry on petty trade, to visit friends or relatives, or for seasonal change of residence, need not have passports, visas or other certificates, but shall register at the border checkpost or the first encountered duly authorized government agency of the other country.

4. Religious believers of either country who travel for the purpose of pilgrimage need not have passports, visas or other certificates, but shall register at the border checkpost or the first encountered duly authorized government agency of the other country and obtain permits for pilgrimage.

5. Porters and muleteers of either country shall only hold certificates valid for a period of not more than one year issued by the local government of their own country or by its duly authorized agency and register at the border checkpost of the other country and need not have passports or visas.

6. Border inhabitants of both countries while travelling across the border shall use the customary routes.

7. Government officials, pilgrims and traders of both countries shall have the facility of engaging the means of transport at normal and reasonable rates.

8. Notwithstanding the provisions of the foregoing paragraphs of this Article, either Government may refuse entry in its territory to any particular person, should it deem this necessary.

9. Nationals of either country who enter the territory of the other country in accordance with the fore-

going paragraphs of this Article may stay within the territory of the other country only after complying with the procedures specified by the other country.

Article 2

The two Governments agree that pilgrimage between the Tibet Autonomous Region of China and Nepal shall be maintained, and for this purpose have agreed on the following provisions:

1. The local authorities concerned of either country shall suitably facilitate the entry into or departure from its territory of pilgrims from the other country.

2. Pilgrims of either country entering or leaving the territory of the other country shall comply with the procedures specified in Article 1 paragraph 4 of the present Agreement.

3. The personal luggage and articles used for pilgrimage carried by pilgrims shall be exempted from duties by both Governments.

Article 3

Subject to the procedures to be mutually agreed

upon, the two Governments agree to make full use on a reciprocal basis of the Lhasa-Kodari and Kathmandu-Kodari Highways to develop friendly intercourse between the two countries in respect of official and trade purposes.

Article 4

In order to ensure the peaceful living and normal pursuits of either country's nationals in the territory of the other and promote the development of friendship between the two countries, the two Governments have agreed on the following:

1. The respective Government shall protect the life, property and legitimate interests of the nationals of the other country in its territory.

2. Nationals of one country in the territory of the other shall be subject to the jurisdiction of the Government of the host country and abide by its laws and regulations, pay taxes and respect the local customs.

3. All civil and criminal cases or disputes in the territory of either country involving nationals of the other country shall be handled by the Government of the host country.

Article 5

The two Governments shall encourage and support the development of trade relations between the Tibet Autonomous Region of China and Nepal. The authorities concerned of either country shall protect the legitimate interests of the traders of the other country in its territory and facilitate their business activities. The traders of either country in the territory of the other must abide by the relevant laws and regulations and shall be subject to the jurisdiction of the host country.

The two Governments should promote traditional petty trade across the border between the Tibet Autonomous Region of China and Nepal. The local authorities concerned should give facility and protection to the border inhabitants of the other country engaged in such normal petty trade based on barter.

Article 6

The Government of the People's Republic of China agrees to the establishment of a consulate-general

in Lhasa by His Majesty's Government of Nepal.

His Majesty's Government of Nepal agrees to the establishment of a consulate-general in Kathmandu by the Government of the People's Republic of China.

Article 7

In order to strengthen the friendship between the local officials of the two Governments and settle in time problems arising in the intercourse between the border inhabitants of the two countries, the local officials of the border districts of the two Governments may hold meetings as and when necessary.

The rank, time, place and other matters concerning each meeting shall be decided through consultation between the local officials concerned of the two Governments themselves.

Article 8

The present Agreement abrogates the "Agreement to Maintain the Friendly Relations Between the People's Republic of China and the Kingdom of Nepal and on Trade and Intercourse Between the Tibet Re-

gion of China and Nepal” of September 20, 1956 and also the letters exchanged on the same date in relation to the same Agreement.

The present Agreement shall come into force on the date of its signing and shall remain in force for a period of ten years. Amendment or extension of the present Agreement may be negotiated by the two Governments six months before its expiration, if either Government proposes to amend or extend the present Agreement and obtains the consent of the other Government.

Done in duplicate in Peking on the 2nd day of May, 1966, in the Chinese, Nepali and English languages, all texts being equally authentic.

陈 毅

मन्त्रि त्वाङ्ग १०२१००

Plenipotentiary of the
Government of the People's
Republic of China

Plenipotentiary of His
Majesty's Government
of Nepal

**AGREEMENT TO MAINTAIN THE
FRIENDLY RELATIONS BETWEEN
THE PEOPLE'S REPUBLIC OF CHINA
AND THE KINGDOM OF NEPAL AND
ON TRADE AND INTERCOURSE
BETWEEN THE TIBET
REGION OF CHINA
AND NEPAL**

The Government of the People's Republic of China and the Government of the Kingdom of Nepal,

Being desirous of further developing the friendly relations between the two countries as good neighbours on the basis of the long-standing friendship between the two peoples,

Reaffirm that the Five Principles (Panch Shila) of

1. Mutual respect for each other's territorial integrity and sovereignty,
2. Non-aggression,
3. Non-interference in each other's internal affairs for any reasons of an economic, political or ideological character,

4. Equality and mutual benefit, and
5. Peaceful coexistence,

should be the fundamental principles guiding the relations between the two countries.

The two Parties have resolved to conclude the present Agreement in accordance with the above-mentioned principles and have for this purpose appointed as their respective Plenipotentiaries:

The Government of the People's Republic of China, His Excellency Pan Tzu-li, Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Kingdom of Nepal; the Government of the Kingdom of Nepal, His Excellency Chuda Prasad Sharma, Minister for Foreign Affairs of the Kingdom of Nepal, who, having examined each other's credentials and finding them in good and due form, have agreed upon the following:

Article 1

The High Contracting Parties declare that peace and friendship shall be maintained between the People's Republic of China and the Kingdom of Nepal.

Article 2

The High Contracting Parties hereby reaffirm their decision to mutually exchange diplomatic representatives on ambassadorial level.

Article 3

All treaties and documents which existed in the past between China and Nepal including those between the Tibet Region of China and Nepal are hereby abrogated.

Article 4

In order to maintain and develop the traditional contacts between the peoples of the Tibet Region of China and Nepal, the High Contracting Parties agree that the nationals of both Parties may trade, travel and make pilgrimage in those places in each other's territory as agreed upon by both Parties, and the two Parties agree to safeguard the proper interests of the nationals of the other Party in its territory in accordance

with the laws of the country of residence, and for this purpose the High Contracting Parties agree to do as follows:

Paragraph I

The High Contracting Parties mutually agree to establish Trade Agencies:

1. The Chinese Government agrees that the Government of Nepal may establish Trade Agencies at Shigatse, Kyerong and Nyalam;

2. The Government of Nepal agrees that the Chinese Government may establish an equal number of Trade Agencies in Nepal, the specific locations of which will be discussed and determined at a later date by both Parties;

3. The Trade Agencies of both Parties shall be accorded the same status and same treatment. The Trade Agents of both Parties shall enjoy freedom from arrest while exercising their functions, and shall enjoy in respect of themselves, their wives and their children who are dependent on them for livelihood freedom from search.

The Trade Agencies of both Parties shall enjoy the privileges and immunities for couriers, mailbags and communications in code.

Paragraph II

The High Contracting Parties agree that traders of both countries may trade at the following places:

1. The Chinese Government agrees to specify (1) Lhasa, (2) Shigatse, (3) Gyantse and (4) Yátung as markets for trade;

2. The Government of Nepal agrees that when with the development of Chinese trade in Nepal, it has become necessary to specify markets for trade in Nepal, the Government of Nepal will specify an equal number of markets for trade in Nepal;

3. Traders of both countries known to be customarily and specifically engaged in border trade between the Tibet Region of China and Nepal may continue trade at the traditional markets for such trade.

Paragraph III

The High Contracting Parties agree that pilgrimage by religious believers of either country to the other may continue according to religious custom. Personal baggages and articles used for pilgrimage carried by the pilgrims of either Party shall be exempted from taxation by the other Party.

Paragraph IV

For travelling across the border between the Ti-

bet Region of China and Nepal, the High Contracting Parties agree that the nationals of both countries shall use the customary routes.

Paragraph V

For travelling across the border by the nationals of the two countries, the High Contracting Parties agree to adopt the following provisions:

1. Diplomatic personnel and officials of the two countries and nationals of the two countries except those provided by sub-paragraphs 2, 3 and 4, who travel across the border between the Tibet Region of China and Nepal, shall hold passports issued by their respective countries and visaed by the other Party. Nationals of the two countries who enter the Tibet Region of China or Nepal through a third country shall also hold passports issued by their respective countries and visaed by the other Party.

2. Traders of the two countries known to be customarily and specifically engaged in trade between the Tibet Region of China and Nepal, their wives and children dependent on them for livelihood and their attendants, not covered by sub-paragraph 3 of this Paragraph, who enter into the Tibet Region of China or Nepal as the case may be for the purposes of trade,

shall hold passports issued by their respective countries and visaed by the other Party, or certificates issued by their respective Governments or by organs authorized by their respective Governments.

3. Inhabitants of the border districts of the two countries who cross the border to carry on petty trade, to visit friends or relatives, or for seasonal changes of residence, may do so as they have customarily done heretofore and need not hold passports, visas or other documents of certification.

4. Pilgrims of either Party who travel across the border between the Tibet Region of China and Nepal for the purposes of pilgrimage need not hold passports, visas or other documents of certification, but shall register at the border checkpoints or the first authorized Government office of the other Party, and obtain permits for pilgrimage therefrom.

5. Notwithstanding the provisions of the foregoing sub-paragraphs of this Paragraph, either Government may refuse entry to any particular person.

6. Nationals of either country who enter the territory of the other Party in accordance with the foregoing sub-paragraphs of this Paragraph may stay within the territory only after complying with the proce-

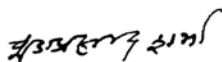
dures specified by the other Party.

Article 5

This Agreement shall be ratified. It shall come into effect after mutual notice of ratifications, and remain in force for eight (8) years. Extension of the present Agreement may be negotiated by the two Parties if either Party requests for it six (6) months prior to the expiry of the Agreement and the request is agreed to by the other Party.

Done in Kathmandu on the 20th day of September, 1956, in duplicate in the Chinese, Nepalese and English languages, all texts being equally authentic.

潘自力



Plenipotentiary of the
Government of the
People's Republic of China

Plenipotentiary of the
Government of the
Kingdom of Nepal