

AGREEMENT
BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND THE GOVERNMENT OF NEPAL
ON
MANAGEMENT OF PORTS IN
CHINA-NEPAL BORDER AREAS

The Government of the People's Republic of China and the Government of Nepal (hereinafter referred to as the "two Parties"), desiring to further consolidate and develop the traditional good neighbourly and friendly relations between the people of the two countries, and promote the bilateral trade and movement of people between the two countries, have agreed as follows based on the principle of equality and mutual benefit:

Article 1

In this Agreement, the two Parties use the terms as follows:

1.The term "Ports" means the designated regions that are located on the two sides of the China-Nepal border, supervised and managed by the designated authorities, and that serve as channels for entry and exit of people, vehicles, cargos and goods. Ports include bilateral Ports and international Ports.

Bilateral Ports are the Ports that allow entry and exit of people, vehicles, cargos and goods of the two Parties. International Ports

are the Ports that allow entry and exit of people, vehicles, cargos and goods of the two Parties and third countries and regions.

2. The term "border areas" means counties or districts on the two sides of the China-Nepal border.

3. The term "border inhabitants" means permanent residents of either country living in the border areas.

4. The term "Force Majeure" means an event that is unforeseeable, inevitable, and insuperable and beyond the control of the two Parties, which may prevent a Party from complying with any of its obligations under this Agreement or may require a Party to make any other alternative arrangement to respond to the event.

5. The term "inspection offices at the Port" means border control, customs, inspection and quarantine departments of the Chinese side and customs, immigration, food inspection and quarantine offices and security agencies of the Nepalese side.

Article 2

1. The two Parties shall upgrade the following existing trading points into the Ports in China-Nepal border areas:

<u>Chinese side</u>	<u>Nepalese side</u>
Pulan	Yari
Lizi	Nechung
Jilong	Rasuwa
Zhangmu	Kodari
Riwu	Olangchung Gola

Chentang Kimathanka

2. The location and type of the Ports listed in Paragraph 1 above shall be as defined in the Annex hereto. The two Parties shall agree, through exchange of diplomatic notes, when adequate infrastructures are in place and internal procedures are completed, on the full operationalisation of the above mentioned Ports which have not been fully operationalised yet. The opening duration and working hours of the Ports shall be agreed through consultations between the administrative authorities of the two Parties where the Ports are located or through the Ports contact mechanism, subject to confirmation by the two Parties.

3. The two Parties shall consult on the opening of new Ports or closing of existing Ports through exchange of diplomatic notes between the two Parties. Such notes shall be an integral part of this Agreement.

4. Changes in the location and type of existing Ports shall be agreed through exchange of diplomatic notes between the two Parties. Such notes shall be an integral part of this Agreement. Changes in the opening duration and working hours of the Ports shall be agreed through consultation between the administrative authorities of the two Parties where the Ports are located or through the Ports contact mechanism, subject to confirmation by the two Parties.

5. In case of Force Majeure or other special needs, the two Parties may open temporary Ports. The opening of temporary Ports shall be agreed by the two Parties and confirmed through

exchange of diplomatic notes. People, vehicles, cargos and goods waiting for entry or exit shall comply with the procedures as required by the local laws or the bilateral agreements in force between the two Parties.

Article 3

1. Citizens of either country who wish to travel through the Ports shall hold valid passports or other travel documents that are recognized by the two Parties, and abide by the agreements on international traveling between the two countries.

Citizens of a third country who wish to travel through the Ports shall hold valid passports or other valid travel documents, and comply with the regulations on international traveling of both countries and bilateral agreements or international treaties to which both the countries are parties.

2. Border inhabitants of the two Parties may enter or exit with exit-entry passes of China-Nepal border areas. The exit-entry passes of China-Nepal border areas shall be issued and used in accordance with the Agreement between the Government of the People's Republic of China and the Government of Nepal on Trade and Other Related Matters between the Tibet Autonomous Region of China and Nepal, signed in 2002.

Article 4

During the working hours of the Ports, the inspection offices at the Ports of either Party shall exercise their power in accordance with the laws and regulations of their respective country. People, vehicles, cargos and goods shall be subject to inspection by the relevant departments, offices or agencies of the two Parties. The two Parties or the inspection offices at the Ports of the two Parties may agree on working arrangement for simplifying the inspection procedures as and when necessary.

Article 5

1. Ports that are officially opened in either side shall not be closed during the official holidays of either Party unless there is a special agreement otherwise.

2. In case one Party needs to open the Ports temporarily under special circumstances, it shall notify the other Party through diplomatic channels at least 5 days in advance, or no less than 24 hours in case of emergency, and reach agreement in this regard with the latter through consultation. Either Party shall notify the other Party through diplomatic channels of the closure of Ports that have been opened temporarily and get the other Party's confirmation in that regard.

3. In order to maintain social and public interests and safeguard national security, or as a result of Force Majeure, either

Party may close Ports temporarily or limit passage through the Ports, but it shall notify the other Party 5 days, 24 hours in emergency, in advance. Either Party shall notify the other Party through diplomatic channels of reopening of the Ports that have been closed temporarily or lifting restrictions on passage and get the other Party's confirmation in that regard.

4. Neither Party shall close Ports without the prior consent of the other Party, except in the situations prescribed in Paragraph 3 of this Article. If either Party closes Ports without the other Party's prior consent and such closure causes loss to the other Party, the two Parties shall settle their disputes through diplomatic channels.

Article 6

The two Parties shall strengthen the construction of infrastructure and inspection facilities of the Ports, improve the passage conditions and enhance the capacity of passage. The future development needs of the Ports shall be considered while designing and constructing the Port facilities.

Article 7

In order to ensure the effective implementation of this Agreement, the two Parties may establish the following mechanism:

(a) The competent authorities as designated by the two

Parties or the local authorities/agencies may be the leading agencies of the cooperation mechanism. They shall coordinate with each other and work out, through study, measures to increase efficiency and carry out their implementation.

(b) The inspection offices at the Ports of the two Parties may create counterpart contact mechanism to hold meetings and communications.

Article 8

This Agreement shall not affect the rights and obligations of the two Parties arising from other international treaties that they have concluded and are still in force.

Article 9

The two Parties shall settle all differences that may arise concerning the interpretation or application of this Agreement through diplomatic channels.

Article 10

This Agreement may be amended or modified, during its period of validity, by mutual agreement of the two Parties.

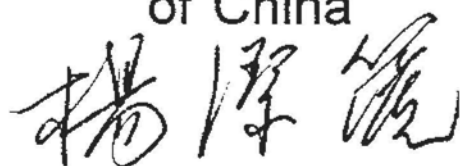
Article 11

This Agreement shall enter into force on the date of signature, and remain in force for a period of 10 years.

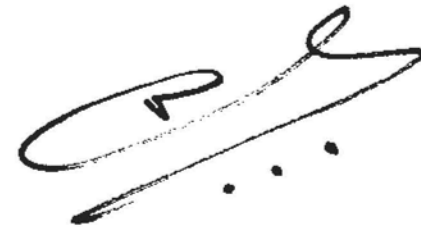
This Agreement shall be renewed automatically every successive 10 years unless either Party requests its termination by serving the other Party a written notice 6 months prior to the date of expiration.

Done in Kathmandu on *the 14th day of January, 2012*, 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 the Government of
Nepal



Annex:

The Location and Type of China-Nepal Ports

1. Pulan-Yari Port

One side of the Port is Pulan Town, Pulan County, Tibet Autonomous Region of China, and the other side is Hillsa Village, Humla District of Nepal.

It is an international port.

2. Jilong-Rasuwa Port

One side of the Port is Jilong Town, Jilong County, Tibet Autonomous Region of China, and the other side is Rasuwagadhi Village, Rasuwa District of Nepal.

It is an international port.

3. Zhangmu-Kodari Port

One side of the Port is Zhangmu Town, Nielamu County, Tibet Autonomous Region of China, and the other side is Tatopani Village, Sindhupalchowk District of Nepal.

It is an international port.

4. Riwu-Olangchung Gola Port

One side of the Port is Riwu Town, Dingjie County, Tibet Autonomous Region of China, and the other side is Olangchung Gola Village, Taplejung District of Nepal.

It is a bilateral port.

5. Lizi-Nechung Port

One side of the Port is Zhongba County, Tibet Autonomous Region of China, and the other side is Lomangthang Village, Mustang District of Nepal.

It is a bilateral port.

6. Chentang-Kimathanka Port

One side of the Port is Chengtang Town, Dingjie County, Tibet Autonomous Region of China, and the other side is Kimathanka Village, Sankhuwasabha District of Nepal.

It is a bilateral port.