

**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE PEOPLE'S REPUBLIC OF CHINA
AND
THE GOVERNMENT OF THE LAO PEOPLE'S DEMOCRATIC REPUBLIC
ON THE IMPLEMENTATION
AT MOHAN, THE PEOPLE'S REPUBLIC OF CHINA AND BOTEN, THE LAO
PEOPLE'S DEMOCRATIC REPUBLIC OF THE AGREEMENT BETWEEN
AND AMONG THE GOVERNMENTS OF THE KINGDOM OF CAMBODIA,
THE PEOPLE'S REPUBLIC OF CHINA, THE LAO PEOPLE'S DEMOCRATIC
REPUBLIC, THE UNION OF MYANMAR, THE KINGDOM OF THAILAND,
AND THE SOCIALIST REPUBLIC OF VIET NAM FOR FACILITATION OF
CROSS-BORDER TRANSPORT OF GOODS AND PEOPLE**

The Governments of the People's Republic of China ("the PRC") and the Lao People's Democratic Republic ("the Lao PDR"), hereinafter referred to as "the Parties to the Memorandum of Understanding ("MOU")":

Referring to the 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 the Facilitation of Cross-Border Transport of Goods and People, originally signed at Vientiane, the Lao People's Democratic Republic, on 26 November 1999, amended at Yangon, the Union of Myanmar on 29 November 2001, acceded to by the Kingdom of Cambodia at Yangon, the Union of Myanmar on 29 November 2001, acceded to by the People's Republic of China at Phnom Penh, the Kingdom of Cambodia on 3 November 2002, acceded to by the Union of Myanmar at Dali, the PRC on 19 September 2003, and amended at Phnom Penh, the Kingdom of Cambodia on 30 April 2004, hereinafter referred to as "the Agreement";

Referring to the 12th Greater Mekong Subregion ("GMS") Ministerial Conference held in Dali, the PRC in September 2003, where the Governments of the Kingdom of Cambodia, the People's Republic of China, the Lao People's Democratic Republic, the Union of Myanmar, the Kingdom of Thailand, and the Socialist Republic of Viet Nam, cognizant of the expected completion of key subregional transport corridors in the near future, emphasized the importance of the early implementation of the Agreement;

Recognizing that the Agreement entered into force on 31 December 2003 upon ratification by all six Contracting Parties to the Agreement;

Recalling that as per Article 37 of the Agreement and the provisions in the

Annexes and Protocols on "Conforming National Law", the Contracting Parties to the Agreement have undertaken to conform their national legal regime with the contents of the Agreement and its Annexes and Protocols;

Recognizing that the signing, ratification, and entry into force of the Agreement and its Annexes and Protocols do not by themselves guarantee their immediate implementation;

Referring to the Agreement between the Government of the Lao People's Democratic Republic and the Government of the People's Republic of China on Road Transport, signed on 3 December 1993, at Vientiane, Lao PDR hereinafter referred to as "the Bilateral Road Transport Agreement", which aims at facilitating the cross-border transport of goods and people between the two countries, as well as other bilateral agreements between the two Parties to the MOU and multilateral agreements or international conventions to which the two Parties to the MOU are contracting parties, in the areas of transport, customs, immigration, and quarantine (including public health and sanitary/phytosanitary matters) to provide measures to allow implementation of the Agreement;

Referring to Article 5(c) of Annex 4 of the Agreement calling expressly for the implementation of single-stop customs inspection procedure through a bilateral Memorandum of Understanding between the bordering country pairs, in order to specify the modality; and

Recognizing that this Memorandum of Understanding will commit the Parties to the MOU to undertake a time-bound implementation of the Agreement;

HAVE AGREED AS FOLLOWS:

The Parties to the MOU commit themselves to the following implementation measures and deliverables with respect to the Agreement and its Annexes and Protocols¹:

A. Concerning Part II of the Agreement on Facilitation of Border Crossing Formalities

A1. Concerning Article 4(a) of the Agreement and Article 4 of Annex 4 (Single-Window Inspection) and Article 4(b) of the Agreement and

¹ The MOU does not apply to noncommercial vehicles until after two years following the entry into force of the relevant annexes and protocols between and among the Parties to the MOU and other relevant Contracting Parties of the Agreement.

Article 5 of Annex 4 (Single-Stop Customs Inspection)

The Parties to the MOU shall:

- (i) by utilizing available border facilities, adopt single-window inspection at the Mohan and Boten border crossing points through **simultaneous performance of duties by the respective Competent Authorities**, according to the procedures appended in Attachment 1 of the MOU, **three months after the entry into force of this MOU**;
- (ii) as called for in Article 4(b) of the Agreement, implement single-stop inspection at the Mohan-Boten border crossing points, based on the following agreed modality: a two-phase process involving (a) conduct of key facilitation measures covering border crossing formalities, including single-window inspection, in Phase 1, commencing no later than **three months after the entry into force of this MOU**, and (b) performance of border crossing formalities² in the respective common control areas jointly and simultaneously by Competent Authorities of the two countries, in Phase II, subject to the amendment of relevant national laws and regulations, as necessary, to allow the extraterritorial performance of duties by Competent Authorities of both Parties to the MOU; procedures for single-window inspection and single-stop inspection are appended in Attachment 1 of this MOU. However, the Parties may also adopt other modalities stipulated in Article 5 of Annex 4 to the Agreement as mutually agreed by their respective National Transport Facilitation Committee (NTFC), having taken into consideration that it will take some time to amend or promulgate the relevant national laws or regulations, and in order to expedite the process of facilitating the cross-border transport of goods and people between the two countries; and
- (iii) for the Mohan-Boten border crossing points, consider this MOU to fulfill the requirement of Article 5 (c) of Annex 4 of the Agreement for a bilateral Memorandum of Understanding per border crossing identified in Protocol 1 of the Agreement.

A2. Concerning Article 4(c) of the Agreement and Article 3(b) of Annex 4 (Coordination of Hours of Operation and Related Issues)

The Parties to the MOU shall:

² Border crossing formalities are formalities conducted at the border crossing points according to relevant national laws and regulations, and may exclude those conducted inland.

- (i) continue to coordinate the operating hours at the Mohan and Boten border crossing points **between 0830 hours and 1730 hours (PRC time) and between 0730 and 1630 hours (Lao PDR time)**, which are equivalent hours in view of the one-hour time difference between the PRC and Lao PDR, seven days a week, including holidays; and
- (ii) continue to implement round-the-clock operation at the Mohan and Boten border crossing points, by opening on request when a notice has been sent in advance, so as to assure clearance outside normal business working hours or otherwise, according to the procedures appended in Attachment 2 of this MOU.

A3. Concerning Article 4(d) of the Agreement and Article 8 of Annex 4 (Advance Exchange of Cargo Clearance Information)

The Parties to the MOU shall:

- (i) continue, as necessary, to cooperate with each other to allow for advance exchange of information as a preliminary step to the development of pre-arrival processing and clearance of goods and people;
- (ii) continue to dispatch the relevant border crossing documents to the authorities of the other Party to the MOU, using all appropriate means of communication (e.g., courier, mail, facsimile, telex, electronic means); and
- (iii) implement advance exchange of information through electronic data interchange in accordance with internationally-accepted standards, **by 31 December 2010.**

A4. Concerning Article 6 of Annex 4 (Harmonization, Simplification, and Language of Documents), Article 7 of Annex 4 (Exchange of Information), Annex 15 (Commodity Classification System), and Articles 4 (Facilitation of Border Crossing Formalities), 31 (Transparency of Legislation, Regulation and Status of Infrastructure), and 35 of the Agreement (Documentation and Procedures)

The Parties to the MOU shall:

- (i) jointly conduct a review and execute a comparative survey of the documents, procedures, and formalities relating to the Mohan-Boten border crossing points, and evaluate their absolute necessity, no later than **three months after the entry into force of this MOU**;
- (ii) provide each other's Competent Authorities with an information sheet in the English language and in its national language listing all the formalities, procedures, and documents (possibly according to different cases) required for border crossing (as if it were intended for use by the commercial truck/bus driver), which, in turn, will disseminate information to licensed transport operators engaged in cross-border transport operations and the general public through local newspapers, periodic publications and/or other forms of media, commencing no later than **three months after the entry into force of this MOU**, and provide any subsequent amendments to the information sheet, within **six weeks of such amendments**;
- (iii) eliminate any documents or formal requirements that are now superfluous or do not serve any particular purpose, no later than **one year after the entry into force of this MOU**;
- (iv) streamline and limit documents, procedures, and formalities, no later than **15 months after the entry into force of this MOU**;
- (v) continue efforts to harmonize, to the extent possible, the declaration/clearance documents;
- (vi) continue to conform all measurements with SI Units (the International System of Modern Metric Units);
- (vii) for the Lao PDR, continue to align documents to the UN Lay-Out Key for Trade Documents, inserting an English translation, and provide that reference be made to the English-language version in the event of a difference in meaning, and

for the PRC, continue efforts to align documents to the UN Lay-Out Key for Trade Documents, inserting an English translation, and provide that reference be made to the English-language version in the event of a difference in meaning; and

(viii) continue to implement the Harmonized Commodity Description and Coding System ("Harmonized System" or "HS"), and any subsequent amendment(s) of the HS.

A5. Concerning Article 9 of Annex 4 (Priority Order of Border Crossing Clearance)

The Parties to the MOU shall:

continue to implement priority order of border clearance in accordance with Article 9 of Annex 4 of the Agreement.

A6. Concerning Article 10 of Annex 4 (Reduction of Routine Exhaustive Physical Inspection Practice)

The Parties to the MOU shall:

- (i) continue to implement risk management techniques at the Mohan-Boten border crossing points (including, e.g., pre- or post-entry inspections/clearance systems) in accordance with Article 10 of Annex 4 of the Agreement;
- (ii) endeavor to improve their respective risk management techniques at the Mohan-Boten border crossing points, in line with international best practice; and
- (iii) jointly carry out a "before and after" study of border crossing times at the Mohan-Boten border crossing points that will be used in monitoring the effectiveness of cross-border facilitation measures, with completion of the "before" study no later than one month after entry into force of the MOU, and completion of the "after" study one year after the "before" study; and undertake annual monitoring.

A7. Concerning Article 3 (d) and Article 11 of Annex 4 (Availability of Required Facilities and Personnel) and Annex 12 (Border Crossing and Transit Facilities and Services)

The Parties to the MOU shall:

provide facilities, equipment (both information and communications technology ("ICT") and non-ICT, e.g., computers, telecommunications, equipment for machine reading of passports, X-ray/scanner machine for goods and container

inspection, automatic vehicle identification/license plate readers, bar code readers for other documents), and personnel required for modern border management at the Mohan-Boten border crossing points, including estimated costs, taking into account (a) existing and anticipated type and volume of cross-border trade, (b) implementation of risk management techniques, (c) where applicable, compatibility with the equipment of the neighboring country for transfer and sharing of information, and (d) relevant international standards and protocols.

B. Concerning Part III of the Agreement on Cross-Border Transport of People

B1. Visas

Each Party to the MOU shall:

- (i) continue to update and disseminate information through the Embassies/Consulates and internet (for the PRC, <http://www.fmprc.gov.cn>; and for Lao PDR, <http://www.bkk.laoembassy.com>) on location(s) where visas can be applied for and obtained, conditions, required documents to support the application, fees, time required for issuance, and period of validity, in the English language;
- (ii) continue to issue multiple entry visas for drivers and crew members of commercially operated motor vehicles; and
- (iii) continue to implement the border pass regime at the Mohan-Boten border crossing points.

B2. Health Inspection

Each Party to the MOU shall:

- (i) continue to comply with the International Health Regulations, the Code of Practice of the World Health Organization ("WHO");
- (ii) continue to disseminate updated information in the English language on applicable laws and regulations regarding public health and quarantine

through the internet (for the PRC, <http://www.aqsiq.gov.cn>), and through the ministries of health of the Parties to the MOU to disseminate information to licensed transport operators engaged in cross-border transport operations and the general public through local newspapers, periodic publications, and/or other forms of media, and in its national language;

- (iii) continue to exempt from routine health inspections or examinations travelers who carry the prescribed WHO documents and documents issued in accordance with the Agreement on Border Health Quarantine, who did not originate from a quarantined and/or an infected (dangerous communicable diseases) area or risk area, and who do not show any symptoms of acute infections; and
- (iv) when a traveler is upon medical examination found to be infected with a contagious disease endangering public health, continue to offer appropriate medical care and treatment in an isolation/quarantine area to the traveler, and notify promptly the WHO and the ministry of health of the other Party to the MOU via the appropriate channels in accordance with applicable rules.

B3. Customs Control: Duty-Free Allowance

Each Party to the MOU shall:

continue to exempt from customs duties and taxes, personal effects carried by private persons (e.g., clothes and necessities for personal hygiene in reasonable quantities, luggage) and currency for living expenses.

B4. Transport Conditions

The Parties to the MOU shall:

- (i) continue to promote the provision of cross-border passenger transport services (e.g., bus) between their territories in accordance with Annex 5 of the Agreement;
- (ii) implement the regime for carrier liability for death and bodily injury of the passenger and damage to or loss of luggage in accordance with Annex 5 of the Agreement, commencing no later than **six months following the entry into force of the MOU.**

C. Concerning Part IV of the Agreement on Cross-Border Transport of Goods

C1. Concerning Article 7 (Exemption from Physical Customs Inspection, Bond Deposit, and Escort) and Annex 6 (Transit and Inland Customs Clearance Regime)

The Parties to the MOU shall:

- (i) continue to exempt cargoes in international transit from (a) routine physical customs inspection at the border, and (b) customs escorts in the national territory, except where an irregularity is suspected;
- (ii) continue to exempt sealed goods in international transit from the deposit of a bond as a guarantee for the duties and taxes, except where an irregularity is suspected;
- (iii) continue to exempt from sanitary or other inspection transit cargo without risk for contamination or other safety risk for the transit country, and without prejudice to necessary disinfection treatment and supervision of means of transport; and
- (iv) establish the transit and inland customs clearance regime called for in Annex 6, after signing of the Memorandum of Understanding between and among Customs Authorities and Issuing/Guaranteeing Organizations/Institutions from the Greater Mekong Subregion (GMS) Countries on the Customs Transit and Temporary Admission System (CTS) for Implementation of the GMS Cross-Border Transport Agreement (CBTA).

C2. Concerning Article 8 (Transit Traffic) and Protocol 2 (Charges Concerning Transit Traffic)

Each Party to the MOU shall:

- (i) grant transit traffic rights (based on the GMS road transport permit) through its territory for transit traffic to or from the territory of the Contracting Parties of the Agreement, commencing no later than one month following the entry into force of the MOU;
- (ii) continue to exempt transit traffic from any customs duties and taxes; and

- (iii) levy charges relating to cross-border traffic other than customs duties and taxes in accordance with Protocol 2 of the Agreement, upon entry into force of the MOU.

C3. Concerning Article 9 (Phytosanitary and Veterinary Inspection)

Each Party to the MOU shall:

- (i) continue to comply with international agreements related to the regulations of the WHO, Food and Agriculture Organization ("FAO"), International Plant Protection Convention ("IPPC"), and Office International des Epizooties ("OIE", the World Organization for Animal Health) in applying inspection of goods crossing the border; and
- (ii) continue to make available in the English language, information on its national sanitary and phytosanitary (SPS) laws and regulations through the internet (for the PRC, <http://www.sps-tbt.gov.cn>).

C4. Concerning Article 10 (Special Regimes for the Transport of Particular Categories of Goods), Annex 1 (Carriage of Dangerous Goods), and Annex 3 (Carriage of Perishable Goods)

Each Party to the MOU shall:

- (i) continue to assign dangerous goods to classes/divisions in accordance with the substantive provisions of Part 2 of the United Nations Recommendations on the Transport of Dangerous Goods/Model Regulations and/or the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR);
- (ii) for the cross-border transport of dangerous goods permitted on a case-by-case basis, implement the applicable measures under Part 2 of the United Nations Recommendations on the Transport of Dangerous Goods/Model Regulations and/or the European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR), and in accordance with Annex 1 of the Agreement, commencing no later than six months following the entry into force of the MOU;
- (iii) grant perishable goods a priority border crossing clearance regime as called for by Article 9 of Annex 4, and in accordance with Article 2 of Annex 3 of the Agreement, commencing no later than six months following the entry into force of the MOU, and in the interim, continue

to grant priority border crossing clearance for perishable goods listed in Attachment 3 of the MOU; and

- (iv) implement, if found necessary, recommended standards for the carriage of perishable goods, (e.g., foodstuffs and non-foodstuffs, livestock, and live plants), commencing no later than **six months following the entry into force of the MOU**; and
- (v) continue to comply with the Convention on International Trade in Endangered Species of Wild Flora and Fauna ("CITES").

D. Concerning Part V of the Agreement on Requirements for the Admittance of Road Vehicles

D1. Concerning Article 12 (Registration) and Annex 2 (Registration of Vehicles in International Traffic), Article 13 (Technical Requirements), and Article 14 (Recognition of Technical Inspection Certificates)

Each Party to the MOU shall:

- (i) continue to mutually recognize the vehicle registration certificate, registration plate, and technical inspection certificate of the other Party to the MOU;
- (ii) complete the preparation of the motor vehicle registration plate and motor vehicle registration certificate in accordance with the requirements of Annex 2 of the Agreement, and communicate a sample/model of the vehicle registration certificate, registration plate, technical inspection certificate, and distinguishing nationality sign to the other Party to the MOU (e.g., by providing a tangible example, posting on the Internet), no later than **31 December 2010**;
- (ii) continue to accept the equipment safety and emissions standards in force in the other Party to the MOU for vehicles registered in the other Party to the MOU;
- (iii) continue to comply with the weights, axle loads, and dimensions standards of the Host Country for vehicles along the Kunming-Bangkok Road

(Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomenyang-Mohan-Boten-Ho uayxay-Chiang Khong-Chiang Rai-Tak-Bangkok); and

- (iv) make available to the other Party to the MOU, a comprehensive document in the English language, on updated information on the weights, axle loads, and dimensions standards for vehicles of the Host Country, commencing no later than **six months after entry into force of the MOU.****

D2. Concerning Article 15 and Annex 7 (Road Traffic Regulations and Signage), and Article 26 (Road Signs and Signals)

Each Party to the MOU shall:

- (i) bring their road traffic regulations and signage along their respective sections of the Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomenyang-Mohan-Boten-Hou ayxay-Chiang Khong-Chiang Rai-Tak-Bangkok Route of the North-South Economic Corridor as listed in Attachment 1 of Protocol 1 of the Agreement in line with Annex 7, no later than **12 months after entry into force of the MOU; and****
- (ii) make available to the other Party to the MOU, a comprehensive document in the English language, on information on the applicable regulations on road signs and signals, commencing no later than **six months after entry into force of the MOU.****

D3. Concerning Article 16 (Compulsory Third-Party Motor Liability Insurance)

Each Party to the MOU shall:

- (i) make available to the other Party to the MOU, a comprehensive document in the English language on compulsory third-party motor liability insurance requirements, including information on location(s), the premium, the documents, and time required to apply for third-party motor liability insurance cover and its period of validity, commencing no later than **three months after entry into force of the MOU; and****
- (ii) make available to the other Party to the MOU, specimen third-party motor insurance contracts in the English language, commencing no later than **three months after entry into force of the MOU.****

D4. Concerning Article 17 (Driving Permits) and Annex 16 (Criteria for Driving Licenses)

Each Party to the MOU shall:

- (i) continue to ensure that its domestic driving license(s) is/are in accordance with the requirements of Annex 16 of the Agreement;
- (ii) provide the Issuing Authority of the other Party to the MOU with any modification of the format/model of its domestic driving license(s), at least **one month before implementation of the modification;**
- (iii) if required, complete a certified English translation of its domestic driving license(s) for drivers of transport operators engaged in cross-border transport operations], at least **one month before entry into force of the MOU;** and
- (iv) continue to mutually recognize driving license(s) issued by the Issuing Authority of the other Party to the MOU.

D5. Concerning Article 18 and Annex 8 (Temporary Importation of Motor Vehicles)

Each Party to the MOU shall:

- (i) for GMS Road Transport Permit holders, grant for a period of **30 days** temporary admission to its territory Motor Vehicles (and the fuel contained in its ordinary/original supply tanks, its lubricants, maintenance supplies, and spare parts in reasonable quantities for use in the operation in the Host Country) registered in the other Party to the MOU, in accordance with Annex 8 of the Agreement; and
- (ii) establish the temporary admission regime called for in Annex 8, after signing of the Memorandum of Understanding between and among Customs Authorities and Issuing/Guaranteeing Organizations/Institutions from the Greater Mekong Subregion (GMS) Countries on the Customs Transit and Temporary Admission System (CTS) for Implementation of the GMS Cross-Border Transport Agreement (CBTA).

E. Concerning Part VI of the Agreement: Exchange of Commercial Traffic Rights

E1. Concerning Article 19 (Traffic Rights), Article 22 (Market Access), Article 23 (Free Market for Transport Services), Protocol 3 (Frequency and Capacity of Services and Issuance of Quotas and Permits)

The Parties to the MOU shall:

- (i) authorize traffic rights in accordance with Article 19 of the Agreement;
- (ii) allow their transport operators properly licensed for cross-border transport operations in their Home Country according to the criteria set out in Annex 9 of the Agreement to undertake cross-border transport operations under the Agreement, **upon entry into force of the MOU;**
- (iii) allow their transport operators engaged in cross-border transport operations to establish representative offices in the Host Country for the purpose of facilitating their transport operations, **upon entry into force of the MOU;** and
- (iv) authorize transport operation in accordance with Article 23 of the Agreement and Protocol 3 of the Agreement, **upon entry into force of the MOU.**

E2. Concerning Article 20 (Designation of Routes and Points of Entry and Exit (Border Crossings)) and Protocol 1 (Designation of Corridors, Routes, and Points of Entry and Exit (Border Crossings)) as well as Article 31 (Transparency of Legislation, Regulation and Status of Infrastructure)

Each Party to the MOU shall:

- (i) make available to the other Party to the MOU, a comprehensive document in the English language on updated information concerning its respective sections of the Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomenyang-Mohan-Boten-Houayxay-Chiang Khong-Chiang Rai-Tak-Bangkok Route of the North-South Economic Corridor as listed in Attachment 1 of Protocol 1 of the Agreement, including information on the condition, technical

specifications, and roadside equipment, especially the location of emergency communication systems and service facilities and rest areas, and information on the completion of subsequent major construction works, no later than **three months after entry into force of the MOU**; and

- (ii) make available to the other Party to the MOU, a comprehensive document in the English language on completed and planned significant construction works at the Mohan-Boten border crossing points and along its respective sections of the Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomenyang-Mohan-Boten-Houayxay-Chiang Khong-Chiang Rai-Tak-Bangkok Route of the North-South Economic Corridor as listed in Attachment 1 of Protocol 1 of the Agreement within **six months** following the announcement of completed and planned construction works.

E3. Concerning Article 21 (Licensing of the Transport Operator (Access to the Profession)) and Annex 9 (Criteria for Licensing Transport Operators for Cross-Border Transport Operations)

Each Party to the MOU shall:

- (i) bring its regime for the licensing of transport operators in line with the requirements of Annex 9 of the Agreement, **upon entry into force of the MOU**; and
- (ii) continue to communicate at least annually their register of licensed transport operators to each other, and an updated register **at least one month following any update.**

E4. Concerning Article 24 (Pricing and Conditions of Transport) and Annex 5 (Cross-Border Movement of People) and Annex 10 (Conditions of Transport)

Each Party to the MOU shall:

bring its regime for pricing and conditions of transport in line with the requirements of Annex 10 of the Agreement, **commencing upon entry into force of the MOU.**

F. Concerning Part VII of the Agreement on Infrastructure³

Each Party to the MOU shall:

carry out construction/reconstruction work for the roads and bridges in its country along the Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomenyang-Mohan-Boten-Houayxay-Chiang Khong-Chiang Rai-Tak-Bangkok Route of the North-South Economic Corridor as listed in Attachment 1 of Protocol 1 of the Agreement, in accordance with the minimum standards and specifications set out in Annex 11 of the Agreement.

G. Concerning Part VIII of the Agreement on Institutional Framework

The Parties to the MOU shall:

- (i) through their respective National Transport Facilitation Committees, coordinate the implementation of the Agreement, **upon entry into force of the MOU**, including the holding of bilateral meetings between respective members to monitor progress of implementation of the Agreement and its Annexes and Protocols at the Mohan-Boten border crossing points, as required, but at least annually; and
- (ii) ensure that their respective Competent Authorities at the Mohan-Boten border crossing points hold bilateral coordination meetings, as required, but at least **quarterly**, to (a) monitor progress of implementation of the Agreement and its Annexes and Protocols, (b) discuss issues related thereto, and (c) if necessary, bring any outstanding issues to the attention of their respective National Transport Facilitation Committees for resolution, **upon entry into force of the MOU**.

³ Article 26 (Road Signs and Signals) is covered in relation to Article 15 on Road Traffic Regulation and Signage of Part V (Requirements for the Admittance of Motor Vehicles). Article 27 (Border Crossing Facilities) is covered under Article 4 and Part II (Facilitation of Border Crossing Formalities).

H. Concerning Part IX of the Agreement Setting Out Miscellaneous Provisions⁴ and Part X of the Agreement Setting Out Final Provisions

H1. Concerning Article 31 (Transparency of Legislation, Regulation and Status of Infrastructure)

Each Party to the MOU shall:

- (i) continue to disseminate (e.g., via official journal, public website, general circulation newspapers, specialized business/trade periodicals, other publications) information on the Agreement and the Annexes and Protocols of the Agreement, and disseminate information on this MOU **upon its entry into force; and**
- (ii) make available to the other Party of the MOU, the existing domestic laws, regulations, procedures, processes, formalities, documents, practices, etc., that affect cross-border transport of goods and people, in the English language, **within 12 months from the signing of the MOU, and for new laws, regulations, procedures, processes, formalities, documents, practices, etc., within 12 months from their finalization.**

H2. Concerning Article 32 (Nondiscriminatory Treatment)

Each Party to the MOU shall:

issue instructions to the relevant agencies at the Mohan-Boten border crossing points **against discriminatory behavior/treatment, and provide a means for reporting complaints on discriminatory treatment to their relevant Competent Authorities, no later than three months after entry into force of the MOU.**

H3. Concerning Article 33 (Assistance in the Case of Traffic Accidents)

Each Party to the MOU shall:

⁴ Article 35 (Documentation and Procedures), except for paragraph (iv), is covered in relation to Part II (Facilitation of Frontier Crossing Formalities).

- (i) continue to assist in case of traffic accidents involving foreign drivers, operators, vehicles, goods, and/or passengers in its country's territory, and designate a focal point and communicate it officially to the other Party to the MOU, no later than **three months after entry into force of the MOU**, to (a) assist foreign people (drivers, passengers, etc.) in its territory in dealing with accidents, (b) assist the focal point of the other Party to the MOU by cooperating in dealing with accidents, and (c) reciprocally exchanging information with the focal point of the other Party to the MOU;
- (ii) disseminate information in the English language and its national language on its designated focal point through local newspapers, periodic publications, and/or other forms of media, and any changes thereto immediately, no later than **three months after entry into force of the MOU**; and
- (iii) staff the focal point, where possible, with personnel proficient in English and/or in the national language of the other Party to the MOU, no later than **three months after entry into force of the MOU**.

H4. Concerning Article 34 (Multimodal Transport), Annex 13a (Multimodal Carrier Liability Regime), Annex 13b (Criteria for Licensing of Multimodal Transport Operators for Cross-Border Transport Operations), and Annex 14 (Container Customs Regime)

Each Party to the MOU shall:

- (i) bring its multimodal carrier liability regime in line with the requirements of Annex 13a of the Agreement, no later than **12 months following the entry into force of the MOU**;
- (ii) bring its regime for licensing of multimodal transport operators in line with the requirements of Annex 13b of the Agreement, no later than **12 months following the entry into force of the MOU**;
- (iii) periodically communicate its register of licensed multimodal transport operators to the other Party to the MOU, commencing no later than **six**

months following the bringing in line of its regime for licensing of multimodal transport operators with the requirements of Annex 13b of the Agreement, and thereafter on an annual basis; and

- (v) **establish the transit and inland customs clearance regime called for in Annex 14, after signing of the Memorandum of Understanding between and among Customs Authorities and Issuing/Guaranteeing Organizations/Institutions from the Greater Mekong Subregion (GMS) Countries on the Customs Transit and Temporary Admission System (CTS) for Implementation of the GMS Cross-Border Transport Agreement (CBTA).**

H5. Concerning Article 37 (Conforming National Law)

Each Party to the MOU shall:

- (i) **where necessary, conform its relevant national legislation (and regulations) with the contents of the Agreement, and its Annexes or Protocols;**
- (ii) **conduct training, individually and jointly with the other Party to the MOU, for relevant Competent Authorities at the Mohan-Boten border crossing points on the implementation of the Agreement and its Annexes and Protocols, commencing no later than six months after entry into force of the MOU; and**
- (iii) **prepare or revise, as necessary, manuals of procedures for all relevant Competent Authorities, for implementation of the Agreement and its Annexes and Protocols, no later than six months after entry into force of the MOU.**

I. Other Provisions

- (i) **The Parties to the MOU may propose amendment(s) to the MOU. Such amendment(s) shall be subject to the mutual consent of the Parties to the MOU, and shall be effected by the signing of an addendum to the MOU by the duly authorized representatives of their National Transport Facilitation Committees.**

- (ii) The Parties to the MOU shall endeavor to amend, at the earliest opportunity, the Bilateral Road Transport Agreement to cover the entire length of the PRC and Lao PDR sections of the Kunming-Yuxi-Yuanjiang-Mohei-Simao-Xiaomenyang-Mohan-Boten-Houayxay-Chiang Khong-Chiang Rai-Tak-Bangkok Route of the North-South Economic Corridor as listed in Attachment 1 of Protocol 1 of the Agreement in line with Annex 7 and, possibly, other corridors/routes between them.
- (iii) This Memorandum of Understanding enters into force on the 60th day after its signature, bringing into effect the implementation of the Agreement at the Mohan-Boten border crossing points.

Done at Beijing, on this ninth day of September 2009, in two originals in the English language. The Chinese and Lao language versions shall serve as references.

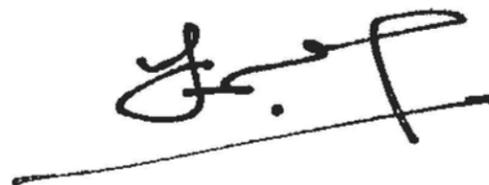
Signed:

**For the Government of
the People's Republic of China**



**LI Shengling
Minister of Transport**

**For the Government of
the Lao People's Democratic Republic**



**Khemmani PHOLSENA
Deputy Minister of Industry and Trade**

List of Attachments

Attachment 1: Procedures for Single-Window and Single-Stop Inspection

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ATTACHMENT 1: PROCEDURES FOR SINGLE-WINDOW AND SINGLE-STOP INSPECTION

A. Introduction

1. The Parties to the Memorandum of Understanding (MOU) shall adopt single-window inspection (SWI) at the Mohan-Boten border crossing points by simultaneous (or near simultaneous) performance of duties by the respective Competent Authorities: conduct of key facilitation measures covering border crossing formalities⁵. In addition, the Parties to the MOU shall implement single-stop inspection (SSI) at the Mohan-Boten border crossing points: performance of border crossing formalities in the respective common control areas (CCAs) jointly and simultaneously or near simultaneously by Competent Authorities of the Parties to the MOU, subject to the amendment of necessary national laws and regulations to allow the extraterritorial performance of duties by Competent Authorities of both Parties to the MOU. However, the Parties may also adopt other modalities stipulated in the Article 5 of Annex 4 to the Agreement and as mutually agreed by their respective NTFC.

B. Single-Window Inspection and Single-Stop Inspection

2. The full implementation of SWI and SSI shall adhere to the following broad principles:

- (i) people, vehicles and goods shall be subject to border crossing formalities conducted jointly and simultaneously by the respective Competent Authorities of each Party to the MOU;
- (ii) Competent Authorities of the Country of Exit shall jointly and simultaneously or near simultaneously perform their duties with the Competent Authorities of the Country of Entry in the CCA in the Country of Entry, subject to the amendment/promulgation of relevant national laws and regulations to allow extraterritorial performance of duties by Competent Authorities of both Parties to the MOU;

⁵ Border crossing formalities are formalities conducted at the border crossing points according to relevant national laws and regulations, and may exclude those conducted inland.

- (iii) only incoming people, vehicles, and goods (except live animals) shall be subject to border crossing formalities jointly and simultaneously or near simultaneously undertaken in the CCA of the Country of Entry by Competent Authorities of the Parties to the MOU, and not in the Country of Exit, subject to the amendment/promulgation of relevant national laws and regulations to allow extraterritorial performance of duties by Competent Authorities of the Parties to the MOU;
- (iv) live animals shall be subject to border crossing formalities that are jointly and simultaneously or near simultaneously undertaken in the CCA or another nearby designated location of the Country of Exit by Competent Authorities of the two Parties to the MOU (i.e., live animals shall be subject to border crossing formalities only in the Country of Exit), and not in the Country of Entry (subject to the amendment/promulgation of relevant national laws and regulations to allow extraterritorial performance of duties by Competent Authorities of both Parties to the MOU);
- (v) border crossing formalities shall be processed through streamlined and harmonized documents (e.g., immigration and customs declaration forms);
- (vi) relevant Competent Authorities shall implement risk management techniques and procedures in the conduct of their inspection;
- (vii) in order to improve risk assessment and selectivity to reduce the level of inspections, the Competent Authorities shall facilitate, to the extent possible, the provision of information in advance of the arrival of the goods and vehicles at the border crossing points, leading eventually to pre-arrival processing of goods;
- (viii) without risk for contamination or other safety risk for the transit country, and without prejudice to necessary disinfection treatment and supervision of means of transport, sealed goods in international transit shall be exempt from physical inspection, except when an irregularity is suspected; and
- (ix) Competent Authorities shall endeavor to perform their duties systematically and expeditiously to achieve border crossing times in accordance with the agreed benchmarks/performance indicators.

3. Subject to the amendment of relevant national laws and regulations, as

necessary, the respective Competent Authorities of the Parties to the MOU shall undertake joint and simultaneous or near simultaneous performance of duties (document processing and physical inspection) in the CCA of the Country of Entry , within **six months following the approval of amendment of the respective relevant national laws and regulations.**

C. Performance Benchmarks for Border Clearance Times

4 The existing multi-stop process entails inspections lasting, on average, 4-6 hours for commercial vehicles combined for both the Mohan and Boten border checkpoints. Even greater delays may occur because of uncoordinated working hours, the absence of control authorities during lunch hours and holidays, the lack of standardization and harmonization of cross-border documents and procedures, and the lack of clarity and knowledge of pre-clearance procedures. These need to be improved to expedite cross-border transport facilitation to promote trade and investment in the GMS.

5 The Parties to the MOU shall achieve combined average clearance times for border crossing formalities in as follows:

**Combined Targeted Border Crossing
Average Clearance Times (excluding queuing time) for
the Single-Window Inspection and Single Stop Inspection
at the Mohan-Boten Border Crossing Points
(in minutes)**

	Existing	SWI	SSI
Commercial Vehicles	240-360	120-180	<=30

ATTACHMENT 2: PROCEDURES FOR OPENING OF THE BORDER CROSSING POINTS ON REQUEST

A. Introduction

1. Article 3 on Consultation, Cooperation, Coordination, and Harmonization of Annex 4 on Facilitation of Frontier Crossing Formalities calls for coordination of operations of adjacent countries' border control posts with respect to (i) operating hours, (ii) type of available inspection services in the respective border crossing point (e.g., customs, quarantine, quality control/inspection, health, immigration), and (iii) which types of goods are subject to which types of border crossing clearance. Article 3 also states that in the border crossing points referred to in Protocol 1 of the Agreement, inspection services will be available 24 hours a day, seven days a week, either through permanent staffing or by opening on request when a notice has been sent in advance, so as to assure clearance outside normal business working hours or otherwise, to be coordinated by the country pairs.

2. This Attachment outlines the procedures for opening on request of the Mohan-Boten border crossing points outside their normal business working hours (seven days a week, 0830-1730 PRC time, and 0730-1630 Lao PDR time).

B. General Procedures

3. An application for opening on request of the Mohan-Boten border crossing points outside normal business working hours must be lodged by transport operators engaged in the cross-border movement of goods and people. The requisite application form(s) (including, as necessary, supporting documents to facilitate border crossing clearance formalities) shall be completed by the transport operator or by private persons, and submitted to the designated authorities in the border checkpoints or provincial/national capital of the Country of Exit and Country of Entry, or to any other designated authority(ies). The application form shall specify the estimated arrival time, as well as the nature of the operation (e.g., persons, goods) and the type of goods (e.g., quarantine-susceptible goods, livestock or dangerous goods) for the purpose of determining the required type of personnel who would undertake the clearance procedures outside normal business working hours.

4. The application form(s) must be received by the designated authorities of the border checkpoints of the Country of Exit and Country of Entry from the

applicant or his/her designated representative(s) during normal operating hours, and no later than 24 hours prior to the expected arrival time at the border checkpoint.

5. The designated approving authority(ies) of the border checkpoint(s) in the Country of Exit and Country of Entry shall inform the applicant no later than eight hours after receipt of application regarding the approval/non-approval of the request for opening of the border crossing points outside normal operating hours by fax, email, or telex or in person if the applicant or his/her designated representative lodged the application in person at the border checkpoint(s). Non-approval of the request shall be justified in writing (in the English language).

6. The transport operator or private person shall pay the corresponding fee(s) for the opening of the border checkpoint outside normal operating hours to the designated collecting agency(ies) of the border checkpoint(s) of the Country of Exit and Country of Entry. The fee(s) can either be paid in cash to the designated collecting agency(ies) at the border checkpoints, or to designated banks during normal operating hours.

**ATTACHMENT 3: LIST OF PERISHABLE GOODS FOR PRIORITY BORDER
CROSSING CLEARANCE FOR THE CROSS-BORDER MOVEMENT
THROUGH THE MOHAN-BOTEN BORDER CROSSING POINTS⁶**

1. Foodstuffs

1.1 Plant Products (fresh, chilled, frozen)

1.1.1 Fruits and vegetables

1.1.2 Other crops and crop products

1.2 Animal Products

1.2.1 Meat and meat products (fresh, chilled, frozen, cooked)

1.2.1.1 Bovine meat

1.2.1.2 Bovine meat products

1.2.1.3 Porcine (swine) meat

1.2.1.4 Porcine meat products

1.2.1.5 Poultry meat

1.2.1.6 Poultry meat products

1.2.1.7 Lamb/sheep and goat meat

1.2.1.8 Lamb/sheep and goat meat products

1.2.1.9 Horse meat

1.2.1.10 Horse meat products

1.2.1.11 Other meat

1.2.1.12 Other meat products

1.2.2 Aquatic animals and aquatic animal products (fresh, chilled, frozen, cooked)

1.2.2.1 Fish, crustacean, molluscs, and cephalopods

1.2.2.2 Fish, crustacean, mollusc, and cephalopod products

1.2.2.3 Other aquatic animals

1.2.2.4 Other aquatic animal products

1.2.3 Dairy and dairy products (fresh, chilled, frozen, pasteurized)

1.2.4 Egg and egg products (fresh, chilled, frozen, cooked)

2. Non-Foodstuffs

2.1 Plant Products

⁶ Attachment of Annex 3 on Carriage of Perishable Goods.