

**AGREEMENT**  
**BETWEEN THE GOVERNMENTS**  
**OF**  
**THE ISLAMIC REPUBLIC OF**  
**AFGHANISTAN**  
**AND**  
**THE ISLAMIC REPUBLIC OF**  
**PAKISTAN**

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**AFGHANISTAN - PAKISTAN**  
**TRANSIT TRADE AGREEMENT,**  
**2010 (APTTA)**

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(a) to ensure the efficient and effective administration of transit transport, avoiding unnecessary delays in the movement of goods and commercial vehicles between and through their territories;

The Contracting Parties shall take all necessary measures:

The Contracting Parties agree to facilitate the movement of goods between and through their respective territories and to provide all possible facilities in accordance with the provisions of this Agreement.

## ARTICLE 1: PURPOSE AND OBJECTIVES

### GENERAL PROVISIONS

#### SECTION I

have agreed as follows:

**acknowledging** the need for effective reciprocal transit services between the two Contracting Parties,

**considering** that the Afghan Transit Trade Agreement (ATTA) of 1965 does not take into account the current economic realities and the new international transit requirements,

**recalling further** the WTO rules and provisions under the General Agreement on Tariffs and Trade (GATT, 1994, Article V) concerning "Freedom of Transit",

**recalling** the objectives and principles enunciated in the Convention on High Seas (Geneva 1958) and the ECO Transit Transport Framework Agreement (Almaty, 1998),

**reiterating** their commitment to ensure the smooth, rapid and efficient movement of goods and vehicles between and through the territories of the two countries,

**recognizing** the importance of the North-South Corridor for Pakistan in relation to trade with Central Asia and for Afghanistan in relation to trade with ECO and SAARC countries,

**recognizing** the right of Afghanistan to freedom of access to the sea as an essential principle for the expansion of its international trade and economic development,

**desirous** of strengthening the economic ties between their two countries on a mutually beneficial basis,

The Government of the Islamic Republic of Afghanistan and the Government of the Islamic Republic of Pakistan, from here on referred to as the Contracting Parties,

#### PREAMBLE

(b) to bring about the simplification, transparency and harmonisation of documentation and procedures relevant to traffic in transit;

(c) to promote intermodal freight transport;

(d) to cooperate with a view to minimising the incidence of customs fraud and avoidance; and

(e) to monitor the trade of controlled chemical substances with the aim of preventing their diversion for illicit purposes.

## ARTICLE 2: DEFINITIONS

For the purpose of this Agreement, the following terms shall have the meaning hereby assigned to them:

**Authority** means the Afghanistan – Pakistan Transit Trade Coordination Authority established by the Contracting Parties for the implementation and monitoring of the Transit Agreement;

**Bilateral trade** means exchange of goods and services between two countries;

**Carriers/transport operators** means legal or natural person responsible for the transport of goods by rail, road, either directly or using a third party, and by whom, or in whose name, a contract of carriage for hire or reward has been concluded;

**Container** means standardised receptacle or loading unit for freight to enable (i) loading and unloading (ii) movements by one or more modes of transport, without intermediate reloading and (iii) locking and sealing;

**Control services** means the relevant law enforcement authorities and services responsible for carrying out all or part of the controls, other than Customs control, to the importation, exportation or transit of goods which include Medico-sanitary, veterinary, and phyto-sanitary inspections;

**Cross border traffic** means traffic originating from the territory of one contracting party that ends up in the territory of the other contracting party;

**Customs** means the Government Service which is responsible for the administration of Customs laws and the collection of import and export duties and taxes and which also has responsibility for the application of other laws and regulations relating, inter alia, to the importation, transit and exportations of goods.

**Customs control** means measures applied to ensure compliance with the laws and regulations relating to the importation, transit and exportation of goods which the Customs are responsible for enforcing;

**Customs transit** means procedure through which goods are transported under Customs control from one Customs office of one contracting party to Customs office of other contracting party under suspension of payments of taxes and duties.

**Dangerous goods** mean goods posing a significant risk to health and environment, security and property when being transported or lying in storage;

**Domestic legislation** means the entire body of national or local laws and regulations in force in respective countries of the contracting parties;

**Examination of goods** means the process of physical ascertainment by Customs of nature, origin, condition, quantity and value with reference to transit documents submitted, with understanding that this definition is applicable to only up to 5% of the goods under risk management system.

**Custom office** means that the Customs administrative unit competent for the performance of the Customs formalities and the premises approved for that purpose by the competent authorities.

**Freight forwarder** means a natural or legal person having a contract of freight forwarding services with a shipper;

**Freight forwarding services** means services of any kind relating to the carriage, consolidation, storage, handling, packing or distribution of the goods. They include also services in connection with Customs and fiscal matters, declaring the goods for official purposes, procuring bank guarantee and insurance for the goods and collecting or procuring payment or documents relating to the goods;

**Import duties and taxes** means Customs duties and all other duties, taxes, and other charges levied in accordance with domestic legislation on, or in connection with, the importation of goods, but not including the cost of services rendered;

**Inspection of Goods** means the superficial process of confirmation that the marks and numbers of bulk in open cargo and container number and seal number for the containerized cargo are in accordance with the particulars furnished in the Goods Declaration or bill of lading;

**International transport** means transport between the territories of the two Contracting Parties (bilateral traffic) or through the territory of the other Contracting Party (transit traffic);

**Home country** means for transport operators, the country of establishment, and for vehicles, the country of registration;

**Host country** means the country where transportation of goods is performed;

**Intermodal freight transport** means movement of goods in one and the same loading unit (container) which successively uses two or more different modes of transport, without the goods themselves being handled;

**Internal traffic** means carriage of goods loaded in the territory of a Contracting Party for unloading at a location within the territory of the same Contracting Party; internal traffic is also referred to as "cabotage";

**Means of transport** means road vehicles and railway rolling stock;

**National treatment** means a Contracting Party shall grant treatment to services and service suppliers of the other Contracting Party, no less favourable than that which it accords to its own like services and service suppliers;

**Permit** means a document, identifiable by the biometric device, whereby the driver and cleaner of a vehicle shall be allowed to cross border,

**Port of Entry/Exit** means an officially designated location at seaports, Airport and or Customs stations where Customs officers or employees are assigned to accept declarations of merchandise and vehicles, control import & exports, clear passengers, collect duties, and enforce the various provisions of customs, immigration and related laws.

**Protocol** means a document attached to this Agreement setting out specific technical and administrative arrangements;

**Quota** means the number of vehicles permits issued annually by the competent authorities of each Contracting Party based on transit transport needs;

**Shipper** means any natural or legal person by whom or in whose name or on whose behalf a contract of carriage of goods has been concluded with a carrier, or any person by whom or in whose name or on whose behalf the goods are actually delivered to the carrier in relation to the contract of carriage of goods;

**Temporary Admission Document (TAD)** means a document issued by a competent authority of one Contracting Party that allows vehicles registered in the territory of the other Contracting Party to enter or exit or transit through its territory;

**Third country** means a country that is not a Contracting Party to this Agreement;

**Transit traffic** means goods (including unaccompanied baggage) and vehicles in transit across the territory of a Contracting Party, when the passage across such territory, with or without transshipment, or change in the mode of transport, is only a portion of a complete journey which begins and ends beyond the borders of the Contracting Party across whose territory the traffic passes;

**Transit country** means a country through the territory of which the transit traffic passes;

**Transit transport corridor** means a route in the respective territories of the Contracting Parties for use by the other Contracting Party for their traffic in transit;

**Transport for hire or reward** means the carriage for remuneration, of goods, on behalf of third parties;

**Transport for own account** means a transport operation that is an ancillary activity of an enterprise aimed at moving the goods that are the object of its commercial activity in vehicles owned by the enterprise and operated by its employees;

**Transport Operator (TO)** means National Carriers who, in conformity with the internal legislation of their country are permitted to carry out international transport operations

between the territories of the Contracting Parties or between his home country and to/from a third country through the territory of the other Contracting Party;

**Transport unit:** means aircrafts, freight containers of international specifications transported by road, railway wagons or road vehicle including trailers, semi trailers;

**Through traffic** means the transportation of goods from one point of departure outside the territory of the contracting parties with final destination outside their territory;

**Vehicle** means any rigid road vehicle, articulated vehicle, unaccompanied trailer or semi trailer;

**Medico-sanitary inspection** means the inspection exercised for the protection of the life and health of persons, with the exception of veterinary inspection;

**Veterinary inspection** the sanitary inspection applied to animals and animal products with a view to protecting the life and health of persons and animals, as well as that carried out on objects or goods which could serve as a carrier for animal diseases;

**Phyto-sanitary inspection** means the inspection intended to prevent the spread and the introduction across national boundaries of pests, plants and plant products;

## SECTION II

### RIGHT OF TRANSIT

#### ARTICLE 3: FREEDOM OF TRANSIT

1. There shall be freedom of transit through the territory of each contracting party, via the pre-settled routes most convenient for international transit, for traffic in transit to or from the territory of other contracting party. No distinction shall be made which is based on flag of the vessel, the place of origin, departure, entry, exit or destination, or on any circumstances relating to the ownership of goods, vessels or other means of transport

2. If any Contracting Party is of the opinion that some goods or class of goods being allowed in transit are smuggled back in its territory and are hurting the economy, industry or import revenue, it may file a complaint with the Authority, stating its grievances along with facts and figures and damage being caused to the Contracting Party. On receipt of the complaint, the Authority shall convene a meeting within three months of the filing of the complaint and may agree on taking any appropriate measures to address the problem.

a. to maintain or establish related infrastructure and Custom clearance facilities, within their national jurisdiction, physically adjacent, to each other as far as possible, so as to facilitate the inspection of the means of transport and their cargoes.

b. to cooperate in order to gradually achieve "coordinated controls" by which the officials of the Contracting Parties will carry out their inspection jointly and simultaneously;

2. The Contracting Parties, with a view to ensuring the clearance of transit traffic without delay, agree:

1. The Contracting Parties agree to build or upgrade the required infrastructure as listed under Annex 1 to this Agreement in accordance with international best practices and standards.

**ARTICLE 6: PROVISION OF INFRASTRUCTURE AND SERVICES**

**FACILITATION OF TRANSIT TRADE**

**SECTION IV**

The Contracting Parties shall take all necessary measures to ensure the safety of traffic in transit along the transit routes specified in Annex 1 to this Agreement.

**ARTICLE 5: SAFETY OF TRAFFIC IN TRANSIT**

2. Annex 1 to this Agreement on "International Transit Transport Corridors and Ports of Entry and Exit" defines routes and points of entry and exit for the transport of goods in transit. These corridors may be discontinued or new ones added upon mutual written agreement.

1. The routes used for transit traffic through Pakistan and Afghanistan shall include:
- (i) maritime ports in Pakistan;
  - (ii) airports in Afghanistan and Pakistan, for air to air transit only;
  - (iii) transit rail/road corridors through Pakistan and Afghanistan; and,
  - (iv) land stations between the Contracting Parties, or between one Contracting Party and a third country.

**ARTICLE 4: DESIGNATION OF TRANSIT TRANSPORT CORRIDORS**

**TRANSIT TRANSPORT CORRIDORS**

**SECTION III**

- a. shippers to select, according to their needs, the mode and means of transport to be used for traffic in transit within the territory of the other Contracting Party;
- b. all vehicles to remain within the specified routes of the territory of the other Contracting Party and to exit the same within specified time. In case of force majeure or breakdown, accident of vehicle, the time may be extended by the permit issuing authority of the host country.

The Contracting Parties agree to permit:

#### ARTICLE 9: CHOICE OF MEANS OF TRANSPORT

1. The Government of the Islamic Republic of Afghanistan agrees to provide at the Afghan Ports of Entry/Exit listed under Annex 1 Section 1 the same facilities as mentioned under Articles 6 and 7 above and under Annex 1 Section 2 of this Agreement.
2. The Government of the Islamic Republic of Pakistan similarly agrees to provide at the Pakistani Ports of Entry/Exit listed under Annex 1 Section 1 the same facilities as mentioned under Articles 6 and 7 above and under Annex 1 Section 2 of this Agreement.

#### ARTICLE 8: OTHER PORTS OF ENTRY/EXIT

1. The Government of the Islamic Republic of Pakistan guarantees the Islamic Republic of Afghanistan, the right to use the ports of Karachi, Port Qasim, and Gwadar Port, for the movement of goods in transit to and from Afghanistan in accordance with the official tariffs, rates and conditions applicable to other users of the ports without any discrimination.
2. Adequate sheds and spaces shall be made available for goods in transit to and from Afghanistan to accommodate the required traffic.
3. For dangerous goods, separate arrangements for storage shall be made available.

#### ARTICLE 7: MARITIME PORTS

### GENERAL CONDITIONS FOR TRANSPORT IN TRANSIT

#### SECTION V

- c. to ensure that adequate human resources are made available for the speedy completion and clearance of border formalities, such as immigration, Customs, and other controls and inspections;
- d. to coordinate the hours of operation of their adjacent Custom stations;
- e. to provide facilities for priority clearance of commercial vehicles with the appropriate transit permits;
- f. to provide adequate and secure parking space for container trucks and other vehicles awaiting clearance; and
- g. to provide and maintain rapid and reliable telecommunication services.

- b. goods from/to another country (third country) than the Operators home and these to be delivered/picked up to/from the territory of the other Contracting Party.
- a. goods loaded at a point in the territory of the other Contracting Party for delivery at any other point in that territory (cabotage)

Unless specific permission has been obtained from the relevant authorities of the concerned Contracting Party, means of transport registered in one Contracting Party shall be prohibited from carrying:

#### COUNTRY TRANSPORT

#### ARTICLE 12: PROHIBITION OF INTERNAL TRANSPORT AND THIRD

4. The vehicles carrying the Transit Cargo will be allowed to carry the return transit cargo from the territory of the other Contracting Party.

3. The Contracting Parties may agree to set up a quota system when issuing transit Temporary Admission Document to respect a fair share of traffic between the two Contracting Parties.

b. Temporary Admission Document for transit rights for the goods not imported or exported by sea, i.e. to go through the territory of the other Contracting Party to pick up and deliver cargo to/from a third country provided both the Contracting Parties have Transport Agreement with the Third Country;

a. Temporary Admission Document for transit traffic rights for the goods imported or exported by sea for transportation, through the territories of one or both the Contracting Parties;

2. Two types of transit Temporary Admission Document shall be issued as per procedure laid down in Protocols-One and Two:

1. The national transport operators licensed for international transport operations in one of the Contracting Parties according to Article 10 shall be entitled to apply for Temporary Admission Document, in order to undertake transport operations of goods in transit to/from/through the territory of the other Contracting Party in accordance with Protocol One and Two of this Agreement.

#### ARTICLE 11: EXCHANGE OF ROAD TRAFFIC RIGHTS

2. National Transport Operators in order to undertake international transport operations shall be licensed by the Contracting Party where they are commercially registered, according to the criteria set out in Protocol One to this Agreement - Section II "Criteria for Licensing Road Transport Operators for International Carriage of Goods in Transit".

1. The Contracting Parties agree to harmonise and facilitate the requirements necessary for the carriage of goods into/from and through their own territories.

#### ARTICLE 10: LICENSING OF TRANSPORT OPERATORS

1. Each Contracting Party undertakes to institute periodic inspection of road vehicles and other means of transport registered on its own territory and used for transit transport

ARTICLE 18: MUTUAL RECOGNITION OF INSPECTION CERTIFICATE

Road transport vehicles shall conform to the technical requirements regarding dimensions, maximum weights and loads, emission standards and related matters with a view to harmonization and the establishment of common standards specified in Protocol One to this Agreement - *Section One "Technical Requirements for the Admittance of Road Vehicles."*

ARTICLE 17: TECHNICAL REQUIREMENTS OF VEHICLE

The Contracting Parties shall recognize domestic driving licenses, vehicle registration documents and vehicle license plates that are issued by the competent authorities of the other Contracting Party.

REGISTRATION DOCUMENTS

ARTICLE 16: MUTUAL RECOGNITION OF DRIVING LICENSE AND VEHICLE

The Contracting Parties shall admit to their territory vehicles whether left-hand or right-hand drive, (operated commercially), registered in the other Contracting Party, in accordance with the rules set out in Protocol One to this Agreement - *Section One Technical Requirements for The Admittance of Road Vehicles.*

CONTRACTING PARTIES' TERRITORY

ARTICLE 15: ADMITTANCE OF ROAD CARGO VEHICLE IN THE OTHER

REQUIREMENTS FOR THE ADMITTANCE OF ROAD VEHICLES

SECTION VI

Subject to Domestic legislation and clearance from the concerned authorities, the Contracting Parties agree to grant permission to freight forwarders and transport operators of the other Contracting Party to establish offices in their respective territories for the purpose of operating activities related to trade in transit. This permission of commercial presence shall be granted on the basis of reciprocity.

ARTICLE 14: COMMERCIAL PRESENCE

3. In case a need arise for a separate Protocol on Railways, Contracting parties shall discuss and draft a new Protocol.

2. The movement of Transit goods will be made as per Railways Rules & Regulations of the country through which the goods are in Transit.

1. The Contracting Parties shall extend national treatment to the transit goods by Railways.

ARTICLE 13: RAILWAYS TRANSPORT OPERATOR

operations to ensure that they are in good working conditions and meet required safety standards;

2. The Contracting Parties shall recognize periodic inspection certificates of road vehicles and other means of transport used for transit transport operations issued by the other Contracting Party.

**ARTICLE 19: THIRD PARTY VEHICLE INSURANCE SCHEME**

1. Road vehicles traveling to the territory of the other Contracting Party shall comply with requirements for compulsory third party vehicle liability insurance in the host country.

2. The Contracting Parties shall take all steps necessary to ensure that their motor vehicles registered in their respective territories have insurance that covers third party liability incurred in the course of transit traffic.

**ARTICLE 20: MULTIPLE ENTRY TRANSIT PERMIT**

1. The Contracting Parties shall, in accordance with their respective laws, rules and regulations, grant multiple entry permit valid for a period of six months each stay not exceeding 15 days to the drivers of the vehicles and the persons engaged in international transit traffic operations who are subject to permit requirements;

2. In exceptional cases when the permit expires while the driver holding the permit is in the Contracting State, the permit holder may refer to the Ministry of Interior and extend his/her permit. Conditions pertaining to Article 10.2 apply here as well.

3. Procedures for granting of permit, mentioned in paragraph 1 above, shall be simplified including reducing the number of documents required for the procurement of such permit.

4. Any change in validity of permit or period of stay shall be decided by APTCA.

**SECTION VII**

**CUSTOMS CONTROL AND OTHER CONTROLS**

**ARTICLE 21: HARMONISATION AND SIMPLIFICATION OF CUSTOMS PROCEDURES**

1. The Contracting Parties agree that all cargo to be transited through Pakistan and Afghanistan in:

- a. containers of international specifications;

The Contracting Parties may be guided by the multilateral agreements signed under the umbrella of: the World Health Organisation, Food and Agriculture Organisation and World Organisation of Animal Health and other related international organizations in applying inspection of goods crossing the border viz phyto-sanitary and veterinary inspection.

#### ARTICLE 22: PHYTOSANITARY AND VETERINARY INSPECTION

9. to authorize the importation of containers without the payment of duties and taxes subject to re-exportation and other conditions laid down in the *Customs Convention on Containers (Geneva, 1972)*.

8. to implement the provisions specified in Protocol III to this Agreement on *Customs Control and Transit Regime*;

7. to be guided, whenever possible, by the standards and recommended practices of the *International Convention on the Simplification and Harmonisation of Customs Procedures (Revised Kyoto Convention, 1999)*;

6. to accept mutual recognition of checks and findings undertaken by their respective Customs officials;

5. to encourage cooperative arrangements between their Customs services in order to ensure speedy customs clearance with minimum delay to transit traffic;

4. up to 5% of containers arriving at port of entry will be subject to examination under the risk management system. No further inspection is allowed en route unless irregularity is suspected as provided in the Revised Kyoto Convention, 1999.

3. to limit Customs controls on the means of transport and goods in transit passing through their territories to the minimum required level to ensure compliance with the laws and regulations that the Customs is responsible to enforce;

2. in case of bulk or oversized cargo, which cannot be placed in sealed containers, other means of transport sufficiently secured for Customs and transit control purposes shall be used.

d. Export of perishable goods in transit (like fruits and vegetable etc) shall be transported in open trucks or other transport units.

c. oversized and bulk cargo (not imported in containers--like ship load) shall be transported in open trucks or other transport units;

b. for a period of three year the cargo shall be allowed in internationally acceptable and verifiable standard of sealable trucks;

ARTICLE 23: SPECIAL PROVISION ON TRANSPORT OF PERISHABLE GOODS

1. Subject to the provisions of this Agreement, the Contracting Parties shall endeavour to facilitate and speed up the transport of perishable goods and to grant a priority regime for border crossing clearance formalities to avoid undue delays.

2. The Contracting Parties agree to define phytosanitary measures and Customs requirements to allow direct transport of perishable goods without transshipment.

ARTICLE 24: SPECIAL PROVISION ON TRANSPORT OF DANGEROUS GOODS,

1. The Contracting Parties agree to take into account the provisions of the *European Agreement Concerning the International Carriage of Dangerous Goods by Road (ADR-1957, Geneva as amended 2007)* for transit and cross border movements of dangerous goods.

2. The term Dangerous Goods are those substances and articles that are referred to as "Dangerous Goods" in Annexes A (General provisions and provisions concerning dangerous articles and substances) and B (Provisions concerning transport equipment and transport operations) of the ADR.

ARTICLE 25: ARMS; AMMUNITIONS AND MILITARY GOODS

This Agreement shall exclude the transit of arms, ammunition and military equipments unless agreed upon by the two Contracting Parties.

ARTICLE 26: CONTROL OF PRECURSORS AND CHEMICAL SUBSTANCES

The Contracting Parties agree to set out measures to strengthen their administrative cooperation to prevent the diversion of substances used in the illicit manufacture of narcotic drugs or psychotropic substances as defined in Protocol Four to this Agreement on *Control of Precursors and Chemical Substances* used in the Illicit Manufacture of Narcotic Drugs or Psychotropic Substances.

ARTICLE 27: HARMONISATION OF CUSTOMS CONTROLS AND OTHER CONTROLS

The Contracting Parties agree to harmonise border facilities for goods in transit as per international best practices. In particular, the Contracting Parties agree to make every effort to ensure that:

(a). Controls other than Customs controls of goods and vehicles in transit, by the relevant authorities responsible for the enforcement of applicable laws and regulations, shall be carried out in a harmonised manner with customs controls, simultaneously if possible, or with the minimum delay;

(b). Customs authorities may, through explicit delegation of powers by other control services, carry out on their behalf, all or part of the control for which these services are responsible. In this case, the relevant services will ensure that the Customs have the required means in terms of training, information and equipment to conduct properly these controls.

**SECTION VIII  
DOCUMENTATION AND PROCEDURES**

**ARTICLE 28: DOCUMENTATION AND PROCEDURES**

1. The Contracting Parties recognize that documentation and processing procedures can be costly and time consuming affecting the efficiency of transit operations, and that efforts should be made to reduce these costs and delays.

2. The Contracting Parties, therefore, agree to make effort:

a. to limit the number of documents and reduce, procedures and formalities required for traffic in transit;

b. to harmonize, as much as possible, codes and descriptions of commodities commonly used in international trade;

c. to consolidate procedures and documentation so that transit traffic will not be subjected to redundant requirements;

d. to periodically review the necessity and usefulness of all documents and procedures prescribed for transit traffic;

e. to adopt a risk management approach for transit traffic in order to reduce delays;

f. to establish a Customs Transit System, including a Customs Guarantee Coverage, for the cargo as mutually agreed;

g. to align their documents to the United Nations Layout Key (UNLK) for trade documents.

3. The documentation and procedures to be applied by the Contracting Parties in the implementation of this Transit Customs Regime are specified in Protocol Three attached to this Agreement on "Customs Control and Transit Regime".

**ARTICLE 29: PUBLICATION OF PROCEDURES AND REGULATIONS**

The Contracting Parties agree:

a. to give due advance notice to the other Contracting Party of any additional requirement or modification in prescribed documentation and procedures to be introduced with regard to traffic in transit;

b. to establish one or more enquiry points where traders and transporters may acquire specific information on relevant measures that affect traffic in transit. In particular, information shall be made available relating to Customs inspection, and on the certificates and documents required for fulfilling the Customs formalities.

**SECTION IX**

**DUTIES, TAXES, CHARGES AND PAYMENT ARRANGEMENTS**

**ARTICLE 30: CUSTOMS DUTIES**

The Contracting Parties agree that no customs duties and taxes shall be levied on goods in transit regardless of their destination and purpose.

**ARTICLE 31: TEMPORARY ADMISSION OF MEANS OF TRANSPORT**

1. The Contracting Parties agree to grant temporary admission to means of transport which is used or intended to be used, for the carriage of goods under the Customs transit regime through their territories.

2. In particular, motor vehicles (and the fuel contained in its standard supply tanks, its lubricants, maintenance supplies and spare parts in reasonable quantities) shall enter in the territory of the other Contracting Party without payment of import duties and other taxes, subject to the conditions laid down in Protocol Two to this Agreement on "Temporary Admission of Road Vehicles for Commercial Use". Provided that no duty/tax credit shall be allowed in respect of goods supplied or services rendered to the vehicles of the other Contracting Party.

**ARTICLE 32: LEVIES AND CHARGES**

1. Each Contracting Party may levy charges, generally applicable for all traffic in the territories of the Contracting Parties, including fees for weighing, scanning and sealing by customs officials; toll for the use of roads, bridges, tunnels and parking, or those commensurate with the administrative expenses which result from traffic in transit, or with the costs of services rendered.

2. All charges imposed on traffic in transit shall be reasonable and applied in a non-discriminatory manner.

**ARTICLE 33: NATIONAL TREATMENT**

The Contracting Parties agree that:

a. in the National Legislations, rules and procedures affecting transit traffic treatment applied to the transporters from the other Contracting Party shall be no less favourable than applied to their own like services and service providers;

b. any charges, expenses or financial obligations incurred with regard to the means of transport and labour used for transit operations, administrative expenses entailed, or actual cost of services rendered, shall be calculated on the same basis as those for similar domestic transport operators.

- g. consider any other matter for smooth operation of this Agreement.
  - f. authorize studies on issues related to transit trade;
  - e. resolve disputes that may arise regarding the interpretation or implementation of APTTA
  - d. Monitor implementation and effectiveness of measures adopted to curb unauthorized trade;
  - c. Formulate measures to address/ curb un-authorized trade.
  - b. ensure uniform interpretation and application of this Agreement by both Parties;
  - a. monitor effective implementation of this Agreement;
1. The Authority shall deal with all matters related to transit trade and transport in the context of APTTA, and in particular will undertake the following tasks:

ARTICLE 35: TERMS OF REFERENCE OF APTTCA

- 4. The Authority shall frame its own rules of business.
  - c. Co-chairs may co-opt any other or invite anyone as special invitee as and when required.
  - b. private sector including Joint Chambers of Commerce and Industry, freight forwarders, and road transporters
  - a. the stakeholders ministries or similar agencies of Contracting Parties
3. The Authority shall consist of an equal number of representatives from:
- 2. The Authority shall be co-chaired by the Deputy Minister of Commerce and Industries, Government of Afghanistan and Secretary Commerce, Government of Pakistan.
  - 1. Afghanistan Pakistan Transit Coordination Authority (APTTCA) shall be established for monitoring, facilitating, and effective implementation of this Agreement.

TRADE COORDINATION AUTHORITY

ARTICLE 34: ESTABLISHMENT OF AFGHANISTAN PAKISTAN TRANSIT

TRANSIT TRADE COORDINATION AUTHORITY

AFGHANISTAN PAKISTAN

SECTION X

2. The Authority shall submit reports of its meetings to the Pak - Afghan Joint Economic Commission.

**ARTICLE 36: MEETINGS**

1. The Authority shall meet once every six months alternately in the territory of each of the Contracting Parties.

2. At the request of a Contracting Party, the Authority may hold extraordinary meetings.

3. Each Contracting Party shall bear the cost for the participation of its delegation at regular and extraordinary meetings of the Authority.

**ARTICLE 37: DECISIONS BY THE AUTHORITY.**

Decisions by the Authority shall be taken by consensus of both parties.

**ARTICLE 38: SECRETARIAT**

The Ministries of Commerce of the respective Contracting Parties shall provide secretarial services in their respective countries.

**SECTION XI**

**DISPUTE SETTLEMENT MECHANISM**

**ARTICLE 39: SCOPE AND COVERAGE**

1. Unless otherwise provided for in this Agreement, the provisions of this Section shall apply to the settlement of disputes between the Parties concerning the interpretation or implementation of this Agreement.

2. The rules, procedures and time frames set out in this Section may be waived, varied or modified by mutual agreement.

3. Arbitral tribunals appointed under this Section shall interpret and apply the provisions of this Agreement in accordance with customary rules of interpretation of public international law.

**ARTICLE 40: COOPERATION**

The Parties through APTCA shall at all times endeavour to agree on the interpretation and implementation of this Agreement through cooperation to arrive at a mutually satisfactory resolution of any matter that might affect its operation.

**ARTICLE 41: CONSULTATIONS**

1. A Party may request consultations with the other Party with respect to any matter affecting the interpretation or implementation of this Agreement which cannot be