

Greater Mekong Subregion Cross-Border Transport Facilitation Agreement



LAO PEOPLE'S DEMOCRATIC REPUBLIC CBTA “EARLY HARVEST” IMPLEMENTATION GUIDE

What is the Greater Mekong Subregion Cross-Border Transport Facilitation Agreement?

- ▶ The 6 member countries of the Greater Mekong Subregion (i.e. Cambodia, China, Lao PDR, Myanmar, Thailand and Viet Nam) ratified the Cross-Border Transport Facilitation Agreement (CBTA) in 2015.
- ▶ This allowed the Agreement to enter into force. However, some parts of the CBTA are outdated and need to be revised.
- ▶ The GMS Transport Ministers, as members of the ‘Joint Committee’ responsible for managing the CBTA, agreed in 2016 to launch the ‘Early Harvest’ implementation of the CBTA in 2018, and to complete the CBTA revision process by 2019.
- ▶ <https://www.adb.org/sites/default/files/publication/29294/gms-cbta-instruments-history.pdf> has the full CBTA text.

What is the CBTA ‘Early Harvest’?

- ▶ The ‘Early Harvest’ is based on a Memorandum of Understanding (MOU) signed by the 6 GMS countries in the period to March 2018.
- ▶ The full text of the MOU is available at www.greatermekong.org/ttf.
- ▶ The MOU allows each GMS country to issue up to 500 GMS Road Transport Permits and Temporary Admission Documents (TADs) for goods and passenger vehicles registered, owned and/or operated in that country.
- ▶ Vehicles can travel on any of the routes and across any of the border crossings listed in CBTA Protocol 1. For Lao PDR, movements in and out of the country will be limited initially to the Boten, Huayxay, Dansavanh and Savannakhet border crossings along national Routes 3, 9 and 13. Myanmar will join the ‘Early Harvest’ in 2020 (please refer to www.greatermekong.org/ttf for updated information regarding these decisions).
- ▶ Vehicles must carry with them the original Permit and TAD issued by the competent authorities in their Home country (i.e. the country the vehicle is registered in) and can remain in any other participating GMS country for up to 30 days on each journey.
- ▶ The TAD can be thought of as a vehicle ‘passport’ and must be stamped by the Customs department of each Host (i.e. the other GMS) country visited on entry and on exit, to ensure the 30-day time limit is observed.
- ▶ There is no limit to the number of cross-border journeys allowed.
- ▶ Specimen Permits and TADs are available at www.greatermekong.org/ttf.




- ▶ CBTA provisions for the transit transport of goods (with duty suspension under Customs control) is not included in the 'Early Harvest'. This means that although permitted vehicles can cross borders, without paying taxes and duties and without the need for a Customs bond or guarantee, the goods carried must follow current Customs procedures (i.e. standard import/export with payment of taxes and duties, duty drawback, or suspension of duties using national transit regimes or other systems agreed bilaterally or plurilaterally between countries where these exist).

How can international transport operators obtain GMS Road Transport Permits and TADs?

- ▶ In some GMS countries, the issuing authorities for Permits and TADs are the same. In others, they are different.
- ▶ In Lao PDR, GMS Road Transport Permits and TADs can be obtained from the

✉ Department of Transport
Lanxang Avenue, Vientiane, Lao PDR
Tel: +856 21 412 287 • Fax: +856 21 415 563
Email: dot_laos@hotmail.com

- ▶ These authorities will keep a list of Permits and TADs issued. Each document has a unique reference number, providing GMS officials with a joint record of eligible vehicles.
- ▶ In order to obtain Permits and TADs, the vehicle operator must fulfil the conditions described in Articles 2, 3, 4, 5 and 6 of Annex 9 of the CBTA, i.e. the operator must be: a) a licensed cross-border transport operator in the Home country in which the Permit/TAD is issued, at least 51% owned and directed by citizens of this country; b) free from issuing country convictions or sanctions, with a clean legal record and no current and/or unresolved bankruptcy proceedings; c) professionally competent to operate (i.e. with respect to legality, operational management, knowledge of road safety and technical issues relevant to the road transport business in the countries in which it plans to operate); and d) financially solvent and insured for any operational and/or contractual liability.
- ▶ Permits and TADs will be issued free of charge in 2018. Charges thereafter will be set by the issuing authority(ies).


 National Transport Facilitation Committee, Lao PDR
GMS Road Transport Permit¹

This document is issued in accordance with Protocol 3 and Article 29 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 the Facilitation of Cross-Border Transport of Goods and People.

Permit No. _____

Country code	Vehicle number	Serial
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Type of Permit/Transport Operation² Scheduled passenger Non-scheduled passenger Cargo

1. Issuing Authority:
 1.1 Name: Department of Transport
 1.2 Address: Lanxang Avenue, Vientiane, Lao PDR
 1.3 Contact Data³: Tel: +856 21 412 287 • Fax: +856 21 415 563 • Email: dot_laos@hotmail.com

2. Beneficiary of the Permit⁴:
 2.1 Name: _____
 2.2 Address: _____
 2.3 Contact Data: _____
 2.4 Road Transport Operator's National License Number⁵: _____

3. Particulars for Scheduled Passenger Transport Operations Only:
 3.1 Itinerary: _____
 3.2 Frequency of operations for the beneficiary: _____
 3.3 Maximum Capacity (number of seats/persons): _____
 3.4 Other Restrictions⁶: _____

4. Period of Validity⁷: from _____ until _____

5. Allocated Vehicle Registration Number⁸:

Private motor/Truck/Bus	Semi-trailer	Retro motor/Truck/Bus	Semi-trailer
1		2	
2		3	
3		4	
4			

Place and Date of Issuance: _____ Authentication (Seal/Stamp, Signature): _____

¹ Warning: Counterfeiting is a criminal offence. The permit entitles its holder to perform cross-border road transport operations in the GMS region, subject to compliance with national laws of the Host Country, and the other conditions of the Agreement. The transport operator shall keep the original of this permit on board the vehicle at all times during cross-border transport operations for inspection and control purposes for authorities. This permit shall be valid only for the vehicle of which the registration number is entered on the permit form. Except for scheduled passenger transport operations, the beneficiary are restricted to the air/entry point, routes, and corridors defined in Protocol 3 to the Agreement.
² Please tick the type of transport operation.
³ Contact data may include telephone number, fax number, email address, etc.
⁴ This permit is non-transferable and non-renewable.
⁵ The validity of the permit shall be subject to the validity of the holder's transport operator license.
⁶ Other restrictions on this type of transport operation flowing from the arrangements on terms and conditions by the Country whose territory is traversed as per Article 1(2) of Protocol 3 to the Agreement.
⁷ Provided the permit was issued before the expiry of its validity date by entering the territory of another GMS country other than that of its holder transport operator, it shall remain valid until the completion of the transport operation by the return of the vehicle to the Home Country. A cross-border transport operation shall be completed by the exit of the vehicle from the Host Country territory within a period of 30 days from the date of entry to the Host Country territory. If the transport operator is unable to finish leave the Host Country territory within the above-mentioned period, the Host Country Competent Authority may be required to file a request for extension.
⁸ Type of vehicle alternative entered (Only the number(s) entered in the last two permit(s)). If the form has become full within its validity period, the issuing authority shall issue a simple request form to holder form with replace the original form.



What other compliance issues must operators be aware of?

- ▶ As described in the main CBTA text and 'Early Harvest' MOU, operators must adhere to the main CBTA requirements for the admittance of road vehicles, i.e. Articles 11–18 of the main CBTA text, with respect to: a) vehicle registration; b) vehicle technical requirements; c) availability of technical inspection certificates; d) compulsory third party vehicle insurance; and e) driving permits.
- ▶ Operators should note that vehicles must satisfy the equipment safety and emissions standards in their Home country, and comply with the technical standards for vehicle weights, axle loads, and dimensions of the Host Country. Information on the latter is available at www.greatermekong.org/ttf.
- ▶ Operators must be aware of and respect the weight limits and road safety requirements of the Host countries in which they operate at all times. Schedules and loads should be planned with these in mind. Failure to respect such rules may result in the cancellation of Permits and an operator's exclusion from the CBTA.
- ▶ Operators must likewise observe the 30-day time limit for each movement through a Host country. This time limit applies equally to goods containers. Failure to do so may result in fines and other sanctions, including cancellation of Permits and an operator's exclusion from the CBTA as described in the 'Early Harvest' MOU.
- ▶ Cabotage (i.e. the transport of goods or passengers between two places inside a Host country by a transport operator from another GMS country) is not allowed. Operators engaged in unsanctioned cabotage may have their Permits cancelled and be excluded from the CBTA.



What happens next?

- ▶ The CBTA 'Early Harvest' is expected to operate from 1 June 2018 to 31 May 2019.
- ▶ All 5 participating GMS countries (excluding Myanmar) are expected to sign the MOU and start issuing mutually recognised Permits and TADs by 1 June 2018.
- ▶ Further updates and information will be notified on www.greatermekong.org/ttf in the course of 'Early Harvest' implementation.
- ▶ Myanmar expects to agree a bilateral vehicle quota (200 vehicles) with Thailand in 2018 and with Lao PDR and the People's Republic of China in 2018 or 2019, before joining the Early Harvest and/or main CBTA full implementation in 2020.



SUPPORTED UNDER
TA 8748: SUPPORT FOR IMPLEMENTING THE ACTION PLAN FOR TRANSPORT
AND TRADE FACILITATION IN THE GREATER MEKONG SUBREGION
SUBPROJECT 2
CO-FINANCED BY THE GOVERNMENT OF AUSTRALIA



For more information on ADB's GMS TTF support, contact Kanya Sasradipoera, *Senior Trade Specialist* at kanyass@adb.org