

## **CHAPTER XIII**

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#### **THE AFGHAN TRANSIT TRADE AGREEMENT, 1965**

[Kabul, the 2<sup>nd</sup> March, 1965]

##### **AGREEMENT**

##### **BETWEEN THE GOVERNMENT OF THE ISLAMIC REPUBLIC OF PAKISTAN AND THE GOVERNMENT OF THE KINGDOM OF AFGHANISTAN FOR REGULATION OF TRAFFIC IN TRANSIT**

The Government of the Islamic Republic of Pakistan and the Government of the Kingdom of Afghanistan being desirous of strengthening basis, improving the difficulties in the movement of goods through the two countries, and having taken into consideration the present volume and future development of transit

trade, have decided to conclude an agreement and to this and have appointed their plenipotentiaries as under:--

The Government of the Islamic Republic of Pakistan,  
Wahiduzzaman, Minister for Commerce

The Government of the Kingdom of Afghanistan,  
Mohammad Sarwar Omar, Minister for Commerce

Who have exchanged their full powers, found in good and due form, have agreed to the following articles:--

##### **Article-I**

The Contracting Parties undertake in accordance with the provisions of this Agreement to grant and guarantee to each other the freedom of transit to and from their territories.

No distinction shall be made which is based on the flag of vessels, the place of origin, departure, entry, exit or destination or any other circumstances relating to the ownership of goods, of vessels or of other means of transport.

##### **Article-II**

Goods including baggage, and vessels and other means of transport shall be deemed to be in transit across the territory of a Contracting Party, when the passage across such territory or without transshipment, warehousing, breaking bulk or change in the mode of transport, is only a portion of a complete journey beginning and terminating beyond the frontier of the Contracting Party across

whose territory the traffic passes – Traffic of this nature in this Agreement ‘Traffic in Transit.’

### **Article—III**

The transit routes shall be:

- (1) *Peshawar* – Torkham and *vice versa*.
- (2) *Chaman* – Spin Boldak and *vice versa*.

Additional routes may be agreed between the Contracting Parties from time to time. Goods moving *via* these routes shall be entered at the proper Customs post prescribed by each Party. Adequate transit and other facilities shall be provided by the Contracting Party concerned at these posts.

### **Article—IV**

No Customs duties, taxes, dues, or charges of any kind whether national, provincial or municipal regardless of their name and purposes, shall be levied on traffic in transit except charges for transportation or those commensurate with the administrative expenses entailed by traffic in transit or with the cost of services rendered.

With a view to achieving simplification of existing Customs Practices and Procedures, the Contracting Parties agree to adopt at points of entry and exit the procedures laid down in the Annex to this Agreement.

### **Article—V**

Without prejudice to the generality of the provisions contained in Article III, the Government of the Islamic Republic of Pakistan shall earmark sheds and open spaces in the Karachi Port Area, to be known as Afghan Transit Area, for the good sin transit to and from Afghanistan. For Hazardous and awkward goods separate arrangements for storage will be made indicated in the Annex.

### **Article—VI**

The two Contracting Parties recognising the importance of the Kabul-Torkham-Peshawar transit route, have decided to examine all matters pertinent to the development of this route, including further consideration of the extension of the railway from Landi Khana to Torkham.

### **Article—VII**

The Government of the Islamic Republic of Pakistan undertake to meet in full, the requirements of wagons for transit traffic on both Karachi-Spin Boldak and Peshwar-Karachi routes.

### **Article—VIII**

Each Contracting shall appoint Liaison Officers to look into the working of this Agreement, and to refer, for expeditious solution, to the appropriate authorities of their own country and to the Liaison Officer of the other country, any question arising from the operation of this Agreement. The Liaison Officers will meet as often as necessary and in any case not less than once in six months

and the contracting Parties shall provide them with the necessary facilities.

#### **Article—IX**

The Contracting Parties agree that railway freight, port and other dues shall be subject to the most sympathetic consideration and shall be no less favourable than those imposed by either Party on goods owned by its own nationals.

#### **Article—X**

Nothing in this Agreement shall be construed to prevent the adoption and enforcement by either Party of measures necessary to protect public morals, human, animal or plant life or health and for the security of its own territory.

#### **Article—XI**

The Contracting Parties shall meet and consult each other once a year to review the working of this Agreement.

#### **Article—XII**

The Contracting Parties agree to resolve any difference relating to the misinterpretation of this Agreement by negotiation, and in the even of failure to reach a settlement, to refer the matter to an arbitrator acceptable to both Parties, whose decision shall be binding.

#### **Article—XIII**

Nothing in this Agreement or its Annexes will affect in any way the political stand of the two countries or the political difference existing between them, and the contracting Parties fully reserve their rights with regard to these subjects.

#### **Article—XIV**

This Agreement shall be ratified and the Instruments of Ratification shall be exchanged at Rawalpindi. The Agreement shall come into force from the date of the exchange of the Instruments of Ratification and shall remain in force for five years from the date it comes into force. Unless notice of termination is given in writing by either Contracting Party to the other six months before the expiration of the five years period, the Agreement shall be automatically renewed for a further period of five years. It can be thereafter be terminated by either Party at any time provided six months notice of termination is given by either party.

#### **Article—XV**

The present Agreement is drawn in duplicate in English and Dari Languages, both texts being equally valid.

IN WITNESS THEREFORE, the undersigned, being duly authorised by their respective Governments, have signed, the present Agreement.

Done in duplicate in English and Dari at Kabul on 2<sup>nd</sup> March, 1965.

For the Government of the Islamic  
Republic of Pakistan.

Sd/-

WAHIDUZZAMAN,  
MINISTER FOR COMMERCE.

For the Government of  
the Kingdom of  
Afghanistan.

Sd/-

MOHAMMAD  
SARWAR OMAR,  
MINISTER FOR  
COMMERCE.

PROTOCOL ANNEXED TO TRANSIT AGREEMENT  
SIGNED BETWEEN THE GOVERNMENT OF THE  
ISLAMIC REPUBLIC OF PAKISTAN AND THE  
GOVERNMENT OF THE KINGDOM OF  
AFGHANISTAN  
DATED MARCH 2, 1965

In accordance with the provisions of the Agreement signed in Kabul between the authorised representatives of the Contracting Parties on March 2, 1965, regulating Traffic in Transit to and from Afghanistan, the signatories, in order to regulate the transport of goods by lorries from Peshawar to Kabul, and from Chaman to Kandahar and vice versa until such a time as extension of rail and road is completed, have agreed as follows:

**Article—I**

The two Governments agree that there shall be open competition for all transporters for carriage of all category of goods to and from Afghanistan irrespective of ownership of goods.

**Article—2**

The two Governments agree to accord to transporters and clearing and forwarding agents from either country national treatment.

**Article—3**

Determination of freight rates shall be left to market conditions for goods of all descriptions and denominations. No discrimination shall be made by the authorities of either Government in the matter of allocation of freight as between the transporters of either country.

**Article—4**

Each Government agrees that no taxes shall be levied by it on transport vehicles registered in the territory of the other country except by prior consultation and on basis of equality.

**Article—5**

The two Governments agree that

- (a) Route permits shall be issued by the country in which the vehicles are registered;
- (b) Driving Licenses and certificates of fitness in respect of transport vehicles covered by this Protocol issued in one country shall be valid in the other country also. Vehicles carrying petroleum and petroleum products shall

continue to be governed by existing practice regarding certificates of fitness; and

- (c) The period for which vehicles of one country may stay in the other on each trip shall be fixed on uniform reciprocal basis.

**Article—6**

The two Governments agree to grant to transporters multiple entry visas valid for a period of six months at a time.

**Article—7**

The two Governments agree to grant to transport vehicles road permits for a period of six months at a time.

**Article—8**

The two Governments shall consult each other with a view to adopting necessary measures to facilitate the flow of traffic between the two countries and shall seek all possible means within their power to remove any factors which may damage the normal accomplishment of the operation foreseen in this Protocol.

**Article—9**

This Protocol shall come into force simultaneously with the Agreement on Traffic in Transit signed on 2<sup>nd</sup> March, 1965.

Done in duplicate in English and Dari both texts equally authentic, in Kabul on the 2<sup>nd</sup> March, 1965.

Signed on behalf of the Government of the Islamic Republic of Pakistan.

WAHIDUZZAMAN,  
MINISTER FOR  
COMMERCE.

Signed on behalf of the Government of the Kingdom of Afghanistan.

MOHAMMAD  
SARWAR OMAR,  
MINISTER FOR  
COMMERCE.

ANNEX ON THE CUSTOMS AND OTHER PROCEDURES TO  
THE AGREEMENT SIGNED ON THE 2<sup>ND</sup> MARCH, 1965  
BETWEEN THE GOVERNMENT OF THE ISLAMIC REPUBLIC  
OF PAKISTAN AND THE ROYAL AFGHAN GOVERNMENT  
FOR REGULATING TRAFFIC IN TRANSIT.

1. CUSTOMS AND OTHER PROCEDURES IN RESPECT  
OF GOODS AND PASSENGER'S UNACCOMPANIED  
BAGGAGE ENTERING PAKISTAN FOR TANSIT TO  
AFGHANISTAN.

1. On arrival of the goods the owner or his agent shall at the time of entering them at the Custom House.

- (a) Declare that the goods are intended for such transit;
- (b) Furnish in quadruplicate an invoice of the goods so declared in the prescribed form specifying therein

by which the two authorised routes the goods are intended to be transported viz.

- (i) *Peshawar*—Torkham
  - (ii) *Chaman*—Spin Boldak
- (c) On compliance with the above provisions the documents will be completed on the basis of exemption from duty, Sales-tax and import trade control regulations after such inspection as may be considered necessary.

2. The further procedure in respect of goods arriving through Karachi will be as follows:--

The goods will be sealed with Customs seal and removed from the Karachi Port Trust transit sheds, under Customs supervision, to the Afghan transit sheds specially set apart for the purpose under Customs physical control. Heavy goods such as machinery and iron or steel, etc. will be removed from the Karachi Port Trust transit areas under customs supervision and stored in enclosed open spaces, specially provided for the purpose, under Customs control. Explosives and hazardous goods and heavy cargo exceeding 5 tons in weight for which special storage arrangements have been provided by the Karachi Port Trust will not be removed to the transit shed or open space set apart for Afghan Transit goods.

3. The goods will be loaded under Customs supervision into railway wagons, exclusively provided for in-transit goods, which will be sealed by the Railway. In the case of open wagons loading heavy articles such as cars, trucks, machinery, iron and steel, etc. sealing may be dispensed with the original copy of the invoice duty checked and completed by the Customs will be handed over to the

owner or his agent. At the same time the duplicate and triplicate copies of the invoice will be dispatched by the Custom House to the Afghan Customs at Spin Boldak.

4. On receipt of the invoice from the Pakistan Customs, the Afghan Customs at Spin Boldak will retain the duplicate and return the triplicate copy to the Custom House of despatch in Pakistan with appropriate endorsement certifying the arrival of the goods.

5. The procedure in respect of goods despatched by the Peshawar-Torkham route from Karachi will be the same as detailed up to and including paragraph 3 above in respect of Spin Boldak. The procedure thereafter will be that the Custom House will despatch the duplicate and triplicate copies of the invoices to the Customs Officer at Peshawar. On receipt of the invoice from the Karachi Customs, the Customs Officer at Peshawar will retain the duplicate and forward the triplicate copy to the Customs Officer at Torkham. On arrival at Peshawar such goods will be carried to a transit shed or area under Customs control or transferred directly to a road-transport under Customs supervision. Road transports in which the goods are carried forward to Afghanistan will, where possible, be sealed with Customs Seal.

6. Goods which require re-packing after arrival at Peshawar will be allowed re-packing facilities at the Transit shed or area under Customs control. The Customs Officer at Peshawar will check the goods with the original copy of the invoice and compare the latter with the duplicate copy received from the port of entry. If the seals are intact and the goods correspond with the description in the invoice, the Customs Officer shall allow the goods to be re-packed and resealed under his supervision, shall endorse on each copy of the invoice details of any change in the number or

description of the packages involved by such re-packing, shall where possible seal the road transport to Afghanistan return the original copy of the invoice so endorsed to the owner or his agent and forward the duplicate copy to Customs Officer at Torkham. On arrival at Torkham, the goods must be presented to the Customs Officer along with the duplicate copy of the invoice for inspection and final clearance. The Customs Officer shall note the re-packing particulars, if any, on the reverse of the triplicate copy and return the duplicate to the Customs Officer at Peshawar.

7. In case of goods entering Pakistan at Lahore the procedure will be the same as detailed above in respect of Karachi except the provisions of paragraph 2 above.

8. The procedure in respect of goods moving into Spin Boldak will be enforced only when the railway line has been extended up to that point. Until then the formalities provided for in respect of Peshawar-Torkham route will apply *mutatis mutandis* to Chaman and to the Customs Post opposite Vesh.

9. Afghan goods or passengers' unaccompanied baggage arriving in transit by sea at Karachi if moving by air to Afghanistan from Karachi airport will be transported under Customs seal to Karachi Airport and placed on board the on-carrying aircraft under Customs supervision. The documentation in respect of such goods will be similar to that for goods despatched by rail with appropriate modifications.

## II. PROCEDURE IN RESPECT OF GOODS AND PASSENGERS, UNACCOMPANIED BAGGAGE MOVING IN TRANSIT FROM AFGHANISTAN TO FOREIGN COUNTRIES THROUGH PAKISTAN.

1. On entry of the goods at the land Customs stations at Torkham/Peshawar or at Chaman until such a time as the railway line is extended upto Spin Boldak and Torkham, the Afghan exporter or his agent shall declare that the goods are in transit to a third country or overseas and furnish in quadruplicate an invoice in the prescribed form.

2. The Government of Pakistan may require certain specified goods despatched in transit from Afghanistan to foreign countries to be sealed by the Afghan Customs before their despatch out of Afghanistan. A list of such goods will be furnished to the Government of Afghanistan from time to time.

3. On compliance with the above provisions the seals on the goods will be checked and the goods removed under Customs provisions to the transit shed or area at the Pakistan railhead at Peshawar or Chaman under Customs control. Re-packing facilities will be allowed at these transit sheds or areas as well as at the transit shed in the Karachi Port area.

4. The goods will be loaded under the Customs supervision into railway wagons exclusively provided for in-transit goods which will be sealed by the Railway. The original copy of the invoice duly checked and completed by the Customs will be handed over to the owner or his agent. At the same time, the duplicate and triplicate copies of the invoice will be forwarded by the Frontier Customs Officer at the Pakistan railhead to the Collector of Customs, Karachi if the goods are to be exported by sea or to the Land Customs Officer at the Land Customs Station through which the goods are to be exported by land to India. The quadruplicate copy will be retained by the Frontier Land Customs Officer for his

record. The Customs Officer, who supervises the loading of goods into the railway wagons, will record on all copies of the invoice the numbers of the wagons in which the goods have been despatched.

5. (a) In the case of goods to be exported by sea from the Port of Karachi, the goods will, on arrival at Karachi railway station be unloaded from the wagons under Customs supervision after verifying that the seals are intact. They will then be carried under Customs supervision to the Afghan transit shed specially set apart for the purpose in the port area, under Customs control. The goods will remain in Customs control until they are duly exported on filing of an export shipping bill. The goods will be inspected, and examined if necessary, before shipment is allowed under Customs supervision.

*NOTE:* Goods of hazardous nature such as cotton which are in transit from Afghanistan to foreign countries cannot be stored in the transit shed along with other goods and the present arrangements of storing such goods will continue.

(b) In the case of goods to be exported by Land to India, the wagons will, on arrival at the Land Customs Station, be inspected by the Customs. Detailed examination of the goods will be dispensed with if the seals on the wagons are intact. The Customs Officer will satisfy himself that the seals are intact and that the numbers of the wagons correspond with those entered in the invoice. If the duplicate and triplicate copies of the invoice have not been received from the Frontier Customs Officer he will not detain the goods but will pass them after entering the verified particulars of the wagons and if necessary of the goods owner or his agent. On receipt of the duplicate and triplicate copies of the

invoice, he will make the necessary endorsement on the basis of the particulars recorded in his register.

6. After the goods have been duly shipped for export by sea or handed over to the railway authorities for onward transmission by land, the Customs Officer will certify on each copy of the invoice that the goods have been duly shipped or exported. The original copy of the invoice will be returned to the owner or his agent, the duplicate copy will be sent to the Frontier Customs Officer at Peshawar or Chaman, as the case may be, and the triplicate copy will be retained for record by the Custom House, Karachi, or the Land Customs Station of export, as the case may be.

7. As soon as the Railway line is extended to Spin Boldak and Torkham the documentation and sealing of packages in respect of such goods will be the responsibility of the Afghan Customs, the sealing of wagons being done by the Railway, the detailed procedures respecting which will be drawn up by mutual consultation by representatives of the two Governments.