#### AGREEMENT

# on the Establishment of an International Transport and Transit Corridor between the Governments of the Islamic Republic of Iran, the Sultanate of Oman, the State of Qatar, Turkmenistan

#### and the Republic of Uzbekistan

#### (Ashgabat Agreement)

The Governments of the Islamic Republic of Iran, the Sultanate of Oman, the State of Qatar, Turkmenistan and the Republic of Uzbekistan, hereinafter referred to as the "Contracting Parties",

Desiring to support and consolidate cooperation and develop economic relations among themselves,

Recognizing the existing process of further strengthening and expanding the economic relations among their peoples at the regional and global levels,

Acknowledging the importance of the existence of international agreements on the transport of Goods in Transit through the infrastructures of railways, roads and ports, as well as the need to accelerate the sustainable economic development of their countries,

Emphasizing their commitment to provide the necessary facilities for the quick, smooth and efficient Transport and Transit of Goods and Passengers to and from other states, and to benefit from their geographic locations,

Expressing their willingness to develop and improve their capabilities to facilitate the Transport and Transit of Goods and Passengers based on existing national legislation and according to the international conventions and standards of transportation,

Wishing to exert every possible effort for the use of the existing transportation infrastructure for the Transport and Transit of Goods and Passengers through their territories,

Have agreed as follows:

#### Article (1)

#### Definitions

Terms and definitions, used in this Agreement, shall have the following meanings:

a - Carrier: any natural or legal person registered in the territory of one Contracting Party and entitled in accordance with its national legislation to carry out international transportation of Passengers and Goods.

- b Founding Parties: collectively the Governments of the Islamic Republic of Iran, the Sultanate of Oman, the State of Qatar, Turkmenistan and the Republic of Uzbekistan.
  - c Goods: all types of goods and items (with Harmonized System Codes) that the Carrier undertakes to transport by virtue of a transport contract through the International Transport and Transit Corridor.
  - d Hazardous Goods: any materials, products, wastes, which because of their characteristics may, in the process of transportation, loading or unloading cause an explosion, fire or damages to Goods and transport infrastructures as well as life, health, environment and national security.
  - e International Transport and Transit Corridor: a network of main transportation systems connecting the states of the Contracting Parties intended for the international transportation of Goods and Passengers by land or sea transportation.
  - f International Transportation: the movement of Goods and Passengers by various modes of transportation (land or sea) through the national territories of the Contracting Parties.
  - g Investment: any investment provided by any entity, financial institution or donor for the development of transport infrastructure projects along the International Transport and Transit Corridor.
  - h Multimodal Transport: the transportation of Goods by at least two different modes of transportation.
  - Passenger: any person who pays transportation fees to travel from one place to another by land or sea transportation through the International Transport and Transit Corridor.
  - j Passenger's Transportation: the transportation service for the transfer of a Passenger by land or sea transportation through the International Transport and Transit Corridor.
  - k Perishable Goods: any type of Goods which require protective measures and fast transit procedures crossing the border (land and sea) and through the International Transport and Transit Corridor.

- I Port: the places where ships dock and are open to international maritime navigation and are used to load and unload Goods and for the embarkation and disembarkation of Passengers.
- m Transit: the transportation of Goods and Passengers across the territory of one Contracting Party through the International Transport and Transit Corridor in which the points of origin and destination are located outside the territory of that Contracting Party.
- n Transportation of Goods: the transportation of Goods from one place to another against transportation fees.

## Article (2)

## **General Scope of the Agreement**

- The provisions of this Agreement shall regulate the International Transport and Transit of Goods and Passengers through the territories of the states of the Contracting Parties carried out by any modes of transportation (land and sea) along the routes approved by the Coordination Council which shall be formed in accordance with Article 9 of this Agreement.
- 2 For the implementation of this Agreement, the competent authorities of the Contracting Parties shall be as follows:
  - In the Islamic Republic of Iran: The Ministry of Roads and Transportation;
  - In the Sultanate of Oman: The Ministry of Transport and Communications;
  - In the State of Qatar: The Ministry of Foreign Affairs International Cooperation;
  - In Turkmenistan: The Ministry of Railway Transport, the Ministry of Motor Transport and the State Service of Maritime and River Transportation;
  - In the Republic of Uzbekistan: The Ministry for Foreign Economic Relations, Investments and Trade, the Uzbek Agency for Automobile and River Transport and the State Joint Stock Railway Company "Uzbekistan Railways".
- 3 This Agreement shall not contradict the rights and obligations of any of the Contracting Parties arising from international agreements and treaties to which they are parties, including those concluded between the Contracting Parties.

#### Article (3)

#### **Objectives of the Agreement**

The Contracting Parties shall:

- Create a reliable transport corridor for the regular Transport and Transit of Goods and Passengers between the countries of Middle Asia and the Ports of the Persian Gulf and the Sea of Oman and the export-import of Goods through the International Transport and Transit Corridor.
- 2 Increase the speed of the Transport of Goods and Passengers with the aim of optimizing transport costs.
- 3 Increase the efficiency of using the Transport and Transit potential of the Contracting Parties.
- 4 Attract transit Goods of other countries through the International Transport and Transit Corridor.
- 5 Increase the effectiveness of transport ties in order to regulate the Transport and Transit of Goods and Passengers through the territories of the Contracting Parties.
- 6 Facilitate access to international markets by using land/sea transportation through the International Transport and Transit Corridor.
- 7 Ensure travel safety and implement international safety standards with respect to the Transport and Transit of Goods and Passengers, as well as environmental protection in accordance with international standards.
- 8 Set up equal and non-discriminative conditions for all modes of transport service providers in the territories of the Contracting Parties.
- 9 Simplify and harmonize official documents and procedures governing the International Transport and Transit of Goods and Passengers in accordance with the existing international standards and agreements.

## Article (4)

## International Transport and Transit Corridor

- 1 By virtue of this Agreement, the Contracting Parties shall establish an international transport and transit corridor linking states of Middle Asia and the Ports of the Persian Gulf and the Sea of Oman to be referred to as the "International Transport and Transit Corridor".
- 2 The Contracting Parties shall determine the routes of the International Transport and Transit Corridor and indicate the infrastructure and modes of transportation which will be used to transport Goods and Passengers.
- 3 The Contracting Parties shall take all the necessary measures to provide assistance to each other through Investment in transport infrastructure projects along the International Transport and Transit Corridor.

# Article (5)

# Facilities Extended for the International

# **Transport and Transit of Goods and Passengers**

- 1 During the implementation of this Agreement, the Contracting Parties shall provide effective facilities in respect with the international Transport and Transit of Goods and Passengers through their territories in accordance with their national legislation.
- 2 Each Contracting Party shall facilitate the granting of visas to the citizens of the other Contracting Party who are engaged in International Transport and Transit of Goods and Passengers in accordance with its national legislation.

# Article (6)

# Rules Governing the Transportation of

# Hazardous, Prohibited or Dual Use Goods

It is prohibited under this Agreement to Transport and Transit Hazardous, prohibited or dual use Goods through the territory of a Contracting Party without prior permit from that Contracting Party. The Contracting Parties shall specify these Goods, which shall be compiled by the Follow-up Committee formed in accordance with Article 10 of this Agreement in an additional protocol and circulated by the Coordination Council.

# Article (7)

## Rules Governing the Transportation of Perishable Goods

The Contracting Parties shall facilitate and accelerate the Transit of Perishable Goods while crossing the borders of the Contracting Parties without unreasonable delay.

## Article (8)

## **Taxes and Duties**

- 1 The Contracting Parties shall seek to optimize government taxes, excises and other duties, regardless of their nature or purpose, including charges emanating from the services on Goods in Transit.
- 2 Charges emanating from the services rendered by service providers may be levied on Goods in Transit.
- 3 The Coordination Council shall agree on establishing a mechanism to optimize the levels of these charges, taxes and duties.

#### Article (9)

#### **Coordination Council**

- 1 For the purpose of the implementation of this Agreement the Contracting Parties shall form a Coordination Council entrusted with the following authorities:
  - a Regulate the issues related to the implementation and application of the provisions of this Agreement.
  - b Address the economic, organizational, technical and legal issues relating to the creation of the International Transport and Transit Corridor.
  - c Elaborate proposals on increasing the flow of Goods in Transit and increasing the attractiveness of the International Transport and Transit Corridor.
  - d Approve the routes of the International Transport and Transit Corridor.
  - e Develop proposals for the optimization of costs of the transport and transit of Goods and Passengers through the International Transport and Transit Corridor with the extensive use of Multimodal Transport.
- 2 The Coordination Council shall hold its first meeting within six months of the entry into force of this Agreement to set the Council's rules and procedures, as well as determine the mechanism of the functioning of the Follow-up Committee.
- 3 The Coordination Council shall meet at least once a year alternatively in the territories of the Contracting Parties in accordance with the English alphabetical order or at the request of any of the Contracting Parties.

#### Article (10)

#### **Follow-up Committee**

- 1 The Contracting Parties shall form a Follow-up Committee composed of its representative within two (2) months after the coming into force of this Agreement. The Committee shall meet to organize its work within three (3) months of its formation.
- 2 The Follow-up Committee shall have the following tasks:
  - a Determine the routes of the International Transport and Transit Corridor.
  - b Prepare studies related to taxes, charges and tariffs currently applied at Ports and border checkpoints by each Contracting Party and submit proposals in order to increase attractiveness of the International Transport and Transit Corridor.

- c Prepare studies related to the facilitation of the transportation of Goods through the territories of the Contracting Parties, taking into account veterinarian and agricultural quarantine as well as prohibited and restricted Goods.
- d Prepare proposals to achieve the objectives of this Agreement in such a manner that shall not contradict the national legislation of any Contracting Party.
- e Prepare and draft programs and protocols emanating from this Agreement.
- f Suggest proposals to harmonize and coordinate transport and transit policies in order to develop the International Transport and Transit Corridor and the necessary infrastructure, facilities and terminals (ports and border checkpoints).
- g Suggest proposals in order to increase the flow of Goods in Transit through the International Transport and Transit Corridor.
- h Prepare periodic and comprehensive reports on the progress of the implementation of this Agreement.
- 3 The Follow-up Committee may, as appropriate, study the articles of the International Convention on the Simplification and Harmonization of Customs Procedures, which was done at Kyoto, Japan, on 18 May 1973, with its amended text regarding transit transportation, and make proposals.

## Article (11)

#### **Settlement of Disputes**

- 1 Any dispute between any of the Contracting Parties arising from the interpretation or application of this Agreement shall be settled through negotiations between the concerned parties.
- 2 If the parties concerned in the dispute fail to reach a settlement through negotiations within nine (9) months from the beginning of negotiations, the dispute shall be referred to the Coordination Council.
- 3 If the Coordination Council fails to resolve the dispute within one (1) year of the dispute being referred to it, it shall be settled by arbitration. The parties in the dispute shall agree on the method of arbitration.

## Article (12)

## Accession

1 - This Agreement shall remain open for accession by any country.

- 2 Any country intending to accede to this Agreement shall notify the Depository State in writing of its intention to accede. The Depositary State shall transmit the same to the Founding Parties for their consideration.
- 3 This Agreement shall come into force for the acceded party thirty (30) days after the Depository State receives the last written approval from the Founding Party.

# Article (13)

# **Depository State**

Turkmenistan shall be the Depository State of this Agreement. The Depository State shall transmit certified copies of this Agreement to the Contracting Parties. The Depository State shall inform the Contracting Parties regarding accession by the other countries to this Agreement and withdrawal from this Agreement by any Party.

# Article (14)

## Amendments

This Agreement may be amended after approval by all Contracting Parties. All amendments shall form an integral part of this Agreement upon signature by all Contracting Parties.

# Article (15)

## **Entry into Force**

This Agreement shall enter into force thirty days (30) after the date of submitting the last written notification from the Founding Parties to the Depository State through the diplomatic channels on the completion of all the necessary legal procedures or ratification for its entry into force. The Depository State shall notify the other Parties of such notifications.

# Article (16)

## Duration

- 1 This Agreement shall remain valid for a period of ten (10) years from the date of its entry into force.
- 2 Any Contracting Party may withdraw from this Agreement by informing the Depository State of its intention to withdraw from the Agreement at least six months prior to the date the withdrawal takes place.
- 3 This Agreement may be extended for a similar period by the agreement of all Founding Parties.

Signed in Ashgabat on 25 April 2011 corresponding to 5 Ordibehesht 1390 (Persian Calendar) and 22 Jumada al-awwal 1432 A.H. in one original copy in the Arabic, Persian, Uzbek, Turkmen, Russian and English languages, all texts being equally authentic. In case of a divergence in interpretation, the English text shall prevail.

In witness whereof the representatives of the Contracting Parties, authorized by Heads of States, have duly signed this Agreement.

For the Government of the Islamic Republic of Iran

For the Government of the Sultanate of Oman

For the Government of the State of Qatar

For the Government of Turkmenistan

For the Government of the Republic of Uzbekistan