Deepening Regional Integration

Bangladesh, Bhutan, India, Nepal Motor Vehicle Agreement

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In a major bid to facilitate cross-border transportation and trade, Bangladesh, Bhutan, India and Nepal signed the landmark Motor Vehicle Agreement in June 2015. Is this agreement capable of unlocking the huge trade potential of these countries and deepening regional integration in a region known to be the least integrated in the world? This note attempts to address some of these questions, reviews the salient features of the agreement and discusses the challenges involved in its implementation.

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The overriding objective of regional integration in South Asia is to promote welfare through trade. It is often debated whether the South Asian Free Trade Agreement (SAFTA) can stimulate trade in a region, which is suffering from low levels of intra-regional trade. South Asian countries, particularly the least developed countries (LDCs),[1] are inundated with structural and supply-side constraints that limit their meaningful and beneficial participation in regional and global trade. Removal of trade barriers is an important step in easing a region's economic isolation.

Three decades have passed since the South Asian Association for Regional Cooperation (SAARC) came into being; however, progress on regional trade on the ground has been rather limited.[2] Lack of connectivity between SAARC countries has been identified as one of the major barriers to trade and regional integration.[3] Narrowing the connectivity gaps, as has been argued in literature, will help increase trade within the South Asian region, provide cheaper access to goods and services, create more jobs (including along trading corridors), and ultimately help reduce poverty at a faster pace (Kathuria 2014).

Today, within South Asia there are only eight cross-border passenger bus services and few cross-border freight services. In a major bid to facilitate transportation and trade, four South Asian countries, namely, Bangladesh, Bhutan, India and Nepal (BBIN), signed the Motor Vehicle Agreement (MVA) for the "Regulation of Passenger, Personal and Cargo Vehicular Traffic" on 15 June 2015. The BBIN MVA, drafted on the lines of the SAARC MVA, aims to fulfil the need to accelerate cross-border transportation and deepen regional integration through subregional measures outlined in the 18th SAARC Summit declaration.[4]

Can the BBIN MVA boost trade growth in this subregion and unlock the huge trade potential that the BBIN countries have? What are the opportunities it offers? What are the connectivity challenges that the subregion faces, and how is the BBIN MVA going to mitigate those? This article attempts to answer these questions. It reviews the salient features of the BBIN MVA and discusses the challenges involved in its implementation.

Problems Plaguing Trade

The BBIN countries are relatively open economies, where, with the exception of Nepal, trade openness grew between 1991 and 2014. India contributes to over 90% of the subregional trade. In 2013, India's total trade with other BBIN countries was worth $10 billion, with exports accounting for $8 billion and imports $2 billion.[5] The trend in intra-BBIN trade has been influenced by the recent growth of the Indian economy, and India's unilateral removal of tariff lines from its sensitive lists for LDCs. Since a large part of BBIN's trade is India-centric, any improvement in connectivity and trade facilitation in the subregion would lead to an improvement in the competitiveness of Bangladesh, Bhutan and Nepal's exports to India. This, in turn, will enhance the access of these countries to Indian markets.

The BBIN MVA is primarily designed to facilitate subregional trade and integration. However, the reality is that the BBIN countries are yet to connect with each other through a comprehensive trade facilitation and connectivity enhancing mechanism. The BBIN countries face a number of logistical handicaps. Except for the trade between India and Nepal and India and Bhutan, trade among BBIN countries is not seamless. India's trade with Bangladesh or Bangladesh's trade with Bhutan and Nepal is riddled with problems. Goods are loaded or unloaded every time they have to cross a land border. Transit of goods exists, but partially.[6] Railways or inland waterways have been used marginally for regional trade. Roads are narrow, with no last-mile connectivity. Banking and financial instruments are weak, making pre- and post-shipment payments tedious. Also, adequate infrastructure is not available. For example, electricity is available at borders, but its quality varies. Trade among the BBIN countries, therefore, is plagued by high costs and wastage of time.

Table 1 presents the number of business procedures and documents needed to carry out trade along the select BBIN corridors as well as time and costs involved in export and import processes. It suggests that trade along the three BBIN corridors involves a relatively higher number of procedures and documents. For example, exports of oranges from Bhutan to Bangladesh face the highest number of procedures in Corridor 2, whereas exports of lentils from Nepal to Bangladesh are subject to the second highest number of procedures in Corridor 1. Among the three countries, owing to the lowest numbers of procedures, Bangladesh appears to be the most trade friendly in both exports and imports in the subregion. Corridor 3 is the most expensive corridor, both in terms of cost and time. A container load of carpets exported from Kathmandu to a third country costs around $2,260.60 per TEU and takes about 24 days to cover a distance of 1,287 km to reach the port of Kolkata. Nevertheless, business process steps involved in exports are relatively less dispersed than in the case of imports. The more time-consuming the export or import process is, the less likely it is for a trader from the BBIN region to compete in the regional and international markets.

Application of modern information and communication technology (ICT) to trade processes has been recognised as an important component of national and regional trade facilitation strategies. Many of the export and import documents along the BBIN corridors are still not being submitted and processed electronically. Submission of documents is largely handled manually (over 80% of trade documents on an average).[7] Exporters and importers (or their custom house agents) can submit customs declaration online, although a hard copy also often needs to be submitted at some point during the process.

The automation of trade documentation is a relatively new phenomenon in the BBIN countries, except India. India has introduced a system called Indian Customs Electronic Commerce/Electronic Data Interchange (EC/EDI) Gateway (ICEGATE), which to a great extent has facilitated the submission of trade documents electronically.[8] The scope for application of ICT in trade process management in the BBIN countries, particularly in Bhutan, Bangladesh and Nepal, is very large. Application of ICT in managing trade processes in India has gained immense popularity, since the exporters and importers have found it increasingly beneficial. While documents required for exports and imports were handled manually till only a few years back, today most of the export processes are dealt with electronically. Similar trends have been noticed in other South Asian countries like the Maldives and Sri Lanka.

Cargo insurance and payment are managed electronically in many of the BBIN countries, including India. The number of documents per se does not matter, but rather their nature (electronic vs paper) and the procedures involved in their preparation and submission that make a difference. By making e-filing of documents mandatory, the documentary burden associated with trading of goods along the BBIN corridors will be reduced undoubtedly. India's EDI system is a case in point and offers important lessons to other BBIN countries to improve their electronic customs system.

Excessive documentation shows scope for the simplification of trade processes. Between the export and import process, the latter is highly dispersed, thereby indicating the need for simplification of documentary requirements and bringing them in line with international standards. Also, building highways, improving border infrastructure facilities, strengthening banking and financial infrastructure, establishing transparency in governance along with trade facilitation measures would improve the competitiveness of the BBIN countries globally. At the same time, the implementation of the BBIN MVA would depend on the financial and technical capacity of the signatory nations.

To meet the global and regional/subregional obligations, the BBIN countries have to improve their trade performance through enhanced trade facilitation measures. For example, countries need to regulate the trucks moving along BBIN corridors; encourage competition among service providers such as transporters, banks and insurances providers, etc; build trade infrastructure such as testing laboratories; and improve the highway conditions and infrastructure at border-crossings, etc.

In Bhutan and Nepal, the costs associated with completing documentary and other import and export procedures for international trade can account for a substantial part of the value of traded goods.[9] The costs of trade go up due to a lack of regional (or subregional) insurance system for transit cargo. Therefore,

Table 1: Business Processes, Time and Costs in BBIN Region

Corridor	Exporter	Importer	Products	Procedures (No)			Time	Cost	Documents and Copies (No)		
				Exporter	Importer	Total	(Days)	($/TEU)	Exporter	Importer	Total
Corridor 1: Kakarvitta–Panitanki–Phulbari–Banglabandha	Nepal	Bangladesh	Lentils	18	13	31	23.40	791.80	18 (44)	18 (71)	36 (115)
	Bangladesh	Nepal	Lead Acid Accumulator	12	16	28	29.26	1,402.05	15 (50)	15 (33)	30 (83)
Corridor 2: Phuentsholing–Jaigaon–Hasimara–Changrabandha–Burimari	Bhutan	Bangladesh	Oranges	18	14	32	18.60	569.84	14 (26)	18 (69)	32 (95)
	Bangladesh	Bhutan	Fruit juice	9	16	25	20.13	527.61	9 (30)	16 (44)	25 (74)
Corridor 3: Kathmandu–Birgunj–Raxaul–Kolkata	Nepal	Third country*	Carpets	23		23	26.00	2,260.60	19 (44)		19 (44)
	Third country**	Nepal	Crude soyabean oil		21	21	18.00	689.74		22 (49)	22 (49)

* Excluding export processes. ** Excluding import processes. Numbers in parentheses are copies needed for export and import.
Source: Table created by the author based on ADB-ESCAP (2014) data.

raising the competition among logistics service providers would not only lead to a fall in transaction costs but also improve the efficiency of service providers. Labour-intensive transport services will see the application of efficient technology at an increasing scale along the transit corridors. Besides, higher efficiency of ports at Kolkata, Haldia, Chittagong, etc, improvement of border infrastructure, and well-developed transit arrangements may transform transit corridors into economic corridors.

Provisions of the Agreement

The primary objective of the MVA, as noted in the Joint Declaration issued by the transport ministers of the BBIN countries, is to facilitate cargo movement across borders in the subregion and significantly reduce trade transaction costs. The MVA contains 17 articles, four forms of permits for both passenger and goods traffic, and three annexures (Table 2). Among the 17 articles, three articles are unique in nature—Article VII, which talks about fees and charges; Article VIII, which presents the road signs and signals and compliance with traffic laws; and Article XI which provides arrangements of insurance.

Table 2: List of BBIN MVA Articles

No	Particulars
Article I	Definitions
Article II	Vehicles
Article III	Permit
Article IV	Documents required
Article V	Passport and visa
Article VI	Restrictions
Article VII	Fees and charges
Article VIII	Road signs and signals: compliance with traffic laws
Article IX	Force majeure
Article X	Right to inspect and search
Article XI	Insurance
Article XII	Business facilitation
Article XIII	Consultations
Article XIV	Applicability of local laws
Article XV	Dispute settlement, entry and withdrawal
Article XVI	Entry into force, amendments and review mechanism
Article XVII	Depository

Source: BBIN MVA (2015).

In the agreement, the contracting parties (here BBIN countries) have agreed to allow the movement of their registered vehicles in the territory of other contracting party(ies). This would include "cargo vehicles (including trucks, trailers, etc, that could carry containerised cargo) for inter-country cargo, including third country cargo" and "passenger vehicles for both hire or reward; or personal vehicles" (BBIN MVA 2015). As per Article II, "all regular passenger/cargo transportation will be allowed only through authorised operator(s)" (BBIN MVA 2015).

Article III of the BBIN MVA says that "all the vehicles of a contracting party will require a permit for plying through the other contracting party(ies)," and the permit will be issued after verification of all the required documents as mentioned in Article IV (BBIN MVA 2015).

> Permits for regular passenger transportation and regular cargo transportation will be for multiple entries, valid for one year and renewable every year. A vehicle entering and plying in the territory of a contracting Party or exiting from its territory under this Agreement will do so using authorised routes through authorised immigration checkpoints and land customs stations as notified by the contracting parties concerned by mutual agreement. Any deviation from the route will be treated as a violation of the permit conditions and of the relevant customs laws of the concerned Contracting Parties. Sector and the details of route, route maps, location of permitted rest or recreation places, tolls and check posts open for regular passenger or cargo transportation among the Contracting Parties will be specified in the Protocol in the format as at Annexure-I (BBIN MVA 2015).

Article III of the BBIN MVA also talks about

> installation of a tracking system on motor vehicles as well as containers at the cost of entering vehicle/container will be introduced within two years from the signing of the agreement subject to the mutual consent of contracting parties (BBIN MVA 2015).

Article IV stipulates that the driver of the vehicle will have to carry a set of 11 documents written in English language.[10] Registration papers and other documents such as insurance policy, fitness certificates, etc, will be carried by the driver of the vehicle and made available for inspection on demand by the competent authority or any officer duly authorised.

Article VI states that "vehicles registered in one Contracting Party and operating under this agreement will not be permitted to transport local passengers and goods within the territory of other Contracting Party(ies)" (BBIN MVA 2015). The Agreement specifies that

> border check posts, land ports/dry ports and land customs stations of the concerned Contracting Party(ies) will endorse entry/exit particulars of the vehicles on the permit and these will be treated as the date of entry/exit for the purpose of this Agreement (BBIN MVA 2015).

Vehicles transporting goods or passengers can only ply on specified routes. The article further says that "traffic between the two countries will be restricted only through existing notified land ports/dry ports and land customs stations/routes" (BBIN MVA 2015).

Article VII of the agreement lays down rules regarding fees and charges.

> In relation to border, land port/dry port formalities, customs and quarantine formalities, taxation and fees, the provisions of internal laws or agreements between Contracting Parties will be applied in deciding matters which are not regulated by this Agreement (BBIN MVA 2015).

It specifies:

> all fees and charges for issue of permit for the vehicle of one Contracting Party will be levied only at the entry point of another Contracting Party. The rates of such fees and charges (including the fee for vehicle in transit) will be decided and notified from time to time by Contracting Parties and informed to one another. Fees and charges will be paid in the currency of the Contracting Party in which the vehicle is entering. Nothing in this clause exempts the vehicles of another Contracting Party from the commercial charges payable on the highways, toll-ways, etc, so long as the same are equally applicable to the vehicles of the destination or transit Contracting Party. Any other charges to cover the cost of services provided for cross-border transportation between the Contracting Party(ies) may be levied on a mutually agreed basis (BBIN MVA 2015).

It also states that,

> no additional charges such as octroi, or local taxes will be levied on transportation of passenger vehicles of one Contracting Party, while plying in the territory of another Contracting Party except those taxes/charges which are equally applicable to vehicles of the destination Contracting Party, and the transit fee applicable to vehicles of other Contracting Party(ies) in transit (BBIN MVA 2015).

Article VII has proposed to set up "a Customs subgroup having participation from all the contracting parties to formulate the required Customs and other procedures and safeguards with regard to entry and exit of vehicles" (BBIN MVA 2015). Article VIII calls for a provision of international road signs and signals along the prescribed routes and compliance with traffic laws of the country in which the vehicle is plying.

Article XI of the MVA deals with insurance:

> The non-regular passenger transportation by vehicles to be operated under this Agreement will be insured by a registered Insurance Company against at least third party loss, in all the Contracting Party(ies) where the vehicle is allowed to ply.

It states that the "regular passenger and cargo vehicles must have a comprehensive insurance policy" (BBIN MVA 2015).

According to Article XVI, the BBIN MVA

> will enter into force on completion of formalities, including ratification by all the Contracting Parties and upon issuance of notification through diplomatic channels. The provisions of this agreement shall be reviewed by Contracting Parties after a period of three years from the date of entry into force of this Agreement or earlier as mutually agreed by Contracting Parties. The review process will suggest amendments, modifications or improvements in the provisions of this Agreement (BBIN MVA 2015).

Annexure I of the MVA has a template of the protocol which contains "details of routes, route maps, location of permitted rest or recreation places, tolls and check posts for passenger or cargo transportation," which the BBIN countries have to finalise. Annexure II specifies the format of the protocol listing the "competent authorities under reference in Article III (12) of this Agreement" (BBIN MVA 2015). "List of Competent Authorities may be mentioned specifically by each Contracting Party" (BBIN MVA 2015). Annexure III provides the format in which identification details of the conductors, cleaners or helpers travelling in the vehicle have to be provided.

A Road Map for Implementation

The joint statement issued by the transport minister of the four countries stated that the BBIN nations had agreed to "carry out a six-month work plan from July to December 2015 for the implementation of the BBIN MVA." The statement called for a

> formalisation of the BBIN MVA, including the Protocols in Annexure 1 and 2, by August 2015; preparation of bilateral (and perhaps trilateral/quadrilateral) agreements/protocols for implementation of the BBIN MVA, by July 2015; negotiation and approval of bilateral (and perhaps trilateral/quadrilateral) agreements/ protocols, by September 2015; installation of the prerequisites for implementing the approved agreements (for example, IT systems, infrastructure, tracking, regulatory systems), by December 2015; and finally 'staged implementation from October 2015' (Joint Statement 2015).

The statement further said that "Nodal officials or National Land Transport Facilitation Committees" of the four nations have been instructed to "monitor the work plan, and bring to the immediate attention any issues that may arise in the course of its implementation" (Joint Statement 2015). Acknowledging the role of the Asian Development Bank (ADB) in the formulation of the agreement, the bank was further requested "to continue providing technical support and other related arrangements necessary to ensure the effective and efficient implementation of the work plan" (Joint Statement 2015). Besides, "30 priority transport connectivity projects with an estimated total cost of over US$ 8 billion to rehabilitate and upgrade trade and transport corridors" have been identified in the BBIN countries (Joint Statement 2015).

Concerns and Recommendations

The BBIN MVA is likely to generate economic dividends in the subregion, particularly for Bangladesh, Bhutan, and Nepal. The proposed transport corridors would pass through these underdeveloped countries, generating relatively higher returns from investment. There is no doubt that with faster and uninterrupted cross-border movement of goods, vehicles and people in the subregion,' trade would be boosted. It is expected that BBIN MVA will facilitate value chains in the subregion, which in turn would strengthen the process of economic integration. However, we need to have an integrated approach to BBIN connectivity. Expectations of stakeholders from the BBIN MVA are very high. Addressing these expectations is a big challenge in itself. Let us discuss some of the major challenges and concerns regarding the BBIN MVA, and what can be done to address them.[11]

Being a non-binding agreement, the implementation of BBIN MVA may follow a "Best Endeavour" approach. This should be avoided. Countries should commit to the implementation of the MVA and also to managing the operational risks, including environmental challenges.

Reaching a consensus on transport corridors may not be difficult for the BBIN countries, but what matters most is the commitment to provide auxiliary services necessary for the functioning of these corridors such as permits for trucks and vehicle operators, vehicle registration, inspections, insurance, issuance of visa, etc, in an expeditious manner within the given time limit. Properly integrated planning by the BBIN countries, including delegation of responsibilities to concerned authorities, should be carried out before the subregion is opened up for cross-border passenger and cargo transportation.

A surge in traffic may cause damage to the existing infrastructure in the subregion, since it is not equipped to handle the additional load of cargo, expected once the BBIN MVA comes into force. Therefore, investments in the development of hard infrastructure such as roads, bridges, border infrastructure, etc, must be scaled up in the BBIN countries, particularly in Bangladesh. Although the BBIN countries have identified 30 transport connectivity projects worth $8 billion, implementation of projects in priority sectors should be done expeditiously. Parallely, we need to introduce an enabling framework in order to scale up investments, particularly in public–private partnership (PPP) projects.

Managing cross-border corridors is another challenge that BBIN countries are going to face since their experience in the area is limited. Learning from corridors, which are being developed elsewhere, such as Maputo corridor between South Africa and Mozambique, would be very useful in managing BBIN corridors. Therefore, training and capacity building of government officials involved in the implementation of the BBIN MVA should be another priority. This training should include, among others things, strengthening their capacities to carry out priority reform programmes in the areas of customs modernisation and harmonisation, automation of border processes, and provision of improved services and information to the private sector. A BBIN forum may be constituted to undertake research, advocacy, and training and capacity building of officials in consultation with BBIN nodal ministries and in coordination with the proposed customs subgroup under Article VII of the BBIN MVA and the subregional joint committee, which is going to monitor the implementation of the agreement.

Electronic communication shrinks the distance between partners. By adopting digital technology to monitor the movement of vehicles or payment of duties and toll taxes, etc, the BBIN countries will pave the way for faster clearances of goods at borders and also along the corridors.

The faster movement of goods and services is contingent upon harmonisation of rules and regulations regarding motor vehicles in the subregion. Signing international instruments such as the Customs Convention on the International Transport of Goods under Cover of TIR Carnets (TIR Convention) can not only quicken the process of harmonisation but also secure the safety of goods in transit. At the same time, implementation of the Revised Kyoto Convention (RKC) would also assist the BBIN countries to achieve simplification and harmonisation of customs procedures, and help in moving towards a paperless trade environment. Similarly, harmonisation of road standards shall be another priority. For example, the parcel load of Indian and Bangladeshi roads is different, indicating that Bangladeshi roads might not able to carry fully-loaded Indian trucks or containers. It is suggested that specially designed containers are created, which are in tune with global standards for road and rail transportation in the BBIN countries. For the safer and faster movement of goods, container movement should be encouraged. It would also encourage multimodal transportation within the subregion.

To create tranport corridors in a timely fashion, effective coordination between countries and other stakeholders is vital. Without this, it is unlikely that an optimal connectivity will come into existence. Countries have recognised "the BBIN MVA as a complementary instrument to the existing transport agreements or arrangements at the bilateral levels." India and Nepal have already signed a bilateral MVA. India and Bhutan have liberal transport arrangements. An effective coordination among the BBIN countries in implementing bilateral or subregional MVAs is required to minimise the wastage of resources and duplication of services.

For the effective implementation of the agreement, it is recommended that customs should operate 24×7 in the BBIN subregion. At present, there are differences in operating hours between customs of the four countries. Full automation and link-up between customs will reduce transaction time and cost. Simple, harmonised and standardised trade and customs processes, procedures and related information flows would reduce transaction costs in the region, enhancing trade competitiveness and facilitating regional integration. The BBIN countries need to align customs procedures and trade services by establishing a single window customs clearance.

Managing exports and imports at borders jointly would lead to saving of resources, time, and costs. For example, a cargo scanner can be shared jointly by countries at the border. The One Stop Border Post (OSBP) allows neighbouring countries to coordinate import, export, and transit processes to ensure that traders are not required to undertake duplicate regulatory formalities on both sides of the border. This system may be implemented along selected corridors in the subregion, to start with.

Concluding Remarks

Measures to reduce transit costs and time are immensely important to strengthen the process of regional integration. This will entail, in particular, further preparation for the implementation of trade facilitation priorities and strategies listed in the World Trade Organization (WTO) Trade Facilitation Agreement (TFA).

Being landlocked states, Bhutan and Nepal face substantial trade costs. They have smaller export baskets and limited access to markets, since the burden of high transportation costs limits the range of potential exports and markets in which goods can be competitively and profitably traded. Moreover, the price of imports also tends to increase because of high transit costs, which result in higher price of the products exported. Therefore, any measure to reduce trade transaction costs will have a positive impact on the economies of Bhutan and Nepal.

The signing of the BBIN MVA is, therefore, historic. However, to maximise the regional welfare, a region-wide MVA is necessary. With the BBIN MVA in place, it is suggested that the western South Asian countries should design a similar agreement. Encouraging Iran and some Central Asian countries to be a part of this agreement at a later stage will pave the way for higher market access for South Asian LDCs. On the eastern side, India, Myanmar and Thailand have been negotiating a MVA for trade and transportation along the proposed trilateral highway. Building a common template for running and maintaining the corridor and signing of a mutual recognition agreement (MRA) on logistics and other transportation services between the participating countries would be essential for not only removing the barriers to trade but also sharing the benefits and risks.

The BBIN MVA does not explicitly talk about transit for third country trade, particularly between India's North East and the rest of India through Bangladesh. It has not proposed any plan for convergence in norms covering transportation, including for axle load and tonnage. Neither does it talk about special and differential treatment (S&DT) for countries or areas within countries if revenue loss or environmental damage occurs due to the implementation of the BBIN MVA. Non-cooperation between countries may undermine the great effort. Therefore, greater involvement of states or subnational entities would make it an inclusive trade and transport arrangement.

Finally, improvement of infrastructure is not a sufficient condition for regional development. Improvement of infrastructure gives rise to both distributive and generative effects. Generative effects would tend to be higher than distributive effects in our case. The success of the BBIN MVA would depend on how quickly the BBIN countries build the physical connectivity in the subregion. It is a sine qua non for enhancing connectivity but not a panacea for the myriad problems afflicting trade in the subregion.

NOTES

1 South Asia has four LDCs, namely, Afghanistan, Bangladesh, Bhutan and Nepal. Maldives graduated from its LDC status in January 2011.

2 Till 2014, intra-regional trade was 5% making it one of the least integrated regions in the world.

3 Refer Ahmed and Ghani (2007); Rahman et al (2012); De (2012); Razzaque and Basnett (2014); a o.

4 See the Joint Statement issued by the ministers of transport of Bangladesh, Bhutan, India and Nepal on the Motor Vehicles Agreement dated 15 June 2015.

5 Director of Trade Statistics (DoTS), International Monetary Fund (IMF).

6 For more details, see De and Kumar (2014).

7 See ADB-ESCAP (2014).

8 "ICEGATE handles all e-filing, e-payments, drawback disbursal and message exchange with stake holders-almost 98 percent of India's international trade." The ICEGATE web portal provides comprehensive real time tracking and information services, and all services are provided free of cost.

9 See ADB-ESCAP (2014).

10 The list of documents listed in BBIN MVA is as follows: (i) a valid registration certificate; (ii) a valid certificate of fitness (wherever applicable); (iii) a valid insurance policy; (iv) a valid permit; (v) a valid "Pollution Under Control" certificate issued by a Contracting Party, certifying emission level and pollution under control of that vehicle in the Contracting Party, which has issued the certificate. The compliance of PUC check of the transit or destination state will be decided by the concerned Contracting Party(ies); (vi) a valid driving licence issued by a contracting party or an international driving permit; (vii) pre-verified passport of the crew containing inter-alia the photo identity of the crew; (viii) a passenger list (with details of their nationality) in case of regular passenger transportation and non-regular passenger transportation for hire or reward; (ix) an internationally recognised valid travel document as proof of identity for passengers; (x) A way bill providing a brief description of the cargo and destination(s), commercial invoice and packing lists; (xi) list of personal goods/articles in possession of the crew including accessories, spares and parts in the vehicle to account for customs duty exemption/assessment.

11 See summary of the Seminar on "Motor Vehicles Agreement among the BBIN Group of Countries: Key Concerns, Challenges and Benefits," organised by CUTS at Geneva on 1 July 2015. Also refer to Rahman (2015), De (2015).

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