



**MEMORANDUM OF UNDERSTANDING
BETWEEN THE GOVERNMENTS OF
BRUNEI DARUSSALAM, INDONESIA, MALAYSIA AND THE PHILIPPINES
ON CROSS-BORDER MOVEMENT OF COMMERCIAL BUSES AND COACHES**

The Governments of Brunei Darussalam, Indonesia, Malaysia and the Philippines, hereinafter referred to individually as the "Participating Party" and collectively as "the Participating Parties", having subscribed to the establishment of Brunei Darussalam, Indonesia, Malaysia and the Philippines – East ASEAN Growth Area (BIMP-EAGA);

DESIRING to promote, develop and enhance trade, investment, tourism and culture exchange among BIMP-EAGA;

RECALLING the decision of the Third BIMP-EAGA Summit held at Cebu City in the Philippines on 12 January 2007 to further facilitate cross-border movement of people and goods through adoption of sub-regional interstate transport and transit transport agreements;

REITERATING the objective of the BIMP-EAGA Roadmap to Development 2006-2010 to establish border arrangements that will facilitate flow of goods and people and reduce transport costs within BIMP-EAGA;

RECALLING the decision of the First BIMP-EAGA Transport Ministers Meeting held at Bandar Seri Begawan in Brunei Darussalam on 5 June 2006 to put in place necessary support mechanism and to facilitate private sector's effort towards creation of cross-border land transport consortiums operating within and between Indonesia (Kalimantan), Malaysia (Sarawak and Sabah) and Brunei Darussalam;

REAFFIRMING that an efficient and integrated transport system is key in hastening the establishment of the ASEAN Economic Community by 2015;

AGREEING that further strengthening of BIMP-EAGA transport agenda will contribute towards acceleration of ASEAN economic integration;

RECOGNIZING that advancing the land transport linkages and services are pivotal towards promoting tourism development in BIMP-EAGA;

Without prejudice to any ongoing territorial claims between Participating Parties, existing agreements, national laws, policies and regulations, the Participating Parties have hereby agreed to the following:

1. OBJECTIVE

The objective of this Memorandum of Understanding is to facilitate cross-border transport of people between and among the Participating Parties through commercial buses and coaches.

2. DEFINITION OF TERMS

For the purpose of this Memorandum of Understanding, the following meanings shall apply to the underlined terms:

Buses and Coaches

Bus: An Express bus or coach or excursion bus designed and constructed with a gross vehicle weight not less than 10,000 kg and a gangway height not less than 1.7 meters subject to Schedule D of this Memorandum of Understanding.

Express Bus: A Vehicle having a seating capacity of not less than 22 passengers, including the driver, plying along the route, with a time table and fare table.

Coach or Excursion Bus: A Vehicle used exclusively for conveyance of tourist and in consideration of payment which has no fare stages.

Competent Authority: Agency or agencies of the government responsible for regulating transport-related activities.

Designated Routes: Designated transit transport routes as specified in Schedule A.

Home Country: For People, the country of permanent residence; for Transport Operators, the country of establishment; and for Vehicles, the country of registration.

Host Country: The country where transport operations are performed.

Transit Country: The country of a Participating Party through which traffic in transit passes.

Transport Operator: Licensed legal entity which carries people by road transport for hire and/or financial reward.

Unladen Journey: A part of transport operation where there is no passenger or tourist being loaded on board the Vehicle.

Dangerous Goods: Those substances and articles which may affect the interest of environment, health, safety, and national security.

Perishable Goods: Fresh, chilled or frozen fish, crustacean, mollusks, fruits, vegetables, meat or poultry, dairy and dairy products, eggs and egg products, and swine and pork products.

3. SCOPE OF APPLICATION

This Memorandum of Understanding shall apply to:

- 3.1 Cross-border carriage of passengers by buses and coaches:
 - 3.1.1 between the territories of the Participating Parties;
 - 3.1.2 in transit through the territory of another Participating Party;
 - 3.1.3 carried out by transport operators for hire and/or financial reward established in the country of a Participating Party in accordance with its laws and holding a license to undertake carriage by bus and coach; and
 - 3.1.4 using buses and coaches registered in the Participating Party where the transport operator is established;
- 3.2 Unladen journeys of the buses and coaches concerned with these services; and
- 3.3 People engaged in transport operations (drivers and crew) and people not engaged in transport operations (passengers).

4. ADMITTANCE OF BUSES AND COACHES INTO THE TERRITORY OF OTHER PARTICIPATING PARTIES

4.1 Identification Marks, Certificate of Registration and Registration Plate

Buses and coaches in cross-border traffic shall be registered in their Home Country. They shall bear identification marks (trademark of manufacturer, chassis and engine serial number), carry a valid certificate of registration issued by the competent authority of its Home Country and display their registration number on a plate in the rear and the front. Each Participating Party shall recognize the bus and coach registration certificate and registration plate issued by the competent authority(ies) of the other Participating Parties.

4.2 Technical Conditions

- 4.2.1 Buses and coaches travelling to the territory of other Participating Parties must comply with the equipment safety and emissions standards laid down in their Home Country. They must also comply with the technical standards on weights, axle loads and dimensions in force in the Host Country.
- 4.2.2 Buses and coaches more than seven (7) years from date of first registration shall not be used for the services covered by this Memorandum of Understanding.

4.3 Technical Inspection Certificates

Buses and coaches travelling to the territory of other Participating Parties shall be in good working order. The Home Country is responsible for the supervision of the roadworthiness of the buses and coaches in its territory, based on which it will issue a technical inspection certificate. The other Participating Party will recognize such technical inspection certificate.

4.4 Compulsory Third-Party Motor Vehicle Liability Insurance

Buses and coaches travelling to the territory of other Participating Parties shall comply with the compulsory third-party motor vehicle liability insurance required in the Host Country so as to be adequately insured against death or bodily injuries and/or property damages arising from road traffic accidents in the territories of the other Participating Parties.

4.5 Driving Licenses

The Participating Parties shall recognize driving licenses issued by all other Participating Parties in accordance with the Agreement on the Recognition of Domestic Driving Licenses issued by ASEAN Countries signed at Kuala Lumpur in Malaysia on 9 July 1985.

4.6 Vehicle Permit

Buses and coaches travelling to the territory of other Participating Parties shall be required to secure a vehicle permit from the Host Country.

4.7 Body Marking, Advertisements And Sticker On The Buses And Coaches

Only tourism advertisement, company's name, country, approved routes and the permit/license approved by the Home Country are allowed on the body of the buses and coaches.

5. CROSS-BORDER TRANSPORT OF PEOPLE

5.1 People crossing the border shall possess a valid passport or international travel document in lieu of the passport and shall meet the visa requirements of the Host Country, unless exempted in accordance with bilateral or regional agreement or Host Country laws and regulations.

- 5.2 The Participating Parties shall exempt citizens of any other Participating Parties holding valid passports from visa requirement for a period of stay from the date of entry as determined by the Participating Parties in accordance with the ASEAN Framework Agreement on Visa Exemption signed at Kuala Lumpur in Malaysia on 25 July 2006.

6. TRAFFIC RIGHTS AND MARKET ACCESS

- 6.1 Transport Operators established in one Participating Party may undertake the following transport operations:

6.1.1 Inbound and outbound into and from the Territory of another Participating Party;

6.1.2 For the purpose of operating any inbound and outbound activities using excursion bus, the Participating Party(ies) shall assign or appoint local agent(s) in the Host Country

6.1.3 Buses and coaches on transit through the Territory of the other Participating Party shall be prohibited from picking up passengers at any point within the Transit Country. Dropping off passengers, however, is allowed at specifically designated disembarkation points as listed in Schedule A.

6.1.4 Any Participating Party may operate chartered buses in the territory of other Participating Parties. The Transport Operator of a Home Country can apply for the operation of such chartered buses from time to time.

6.2 Designation of Routes and Points of Entry and Exit

6.2.1 The designated routes and points of entry and exit for cross-border transport of people are listed in Schedule B.

6.2.2 The Participating Parties may, upon mutual consultation and written confirmation with the immediate neighbouring Participating Party or Parties, expand or modify the above transport network as and when necessary.

6.3 Recognition of Licensed Transport Operators

Transport Operators shall be licensed for cross-border transport operations by their Home Country. The Host Country shall recognize the operating license issued by the Home Country. Each Home Country shall notify in writing to the land transport authorities of the other Participating Parties whenever such license is issued.

6.4 Capacity and Frequency

The Participating Parties shall determine the frequency and capacity of the transport operations under this Memorandum of Understanding as specified in Schedule C. Notwithstanding Schedule C, upon mutual and written reciprocal arrangement, the Participating Parties may vary the issuance of the agreed number of permits to be issued each year. Such mutual and written reciprocal arrangement may be carried out on a bilateral basis between two Participating Parties (for cross-border transport operations involving two neighbouring countries) or on a multilateral basis involving at least two Participating Parties and a Transit Country (for transit transport operations).

6.5 Obligations of Transport Operators

6.5.1 The Transport Operators shall take all measures to ensure that the transport services provided are regular and in compliance with the safety standards in force.

6.5.2 There shall be two drivers for a stretch of 300 kilometres or more, or a driving duration of four (4) hours or more to prevent driver fatigue.

6.5.3 The Transport Operators shall display the route of their services, their destinations, bus schedules, bus fares, and the terms and conditions of the carriage to ensure that such information is readily available to all users.

6.6 Representative Offices

The Transport Operators shall establish representative offices or appoint an agent in the Host Country, subject to national laws, regulations and policy for the purpose of facilitating their traffic operations. The representative office shall hire the local residents of the Host Country.

6.7 Transport Pricing

The transport price shall be best determined by market forces and mutual agreement by transport operators, but subject to antitrust restrictions, so as to avoid excessively high or low pricing. Participating Parties and transport operators, however, shall refrain from any measures, agreements, or practices tending to distort free and fair competition, such as cartels, abuse of dominant position, dumping, and state subsidization. Participating Parties shall ensure that their respective transport operators conform to this principle.

7. FACILITATION OF BORDER CROSSING FORMALITIES

To facilitate cross-border traffic, the Participating Parties shall in a timely manner implement measures that will lead to simplification of cross-border formalities and procedures, including:

- 7.1 Establishment of one-stop Customs, Immigration, Quarantine, and Security (CIQS) facilities at designated entry points as per the Third BIMP-EAGA Summit's decision; and
- 7.2 Establishment and implementation of Single Window in accordance with the Agreement to Establish and Implement the ASEAN Single Window signed at Kuala Lumpur in Malaysia on 9 December 2005.

8. CARRIAGE OF DANGEROUS GOODS

Carriage of goods prohibited and/or restricted as specified in Protocol 9 to the ASEAN Framework Agreement on the Facilitation of Goods in Transit, shall not be permitted under this Memorandum of Understanding.

9. CARRIAGE OF GOODS FOR THE PURPOSE OF BUSINESS

Carriage of all types of goods including perishable goods for the intention of trade/business shall not be permitted under this Memorandum of Understanding.

10. SAFETY AND SECURITY

All Participating Parties shall ensure the safety and security of travellers, goods and vehicles through coordination and cooperation among the authorities concerned and to render all necessary assistance in the event of accidents, casualties or deaths.

11. RELATIONSHIP WITH OTHER AGREEMENTS

This Memorandum of Understanding shall be read in conjunction with the provisions of the existing bilateral land transport services agreement(s) or multilateral land transport services agreement(s) between the Participating Parties, and any amendments thereto.

12. CONSULTATIONS

In the ASEAN spirit of solidarity and cooperation, the Participating Parties shall consult each other from time to time in ensuring the full implementation of this Memorandum of Understanding.

13. REVIEW AND AMENDMENT

13.1 This Memorandum of Understanding shall be reviewed by the Participating Parties as and when needed to ensure its effective implementation.

13.2 A Participating Party may request in writing any amendment of all or any part of this Memorandum of Understanding. Such amendment shall be mutually agreed upon in written form by the Participating Parties and shall form an integral part of this Memorandum of Understanding. Such amendment shall enter into force on such date as agreed upon in writing by the Participating Parties.

14. SETTLEMENT OF DISPUTES

Any dispute or differences arising out of the interpretation or implementation or application of the provisions of this Memorandum of Understanding shall be settled amicably through consultation or negotiation between the Participating Parties.

15. ENTRY INTO FORCE AND DURATION

This Memorandum of Understanding shall enter into force on the date of its signing and shall remain in force until terminated.

16. WITHDRAWAL

Any Participating Party may withdraw from this Memorandum of Understanding by written notification to the other Participating Party(ies) at least six (6) months prior to such withdrawal. If a Participating Party withdraws, the Memorandum of Understanding shall remain in force for the remaining Participating Parties.

17. TERMINATION

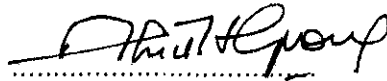
17.1 This Memorandum of Understanding shall remain in force until all of the Participating Parties agree to terminate it in writing.

17.2 The termination of this Memorandum of Understanding shall not affect the validity and duration of any on-going programs or activities until the completion of such programs or activities.

In witness whereof, the undersigned, being duly authorized to sign by their respective Governments, have signed this Memorandum of Understanding.

Done at Singapore, on 02 November.2007.

For the Government of Brunei Darussalam



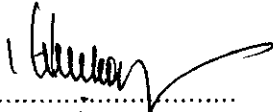
PEHIN DATO ABU BAKAR APONG
Minister of Communications

For the Government of Republic of Indonesia



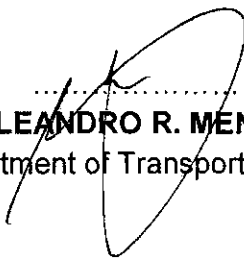
MR. JUSMAN SYAFII DJAMAL
Minister for Transportation

For the Government of Malaysia



DATO' SRI CHAN KONG CHOY
Minister of Transport

For the Government of the Philippines



GEN. LEANDRO R. MENDOZA (RET.)
Secretary of Department of Transportation and Communications

Schedule A
Designated Disembarkation Points/Routes

Transit Route

1. Pontianak, Indonesia – Sarawak, Malaysia - Bandar Seri Begawan, Brunei Darussalam
2. Bandar Seri Begawan, Brunei Darussalam – Sarawak, Malaysia - Pontianak, Indonesia
3. Miri, Malaysia - Bandar Seri Begawan, Brunei Darussalam - Limbang, Malaysia - Bangar, Brunei Darussalam - Lawas, Malaysia
4. Lawas, Malaysia – Bangar, Brunei Darussalam - Limbang, Malaysia - Bandar Seri Begawan, Brunei Darussalam - Miri, Malaysia
5. Miri, Malaysia - Bandar Seri Begawan, Brunei Darussalam – Limbang, Malaysia - Bangar, Brunei Darussalam - Lawas, Malaysia – Beaufort, Malaysia - Kota Kinabalu, Malaysia
6. Kota Kinabalu, Malaysia – Beaufort, Malaysia - Lawas, Malaysia - Bangar, Brunei Darussalam – Limbang, Malaysia - Bandar Seri Begawan, Brunei Darussalam – Miri, Malaysia
7. Bangar, Brunei Darussalam – Limbang, Malaysia – Bandar Seri Begawan, Brunei Darussalam
8. Bandar Seri Begawan, Brunei Darussalam - Limbang, Malaysia – Bangar, Brunei Darussalam

Inter-State Route

1. Pontianak, Indonesia - Kuching, Malaysia
2. Kuching, Malaysia – Pontianak, Indonesia
3. Lawas, Malaysia - Bandar Seri Begawan, Brunei Darussalam
4. Bandar Seri Begawan, Brunei Darussalam – Lawas, Malaysia
5. Miri, Malaysia - Bandar Seri Begawan, Brunei Darussalam
6. Bandar Seri Begawan, Brunei Darussalam - Miri, Malaysia
7. Kota Kinabalu, Malaysia - Bandar Seri Begawan, Brunei Darussalam
8. Bandar Seri Begawan, Brunei Darussalam - Kota Kinabalu, Malaysia

Note:

1. The Designated Disembarkation Points/Routes in this schedule are adopted for practical convenience and shall be without prejudice to any ongoing territorial claims between the Participating Parties.

Schedule B
Designated Routes and Points of Entry and Exit

Brunei Darussalam

1. Sungai Tujoh/Miri (Brunei Darussalam/Malaysia Check Point) - Kuala Lurah/Limbang (Brunei Darussalam/Malaysia Check Point)
2. Puni/Limbang (Brunei Darussalam/Malaysia Check Point) - Labu/Lawas (Brunei Darussalam/Malaysia Check Point)

Indonesia

1. Pontianak - Entikong/Tebedu (Indonesia/Malaysia, Sarawak Border)

Malaysia

1. Entikong, Kalimantan Barat/Tebedu, Sarawak (Indonesia/ Malaysia Border Check Point)
2. Miri/Sg. Tujoh (Malaysia/ Brunei Darussalam Check Point)
3. Limbang/Kuala Lurah (Malaysia/Brunei Darussalam Check Point) - Limbang/Puni (Malaysia/ Brunei Darussalam Check Point)
4. Lawas/Labu (Malaysia/Brunei Darussalam Check Point) - Kota Kinabalu

The Philippines

1. Zamboanga – Cagayan de Oro – GenSan – Davao – Surigao
2. GenSan – Davao – Surigao
3. Zamboanga – Cagayan de Oro - Butuan – Surigao
4. GenSan – Davao – Cagayan de Oro City

Note:

1. The routes and points of entry and exit are based on Protocol 1 (Designation of Transit Transport Routes and Facilities) of the ASEAN Framework Agreement on the Facilitation of Goods in Transit 1998. Together, they form the ASEAN Highway No. 26 and 150. Protocol 1 was signed by the ASEAN Transport Ministers at the 12th ASEAN Transport Ministers Meeting held in Bangkok, Thailand on 8 February 2007.
2. The Designated Routes and Points of Entry and Exit in this schedule are adopted for practical convenience and shall be without prejudice to any ongoing territorial claims between the Participating Parties.

Schedule C
Schedule of Frequency and Number of Buses

Transit Route

Route		Frequency Per Day					
		Brunei Darussalam		Indonesia		Malaysia	
		Freq	No. of Buses	Freq	No. of Buses	Freq	No. of Buses
1	Pontianak, Indonesia – Sarawak, Malaysia - Bandar Seri Begawan, Brunei DS	2	8 + 2	2	8 + 2	1	4 + 1
2	Bandar Seri Begawan, Brunei Darussalam – Sarawak, Malaysia - Pontianak, Indonesia	2	8 + 2	2	8 + 2	1	4 + 1
3	Miri, Malaysia – Bandar Seri Begawan, Brunei Darussalam – Limbang, Malaysia – Bangar, Brunei Darussalam - Lawas, Malaysia	2	8 + 2	-	-	2	8 + 2
4	Lawas, Malaysia – Bangar, Brunei Darussalam - Limbang, Malaysia - Bandar Seri Begawan, Brunei Darussalam – Miri, Malaysia	2	8 + 2	-	-	2	8 + 2
5	Miri, Malaysia – Bandar Seri Begawan, Brunei Darussalam – Bangar, Brunei Darussalam – Limbang, Malaysia - Lawas, Malaysia – Beaufort, Malaysia - Kota Kinabalu, Malaysia	2	8 + 2	-	-	2	8 + 2
6	Kota Kinabalu, Malaysia – Beaufort, Malaysia - Lawas, Malaysia – Bangar, Brunei Darussalam - Bandar Seri Begawan, Brunei Darussalam – Miri, Malaysia	2	8 + 2	-	-	2	8 + 2
7	Bangar, Brunei Darussalam – Limbang, Malaysia – Bandar Seri Begawan, Brunei Darussalam	2	8 + 2	-	-	2	8 + 2
8	Bandar Seri Begawan, Brunei Darussalam –Limbang, Malaysia – Bangar, Brunei Darussalam	2	8 + 2	-	-	2	8 + 2

Inter-State Route

		Indonesia		Malaysia	
		Number of Bus	Frequency Per Day	Number of Bus	Frequency Per Day
1	Pontianak, Indonesia – Kuching, Malaysia	10	10	10	10
2.	Kuching, Malaysia – Pontianak, Indonesia	10	10	10	10

Note:

1. With regard to the above, the frequencies and number of buses plying the routes have been ongoing under the SOSEK-MALINDO framework. The above frequencies/number of buses are actually reflecting the current/ongoing arrangement.
2. The Routes in this schedule shall be without prejudice to any ongoing territorial claims between the Participating Parties.

SCHEDULE D
Buses and Coaches of Brunei Darussalam

Notwithstanding paragraph 2 of this Memorandum of Understanding, an express bus or coach or excursion bus designed and constructed with a gross vehicle weight of not less than 4500 kilograms and a gangway height not less than 1.7 meters shall be acceptable under this Memorandum of Understanding in respect of express bus or coach or excursion bus registered in Brunei Darussalam.