**ANNEX ON ROAD FREIGHT TRANSPORT SERVICES**

**Article 1: Objective**

This annex is aimed at liberalizing access by the Parties to each other’s road freight transport market in such a way to ensure the existence of a sound international competition environment and smooth operation of carriage of goods, recognizing the right of governments to control externalities for the public.

**Article 2: Scope and Coverage**

2.1 This Annex applies to measures related to the provision of road freight transport services.

2.2 Road freight transport services cover international and domestic freight transport services through all modes of supply.

2.3 Where applicable and subject to the disciplines of Article V of the GATT 1994 and the WTO Trade Facilitation Agreement, this Annex also covers transit traffic.

**Article 3: Definitions**

3.1 *Vehicle* means a motor vehicle registered in a Party, or a coupled combination of vehicles the motor vehicle of which at least is registered in a Party, used exclusively for the carriage of goods;

3.2 *International Transport* means:

(a) a laden journey undertaken by a vehicle, the point of departure and the point of arrival of which are in two different Parties, with or without transit through one or more Parties, or third countries;

(b) a laden journey undertaken by a vehicle from a Party to a third country or vice versa, with or without transit through one or more Parties or third countries;

(c) an unladen journey in conjunction with the carriage referred to in points (a) and (b)

3.3 *Professional Driver* means an individual who acts as the steersman of a vehicle to provide road transport services as well as any other person engaged in the driving of the vehicle who holds a valid driving license given by the competent authorities of the Parties

3.4 *Combined Transport* means road transport of goods where the tractor unit, trailer, semi-trailer, their swop bodies and containers that are transported by rail and/or by inland waterway for a part of the journey.

3.5 *Swop Body* means the part of a vehicle which is intended to bear the load, has supports and, by means of a device which is part of the vehicle, may be detached from the vehicle and re-incorporated therein.

**Article 4: Most-Favoured-Nation Treatment**

Each Party shall accord to services and service suppliers of any other Party treatment no less favourable than that it accords to like services and service suppliers of any other country.

**Article 5: Market Access**

5.1 With respect to market access through any mode of supply, no Party shall maintain or adopt either on the basis of a subdivision or on the basis of its entire territory the measures defined as:

 (a) limitations on the number of service suppliers whether in the form of numerical quotas, monopolies, exclusive service suppliers or the requirements of an economic needs test

 (b) limitations on the total number of natural persons that a service supplier may employ and who are necessary for and directly related to the supply of the road transport services in the form of numerical quotas or the requirement of an economic needs test

 (c) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment

5.2 Each Party shall permit service suppliers of another Party to supply road transport auxiliary services including through the establishment of cargo handling facilities under conditions no less favourable than those accorded to its own service suppliers.

**Article 6: National Treatment**

6.1 Each Party shall accord to services and service suppliers of any other Party in respect of all measures affecting the supply of road transport services, treatment no less favourable than that it accords to its own like services and service suppliers.

6.2 A Party may meet the requirement of paragraph 1 by according to services and service suppliers of any other Party, either formally identical treatment or formally different treatment to that it accords to its own like services and service suppliers.

6.3 Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of services or service suppliers of the Party compared to like services or service suppliers of any other Party.

**Article 7: Domestic Regulation**

7.1 The Parties shall abolish and abstain from introducing any administrative and technical obstacles which could constitute a disguised restriction or have discriminatory effects on the free supply of services in international freight transport by road.

7.2 As far as specific formalities such as licensing, registration or authorization are required for the provision of a transport service, parties shall avoid creating undue delay and the introduction of changes without notice.

7.3 Each Party shall give combined transport service providers the right to select their preferred mode of combined transport, for instance, the right to select another transport service provider, regardless whether this other transport service provider is a private or public entity.

7.4 Parties confirm that, to the extent that cross-border movement of equipment such as containers and swop bodies is required for the completion of services covered by this Annex, such movement shall be permitted, without prejudice to customs duties and generally applicable administrative procedures. Such procedures shall be applied without any discrimination to service suppliers of any Party and shall not be more burdensome than necessary.

7.5 To the extent that such movement relates to the provision of services covered by this Annex, Parties shall not require service suppliers of another Party to follow specific routes.

7.6 Parties shall, to the extent possible, reduce border waiting times for international freight transport.

7.7 Formalities, documentation requirements and customs controls in connection with international freight transport shall not be more burdensome than necessary to ensure relevant national legislation is met.

7.8 Both for the regional level and throughout the whole territory of each Party, Parties shall ensure standard penalties/fines for every specific infringement which can be applied once for that specific infringement,

7.9 Each Party shall ensure that penalties/fines charged by competent authorities, for any infringement are reasonable, in that they do not unduly impair or delay trade in services and are applied without discrimination as to the nationality or place of establishment of the road transport service provider. No Party shall impose substantial penalties for minor breaches of applicable regulations or procedural requirements.

7.10 Complying with international standards each Party shall ensure charges imposed on service suppliers reflect the real cost created by these service suppliers with regard to a Party’s transportation infrastructure. Within each Party, such charges shall be based on harmonized charging policies and shall reflect standard cost elements for the calculation of costs. Such charging policies shall moreover be transparent and duly published such that service providers can familiarize themselves with the relevant regulations and provide comments to the competent authorities of each Party.

**Article 8: Access to and use of the public infrastructure**

8.1 Each Party shall permit road transport service providers of another Party the access to or use of the public infrastructure and/or services necessary for the provision of a service within the meaning of the Annex on a non-discriminatory basis.

8.2 This Annex shall ensure that Parties provide access to or use of the infrastructure and/or services offered to the public under reasonable and equitable conditions.

8.3 Without prejudice to the right of Parties to require fees for the use of public infrastructure and public services each Party shall ensure that these fees are standardized with respect to all service providers and are proportionate to the costs of providing the public infrastructure to all users.

8.4 Each Party shall permit service suppliers of another Party to access to cargo handling equipment.

8.5 A Party cannot adopt or maintain measures that deny services or service suppliers of another Party with regard to entry/exit of land border crossing points, the use of road infrastructure and roadside facilities

**Article 9: Transparency**

9.1 Each Party shall make publicly available on internet, in a consolidated form, all necessary information on conditions for the provision of a road transport service. This shall include, inter alia, laws, rules and regulations pertaining to;

 (a) weight and dimensions for vehicles,

 (b) fiscal charges,

 (c) border formalities,

 (d) traffic bans,

 (e) social regulations,

9.2 Each Party shall establish contact points which include a relevant website and an e-mail address in order to respond to all requests from service suppliers of another Party regarding the measures and international agreements affecting the provision of road transport services.

9.3 Each Party shall promptly provide information concerning any amendments and/or new regulations affecting the provision of road transport services on the contact point website.

**Article 10: Facilitation of Entry and Temporary Stay of Professional Drivers**

Parties;

10.1 shall recognize the special status of professional drivers as a separate visa category subject to facilitated treatment,

10.2 shall refrain from using visas as market regulators and trade barriers,

10.3 shall issue long-term (minimum one year) multi-entry visas to professional drivers,

10.4 shall introduce simplified driver-friendly visa application procedures, including but not limited to rapid delivery, reduced number of application documents, limited need for compulsory application in person etc.

10.5 shall not charge professional driver visa fees beyond reasonable levels as well as levels that are proportional to the relevant administrative cost;

10.6 shall ensure that visa processing times do not constitute barriers to trade,

10.7 shall recognize the intermediary role of transport associations as part of facilitation measures with due diligence, thereby helping professional drivers employed by their member operators to obtain their visas, maintaining the right of professional drivers to submit visa applications on an individual basis if they so wish;

10.8 shall not limit the use of issued visas to particular times and particular routes;

10.9 shall ensure the rapid, smooth and harmonized (standard) implementation of visa procedures by all embassies and consulates in the territory of other Parties;

10.10 shall apply the bona-fide status for subsequent applications;

and,

10.11 shall endeavour to implement a system whereby relevant home Party enforcement authorities or professional organizations with the relevant delegated authority be able to issue long-term valid special identity cards to professional drivers that will be recognized by other Parties for faster entry procedures

**Article 11: Mutual Recognition**

11.1 Each Party shall recognize the validity of vehicle certificates duly issued by the competent authority of that other Party in accordance with that Party’s relevant laws and regulations.

11.2 Each Party shall recognize the validity for its respective territory of professional driver’s licenses duly issued by the competent authority of that other Party in accordance with the issuing Party’s relevant laws and regulations.

**Article 12: Cabotage**

[Placeholder]

**Article 13: Exceptions**

This Annex is without prejudice to any laws or regulations concerning the protection of the integrity and proper operation of transportation infrastructure as well as requirements for compliance with road safety standards. All such laws and regulations shall be applied on a non-discriminatory basis and shall not be more restrictive than necessary to achieve their respective objective.

**Article 14: Review**

14.1 A working party shall be established to review the effective application of this Annex, to ensure adequate coordination and effective implementation together with monitoring the market situation in Parties and, if appropriate to lay down common rules among the Parties on road transport services within the scope of this Annex.

14.2 The Working Party shall meet annually, or as agreed by the Parties, to discuss progress towards the provisions in this Annex.  For a meeting to be held, at least two Parties must participate.

14.3 Decisions of the Working Party shall have effect only in relation to those Parties that participated in the meeting at which the decision was taken, unless:

(a) otherwise agreed by all Parties; or

(b) a Party that did not participate in the meeting requests to be covered by the decision and all Parties originally covered by the decision agree.