

July 29, 1971

**AGREEMENT BETWEEN THE REPUBLIC OF THE PHILIPPINES AND
THE REPUBLIC OF INDONESIA ON BORDER TRADE**

Note; The Agreement entered into force, July 29, 1971.

Reference: This Agreement is also published in X DFA TS No. 1, p. 65,

The Government of the Republic of the Philippines and the Government of the Republic of Indonesia,

DESIRING to promote, develop and strengthen trade relations and enhance economic development in the Border Area of the two countries in pursuance of Article II of the Basic Agreement on Economic and Technical Cooperation entered into and signed by the two countries on 30th May 1969,

AND RECOGNIZING the need to establish a procedure which would facilitate the movement of goods between the Border Area of the two countries as envisaged in the Trade Agreement concluded by the Government of the Philippines and the Government of Indonesia on 30th May 1969, and Chapter IX of the joint Directives and Guidelines on the implementation of the Immigration Agreement and Border Crossing Agreement between the Republic of Indonesia and the Republic of the Philippines signed on 14th September 1965 have agreed as follows:

ARTICLE I

1. Border Trade between the Philippines and Indonesia shall be defined as the movement of goods between the Border Area specified in Article II of this Agreement.
2. The implementing details for this border trade shall be embodied in a Protocol which forms an integral part of this Agreement.

ARTICLE II

1. For the purposes of this Agreement, border trade is permitted to be carried on between the following areas:
 - a) As respects Indonesia: Tangir-Talud Island and District of Nunukan
 - b) As respects the Philippines: Balut Island Group and Tawi-Tawi Island Group
 - c) Such other areas as may be agreed upon by the Parties hereto from time to time.

ARTICLE III

1. No person shall be permitted to engage in any border trade unless such person is

a national and resident in a Border Area of either country and in possession of the following documents:

- a. A valid national passport or special travel document to be agreed upon by the parties hereto, and
- b. A border trade permit issued by each of the Contracting Parties.

2. Persons engaged in trade under this Agreement shall be allowed to enter, travel and stay freely within the Border Area of either country for a period not exceeding thirty (30) days subject to the laws and regulations existing in each country during the validity of this Agreement.

ARTICLE IV

The crew members of the carrier used in the border area who are not qualified holders of Border Trade Permits, are not allowed to bring goods or commodities of any kind, except goods for their personal use during their voyage.

ARTICLE V

The entry and exit of goods which are prohibited by the laws of the Contracting Parties shall not be allowed. For this purpose, there shall be an exchange of specified lists of prohibited importations and/or exportations for the guidance of the appropriate authorities of both countries.

ARTICLE VI

The passport, visa and immigration regulations in force in the territory of each of the Contracting Parties shall be applicable to all other cases of travel not covered by the present Agreement.

ARTICLE VII

This Agreement shall amend, modify or repeal, the pertinent provisions of the Agreement on Immigration and Border Crossing between the Republic of the Philippines and the Republic of Indonesia signed on 4th July 1956 and the Joint Directives and Guidelines on the Implementation of the Agreement on Immigration and Border Crossing signed on 14th September 1965 insofar as they refer to movement of goods for business purposes between the two countries.

ARTICLE VIII

This Agreement shall be valid for a period of one year. In case neither of the Contracting Parties shall have given written notice six months before the expiration of said period of its intention to terminate this Agreement, it will automatically be extended each time for another period of one year. The provisions set forth in this Agreement shall come into force provisionally on the day of the signing of this Agreement. They will definitely come into force after an exchange of notes to that effect between the two Governments and shall remain in force for the period of one year following the exchange of notes.

IN WITNESS WHEREOF, the undersigned representatives duly authorized by their respective Governments, have signed this Agreement.

DONE and signed in two original copies each in the English language, both texts equally authentic, in the City of Manila on the 29th day of July 1971.

FOR THE GOVERNMENT OF THE
REPUBLIC OF THE PHILIPPINES:

FOR THE GOVERNMENT OF THE
REPUBLIC OF INDONESIA:

(Sgd.) Hon. ELISEO V. VILLAMOR

Undersecretary of Commerce and
Chairman, Phil. Panel to the RP-RI
Joint Commission on Economic and
Technical Cooperation

(Sgd.) Mr. MOHAMMAD SISMAN

Secretary General, Department of
Trade and Chairman, Indonesian
Panel to the RI-RP Joint Commis-sion
on Economic and Technical
Cooperation

(Sgd.) Hon. MODESTO FAROLAN

Philippine Ambassador to Indone-sia
and Co-Chairman, Philippine Panel to
the RP-RI Joint Com-mission on
Economic and Techni-cal Cooperation

(Sgd.) Lt. Gen. KUSNO UTOMO

Indonesian Ambassador to the
Philippines and Co-Chairman, In-
donesian Panel to the RI-RP Joint
Commission on Economic and
Technical Cooperation.

PROTOCOL

PURSUANT to Article I, paragraph 2 of the Agreement on Border Trade between the Government of the Republic of the Philippines and the Government of the Republic of Indonesia signed on July 29, 1971, (hereinafter referred to as "the Agreement") the undersigned plenipotentiaries have on the same date agreed on the following implementing details:

1. Registration of Traders

a. Filipino nationals residing in the border area specified under Article II of the Agreement, who wish to engage in trade under the Agreement must register with the appropriate local authorities which will issue, after proper screening, a border trade permit valid for a period of one (1) year, unless sooner revoked for cause.

b. Indonesian nationals residing in the border area specified under Article II of the Agreement who wish to engage in trade under the Agreement must register with the appropriate local authorities which will issue, after proper screening, a border trade permit valid for a period of one (1) year, unless sooner revoked for cause.