



**MEMORANDUM OF UNDERSTANDING
BETWEEN
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
AND THE GOVERNMENT OF THE DEMOCRATIC REPUBLIC OF TIMOR-
LESTE
ON CROSS-BORDER MOVEMENT OF COMMERCIAL BUSES AND
COACHES**

The Government of the Republic of Indonesia and the Government of the Democratic Republic of Timor-Leste, hereinafter individually referred to as the "Party" and collectively referred to as the "Parties";

DESIRING to implement the commitment of promoting good neighbourly relationship between the Republic of Indonesia and the Democratic Republic of Timor-Leste;

RECALLING the Arrangement between the Government of the Republic of Indonesia and the Government of the Democratic Republic of Timor-Leste on Traditional Border Crossings and Regulated Markets, signed in Jakarta, Indonesia, on 11 June 2003;

RECOGNIZING that advancing the land transport linkages and services are pivotal for facilitating the movement of people between Indonesia and Timor-Leste;

PURSUANT to the prevailing laws and regulations of the respective Parties;
Without prejudice to the existing agreements, national laws, policies and regulations, the Parties have hereby agreed to the following:

**ARTICLE 1
DEFINITION OF TERMS**

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

Commercial Buses and Coaches: As defined below are registered in the territory of Home Country for carriage of passengers for hire and/or financial reward, and holds a cross border transport permit issued by the Competent Authority.

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.

Express Bus: A vehicle having a seating capacity of not less than 16 persons, including the driver, plying along the designated route, with a time table and fare table.

Coach and/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 respective Parties responsible for regulating transport-related activities and for the implementation of this Memorandum of Understanding.

Dangerous Goods: Any substances and/or articles which may affect the interest of the environment, health, safety, and national security, as specified in the domestic law and regulation of the respective Parties.

Perishable Goods: Any substances and/or articles which according to law and regulation of the respective Parties categorized as short-lived goods, including but not limited to fresh, chilled, or frozen fish, crustacean, molluscs, fruits, vegetables, meat or poultry, dairy and dairy products, eggs and egg products, and swine and pork products.

Travel Documents: Official documents issued by the Immigration Authority of a country, the United Nations or other international organizations to travel interstate that contains the holder's identity.

Designated Routes: Designated transport routes as specified in Schedule B.

Home Country: For People, the country of their citizenship or nationality; for Transport Operators, the country of their establishment; and for road vehicles, the country of their registration.

Host Country: The country where cross border transport operation, under this Memorandum of Understanding is performed and where passengers disembark and embark.

People: Refers to drivers and crews engaged in transport operations and people not engaged in transport operations, including passengers and tourists.

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

Transport for Own Account: A part of transport operation that is an ancillary activity of an enterprise in view of moving its employee that are the object of its commercial activity in vehicles owned by the enterprise and driven by its employees.

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

ARTICLE 2 OBJECTIVE

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

ARTICLE 3 SCOPE OF APPLICATION

This Memorandum of Understanding shall apply to:

- a) Cross-border carriage of passengers and tourists by commercial buses and coaches:
 - i. Between the territories of the Parties;
 - ii. Carried out by transport operators for hire or financial reward or own account established and registered in the Home Country in accordance with its law and holding a license to undertake carriage by bus and coach; and
 - iii. Using buses and coaches registered in the Home Country where the transport operator is established.
- b) Unladen journeys of the buses and coaches concerned with these services; and
- c) People engaged in transport operations (drivers and crews) and people not engaged in transport operations (passengers and tourists).

ARTICLE 4 ADMITTANCE OF BUSES AND COACHES IN OTHER PARTICIPATING PARTIES

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 Party shall recognize the bus and coach registration certificate and registration plate issued by the Competent Authority(ies) of the other Party.

2. Technical Conditions

Buses and coaches travelling to the territory of other Party must comply with the road safety requirements, equipment safety and emissions standards laid down in their Home Country. They must also comply with the technical standards on weights, axle loads, dimensions, and other technical considerations in force in the Host Country.

Buses and coaches more than ten (10) years from date of first registration shall not be used for the services covered by this Memorandum of Understanding.

3. Technical Inspection Certificates

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

4. Compulsory Third-Party Motor Vehicle Liability Insurance

Buses and coaches travelling to the territory of other Party 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 territory of other party. Both Parties will endeavor to establish a mutually recognized third-party motor vehicle liability insurance scheme.

5. Driving Licenses

- a) The Parties shall recognize driving licenses issued by other Party;
- b) Driving licenses issued shall comply with international driving license standards; and
- c) Drivers must hold a valid driving license that permits them to drive the bus or coach that they are operating.

ARTICLE 5 CROSS-BORDER TRANSPORT OF PEOPLE

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

ARTICLE 6 HEALTH AND SANITARY

1. Health Inspection

Passengers, tourist, drivers, and other people on board the road vehicles, when crossing the border, shall be subjected to health inspection of the Host Country

and in compliance with national laws and regulations and in accordance with the International Health Regulations as adopted, amended and revised from time to time by the World Health Assembly of the World Health Organization (WHO).

2. Sanitary Inspection

Road vehicles and baggages, when crossing the border, shall be subjected to sanitary inspection of the Host Country and in compliance with national laws and regulations and in accordance with the International Health Regulations as adopted, amended and revised from time to time by the World Health Assembly of the WHO.

Carriage of perishable goods and dangerous goods shall not be permitted under this Memorandum of Understanding.

ARTICLE 7 TRAFFIC RIGHTS AND MARKET ACCESS

1. Transport operators

Transport operators established in one Party may undertake the following transport operations:

- a. Inbound into another Party; and
- b. Outbound from another Party.

2. Designation of Routes and Points of Entry and Exit

The designated routes, and points of entry and exit for cross-border transport operations under this Memorandum of Understanding are listed in Schedule B. Either Party may modify or expand the above transport network from time to time subject to the mutual written agreement of both Parties.

3. Embarkation and Disembarkation

Buses and coaches operating under this Memorandum of Understanding are prohibited from picking up passengers in the territory of the Host Country except in the designated embarkation point(s) as listed in Schedule A.

4. 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 Party shall notify in writing to the land transport authorities of the other Party whenever such license is issued.

5. Capacity and Frequency

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

The Parties shall determine the frequency and capacity of the transport operations under this Memorandum of Understanding. Upon mutual and reciprocal

arrangement, the Parties shall exchange and issue the agreed number of permits to be issued each year.

Both Parties shall endeavour to issue permits with a validity period of at least one year.

Both Parties shall endeavour to agree on a uniform bus and coach permit application fee. The agreed permit application fee should be inexpensive and business-friendly.

6. Safety and Securities

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

7. Obligations of Transport Operators

The transport operators shall take all measures to ensure that the transport services provided are in compliance with the safety standards in force. The transport operator shall display the route of the service, the bus stops, the timetable, the fares and the conditions of carriage in such a way as to ensure that such information is readily available to all users.

The transport operator shall submit the document regarding the passenger required by the Immigration and Customs Administration respectively in accordance with the prevailing Immigration and customs laws and regulations of the respective Parties.

8. Representative Offices

The Host Country shall grant permission to transport operators engaged in cross border transport to establish representative offices or appoint an agent in the Host Country for the purpose of facilitating their traffic operations.

9. 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. The 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. The Parties shall ensure that their respective transport operators conform to this principle.

ARTICLE 8 FACILITATION OF BORDER CROSSING FORMALITIES

To facilitate cross-border traffic, the Parties shall implement measures that will lead to simplification of cross-border formalities and procedures, including establishment

of one-stop Customs, Immigration, Quarantine, and Security (CIQS) facilities at designated entry.

The implementation of Customs, Immigration, Quarantine, and Security (CIQS) inspection shall be subject to the laws and regulations of the respective Parties.

ARTICLE 9 CONSULTATIONS AND REVIEW

1. Each Party may request that consultation be held on any matter concerning this Memorandum of Understanding. The other Party shall accord amicable consideration to the proposal and shall afford adequate opportunity for such consultation between the Parties.
2. The Parties shall conduct review as necessary to ensure effective implementation of the Memorandum of Understanding.
3. The respective focal point responsible for reviewing the implementation of this Memorandum of Understanding are:
 - a. Indonesia: Directorate General of Land Transportation, Ministry of Transportation;
 - b. Timor-Leste: Directorate General of Transports and Communications, Ministry of Transport and Communications.

ARTICLE 10 ANNEX

The attached Annex shall form an integral part to the Memorandum of Understanding.

ARTICLE 11 AMENDMENT

This Memorandum of Understanding may be reviewed and/or amended at any time by mutual written consent of the Parties. Such revisions or amendments shall come into effect on such a date as may be determined by the Parties and shall form an integral part of this Memorandum of Understanding.

ARTICLE 12 SETTLEMENT OF DISPUTES

Any dispute between the Parties concerning the interpretation or application of the provisions of this Memorandum of Understanding shall be settled amicably through consultation or negotiation between the Parties.

**ARTICLE 13
SUSPENSION**

Each Party reserves the right for reasons of national security, national interest, public order or public health to suspend temporarily either in whole or in part the implementation of this Memorandum of Understanding which shall take effect immediately after notification has been given to the other Party through diplomatic channels.

**ARTICLE 14
ENTRY INTO FORCE, DURATION AND TERMINATION**

1. This Memorandum of Understanding shall enter into force on the date of its signing.
2. This Memorandum of Understanding shall be in force for a period of five (5) years and may be extended for another 5 (five) years period unless monitoring and evaluation results determine otherwise.
3. Either Party may terminate this Memorandum of Understanding at any time by giving written notice through diplomatic channels six (6) months prior to the intended date of termination.

IN WITNESS WHEREOF, the undersigned, duly authorized thereto by their respective Governments have signed this Memorandum of Understanding.

Done in duplicate in Bogor on 19th of July 2022 in Indonesian, English, and Portuguese languages. In case of any divergence of interpretation, the English text shall prevail.

FOR THE GOVERNMENT OF
THE REPUBLIC OF INDONESIA



**Budi Karya Sumadi
Minister for Transportation**

FOR THE GOVERNMENT OF THE
DEMOCRATIC
REPUBLIC OF TIMOR-LESTE



**José Agostinho da Silva
Minister of Transport and
Communications**

ANNEX

Schedule A: Designated Embarkation and Disembarkation Points

<u>Party</u>	<u>Embarkation Points</u>	<u>Disembarkation Points</u>
Indonesia	Kupang	Kupang, SoE, Kefamenanu, Atambua, Mota-ain
Timor-Leste	Dili	Dili, Tibar, Liquiçá, Maubara, Batugade

Schedule B: Designated Routes and Points of Entry and Exit

Indonesia

- **Kupang – SoE - Kefamenanu – Atambua – Mota-ain/Batugade (Indonesia/Timor-Leste Border Checkpoint) – Dili**

Timo-Leste

- **Dili – Tibar – Liquiça – Maubara – Batugade / Mota-ain (Timor-Leste /Indonesia Border Checkpoint) – Kupang**

Indonesia: Designated Points of Entry and Exit

- Mota-ain

Timor-Leste: Designated Points of Entry and Exit

- Batugade