

Memorandum of Understanding
between
The Government of The Republic of India
and
The Government of The People's Republic of Bangladesh

Establishing Border Haats across the Border between India and Bangladesh.

The Government of the Republic of India and the Government of the People's Republic of Bangladesh.

Recognizing that 'Border Haats' aim at promoting the wellbeing of the people dwelling in remote areas across the borders of two countries, by establishing traditional system of marketing the local produce through local markets; and

Recalling the decision of the Prime Ministers of Bangladesh and India during the visit of the Prime Minister of Bangladesh H.E. Sheikh Hasina to India from 10 to 13 January 2010 that Border Haats shall be established on a pilot basis at selected areas, including Meghalaya border to allow trade in specific produce and products and in accordance with the regulations agreed and notified by both Governments;

Have agreed as follows;

1. Opening of Border Haats:

1. Border Haats shall be established across the borders.
2. Initially Border Haats, as pilot projects, would be opened at following locations.
 - (i) Balamari (Kurigram District)-Kalaichar (West Garo Hills) - Pillar No. 1072
 - (ii) Lauwaghar (Dalora) (Sunamganj District) –Balat (East Khasi Hills)– Pillar No. 1213
3. Other locations for opening Border Haats may be selected jointly by India and Bangladesh based on, *inter alia*, historical location, difficulty in access, inter-dependence of the population on the both sides of the border and availability of suitable location.

4. The Border Haats will be operated as per Modalities to be agreed upon between the two countries.

2. Joint Committee:

A joint committee for Border Haats at the level of the Joint Secretary from both the countries shall review the *Border Haats* operations, suggest modifications in the operational modalities and propose new locations for *Border Haats*. The Joint Committee will also comprise officials of relevant departments from both countries. The meeting of the Joint Committee will be held every year, or earlier as would be mutually decided.

3. Validity & amendments:

The MOU will remain valid for 3(three) years from the date of commencement of the *Border Haats*. The MOU and the modalities thereof may be extended/amended by the mutual consent of both the governments of Bangladesh and India.

4. Suspension of MOU:

Any party may suspend the operation of this MOU by giving 30 days advance notice in writing.

5. Coming into operation:

This MOU will come into effect immediately after signing by the respective authority of both the countries.

Signed at New Delhi on 23rd day of October, 2010 in English in two originals, both being equally authentic.

Sd/-
Arvind Mehta
Joint Secretary
Ministry of Commerce
Republic of India

Sd/-
Dr. Md. Ruhul Amin Sarker
Joint Secretary
Ministry of Commerce
People's Republic of
Bangladesh

***Mode of Operation of Border Haats
Across the border between Bangladesh and India
Article 1***

Haat Management Committee

Both countries will constitute Haat Management Committees for the management of their respective area of designated *Border Haats*. The committee will comprise five (5) members headed by Additional District Magistrate/SDM in the District having jurisdiction over the designated *Border Haats* of each country and shall include one representative each from the police, customs, border security agency and village/union level local government. The Committee will, *inter alia*, maintain a list of authorized vendors/ vendees, entry/exit of authorized vendors/vendees, and enforcement of general health precautions as may be required from time to time. The list of members of the committee will be exchanged and any amendment in the list of members will be notified within two working days, to the counterpart committee, through the respective border security/customs member. Additional District Magistrate/SDM may authorize an officer from local administration for day to day monitoring of *Border Haats* and meeting the emergencies.

Article 2

Area, fencing and construction of the Border Haats

1. The size of the Border Haats will generally be 75x75 metres on the zero line.
2. The *Border Haats* will be located at the zero-line on pre-identified locations having an area which will approximately be equal on both sides of the zero-line and broadly follow the design at **Annexure – A**.
3. The *Border Haats* will have two entry/exit points, one from Indian territory for Indian citizens and another from Bangladesh territory for Bangladesh citizens.
4. The boundaries of the *Border Haats* will be constructed with concertina wire/barbed wire.
5. The committee will be guided by their respective border security agencies while approving the general design and layout plans and all security related features including entry/exit.

Article 3
Commodities

1. Following commodities will be allowed to be traded in the *Border Haats*:
 - (a) locally produced vegetables, food items, fruits, spices;
 - (b) minor local forest produce e.g. bamboo, bamboo grass, and broom stick but excluding timber;
 - (c) products of local cottage industries like Gamcha, Lungi etc;
 - (d) small locally produced agriculture household implements e.g., dao, plough, axe, spade, chisel etc.;
 - (e) locally produced garments, melamine products, processed food items, fruit juice, etc.

2. 'Locally produced' under the above para implies the produce of the concerned border district of the designated *Haat*. The list of items allowed for trade in designated *Border Haats* may be expanded/modified by mutual consent. The vendees may offer immediate consumption items of snack foods/juices as may be allowed by the Haat Management Committee.

Article 4

Joint Meetings of the Haat Management Committees

The Committees will hold joint meeting to discuss operational issues as and when required by giving two working days advance notice in writing. The meeting will be held at a mutually convenient place.

Article 5

Vendors

Keeping in view the objective of *Border Haats*, only residents of the area within five (5) km radius from the location of *Border Haat* will be allowed to sell their products in the *Border Haats*. The number of vendors would be initially limited to about twenty five (25) from each country. The lists of vendors will be exchanged by the respective Haat Management Committee. Any change in the list will be notified to the Haat Management Committee of the other side.

Article 6

Vendees

Only residents of the area within five (5) km radius from the location of *Border Haat* will be allowed to buy products in the *Border Haats*. The number of vendees from both sides will be regulated with the objective to ensure that *Border Haats* will not be over-crowded. Designated representatives of the Haat Management Committee will consult each other and would remain in contact on real time basis during the daily operation of the *Border Haats*.

Article 7

Timing and frequency

Border Haats will be initially held on every fixed day of a week as mutually decided between the Haat Management Committees. The timing and frequency may be further set/modified by mutual consent of the Border Haat Management Committees.

Article 8

Photo Identity Cards

Vendors and vendees in the *Border Haats* will carry photo identity cards and the format of the photo identity cards will be exchanged through diplomatic channels. The holders of photo identity cards of one country may only enter into the *Border Haat* area and shall not be allowed to enter into the territory of other country beyond *Border Haat*. The designated *Border Haats* area will be exempted from regulations regarding passport and visa. The District Magistrate/Deputy Commissioner of the district having jurisdiction over the designated *Border Haats* of each country in consultation with the Haat Management Committee will issue necessary identity cards as per format and will notify each other.

Article 9

Record of entry/exit

Respective Haat Management Committee will ensure maintenance of entry/exit records of the vendors and vendees for concerned Border Haat. At the time of closing of the *Border Haats*, this record will be checked to ensure that vendors and vendees who entered the *Border Haats* have returned to their respective country. In the event of any problem in this regard designated representatives of the Haat Management Committee will contact their counterparts/relevant security personnel.

Article 10

Law Enforcement and Jurisdiction in the Border Haats

Any incident that violates or has the potential to be the source of violation of laws, rules and regulations or common peace in the *Haats* will be dealt with by the respective law enforcing agency/border security agency, under the laws, rules and regulations prevalent in each country. International laws and treaties may come into play where relevant and necessary.

Article 11

Suspension of customs duties and Non Tariff Barriers

The commodities sold in the designated *Border Haats* will be exempted from the payment of customs duties. In consultation with relevant state authorities levy of all other duties/taxes can be considered for exemption. Concerned departments will ensure that tariff or non-tariff barriers do not hinder the operation of the *Haats* and will issue necessary notifications in this regard. These notifications will be exchanged through diplomatic channels.

Article 12

Entry of security forces

Security forces personnel will not be allowed to enter in the *Border Haats* area, except in case of emergency to be determined by the District Magistrate/Deputy Commissioner of the Districts adjacent to the designated *Border Haats* of each country. There will be no restriction on presence of the security personnel outside the boundary of the *Border Haats*.

Article 13

Oversight by customs officials and health officials

Customs officials and health officials will invoke restrictions in the *Border Haats* in the event of infringement of custom regulations or outbreak of any disease dangerous to public health. Designated representatives will liaise with each other in this respect.

Article 14

Medium of exchange

The commodities will be allowed to be exchanged in the designated *Border Haats* in the local currency and/or barter basis. Each individual will be allowed to purchase only as much of the locally produced commodities which are reasonable for bona-fide personal/family consumption. Estimated value of such purchases shall not be more than respective local currency equivalent of US\$50 (fifty) for any particular day. This limit may be re-fixed by mutual consent. The regulations relating to foreign exchange will be suspended in the designated *Border Haats*. The notifications issued to this effect will be exchanged through diplomatic channels.

Signed at New Delhi on 23rd day of October, 2010 in English in two originals, both being equally authentic.

Sd/-

**Arvind Mehta
Joint Secretary
Ministry of Commerce
Republic of India**

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