Annex III

Memorandum of Understanding between The Government of the Republic of India And The Government of the Republic of the Union of Myanmar

Establishing Border Haats across the Border between India and Myanmar.

The Government of the Republic of India and the Government of the Republic of the Union of Myanmar,

Recognizing that 'Border Haats' aim at promoting the well being 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;

Recalling that, during the 4th India-Myanmar Joint Trade Committee (JTC) meeting on 27th September 2011 in New Delhi, both sides agreed to work towards opening of Border Haats (village local markets) at mutually agreed locations, as it would benefit local population on either side of the border; and

Also Recalling the decision that initially, the Border Haats are to be established on a pilot basis at selected habitat areas, to allow trade in specific produce and products;

Have agreed as follows:

1. Opening of Border Haats:

- (i) Border Haats shall be established across the India-Myanmar border.
- (ii) Initially, one Border Haat would be opened at Pangsau Pass (Nampong), District Changlang in Arunachal Pradesh, corresponding to Pangsu, in the Sagaing Region of Myanmar, as a pilot project.
- (iii) Other locations for opening Border Haats may be selected mutually by India and Myanmar based on, *inter alia*, historical location, convenience of access, inter-dependence of the population on both sides of the border and availability of suitable location.
- (iv) The Border Haats will be operated as per Modalities to be mutually agreed upon between the two countries.

2. Joint Committee:

- from both the countries shall finalise the mode of operations, 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.
- (ii) Initially, the Joint Committee will assess the requirement of security and infrastructure development at these Border Haats and will initiate necessary steps to ensure smooth functioning of the Border Haats, without any hindrances on account of security and infrastructure.

3. Entry into Force, Validity & Amendments:

This MoU will come into effect on the date of signing and will remain valid for 3(three) years from the date of commencement of the Border Haats. The MoU and the modalities thereof will be automatically renewed for a subsequent period of 3 years unless either party notifies the other in writing, of its intention to terminate it. Any amendment to this MoU shall be carried out by mutual consent.

4. Suspension of MoU:

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

IN WITNESS WHEREOF the undersigned being duly authorized by their respective governments, have signed this Memorandum of Understanding, on 28th day of May 2012, in Nay Pyi Taw, Myanmar, in two originals in English.

For and on behalf of the Government of the Republic of India

Mr Ranjan Mathai Foreign Secretary Ministry of External Affairs For and on behalf of the Government of the Republic of the Union of Myanmar

Dr Pwint San
Deputy Minister of Commerce
Ministry of Commerce——