

AGREEMENT ON BORDER TRADE  
between  
THE GOVERNMENT OF THE REPUBLIC OF INDONESIA  
and  
THE GOVERNMENT OF MALAYSIA

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THE GOVERNMENT OF THE REPUBLIC OF INDONESIA AND  
THE GOVERNMENT OF MALAYSIA,

DESIRING to implement Article XI of the Basic Arrangement on Border Crossing entered into and signed by the two Countries on 26 th May, 1967, relating to the movement of goods into and out of the Border Areas of the two Countries,

AND DESIRING to establish a procedure to govern the conduct of Border Trade between the two Countries as envisaged in the Basic Arrangements on Trade and Economic Relations agreed by the Government of Indonesia and the Government of Malaysia on 11th May, 1967,

HAVE AGREED AS FOLLOWS:

ARTICLE I

Border Trade

Classifica-  
tion of  
border trade

1. Border Trade between Indonesia and Malaysia shall be classified as -

- (a) overland border trade, where the trade is carried on overland between border areas of the two countries as specified in section 1 of Article II; and
- (b) sea border trade, where the trade is carried on by sea between border areas of the two countries as specified in section 1 of Article III.

2. ....

Goods for  
border trade

2. (1) Goods which are the subject of any border trade shall be -

(a) as respects Indonesia, agricultural and other products of an Indonesian border area; except mineral, oils and ores; and

(b) as respects Malaysia, goods required for daily use or consumption including appliances, tools and equipment needed for industries in an Indonesian border area.

(2) (2) The whole proceeds due to a person bringing into a Malaysian border area the goods mentioned in paragraph (a) of sub-section (1) of section 2 of this Article shall be utilized to purchase the goods mentioned in paragraph (b) of the said sub-section.

Persons  
qualified  
to engage  
in border  
trade.

3. (1) No person shall be permitted to engage in any border trade between East Malaysia and Indonesian Kalimantan, unless such person is resident in a border area of either country and in possession of a valid National Passport or a border pass issued under the Basic Arrangement on border Crossing signed by the Parties hereto on the 26th May, 1967; and  
(2) No person shall be permitted to engage in any sea border trade, unless such person is a resident in a border area to be specified by either Party and in possession of a valid National Passport or a Seaman's Identification card or a Special Travel Document to be agreed upon by the Parties hereto. Provided that any person bringing goods into a Malaysian border area in either case from an Indonesian border area shall also be in possession of a

certificate assued by the appropriate Indonesian authority relating to the value of such goods.

ARTICLE II

Overland Border Trade

Border areas for overland border trade.

1. The border areas of the two countries between or within which overland border trade is permitted to be carried on shall be such areas as may be specified in accordance with the Basic Arrangement on Border Crossing signed by the Parties hereto on the 26th May, 1967.

Border Control Post for overland Border Trade.

2. (1) Every movement of goods into and out of a Malaysian border area shall pass through a Malaysian Border Control Post established in accordance with the Basic Arrangement referred to in section 4 of this Article.

(2) Every movement of goods into and out of an Indonesian border area shall pass through an Indonesian Border Control Post as established in accordance with the Basic Arrangement referred to in sub-section (1).

Value of goods to be carried in respect of overland border trade.

3. The value of goods carried or conveyed for the purpose of overland border trade by any person specified in section 3 of Article I shall not exceed six hundred Malaysian dollars (M\$600/=) per month.

ARTICLE III

Sea Border Trade

Border areas for sea border trade.

1. The border areas of the two countries between which sea border trade is permitted to be carried on shall be -

- (a) as respects Indonesia, Distric of Kubu, Distric of Bangko, Distric of Rupert, Distric of Bengkalis, Distric of Bukit Batu, Distric of Merbau, Rengsang Island, Kampar region including Distric of Kuala

Kampar, parts of the administrative region of Riau Islands, all parts of Tambelan Island and Distric of Nunukan.

(b) as respect# Malaysia, Johore Bahru; Batu Pahat; Malacca; Port Swettenham; Penang; Sematan; Kuching; Lundu; Tawau; and such other ports as may be declared from time to time;

(c) such other areas as may be agreed upon by the Parties hereto from time to time.

Conditions or limitations upon a border trade.

2. Sea border trade whall be limited to the use of a craft a size not exceeding twenty cubic metres gross and registered with the local authorities concerned, and to goods the value of which shall not exceed six hundred Malaysian dollars (M\$600/=) per vessel per trip.

ARTICLE IV

Effective Date : Termination.

1. This Agreement shall come into force on the date of its signature, and shall remain in force for a period of one year.
2. Upon the expiry of this period, this Agreement shall automatically continue in force. Thereafter, it shall be terminated on a date specified by a six-month prior written notice from either Contracting Party.

IN WITNESS WHEREOF, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement.

DONE at Djakarta this twenty-fourth day of August, 1970, in two original copies each in Bahasa

Indonesia, Bahasa Malaysia and the English language;  
all the three texts being equally authentic.

BY AUTHORITY OF THE GOVERNMENT  
OF THE REPUBLIC OF INDONESIA

W.S.

PROF. DR. SUMITRO DJOJHADIKUSUMO  
MINISTER OF TRADE  
INDONESIA

BY AUTHORITY OF THE  
GOVERNMENT OF MALAYSIA

W.S.

MOHD. KRIR JOHARI  
MINISTER OF COMMERCE & INDUSTRY  
MALAYSIA.