Article 16 (Freedom of Transit), paragraphs 1-3, were considered. On the basis of the discussion the Secretariat was instructed to draw up two texts, one referring to goods only and the other to goods and means of transport.

The two texts are given below. The following changes in the text of E/PC/T/54/Rev.1 are taken into account in both:

Paragraph 1, last line: "the operation of air traffic" was substituted for "air traffic".
Paragraph 2, line 12: "coaching or goods, stock" was deleted.
Lines 13-16: The sentence starting "in order to" was deleted.

A. (Refers to goods only)
Words added and the word "goods", when substituted for "traffic", are underscored.

1. Baggage and goods, shall be deemed to be in transit across the territory of a Member when the passage across such territory, with or without trans-shipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey, beginning and terminating beyond the frontier of the Member across whose territory the transit takes place.

2. There shall be freedom of transit through the Member countries, via the routes most convenient for international transit, for goods in transit to
transit to or from other Member countries. No distinction shall be made with respect to goods in transit that is based on the nationality of persons, the flag of vessels, the place of origin, departure, entry, exit or destination, or any circumstances relating to the ownership of goods or of vessels or other means of transport.

3. Any Member may require that goods in transit through its territory be entered at the proper customs house, but except in cases of failure to comply with applicable customs laws and regulations, such goods coming from or going to other Member countries shall not be subject to any unnecessary delays or restrictions and shall be exempt from customs duties and from all transit duties or other charges imposed in respect of transit, except charges for transportation or those commensurate with administrative expenses entailed by transit or with the cost of services rendered.

B. (Refers to goods and means of transport)

Words not included in text (A), and the word "traffic" when substituted for "goods" in (A), are underscored.

1. Baggage and goods, and also vessels and other means of transport shall be deemed to be in transit across the territory of a Member when the passage across such territory, with or without trans shipment, warehousing, breaking bulk, or change in the mode of transport, is only a portion of a complete journey, beginning and terminating beyond the frontier of the Member across whose territory the transit takes place. Traffic of this nature is termed in this Article "traffic in transit." The provisions of this Article shall not apply to the operation of aircraft in transit.

2. There shall be freedom of transit through the Member countries, via the routes most convenient for international transit, for traffic in transit to or from other Member countries. No distinction shall be made which is based on the nationality of persons, the flag of vessels, the
place of origin, departure, entry, exit or destination, or any circumstances relating to the ownership of goods or of vessels or other means of transport.

3. Any Member may require that traffic in transit through its territory be entered at the proper customs house, but except in cases of failure to comply with applicable customs laws and regulations, such traffic coming from or going to other Member countries shall not be subject to any unnecessary delays or restrictions and shall be exempt from customs duties and from all transit duties or other charges imposed in respect of transit, except charges for transportation or those commensurate with administrative expenses entailed by transit or with the cost of services rendered.