Whereas by Article 7 of the Convention concluded between the Governments of Great Britain, China and Tibet on the third day of July, A.D. 1914, the Trade Regulations of 1893 and 1908 were cancelled and the Tibetan Government engaged to negotiate with the British Government new Trade Regulations for Outer Tibet to give effect to Articles II, V and V of the Convention of 1904; His Majesty the King of the United Kingdom of Great Britain and Ireland, and of the British Dominions beyond the Seas, Emperor of India, and His Holiness the Dalai Lama of Tibet have for this purpose named as their Plenipotentiaries, that is to say:

His Majesty the King of Great Britain and Ireland and of the British Dominions beyond the Seas, Emperor of India, Sir A. H. McMahon, G.C.V.O., K.C.I.E., C.S.I.:

His Holiness the Dalai Lama of Tibet, Lonchen Ga-den Shatra Pal-jor Dorje;

And whereas Sir A. H. McMahon and Lonchen Ga-den Shatra Pal-jor Dorje have communicated to each other since their respective full powers and have found them to be in good and true form, the following Regulations have been agreed upon:

I. The area falling within a radius of three miles from the British Trade Agency Site will be considered as the area of such Trade Mart. It is agreed that British subjects may lease lands for the building of houses and godowns at the Marts. This arrangement shall not be held to prejudice the right of British subjects to rent houses and godowns outside the Marts for their own accommodation and the storage of their goods. British subjects desiring to lease building sites shall apply through the British Trade Agent to the Tibetan Trade Agent. In consultation with the British Trade Agent the Tibetan Trade Agent will assign such or other suitable building sites without unnecessary delay. They shall fix the terms of the leases in conformity with the existing laws and rates.

II. The administration of the Trade Marts shall remain with the Tibetan Authorities, with the exception of the British Trade Agency sites and corn-pounds of the rest-houses, which will be under the exclusive control of the British Trade Agents. The Trade Agents at the Marts and Frontier Officers shall be of suitable rank, and shall hold personal intercourse and correspondence with one another on terms of mutual respect and friendly treatment.

III. In the event of disputes arising at the Marts or on the routes to the Marts between British subjects and subjects of other nationalities, they shall be enquired into and settled in personal conference between the British and Tibetan Trade Agents at the nearest Mart. Where there is a divergence of view the law of the country to which the defendant belongs shall guide.
All questions in regard to rights, whether of property or person, arising between British subjects, shall be subject to the jurisdiction of the British Authorities. British subjects, who may commit any crime at the Marts or on the routes to the Marts, shall be handed over by the Local Authorities to the British Trade Agent at the Mart nearest to the scene of the offence, to be tried and punished according to the laws of India, but such British subjects shall not be subjected by the Local Authorities to any ill-usage in excess of necessary restraint.

Tibetan subjects, who may be guilty of any criminal act towards British subjects, shall be arrested and punished by the Tibetan Authorities according to law. Should it happen that a Tibetan subject or subjects bring a criminal complaint against a British subject or subjects before the British Trade Agent, the Tibetan Authorities shall have the right to send a representative or representatives of suitable rank to attend the trial in the British Trade Agent's Court. Similarly in cases in which a British subject or subjects have reason to complain against a Tibetan subject or subjects, the British Trade Agent shall have the right to send a representative or representatives to the Tibetan Trade Agent's Court to attend the trial.

IV. The Government of India shall retain the right to maintain the telegraph lines from the Indian frontier to the Marts. Tibetan messages will be duly received and transmitted by these lines. The Tibetan Authorities shall be responsible for the due protection of the telegraph lines from the Marts to the Indian frontier, and it is agreed that all persons damaging the lines or interfering with them in any way or with the officials engaged in the inspection or maintenance thereof shall at once be severely punished.

V. The British Trade Agents at the various Trade Marts now or hereafter to be established in Tibet may make arrangements for the carriage and transport of their posts to and from the frontier of India. The couriers employed in conveying these posts shall receive all possible assistance from the Local Authorities whose districts they traverse, and shall be accorded the same protection and facilities as the persons employed in carrying the despatches of the Tibetan Government. No restrictions whatever shall be placed on the employment by British officers and traders of Tibetan subjects in any lawful capacity. The persons so employed shall not be exposed to any kind of molestation or suffer any loss of civil rights, to which they may be entitled as Tibetan subjects, but they shall not be exempted from lawful taxation. If they be guilty of any criminal act, they shall be dealt with by the Local Authorities according to law without any attempt on the part of their employer to screen them.

VI.-No rights of monopoly as regards commerce or industry shall he granted to any official or private company, institutions or individual in Tibet. It is of course understood that companies and individuals, who have already received such monopolies from the Tibetan Government previous to the conclusions of this agreement, shall retain their rights and privileges until the expiry of the period fixed.
VII- British subjects shall be at liberty to deal in kind or in money, to sell their goods to whomsoever they please, to hire transport of any kind, and to conduct in general their business transactions in conformity with local usage and without any vexations, restrictions or oppressive exactions whatever. The Tibetan Authorities will not hinder the British Trade Agents or other British subjects from holding personal intercourse or correspondence with the inhabitants of the country. It being the duty of the Police and the Local Authorities to afford efficient protection at all times to the persons and property of the British subjects at the Marts and along the routes to the Marts, Tibet engages to arrange effective Police measures at the Marts and along the routes to the Marts.

VIII- Import and export in the following Articles:-arms, ammunition, military stores, liquors and intoxicating or narcotic drugs. may at the option of either Government he entirely prohibited, or permitted only on such conditions as either Government on their own side may think fit to impose.

IX. The present Regulations shall be in force for a period of ten years reckoned from the date of signature by the two Plenipotentiaries; hut, if no demand for revision he made on either side within six months after the end of the first ten years the Regulations shall remain in force for another ten years from the end of the first ten years; and so it shall heat the end of each successive ten years.

X- The English and Tibetan texts of the present Regulations have been carefully compared, but us the event of there being any difference of meaning between them the English text shall be authoritative.

XI- The present Regulations shall come into force from the date of signature. Done at Simla this third day of July, A.D. one thousand nine hundred and fourteen, corresponding with the Tibetan date, the tenth day of the fifth month of the Wood-Tiger year.

Seal of the Dalai Lama.  
Signature of the Lonchen Shatra.  
Seal of the Lonchen Shatra.  
Seal of the Drepung Monastery.  
Seal of the Sera Monastery.  
Seal of the Gaden Monastery  
Seal of the National Assembly.  

A. Henry McMahon, British Plenipotenciary  
Seal of the British Plenipotentiary.  

Negotiated and signed only by the British and Tibetan plenipotentiaries.