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Article X

Regional Integration

1. While recognising the differences in their respective regional integration processes, and without prejudice to the commitments undertaken under this Agreement, the Parties shall foster conditions which facilitate the movement of goods and services between and within the two regions.

2. With respect to movement of goods, pursuant to paragraph 1:

   a) goods originating in a signatory Member State of MERCOSUR that are released for free circulation in the European Union [EU Party] shall benefit from free movement of goods within the territory of the European Union [EU Party] under the conditions established by the Treaty on the Functioning of the European Union;

   b) the signatory Member States of MERCOSUR shall apply to goods originating in the European Union [EU Party] that are imported in its territory from another signatory Member State of MERCOSUR, customs procedures that are no less favourable than those applicable to goods originating in that signatory Member State of Mercosur.

   The treatment referred to under points (a) and (b) of this paragraph does not include tariff treatment for goods, which is governed by Chapter X [Trade in Goods].

   c) the signatory Member States of MERCOSUR shall periodically review their customs procedures with a view to facilitating the movement of goods of the European Union [EU Party] between their territories and to avoiding duplication of procedures and controls when practicable and in accordance with the evolution of their integration process.

d) benefits of MERCOSUR harmonisation of technical regulations and conformity assessment procedures, SPS requirements and approval procedures (including import certificates, controls) shall be extended under non-discriminatory conditions to goods originating in the EU if they have been imported in compliance with the importing Member State of MERCOSUR laws and regulations.

3. With respect to trade of services, pursuant to paragraph 1:

a) Member States of the European Union shall endeavour to facilitate, as appropriate, the freedom to provide services between their territories to enterprises owned or controlled by natural or juridical persons of a signatory Member State of MERCOSUR and established in a Member State of the European Union;

b) signatory Members States of MERCOSUR shall endeavour to facilitate, as appropriate, the freedom to provide services between their territories to enterprises owned or controlled by natural or juridical persons of a Member State of the European Union and established in a signatory Member State of MERCOSUR.

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TITLE X

TRADE IN GOODS

Article 1

Objective

Mercosur and the European Union agree to establish a Free Trade Area over a transitional period starting from the entry into force of this Agreement, in accordance with the provisions of this Agreement and in conformity with Article XXIV of the GATT 1994.

Except as otherwise provided in this Agreement, the provisions of this Title shall apply to trade in goods of a Party.

CHAPTER I

CUSTOM DUTIES

Section 1 - Common Provisions

Article 2

Each Party shall accord national treatment to the goods of the other Party in accordance with Article III of GATT 1994, including its interpretative notes. To this end, Article III of GATT 1994 and its interpretative notes, are incorporated into and made part of this agreement.

Article 3

1. For purposes of this Chapter, "originating" means qualifying under the rules of origin set out in Annex [X] (Rules of Origin).

2. Except as otherwise provided for in this Agreement, each Party shall reduce and/or eliminate its customs duties on originating goods in accordance with the Schedules set out in Annex 1 (hereinafter referred to as "Schedules").

3. A customs duty includes any duty or charge of any kind imposed on or in connection with the importation of a good, including any form of surtax or surcharge imposed on or in connection with such importation,[1] but does not include any:

(a) internal taxes or other internal charges imposed consistently with Article III of GATT 1994

(b) Antidumping or countervailing duties applied in accordance with Articles VI and XVI of GATT 1994 and the WTO Agreement on the Implementation of Article VI of GATT 1994 and the WTO Agreement on Subsidies and Countervailing Measures in conformity with the Chapter (Trade Remedies).

(c) measures applied in accordance with Article XIX of GATT 1994 and with the WTO agreement on Safeguards, or with other safeguard measures of the Agreement.

(d) measures authorised by the WTO Dispute Settlement Body or under the Dispute Settlement provisions of this Agreement.

(e) fee or other charge, imposed consistently with Article VIII of GATT 1994.

(f) measures adopted to safeguard a Party's external financial position and its balance of payments, in conformity with Article XII of GATT 1994 and the Understanding on Balance of Payments Provisions of GATT 1994.

4. The classification of goods in trade between Mercosur and the European Union shall be that set out in each Party´s respective tariff regimes in conformity with the Harmonised Commodity Description and Coding System. A Party may create a new tariff line as long as the customs duty applicable to the corresponding products under the new tariff line to the other Party is equal to or lower than the original tariff line, according to its Schedule, and that the agreed tariff concession remain unchanged. The respective Parties Schedule shall indicate which HS version each Party has used.

5. For each good, the base rate of customs duties on imports, to which the successive reductions are to be applied under paragraph 2, shall be that specified in the Schedules.

[1] This includes ad valorem import duties, agricultural components, additional duties on sugar content, additional duties on flour content, specific duties, mixed duties, seasonal duties, additional duties from entry price systems, among other measures of equivalent effect.

6. Without prejudice of Article 3(2) and 3(5), for a period of two years from the date of entry into force of this Agreement, the EU Party shall not increase customs duties applied on 31 December 2017 on goods originating in Paraguay that are indicated in the schedules as 'PY' goods (20019030; 21012098; 21069098, 33021029)]. For the purpose of this paragraph, good(s) originating in Paraguay means good(s) that conform(s) to the origin requirements under Subsection 2 and 3 of Section 2 of Chapter 1 of title II of Commission Delegated Regulation (EU) No 2015/2446 of 28 July of 2015 and Subsections 3 to 9 of Section 2 of title II the Commission Implementing Regulation (EU) 2015/2447 of 24 November 2015**.**

7. Except as otherwise provided for in this Agreement, no new customs duties shall be introduced, nor shall those already applied according to the Schedules be increased, in trade of originating goods between Mercosur and the European Union as from the date of entry into force of this Agreement. For greater certainty, a Party may raise a customs duty to the level set out in Annex 1 (Tariff Elimination Schedule) for the respective year following a unilateral reduction.

8. If a Party lowers a MFN applied rate to a level below the base rate in relation to a particular tariff line, the MFN applied rate shall be deemed to replace the base rate in the Schedule, for as long as the MFN applied rate is lower than the base rate, for the purpose of the calculation of the preferential rate for that particular tariff line. In this regard, the Party shall, effect the tariff reduction on the MFN applied rate to calculate the applicable rate, maintaining at all times the relative margin of preference. The relative margin of preference for any given tariff line corresponds to the difference between the base rate set out in the Schedule and the applied duty rate for that tariff line in accordance with the Schedule divided by that base rate, expressed in percentage terms.

9. Each Party may accelerate its tariff elimination schedule, or otherwise improve the conditions of market access, if its general economic situation and the situation of the economic sector concerned so permit. In addition, beginning three years after the entry into force of this Agreement, on the request of either Party, the Trade in Goods subcommittee shall consult to consider measures providing for improved market access. The Association Council in trade configuration shall have the power to adopt a Decision to modify Annex 1 (Tariff Elimination Schedule). Such Decision shall have the effect of amending the Annex and shall supersede any duty rate or staging category determined in the respective Schedule for that good.

Article 4

Goods Re-Entered After Repair

1. For the purposes of this Article, repair means any processing operation undertaken on goods to remedy operating defects or material damage and entailing the re-establishment of goods to their original function or to ensure their compliance with technical requirements for their use, without which the goods could no longer be used in the normal way for the purposes for which they were intended. Repair of goods includes restoration and maintenance. It shall not include an operation or process that either:

(a) destroys the essential characteristics of goods or creates new or commercially different goods,

(b) transforms the unfinished goods into finished goods, or

(c) is used to improve the technical performance of goods.

2. A Party shall not apply customs duty to goods defined in paragraph 1, regardless of their origin, that re-enter its customs territory after those goods have been temporarily exported from its customs territory to the customs territory of the other Party for repair, regardless of whether such repair could be performed in the customs territory of the Party from which the goods were exported for repair.

3. Paragraph 2 does not apply to a goods imported in bond, into free trade zones, or zones of similar status, that are exported for repair and are not re-imported in bond, into free trade zones, or zones of similar status.

4. A Party shall not apply customs duty to goods, regardless of their origin, imported temporarily from the customs territory of the other Party for repair.

CHAPTER II

NON TARIFF MEASURES

Section 1 – General Provisions

Article 5

Fees and Other Charges on Imports and Exports

1. Each Party shall ensure, in accordance with Article VIII of GATT 1994, including its Notes and Supplementary Provisions that all fees and other charges of whatever character[2] other than import and export duties imposed on or in connection with importation or exportation shall be limited in amount to the approximate cost of services rendered, which shall not be calculated on an ad valorem basis, and shall not represent an indirect protection for domestic products or a taxation of imports or exports for fiscal purposes.

2. Each Party may impose charges or recover costs only where specific services are rendered, in particular the following:

(a) attendance, where requested, by customs staff outside official office hours or at premises other than customs premises;

(b) analyses or expert reports on goods and postal fees for the return of goods to an applicant, particularly in respect of decisions relating to binding information or the provision of information concerning the application of the customs legislation;

[2] For greater certainty, Uruguay´s "tasa consular" and Argentina´s "tasa estadística" are governed by paragraph 3.

(c) the examination or sampling of goods for verification purposes, or the destruction of goods, where costs other than the cost of using customs staff are involved;

(d) exceptional control measures, where these are necessary due to the nature of the goods or to a potential risk

3. No Party shall require consular transactions, including related fees and charges, in connection with the importation of goods from the other Party. The Parties will have a transitional period of 3 years as of the entry into force to fulfil the requirements of this paragraph[3].

4. Each Party shall publish a list of the fees and charges it imposes in connection with importation or exportation.

Article 6

Import and Export Licensing Procedures

1. The Parties shall ensure that all import and export licensing procedures are neutral in application, and administered in a fair, equitable, non-discriminatory and transparent manner.

2. The Parties shall only adopt or maintain licensing procedures as a condition for importation into its territory or exportation from its territory to the other Party when other appropriate procedures to achieve an administrative purpose are not reasonably available.

3. The Parties shall not adopt or maintain non-automatic import or export licensing procedures[4] unless necessary to implement a measure that is consistent with this Agreement. Any Party adopting non-automatic licensing procedures shall indicate clearly the measure being implemented through such licensing procedure.

4. The Parties shall introduce and administer any licensing procedures in accordance with Articles 1 to 3 of the WTO Import Licensing Agreement (hereinafter referred to as "Import Licensing Agreement"). To this end, Articles 1 to 3 of the Import Licensing Agreement are incorporated into and made part of this Agreement. The Parties shall apply those provisions, mutatis mutandis, for any licensing procedures for exports to the other Party

5. Any Party introducing licensing procedures or changes in these procedures shall make the corresponding information available on an official governmental website on the Internet. This information shall be accessible, whenever practicable, 21 days prior to the effective date of the requirement but in all events not later than such effective date. The information available on the Internet shall contain the data required under Article 5 of the WTO Import Licensing Agreement. The notification foreseen in Article 5 of the Import Licensing Agreement shall be carried out between the Parties with regard to licensing procedures for export.

[3] Notwithstanding this paragraph, for the Republic of Paraguay the transitional period will be 10 years after the entry into force of this Agreement.

[4] For the purposes of this Article, "Non-automatic licensing procedures" is defined as licensing procedures where approval of the application is not granted for all legal and natural persons who fulfil the requirements of the Party concerned for engaging in import or export operations involving the goods subject to licensing procedures.

6. Upon request of the other Party, each Party shall promptly provide any relevant information regarding any licensing procedures which the Party to which the request is addressed intends to adopt or has adopted or maintained, including the information indicated in paragraph 4.

Article 7

Export competition

1. The Parties reaffirm their commitments expressed in the 2015 Nairobi Ministerial Decision on Export Competition.

2. For the purposes of this Article, "export subsidies" shall mean subsidies within the meaning of Articles 1 and 3 of the Agreement on Subsidies and Countervailing Measures that are contingent upon export performance, including those illustrated in its Annex I and those listed in Article 9 of the Agreement on Agriculture.

3. "Agricultural products" shall be understood as products listed in Annex I of the Agreement on Agriculture.

4. No Party shall maintain, introduce or reintroduce export subsidies on an agricultural product that is exported or incorporated in a product that is exported.

5. No Party shall maintain, introduce or reintroduce export credits, export credit guarantees, insurance programmes, state trading enterprises, or international food aid, as well as other measures that have an effect equivalent to an export subsidy, on an agricultural good that is exported or incorporated in a product that is exported to the territory of the other Party, unless those measures comply with the obligations of the Party concerned under the WTO Agreements and Decisions, including in particular the Nairobi WTO Ministerial Decision on Export Competition, or any other further WTO Agreement or Decision.

6. The Parties reaffirm their commitment in the 2013 Bali Ministerial Declaration and strengthened by the 2015 Nairobi Ministerial Decision to enhance transparency and to improve monitoring in relation to all forms of export subsidies and export credits, export credit guarantees, insurance programmes, state trading enterprises, or international food aid, as well as other measures that have an effect equivalent to an export.

7. The Parties reaffirm the commitments taken under the 2015 Nairobi Ministerial Decision with regard to international food aid and shall work together to encourage the best practice in the delivery of food aid in the relevant international fora by seeking to limit the monetization of the food aid and the delivery of in-kind food aid only to emergency situations.

Article 8

Duties, Taxes or Other Fees and Charges on Exports

Neither Party shall introduce or maintain any duty or charges of any kind on or in connection with the exportation of a good to the other Party, other than in accordance with the Schedule included in Annex 2 (Export Duties of MERCOSUR) after 3 years from the entry into force of this Agreement

Article 9

State Trading Enterprises

1. Nothing in this Agreement shall prevent a Signatory Party from maintaining or establishing a state trading enterprise in accordance with Article XVII of GATT 1994, its Notes and Supplementary Provisions and the WTO Understanding on the Interpretation of Article XVII, which are hereby incorporated into and made part of this Agreement.

2. Insofar as one of the Parties requests information of the other Party on individual cases of state trading enterprises, the manner of their operation and the effect of their operations on bilateral trade, the requested Party shall ensure full transparency in line with the rules set out in GATT Article XVII.

3. Notwithstanding paragraph 1, neither Party shall designate or maintain a designated import or export monopoly, except for those already established by a Party or prescribed by in its Constitution, as listed in Annex 3. For the purposes of this Article, import or export monopoly means the exclusive right or grant of authority by a Party to an entity to import a good from, or export a good to, the other Party.

Article 10

Prohibition of Quantitative Restrictions

1. No Party may adopt or maintain any prohibition or restriction, on the importation of any good of the other Party or on the exportation or sale for export of any good destined for the territory of the other Party, whether applied by quotas, licenses or other measures, except in accordance with Article XI of GATT 1994, including its interpretative notes. To this end, Article XI of GATT 1994 and its interpretative notes, are incorporated into and made part of this Agreement.

2. No party shall adopt or maintain export or import price requirements, except as permitted in the enforcement of antidumping and countervailing duty orders or price undertakings.

Article 11

Preference Utilisation

1. For the purpose of monitoring the functioning of the Agreement and calculating preference utilisation rates, the Parties shall annually exchange import statistics for a period starting one year after the entry into force of this Agreement until 10 years after the tariff elimination is completed for all goods according to the Schedules in Annex [x]. Unless the [Trade Committee] decides otherwise, this period shall be automatically extended for five years, and thereafter this Committee may decide to subsequently extend it.

2. The exchange of import statistics shall cover data pertaining to the most recent year available, including value and, where applicable, volume, at the tariff line level for imports of goods

of the other Party benefitting from preferential duty treatment under this Agreement and those that received non-preferential treatment.

3. Without prejudice to paragraph 2 no Party shall be obliged to exchange import statistics granted confidentiality according to domestic legislation.

Article 12

Subcommittee on Trade in Goods

Subcommittee on Trade in Goods (hereinafter referred to as "Subcommittee") is hereby established

The Subcommittee's functions shall include:

a) monitoring the implementation and administration of this Title;

b) promoting trade in goods between the Parties;

c) providing a forum for the Parties to consult and endeavor to resolve issues relating to this Title;

d) coordinating the exchange of information on trade in goods between the Parties;

e) evaluating annually the use and the administration of quotas and of preferences granted by this Agreement ;

f) discussing, clarifying, and addressing any technical issues that may arise between the Parties on matters related to the application of each Party's tariff nomenclature as defined in paragraph 7 and 8 of the Annex to this Title

g) undertaking additional work that the Association Committee may assign.

CHAPTER III

COMMON PROVISIONS

Article 13

General exceptions

1. Article XX of the GATT 1994, including its Notes and Supplementary Provisions, is incorporated into and made part of Chapter (XXX – "*Market Access/NTM*") and Chapter (XXX – Customs and Trade Facilitation).

2. In this context, the Parties understand that

(a) the measures referred to in Article XX(b) of the GATT 1994 include environmental measures, such as measures taken to implement multilateral environmental agreements, which are necessary to protect human, animal or plant life or health; and

(b) Article XX(g) of the GATT 1994 applies to measures for the conservation of living and non-living exhaustible natural resources.

3. Before a Party takes any measures provided for in subparagraphs (i) and (j) of Article XX of the GATT 1994, it shall provide the other Party with all relevant information, with a view to seeking a solution acceptable to the Parties. If no agreement is reached within 30 days of providing the information, the Party may apply the relevant measures. Whenever exceptional and critical circumstances require immediate action the Party intending to take the measures may apply the necessary measure without prior notification. The Party shall inform the other Party immediately thereof.

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ANNEX 3

IMPORT/EXPORT MONOPOLIES

1. Uruguay maintains the following designated import and export monopoly: ANCAP (Administración Nacional de Combustibles Alcohol y Portland)

2. Brazil reserves the right to maintain or designate import and export monopolies in the following sectors:

a) Petroleum, gas and other hydrocarbons

b) Nuclear minerals

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EU-MERCOSUR – ANNEX X - TRADE IN WINE AND SPIRITS

Article 1

Scope and coverage

This Annex applies to wine products and spirits produced in Mercosur and the European Union falling under headings 2204, 2205 and 2208 of the International Convention on the Harmonised Commodity, Description and Coding System, hereafter referred to as the 'Harmonised System', done at Brussels on 14 June 1983.

Article 2

Wine definitions and oenological practices

1. The Parties shall make their best efforts to adopt definitions and oenological practices for wine products recommended and published by the International Organization of the Vine and Wine, hereafter referred to as the "OIV".

2. The Parties shall authorize the importation and sale for consumption of wines produced in the other Party, if they have been made, according to:

a) The definitions of products established in each Party, which are in accordance with the relevant OIV standard;

b) The oenological practices established in each Party, in accordance with the relevant OIV standard; and

c) the definitions and oenological practices established in each Party that are otherwise than in accordance with the relevant OIV standard, listed in Appendix 1.

3. If a Party proposes to authorize a new, or modify an existing, definition or oenological practice under Appendix 1 referred to in paragraph 2(c), it shall promptly notify the other Party in writing. The notification shall include a technical dossier including a full explanation of the rationale behind the new definition or oenological practice. The other Party may object in writing within 90 days from the date of receipt of the notification, or else the amendment of Appendix 1 shall be deemed agreed between the Parties.

4. If the Party objects within the 90 days from the date of receipt of the notification referred to in paragraph 3, the Parties shall consult with a view to find a mutually agreed solution within 60 days from the date of receipt of the (notification of) the objection.

This period can be extended by mutual agreement of the Parties.

5. Appendix 1 shall be modified by decision of the Joint Committee to reflect the modification agreed by the Parties under paragraphs 3 and 4.

6. Without prejudice to the modification of Appendix 1 referred to in paragraph 5, and except in cases where there is no agreement of the Parties to amend Appendix 1 referred to in paragraph 2 (c), a Party shall authorize the importation and sale for consumption of wines produced in the Party from the date of application of the definition or oenological practice in the territory of the Party adopting the measures.

Article 3

Labelling of wines and spirits

1. No Party shall require any of the following date or their equivalent to appear on the container, label, or packaging of a wine or spirit:

a. date of packaging;

b. date of bottling;

c. date of production or manufacture;

2. A Party may require the display of a date of minimum durability on products that on account of the addition of perishable ingredients could have a shorter date of minimum durability than would normally be expected by the consumer.

3. No Party shall require translations of trademarks, brand names or geographical indications to appear on wines and spirit containers, labels, or packaging.

4. Each Party shall permit mandatory information, including translations, to be displayed on a supplementary label affixed to a wine and spirit container.

Supplementary labels may be affixed to an imported container of wines and spirits after importation but prior to the product being offered for sale in the Party's territory, provided that the mandatory information of the original label is fully and accurately reflected.

5. The use of identification lot codes shall be permitted and, when present, preserved from deletion.

6. No Party shall apply a measure to wines and spirits that were marketed in the Party's territory prior to the date on which the measure entered into force, except when duly justified.

7. Use of drawings, figures, illustrations shall be permitted on bottles. They shall not replace mandatory labelling information and shall not mislead the consumer as to the real characteristics and composition of the wines and spirits.

8. The name of wine varieties on the label may be used in wines imported and marketed in the territory of the Parties when such wines are produced with that variety and the variety is mentioned in at least one of the following lists:

(i) the International Organization of Vine and Wine (OIV);

(ii) the Union for the Protection of Plant Varieties (UPOV);

(iii) the International Board for Plant Genetic Resources (IBPGR).

The name of a wine variety of a Party containing or consisting of a protected designation of origin or a protected geographical indication of the other Party shall not be used in the labelling of wines exported to the other Party

As regards the list of geographical indications set out in Part A and B of Annex II of XXX The parties define in paragraph 3 of the appendix to Annex II the names of the plant varieties and the use of which shall not be prevented.

9. Wine and spirits shall not be subject to allergen labelling with regard to allergens which have been used in the manufacture and preparation of the wine or spirit and are not present in the final product[1].

10. For trade in wine between the Parties, a sparkling wine may be described or presented with an indication of the product type as specified in the International Code of Oenological Practices of the International Wine Organisation (OIV).

11. The following names are protected with regard to wines and spirits, in conformity with the Paris Convention:

(a) the name of a Member State of the European Union for wines and spirits originating in the Member State concerned,

(b) the name of a MERCOSUR Member State.

Article 4

Use of Specific Terms in Wine Products

1. The European Union shall allow the use of the wine terms listed in Appendix 2, Part A, in wine products marketed in the EU from Mercosur Member countries, as defined in their respective domestic legislation.

2. Mercosur shall allow the use of the wine terms listed in Appendix 2, Part B, in wine products marketed in Mercosur from the European Union, as defined in the EU legislation.

3. A Party may notify to the other Party an application for the inclusion of additional wine

[1] This provision does not apply to the labelling of gluten.

terms in Appendix 2, Part A and/or Part B. The notification shall include a technical dossier including the definition of the wine terms and the legislative reference. The other Party shall notify within 6 months from the date of receipt of the notification the result of the examination of the application. If based on the results of the examination, the inclusion of the additional term is accepted, the Sub-Committee may decide based on the consensus of the Parties to include it in Appendix 2.

Article 5

Certification of wines and spirits

1. For wine products imported from a Party and placed on the market in the other Party, the documentation and certification that may be required by either Party shall be limited to that set out in Appendix 3.

2. The Parties shall authorise the importation in their territory of spirits in accordance with the rules governing the import certification document and analysis reports as provided for in their internal legislation.

3. The Parties reserve the right to introduce temporary additional import certification requirements for wines and spirits imported from the other Party in response to legitimate public policy concerns, such as health or consumer protection or in order to act against fraud. In this case, the other Party shall be given adequate information in sufficient time to permit the fulfilment of the additional requirements.

The Parties agree that such requirements shall not extend beyond the period of time necessary to respond to the particular public policy concern in response to which they were introduced.

4. The Parties may jointly decide to amend or modify Appendix 2 concerning documentation and certification referred to in paragraph 1. Such decisions shall be adopted by consensus in the Sub-Committee referred to in Article 8.

Article 6

Applicable rules and national treatment

1. Unless otherwise provided for in this Annex or in the Agreement and without prejudice to the application of the provisions of SPS Chapter XX importation and marketing of products covered by this Annex, traded between the Parties, shall be conducted in compliance with the laws and regulations applying in the territory of the Party of importation.

2. Wine products imported from the territory of any Party shall be accorded not less favorable treatment than that accorded to similar wine products of national origin.

Article 7

Transitional measures

Wine products and spirits which, at the date of entry into force, have been produced, described and presented in accordance with the internal laws and regulations of the Parties and their bilateral

obligations to each other, but in a manner prohibited by the provisions in this Annex may be marketed under the following conditions:

(i) by wholesalers or producers, for a period of 3 years;

(ii) by retailers, until stocks are exhausted.

Article 8

Sub-Committee on trade in wines and spirits and cooperation

1. The Parties agree to set up a Sub-Committee on trade in wines and spirits, herein referred to as 'the Sub-Committee', with the purpose of monitoring the development of this Annex, intensifying their co-operation and exchanging information.

2. The Parties shall through the Sub-Committee maintain contact on all matters relating to the implementation and the functioning of this Annex. In particular, the Parties shall ensure timely notification to each other of amendments to laws and regulations on matters covered by this Annex that have an impact on products traded between them.

3. The Sub-Committee shall see to the proper functioning of this Annex and may make recommendations and adopt decisions by consensus.

4. The Sub-Committee shall determine its own rules of procedure.

Article 9

Cooperation on trade in wines and spirits

1. The Parties shall cooperate on and address issues related to trade in wines and spirits, in particular:

a) product definitions, certification and labelling of wines;

b) use of grape varieties in winemaking and labelling thereof;

c) product definitions, certification and labelling of spirits.

2. The bodies and authorities referred to in this Article shall closely and directly cooperate and shall seek ways of improving assistance to each other in the application of this *Annex* and in particular in order to combat fraudulent practices.

Article 10

Focal Points

1. To facilitate mutual assistance between enforcement authorities of the Parties, each Party shall designate the bodies and authorities responsible for the application/enforcement of this Annex. Where a Party designates more than one competent body or authority, it shall ensure the coordination of the work of those bodies and authorities. In that case, a Party shall also designate a

single liaison authority that should serve as the single contact point for the authority or body of the other Party.

2. The Parties shall inform one another of the names and addresses of the bodies and authorities referred to in this Article no later than six months after the date of entry into force of this Article. The Parties shall inform each other of the changes of the bodies and authorities.

Appendix 1

Definitions and oenological practices accepted by the Parties

1. Fresh Lees

Fresh lees may be used under the specific and limited conditions set out in line item 11.2 of Table 2 of Part A of Annex I to Commission Delegated Regulation (EU) 2019/934.

2. Concentrated grape must, rectified concentrated grape must and sucrose

Concentrated grape must, rectified concentrated grape must and sucrose, may be used for enrichment and sweetening under specific and limited conditions (Annex VIII, Part I of Regulation (EU) No 1308/2013 and art. 22 Brazil Federal Decree nº 8.198/2014), subject to the exclusion of use of these products in a reconstituted form in wines covered by this Annex.

3. Prohibition of addition of water

The addition of water in winemaking is excluded, except where required to dissolve authorised oenological compounds used in winemaking.

Appendix 2

Part A

Mercosur:

ARGENTINA:
Crianza[2], Dulce Natural[3], Fino[4], Gran Reserva[5], Reserva[6], Vino Dulce Natural[7], Vino Generoso[8].
Denominación de origen controlada (DOC), Indicación geográfica (IG), Indicación de Procedencia (IP)

BRAZIL:

[2] The use of the term is allowed for wines which are covered by a Geographical Indication.
[3] The use of the term is allowed for wines which are covered by a Geographical Indication.
[4] The use of the term is allowed for wines which are covered by a Geographical Indication.
[5] The use of the term is allowed for wines which are covered by a Geographical Indication and have been aged in barrel prior to bottling for at least 18 months (for red wines) and 12 months (for white and rose wines).
[6] The use of the term is allowed for wines which are covered by a Geographical Indication and have been aged in barrel prior to bottling for at least 12 month (for red wines) and 6 months (for white and rose wines).
[7] The use of the term is allowed for wines which are covered by a Geographical Indication.
[8] The use of the term is allowed for wines which are covered by a Geographical Indication.

Fino[9], Gran Reserva[10], Leve[11], Reserva[12].
Denominacao de origen (DO), Indicacao geográfica (IG), Indicaçao de Procedencia (IP)

URUGUAY:
Fino[13], Leve[14], Reserva[15], Viejo[16], Vino Generoso[17].
Denominación de origen (DO), Denominación de origen controlada (DOC), Indicación geográfica (IG), Indicación de Procedencia (IP)

Part B

European Union:

Appendix 3

Documentation and certification of wine products

Certification documents and analysis report

1. The Parties shall authorise the importation in their territory of wines in accordance with the rules governing the import certification documents and analysis reports as provided for according to the terms of this Part.

2. The evidence that the requirements for the importation of wine in the territory of a Party have been fulfilled shall be supplied to the competent authorities of the importing Party by the production:

(a) of a certificate issued by a mutually recognised official authority of the country of origin; and

(b) if the wine is intended for direct human consumption, of an analysis report drawn up by a laboratory officially recognised by the country of origin. The analysis report shall include the following information:

(i) total alcoholic strength by volume
(ii) total acidity, expressed as tartaric acid
(iii) volatile acidity, expressed as acetic acid
(iv) total sulphur dioxide.

[9] The use of the term is allowed for wines which are covered by a Geographical Indication.
[10] The use of the term is allowed for wines which are covered by a Geographical Indication and have been aged in barrel prior to bottling for at least 18 months (for red wines) and 12 months (for white and rose wines).
[11] The use of the term is allowed for wines which are covered by a Geographical Indication.
[12] The use of the term is allowed for wines which are covered by a Geographical Indication and have been aged in barrel prior to bottling for at least 12 month (for red wines) and 6 months (for white and rose wines).
[13] The use of the term is allowed for wines which are covered by a Geographical Indication.
[14] The use of the term is allowed for wines which are covered by a Geographical Indication.
[15] The use of the term is allowed for wines which are covered by a Geographical Indication and have been aged in barrel prior to bottling for at least 12 month (for red wines) and 6 months (for white and rose wines).
[16] The use of the term is allowed for wines which are covered by a Geographical Indication.
[17] The use of the term is allowed for wines which are covered by a Geographical Indication.

3. The Parties shall determine by decision adopted by consensus by the Sub-Committee the details of the rules set out in paragraph 2 of this Appendix, in particular the forms to be used and the details of the information to be provided in the analysis report.

4. The Parties agree that the methods of analysis recognised as reference methods by the OIV and published by that Office or, where an appropriate method does not appear in this publication, a method of analysis complying with the standards recommended by the International Organisation for Standardisation (ISO), shall prevail as reference methods for the determination of the analytical composition of the wine in the context of control operations.

5. The Parties agree not to submit the import of wine originating in the territory of the other Party to more restrictive import certification requirements than any of those laid down in this Agreement.

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

PROTOCOL ON RULES OF ORIGIN

Section A - Rules of Origin

Article 1

Definitions

For the purposes of this Protocol:

a) "classified" refers to the classification of a product or material under a particular Section, Chapter, heading or subheading of the Harmonised System;

b) "consignment" means products which are either sent simultaneously from one exporter to one consignee or covered by a single transport document covering their shipment from the exporter to the consignee or in the absence of such a document, by a single invoice;

c) “customs authority or competent governmental authority” refers to:

- in the European Union, to the services of the European Commission responsible for customs matters and the customs administrations and any other authorities responsible in the Member States of the Union for the application and enforcement of customs legislation;

- in Mercosur to the competent authorities or their successors: Argentina: Ministerio de Producción y Trabajo, Secretaria de Comercio Exterior; Brasil: Ministério da Economia, Secretaria Especial de Comércio Exterior e Assuntos Internacionais, Secretaria Especial da Receita Federal do Brasil; Paraguay: Ministerio de Industria y Comercio, Viceministerio de Comercio; Uruguay: Ministerio de Economía y Finanzas, Asesoría de Política Comercial;

d) "fungible materials" means materials that are of the same kind and commercial quality, with the same technical and physical characteristics, and which cannot be distinguished from one another once they are incorporated into the product;

e) "goods" means both materials and products;

f) "manufacture" means any kind of working or processing, including assembly or specific operations;

g) "material" means any ingredient, raw material, component or part, etc., used in the manufacture of the product;

h) "product" means the product being manufactured, even if it is intended for later use in another manufacturing operation;

Article 2

General requirements

1. For the purpose of implementing this Agreement, the following products shall be considered as originating in the European Union:

(a) products wholly obtained in the European Union within the meaning of Article 4;

(b) products obtained in the European Union exclusively from originating materials;

(c) products obtained in the European Union incorporating non-originating materials provided they have fulfilled the conditions set out in Annex II (Product Specific Rules)

and when those products satisfy all other applicable requirements of this Protocol.

2. For the purpose of implementing this Agreement, the following products shall be considered as originating in Mercosur:

(a) products wholly obtained in Mercosur within the meaning of Article 4;

(b) products obtained in Mercosur exclusively from originating materials;

(c) products obtained in Mercosur incorporating non-originating materials provided they have fulfilled the conditions set out in Annex II (Product Specific Rules)

and when those products satisfy all other applicable requirements of this Protocol.

3. When a product has acquired originating status, the non-originating materials used in the manufacture of the product shall not be considered non-originating when that product is incorporated as material in another product.

Article 3

Bilateral cumulation of origin

1. Goods originating in the European Union shall be considered as goods originating in Mercosur when incorporated into a product obtained there, provided they have undergone working or processing going beyond the operations referred to in Article 6.

2. Goods originating in Mercosur shall be considered as goods originating in the European Union when incorporated into a product obtained there, provided they have undergone working or processing going beyond the operations referred to in Article 6.

Article 4

Wholly obtained products

1. The following shall be considered as wholly obtained products either in the European Union or in Mercosur:

(a) mineral products and other natural substances extracted from their soil or from their seabed;

(b) plants and vegetable products grown or harvested there;

(c) live animals born and raised there;

(d) products from live animals raised there;

(e) products from slaughtered animals born and raised there;

(f) products obtained by hunting or fishing conducted there;

(g) products of aquaculture where the fish, crustaceans, molluscs and other aquatic invertebrates are born and raised there;

(h) products of fishing and other products taken from the sea by their vessels[1];

(i) products made aboard their factory ships exclusively from products referred to in subparagraph (h);

(j) mineral products and other non-living natural resources, taken or extracted from the seabed, subsoil, or ocean floor of:

(i) the Exclusive Economic Zone of Member States of Mercosur or of Member States of the European Union, as determined by domestic law and consistent with Part V of the United Nations Convention on the Law of the Sea, ("UNCLOS");

[1] This subparagraph is without prejudice to the sovereign rights and obligations of the Parties [EU: under] [MCS: in accordance with] UNCLOS [EU: in particular with respect to] [MCS: within:] the Exclusive Economic Zone and Continental Shelf.

(ii) the Continental Shelf of Member States of Mercosur or of Member States the of the European Union, as determined by domestic law and consistent with Part VI of UNCLOS; or

(iii) the Area, as defined in Article 1(1) of UNCLOS,

where a Party or a person of a Party has exclusive exploitation rights, consistent with Part XI of UNCLOS and the Agreement relating to the implementation of Part XI of UNCLOS.

(k) used articles collected there fit only for the recovery of raw materials,

(l) waste and scrap resulting from manufacturing operations conducted there[2];

(m) goods produced there exclusively from the products specified in subparagraphs (a) to (l).

2. The terms "their vessels" and "their factory ships" in subparagraphs 1(h) and (i) shall apply only to vessels and factory ships:

(a) which are registered in a Member State of the European Union or in Mercosur and, where appropriate, have fishing licences issued by a Member State of Mercosur or the European Union in the name of fishing companies duly registered to operate in that Member State; and

(b) which sail under the flag of the same registering Member State of the European Union or of Mercosur[3]; and

(c) which meet one of the following conditions:

(i) they are at least 50% owned by one or more natural persons[4] of the Parties; or

(ii) they are owned by juridical persons[5]:

(A) which have their head office and their main place of business in a Party, and

[2] Provisions of letters (k) and (l) are without prejudice to national legislation regarding the import of the goods mentioned therein.

[3] Products of fishing or other products taken from the sea by chartered vessels sailing under the flag of the Member States of Mercosur or the EU are considered originating in the Member State of Mercosur or of the European Union in which the fishing licences are issued provided that they fulfil also the other criteria in this paragraph.

[4] For the purpose of this Article the definition of Article 2 of Chapter on Services applies.

[5] For the purpose of this Article the definition of Article 2 of Chapter on Services applies.

(B) in which at least 50 per cent of the ownership belongs to natural persons or juridical persons of the Parties; or

(iii) at least a minimum of two thirds of the crew are natural persons of the Parties.

Article 5

Tolerances

1. If a non-originating material used in the manufacture of a product does not satisfy the requirements set out in Annex I (*Product Specific Rules*), the product shall be considered as originating in a Party provided that:

(a) their total value of non-originating material used does not exceed 10 per cent of the ex-works price of the product; and

(b) any of the percentages given in the list for the maximum value or weight of non-originating materials are not exceeded through the application of this paragraph.

2. Paragraph 1 shall not apply to products falling within Chapters 50 to 63 of the Harmonised System, for which tolerances stipulated in Notes 6 and 7 of Annex I (*Introductory Notes*) shall apply.

Article 6

Insufficient working or processing operations

1. Notwithstanding paragraph 1 (c) and paragraph 2 (c) of Article 2, a product shall not be considered originating in a Party if the manufacture of the product consists only of the following operations conducted on non-originating materials in a Party.

(a) preserving operations to ensure that the products remain in good condition during transport and storage;

(b) changes of packaging and breaking-up and assembly of packages;

(c) washing, cleaning, the removal of dust, oxide, oil, paint or other coverings;

(d) ironing or pressing of textiles;

(e) simple painting and polishing operations;

(f) husking, partial or total bleaching, polishing, and glazing of cereals and rice;

(g) operations to colour or flavour sugar or form sugar lumps; partial or total milling of crystal sugar;

(h) peeling, stoning and shelling, of fruits, nuts and vegetables;

(i) sharpening, simple grinding, separating or simple cutting;

(j) sifting, screening, sorting, classifying, grading, matching (including the making-up of sets of articles);

(k) simple placing in bottles, cans, flasks, bags, cases, boxes, fixing on cards or boards and all other simple packaging operations;

(l) affixing or printing marks, labels, logos and other similar signs on products or their packaging;

(m) simple mixing of products, whether or not of different kinds; mixing of sugar with any material;

(n) simple assembly of non-originating parts to constitute a complete product or disassembly of products into parts;

(o) simple addition of water or dilution or dehydration or denaturation of products;

(p) a combination of two or more operations specified in subparagraphs (a) to (o);

(q) slaughter of animals.

2. For the purposes of paragraph 1, operations shall be considered simple when neither special skills nor machines, apparatus or tools especially produced or installed for those operations are required for their performance.

Article 7

Unit of qualification

The unit of qualification for the application of the provisions of this Protocol shall be the particular product as classified in accordance with the nomenclature of the Harmonised System.

Accordingly, it follows that:

(a) when a product composed of a group or assembly of articles is classified under the terms of the Harmonised System in a single heading, the whole constitutes the unit of qualification; and

(b) when a consignment consists of a number of identical products classified under the same heading of the Harmonised System, each product must be taken individually when applying the provisions of this Protocol.

Article 8

Packaging materials, packing materials and containers

1. Where, under General Rule 5 of the Harmonised System, packaging is included with the product for classification purposes, it shall be included for the purposes of determining origin.

2. Packing materials and containers for shipment that are used to protect products during transportation shall be disregarded in determining the origin of that product.

Article 9

Accessories, spare parts and tools

Accessories, spare parts and tools dispatched with a piece of equipment, machine, apparatus or vehicle, which are part of the normal equipment and included in the price thereof or which are not separately invoiced, shall be regarded as one with the piece of equipment, machine, apparatus or vehicle in question.

Article 10

Accounting segregation

1. Where fungible originating and non-originating materials are used in the manufacture of a product, those materials shall be physically segregated, according to their origin, during storage.

2. However, physical segregation of fungible originating and non-originating materials is not needed in the manufacture of a product, when the origin of the products is determined pursuant to the so-called “accounting segregation” method for managing stocks.

3. This method is recorded and applied in accordance with the generally accepted accounting principles applicable in the Party where the product is manufactured.

4. The accounting segregation method may be used only if it can be ensured that, at any time, no more products receive originating status than would be the case if the materials had been physically segregated.

5. A Party may require that the application of the accounting segregation method referred to in paragraph 2 is subject to a prior authorisation by their customs authorities. The customs authorities may grant the authorisation subject to any conditions deemed appropriate and, in that case, they shall monitor the use of the authorisation and may withdraw it at any time whenever the beneficiary of the authorization makes improper use of it in any manner or fails to fulfil any of the other conditions laid down in this Protocol.

Article 11

Sets

Sets, as defined in General Rule 3 of the Harmonised System, shall be regarded as originating when all component products are originating. Nevertheless, when a set is composed of originating and non-originating products, the set as a whole shall be regarded as originating, provided that the value of the non-originating products does not exceed 15 per cent of the ex-works price of the set.

Article 12

Neutral elements

In order to determine whether a product originates, it shall not be necessary to determine the origin of the following which might be used in its manufacture:

(a) energy and fuel;

(b) plant and equipment;

(c) machines and tools;

(d) goods which do not enter and which are not intended to enter into the final composition of the product.

Article 13

Principle of territoriality

1. The conditions set out in this Protocol relating to the acquisition of originating status shall be fulfilled without interruption in the European Union or Mercosur.

2. If originating goods exported from the European Union or Mercosur to another country return, they must be considered as non-originating, unless it can be demonstrated to the satisfaction of the customs authorities that:

(a) the goods returned are the same as those exported; and

(b) they have not undergone any operation beyond that necessary to preserve them in good condition while in that country or while being exported.

Article 14

Transport conditions

1. The products declared for importation in a Party shall be the same products as exported from the other Party in which they are considered originating. They shall not have been altered, transformed in any way or subjected to operations other than operations to preserve them in good condition or other than adding or affixing marks, labels, seals or any other distinguishing signs, to ensure compliance with specific domestic requirements of the importing country, prior to being declared for import.

2. Storage of products or consignments and splitting of consignments may take place where carried out under the responsibility of the exporter or of a subsequent holder of the goods and the products remain under customs supervision in the country(ies) of transit.

3. Compliance with the paragraphs 1 and 2 shall be considered as satisfied unless the customs authorities have reason to believe the contrary; in such cases, the customs authorities may request the declarant to provide evidence of compliance, which may be given by any means, including contractual transport documents such as bills of lading, factual or concrete evidence based on marking, numbering of packages or any evidence related to the goods themselves.

Article 15

Exhibitions

1. Originating products, sent for exhibition in a country other than the European Union or Mercosur and sold after the exhibition for importation in the European Union or Mercosur shall benefit on importation from the provisions of the Agreement provided it is shown to the satisfaction of the customs authorities of the importing country that:

(a) an exporter has consigned these products from the European Union or Mercosur to the country in which the exhibition is held and has exhibited them there;

(b) the products have been sold or otherwise disposed of by that exporter to a person in the European Union or Mercosur;

(c) the products have been consigned during the exhibition or immediately thereafter in the state in which they were sent for exhibition; and

(d) the products have not, since they were consigned for exhibition, been used for any purpose other than demonstration at the exhibition.

2. A statement on origin must be made out in accordance with the provisions of Section B and submitted to the customs authorities of the importing country in the normal manner. The name and address of the exhibition shall be indicated thereon.

3. Paragraph 1 shall apply to any trade, industrial, agricultural or crafts exhibition, fair or similar public show or display, which is not organised for private purposes in shops or business premises with a view to the sale of foreign products, and during which the products remain under customs control.

Section B - Origin Procedures

Article 16

General requirements

Products originating in the European Union shall, on importation into Mercosur and products originating in Mercosur shall, on importation into the European Union benefit from this Agreement upon submission, as required by and in accordance with the procedures applicable in that Party, of a statement on origin made out in accordance with Article 17.[6]

Article 17

Conditions for making out a statement on origin

1. A statement on origin as referred to in Article 16 may be made out:

(a) by an exporter in accordance with the relevant legislation of the Party of export, or

(b) by any exporter for any small consignment consisting of one or more packages containing originating products whose total value does not exceed the threshold stipulated in the relevant legislation of the Party of export.

[6] A certificate of origin will be valid in accordance with the transitional measures contained in Annex IV of this Protocol, for the period specified therein.

2. With regard to the relevant legislation referred to in paragraph 1, Parties agree to exchange information at the time of the entry into force of this Agreement, when there are any subsequent modifications, or upon request of either Party after the entry into force of this Agreement.

3. A statement on origin may be made out if the products concerned can be considered as products originating in the European Union or Mercosur and fulfil the other requirements of this Protocol.

4. The exporter making out a statement on origin shall be prepared to submit at any time, at the request of the customs authorities or competent governmental authorities of the Party of export, all appropriate documents proving the originating status of the products concerned as well as the fulfilment of the other requirements of this Protocol.

5. A statement on origin shall be made out by the exporter on the invoice, the delivery note or another commercial document that describes the originating product in sufficient detail to enable its identification using one of the linguistic versions as set out in Annex III and in accordance with the provisions of the domestic law of the Party of export.

6. A statement on origin shall bear the original signature of the exporter in manuscript unless otherwise provided in the relevant legislation of the Party of export.

7. A statement on origin may be made out by the exporter when the products to which it relates are exported, or after exportation on condition that it is presented in the Party of import no longer than two years after the importation of the products to which it relates.

Article 18

Validity of a statement on origin

1. A statement on origin shall be valid for 12 months from the date it was made out by the exporter, and shall be submitted within the said period to the customs authorities of the Party of import.

2. Statements on origin which are submitted to the customs authorities of the Party of import after the final date for presentation specified in paragraph 1 may be accepted for the purpose of applying preferential treatment, where the failure to submit these documents by the final date set is due to exceptional circumstances.

3. In the other cases of belated presentation, the customs authorities of the Party of import may accept the proofs of origin where the products have been submitted before the said final date.

Article 19

Importation by instalments

Where, at the request of the importer and on the conditions laid down by the customs authorities of the Party of import, dismantled or non-assembled products within the meaning of General

Rule 2(a) of the Harmonised System classified within Sections XV to XXI of the Harmonised System are imported by instalments, a single statement on origin for such products shall be submitted to the customs authorities upon importation of the first instalment.

Article 20

Exemptions from a statement on origin

1. Products sent as small packages from private persons to private persons or forming part of travellers' personal luggage shall be admitted as originating products without requiring the submission of a statement on origin, provided that such products are not imported by way of trade, have been declared as meeting the requirements of this Protocol and where there is no doubt as to the veracity of such a declaration. In the case of products sent by post, this declaration can be made on the customs declaration CN22/CN23 or on a sheet of paper annexed to that document.

2. Imports which are occasional and consist solely of products for the personal use of the recipients or travellers or their families, shall not be considered as imports by way of trade, if it is evident from the nature and quantity of the products that no commercial purpose is in view.

3. Furthermore, the total value of these products shall not exceed the values stipulated in the respective legislation of the Party of import. The Parties shall exchange information on those values.

Article 21

Supporting documents

The documents referred to in Article 17(4) used for the purpose of proving that products covered by a statement on origin can be considered as products originating in the European Union or in Mercosur and fulfil the other requirements of this Protocol may consist *inter alia* of the following:

(a) direct evidence of the processes carried out by the exporter or supplier to obtain the goods concerned, contained for example in his accounts or internal book-keeping;

(b) documents proving the originating status of materials used, issued or made out in the European Union or Mercosur where these documents are used in accordance with domestic law;

(c) documents proving the working or processing of materials in the European Union or Mercosur, issued or made out in the European Union or Mercosur, where these documents are used in accordance with domestic law;

(d) a statement on origin proving the originating status of materials used, made out in the European Union or Mercosur in accordance with this Protocol.

Article 22

Record keeping requirements

The exporter making out a statement on origin shall keep for at least three years a copy of this statement on origin as well as the documents referred to in Article 17(4).

Article 23

Discrepancies and formal errors

1. The discovery of slight discrepancies between the statements made in the statement on origin and those made in the documents submitted to the customs office for the purpose of carrying out the formalities for importing the products shall not, because of that fact, render the statement on origin null and void if it is duly established that this document does correspond to the products submitted.

2. Obvious formal errors on a statement on origin should not cause this document to be rejected if these errors are not such as to create doubts concerning the correctness of the statements made in this document.

Article 24

Cooperation between customs authorities and competent governmental authorities

1. The customs authorities or competent governmental authorities of the Member States of the European Union and of the Member States of Mercosur shall provide each other, by communication between the European Commission and the Secretariat of Mercosur with the addresses of the customs or competent governmental authorities responsible for verifying statements on origin.

2. In order to ensure the proper application of this Protocol, the European Union and Mercosur shall assist each other, through the competent administrations, in checking the authenticity of the statement on origin and the correctness of the information given in these documents.

3. To prevent, investigate and combat breaches in customs legislation, the Protocol on Mutual Administrative Assistance in Customs Matters agreed between the European Union and Mercosur provides for cooperation between customs or competent governmental authorities, including the presence of duly authorised officials of one Party in the territory of the other, subject to the agreement and the appropriate conditions laid down by the Party in whose territory the assistance is being given.

Article 25

Verification of statements on origin

1. Subsequent verifications of statements on origin shall be carried out at random or whenever the customs authorities or competent governmental authorities of the Party of import have reasonable doubts as to the authenticity of such documents, the originating status of the products concerned or the fulfilment of the other requirements of this Protocol.

2. For the purposes of implementing the provisions of paragraph 1, the customs authorities or competent governmental authorities of the Party of import shall return the statement on origin, or a copy, to the customs authorities or competent governmental authorities of the Party of export giving the reasons for the enquiry. Any documents and information obtained suggesting that the information given on the statement on origin is incorrect shall be forwarded in support of the request for verification.

3. The request for verification, and the subsequent reply, shall be submitted in an official language of the customs authority or competent governmental authority of the Party of import requesting the verification, in a language acceptable to that Party or in accordance with Article 5(3) of the Protocol on Mutual Administrative Assistance in Customs Matters agreed between the European Union and Mercosur.

4. The verification shall be carried out by the customs authorities or competent governmental authorities of the Party of export. For this purpose, they shall have the right to call for any evidence and to carry out any inspections of the exporter's accounts or any other check considered appropriate.

5. If the customs authorities or competent governmental authorities of the Party of import decide to suspend the granting of preferential treatment to the products concerned while awaiting the results of the verification, release of the products shall be offered to the importer subject to any precautionary measures judged necessary.

Any suspension of preferential treatment shall be terminated as soon as possible after the Party of import has determined the origin of the products.

6. The customs authorities or competent governmental authorities of the Party of import requesting the verification shall be informed of the results of this verification as soon as possible. The Party of export shall provide to the customs authorities or competent governmental authorities of the Party of import requesting the verification, the following information:

(i) the results of the verification;

(ii) the description of the product subject to verification and the tariff classification relevant to the application of the rule of origin;

(iii) a description and explanation of the production sufficient to support the rationale concerning the originating status of the product;

(iv) information on the manner in which the verification was conducted; and

(v) where appropriate, supporting documentation.

7. If there is no reply within ten months of the date of the verification request or if the reply does not contain sufficient information to determine the authenticity of the document in question or the origin of the products, the requesting customs authorities or competent governmental authorities shall, except in exceptional circumstances, refuse entitlement to the preferences to the products covered by the statement on origin. The period of ten months may be extended by mutual agreement between the Parties taking into account the number of the verification requests and the complexity of the verifications.

8. The customs authorities or competent governmental authorities of the Party of import requesting the verification shall notify upon request of the customs authorities or competent government authorities of the Party of export about their decision on the verification process.

Article 26

Consultations

1. Where in relation to the verification procedures of Article 25 the customs authority or competent government authority of the Party of import intends to make a determination of origin that is not consistent with the reply in accordance with Article 25(6) provided by the customs authority or competent governmental authority of the Party of export, the Party of import shall notify this intention to the Party of export within 60 days of receiving the reply in accordance with Article 25(6).

2. At the request of either Party, the Parties shall hold consultations within 90 days or within an agreed period of time from the date of the notification referred to in paragraph 1, with a view to resolving those differences. The period for consultation may be extended on a case by case basis by mutual written agreement between the Parties.

3. If there are differences in relation to the verification procedures which cannot be settled between the customs authorities or competent governmental authorities of the Party of import requesting a verification and the customs authorities or competent governmental authorities of the Party of export responsible for carrying out this verification or where they raise a question as to the interpretation of this Protocol, they shall be submitted to the Special Committee on Customs, Trade Facilitation and Rules of Origin.

4. The customs authorities or competent governmental authorities of the Party of import requesting a verification may make its determination on origin after consultations in the Special Committee on Customs, Trade Facilitation and Rules of Origin and only on the basis of sufficient justification after having granted the importer the right to be heard. This determination shall be notified to the Party of export.

5. Nothing in this Article affects the procedures or the rights of the Parties under Chapter XXX (Dispute Settlement).

6. In all cases the settlement of disputes between the importer and the customs or competent governmental authorities of the Party of import shall be under the legislation of the said country.

Article 27

Administrative measures and sanctions

In accordance with each Party's laws and regulations, administrative measures and sanctions shall be imposed on any person who draws up, or causes to be drawn up, a document which contains incorrect information for the purpose of obtaining a preferential treatment for products.

Section c - Final Provisions

Article 28

Ceuta and Melilla

1. For the purpose of this Chapter, in the case of the Union, the term "Party" does not include Ceuta and Melilla.

2. Products originating in Mercosur, when imported into Ceuta or Melilla shall in all respects be subject to the same customs treatment under this Agreement as that which is applied to products originating in the customs territory of the European Union under Protocol 2 of the Act of Accession of the Kingdom of Spain and the Portuguese Republic to the European Union. Mercosur shall grant to imports of products covered by the Agreement and originating in Ceuta and Melilla the same customs treatment as that which is granted to products imported from and originating in the European Union.

3. The rules of origin and origin procedures under this Protocol shall apply *mutatis mutandis* to products exported from Mercosur to Ceuta and Melilla and to products exported from Ceuta and Melilla to Mercosur.

4. Ceuta and Melilla shall be considered as a single territory.

5. The exporter or his authorized representative shall enter “Mercosur” and “Ceuta and Melilla” in field 2 of the text of the statement on origin, depending on the origin of the product.

6. The Spanish customs authorities shall be responsible for the application and implementation of this Protocol in Ceuta and Melilla.

Article 29

Amendments to the Protocol

The [relevant body dealing with trade matters] may decide to amend the provisions of this Protocol.

Article 30

Special Committee on Customs, Trade Facilitation and Rules of Origin

1. The Special Committee on Customs, Trade Facilitation and Rules of Origin established pursuant to Article XX (hereinafter referred to in this Protocol as the "Committee") shall be responsible for the effective implementation and operation of this Protocol, in addition to the other responsibilities specified in Article XX.

2. For the purposes of this Protocol, the Committee shall have the following functions:

(a) reviewing and making appropriate recommendations, as necessary, to the [Joint Committee] on:

(i) the implementation and operation of this Protocol; and

(ii) any amendments of the provisions of this Protocol proposed by a Party, including product specific rules of origin in view to further facilitating trade between the Parties, taking into account, for example, changes to the Harmonized System and technological developments.

(b) adopting explanatory notes to facilitate the implementation of the provisions of this Protocol;

(c) considering any other matter related to this Protocol as the Parties may agree.

Article 31

Goods in transit or storage

The provisions of this Agreement may be applied to goods which comply with the provisions of this Protocol and which on the date of entry into force of this Agreement are either in transit or are in the European Union or in Mercosur, in temporary storage in bonded warehouse or in free zones, subject to the submission to the customs authorities of the importing country, within six months of the said date, of a statement on origin and where appropriate with the documents showing that the goods comply with Article 14.

Article 32

Explanatory Notes

The Parties shall agree as appropriate, “Explanatory Notes” regarding the interpretation, application and administration of this Annex within the Special Committee on Customs, Trade Facilitation and Rules of Origin.

Article 33

Products exported under Tariff Rate Quotas granted by the EU shall be accompanied by an official document issued by the Party the model of which should be communicated by Mercosur no later than the entry into force of this Agreement.

ANNEX I

INTRODUCTORY NOTES TO PRODUCT SPECIFIC RULES

Note 1

General principles

1. This Annex sets out the general rules for the applicable requirements of Annex II {PSRs} provided for in subparagraph 1(c) and 2(c) of Article 2.

2. For the purposes of this Annex and Annex II {PSR}, the requirements for a product to be originating in accordance with subparagraph 1 (c) and 2 (c) of Article 2 are a change in tariff classification, a production process, a maximum value of non- originating materials, or any other requirement specified in this Annex and Annex II {PSR}.

3. Reference to weight in a product specific rule of origin means the net weight, which is the weight of a material or a product, not including the weight of packaging.

4. This Annex and Annex II{PSR} are based on the Harmonized System.

Note 2

The structure of Annex II {PSR}

1. Notes on Sections or Chapters, where applicable, are read in conjunction with the product specific rules of origin for the relevant Section, Chapter, heading or subheading.

2. Each product specific rule of origin set out in Column 2 of Annex II{PSR} applies to the corresponding product identified in Column 1 of Annex II{PSR}.

3. If a product is subject to alternative product specific rules of origin, the product shall be originating if it satisfies one of the alternatives. If a product is subject to a product specific rule of origin that includes multiple requirements, the product shall be originating only if it satisfies all of the requirements.

4. For the purpose of this Annex and Annex {PSR},

(a) ‘Section’ means a section of the Harmonized System; and

(b) ‘Chapter’ means the first two-digits in the tariff classification number under the Harmonized System;

(c) ‘heading’ means the first four-digits in the tariff classification number under the Harmonized System;

(d) 'subheading' means the first six-digits in the tariff classification number under the Harmonized System.

5. For the purposes of product specific rules of origin, the following abbreviations apply[7]:

'CC' means manufacture from non-originating materials of any Chapter, except that of the product, or a change to the Chapter, heading or subheading from any other Chapter; this means that all non-originating materials used in the manufacture of the product must undergo a change in tariff classification at the 2-digit level (i.e. a change in Chapter) of the Harmonized System.

'CTH' means manufacture from non-originating materials of any heading, except that of the product, or a change to the Chapter, heading or subheading from any other heading; this means that all non-originating materials used in the manufacture of the product must undergo a change in tariff classification at the 4-digit level (i.e. a change in heading) of the Harmonized System.

'CTSH' means manufacture from non-originating materials of any subheading, except that of the product, or a change to the Chapter, heading or subheading from any other subheading; this means that all non-originating materials used in the manufacture of the product must undergo a change in tariff classification at the 6-digit level (i.e. a change in sub-heading) of the Harmonized System.

Note 3

Application of Annex II {PSR}

1. Paragraphs 1 (c) and 2 (c) of Article 2 concerning products having acquired originating status which are used in the manufacture of other products, applies irrespective of whether or not this status has been acquired inside the same place of production in a Party where those products are used.

2. If a product specific rule of origin provides that a specified non-originating material may not be used or that the value or weight of a specified non-originating material cannot exceed a specific threshold, those requirements do not apply to non-originating materials classified elsewhere in the Harmonized System.

3. If a product specific rule of origin provides that a product shall be produced from a particular material, this does not prevent the use of other materials which cannot satisfy the requirement because of their inherent nature.

Note 4

Calculation of a maximum value of non-originating materials

[7] For greater certainty, if a requirement of a change in tariff classification provides for exception for a change from certain Chapters, headings or subheadings, none of the non- originating materials of those Chapters, headings or subheadings may be used, individually or jointly.

Definitions:

1. For the purposes of product specific rules of origin:

(a) "customs value" means the value as determined in accordance with the Agreement on Implementation of Article VII of the General Agreement on Tariffs and Trade 1994;

(b) "EXW" means the ex-works price of the product paid or payable to the manufacturer in whose undertaking the last working or processing is carried out, provided that the price includes the value of all the materials used and all other costs incurred in the production of a product minus any internal taxes which are, or may be, repaid when the product obtained is exported; or

if there is no price paid or payable or if the actual price paid does not reflect all costs related to the production of the product which are actually incurred in the production of a product, "EXW" means the value of all the materials used and all other costs incurred in the production of the product in the exporting Party which:

(i) include selling, general and administrative expenses, as well as profit, that can be reasonably allocated to the product; and

(ii) exclude the costs of freight, insurance, all other costs incurred in transporting the product and any internal taxes of the exporting Party which are, or may be, repaid when the product obtained is exported;

(c) ‘MaxNOM’ means the maximum value of non-originating materials expressed as a percentage;

(d) ‘VNM’ means the value of non-originating materials used in the manufacture of the product which is its customs value at the time of importation including freight, insurance where appropriate, packing and all the other costs incurred in transporting the materials to the importation port in the Party where the producer of the product is located. Where it is not known and cannot be ascertained, the first ascertainable price paid for the non- originating materials in either Party is used, which may exclude all costs incurred in transporting the non-originating materials within a Party such as freight, insurance and packing costs as well as any other known and ascertainable cost incurred there.

2. For the calculation of MaxNOM, the following formula applies:

$$\text{MaxNOM}(\%) = \frac{\text{VNM}}{\text{EXW}} \times 100$$

Note 5

Definitions of terms used in Section XI of Annex II (PSR)

5.1. The term "natural fibres" is used in the list to refer to fibres other than artificial or synthetic fibres. It is restricted to the stages before spinning takes place, including waste, and, unless otherwise specified, includes fibres which have been carded, combed or otherwise processed, but not spun.

5.2. The term "natural fibres" includes horsehair of heading 05.03, silk of headings 50.02 and 50.03, as well as wool-fibres and fine or coarse animal hair of headings 51.01 to 51.05, cotton fibres of headings 52.01 to 52.03, and other vegetable fibres of headings 53.01 to 53.05.

5.3. The terms "textile pulp", "chemical materials" and "paper-making materials" are used in the list to describe the materials, not classified in Chapters 50 to 63, which can be used to manufacture artificial, synthetic or paper fibres or yarns.

5.4. The term "man-made staple fibres" is used in the list to refer to synthetic or artificial filament tow, staple fibres or waste, of headings 55.01 to 55.07.

5.5. The term "printing" means a technique by which an objectively assessed function, like colour, design, technical performance, is given to a textile substrate with a permanent character, using screen, roller, digital or transfer techniques.

The term "Printing (as standalone operation)" means a technique by which an objectively assessed function, like colour, design, technical performance, is given to a textile substrate with a permanent character, using screen, roller, digital or transfer techniques combined with at least two preparatory/finishing operations (such as scouring, bleaching, mercerizing, heat setting, raising, calendaring, shrink resistance processing, permanent finishing, decatising, impregnating, mending and burling), provided that the value of all the materials used does not exceed 50% of the ex-works price of the product.

Note 6

Tolerances applicable to products containing two or more basic textile materials

6.1. The conditions set out in column 2 shall not be applied to any non-originating basic textile materials (excluding elastomeric yarns) used in the manufacture of the product of Chapters 50 to 63 and which, taken together, represent 10 per cent or less of the total weight of all the basic textile materials used.

6.2. However, the tolerance mentioned in Note 6.1 may be applied only to mixed products which have been made from two or more basic textile materials.

The following are the basic textile materials:
− silk,
− wool,
− coarse animal hair,
− fine animal hair,
− horsehair,
− cotton,
− paper-making materials and paper,

−flax,
−true hemp,
−jute and other textile bast fibres,
−sisal and other textile fibres of the genus Agave,
−coconut, abaca, ramie and other vegetable textile fibres,
−synthetic man-made filaments,
−artificial man-made filaments,
−current-conducting filaments,
−synthetic man-made staple fibres of polypropylene,
−synthetic man-made staple fibres of polyester,
−synthetic man-made staple fibres of polyamide,
−synthetic man-made staple fibres of polyacrylonitrile,
−synthetic man-made staple fibres of polyimide,
−synthetic man-made staple fibres of polytetrafluoroethylene,
−synthetic man-made staple fibres of poly(phenylene sulphide),
−synthetic man-made staple fibres of poly(vinyl chloride),
−other synthetic man-made staple fibres,
−artificial man-made staple fibres of viscose,
−other artificial man-made staple fibres,
−yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped,
−yarn made of polyurethane segmented with flexible segments of polyester, whether or not gimped,
−products of heading 56.05 (metallised yarn) incorporating strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film,
−other products of heading 56.05.

Example:

A yarn, of heading 52.05, made from cotton fibres of heading 52.03 and synthetic staple fibres of heading 55.06, is a mixed yarn. Therefore, non-originating synthetic staple fibres which do not satisfy the origin-rules may be used, provided that their total weight does not exceed 10 per cent of the weight of the yarn.

Example:

A woollen fabric, of heading 51.12, made from woollen yarn of heading 51.07 and synthetic yarn of staple fibres of heading 55.09, is a mixed fabric. Therefore, synthetic yarn which does not satisfy the origin-rules, or woollen yarn which does not satisfy the origin-rules, or a combination of the two, may be used, provided that their total weight does not exceed 10 per cent of the weight of the fabric.

Example:

Tufted textile fabric, of heading 58.02, made from cotton yarn of heading 52.05 and cotton fabric of heading 52.10, is only a mixed product if the cotton fabric is itself a mixed fabric made from yarns classified in two separate headings, or if the cotton yarns used are themselves mixtures.

Example:

If the tufted textile fabric concerned had been made from cotton yarn of heading 52.05 and synthetic fabric of heading 54.07, then, obviously, the yarns used are two separate basic textile materials and the tufted textile fabric is, accordingly, a mixed product.

6.3. In the case of products of Chapters 50 to 63 incorporating "yarn made of polyurethane segmented with flexible segments of polyether, whether or not gimped", this tolerance is 20 per cent in respect of this yarn.

6.4. In the case of products of Chapters 50 to 63 incorporating "strip consisting of a core of aluminium foil or of a core of plastic film whether or not coated with aluminium powder, of a width not exceeding 5 mm, sandwiched by means of a transparent or coloured adhesive between two layers of plastic film", this tolerance is 30 per cent in respect of this strip.

Note 7

Other tolerances applicable to certain textile products

7.1. Textile materials (with the exception of linings and interlinings, elastomeric yarns and sewing threads) which do not satisfy the rule set out in the list in column 2 for the made-up product concerned, may be used, provided that they are classified in a heading other than that of the product and that their value does not exceed 8 per cent of the ex-works price of the product.

7.2. Without prejudice to Note 6.3, materials which are not classified within Chapters 50 to 63 may be used freely in the manufacture of textile products, whether or not they contain textiles.

Example:

If a rule in the list provides that, for a particular textile item (such as trousers), yarn must be used, this does not prevent the use of metal items, such as buttons, because buttons are not classified within Chapters 50 to 63. For the same reason, it does not prevent the use of slide fasteners, even though slide-fasteners normally contain textiles.

7.3. Where a percentage-rule applies, the value of materials which are not classified within Chapters 50 to 63 must be taken into account when calculating the value of the non-originating materials incorporated.

Note 8

Definitions of processes referred to in Sections VI to VII in Annex II (PSR)

a) "**chemical reaction**" means a process (including biochemical processing) which results in a molecule with a new structure by breaking intramolecular bonds and by forming new

intramolecular bonds, or by altering the spatial arrangement of atoms in a molecule, with the exception of the following which are not considered to be chemical reactions for the purpose of this definition:

(a) dissolving in water or other solvents;
(b) the elimination of solvents including solvent water; or
(c) the addition or elimination of water of crystallization.

b) "**mixing and blending"** means the deliberate and proportionally controlled mixing or blending (including dispersing) of materials, other than the addition of diluents, only to conform to predetermined specifications which results in the production of a product having physical or chemical characteristics which are relevant to the purposes or uses of the product and are different from the input materials;

c) "**purification"** means a process which results in one of the following criteria being satisfied:

(a) purification of a good resulting in the elimination of 80 percent of the content of existing impurities; or

(b) the reduction or elimination of impurities resulting in a good suitable for one or more of the following applications:

(i) pharmaceutical, medical, cosmetic, veterinary or food grade substances;

(ii) chemical products and reagents for analytical, diagnostic or laboratory uses;

(iii) elements and components for use in micro-electronics;

(iv) specialized optical uses;

(v) biotechnical use (e.g., in cell culturing, in genetic technology, or as a catalyst);

(vi) carriers used in a separation process; or

(vii) nuclear grade uses.

d) "**change in particle size"** means the deliberate and controlled modification in particle size of a product, other than by merely crushing or pressing, resulting in a product having a defined particle size, defined particle size distribution or defined surface area, which is relevant to the purposes of the resulting product and with physical or chemical characteristics different from the input materials;

e) "**production of standard materials"** (including standard solutions) means a production of a preparation suitable for analytical, calibrating or referencing uses with precise degrees of purity or proportions certified by the manufacturer;

f) "**isomer separation"** means the isolation or separation of isomers from a mixture of isomers;

g) "**biotechnological processing"** means:

(i) biological or biotechnological culturing (including cell culture), hybridization or genetic modification of micro-organisms (bacteria, viruses (including phages) etc.) or human, animal or plant cells; and

(ii) production, isolation or purification of cellular or intercellular structures (such as isolated genes, gene fragments and plasmids), or fermentation.

Note 9

Agricultural products

Agricultural products falling within Chapters 6, 7, 8, 9, 10, 12 and heading 2401 which are grown or harvested in the territory of a beneficiary country shall be treated as originating in the territory of that country, even if grown from seeds, bulbs, rootstock, cuttings, grafts, shoots, buds, or other live parts of plants imported from another country.

ANNEX II

PRODUCT SPECIFIC RULES

ANNEX III

STATEMENT ON ORIGIN

The statement on origin, the text of which is set out below, must be drawn up in accordance with the respective footnotes. The footnotes do not have to be reproduced.

Bulgarian version

Износителят на продуктите, обхванати от този документ (износител №… [(1)]) декларира, че освен където ясно е отбелязано друго, тези продукти са с … [(2)] преференциален произход.

English version

The exporter of the products covered by this document (Exporter reference No...[(1)]) declares that, except where otherwise clearly indicated, these products are of ... preferential origin [(2)].

Spanish version

El exportador de los productos incluidos en el presente documento (número de referencia del exportador ... [(1)]) declara que, salvo indicación en sentido contrario, estos productos gozan de un origen preferencial ... [(2)].

Danish version

Eksportøren af varer, der er omfattet af nærværende dokument, (eksportørreferencenr. . ... [(1)]) erklærer, at varerne, medmindre andet tydeligt er angivet, har præferenceoprindelse i ... [(2)].

---

(1) When the statement on origin is made out by an exporter within the meaning of Article 17(1a) of the Protocol, the number of the exporter must be entered in this space. When the statement on origin is made out by an exporter within the meaning of Article 17(1b) of the Protocol, the words in brackets shall be omitted or the space left blank.

(2) Origin of products to be indicated: EU or Mercosur. When the statement on origin relates in whole or in part, to products originating in Ceuta and Melilla within the meaning of Article 28 of the Protocol, the exporter must clearly indicate them in the document on which the declaration is made out by means of the symbol “CM”.

German version

Der Ausführer (Referenznummer des Ausführers . … [(1)]) der Waren, auf die sich dieses Handelspapier bezieht, erklärt, dass diese Waren, soweit nichts anderes angegeben, präferenzbegünstigte Ursprungswaren ... [(2)] sind.

Greek version

Ο εξαγωγέας των προϊόντων που καλύπτονται από το παρόν έγγραφο ((αριθ. αναφοράς εξαγωγέα . ... [(1)]) δηλώνει ότι, εκτός εάν δηλώνεται σαφώς άλλως, τα προϊόντα αυτά είναι προτιμησιακής καταγωγής ... [(2)].

French version

L'exportateur des produits couverts par le présent document (nº de référence exportateur … [(1)]) déclare que, sauf indication claire du contraire, ces produits ont l'origine préférentielle ... [(2)].

Italian version

L'esportatore delle merci contemplate nel presente documento (numero di riferimento dell'esportatore … [(1)]) dichiara che, salvo indicazione contraria, le merci sono di origine preferenziale ... [(2)].

Dutch version

De exporteur van de goederen waarop dit document van toepassing is (referentienr. exporteur … [(1)]) verklaart dat, behoudens uitdrukkelijke andersluidende vermelding, deze goederen van preferentiële ... oorsprong zijn [(2)].

Portuguese version

O abaixo assinado, exportador dos produtos cobertos pelo presente documento (referência do exportador n.º ...[(1)]) declara que, salvo expressamente indicado em contrário, estes produtos são de origem preferencial ... [(2)].

Finnish version

Tässä asiakirjassa mainittujen tuotteiden viejä (viejän viitenumero ... [(1)]) ilmoittaa, että nämä tuotteet ovat, ellei toisin ole selvästi merkitty, etuuskohteluun oikeutettuja ... alkuperätuotteita [(2)].

Swedish version

Exportören av de varor som omfattas av detta dokument (exportörens referensnummer . ...[(1)]) försäkrar att dessa varor, om inte annat tydligt markerats, har förmånsberättigande ... ursprung [(2)].

Czech version

Vývozce výrobků uvedených v tomto dokumentu (referenční číslo vývozce ...(1)) prohlašuje, že kromě zřetelně označených, mají tyto výrobky preferenční původ v ...(2).

Estonian version

Käesoleva dokumendiga hõlmatud toodete eksportija (eksportija viitenumber ...(1)) deklareerib, et need tooted on ...(2) sooduspäritoluga, välja arvatud juhul kui on selgelt näidatud teisiti.

Latvian version

Eksportētājs produktiem, kuri ietverti šajā dokumentā (eksportētāja atsauces numurs …(1)), deklarē, ka, iznemot tur, kur ir citādi skaidri noteikts, šiem produktiem ir priekšrocību izcelsme no …(2).

Lithuanian version

Šiame dokumente išvardintų prekių eksportuotojas (Eksportuotojo registracijos Nr …(1)) deklaruoja, kad, jeigu kitaip nenurodyta, tai yra …(2) preferencinės kilmės prekės.

Hungarian version

A jelen okmányban szereplő áruk exportőre (az exportőr azonosító száma …(1)) kijelentem, hogy eltérő jelzs hiányában az áruk kedvezményes … származásúak(2).

Maltese version

L-esportatur tal-prodotti koperti b'dan id-dokument (Numru ta' Referenza tal-Esportatur …(1)) jiddikjara li, hlief fejn indikat b'mod car li mhux hekk, dawn il-prodotti huma ta' origini preferenzjali …(2).

Polish version

Eksporter produktów objętych tym dokumentem (nr referencyjny eksportera …(1)) deklaruje, że z wyjątkiem gdzie jest to wyraźnie określone, produkty te mają …(2) preferencyjne pochodzenie.

Romanian version

Exportatorul produselor ce fac obiectul acestui document (numărul de referință al exportatorului ... (1)) declară că, exceptând cazul în care în mod expres este indicat altfel, aceste produse sunt de origine preferenţială ... (2).

Slovenian version

Izvoznik blaga, zajetega s tem dokumentom, (referenčna št. izvoznika ...[(1)]) izjavlja, da, razen če ni drugače jasno navedeno, ima to blago preferencialn ... [(2)] poreklo.

Slovak version

Vývozca výrobkov uvedených v tomto dokumente (referenčné číslo vývozcu …[(1)]) vyhlasuje, že okrem zreteľne označených, majú tieto výrobky preferenčný pôvod v …[(2)].

.....(3)

(Place and date)

.....(4)

(Signature of the exporter; in addition the name of the person signing the declaration has to be indicated in clear script)

(3) These indications may be omitted if the information is contained on the document itself.

(4) See Article 17(6) of the Protocol. In cases where the exporter is not required to sign, the exemption of signature also implies the exemption of the name of the signatory.

ANNEX IV

TRANSITIONAL MEASURES

Article 1

1. For a period not exceeding three years from the entry into force of this Agreement, the European Union will also accept as a statement on origin a "certificate of origin" that the products imported into the European Union meet the requirements of origin established under this Agreement.

2. The period of three years may be extended for a maximum period of two years by notification from the Mercosur country to the European Union. In such a case, Annex VI on the Management of Administrative Errors may be applied provided the conditions set out in Annex VI are met.

3. The European Commission shall receive from Mercosur the form and formalities of the "certificate of origin". Each Mercosur country shall communicate to the European Commission the date when the “certificate of origin” will cease to apply.

ANNEX V

MANAGEMENT OF ADMINISTRATIVE ERRORS

In case of error by the competent authorities in the proper management of the preferential system at export, and in particular in the application of the provisions of the protocol to the present agreement concerning the definition of originating products and methods of administrative cooperation, where this error leads to consequences in terms of import duties, the contracting party facing such consequences may request the (institutional body under the agreement) to examine the possibilities of adopting all appropriate measures with a view to resolving the situation.

ANNEX VI

JOINT DECLARATION

Concerning the Principality of Andorra

1- Products originating in the Principality of Andorra falling within Chapters 25 to 97 of the Harmonized System shall be accepted by Mercosur as originating in the Union within the meaning of this Agreement.

2- The Protocol on Rules of Origin shall apply mutatis mutandis for the purpose of defining the originating status of the above- mentioned products.

JOINT DECLARATION

Concerning the Republic of San Marino

1- Products originating in the Republic of San Marino shall be accepted by Mercosur as originating in the Union within the meaning of this Agreement.

2- The Protocol on Rules of Origin shall apply mutatis mutandis for the purpose of defining the originating status of the above- mentioned products.

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

Article XY

Specific measures concerning the management of preferential treatment

1. The Parties agree to co-operate in preventing, detecting and combating breaches in legislation, irregularities and fraud related to the preferential treatment granted under this [Title/Chapter], in accordance with their obligations under the Protocol on Rules of Origin and the Protocol on Mutual Administrative Assistance in Customs Matters.
2. A Party may, in accordance with the procedure laid down in paragraph 3, temporarily suspend the relevant preferential treatment of the product(s) concerned when that Party has made a finding, based on objective, compelling and verifiable information, that:
   (a) large-scale systematic breaches in the relevant legislation, irregularities or fraud in order to obtain preferential tariff treatment granted under this [Title/Chapter] have been committed, and;
   (b) the other Party systematically refuses or otherwise fails to comply with its obligations referred to in paragraph 1, in accordance with the Protocol on Rules of Origin or/and the Protocol on Mutual Administrative Assistance in Customs Matters.
3. For the purposes of this Article, a failure to comply with the obligations referred to in paragraph 1 and paragraph 2 (b) means, inter alia, a clearly demonstrated and systematic:
   (a) failure to fulfil the obligation to verify the originating status of the products concerned, under the procedures established in the Protocol on Rules of Origin regarding origin verification (Articles ZZ…) and cooperation between customs authorities and competent governmental authorities (Articles YY…);
   (b) refusal or unjustifiable delay in communicating the result of a verification of origin conducted in accordance with the relevant Articles laid out in the Protocol on Rules of Origin (Articles…);

(c) absence of administrative cooperation as provided for in the Protocol on Mutual Administrative Assistance in Customs Matters.

4. The Party which has made a finding referred to in paragraph 2 shall, without undue delay, notify the [Trade/Association Committee] thereof, providing all the information that constitutes the objective basis of the finding. After the [Trade/Association Committee] has been duly notified and has received the corresponding information, the Party which has made a finding shall enter into consultations with the other Party, within the [Trade/Association Committee], with a view to reaching a solution acceptable to both Parties.

   Where the Parties have failed to agree on a mutually acceptable solution within three months following the notification, the Party which has made the finding may decide to suspend temporarily the relevant preferential treatment of the product(s) concerned. A temporary suspension shall be notified to the Committee without undue delay.

   The temporary suspensions shall apply only for a period commensurate with the impact on the financial interests of the Party concerned, and not longer than three months. Where it can be objectively and verifiably ascertained that the conditions that gave rise to the initial suspension persist at the expiry of the suspension period, the Party concerned may decide to renew the suspension for an equal period of time. The suspensions shall be subject to periodic consultations within the [Trade/Association Committee]. In case of renewal, consultations shall take place within the Committee at least 15 days prior to the expiry of the suspension period.

5. Each Party shall publish, in accordance with its internal procedures, notices to importers about any notification and decision concerning temporary suspensions referred to in paragraph 4.

6. Without prejudice to the definition of the Parties under this agreement, for the purposes of this article, the term “Parties” is understood, on the side of Mercosur, as each of the individual Mercosur Signatory Member States and on the EU side, the Party is understood as the EU.

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CHAPTER

CUSTOMS AND TRADE FACILITATION

Article 1

Objectives and scope

1. The Parties recognize the importance of customs and trade facilitation in the evolving global trading environment.

2. The Parties recognize that international trade and customs instruments and standards are the basis for import, export and transit requirements and procedures.

3. The Parties recognize that legislation should be non-discriminatory and customs and other trade related procedures should be based upon the use of modern methods and effective controls to combat fraud, protect consumer health and safety and promote legitimate trade. Each Party should periodically review its legislation and customs procedures. The Parties also recognize that their customs and other trade related procedures should be no more administratively burdensome or trade restrictive than necessary to achieve legitimate objectives and that they should be applied in a manner that is predictable, consistent and transparent.

4. The Parties agree to reinforce their cooperation with a view to ensuring that the relevant legislation and procedures, as well as the administrative capacity of the relevant administrations, fulfill the objectives of promoting trade facilitation while ensuring effective control of import, export and transit at the border.

5. The Parties agree to work together towards supporting the development of regional integration within both Parties.

Article 2

Customs cooperation

1. The Parties shall cooperate on customs and other trade related matters between their respective authorities, in order to ensure that the objectives set out in Article 1(Objectives and scope) are attained.

2. Cooperation may include in particular:

(a) exchanging information concerning customs and other trade related legislation, its implementation, and customs procedures; particularly in the following areas:

- simplification and modernisation of customs procedures;

- enforcement of intellectual property rights by the customs authorities;

- international instruments and standards applicable in the area of customs and trade;

- free circulation of goods and regional integration;

- facilitation of transit movements and transhipment;

- interagency coordination at borders;

- relations with the business community;

- supply chain security and risk management; and

- exchanges on the use of information technology, data and documentation requirements and single window systems, including work towards their future interoperability.

(b) working together on the customs-related aspects of securing and facilitating the international trade supply chain in accordance with the Framework of Standards to Secure and Facilitate Global Trade (SAFE Framework) of the World Customs Organization (WCO);

(c) considering developing joint initiatives related to import and export procedures including technical assistance, capacity building, and measures aiming at providing an effective service to the business community;

(d) strengthening their cooperation in the fields of customs and trade facilitation in international organizations such as the World Trade Organization (WTO), the World Customs Organization (WCO) and the United Nations Conference on Trade and Development (UNCTAD);

(e) establishing, where relevant and appropriate, mutual recognition of trade partnership programmes and customs controls, including equivalent trade facilitation measures;

(f) fostering cooperation between customs and other government authorities or agencies in relation to authorized economic operator programmes. This collaboration may be achieved, inter alia, by aligning requirements, facilitating access to benefits and minimising unnecessary duplication;

(g) working together with a view to reaching a common approach to issues relating to customs valuation; and

(h) working together to further reduce release times and to release goods without undue delay, in particular perishable goods.

3. The Parties shall provide each other with mutual administrative assistance in customs matters in accordance with the provisions of [Protocol X].

Article 3

Customs and other trade related provisions and procedures

1. The Parties agree that their respective customs provisions and procedures shall be based upon:

(a) international instruments and standards applicable in the area of customs and trade, including the WTO Trade Facilitation Agreement; the International Convention on the Harmonized Commodity Description and Coding System, the Framework of Standards to Secure and Facilitate Global Trade and the Customs Data Model of the WCO; and to the extent possible the substantive elements of the Revised Kyoto Convention on the Simplification and Harmonisation of Customs Procedures;

(b) the facilitation of legitimate trade through effective enforcement of and compliance with legislative requirements;

(c) legislation that is proportionate and non-discriminatory, avoids unnecessary burdens on economic operators, provides for further facilitation for operators with high levels of compliance, including favourable treatment with respect to customs controls prior to the release of goods, and ensures safeguards against fraud and illicit or damageable activities.

2. In order to improve working methods, as well as to ensure non-discrimination, transparency, efficiency, integrity and accountability of operations, the Parties shall:

(a) simplify and review requirements and formalities wherever possible with a view to the rapid release and clearance of goods;

(b) work towards the further simplification and standardisation of data and documentation required by customs and other agencies;

(c) ensure that the highest standards of integrity be maintained, through the application of measures reflecting the principles of the relevant international conventions and instruments in this field.

Article 4

Release of Goods

Each Party shall adopt or maintain requirements and procedures that:

(a) provide for the prompt release of goods within a period no greater than that required to ensure compliance with its customs and other trade-related laws and formalities. Each party shall work to further reduce release times and release the goods without undue delay*;*

(b) provide for advance electronic submission and processing of documentation and any other required information prior to the arrival of the goods, to enable the release of goods on arrival[1];

(c) allow for the release of goods prior to the final determination of customs duties, taxes, fees and charges, if such a determination is not done prior to, or upon arrival, or as rapidly as possible after arrival and provided that all other regulatory requirements have been met. As a condition for such release, each Party may require a guarantee for any amount not yet determined in the form of a surety, a deposit or another appropriate instrument provided for in its laws and regulations. Such guarantee shall not be greater than the amount the Party requires to ensure payment of customs duties, taxes, fees and charges ultimately due for the goods covered by the guarantee. The guarantee shall be discharged when it is no longer required[2].

Article 5

Perishable Goods[3]

1. Each Party shall give appropriate priority to perishable goods when scheduling and performing any examinations that may be required.

2. At the request of an economic operator, each Party shall, where practicable and consistent with domestic legislation:

(a) provide for the clearance of a consignment of perishable goods outside the business hours of Customs and other relevant authorities; and

(b) allow consignments of perishable goods to be cleared at the premises of the economic operator.

[1] Mercosur countries shall comply with this paragraph in accordance with article 16 (Notification of definitive dates for implementation of Category B and Category C) commitments of the WTO Trade Facilitation Agreement.
[2] Mercosur countries shall comply with this paragraph in accordance with article 16 (Notification of definitive dates for implementation of Category B and Category C) commitments of the WTO Trade Facilitation Agreement.
[3] For the purposes of this provision, perishable goods are goods that rapidly decay due to their natural characteristics, in particular in the absence of appropriate storage conditions.

Article 6

Advance Rulings

1. Each Party shall issue, through its customs authorities, an advance ruling that sets forth the treatment to be provided to the goods concerned. That ruling shall be issued in a reasonable, time bound manner to the applicant that has submitted a written request, including in electronic format, containing all necessary information in accordance with the laws and regulations of the issuing Party.

2. The advance ruling shall be valid for at least a three-year period of time after its issuance unless the law, facts or circumstances supporting the original advance ruling have changed.

3. A Party may decline to issue an advance ruling where the question raised is the subject of administrative or judicial review, or where the application does not relate to any intended use of the advance ruling. If a Party declines to issue an advance ruling, it shall promptly notify the applicant in writing, setting out the relevant facts and the basis for its decision

4. Each Party shall publish, at least:

(a) the requirements for the application for an advance ruling, including the information to be provided and the format;

(b) the time period by which it will issue an advance ruling; and

(c) the length of time for which the advance ruling is valid.

5. Where a Party revokes or modifies or invalidates an advance ruling, it shall provide written notice to the applicant setting out the relevant facts and the basis for its decision. Where the Party revokes or modifies or invalidates an advance ruling with retroactive effect, it may only do so where the ruling was based on incomplete, incorrect, false or misleading information.

6. An advance ruling issued by a Party shall be binding on that Party in respect of the applicant that sought it. The Party may provide that the advance ruling be binding on the applicant.

7. Each Party shall provide, upon written request of an applicant, a review of the advance ruling or of the decision to revoke, modify or invalidate it.[4]

8. Subject to any confidentiality requirements substantive elements of these rulings shall be published, e.g. on the Internet.

9. An advance ruling is a written decision provided to an applicant prior to the importation of a good covered by the application that sets forth the treatment that the Party shall provide to the good at the time of importation with regard to:

(a) the good's tariff classification; and

[4] Under this paragraph, a review may, either before or after the ruling has been acted upon, be provided by the official, office, or authority that issued the ruling, a higher or independent administrative authority, or a judicial authority.

(b) the origin of the good.

10. To facilitate trade, the Parties shall include in their bilateral dialogue regular updates on changes in their respective legislation on the matters listed above.

11. The Parties may agree upon advance rulings on any other matter.

Article 7

Transit and Transhipment

1. The Parties shall ensure freedom of transit through their territories via the route most convenient for transit.

2. Without prejudice to legitimate control, the Parties shall accord to traffic in transit to or from the territory of any party, treatment not less favourable than that accorded to domestic goods, exports and imports, and their movement. This principle refers to like products being transported on the same route under like conditions.

3. The Parties shall, to the extent possible, adopt less burdensome customs procedures to transhipped goods than to those applied to traffic in transit.

4. The Parties shall operate bonded transport regimes that allow the transit of goods without payment of customs duties or other charges subject to the provision of an appropriate guarantee.

5. The Parties shall promote and implement regional transit arrangements with a view to facilitating traffic in transit and reducing trade barriers.

6. The Parties shall draw upon and use international standards and instruments relevant to transit.

7. The Parties agree that the customs transit procedures may be used also when the transit of goods begins or ends in the territory of a party (inland transit).

8. The Parties shall ensure cooperation and coordination between all concerned authorities and agencies in their respective customs territories to facilitate traffic in transit.

Article 8

Authorized Economic Operator – AEO

1. Each Party shall establish or maintain a trade facilitation partnership programme for operators who meet specified criteria, hereinafter, called authorized economic operators.

2. The specified criteria to qualify as authorized economic operators shall be related to compliance, or the risk of non-compliance, with requirements specified in the Parties' laws, regulations or procedures. The specified criteria, which shall be published, may include:

(a) the absence of any serious infringement or repeated infringements of customs legislation and taxation rules, including no record of serious criminal offences relating to the economic activity of the applicant;

(b) the demonstration by the applicant of a high level of control of his or her operations and of the flow of goods, by means of a system of managing commercial and, where appropriate, transport records, which allows appropriate customs controls;

(c) financial solvency, which shall be deemed to be proven where the applicant has good financial standing, which enables him or her to fulfill his or her commitments, with due regard to the characteristics of the type of business activity concerned;

(d) proven competences or professional qualifications directly related to the activity carried out; and

(e) appropriate security and safety standards.

3. The specified criteria to qualify as an authorized economic operator shall not be designed or applied so as to afford or create arbitrary or unjustifiable discrimination between operators where the same conditions prevail and shall allow the participation of small and medium-sized enterprises.

4. The trade facilitation partnership programme shall include at least four of the following benefits:

(a) low documentary and data requirements, as appropriate;

(b) low rate of physical inspections and examinations as appropriate;

(c) rapid release time as appropriate;

(d) deferred payment of duties, taxes, fees and charges;

(e) use of comprehensive guarantees or reduced guarantees;

(f) a single customs declaration for all imports or exports in a given period; and

(g) clearance of goods at the premises of the authorized economic operator or another place authorized by customs.5. The Parties are encouraged to ensure coordination between Customs and other border agencies in the development of their AEO programmes through means such as the alignment of requirements, the minimization of unnecessary duplication and the access of benefits related to controls and requirements administered by agencies other than customs.

Article 9

Single Window

The Parties shall endeavour to establish single window systems, enabling traders to submit documentation and/or data requirements for importation, exportation, or transit of goods through a single entry point to the participating authorities or agencies.

Article 10

Transparency

1. The Parties agree:

(a) on the importance of timely consultations with trade representatives on legislative proposals and general procedures related to customs and trade issues. To that end, appropriate consultations between administrations and the business community, shall take place in each Party.

(b) to ensure that their respective customs and other trade related requirements and procedures continue to meet the needs of the trading community, follow best practices, and remain as little trade-restrictive as possible.

2. Each Member shall, as appropriate, provide for regular consultations between border agencies and traders or other stakeholders within its territory.

3. Each Party shall promptly publish, in a non-discriminatory and easily accessible manner, and as far as possible through electronic means, new legislation and general procedures related to customs and trade facilitation issues prior to the application of any such legislation and procedures, as well as changes to and interpretations of such legislation and procedures. This shall include:

(a) importation, exportation and transit procedures (including port, airport, and other entry-point procedures and hours of operation) and required forms and documents;

(b) applied rates of duties and taxes of any kind imposed on or in connection with importation or exportation;

(c) fees and charges imposed by or for governmental agencies on or in connection with importation, exportation or transit;

(d) rules for the classification or valuation of products for customs purposes;

(e) laws, regulations and administrative rulings of general application relating to rules of origin;

(f) import, export or transit restrictions or prohibitions;

(g) penalty provisions against breaches of import, export or transit formalities;

(h) appeal procedures;

(i) agreements or parts thereof with any country or countries relating to importation, exportation or transit;

(j) procedures relating to the administration of tariff quotas;

(k) points of contact for information enquiries; and

(l) other relevant notices of an administrative nature in relation to the above.

4. Each Party shall ensure there is a reasonable time period between the publication of new or amended legislation, procedures and fees or charges and their entry into force.

5. Each Party shall make available, and update as appropriate, the following through the internet:

(a) a description of its importation, exportation and transit procedures, including appeal procedures, informing of the practical steps needed to import and export, and for transit;

(b) the forms and documents required for importation into, exportation from, or transit through the territory of that Party;

(c) contact information on enquiry points.

6. Each Party shall establish or maintain one or more enquiry points to answer within a reasonable time enquiries of governments, traders and other interested parties on customs and other trade-related matters. The Parties shall not require the payment of a fee for answering enquiries.

7. A Party shall not require the payment of a fee for answering enquiries or providing required forms and documents.

8. The enquiry points shall answer enquiries and provide the forms and documents within a reasonable time period set by each Party, which may vary depending on the nature or complexity of the request.

Article 11

Customs valuation

The Agreement on the Implementation of Article VII of the GATT (1994) shall govern customs valuation rules applied to reciprocal trade between the Parties. Its provisions are hereby incorporated into and made part of this Agreement.

Article 12

Risk Management

1. Each Party shall adopt or maintain a risk management system for customs control.

2. Each Party shall design and apply risk management in a manner as to avoid arbitrary or unjustifiable discrimination, or disguised restrictions to international trade.

3. Each Party shall concentrate customs control and other relevant border controls on high-risk consignments and expedite the release of low-risk consignments. Each Party may also select, on a random basis, consignments for such controls as part of its risk management.

4. Each Party shall base risk management on assessment of risk through appropriate selectivity criteria.

5. The provisions of this article are, whenever possible, applicable to procedures administered by other border agencies.

Article 13

Post-clearance audit

1. With a view to expediting the release of goods, each Party shall adopt or maintain post-clearance audit to ensure compliance with customs and other related laws and regulations.

2. Each Party shall conduct post-clearance audits in a risk-based manner.

3. Each Party shall conduct post-clearance audits in a transparent manner. Where an audit is performed and conclusive results have been achieved the Party shall, without delay, notify the person whose record is audited of the results, the person's rights and obligations and the reasons for the results.

4. The Parties acknowledge that the information obtained in a post-clearance audit may be used in further administrative or judicial proceedings.

5. The Parties shall, wherever practicable, use the result of post-clearance audit in applying risk management.

Article 14

Customs Brokers

Each Party shall publish its measures on the use of customs brokers. The Parties shall apply transparent, non-discriminatory and proportionate rules if and when licensing customs brokers. From the entry into force of this Agreement, the Parties shall not adopt new measures introducing the mandatory use of customs brokers.

Article 15

Pre-shipment Inspections

The Parties shall not require the mandatory use of pre-shipment inspections as defined in the WTO Agreement on Pre-shipment Inspection, or any other inspection activity performed at destination, before customs clearance, by private companies.

Article 16

Appeals

1. Each Party shall provide effective, prompt, non-discriminatory and easily accessible procedures to guarantee the right of appeal against the administrative actions, rulings and decisions of customs or other competent authorities affecting import or export of goods or goods in transit.

2. Appeal procedures may include administrative review by the supervising authority and judicial review of decisions taken at the administrative level according to the legislation of the Parties.

3. Any person who has applied to the customs authorities for a decision and has not obtained a decision on that application within the relevant time-limits shall also be entitled to exercise the right of appeal.

4. Each Party shall provide a person to whom it issues an administrative decision with the reasons for the administrative decision, so as to enable such a person to have recourse to appeal procedures where necessary.

Article 17

Data and documentation requirements

1. Each Party shall ensure that import, export and transit formalities, data and documentation requirements:

a) are adopted and/or applied with a view to a rapid release of goods, particularly perishable goods, provided the conditions for the release are fulfilled;

b) are adopted and/or applied in a manner that aims to reduce the time and cost of compliance for traders and operators;

c) are the least trade-restrictive measure chosen, where two or more alternative measures are reasonably available for fulfilling the policy objective or objectives in question; and

d) are not maintained, including parts thereof, if no longer required.

2. Mercosur shall work towards applying common customs procedures and uniform customs data requirements for the release of goods.

Article 18

Use of information technology

1. Each Party shall use information technologies that expedite procedures for the release of goods in order to facilitate trade between the Parties.

2. Each Party shall:

a) make available by electronic means customs declarations and, whenever possible, other documents required for the import, transit or export of goods;

b) allow a customs declaration and, whenever possible, any other data requirements for the import and export of goods to be submitted in electronic format;

c) establish a means of providing for the electronic exchange of Customs information with its trading community;

d) promote the electronic exchange of data between their respective traders, customs administrations, and other trade related agencies;

e) use electronic risk management systems for assessment and targeting that enable its customs authorities and, whenever possible, other border agencies to focus their inspections on high-risk goods and that facilitate the release and movement of low-risk goods.

3. Each Party shall adopt or maintain procedures allowing the option of electronic payment for duties, taxes, fees and charges incurred upon importation and exportation collected by customs authorities and, whenever possible and applicable, by other border agencies.

Article 19

Penalties

1. Each Party shall ensure that its respective customs laws and regulations provide that any penalties imposed for breaches of customs regulations or procedural requirements be proportionate and non-discriminatory.

2. Penalties for a breach of a customs law, regulation, or procedural requirement are imposed only on the person(s) responsible for the breach under its laws.

3. Penalties imposed shall depend on the facts and circumstances of the case and shall be commensurate with the degree and severity of the breach. Each Party shall avoid incentives for the assessment or collection of a penalty, or conflicts of interest in the assessment and collection of penalties.

4. In case of voluntary prior disclosure to a customs administration of the circumstances of a breach of a customs law, regulation, or procedural requirement, each Party is encouraged to consider this as a potential mitigating factor when establishing a penalty.

5. When a penalty is imposed for a breach of a customs laws, regulations, or procedural requirements, an explanation in writing is provided to the person(s) upon whom the penalty is

imposed specifying the nature of the breach and the applicable law, regulation or procedure under which the amount or range of penalty for the breach has been prescribed.

Article 20

Temporary Admission

1. For the purposes of this Article, the term "temporary admission" means the customs procedure under which certain goods (including means of transport) can be brought into a customs territory conditionally relieved, from payment of import duties and taxes and without application of import prohibitions or restrictions of economic character. Such goods must be imported for a specific purpose and must be intended for re-exportation within a specified period and without having undergone any change except normal depreciation due to the use made of them. Nothing in this Article should be construed as to relieve imported goods from meeting trade related requirements of non – economic character, in particular sanitary and phytosanitary measures.

2. Each Party undertakes to grant temporary admission, with total conditional relief from import duties and taxes and without application of import restrictions or prohibitions of economic character, as provided for in its laws and regulations, to the following goods:

(a) Goods for display or use at exhibitions, fairs, meetings or similar events;

(b) Professional equipment for the press or for sound or television broadcasting; cinematographic equipment; any other equipment necessary for the exercise of the calling, trade or profession of a person visiting the territory of another country to perform a specified task;

(c) Goods imported in connection with a commercial operation but whose importation does not in itself constitute a commercial operation;

(d) Goods imported in connection with a manufacturing operation (such as plates, drawings, moulds, plans and models, for use during a manufacturing process); replacement means of production;

(e) Goods imported exclusively for educational, scientific or cultural purposes;

(f) Personal effects of passengers and goods imported for sports purposes;

(g) Tourist publicity material;

(h) Goods imported for humanitarian purposes;

(i) Animals imported for specific purposes.

3. Each Party shall, for the temporary admission of the goods referred to in paragraph 2 and regardless of their origin, accept A.T.A. carnets issued in the other Party, endorsed there and

guaranteed by an association forming part of the international guarantee chain, certified by the competent authorities and valid in the customs territory of the importing Party[5].

Article 21

Special Committee on Customs, Trade Facilitation and Rules of Origin

1. The Parties hereby establish a Special Committee on Customs, Trade Facilitation and Rules of Origin, composed of representatives of the Parties. The Committee shall meet on a date and with an agenda agreed in advance by the Parties. The office of chairperson of the Committee shall be held alternately by each of the Parties and rotate annually. The Committee shall report to the [Association Committee].

2. The Committee shall ensure the proper functioning of this Chapter, , the *[Protocol xx on Rules of Origin]*, and the [*Protocol xx on MAA*] and any additional customs and trade facilitation]-related provisions agreed between the Parties, and examine all issues arising from their application.

3. The functions of the Committee shall include:

(a) monitoring the implementation and administration of this Chapter and of the Annex/Protocol on rules of origin;

(b) providing a forum to consult and discuss all issues concerning customs, including in particular customs procedures, customs valuation, tariff regimes, customs nomenclature, customs cooperation and mutual administrative assistance in customs matters;

(c) providing a forum to consult and discuss issues relating to rules of origin and administrative cooperation;

(d) enhancing cooperation on the development, application and enforcement of customs [MRS: and trade related] procedures, mutual administrative assistance in customs matters, rules of origin and administrative cooperation.

4. With a view to implementing the relevant provisions in this Chapter, the Joint Council shall have the power to adopt decisions relating to AEO programmes and their mutual recognition as well as to joint initiatives relating to customs procedures and trade facilitation.

5. The Parties may agree to hold ad hoc meetings for customs cooperation or for rules of origin or mutual administrative assistance.

[5] This provision shall apply only in respect of the EU and of those Mercosur States being contracting Parties to the Convention on Temporary Admission done at Istanbul on 26 June 1990 (Istanbul Convention) and according to the commitments undertaken by those Parties in this Convention.

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

PROTOCOL
ON MUTUAL ADMINISTRATIVE ASSISTANCE
IN CUSTOMS MATTERS

Article 1

Definitions

For the purposes of this Protocol:

(a) "customs legislation" means any legal or regulatory provision applicable in the territory of either Party, governing the import, export and transit of goods and their placing under any other customs regime or procedure, including measures of prohibition, restriction and control;

(b) "applicant authority" means a competent administrative authority which has been designated by a Party for this purpose and which makes a request for assistance on the basis of this Protocol;

(c) "requested authority" means a competent administrative authority which has been designated by a Party for this purpose and which receives a request for assistance on the basis of this Protocol;

(d) “information” means any data, document, image, report, communication or authenticated copy, in any format, including electronic, whether or not processed or analysed;

(e) “person” means any natural or legal person;

(f) "personal data" means all information relating to any natural or, where the legislation of the

Parties so provides, legal person;

(g) "operation in breach of customs legislation" means any violation or attempted violation of customs legislation.

Article 2

Scope

1. The Parties shall assist each other, in the areas within their competence, in the manner and under the conditions laid down in this Protocol, to ensure the correct application of the customs legislation, in particular by preventing, investigating and combating operations in breach of that legislation.

2. Assistance in customs matters, as provided for in this Protocol, applies to any administrative authority of either Party which is competent for the application of this Protocol. That assistance shall neither prejudice the provisions governing mutual assistance in criminal matters nor shall it cover information obtained under powers exercised at the request of a judicial authority, except where communication of such information is authorised by that authority.

3. Assistance to recover duties, taxes or fines is not covered by this Protocol.

Article 3

Assistance on request

1. At the request of the applicant authority, the requested authority shall provide it with all relevant information which may enable it to ensure that customs legislation is correctly applied, including information related to activities noted or planned which are or could be operations in breach of customs legislation.

2. At the request of the applicant authority, the requested authority shall inform it whether:

   (a) goods exported from the territory of one of the Parties have been properly imported into the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods;

   (b) goods imported into the territory of one of the Parties have been properly exported from the territory of the other Party, specifying, where appropriate, the customs procedure applied to the goods.

3. At the request of the applicant authority, the requested authority shall, within the framework of its legal or regulatory provisions, take the necessary steps to ensure special surveillance of:

   (a) natural or legal persons in respect of whom there are reasonable grounds for believing

that they are or have been involved in operations in breach of customs legislation;

(b) goods that are or may be transported in such a way that there are reasonable grounds for believing that they are intended to be used in operations in breach of customs legislation;

(c) places where stocks of goods have been or may be assembled in such a way that there are reasonable grounds for believing that these goods are intended to be used in operations in breach of customs legislation; and

(d) means of transport that are or may be used in such a way that there are reasonable grounds for believing that they are intended to be used in operations in breach of customs legislation.

Article 4

Spontaneous assistance

The Parties shall assist each other, at their own initiative and in accordance with their legal or regulatory provisions, if they consider that to be necessary for the correct application of customs legislation, by providing information obtained pertaining to concluded, planned or ongoing activities which constitute or appear to constitute operations in breach of customs legislation and which may be of interest to the other Party. The information shall focus in particular on:

(a) persons, goods and means of transportation; and

(b) new means or methods employed in carrying out operations in breach of customs legislation.

Article 5

Form and substance of requests for assistance

1. Requests pursuant to this Protocol shall be made in writing either in print or electronic format. They shall be accompanied by the documents necessary to enable compliance with the request. When required because of the urgency of the situation, the requested authority may accept oral requests, but such oral requests shall be confirmed by the applicant authority in writing immediately.

2. Requests pursuant to paragraph 1 shall include the following information:

(a) the applicant authority and requesting official;
(b) the information and/or type of assistance requested;
(c) the object of and the reason for the request;
(d) the legal or regulatory provisions and other legal elements involved;

(e) indications as exact and comprehensive as possible on the natural or legal persons who are the target of the investigations;
(f) a summary of the relevant facts and of the enquiries already carried out; and
(g) any additional available details to enable the requested authority to comply with the request.

3. Requests shall be submitted in an official language of the requested authority or in a language acceptable to that authority, English always being an acceptable language. This requirement does not apply to any documents that accompany the request under paragraph 1.

4. If a request does not meet the formal requirements set out in paragraphs 1 to 3, the requested authority may require the correction or completion of the request; in the meantime, precautionary measures may be ordered.

Article 6

Execution of requests

1. In order to comply with a request for assistance, the requested authority shall proceed, within the limits of its competence and available resources, as though it was acting on its own account or at the request of other authority of that same Party, by supplying information already in its possession, by carrying out appropriate enquiries or by arranging for them to be carried out. This provision shall also apply to any other authority to which the request has been addressed by the requested authority when the latter cannot act on its own.

2. Requests for assistance shall be executed in accordance with the legal or regulatory provisions of the requested Party.

Article 7

Form in which information is to be communicated

1. The requested authority shall communicate results of enquiries to the applicant authority in writing together with relevant documents, certified true copies or other items. This information may be provided in electronic format.

2. Original documents shall be transmitted according to each Party's legal constraints, only upon request of the applicant authority, in cases where certified true copies would be insufficient. The applicant authority shall return these originals at the earliest opportunity.

3. The requested authority shall, under the provisions referred to in Paragraph 2, deliver to the applicant authority, any information related to the authenticity of the documents issued or certified by official agencies within its territory in support of a goods declaration.

Article 8

Presence of officials of one Party in the territory of another

1. Duly authorised officials of a Party may, with the agreement of the other Party and subject to the conditions laid down by the latter, be present in the offices of the requested authority or any other concerned authority referred to in paragraph 1 of Article 6, to obtain information relating to activities that are or could be operations in breach of customs legislation, which the applicant authority needs for the purposes of this Protocol.

2. Duly authorised officials of a Party may, with the agreement of the other Party concerned and subject to the conditions laid down by the latter, be present at enquiries carried out in the latter's territory.

3. The presence of officials of a Party in the territory of the other Party shall solely be in an advisory capacity, during which time those authorised officials:
   (a) must at all times be able to furnish proof of their official capacity;
   (b) shall not wear uniform, nor carry weapons; and
   (c) shall enjoy the same protection as that afforded to officials of the other Party, in accordance with the legal and administrative provisions in force there.

Article 9

Delivery and Notification

1. At the request of the applicant authority, the requested authority shall, in accordance with legal or regulatory provisions applicable to that authority, take all necessary measures in order to deliver any documents or to notify any decisions of the applicant authority and falling within the scope of this Protocol, to an addressee residing or established in the territory of the requested authority.

2. Such requests for delivery of documents or notification of decisions shall be made in writing in an official language of the requested authority or in a language acceptable to that authority.

Article 10

Automatic exchange of information

1. The Parties may, by mutual arrangement in accordance with Article 15 of this Protocol:
   (a) exchange any information covered by this Protocol on an automatic basis;
   (b) exchange specific information in advance of the arrival of consignments in the territory of the other Party.

2. The Parties will establish arrangements on the type of information they wish to exchange, the format and the frequency of transmission, to implement the exchanges under letters (a) and (b)

of paragraph 1.

Article 11

Exceptions to the obligation to provide assistance

1. Assistance may be refused or may be subject to the satisfaction of certain conditions or requirements in cases where a Party is of the opinion that assistance under this Protocol would:

   (a) be likely to prejudice the sovereignty of a Member State of Mercosur or of the European Union which has been requested to provide assistance under this Protocol;

   (b) be likely to prejudice public policy, security or other essential interests, in particular in the cases referred to in paragraph 5 of Article 12of this Protocol; or

   (c) violate an industrial, commercial or professional secret.

2. The requested authority may postpone the assistance on the grounds that such assistance will interfere with ongoing investigations, prosecutions or proceedings. In such a case, the requested authority shall consult with the applicant authority to determine if assistance can be given subject to such terms or conditions as the requested authority may require.

3. Where the applicant authority seeks assistance which it would itself be unable to provide if so requested, it shall draw attention to that fact in its request. It shall then be for the requested authority to decide how to respond to such a request.

4. In the cases referred to in paragraphs 1 and 2, the requested authority shall communicate its decision and the reasons therefor to the applicant authority without delay.

Article 12

Information exchange and confidentiality

1. The information received under this Protocol shall be used solely for the purposes established herein.

2. The use of information obtained under this Protocol in judicial or administrative proceedings instituted in respect of operations in breach of customs legislation, is considered to be for the purposes of this Protocol. Therefore, the Parties may, in their records of evidence, reports and testimonies and in proceedings and charges brought before the courts, use as evidence information obtained and documents consulted in accordance with the provisions of this Protocol. The requested authority may subject the supply of information or the granting of access to documents to the condition that it is notified of such use.

3. Where one of the Parties wishes to use such information for other purposes, it shall obtain the prior written consent of the authority which provided the information. Such use shall then be subject to any restrictions laid down by that authority.

4. Any information communicated in whatsoever form pursuant to this Protocol shall be of a confidential or restricted nature, in accordance with the laws and regulations applicable in each Party. That information shall be covered by the obligation of official secrecy and shall enjoy the protection granted to similar information under the relevant laws and regulations of the receiving Party. The Parties shall communicate to each other information on their applicable laws and regulations.

5. Personal data may be exchanged only where the Party which may receive them undertakes to protect such data in a manner that is considered adequate by the other Party. Where a specific degree of protection is required for the supplied information, this shall be specified by the supplying authority. The Party which uses personal data shall communicate in writing, at the request of the Party which supplied them, the purpose for which such information was used and the results obtained.

6. Under no circumstances may personal data related to racial origin, political opinions, religious convictions, health and sexual orientation be supplied.

Article 13

Experts and witnesses

The requested authority may authorise its officials to appear, within the limitations of the authorisation granted, as experts or witnesses in judicial or administrative proceedings regarding the matters covered by this Protocol, and produce such objects, documents or certified true copies thereof, as may be needed for the proceedings. The request for appearance must indicate specifically before which judicial or administrative authority the official will have to appear, on what matters and by virtue of what title or qualification the official will be questioned.

Article 14

Assistance expenses

1. The Parties shall waive any claims for reimbursements of expenses incurred in the execution of this Protocol, except for allowance paid to experts, witnesses, interpreters and translators, when applicable.

2. The payment of allowances will not apply to public service employees.

3. If expenses of an extraordinary nature are required to execute the request, the Parties shall determine the terms and conditions under which the request shall be executed, as well as the manner in which such costs shall be borne.

Article 15

Implementation

1. The implementation of this Protocol shall be entrusted on the one hand to the customs authorities of Mercosur Member States and on the other hand to the competent services of the European Commission and the customs authorities of the Member States of the European Union, as appropriate. They shall decide on all practical measures and arrangements necessary for the implementation of this Protocol, taking into consideration their respective applicable laws and regulations in particular for the protection of personal data.

2. The Parties shall keep each other informed of the detailed implementation measures which are adopted by each Party in accordance with the provisions of this Protocol, in particular with respect to the duly authorised services and officials designated as competent to send and receive the communications laid out in this Protocol.

3. In the Union, the provisions of this Protocol shall not affect the communication of any information obtained under this Protocol between the competent services of the European Commission and the customs authorities of the Member States.

Article 16

Other agreements

The provisions of this Protocol shall take precedence over the provisions of any bilateral Agreement on mutual administrative assistance in customs matters which has been or may be concluded between individual Member States and the other Party or its Member States, insofar as the provisions of the latter are incompatible with those of this Protocol.

Article 17

Consultations

In respect to the applicability and implementation of this Protocol, the Parties shall consult each other to resolve the matter in the framework of the [Committee on Customs, Rules of Origin and Trade Facilitation, set up under Article XXX of this Agreement].

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.
The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.
The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

CHAPTER

TECHNICAL BARRIERS TO TRADE

Article 1

Objective

The objective of this Chapter is to facilitate trade in goods between the Parties by identifying, preventing and eliminating unnecessary technical barriers to trade and to enhance cooperation between the Parties in matters covered by this Chapter.

Article 2

Relationship with the WTO TBT Agreement

1. The Parties reaffirm their rights and obligations under the TBT Agreement which is hereby incorporated into and made part of this Agreement.

2. References to “this Agreement” in the TBT Agreement, as incorporated into this Agreement, are to be read, as appropriate, as references to the Agreement between the European Union and its Member States and MERCOSUR.

3. The term “Members” in the TBT Agreement, as incorporated into this Agreement, shall mean the Parties to this Agreement.

Article 3

Scope, coverage and definitions

1. This Chapter applies to the preparation, adoption and application of standards, technical regulations and conformity assessment procedures that may affect trade in goods between the Parties.

2. For the purpose of this Chapter**,** the definitions of Annex I of the TBT Agreement shall apply.

3. Notwithstanding paragraph 1, this Chapter does not apply to:

(i) purchasing specifications prepared by governmental bodies for production or consumption requirements of such bodies; or

(ii) sanitary and phytosanitary measures as defined in Annex A of the Agreement on the Application of Sanitary and Phytosanitary Measures.

Article 4

Joint cooperation on trade facilitating initiatives

1. The Parties recognize the importance to intensify their cooperation with a view to increasing mutual understanding of their respective systems and to help eliminate or avoid the creation of technical barriers to trade. In this regard, the Parties shall work towards the identification, promotion, development, and implementation, as appropriate of trade facilitating initiatives, on a case-by-case basis.

2. A Party may propose to the other Party sector specific initiatives in areas covered by this Chapter. Those proposals shall be transmitted to the TBT Chapter Coordinator may include among others:

a) information exchanges on regulatory approaches and practices;

b) joint analysis of a sector or a group of products;

c) initiatives to further align technical regulations and conformity assessment procedures with relevant international standards;

d) the promotion of the use of accreditation to assess the competence of conformity assessment bodies; and

e) considering mutual or unilateral recognition of conformity assessment results.

3. Whenever one of the Parties suggests a specific trade facilitating initiative, the other Party shall duly consider the proposal and reply in a reasonable time. If the other Party rejects the suggested initiative, it shall explain the reasons for its decision to the other Party.

4 The terms of the work envisaged in this article will be defined by the engaged Parties, when needed. This may include establishing ad hoc working groups. In order to gain non-governmental perspectives on matters related to this article, each Party may consult, as appropriate, with stakeholders and interested parties in accordance with their domestic rules and procedures.

5. The results of the understandings reached under this Article shall be reported to the Chapter Coordinator. The Chapter Coordinator will transmit the recommendations to the Trade Committee of the Agreement for the appropriate measures.

6. Nothing in this Article shall be construed as to oblige a Party to:

a) deviate from domestic procedures for preparing and adopting regulatory measures,

b) take actions that would undermine or impede the timely adoption of regulatory measures to achieve its public policy objectives, or

c) adopt any particular regulatory outcome; fully respecting the Parties' right to regulate.

7. When agreed and necessary for the implementation of the initiatives under this Article, the Parties shall facilitate the access of technical teams to demonstrate their conformity assessment schemes and system in order to increase mutual understanding.

Article 5

Technical regulations

1. The Parties agree to make best use of good regulatory practices with regard to the preparation, adoption and application of technical regulations, as provided for in the TBT Agreement, including, for example, preference for performance-based technical regulations, use of impact assessments or stakeholder consultation. In particular, the Parties agree to:

a) use relevant international standards as a basis for their technical regulations including any conformity assessment elements therein, except when such international standards would be an ineffective or inappropriate means for the fulfillment of the legitimate objectives pursued. Where international standards have not been used as a basis for a technical regulation, which may have a significant effect on trade**,** a Party shall, upon request of the other Party, explain the reasons why such standards have been judged inappropriate or ineffective for the aim pursued.

b) when reviewing their technical regulations, in addition to the Article 2.3 and without prejudice to the Articles 2.4 and 12.4 of the TBT Agreement, to increase their alignment with relevant international standards. The Parties shall consider, inter alia, any new development in the relevant international standards and whether the circumstances that have given rise to any divergence from any relevant international standard continue to exist.

c) promote the development of regional technical regulations and that these are adopted at national level and/or replace existing ones, in order to facilitate trade between the Parties; and

d) allow a reasonable interval between the publication of technical regulations and their entry into force for economic operators of the other Party to adapt. The phrase "reasonable interval" shall be understood to mean normally a period of not less than 6 months, except when this would be ineffective in fulfilling the legitimate objectives pursued.

e) to carry out the impact analysis of planned technical regulations in accordance with its respective rules and procedures.

f) when preparing technical regulations, to take due account of the characteristics and special needs of micro, small and medium-sized enterprises.

Article 6

Standards

1. The Parties reaffirm their obligation under Article 4.1 of the TBT Agreement, particularly in respect to taking all reasonable measures to ensure that all standardizing bodies within their territories accept and comply with the Code of Good Practice for the Preparation and Adoption of Standards in Annex 3 to the TBT Agreement.

2. International standards developed by ISO, IEC, ITU, CODEX ALIMENTARIUS shall be considered to be the relevant international standards within the meaning of Article 2, Article 5 and Annex 3 of the TBT Agreement.

3. A standard developed by other international organisations**,** could also be considered relevant international standard within the meaning of Article 2, Article 5 and Annex 3 of the TBT Agreement, provided that

(a) it has been developed by a standardization body which seeks to establish consensus either:

i) among national delegations of the participating WTO Members representing all the national standards bodies in their territory that have adopted, or expect to adopt, standards for the subject matter to which the international standardization activity relates, or,

ii) among governmental bodies of participating WTO Members, and,

(b) it has been developed in accordance with the TBT Committee Decision on Principles for the Development of International Standards, Guides and Recommendations with relation to Articles 2, 5, and Annex 3 of the TBT Agreement.

4. With a view to harmonizing standards on as wide a basis as possible the Parties shall encourage, within the limits of their competence and resources, the standardizing bodies within

their territories, as well as the regional standardizing bodies of which they or the standardizing bodies within their territories are Members, to:

a) to participate, within the limits of their resources, in the preparation of international standards by relevant international standardizing bodies;

b) cooperate with the relevant national and regional standardization bodies of the other Party in international standardization activities;

c) use relevant international standards as a basis for the standards they develop, except where such international standards would be ineffective or inappropriate, for instance because of an insufficient level of protection or fundamental climatic or geographical factors or fundamental technological problems;

d) avoid duplication of, or overlap with the work of international standardizing bodies;

e) promote the development of standards at regional level and the adoption of such standards by national standardizing bodies thereby replacing existing national standards;

f) to review national and regional standards not based on relevant international standards at regular intervals, with a view to increasing their alignment with relevant international standards; and

g) to foster bilateral cooperation with the standardization bodies of the other Party.

5. The Parties should exchange information on:

a) their use of standards as a basis for, or in support of, technical regulations;

b) cooperation agreements implemented by either Party on standardization, for example on standardization issues in free trade agreements with third parties, and

c) each other's standardization processes, and the use of international, regional or sub-regional standards as a basis for their national standards**.**

Article 7

Conformity assessment procedures and accreditation

1. The provisions set out in Article 5 (Technical Regulations) with respect to the preparation, adoption and application of technical regulations shall also apply to conformity assessment procedures**.**

2. If a Party requires conformity assessment as a positive assurance that a product conforms with a technical regulation, it shall:

a) select conformity-assessment procedures proportionate to the risks involved;

b) consider in the regulatory process the use of the supplier's declaration of conformity as assurance of conformity among other options for showing compliance with technical regulations; and

c) if requested, provide information to the other Party on the reasons for selecting a particular conformity assessment procedure for specific products.

3. If a Party requires third party conformity assessment as a positive assurance that a product conforms with a technical regulation, and it has not reserved this task to a governmental body as specified in paragraph 4, it shall:

a) preferentially use accreditation to qualify conformity assessment bodies;

b) make best use of international standards for accreditation and conformity assessment, as well as international agreements involving the Parties' accreditation bodies, for example, through the mechanisms of the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF);

c) consider to join or, as applicable, encourage their testing, inspection and certification bodies to join any functioning international agreements or arrangements for harmonization and/or facilitation of acceptance of conformity assessment results;

d) promote that, within the territory of each of the Parties, conformity assessment bodies designated by the authorities for a particular product or set of products may compete to enable economic operators to choose amongst them;

e) ensure that conformity assessment bodies are independent of manufacturers, importers and distributors in the sense that they carry out their activities with objectivity and independence of judgement;

f) ensure that there are no conflicts of interest between accreditation bodies and conformity assessment bodies as well as between activities of market surveillance authorities and activities of conformity assessment bodies;

g) allow to the extent possible that conformity assessment bodies use subcontractors to perform testing or inspections in relation to the conformity assessment, including subcontractors located in the territory of the other Party. Nothing in this subparagraph shall be construed to prohibit a Party from requiring subcontractors to meet the same requirements that the conformity assessment body to which it is contracted would be required to meet in order to perform the contracted tests or inspection itself; and

h) publish in a website a list of the bodies that it has designated to perform such conformity assessment and relevant information on the scope of each such body's designation.

4. Nothing in this Article shall preclude a Party from requesting that conformity assessment in relation to specific products is performed by specified government authorities of the Party. In such cases, the Party shall:

a) establish the conformity assessment fees in accordance with the approximate cost of the services rendered and upon the request of an applicant for conformity assessment, provide the different elements included in them; and

b) in principle make the conformity assessment fees publicly available. When not publicly available, these fees shall be provided upon request.

5. Notwithstanding the provisions of paragraphs 2-4, in the fields listed in Annex 1, where EU accepts Supplier's Declaration of Conformity, i.e. first-party attestation issued by the manufacturer on his sole responsibility based on the results of an appropriate type of conformity assessment activity and excluding mandatory third party assessment, as assurance that a product conforms to a technical regulation and where a Mercosur Party requires mandatory third party testing or certification for these fields, the Mercosur Party shall, as an assurance that a product conforms with the requirements of a Mercosur Party's technical regulations, accept certificates, or in cases it is not possible under its relevant laws and regulations, test reports issued by conformity assessment bodies that are located in the territory of the EU and which have been accredited for the relevant scopes by an accreditation body member of the international arrangements for mutual recognition of the International Laboratory Accreditation Cooperation (ILAC) and the International Accreditation Forum (IAF) or, certificates that have been issued under the IECEE CB Scheme. A Mercosur Party may require in its relevant laws and regulations that bilateral arrangements, including memoranda of understanding exist between the conformity assessment body located in the territory of the EU and the conformity assessment body located in the territory of the Mercosur Party in order to accept such certificates or test reports.

6. When supplier’s declaration of conformity, as defined in paragraph (5), is considered a valid conformity assessment procedure in the European Union, test report issued by conformity assessment bodies that are located in the territory of the MERCOSUR Party, is accepted as a valid document in the process of demonstrating that a product conforms with the requirements of EU Party's technical regulations. The manufacturer shall remain responsible in all cases for the conformity of the product.

7. Paragraph 5 also applies where a Mercosur Party introduces new mandatory third party testing or certification requirements for the fields specified in Annex 1, in accordance with paragraph 9. Where EU Party introduces mandatory third party testing or certification requirements for the fields specified in Annex 1, in accordance with paragraph 9, the Parties shall discuss if any steps need to be taken to ensure reciprocity as regards the acceptance of tests reports or certificates issued by conformity assessment bodies that are located in the territory of the MERCOSUR party.

8. At the request of either Party, the Joint Committee may review, based on the agreed recommendation of the Chapter Coordinators, the list of fields in Annex 1.

9. Notwithstanding paragraph (5), either Party may introduce requirements for mandatory third party testing or certification for the fields specified in this Annex, for products falling within the scope of this Annex under the following conditions:

a) the introduction of such requirements or procedures are justified under the legitimate objectives referred to Article 2.2 of the TBT Agreement;

b) the reasons for the introduction of any such requirements or procedures are supported by substantiated technical or scientific information regarding the performance of the products in question;

c) any such requirements or procedures are not more trade-restrictive than necessary to fulfil the Party's legitimate objective, taking account of the risks that non-fulfilment would create; and

d) the Party could not have reasonably foreseen the need for introducing any such requirements or procedures at the time of entry into force of this Agreement.

10. The obligation of a Party under paragraph (5) is without prejudice to market surveillance competences, including carrying out additional testing on samples by the Party at the point of entry, on a non-discriminatory basis.

Article 8

Transparency

1. The Parties reaffirm their transparency obligations under the TBT Agreement with regard to the preparation, adoption and application of standards, technical regulations and conformity assessment procedures, and agree to:

a) take the other Party's views into account where a part of the process of developing a technical regulation is open to public consultation;

b) ensure, in accordance with its respective rules and procedures, when developing major technical regulations and conformity assessment procedures which may have a significant effect on trade that transparency procedures exist that allow persons of the Parties to provide input through a formal public consultation process, except where urgent problems of safety, health, environmental protection or national security arise or threaten to arise. Each Party shall allow persons of the other Party to participate to such consultation in terms no less favourable than those accorded to its own persons, and whenever possible make the results of that consultation process public;

c) allow in principle a period of at least 60 days for the other Party to provide written comments on the proposed technical regulations and conformity assessment procedures. Where urgent problems of safety, health, environmental protection or national security arise or threaten to arise, articles 2.10 and 5.7 of the TBT agreement apply. A Party shall consider a reasonable request to extend the comment period;

d) provide, in case the notified text is not in one of the official WTO languages, a clear and comprehensive description of the content of the measure in the WTO notification format;

e) if a Party receives written comments on its proposed technical regulation or conformity assessment procedure from the other Party:

i. if requested by the other Party, discuss the written comments, whenever possible with the participation of its competent regulatory authority and at a time when they can be taken into account;

ii. reply in writing to the comments whenever possible no later than the date of publication of the technical regulation or conformity assessment procedure;

f) provide, if requested by the other Party, information regarding the objectives of, legal basis and rationale for, a technical regulation or conformity assessment procedure that the Party has adopted or is proposing to adopt;

g) provide information on the adoption and the entry into force of the technical regulation or conformity assessment procedure and the adopted final text through an addendum to the original notification to the WTO;

h) consider a reasonable request from the other Party, received prior to the end of the comment period following the transmission of a proposed technical regulation, to extend the period of time between the adoption of the technical regulation and its entry into force, except where the delay would be ineffective in fulfilling the legitimate objectives pursued;

i) provide means for free access to the electronic version of the notified text with the notification; and

j) if standards are made mandatory through incorporation or referencing in a draft technical regulation or conformity assessment procedure, the transparency obligations related to TBT notification set out in this Article and in Articles 2 or 5 of the TBT Agreement shall be fulfilled.

2. The Parties shall ensure that all technical regulations and mandatory conformity assessment procedures adopted and in force are publicly available on an official website free of charge. The Parties shall always provide unrestricted access to all information relevant to the achievement of conformity with a technical regulation. When standards provide presumption of conformity with technical regulations and these standards are not referred to in those technical regulations, Parties shall ensure access to the information on corresponding standards.

3. A Party shall, upon reasonable request of the other Party or its economic operators, provide information on technical regulations in force and, as appropriate and available, written guidance on compliance with the technical regulations, without undue delay.

Article 9

Marking and labelling

1. The Parties affirm that their technical regulations including or dealing exclusively with mandatory marking or labelling will observe the principles of Article 2 of the TBT Agreement.

2. In particular, the Parties agree that where a Party requires mandatory marking or labelling of products:

a) the Party shall only require information which is relevant for consumers or users of the product or authorities to indicate the product's conformity with the mandatory technical requirements;

b) Where a Party requires any prior approval, registration or certification of the labels of markings of the products, as a precondition for placing on the market products that otherwise comply with its mandatory technical requirements, it shall ensure that the requests submitted by the economic operators of the other Party are decided without undue delay and on a non-discriminatory basis;

c) where a Party requires the use of a unique identification, the Party shall issue such number to the economic operators of the other Party without undue delay and on a non-discriminatory basis;

d) provided it is not misleading, contradictory or confusing in relation to the importing country’s regulatory requirements and the legitimate objectives under the TBT Agreement are not compromised thereby, the Party shall permit:

i) information in other languages in addition to the language required in the importing country of the goods;

ii) nomenclatures, pictograms, symbols or graphics adopted in international standards.

e) the Party, whenever possible, shall accept that supplementary labelling, and corrections to labelling take place in customs warehouses or other designated areas at the point of import as an alternative to labelling in the country of origin;

f) the Party shall, in cases where it considers that the protection of public health and the environment, the protection against deceptive practices and any other legitimate objectives under the TBT Agreement are not compromised thereby, endeavour to accept non-permanent or detachable labels, rather than labels physically attached to the product, or inclusion of relevant information in the accompanying documentation.

3. This article Paragraph (2) shall not apply to marking or labelling of medicinal products.

4. If a Party considers that marking or labelling requirements for a product or a sector in the other Party could be improved, it may propose a trade facilitating initiative to address its concerns in conformity with Article 4 of this Chapter.

Article 10

Cooperation and technical assistance

1. To contribute to fulfilling the objectives of this Chapter, the Parties agree to, inter alia:

   a) Promote cooperation and joint activities and projects between their respective organizations**,** public and/or private, national and/or regional, in the fields of technical regulations, standardization, conformity assessment, metrology and accreditation;

   b) Promote good regulatory practices through the exchange of information, experiences and best practices about**,** inter alia**,** regulatory impact assessment, regulatory stock management and risk assessment and public consultation**;**

   c) Exchange views on market surveillance;

   d) Strengthen the technical and institutional capacity of the national regulatory, metrology, standardization, conformity assessment and accreditation bodies, supporting the development of their technical infrastructure, including labs and testing equipment, and sustaining the continuous training of human resources;

   e) Promote, facilitate and, whenever possible, coordinate their participation in international organizations and other fora related to technical regulations, conformity assessment, standards, accreditation and metrology;

   f) Support technical assistance activities by national, regional and international organizations in the areas of technical regulations, standardization, conformity assessment, metrology and accreditation;

   g) endeavor to share available scientific evidences and technical information among regulatory authorities of the Parties, to the extent necessary to cooperate or pursue technical discussions under this Chapter, with the exception of confidential or other sensitive information.

2. A Party shall give appropriate consideration to proposals of the other Party for cooperation under this Chapter.

Article 11

Technical discussions

1. Each Party may request to discuss any concern that arises under this Chapter; including any draft or proposed technical regulation or conformity assessment procedure of the other Party that the Party considers might significantly adversely affect trade between the Parties. A Party shall deliver its request to the Chapter Coordinator of the other Party designated pursuant to Article 13 and it shall identify:

a) the issue;

b) the provisions of this Chapter to which the concerns relate; and

c) the reasons for the request, including a description of the requesting Party's concerns.

2. Any information or explanation provided at the request of a Party in accordance with this Article shall be provided within 60 days, which may be extended with prior justification by the reporting Party. When an issue has been previously addressed between the Parties in any fora, a Party may request directly a discussion, in person or via video or teleconference, within 60 days of the date of the request. In such cases the responding Party shall make every effort to be available for such discussion. In case the Parties have not had a discussion under this Article in the previous 12-months period, the request may not be refused by the other Party. If the requesting Party believes that the matter is urgent, it may request that any meeting take place within a shorter time frame. In such cases, the responding Party shall give positive consideration to such a request. The Parties shall make every attempt to arrive at a mutually satisfactory resolution of the matter.

3. For greater certainty, with regard to technical regulations or conformity assessment procedures of national, regional or local governments, as the case may be, on the level directly below that of the central government that may have a significant effect on trade, a Party may request technical discussions with the other Party regarding those concerns in accordance with paragraph (2).

4. Following the technical discussion, the Parties may conclude that the issue could be better addressed through a Trade facilitating initiative, in accordance with article 4.

5. For greater certainty, this Article is without prejudice to a Party's rights and obligations under Chapter {XX (Dispute Settlement)}.

Article 12

TBT Chapter coordinator

1. Each Party shall nominate a TBT Chapter coordinator and inform the other Party if it changes. The TBT Chapter coordinators shall work jointly to facilitate the implementation of this Chapter and cooperation between the Parties in all TBT matters.

2. The functions of the Chapter Coordinators shall include:

a) monitoring the implementation and administration of this Chapter, addressing any issue that either Party raises related to any provision of this Chapter in a timely manner;

b) fostering cooperation in accordance with Article 10;

c) supporting trade facilitating initiatives and technical discussions as appropriate in accordance with Articles 4 and 12;

d) exchanging information on work undertaken in non-governmental, regional and multilateral fora related to standards, technical regulations and conformity assessment procedures;

e) reporting any relevant development related to the implementation of this Chapter to the {Sub-Committee on Trade in Goods} whenever appropriate.

3. The Chapter Coordinators shall communicate with one another by any agreed method that is appropriate to carry out their functions, which may include *inter alia*, email, teleconferences, video conferences and meetings.

ANNEX 1

1. The Parties agreed the following fields:

a) safety aspects of electrical and electronic equipment defined in paragraph (2)

b) electromagnetic compatibility of equipment defined in paragraph (3)

c) energy efficiency for EU products[1] covered by this Annex

d) restriction of the use of certain hazardous substances in electrical and electronic equipment

Definitions

2. For the purpose of this Annex 'safety aspects of electrical and electronic equipment' means the safety aspects of equipment which is dependent on electric currents in order to work properly and equipment for the generation, transfer and measurement of such currents and which is designed for use with a voltage rating of between 50 and 1000 V for alternating current and between 75 and 1500 V for direct current, as well as equipment which intentionally emits or receives electromagnetic waves of frequencies lower than 3000 GHz with the purpose of radio communication or radiodetermination, with the exception of:

a) equipment for use in an explosive atmosphere;

b) equipment for use for radiology or medical purposes;

c) electrical parts for goods and passenger lifts;

d) radio equipment used by radio amateurs;

e) electricity meters;

f) plugs and socket outlets for domestic use;

g) electric fence controllers;

h) toys;

i) specialised maritime, railway, aviation as well vehicle equipment;

j) custom built evaluation kits destined for professionals to be used solely at research and development facilities for such purposes;

k) construction products for permanent incorporation in buildings or civil engineering works and the performance of which has an effect on the performance of the building or civil engineering works, such as cables, fire alarms, electric doors; and

[1] EU products means products imported from the EU into the territory of a Mercosur Party, excluding trans-shipments.

l) machinery (i.e. an assembly consisting of at least one moving part, powered by a drive system using one or more sources of energy such as thermal, electric, pneumatic, hydraulic or mechanical energy, arranged and controlled so that they function as an integral whole**)** other than ordinary office equipment, audio and video equipment, household appliances, information technology equipment, electric motors, as well as low-voltage switchgear and control gear**.**

3. For the purpose of this Annex 'electromagnetic compatibility of equipment' means the electromagnetic compatibility (disturbance and immunity) of equipment which is dependent on electric currents or electromagnetic fields in order to work properly and equipment for the generation, transfer and measurement of such currents, with the exception of:

a) equipment for use in an explosive atmosphere;

b) equipment for use for radiology or medical purposes;

c) electrical parts for goods and passenger lifts;

d) radio equipment used by radio amateurs;

e) specialised maritime, railway, aviation as well vehicle equipment

f) measuring instruments;

g) non-automatic weighing instruments;

h) inherently benign equipment;

i) custom built evaluation kits destined for professionals to be used solely at research and development facilities for such purposes.

4. For the purpose of this Annex “energy efficiency” means the ratio of output of performance, service, goods or energy to input of energy of a product with an impact on energy consumption during use.

5. For the sake of clarity, this Annex shall not cover whole aircrafts, vessels, railways, motor vehicles and their specialized equipment or parts thereof.

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

ANNEX

ON MOTOR VEHICLES, EQUIPMENT, AND PARTS THEREOF

Article 1

Product Scope

This Annex shall apply to trade between the Parties of all categories of self-propelled road vehicles (including passenger, cars, buses, motor cycles, vans, trucks), together with their equipment and parts, falling inter alia under Chapters 40, 84, 85, 87, 90 and 94 of the HS 2017 (hereinafter referred to as “products covered").

Article 2

Objectives

With regard to the products covered, the objectives of this Annex are to:

(a) recognise the right of each Party to determine its desired level of health, safety, as well as environmental and consumer protection;

(b) Eliminate and prevent unnecessary technical barriers to bilateral trade and simplify, whenever possible, technical regulations and conformity assessment procedures;

(c) establish competitive market conditions based on principles of openness, non-discrimination and transparency

(d) enhance cooperation to foster continued mutually beneficial development in trade.

Article 3

UN Regulations

Mercosur Parties recognize UN Regulations of the WP.29 as a useful reference for the preparation and adoption of domestic regulation and conformity assessment procedures on products covered by this Annex. Mercosur Parties preserve their right to regulate using other references than these Regulations.

Article 4

Market Access Provisions

1. For the requirements in the domestic legislations of a Party that is not a contracting party to the 1958 Agreement which make reference to or fully incorporate UN regulations as listed in Appendix 1, the Party will accept, in accordance with its relevant legal requirements, the test reports issued by the other Party under the UN type approval - system in order to prove compliance with the corresponding domestic technical requirements. For those cases, the Party shall ensure that the procedures for issuing domestic certificates on the basis of the acceptance of test reports will be conducted in an expeditious manner, and provided that the laboratory is accredited for the relevant scope by an accreditation body member of ILAC, the presence during the tests of an official authorized by the authority of the Party shall not be required. The associated governmental fees should be proportional to the service rendered.

2. When, according to its domestic legislation, a Party that is not a contracting party to the 1958 Agreement accepts, in order to prove compliance with its domestic requirements, certificates issued by the other Party under UN type approval system - or, in the case of whole vehicle type approval, also EU-type approval system - for issuing the corresponding domestic certificates, the list of requirements falling under this paragraph, as established by this Party according to its own previous technical analysis and criteria is set in Appendix 2.

3. The list of requirements falling under paragraphs (1) and (2), as established by each Party according to its own previous technical analysis and criteria is set in Appendices 1 and 2. Whenever necessary, and according to its own technical analysis and criteria, each Party shall update its respective lists. The updates will be made publicly available electronically at no cost and communicated to the TBT Chapter Coordinator.

4. The obligations of a Party under the paragraphs above are without prejudice to applying available domestic remedies, including where appropriate the withdrawal of the acceptance of a test report, on a nondiscriminatory basis.

5. If one Party modifies its technical regulation and/or conformity assessment procedures listed in Appendices 1 and 2, it shall give previous notice to the other Party. The acceptance of test result or a certificate shall remain valid until the new legislation becomes applicable.

6. Test reports issued by laboratories located in the territory of a Mercosur Party which are branches or sub-contractors of laboratories established in the EU and appointed by the EU Party under the EU and UN type-approval systems shall be accepted in the EU Party in accordance with the relevant legal requirements and the procedure to issue the corresponding EU or UN certificate shall be conducted in an expeditious manner. For transparency purposes, the list of those laboratories shall be made publicly available at no cost, kept updated and communicated to the TBT Chapter Coordinator. This is without prejudice to the obligations of a Party which is contracting party to the 1958 Agreement to accept test reports and certificates issued by laboratories appointed under the UN type-approval systems, including their branches or sub-contractors in accordance with the legal requirements set in that Agreement.

7. Each Party shall refrain from nullifying or impairing the benefits accruing to the other Party under this Annex through regulatory measures specific to the products covered. This is without prejudice to the right to adopt measures necessary for road safety, the protection of the environment or public health and the prevention of deceptive practices.

Article 5

Joint Cooperation

1. The Parties shall endeavour to exchange information, cooperate and maintain an open and ongoing dialogue on their respective technical regulations and conformity assessment procedures related to motor vehicle safety and environmental protection. Areas of cooperation under this paragraph may include, inter alia:

a) the development, establishment and the post-implementation reviews of technical regulations, conformity assessment procedures or related standards;

b) the development and dissemination of information for consumer use related to motor vehicle regulations or related standards;

c) market surveillance for the identification of safety-related or emission-related defects and non-compliance with technical regulations;

d) regulatory work plans on motor vehicle safety and environmental regulations;

e) information on the assessment of new technologies or new features to be incorporated in vehicles

f) joint analyses, develop methodologies and approaches, as mutually beneficial, practical and convenient, to assist and facilitate the development of motor vehicle technical regulations or related standards.

2. The Parties shall promote the establishment in the territories of the Mercosur Parties of branches and subcontractors of laboratories accredited under the UN ECE type approval system. To encourage the increase in the number of such laboratories in Mercosur, the EU will, inter alia, publish and regularly update the list of such branches and laboratories, and upon request provide guidance as regards accreditation. The Parties will work together in order to disseminate the provisions in Article 4 (6) above to both UNECE laboratories and manufacturers of products covered by this Annex.

3. The Parties endeavor to meet at least annually by video-conference or, if directly, on an alternating basis in Mercosur and in the European Union.

Article 6

Implementation

The Parties shall cooperate and exchange information on any issues relevant for the implementation of this Annex in the Sub-Committee on Trade in Goods.

Article 7

Definitions

1. For the purpose of this Annex, the following definitions apply:

a) **WP.29** means the World Forum for Harmonisation of Vehicle Regulations within the framework of the United Nations Economic Commission for Europe (UN ECE);

b) **1958 Agreement** means *the Agreement Concerning the Adoption of Uniform Technical Prescriptions for Wheeled Vehicles, Equipment and Parts which can be Fitted and/or be Used on Wheeled Vehicles and the Conditions for Reciprocal Recognition of Approvals Granted on the Basis of these Prescriptions* (Geneva, 1958) administered by the WP.29, and all subsequent amendments and revisions thereof;

c) **UN Regulations** means *Technical Regulations* adopted in accordance with the 1958 Agreement.

d) **HS 2017** means the 2017 edition of Harmonised System Nomenclature issued by the World Custom Organisation.

2. Terms used in this Annex shall have the same meaning as defined in the 1958 Agreement or in Annex 1 to the WTO Agreement on Technical Barriers to Trade.

APPENDIX 1

List of test reports accepted in accordance with Article 4 (1):

(i) Argentina

(ii) Brazil

(iii) Paraguay

(iv) Uruguay

APPENDIX 2

List of certificates accepted in accordance with Article 4 (2):

(i) Argentina

(ii) Brazil

(iii) Paraguay

(iv) Uruguay

Chief negotiators' note
Agreed arrangements concerning Appendix 1 and 2

1. Brazil, Paraguay and Uruguay shall submit to the EU their respective lists of test reports referred to under Article 4(1) of this Annex by 1 May 2020. The said lists shall be added in the text of the Agreement and shall be an integral part of the Agreement that will be submitted for signature.

2. Where applicable in accordance with Article 4(2), a Mercosur Signatory Member shall submit to the EU the list of requirements mentioned in Article 4(2) by 1 May 2020. The said lists shall be added before the conclusion of the legal scrubbing in the text of the Agreement and shall be an integral part of the Agreement that will be submitted for signature.

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

CHAPTER

SANITARY AND PHYTOSANITARY MEASURES

Article 1

Objectives

The objectives of this Chapter are:

1. To protect human, animal or plant life and health in the territory of the Parties while facilitating trade between the Parties under the scope of the implementation of the sanitary and phytosanitary (SPS) measures.

2. To establish a cooperation for further implementation of the WTO Agreement on the application of SPS measures.

3. To ensure that SPS measures do not create unjustified barriers to trade between the Parties.

4. To cooperate in technical and scientific issues related to the adoption and application of SPS measures.

5. To improve the exchange of information and consultation between the Parties.

6. To establish a working cooperation on multilateral fora.

Article 2

Scope

1. This Chapter shall apply to all SPS measures , as defined in Annex A to the WTO SPS Agreement that may, directly or indirectly, affect trade between the Parties.

2. This Chapter shall apply to matters related to cooperation on multilateral fora.

Article 3

Definitions

1. For the purposes of this Chapter, the following definitions apply:

(a) the definitions in Annex A of the SPS Agreement;

(b) the definitions adopted by the Codex Alimentarius Commission (the "Codex");

(c) the definitions adopted by the World Organisation for Animal Health (the "OIE");

(d) the definitions adopted by the International Plant Protection Convention (the "IPPC");

(e) protected zone for a specific regulated pest means an officially defined geographical part of the territory of each Party in which that pest is known not to be established in spite of favourable conditions and its presence in other parts of the territory of the Party.

Protected zones are pest free areas under EU control in the EU territory. They are recognised under Regulation (EU) No 2031/2016. This concept is not applied out of the EU territory. For trade purposes the EU will not require MCS to establish protected zones in their territory. In this case the conditions of Pest Free Areas will apply. For the purposes of this Chapter and for the recognition of Protected Zones, the same conditions as for Pest-Free Areas shall apply.

2. In the event of an inconsistency between the definitions of the SPS Agreement and definitions agreed by both Parties or the definitions adopted by Codex, OIE and IPPC, the definitions set out in the WTO SPS Agreement shall prevail.

Article 4

Rights and obligations

The Parties reaffirm their rights and obligations under the WTO SPS Agreement. Nothing in this chapter shall affect their rights and obligations that each Party has under the WTO SPS Agreement.

Article 5

Competent authorities

1. For the purposes of this Chapter, the official competent authorities are the authorities of the Parties that according to the respective legislation have been empowered to enforce the domestic legislation of a Party falling within the scope of this Chapter to ensure compliance with the requirements of this Chapter, or any other authority to which such authority has delegated that power.

2. Upon entry into force of this Agreement, each Party shall provide the other Party the name of the competent authorities responsible for the implementation of the provisions included in this Chapter. This information shall be provided in writing, including the source where it is published. The information shall also include a description of the distribution of competences between the respective authorities.

3. The Parties shall, in accordance with the Article 11 (Transparency and exchange of information), inform each other of any change of these competent authorities.

Article 6

General obligations

1. Products exported from a Party shall meet the applicable SPS requirements of the importing Party.

2. The SPS requirements of the importing Party shall be the same for the entire territory of the exporting Party, as long as the same sanitary and phytosanitary conditions prevail, without prejudice of Article 10 (Recognition of animal health and pest status and regional conditions).

The Parties shall ensure that their SPS measures are applied in a proportionate manner and do not arbitrarily or unjustifiably discriminate between Members of the EU or MERCOSUR Member States where identical or similar conditions prevail including between its own territory and that of the other Party. SPS measures shall not be applied in a manner which would constitute a disguised restriction on international trade.

3. The procedures established in this Chapter shall be applied without undue delays and in a transparent manner, and information requested shall be limited to what is necessary for appropriate approval, control, inspection and verification purposes.

4. The Parties shall ensure that any fees imposed for the procedures on imported products are equitable in relation to any fees charged on like domestic products or products originating in any other WTO Member and shall not be higher than the actual cost of the service.

5. Except as provided for in the Article 14 (Emergency measures), when modifying SPS import requirements, each Party and, when appropriate MERCOSUR, shall allow for a transitional period, taking into account the nature of the modification, in order to avoid the unnecessary interruption or disruption of trade flows of products and to allow the exporting Party to adjust its procedures to such modification.

6. The implementation of the provisions of this Chapter shall not jeopardise the SPS trade related conditions between the Parties existing at the entry into force of this Agreement.

7. Without prejudice of similar provisions in other Chapters of this Agreement, nothing in this Chapter shall affect the rights and obligations of each Party to protect confidential information, according to each Party's relevant legislation. Each Party shall ensure that procedures are in place to prevent the disclosure of confidential information that is acquired during the process established in this Chapter.

8. The Parties shall avail themselves of the necessary resources to effectively implement this Chapter.

Article 7

Trade facilitation measures

A – Approval of establishments for the import of animals, animal products, products of animal origin and animal by-products:

1. The importing Party may require the approval of the establishments for the import of animals, animal products, products of animal origin and animal by-products.

2. The approval shall be granted without prior inspection of individual establishments by the importing Party once the importing Party has recognised the official control system of the competent authority of the exporting Party and has authorised the import of the concerned products and if the exporting Party provides sufficient guarantee that they fulfil the sanitary requirements of the importing Party.

3. The exporting Party shall only authorise the exports from approved establishments. The exporting Party shall suspend or withdraw the export approval of those establishments that do not comply with the sanitary requirements of the importing Party and shall notify it to the importing Party.

4. The exporting Party shall propose the list of establishments to be approved. This list will be accompanied by the guarantees of the competent authority of the exporting Party that the establishments meet the sanitary requirements of the importing Party.

5. The importing Party shall approve the imports from the proposed establishments within 40 working days following the receipt of the request of the exporting Party accompanied by the

sanitary guarantees. In case additional information is requested and as a result the request cannot be processed within the 40 working days deadline the importing Party shall inform the exporting Party and establish a new deadline for the approval that shall in no case exceed additional 40 working days after the receipt of the additional information.

6. The importing Party shall draw up lists of approved establishments and shall make these lists publicly available.

7. The importing Party may refuse the approval of establishments that are considered to be non-compliant with the import requirements. In these cases, the importing Party shall inform the exporting Party about the rejections to approve establishments, including the justification for the rejection.

8. The importing Party may carry out verifications in accordance with Article 15 (Verification of the official control system) of this Chapter. Based on the results of these verifications the importing Party may amend the list of establishments.

B – Sanitary and phytosanitary import checks:

1. Each Party shall adopt or maintain procedures allowing for the expedited release without undue delay.

2. The Parties shall agree, when appropriate, to simplify controls and verifications and reduce the frequency of the import checks made by the importing Party on products of the exporting Party. This decision will be based on: a) the risks involved; b) the controls carried out by the producers and/or importers validated by the Competent Authorities of the Parties; c) the guarantees given by the competent authority of the exporting country; and d) the international guidelines, standards and recommendations of the World Organization for Animal Health (OIE), or International Plant Protection Convention (FAO/IPPC) and Codex Alimentarius. Each Party may apply other criteria to simplify the controls if they do not undermine the common agreed criteria.

3. In case of rejected products or consignments as a result of non-compliances with SPS import requirements at the import check, the importing Party shall notify the exporting Party according to the procedure established in Article 12 (Notifications), the results of the import checks as soon as possible and normally within 5 working days from the date of the rejection.

4. If import checks reveal non-compliance with the relevant SPS import requirements, the action taken by the importing Party must be: justified, based on the identified non-compliance and not more trade-restrictive than required to achieve the Party´s appropriate level of sanitary or phytosanitary protection.

C – Simplification of import and approval procedures:

The Parties recognise the different levels reached by regional integration processes within the European Union, on one hand, and MERCOSUR on the other. With a view to facilitate trade between their respective territories, MERCOSUR will make its best efforts to gradually adopt, if applicable:

a) one single questionnaire;

b) one single certificate, and

c) one list of approved establishments.

MERCOSUR will make its best efforts to harmonize import requirements, certificates and import checks.

Article 8

Alternative measures

1. Upon request of the exporting Party, the importing Party shall examine whether exceptionally an alternative SPS measure ensures its appropriate level of protection. The alternative measure may be based on international standards, or on SPS measures of the exporting Party.

2. Alternative measures are not subject to the provisions of Article 9 (Equivalence).

Article 9

Equivalence

1. An exporting Party may request a determination of equivalence regarding a specific SPS measure or measures related to a product or group of products or on a system-wide basis.

2. In order to implement this Article, the Subcommittee established in Article 18, will develop provisions and make recommendations to establish a procedure for the recognition of equivalence based on WTO/SPS Committee Decision G/SPS/19/Rev.2 (or its subsequent updates) and guidelines, standards and recommendations adopted in the framework of Codex, OIE and IPPC. This procedure should include the consultation process, the information to be required, responsibilities of the parties and the deadlines.

3. Upon receipt of a specific request, the Parties shall enter into consultations based on the procedure established in paragraph 2, with the aim of achieving an agreement on recognition of equivalence.

4. Upon request of the exporting Party, the importing Party shall inform the exporting Party of the state of play of the equivalence assessment.

Article 10

Recognition of animal health and plant pest status and regional conditions

1. The Parties shall recognise concept of zoning and compartmentalization, including pests or disease free areas and low pest or disease prevalence area and agree to apply it in the trade between the Parties, in accordance with the WTO SPS Agreement, including the Guidelines to further the practical implementation of Article 6 of that SPS Agreement (WTO/SPS Committee Decision G/SPS/48) and the relevant recommendations, standards and guidelines of the OIE, or IPPC.

2. When determining pest and disease-free areas, areas of low pest and disease prevalence and compartments, whether for the first time or after an outbreak of an animal disease or plant pest, the importing Party shall base its own determination of the animal and plant health status of the exporting Party or parts thereof, on the information provided by the exporting Party in accordance with the SPS Agreement and OIE and IPPC standards, and take into consideration the determination made by the exporting Party.

3. After finalisation of the procedure established in this Article and in the Annex (Procedure for recognition of zones and compartments and pest status) and without prejudice to Article 14 (Emergency measures), the importing Party shall take the decision to approve the requested zones or compartments and shall allow trade on that basis, without undue delay.

A. Animals, animal products, products of animal origin and animal by-products :

1. The procedure for the recognition of the disease-free zones or compartments is established in paragraph 3 of this title A and in the Annex (procedure for recognition of zones and compartments and pest status). The Subcommittee established in Article 18 of this Chapter, may define further details for this procedure, taking into account the WTO SPS Agreement and OIE guidelines, standards and recommendations.

2. When establishing or maintaining the zones or compartments referred to in point 2 the Parties shall consider factors such as geographical location, ecosystems, epidemiological surveillance and the effectiveness of sanitary controls.

3. Within 60 working days following the receipt of the information referred to in paragraph 2 of this Article, the importing Party may raise an explicit objection or request additional information, consultation or verification. The importing Party shall assess any additional information within 30 working days following its receipt. In case of consultation and/or verification, they shall take place according to Article 13 (Consultations) or Article 15 (Verification of the official control system) respectively. In the case of verifications required by the importing Party, the deadline for assess additional information will be interrupted.

4. The importing Party will expedite the procedure established in paragraph 3 of this title A, when the zones proposed by the exporting Party have the status of disease-free officially recognised by the OIE or when the status has been recovered after an outbreak.

5. In the event that the importing Party does not approve the requested zones or compartments it shall notify its decision to the exporting Party and explain the reasons for the rejection and, upon request, hold consultations, in accordance with Article 13 (Consultations).

B. Plants and plant products:

1. Each Party shall establish a list of regulated pests and regulated products. The importing Party shall make available to the other Party its list of regulated pests, regulated products and the phytosanitary import requirements. The SPS import requirements shall be limited to what is necessary to protect plant health and/or safeguard the intended use. The importing Party shall inform the other Party about any required additional declaration.

The phytosanitary requirements of the importing Party shall be established considering the phytosanitary status in the exporting Party and, if required by the importing Party, the result of a pest risk analysis. The pest risk analysis shall be carried out in accordance with the relevant ISPMs. Risk analysis shall take into account available scientific and technical information as well as the intended use of the plants under consideration.

The importing Party will gradually update the lists mentioned in paragraph 1 on this title B when the exporting Party makes request to export new products to the other Party. When the importing Party requires a PRA to authorize this importation, in order to speed up the process, PRA already carried out for the same or similar products could be used as a basis, including additional information that the importing Party considers it necessary to be analysed.

The importing Party, when conducting the process for the determination of the pest status of the exporting Party, shall take into account the provisions in this Section (Section B plants and plant products) and in the Annex and the recommendations of the International Standards for Phytosanitary Measures (ISPMs) of the International Plant Protection Convention (FAO/IPPC).

2. The Parties shall recognise the concepts of Pest Free Areas, Pest Free Places of Production and Pest Free Production Sites, as well as areas of low pest prevalence as specified in the FAO/IPPC ISPMs, and of Protected Zones which they agree to apply in their trade.

3. When establishing or maintaining phytosanitary measures, the importing Party shall take into account Pest Free Areas, Pest Free Places of Production, Pest Free Production sites, and areas of low pest prevalence, as well as Protected Zones if they are established.

4. The exporting Party shall communicate Pest Free Areas, Pest Free Places of Production, Pest Free Production Sites, Protected Zones or areas of low pest prevalence to the other Party and, upon request, provide an explanation and supporting data as provided for in the relevant ISPMs or otherwise deemed appropriate. Unless the importing Party raises an objection or requests additional information or consultations within 150 working days after receiving the information, the

recognition of the determination of the status of the exporting Party shall be understood as accepted by the importing Party.

5. The importing Party shall assess additional information requested within 90 days after receipt. If consultations are required by the Parties, they shall be conducted according to Article 13 (Consultations). Any verification the importing party may request shall be carried out in accordance with Article 15 (Verification of the official control system) taking into account the biology of the pest and the crop concerned. In the case of verifications required by the importing Party, the deadline for assess additional information will be interrupted.

C. The Subcommittee established in Article 18 of this Chapter, may define further details for this procedure, taking into account the SPS Agreement and OIE and IPPC guidelines, standards and recommendations.

Article 11

Transparency and exchange of information

1. Upon request of a Party and within 15 working days following the date of such request, the Parties shall exchange information on:

a) SPS procedures for the import approval of a product, including, if possible, expected timelines;

b) The requirements that apply for the import of specific products, including as appropriate the model of certificate;

c) Information on the pest status, including surveillance, eradication and containment programs and their results in order to support such pest status and import phytosanitary measures;

d) The state of play of the procedure for import approval of specific products;

e) The relation of the SPS measure to the international standards, guidelines and recommendations and, in case that a measure is not based on international standard, the scientific information on which the SPS measure is not in conformity with and an explanation of the reasons of such measure.

f) In cases where relevant scientific evidence is insufficient, a Party adopting a provisional measure shall provide the available pertinent information on which the measure is based and, when available the additional information for a more objective assessment of the risk and will review the SPS measure accordingly in a reasonable period of time.

2. The Parties shall make publically available, by the means they decide, updated information of their:

a) SPS import requirements and authorisation procedures for the products covered by this chapter.

b) List of regulated pests.

3. The Parties shall inform each other of:

a) Any change in the sanitary and phytosanitary status that may affect trade between the Parties.

b) Matters related to the development and application of SPS measures that may affect trade between the Parties.

c) Any pertinent information for the adequate implementation of this Chapter.

4. Without prejudice of paragraph 1 when the information referred has been made available by notification to the WTO or to the International Standard Setting Body, in accordance with the relevant rules, or on publicly accessible and fee free web-sites of the Parties, the information shall be considered communicated to the other Party.

5. Each Party shall designate a contact point and inform the other Party no later than one month after the entry into force of this Agreement.

Article 12

Notifications

1. Any serious or significant risk to human, animal or plant life or health, including any food or feed control emergencies, shall be notified to the contact points designated in Article 11 (Transparency and exchange of information), within two working days.

2. Non serious risks shall also be notified to the other Party within a reasonable period of time sufficient to avoid threatening human, animal or plant life or health or jeopardising existing trade.

3. Such notifications shall be done through a permanent established system of notifications or through specific ad hoc notifications, in accordance with the legislation of the notifying Party. In both cases, the notification shall be sent to the competent authorities of the concerned Parties.

4. If the notifying Party takes any action in relation to the notification (including the rejection of a product or consignment), that notification shall be accompanied by an explanation of the reasons justifying the measures adopted.

5. The notifying Party shall withdraw any alert notification if the information upon which it is based proves to be unsubstantiated or if it is transmitted erroneously. This withdrawal shall take place as soon as possible, and notified to the exporting Party, in order to avoid negative trade impacts.

6. The Parties shall identify and inform the contact points for the notifications under this Article in case they are not the same as those identified according to point 5 of Article 11 (Transparency and exchange of information).

Article 13

Consultations

1. Without prejudice to the Dispute Settlement Chapter of this Agreement, if the SPS measures or draft measures of the importing Party, or their implementation, are considered to be inconsistent with this Chapter, both Parties shall enter into consultations within 60 days after the exporting Party has introduced a motivated request.

2. Notwithstanding paragraph 1, in the case of notification exchange in accordance with Article 12 (Notifications), or where a Party has serious concerns regarding a risk to public, animal or plant health, affecting products being traded between the Parties, consultations regarding the situation shall, on request, take place as soon as possible. Each Party shall endeavour, in such conditions, to provide all the information necessary to avoid trade disruption or to avoid limiting trade.

3. At the request of the exporting Party, the importing Party shall provide all the information necessary to avoid trade disruptions or to avoid limiting trade. This information will include that indicated in point 1 of Article 11 (Transparency and exchange of information).

4. Consultations may be held for a reasonable period of time to review and suggest any procedure to resolve the difficulties.

5. Consultations may be held by e-mail, video or audio conference. The requesting Party should ensure the preparation of the minutes which shall be formally approved by the Parties.

6. If the Parties do not reach a satisfactory solution after the consultation, the case may be submitted to the Subcommittee established in Article 18 that may meet in special session.

Article 14

Emergency measures

1. Should a Party take domestic measures to control any serious risks to human, animal and plant life or health, these measures shall, without prejudice to the provisions of paragraph 2, also

aim to prevent the introduction of any sanitary and phytosanitary risk into the territory of the other Party.

2. The importing Party may, in case of serious human, animal or plant life or health risk, take emergency measures against these risks.

3. For products in transit between the Parties, the importing Party shall consider the most suitable and proportional solution in order to avoid unnecessary disruptions to trade.

4. Measures referred to in paragraph 2 could be adopted without previous notification. However, the Party adopting the emergency measures shall notify the measures to the other Party as soon as possible and, in any case, no later than 48 hours following its adoption.

5. Each Party may request any information related to the sanitary and phytosanitary situation and the emergency measures adopted. Each Party shall answer as soon as the requested information is available.

6. Upon request of either Party and in accordance with the provisions of Article 13 (Consultations), the Parties shall hold consultations regarding the situation within 15 working days of the notification. The Parties may consider options for the facilitation of the implementation or the replacement of the measures.

Article 15

Verification of the official control system

1. Each Party, within the scope of this Chapter, has the right:

a) To carry out verification of the official control system of the other Party, including verification visits.

b) To receive information about the control system of the other Party and the results of the controls carried out under that system.

The nature and frequency of audits and verifications shall be determined by the importing Party taking into account the import requirements, inherent characteristics of the product, the track record of past import checks and other available information, such as audits and inspections undertaken by the competent authority of the exporting Party.

The objective of the verifications will be to evaluate the capacity of the Competent Authorities of the exporting Party to ensure that the commodities exported or to be exported meet the requirements of the importing Party.

2. The verification visits shall be carried out without undue delay and notified to the exporting Party at least 60 working days before such verifications are carried out, except in emergency cases

or if the Parties decide differently. Any modification to the date of the visit shall be agreed by the Parties.

3. Verifications shall be conducted in accordance with the audit plan agreed by the Parties concerned, based on the international guidelines for the design, operation, assessment and accreditation of food import and export inspection and certification systems. Any modification to the audit plan of the visit shall be justified by the importing Party.

4. The expenses incurred by the Party carrying out the verification shall be borne by this Party.

5. The Party carrying out the verification shall send a draft report of the verification to the Party receiving the verification within 60 working days after the end of the visit. The Party receiving the verification may comment on the draft report within 60 working days after the receipt of the report; comments and action plan, when required, shall be attached to the final report. The Party carrying out the verification shall send the final report within 30 working days after the receipt of the comments on the draft report.

Any measure taken as a consequence of audits and verifications shall be proportionate to shortcomings or risks identified. If so requested, technical consultations regarding the situation shall be held in accordance with Article 13 (Consultations).

6. Where a significant public, animal or plant health risk has been identified during the verification, the Party being verified shall be informed as quickly as possible and in any case within 10 working days following the end of the verification.

Article 16

Cooperation in multilateral fora

1. The Parties shall promote the cooperation in all the multilateral fora relevant for SPS issues, in particular in international standard setting bodies recognised in the framework of the WTO/SPS Agreement.

2. The Subcommittee established in Article 18 shall be the forum to exchange information and cooperate in the field of matters covered by paragraph 1.

Article 17

Cooperation and technical assistance

1. The Parties shall endeavour to strengthen cooperation so as to further the implementation of this Chapter and optimise its results with a view to expand opportunities and obtaining the greatest benefits for the Parties. This cooperation shall be developed within the legal and institutional framework governing cooperation relations between the Parties.

2. To achieve these objectives, the Parties shall give consideration to the cooperation needs identified by the Subcommittee established in Article 18.

Article 18

Subcommittee

1. The Parties hereby establish a Subcommittee on SPS matters. This Subcommittee shall meet for the first time within one year after the entry into force of this Agreement. Subsequently, the Subcommittee shall meet at least once a year, and if necessary in special session at the request of one of the Parties. The Subcommittee may meet in video or audio-conference and may also address issues electronically between sessions.

2. The Subcommittee shall have in particular the following responsibilities and functions:

a) Establish the necessary arrangements to resolve the problems raised by the implementation of this Chapter.

b) Monitor the progress in the implementation of this Chapter.

c) Provide a forum to discuss the problems arising from the application of the SPS measures with a view to reaching mutually acceptable solutions. This forum may also discuss the information exchanged according to Article 11 (Transparency and exchange of information).

d) Promote the collaboration on multilateral fora.

e) Perform any other function or consider any matter referred to it expeditiously, as agreed by the Parties.

f) Exchange the lists of Contact Points to share information related to this chapter.

g) Recommend the amendment of the Annex.

3. The Subcommittee shall be comprised of representatives of the Parties with responsibility for SPS.

4. The Subcommittee may establish ad hoc working groups.

Article 19

Special and differential treatment

1. In application of article 10 of the SPS Agreement, when Paraguay has identified difficulties with a proposed measure notified by the EU Party, Paraguay may request, in its comments submitted to the EU, pursuant to Annex B to the SPS Agreement referred to in Article 7 of the SPS

Agreement, an opportunity to discuss the issue. The EU Party and Paraguay shall enter into consultation in order to agree on:

a) alternative import conditions to be applied by the importing Party according to Article 7 (alternative measures); or

b) technical assistance according to Article 18 cooperation and technical assistance; or

c) a transitional period of 6 months for proposed measures to apply to goods from Paraguay, which could be exceptionally extended for another period of no longer than 6 months.

ANNEX

PROCEDURE FOR RECOGNITION OF ZONES, COMPARTMENTS AND PEST STATUS

1. In accordance with the provisions of Article 12 (Notifications), the exporting Party, seeking recognition by the importing Party of its zones and compartments, including pests or disease-free areas and low pests or disease prevalence areas or a protected zone if applicable, shall notify its measures to the importing Party.

2. The Parties shall notify each other of any change in the measures specified in paragraph 1 which relate to the disease or pest. The additional guarantees may, in the light of such notification, be amended or withdrawn.

3. Notification shall include explanation and supporting data setting out in particular:

3.1. In the case of animal health:

a) the nature of the disease and the history of its occurrence in its territory;

b) the results of surveillance testing based on serological, microbiological, pathological or epidemiological investigation. It shall also be considered if the disease must be notified by law to the competent authorities;

c) the period over which the surveillance was carried out;

d) where applicable, the period during which vaccination against the disease was prohibited and the geographical area concerned by the prohibition;

e) the measures to verify the absence of the disease.

3.2. In the case of plant health:

3.2.1. Each Party shall establish a list of regulated quarantine and regulated non-quarantine pests including:

a) Quarantine Pests: Pests of potential economic importance not known to occur within any part of its own territory;

b) Quarantine Pests: Pests of potential economic importance present but not widely distributed in its own territory and under official control;

c) Regulated non-quarantine Pest.

d) Where applicable, pests not known to occur within officially demarcated pest-free areas where legal requirements are in place to keep the pest-free status (protected zones), including movement and import requirements for host plants.

3.2.2. Any change to the list established in point 3.2.1 of regulated pests shall be based on pest risk analysis or relevant technical information and communicated to the other Party in accordance with Article 11 (Transparency and exchange of information).

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CHAPTER

DIALOGUES

Article 1

Objectives

The Parties aim to strengthen their mutual confidence and agree to establish dialogues and exchange information to improve their common understanding on the following subjects:

1. Animal welfare matters.
2. Issues related to the application of agricultural biotechnology.
3. Combating antimicrobial resistance (AMR).
4. Scientific matters related to food safety, animal and plant health.

Article 2

The subcommittee

1. The Parties hereby establish a Subcommittee on Dialogues in animal welfare, in agricultural biotechnology, in combating antimicrobial resistance and in food safety, plant and animal health, hereinafter referred as the Subcommittee.

2. The Subcommittee shall be comprised of representatives of the Parties with responsibility on matters covered by this Chapter.

3. The Subcommittee will appoint ad-hoc working groups to conduct the Dialogues. It will also establish the scope, mandate and agendas of these working groups.

4. The working groups will be composed of representatives of the Parties with technical expertise on the matters subjected to dialogue. They will be co-chaired by the representatives of the Parties.

5. The Subcommittee and the working groups may meet by video or audio-conference and may also address issues electronically.

6. The co-chairs of the working groups shall report to the Subcommittee on the work of the group.

7. The Subcommittee may review the task assigned to a working group.

Article 3

Animal welfare

Recognizing that animals are sentient beings, the Parties will conduct a dialogue that will cover, inter alia:

1. Specific topics on animal welfare that may affect mutual trade;

2. Exchange of information, expertise and experiences in the field of animal welfare to improve their respective approaches on regulatory standards related to breeding, holding, handling, transportation and slaughter of animals to their mutual benefits.

3. Strengthen the research collaboration.

4. Collaboration in international fora with the aim to promote the further development of international standards on animal welfare by the World Organization for Animal Health (OIE) and best animal welfare practices and their implementation.

Article 4

Agricultural biotechnology [1]

[1] EU negotiator note - The EU-Argentina dialogue of the Mutually Agreed Solution of 15 July 2009 following the WTO dispute WT/DS293, will be hereinafter included in this dialogue EU-MCS and replace by it.

This dialogue will cover, inter alia:

1. To exchange information on policies, legislation, guidelines, good practices, and projects of agricultural biotechnology products.
2. To discuss specific topics on biotechnology that may affect mutual trade, including cooperation on GMO testing.
3. To exchange information on topics related to asynchronous authorisations of genetically modified organisms in order to minimize possible impact on trade.
4. To exchange information on the economic and trade outlook of authorisations of genetically modified products;
5. To exchange information on cases of low level presence of GMOs non-authorised by the importing Party, but authorised by the exporting Party.

Article 5

Combating antimicrobial resistance

This dialogue will cover, inter alia:

1. The collaboration to follow up existing and future guidelines, standards, recommendations and actions developed in relevant international organisations, initiatives and national plans aiming to promote the prudent and responsible use of antibiotics and relating to animal production and veterinary practices.
2. The collaboration in the implementation of the recommendations of OIE, WHO and Codex, in particular CAC-RCP61/2005.
3. The exchange of information on good farming practices.
4. The promotion of research, innovation and development.
5. The promotion of multidisciplinary approaches to combat antimicrobial resistance, including the *One Health* approach of WHO, OIE and Codex Alimentarius.

Article 6

Scientific matters related to food safety, animal and plant health

1. The Parties should foster the cooperation between their respective official scientific bodies responsible for food safety, animal and plant health science. This cooperation will aim to deepen the

scientific information available to the Parties in order to support their respective approaches on regulatory standards that may affect mutual trade.

2. This dialogue will cover, inter alia:

a) Exchange of scientific and technical information on food and feed safety, animal and plant health areas, including risk assessment and the scientific information supporting the establishment of Maximum Residue Levels (MRL).
b) The collection of data.
c) Collaboration in the building of a common understanding regarding OIE, IPPC and Codex Alimentarius standards.

Article 7

Additional provisions

1. The Parties shall ensure that the work carried out by the working groups referred in article 2 will not endanger the independency of their respective national or regional agencies. The Subcommittee shall establish the rules of conflict of interest for the participants of the working groups.

2. Nothing in this Chapter shall affect the rights and obligations of each Party to protect confidential information, according to each Party's relevant legislation. Each Party shall ensure that procedures are in place to prevent the disclosure of confidential information that is acquired during the process established in this Chapter.

3. Fully respecting the Parties' right to regulate, nothing in this Chapter shall be construed as to oblige a party to:

a) Deviate from domestic procedures for preparing and adopting regulatory measures, or
b) Take actions that would undermine or impede the timely adoption of regulatory measures to achieve its public policy objectives, or
c) Adopt any particular regulatory outcome.

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CHAPTER

TRADE DEFENSE AND GLOBAL SAFEGUARDS

Section I - General Principles

Article 1

Relationship with the WTO

1. The provisions in this Chapter are without prejudice to the rights and obligations established under the Agreements on Implementation of Article VI of GATT 1994 (the Anti-dumping Agreement, hereinafter referred to as the "ADA"), the Agreement on Subsidies and Countervailing Measures (hereinafter referred to as "ASCM") the Agreement on Safeguards (hereinafter referred to as "ASFG") and the Understanding on Rules and Procedures Governing the Settlement of Disputes (hereinafter referred to as “DSU”).

2. The Parties shall exempt bilateral trade subject to preferential treatment from the application of the Special Agricultural Safeguard of the WTO Agreement on Agriculture.

3. The preferential rules of origin under this Agreement shall not apply to this Chapter.

Article 2

Transparency

1. The Parties agree that trade defense and safeguard measures should be used in full compliance with the relevant WTO requirements and should be based on a fair and transparent system. For this purpose the Parties shall ensure that as soon as possible after the imposition of provisional measures, interested Parties shall be given full access to the facts that are the basis of the determinations, the injury assessment, calculations of the dumping and subsidies margins and causality. In addition, before the final determination, there must be a full and meaningful disclosure of all essential facts and considerations which form the basis for the decision to apply measures. The above is without prejudice to Article 6.5 of the ADA Article 12.4 of the ASCM and Article 3.2 of the ASFG.

2. All the information referred to in paragraph 1 shall be sent in writing, preferably in electronic version and Parties should be given enough time to make comments. In the case of Parties whose investigating authorities keep electronic case files, all the information referred to in paragraph 1 may be made available through digital access.

Section II – Anti-Dumping and Countervailing Measures

Article 3

1. The Parties agree to:

a) Analyze with special care proposals of price undertakings made by exporters of the other Party;

b) Favour the imposition of a duty that is less than the margin of dumping or subsidy if that level is adequate to remove the injury to the domestic industry;

c) Analyze with special care requests for the extension of measures in force against exporters of the Parties;

d) Take into consideration the information provided by industrial users of the product under investigation, importers and, if applicable, representative consumer organisations in the context of the article 6.12 of the ADA and article 12.10 of the ASCM ; and

Section III - Global Safeguards

Article 4

Transparency on Global Safeguards

1. At the request of the exporting Party, and provided the latter has substantial interest as exporter of the product concerned as defined in paragraph 2.3, the Party initiating a safeguard investigation or intending to adopt provisional or definitive safeguard measures shall immediately provide:

a) the information referred to in Article 12.2 of the WTO Agreement on Safeguards, in the format prescribed by the WTO Committee on Safeguards;

b) the public version of the complaint filed by the domestic industry, where relevant; and

c) a public report setting forth the findings and reasoned conclusions on all pertinent issues of fact and law considered in the safeguard investigation. The public report shall include an analysis that attributes injury to the factors causing it and set out the method used in defining the safeguard measures.

2. When information is provided under this Article, the importing Party shall offer to hold informal consultations with the exporting Party in order to review the information provided.

3. For the purpose of this Article, it is considered that a party has a substantial interest when it is among the five largest suppliers of the imported products during the most recent three years period of time, measured in terms of either absolute volume or value.

Article 5

Imposition of Definitive Measures

1. When imposing safeguard measures, a Party adopting safeguard measures shall endeavour to impose them in a way that least affects bilateral trade.

2. The importing Party shall offer to hold informal consultations with the exporting Party in order to review the matter referred to in the paragraph 1. The importing Party shall not adopt measures until 30 days have elapsed since the date the offer to consult was made.

Section IV - Dispute Settlement

Article 6

1. The provisions in this Chapter shall not be subject to the bilateral dispute settlement mechanism of this Agreement.

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CHAPTER

BILATERAL SAFEGUARD MEASURES

Section 1 – Definitions

Article 1

For the purposes of this Chapter:

1. "competent investigating authority" means:

   a) in the case of the EU, the European Commission;

   b) in the case of MERCOSUR, Ministerio de Producción or its successor in Argentina, Secretaria de Comércio Exeterior from the Ministério da Economia or its successor in Brazil, Ministerio de Industria y Comercio or its successor in Paraguay, and Asesoría de Política Comercial del Ministerio de Economía y Finanzas or its successor in Uruguay;

2. "serious injury" shall be understood to mean the significant overall impairment in the position of a domestic industry;

3. "threat of serious injury" shall be understood to mean the serious injury that is clearly imminent, based on facts and not merely on allegation, conjecture or remote possibility;

4. "domestic industry" shall be understood to mean the producers as a whole of the like or directly competitive products, operating in the territory of the Party or Signatory Party, or when it is not possible, those whose collective output of the like or directly competitive products constitutes

normally more than 50% but in exceptional circumnstances not less than 25% of the total production of such products;

5. “like or directly competitive product” means a product which is identical, i.e. alike in all aspects to the product under consideration, or another product which, although not alike in all aspects, has characteristics closely resembling those of the product under consideration, or a product which directly competes within the internal market of the importing Party or Signatory Party, given its degree of substitutability, basic physical characteristics and technical specifications, final uses and channels of distribution. This list is not exhaustive, nor can one or several of these factors necessarily give decisive guidance.

6. “Interested parties” shall include:

a) exporters or foreign producers or importers of a product subject to investigation, or a trade or business association, a majority of the members of which are producers, exporters or importers of such product;

b) the government of the exporting Party or Signatory Party; and

c) producers of the like or directly competitive product in the importing Party or Signatory Party or a trade and business association, a majority of the members of which produces the like or directly competitive product in the territory of the importing Party or Signatory Party.

This list shall not preclude Members from allowing domestic or foreign parties other than those mentioned above to be included as interested parties.

7. "Transition period" shall mean 12 years from the date of entry into force of this Agreement. Regarding any goods for which the Tariff Liberalization Program of the Party applying the measures provides for tariff elimination in 10 or more years, the transition period shall mean 18 years from the date of the entry into force of this Agreement.

Section 2 - Conditions for Application of Bilateral Safeguard Measures

Article 2

1. Without prejudice to the rights and obligations referred to in the Chapter on Trade Defense and Global Safeguards, the Parties may, in exceptional circumstances, apply bilateral safeguard measures under the conditions established in this Section, if after the entry into force of this Agreement, imports of a product under preferential terms have increased in such quantities, absolute or relative to domestic production or consumption of the importing Party or Signatory Party(ies), and under such conditions as to cause or threaten to cause serious injury to the domestic industry of the importing Party or Signatory Party(ies).

2. The safeguard measure shall be applied only to the extent necessary to prevent or remedy serious injury or threat thereof.

3. Bilateral safeguard measures shall be applied following an investigation by the competent investigating authorities of the importing Party under the procedures established in this Chapter.

Article 3

Neither Party may apply, extend or maintain in force a bilateral safeguard measure beyond the expiration of the transition period.

Article 4

1. MERCOSUR may adopt bilateral safeguard measures:

a) as a sole entity, as far as all requirements to determine the existence of serious injury or threat thereof is being caused by the imports of a product under preferential terms, have been fulfilled on the basis of conditions applied to MERCOSUR as a whole; or

b) on behalf of one or more of its Member States, in which case the requirements for the determination of the existence of serious injury or threat thereof, being caused by the imports of a product under preferential terms, shall be based on the conditions prevailing in the relevant Member State(s) of the customs union and the measure shall be limited to that Member State(s). The adoption of a bilateral safeguard measure by one of the Mercosur Member State shall not prevent another Mercosur Member State from adopting a measure regarding the same product afterwards.

2. The EU may apply bilateral safeguard measures to the imports from MERCOSUR or one or more MERCOSUR Member States where such serious injury or threat thereof is being caused by the imports of products under preferential terms.

3. When EU determines the application of a measure to MERCOSUR as a sole entity, Paraguay will be exempted from the application of the measure, unless the result of an investigation demonstrates that the existence of serious injury or threat thereof is also being caused by imports of products from Paraguay under preferential terms.

Section 3 - Form and duration of Bilateral Safeguard Measures

Article 5

Bilateral safeguard measures adopted under this Chapter shall consist of:

1. a temporary suspension of the schedule of tariff reduction of the good concerned provided for under this Agreement; or

2. a reduction of the tariff preference of the product concerned so that the rate of customs duty does not exceed the lesser of:

a) the most-favoured-nation applied rate of customs duty on the product in effect at the time the measure is taken or

b) the base rate of customs duty referred to in Annex I Tariff Elimination Schedule.

Article 6

Upon termination of the bilateral safeguard measure, the margin of preference shall be the one that would be applied to the product in the absence of the measure, according to the Tariff Elimination Schedule.

Article 7

Bilateral safeguard measures shall be applied only for the period necessary to prevent or remedy the serious injury and to facilitate adjustment of the domestic industry. This period shall not exceed two years including the period of application of any provisional measure.

Article 8

1. The bilateral safeguard measure may be extended only once and for a maximum period identical to the initial period of application, provided that it has been determined, in accordance with the procedures set out in this Title, that the measure continues to be necessary to prevent or remedy serious injury and that the domestic industry provides evidence that it is adjusting. The measure extended shall not be more restrictive than it was at the end of the initial period.

2. No safeguard measure shall be applied again to the same product imported under the Tariff Elimination Schedule, unless a period equal to the half of the total duration of the previous measures has elapsed.

Section 4 - Investigation and Transparency Procedures

Article 9

1. In the investigation to determine whether increased imports have caused or are threatening to cause serious injury to a domestic industry under the terms of this Agreement, the competent authorities shall evaluate all relevant factors of an objective and quantifiable nature having a bearing on the situation of that industry, in particular, the rate and amount of the increase in imports of the product concerned in absolute and relative terms, the share of the domestic market taken by increased imports, changes in the level of sales, including prices, production, productivity, capacity utilization, profits and losses, and employment.

2. The Investigating Authority shall demonstrate, on the basis of objective evidence, the existence of the causal link between increased imports of the product concerned and serious injury or threat thereof, and shall also evaluate all known factors other than increased imports under preferential terms of this agreement that might be at the same time causing injury to the domestic industry. Special attention should be paid in cases where imports increase also from other sources since their effect should not be attributed to the imports of products under preferential terms.

3. The period of data collection for injury investigations normally should be at least thirty-six months ending as close to the date of the lodging of the application as is practicable.

Article 10

Initiation of investigations

1. Pursuant to each Party's domestic legislation, and provided that there is sufficient prima-facie evidence to justify such initiation as determined below, a Party may initiate a bilateral safeguard investigation:

a) at the request of the domestic industry or of a trade and business association acting on behalf of domestic producers of the like or directly competitive products in the importing Party or Signatory Party, or

b) at the request of one or more of its Member States.

2. The request to initiate shall contain at least the following information:

a) a description of the product: the name and description of the imported product concerned, its tariff heading and the tariff treatment in force, as well as the name and description of the like or directly competitive product;

b) the names and addresses of the producers or association that submit the request (if applicable);

c) if reasonably available, a list of all known producers of the like or directly competitive product.

d) evidence that the conditions for imposing the safeguard measure set out in Article 2(1) are met. In this respect, the request shall generally contain the following information:

(i) the production volume of producers submitting or represented in the application and an estimation of the production of other known producers of the like or directly competitive product;

(ii) the rate and amount of the increase in total and bilateral imports of the product concerned in absolute and relative terms, including at least the last three years (thirty-six months) prior to the date of the lodging of the application, for which information is available;

(iii) the level of import prices during the same period;

(iv) where information is available, objective and quantifiable data regarding the like or directly competitive product, on the volume of total production and of total sales on the internal market, inventories, prices for the internal market, productivity, capacity utilization, employment profits and losses, market share, of the requesting firms or of those represented in the request, including at least the last three years (thirty-six months) previous to the presentation of the request, for which information is available.

Article 11

1. Any information which is by nature confidential or which is provided on a confidential basis shall, upon cause being shown, be treated as such by the competent authorities. Such information shall not be disclosed without permission of the party submitting it. Parties providing confidential information may be requested to furnish non-confidential summaries thereof or, if such parties indicate that such information cannot be summarized, the reasons why a summary cannot be

provided. However, if the competent authorities find that a request for confidentiality is not warranted and if the party concerned is either unwilling to make the information public or to authorize its disclosure in generalized or summary form, the authorities may disregard such information unless it can be demonstrated to their satisfaction from appropriate sources that the information is correct.

2. If information regarding production, production capacity, employment, wages, volume and value of domestic sales, average price is presented on a confidential basis, the investigating authorities shall ensure that meaningful non-confidential summaries disclosing at least aggregated data or, in cases in which the disclosure of aggregated data would endanger the confidentiality of the company's data, indexes for each 12 month period under investigation are submitted, so as to ensure the appropriate right of defense of the interested parties. In this regard, confidentiality requests should be considered in situations in which particular market and/or domestic industry structures so justify it. This provision does not prevent the presentation of more detailed non-confidential summaries.

3. Request for confidentiality will not be warranted for information regarding basic technical and quality standards of the product and uses of the product concerned. Only under exceptional circumstances that shall be duly justified by the investigating authorities, requests for confidentiality shall be warranted for information regarding the identity of the applicants and other known manufacturing companies not part of the petition. In this regard, mere allegations shall not suffice for justifying confidentiality requests. When the identity of the applicants cannot be disclosed, investigating authorities shall disclose the total number of producers included in the domestic industry and the proportion of the production of the applicants with regard to the total production of the domestic industry.

Article 12

The period between the date of publication of the decision to initiate the investigation and the publication of the final decision normally should not exceed one (1) year. Under exceptional circumstances this period could be extended, but in any case shall not exceed 18 months. No safeguard measures shall be applied in case the timeline is not observed by the competent authorities.

Article 13

Each Party or Signatory Party shall establish or maintain transparent, effective and equitable procedures for the impartial and reasonable application of safeguard measures, in compliance with the provisions established in this Chapter.

Section 5 - Provisional Safeguards

Article 14

1. In critical circumstances where delay may cause damage which would be difficult to repair, a Party, or Signatory Party, after due notification, may take a provisional safeguard measure pursuant to a preliminary determination that there is clear evidence that imports_under preferential terms

have increased and that such imports have caused or are threatening to cause serious injury. The duration of the provisional measure shall not exceed two hundred (200) days, during which period the requirements of this Chapter shall be met. If final determination concludes that there was no serious injury or threat thereof to the domestic industry caused by imports under preferential terms, the increased tariff or provisional guarantee, if collected or imposed under provisional measures, shall be promptly refunded, according to the domestic regulation of the relevant Signatory Party.

2. Provisional safeguard measures shall not be taken against Paraguay, unless the result of an investigation demonstrates that the existence of serious injury or threat thereof is also being caused by imports of products from Paraguay under preferential terms.

Section 6 - Public Notice

Article 15

The public notice of the initiation of a safeguard investigation shall include the following information:

1. the name of the petitioner;

2. the complete description of the imported product under investigation, and its classification under the Harmonized System;

3. the deadline for the request for hearings;

4. the deadline to register as an interested party and for the submission of information, statements and other documents;

5. the address where the application or other documents related to the investigation can be examined;

6. the name, address and e-mail address and/or telephone/fax number of the institution which can provide further information; and

7. a summary of the facts upon which the initiation of the investigation was based, including data on imports that have allegedly increased in absolute or relative terms to total production and an analysis of the domestic industry situation based on all the elements conveyed in the application.

Article 16

The public notice of the decision to apply a provisional safeguard measure, to apply or not a definitive safeguard measure shall include the following information:

1. the complete description of the product subject to the safeguard measure, and its tariff classification under the Harmonized System;

2. information and evidence leading to the decision, such as:

   a) the increasing or increased preferential imports, if it is the case;

   b) the situation of the domestic industry;

   c) the existence of a causal link between the increased preferential imports of the goods concerned and the serious injury or threat thereof to the domestic industry, if it is the case;

d) in the case of preliminary determination, the existence of critical circumstances;

3. other reasoned findings and conclusions on all relevant issues of fact and law;

4. description of the measure to be adopted, if it is the case;

5. the date of entry into force of the measure and its duration, if it is the case.

Section 7 - Notifications and consultations

Article 17

1. The importing Party or Signatory Party shall notify the exporting Party or Signatory Party of:

a) the decision to initiate the investigation under this Chapter;

b) the decision to apply a provisional safeguard measure;

c) the decision to apply or not a definitive safeguard measure.

2. The decision shall be notified by the Party or the Signatory Party within a period of ten (10) days from the publication and shall be accompanied by the appropriate public notice. In the case of a decision to initiate an investigation, a copy of the request to initiate the investigation shall be included in the notification.

Article 18

1. When a Party has determined that the conditions to impose definitive measures are met, it should notify and at the same time invite the other Party for consultations.

2. The notification and invitation for consultations refered to in paragraph 1 shall be made at least 30 days before definitive measures are expected to come into force. No definitive measures shall be applied in the absence of notification.

3. The notification provided in paragrapgh 1 shall include:

a) the data and objective information demonstrating the existence of serious injury or threat of serious injury to the domestic industry caused by the increased imports under preferential terms;

b) complete description of the imported product subject to the measure, and its classification under the Harmonized System;

c) description of the measure proposed;

d) the date of entry into force of the measure and its duration; and

e) the invitation for consultations.

4. The objective of the consultations referred to in paragraph 1 shall be a mutual knowledge of the public facts and the exchange of opinions, aimed at reaching a mutually satisfactory solution. If no satisfactory solution is reached within 30 days of the notification under paragraph 1 the Party or Signatory Party may apply the measure at the end of the 30 day period.

5. At any stage of the investigation, the notified Party or Signatory Party may request

consultations with the other Party or Signatory Party or any additional information that it considers necessary.

Section 8 - Outermost regions of the European Union[1]

Article 19

1. Notwithstanding the provisions of Article 2, where a product, imported under preferential terms, origninating in one or more Mercosur Member States is being imported into the territory of one or several of the European Union's outermost regions in such increased quantities and under such conditions as to cause or threaten to cause serious deterioration in the economic situation of the European Union's outermost region(s), the European Union, may exceptionally take safeguard measures limited to the territory of the region(s) concerned.unless a mutually satisfactory solution can be reached

2. Without prejudice to the provisions of paragraph 1, other rules laid down in this section applicable to bilateral safeguards are also applicable to any safeguard adopted under this Article.

3. For the purpose of paragraph 1, serious deterioration shall mean major difficulties in a sector of the economy producing like or directly competitive products. The determination of deterioration shall be based on objective factors, including the following elements:

a) the increase in the volume of imports in absolute or relative terms to domestic production and to imports from other sources; and

b) the effect of such imports on the situation of the relevant industry or the economic sector concerned, including inter alia on the levels of sales, production, financial situation and employment.

[1] At the entry into force of this Agreement, the outermost regions of the EU are: Guadeloupe, French Guiana, Martinique, Reunion, Mayotte, St. Martin, the Azores, Madeira and the Canary Islands. This Article shall also apply to a country or an overseas territory that changes its status to an outermost region by a decision of the European Council in accordance with the procedure set out in Article 355 (6) of the Treaty on the Functioning of the EU from the date of adoption of that decision. In the event that an outermost region of the EU changes its status as such by the same procedure, this Article shall cease to be applicable from the European Council's decision accordingly. The EU shall notify the other Parties of any change in the territories considered as outermost regions of the EU.

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TITLE XXX

TRADE IN SERVICES AND ESTABLISHMENT

Section 1 - General Provisions

Article 1

Objective and scope

1. The Parties, reaffirming their respective commitments under WTO Agreement hereby lay down the necessary arrangements for the liberalisation of trade in services and establishment.

2 Nothing in this Chapter shall be construed to require the privatisation of public services or to impose any obligation with respect to government procurement

3. The provisions of this Chapter shall not apply to subsidies granted or grants provided by a Party, including government-supported loans, guarantees, and insurance.

4. Consistent with the provisions of this Chapter, each Party retains the right to regulate, and to introduce new regulations or to supply services to meet its policy objectives.

5. The provisions of this Chapter shall not apply to the Parties' respective social security systems.

6. In fulfilling its obligations and commitments under this Chapter, each Party shall take such reasonable measures as may be available to it to ensure their observance by regional and local governments and authorities and non-governmental bodies within its territory.

7. The provisions of this Chapter shall not apply to services supplied or activities carried out in the exercise of governmental authority, i. e., to any service which is supplied or any activity which is carried out neither on a commercial basis, nor in competition with one or more service suppliers or investors.

8. This Chapter applies to measures of the Parties affecting trade in services and establishment, with the exception of:

a) national maritime cabotage[1] ;

b) domestic and international air transport services, whether scheduled or non-scheduled, and services directly related to the exercise of traffic rights, other than:

(i) aircraft repair and maintenance services during which an aircraft is withdrawn from service;

(ii) the selling and marketing of air transport services;

(iii) computer reservation system (CRS) services;

(iv) groundhandling services

c) inland navigation;

d) audiovisual services;

Article 2

Definitions

For the purposes of this Chapter:

(a) "measure" means any measure by a Party, whether in the form of a law, regulation, rule, procedure, decision, administrative action, or any other form;

(b) "measures adopted or maintained by a Party" means measures taken by:

(i) central, regional or local governments and authorities; and

[1] Without prejudice to the scope of activities which may be considered as cabotage under the relevant national legislation, national maritime cabotage under this Chapter covers transportation of passengers or goods between a port or point located in a Member State of Mercosur or a Member State of the European Union and another port or point located in the same Member State of Mercosur or Member State of the European Union, including on its continental shelf, as provided in the United Nations Convention on the Law on the Sea and traffic originating and terminating in the same port or point located in the Member State of Mercosur or Member State of the European Union.

(ii) non-governmental bodies in the exercise of powers delegated by central, regional or local governments or authorities;

(c) "measures by Parties affecting establishment, the cross-border supply of services, consumption abroad, and the entry and temporary presence of natural persons" include measures in respect of:

(i) the purchase, payment or use of a service;

(ii) the access to and use of, in connection with the performance of an economic activity, services which are required by those Parties to be offered to the public generally;

(iii) the access, including through establishment, of persons of a Party to the territory of the other Party to perform an economic activity in that territory.

(d) "person" means either a natural person or a juridical person;

(e) "natural person" means a national or permanent resident[2] of Mercosur or one of the Member States of the European Union according to their respective legislation;

(f) "juridical person" means any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association.

(g) "juridical person of a Party" means a juridical person which is either:

(i) constituted or otherwise organized under the law of that Party, and is engaged in substantive business operations in the territory of that Party or the other Party; or

(ii) in the case of establishment, owned or controlled by:

1. natural persons of that Party; or

2. juridical persons of [that] Party identified under subparagraph (i);

(gbis): Notwithstanding the preceding paragraph, shipping companies established outside the EU or Mercosur and controlled by nationals of a Member State of the EU or of a Member State of Mercosur, respectively, shall also be beneficiaries of the provisions of this Chapter, if their vessels are registered in accordance with their respective legislation in that Member State of the EU or Member State of Mercosur and fly the flag of a Member State of the EU or of a Member State of Mercosur;

(h) "service supplier" means any person that seeks to supply or supplies a service[3] ;

[2] Where a Party accords substantially the same treatment to its permanent residents as it does to its nationals in respect of measures affecting the cross-border trade in services, consumption abroad and establishment, its permanent residents shall be covered by the definition of natural persons.

(i) "supply of a service" includes the production, distribution, marketing, sale and delivery of a service;

(j) "sector" of a service means,

(i) with reference to a specific commitment, one or more, or all, subsectors of that service, as specified in a Party's schedule of specific commitments;

(ii) otherwise, the whole of that service sector, including all of its subsectors;

(k) "cross-border supply of services" means the supply of a service from the territory of a Party into the territory of the other Party (mode 1);

(l) "consumption abroad" means the supply of a service in the territory of a Party to the service consumer of the other Party (mode 2).

(m) "entry and temporary stay of natural persons" means the entry and temporary stay of key personnel, graduate trainees, business services sellers, contractual services suppliers and independent professionals of a Party in the territory of the other Party, in accordance with Section 2 of this Chapter;

(n) "enterprise" means a juridical person of a Party, or a branch or a representative office of a juridical person of a Party, set up through the establishment as defined under this Article;

(o) "establishment" means:

(i) the constitution, acquisition or maintenance of a juridical person[4] , or

(ii) the creation or maintenance of a branch or representative office of a juridical person,

within the territory of a Party for the purpose of performing an economic activity;

(p) "investor" of a Party means any person that seeks to perform or performs an economic activity through establishing an enterprise[5] ;

(q) "economic activity" includes any activities of an economic nature whether related to services or non services sectors, subject to the provisions of article 1.

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[3] Where the service is not supplied directly by a juridical person, the treatment provided under this Chapter shall be extended to the branch or representative office through which the service is supplied and need not be extended to any parts of the supplier located outside the territory where the service is supplied.

[4] The terms "constitution" and "acquisition" of a juridical person shall be understood as including capital participation in a juridical person with a view to establishing or maintaining lasting economic links.

[5] Where the economic activity is not performed directly by a juridical person but through other forms of establishment such as a branch or a representative office, the investor (i.e. the juridical person) shall, nonetheless, through such establishment be accorded the treatment provided for investors under the Agreement. Such treatment shall be extended to the establishment through which the economic activity is performed and need not be extended to any other parts of the investor located outside the territory where the economic activity is performed.

Article 3

Market Access

1. With respect to market access through establishment, through the cross-border supply of services, through consumption abroad, and through entry and temporary presence of natural persons as provided in Section 2, each Party shall accord to enterprises, investors, services and services suppliers of the other Party, treatment no less favourable than that provided for under the terms, limitations and conditions agreed and specified in the specific commitments contained in Annex [….] (Lists of Commitments).

2. In sectors where market access commitments are undertaken, the measures which a Party shall not maintain or adopt either on the basis of a regional subdivision or on the basis of its entire territory, unless otherwise specified in Annex [….] (Lists of Commitments), are defined as

(a) limitations on the number of services suppliers or enterprises whether in the form of numerical quotas, monopolies, exclusive rights or the requirements of an economic needs tests;

(b) limitations on the total value of transactions or assets in the form of numerical quotas or the requirement of an economic needs test;

(c) limitations on the total number of operations or on the total quantity of output expressed in terms of designated numerical units in the form of quotas or the requirement of an economic needs test.

(d) limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment;

(e) measures which restrict or require specific types of legal entity or joint ventures through which an investor or service supplier of the other Party may perform an economic activity.

(f) limitations on the total number of natural persons, that may be employed in a particular sector or that an enterprise may employ and who are necessary for, and directly related to, the performance of the economic activity in the form of numerical quotas or the requirement of an economic needs test

3. Economic needs tests shall be described concisely but clearly, indicating the elements that make it inconsistent with the present article and specifying as well the criteria on which the test is based.

Article 4

National Treatment

1. In the sectors inscribed in Annex (Lists of Commitments), and subject to any conditions and qualifications set out therein, with respect to all measures affecting establishment[6] , the cross-border supply of services, consumption abroad and entry and temporary presence of natural persons as provided in Section 2, each Party shall accord to enterprises, investors, services and service suppliers of the other Party treatment no less favourable than that it accords to its own like enterprises, investors, services and service suppliers.

2. A Party may meet the requirement of paragraph 1 by according to enterprises, investors, services and services suppliers of the other Party, either formally identical treatment or formally different treatment to that it accords to its own like enterprises, investors, services and services suppliers.

3. Formally identical or formally different treatment shall be considered to be less favourable if it modifies the conditions of competition in favour of enterprises, investors, services or services suppliers of the Party compared to like enterprises, investors, services and services suppliers of the other Party.

4. Specific commitments assumed under this Article shall not be construed to require any Party to compensate for any inherent competitive disadvantages which result from the foreign character of the relevant enterprises, investors, services or services suppliers.

Article 5

Schedule of specific commitments

1. The sectors liberalised by each of the Parties pursuant to this Chapter and, by means of reservations, the market access and national treatment limitations applicable to services, services suppliers, enterprises and investors of the other Party in those sectors are set out in the schedules of specific commitments included in Annex […], which is an integral part of this Chapter.

2. The Parties shall not apply any market access and national treatment restrictions other than those scheduled in their Schedule of Specific Commitments.

Section 2 - Temporary presence of natural persons supplying services and for business purposes

Article 6

Coverage

[6] The obligations in this provision apply also to measures governing the composition of boards of directors of an establishment, such as nationality and residency requirements.

1. This Section applies to measures of the Parties concerning the entry and temporary stay into their territories of key personnel, graduate trainees, business services sellers, contractual services suppliers and independent professionals in accordance with paragraph 2 and 3 of this Article.

2. The provisions of this Chapter shall not apply to measures affecting natural persons seeking access to employment market of a Party, nor shall it apply to measures regarding citizenship, residence or employment on a permanent basis.

3. This Chapter shall not prevent the parties from applying measures necessary to regulate the entry, the stay and the orderly movement of natural persons in its territory as well as to protect the integrity of its borders, provided that such measures do not nullify or impair the benefits accruing to any Party under the terms of a specific commitment[7].

4. Subject to Articles 16 and 17, nothing in this Chapter shall prevent a Party from requiring that natural persons must possess the necessary qualifications and/or professional experience specified in the territory where the service is supplied, for the sector of activity concerned.

Article 7

Definitions

1. For the purpose of this Section:

(a) 'Key personnel' means natural persons employed within a juridical person of one Party other than a non-profit organisation and who are responsible for the establishment or the proper control, administration and operation of an enterprise.

'Key personnel' comprises 'business visitors' responsible for establishing an enterprise and 'intra-corporate transferees'.

(i) 'Business visitors' means natural persons working in a senior position who are responsible for establishing an enterprise. They do not engage in direct transactions with the general public and do not receive remuneration from a source located within the host Signatory Party.

(ii) 'Intra-corporate transferees' means natural persons who have been employed by a juridical person of a Party or have been partners in it for at least one year and who are temporarily transferred to [an enterprise or a head office of that juridical person] in the territory of the other Party. The natural person concerned must belong to one of the following categories:

1. Managers:

[7] The sole fact of requiring a visa for natural person of certain country and not for those of others shall not be regarded as nullifying or impairing benefits under a specific commitment.

Persons working in a senior position within a juridical person, who primarily direct the management of the enterprise receiving general supervision or direction principally from the board of directors or stockholders of the business or their equivalent, including:

– directing the establishment or a department or sub-division thereof;

– supervising and controlling the work of other supervisory, professional or managerial employees;

– having the authority personally to recruit and dismiss or recommend recruiting, dismissing or other personnel actions.

2. Specialists:

Persons working within a juridical person who possess specialised knowledge essential to the enterprise's economic activity, techniques or management.

(b) 'graduate trainees' means natural persons who have been employed by a juridical person of one Party for at least one year, who possess a university degree and who are temporarily transferred to an enterprise in the territory of the other Party for career development purposes or to obtain training in business techniques or methods[8] .

(c) 'business sellers' means natural persons who are representatives of a juridical person of one Party seeking entry and temporary stay into the territory of the other Party for the purpose of negotiating the sale of services or goods or entering into agreements to sell services or goods for that supplier. They do not engage in making direct sales to the general public and do not receive remuneration from a source located within the host Party, nor are they commission agent.

(d) 'contractual services suppliers' means natural persons employed by a juridical person of one Party which has not established in the territory of the other Party and which has concluded a contract to supply services with a final consumer in the latter Party requiring the presence on a temporary basis of its employees in that Party in order to fulfil the contract to provide services[9].

(e) 'independent professionals' means natural persons engaged in the supply of a service and settled as self-employed in the territory of a Party who have not established in the territory of the other Party] and who have concluded a contract to supply services with a

[8] The recipient establishment may be required to submit a training programme covering the duration of stay for prior approval, demonstrating that the purpose of the stay is for training. The competent authorities may require that training be linked to the university degree which has been obtained

[9] The service contract referred to under d) shall be a *bona fide* contract and comply with the laws, regulations and requirements of the Party where the contract is executed.

final consumer in the territory of the other Party requiring their presence on a temporary basis in that Party in order to fulfil the contract to provide services [10].

Article 8

Key personnel and graduate trainees

For each sector for which commitments have been undertaken for establishment and subject to any reservations listed in Annex […] (Schedule of Specific Commitments), each Party shall allow investors of the other Party to employ in their enterprise natural persons of that other Party, provided that such employees are key personnel or graduate trainees as defined in Article 7. The temporary entry and stay of key personnel and graduate trainees shall be:

a) for the period of time necessary for the fulfilment of the contract and, up to 3 years for intra-corporate transferees, whichever is less;

b) up to 60 days in any twelvemonth period for business visitors; and

c) up to 1 year for graduate trainees.

Article 9

Business services sellers

For each sector for which commitments have been undertaken for the cross-border supply of services and for establishment, and subject to any reservations listed in Annex […] (Schedule of Specific Commitments), each Party shall allow the temporary entry and stay of business services sellers for a period of up to 90 days in any twelve month period[11].

Article 10

Contractual services suppliers and independent professionals

1. For the sectors specified in its schedule of specific commitments, and subject to any reservations listed therein, each Party shall allow the supply of services into its territory by contractual services suppliers of the other Party, through presence of natural persons, subject to the following conditions:

[10] The service contract referred to under e) shall be a *bona fide* contract and comply with the laws, regulations and requirements of the Party where the contract is executed.

[11] This paragraph is without prejudice to the rights and obligations deriving from bilateral visa waiver agreements between individual Mercosur Member States and individual EU Member States.

(a) The juridical person employing the natural person must have obtained a service contract for a period not exceeding twelve months.

(b) The natural persons entering the other Party must have appropriate education or experience relevant to the service to be provided.

(c) The natural person shall not receive remuneration for the provision of services other than the remuneration paid by the contractual service supplier during their stay in the other Party.

(d) The temporary entry and stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months in any twelve-month period or for the duration of the contract, whichever is less.

(e) Access accorded under the provisions of this Article relates only to the service activity which is the subject of the contract; it does not confer entitlement to exercise the professional title of the Party where the service is provided.

2. For the sectors specified in its schedule of specific commitments, and subject to any reservations listed therein, each Party shall allow the supply of services into its territory by independent professionals of the other Party, through presence of natural persons, subject to the following conditions:

(a) The natural persons must have obtained a service contract for a period not exceeding twelve months.

(b) The natural persons entering the other Party must have appropriate educational and professional education relevant to the service to be provided.

(c) The temporary entry and stay of natural persons within the Party concerned shall be for a cumulative period of not more than six months in any twelve month period or for the duration of the contract, whichever is less.

(d) Access accorded under the provisions of this Article relates only to the service activity which is the subject of the contract, it does not confer entitlement to exercise the professional title of the Party where the service is provided.

Section 3 - Regulatory Framework

Sub-Section 1 - Provisions of General Application

Article 11

Mutual Recognition

1. Nothing in this Title shall prevent a Party from requiring that natural persons must possess the necessary qualifications and/or professional experience specified in the territory where the service is supplied, for the sector of activity concerned.

2. For the purposes of the fulfilment, in whole or in part, of its standards or criteria for the authorization, licensing or certification of investors and services suppliers, a Party may recognize the education or experience obtained, requirements met, or licenses or certifications granted in the other Party. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement or may be accorded autonomously.

Article 12

Transparency

1. Each Party shall publish promptly and, except in emergency situations, at the latest by the time of their entry into force, all relevant measures of general application which pertain to or affect this Agreement.

2. The measures referred to in Paragraph one shall include measures applying to all modes of supply, including on the process of entry and temporary stay of the categories of natural persons as defined in article 7. This information must be kept up to date. Each Party shall facilitate access to the relevant information by indicating to the other Party where relevant publications and websites can be found.

3. Where publication as referred to in paragraphs 1 and 2 is not practicable, such information shall be made otherwise publicly available.

4. Each Party shall respond promptly to all requests by the other Party for specific information on any of its measures of general application or international agreements within the meaning of paragraph 1 and 2 including measures regarding the entry and temporary stay of services suppliers in the meaning of paragraph 2. Each Party shall also establish one or more enquiry points to provide specific information to services providers of the other Party, upon request, on all such matters. Such enquiry points are listed in Annex […] (Enquiry points). Enquiry points need not be depositories of laws and regulations.

5. Nothing in this Agreement shall require any Party to provide confidential information, the disclosure of which would impede law enforcement, or otherwise be contrary to the public interest, or which would prejudice legitimate commercial interests of particular enterprises, public or private.

Sub-Section 2 - Domestic Regulation

Article 13

Scope and definitions

1. These disciplines shall only apply to sectors for which the Party has undertaken specific commitments and to the extent that these specific commitments apply.

2. These disciplines do not apply to measures to the extent that they constitute limitations subject to scheduling under Articles […] (Market Access) and […] (National Treatment).

3. In sectors where specific commitments are undertaken, each Party shall ensure that all measures of general application affecting trade in services and establishment are administered in a reasonable, objective and impartial manner.

4. In regard to measures relating to licensing requirements and procedures, qualification requirements and procedures the Parties shall comply with the provisions and procedures described in this Sub-Section.

5. The following disciplines apply to measures by the Parties relating to licensing and qualification requirements and procedures that affect:

(a) cross-border supply of services;

(b) establishment in their territory of an enterprise, as defined in Article […] of this Agreement; or

(c) temporary stay in their territory of categories of natural persons as defined in Article […].

6. For the purpose of this [sub-section],

(a) "Licensing requirements" are substantive requirements other than qualification requirements which a services supplier or investor is required to comply in order to obtain from a competent authority a decision concerning the authorisation to supply a service, or concerning the authorisation to establish an enterprise in order to perform an economic activity, including a decision to amend or renew such authorisation.

(b) "Competent authority" is any central, regional or local government and authority or non-governmental body in the exercise of powers delegated by central or regional or local governments or authorities, which takes a decision concerning the authorisation to supply a service, or concerning the authorisation to establish an enterprise in order to perform an economic activity.

(c) "Licensing procedures" are administrative and procedural rules that a service supplier or an investor seeking authorisation to supply a service or to establish an enterprise must adhere to in order to demonstrate compliance with licensing requirements.

(d) "Qualification requirements" are substantive requirements relating to the competence of a natural person to supply a service and which are required to be demonstrated for the purpose of obtaining authorization to supply a service.

(e) "Qualification procedures" are administrative or procedural rules that a natural person must adhere to in order to demonstrate compliance with qualification requirements, for the purpose of obtaining authorization to supply a service.

Article 14

Conditions for licensing

1. Measures relating to licensing requirements shall be based on criteria which are:

(a) proportionate to a public policy objective;

(b) clear and unambiguous;

(c) objective;

(d) made public in advance.

2. A license should be granted as soon as it is established, in the light of an appropriate examination, that the conditions for obtaining a license have been met.

3. Where the number of licenses available for a given activity is limited because of the scarcity of available natural resources or technical capacity, the Parties shall apply a selection procedure to potential candidates which is impartial and transparent and provides, in particular, adequate publicity about the launch, conduct and completion of the procedure.

4. Subject to the provisions specified by this Article, in establishing the rules for the selection procedure, the Parties may take into account public policy objectives.

Article 15

Licensing procedures

1. Licensing procedures shall be clear and made public in advance. Each Party shall ensure that the licensing procedures used by, and the related decisions of, the competent authority are objective and impartial with respect to all applicants.

2. Licensing procedures shall not be dissuasive and shall not unduly complicate or delay the provision of the service.

3. Any licensing fees[12]which the applicants may incur from their application shall be reasonable and shall not in themselves restrict the supply of the service. To the extent practicable those fees should be proportionate to the cost of the authorisation procedures in question.

4. The competent authorities of a Party shall to the extent practicable provide an indicative timeframe for processing an application. Applications will be processed within a reasonable period of time. The period shall run only from the time when all documentation has been received by the competent authorities. When justified by the complexity of the issue, the time period may be extended, by the competent authority, for a reasonable time. The extension and its duration shall be duly motivated and shall be notified to the applicant, to the extent practicable before the original period has expired.

5. In the case of an incomplete application, the applicant shall be informed as quickly as possible of the need to supply any additional documentation. In this case, the period referred to in paragraph 4 may be suspended by the competent authorities, until all documentation has been received by the competent authorities.

6. When a request is rejected because it fails to comply with the required procedures or formalities, the applicant shall be informed of the rejection and of the available means of redress as quickly as possible.

Article 16

Qualification requirements

1. Qualification requirements shall be based on criteria which are proportionate to a public policy objective, clear and unambiguous; objective and made public in advance.

2. Where a Party imposes qualification requirements for the supply of a service, it shall ensure that adequate procedures exist for the verification and assessment of qualifications held by service suppliers of the other Party. Where the competent authority considers that membership in a relevant professional association in the territory of another Party is indicative of the level of competence or extent of experience of the applicant, such membership shall be given due consideration.

3. For professional services, the scope of examinations and of any other qualification requirements shall be related to the rights to practice a profession for which authorisation is being sought so as to avoid unduly restricting persons of the other Party from applying.

4. Provided an applicant has presented all necessary supporting evidence of qualifications, the competent authority, in verifying and assessing qualifications, shall identify any deficiency and inform the applicant of requirements to meet the deficiency. Such requirements may include,

[12] Licensing fees do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

inter alia, course work, examinations and training. The fact that an applicant of a Party presents evidence of qualifications obtained in a non-Party shall not in itself constitute an a priori reason for the other Party to reject the application and refrain from making a proper assessment of the qualifications presented.

5. Where examinations are required, each Party shall ensure that they are scheduled at reasonably frequent intervals. Applicants for examinations shall be allowed a reasonable period to submit applications.

6. Once qualification requirements and any other applicable regulatory requirements have been fulfilled, each Party should ensure that a service supplier is allowed to supply the service without undue delay.

Article 17

Qualification procedures

1. Qualification procedures shall be clear and unambiguous, objective and made public in advance.

2. Each Party shall ensure that the qualification procedures used by, and the related decisions of, the competent authority are impartial with respect to all applicants.

3. An applicant shall, in principle, not be required to approach more than one competent authority for qualification procedures.

4. Where specific time periods for applications exist, an applicant shall be allowed a reasonable period for the submission of an application. The competent authority shall initiate the processing of an application without undue delay. To the extent practicable, the competent authority shall accept applications in electronic format under the same conditions of authenticity as paper submissions.

5. Authenticated copies should be accepted, where possible, in place of original documents.

6. If the competent authority rejects an application, it shall inform the applicant, to the extent practicable in writing, without undue delay. It shall inform the applicant, upon request, of the reasons for rejection of the application and identify any deficiencies and requirements to meet the deficiencies. It shall inform the applicant of the timeframe for an appeal against the decision, if available. It shall permit an applicant to resubmit an application within reasonable time limits.

7. Each Member shall ensure that the processing of an application, including verification and assessment of a qualification, is completed within a reasonable timeframe from the submission of a complete application. Each Member shall endeavour to establish the normal timeframe for processing of an application.

8. Each Member shall ensure that any fees relating to qualification procedures are commensurate with the costs incurred by the competent authorities and do not in themselves restrict the supply of the service.

Article 18

Review of administrative decisions

Each Party shall maintain or institute judicial, arbitral or administrative tribunals or procedures which provide, at the request of an affected investor or service supplier, for a prompt review of, and where justified, appropriate remedies for, administrative decisions affecting establishment, cross border supply of services or temporary presence of natural persons supplying services and for business purposes. Where such procedures are not independent of the agency entrusted with the administrative decision concerned, the Parties shall ensure that the procedures in fact provide for an objective and impartial review.

Sub-Section 3 - Postal Services

Article 19

Scope and definitions

1. This Sub-section sets out principles of the regulatory framework for postal services regarding which the Parties have undertaken specific commitments in accordance with this Chapter.

2. Nothing in this Sub-Section requires a party to liberalise services reserved to one or more designated operators as indicated in its schedule of commitments.

3. For the purpose of this Sub-section:

(a) "Postal service"[13] means services involving the collecting, sorting, transport and delivery of postal items whether to domestic or foreign destinations, whether priority, non-priority, urgent, express, etc., performed by any operator whether public or private.

(b) “Postal item” means an item addressed in the final form in which it is to be carried by a postal service provider, whether public or private, and may include items such as a letter, parcel, newspaper, catalogue and others.

(c) "Regulatory authority" for the postal sector means the independent body or bodies charged with the regulation of postal services mentioned in this Sub-section.

[13] Postal services cover CPC 7511 and CPC 7512.

(d) "Universal service" means the permanent provision of a postal service of specified quality at all points in the territory of a Party at affordable prices for all users. Its scope and implementation are decided by each Party.

(e) "Licence" means any form of authorisation or permission[14] , setting out rights and obligations specific to the postal sector granted to an individual supplier by a regulatory authority, or any other competent body, which is required before supplying a given service.

(f) "Essential requirements" means general non-economic reasons for imposing conditions on the supply of postal services. These reasons may include the confidentiality of correspondence, security of the network as regards the transport of dangerous goods, data protection, environmental protection and regional planning.

Article 20

Prevention of anticompetitive practices in the postal sector

Each Party shall ensure that a supplier of postal services subject to a universal service obligation or a postal monopoly does not engage in anticompetitive practices such as:

(a) using revenues derived from the supply of such service to cross-subsidize the supply of an express postal service or any non-universal postal service, and

(b) differentiating among customers such as businesses, large volume mailers or consolidators with respect to tariffs or other terms and conditions for the supply of a service subject to a universal service obligation or a postal monopoly, as long as such differentiation is not based on objective or impartial criteria.

Article 21

Universal Services

Any Party has the right to define the kind of universal service obligation it wishes to maintain and may adopt the necessary measures in order to safeguard the implementation, development, and maintenance of the universal postal service. Such measures and obligations will not be regarded as anti-competitive per se, provided they are applied in a transparent, non-discriminatory and proportionate way.

Article 22

[14] For greater certainty this includes concession, registration, declaration, notification individual licences, among others.

Licences to provide postal services

1. The Parties may require licences for the supply of postal services. A licence should be granted wherever possible, according to national legislation, upon a simplified authorisation procedure.

2. A licence may require compliance with essential requirements, including quality standards and respect of the exclusive and special rights of designated operators of reserved services or of universal postal services.

3. When a licence is required:

(a) the Parties shall make publicly available in an easily accessible form:

- the rights and obligations resulting from such licence;

- the criteria, terms and conditions for licensing, and

- to the extent possible, the period of time normally required to reach a decision concerning an application for a licence.

(b) the procedures for the granting of a licence shall be transparent, non-discriminatory, proportionate and based on objective criteria;

(c) any licensing fees[15] which the applicants may incur from their application shall be reasonable and do not in themselves restrict the supply of the service.

4. The status of an application for a licence and the reasons for the denial of a licence shall be made known to the applicant upon request. The procedure for appeal through a domestic independent body shall be made available according to the regulation of each Party. Such a procedure will be transparent, non-discriminatory, and based on objective criteria.

Article 23

Independence of regulatory bodies

The Parties may designate a regulatory authority, whether specific or not for the sector. The regulatory body or bodies for postal services shall be legally separate from, and not accountable to, any supplier of postal services. The decisions of and the procedures used by the regulatory bodies shall be impartial with respect to all market participants.

[15] Licensing fees do not include payments for auction, tendering or other non-discriminatory means of awarding concessions, or mandated contributions to universal service provision.

Sub-Section 4 - Telecommunications Services

Article 24

Scope and definitions

1. This Sub-section sets out principles of the regulatory framework for telecommunications services, other than broadcasting[16], regarding which the Parties have undertaken specific commitments in accordance with this Chapter.

2. Nothing in this Sub-Section shall be construed:

(a) to require a Party to authorize a service supplier of any other Party to establish, construct, acquire, lease, operate, or supply telecommunications transport networks or services, other than as provided for in its Schedule; or

(b) to require a Party (or to require a Party to oblige service suppliers under its jurisdiction) to establish, construct, acquire, lease, operate or supply telecommunications transport networks or services not offered to the public generally.

3. For the purpose of this Sub-section:

(a) "telecommunications services" means all services which consist in the transmission and reception of electro-magnetic signals. Telecommunications services exclude services providing, or exercising editorial control over, the content transmitted.

(b) "regulatory authority" in the telecommunications sector means the body or bodies charged with the regulation of telecommunications mentioned in this Sub-Section;

(c) "essential telecommunications facilities"[17] mean facilities of a public telecommunications transport network and service that

(i) are exclusively or predominantly provided by a single or limited number of suppliers; and

(ii) cannot feasibly be economically or technically substituted in order to provide a service.

[16] Broadcasting is defined as radiocommunication in which transmissions are intended for direct reception by the general public, and may include sound transmission and television transmission. Suppliers of broadcasting services shall be considered as suppliers of public telecommunications transport services and their networks as public telecommunications transport networks, when and to the extent that such networks are also used for providing public telecommunications transport services.

[17] For the Republic of Paraguay and the Republic of Uruguay "essential telecommunications facilities" mean facilities of a public telecommunications transport network and service in accordance with the definition provided by the respective domestic regulation.

(d) "licence" means any form of authorisation including registration, declaration, notification procedures or others as defined in domestic regulation of a Party, setting out rights and obligations specific to the telecommunications sector granted to an individual supplier by a regulatory authority which is required for the provision of telecommunication service.

(e) "service supplier" means a person that has been granted a license to supply telecommunication services;

(f) "major supplier" in the telecommunications sector is a supplier which has the ability to materially affect the terms of participation (having regard to price and supply) in a relevant market for telecommunications services as a result of control over essential facilities or the use of its position in that market;

(f) "interconnection" means linking with suppliers providing telecommunications transport networks or services in order to allow the users of one supplier to communicate with users of another supplier and to access services provided by another supplier;

(g) "public telecommunications transport service" means any telecommunications transport service required, explicitly or in effect, by a Party to be offered to the public generally;

(g) 'universal service' means the set of services of specified quality that must be made available to all users in the territory of a Party regardless of their geographical location and at an affordable price; its scope and implementation are decided by each Party.

Article 25

Regulatory Authority

1. Regulatory authorities for telecommunications services shall be legally distinct and functionally independent from any supplier of telecommunications services.

2. The regulatory authority shall be sufficiently empowered and resourced to regulate the sector. The competences of a regulatory authority shall be made public in an easily accessible and clear form, in particular where those tasks are assigned to more than one body.

3. The decisions of and the procedures used by regulators shall be impartial with respect to all market participants.

4. A supplier affected by the decision of a regulatory authority shall have a right to appeal against that decision to a domestic appeal body that is independent of the parties involved and of the regulatory authority. Where the appeal body is not judicial in character, written reasons for its decision shall always be given and its decisions shall also be subject to review by an impartial and independent domestic judicial or administrative authority.

Article 26

Licenses to provide telecommunication services

1. A licence shall be granted, wherever possible, upon a simplified procedure.

2. Terms and conditions for the attributions of numbers and frequencies shall be made publicly available.

3. Where a licence is required:

(a) all the licensing criteria shall be made publicly available. A reasonable period of time normally required to reach a decision concerning an application for a licence, after the submission of a complete application, shall be made publicly available;

(b) the reasons for the denial of a licence shall be made known in writing to the applicant upon request;

(c) the applicant for a licence shall be able to seek recourse to a domestic appeal body in the case where a licence has been unduly denied.

Article 27

Anti-competitive practices

The Parties shall introduce or maintain appropriate measures for the purpose of preventing suppliers who, alone or together are a major[18] supplier from engaging in or continuing anti-competitive practices.

The anti-competitive practices may include abuse of dominant position, and all practices, conducts or recommendations, individual or concerted, which have the effect of restricting, limiting, hindering, distorting or preventing the current or future competition in the relevant market.

Article 28

Access to essential facilities

Each Party shall ensure that a major supplier[19] in its territory grants access to its essential facilities to suppliers of telecommunications services on reasonable and non-discriminatory[20] terms and

[18] In the case of the Oriental Republic of Uruguay, the scope of this provision applies to all suppliers

[19] In the case of the Oriental Republic of Uruguay, the scope of this provision applies to all suppliers.

[20] For the purpose of this section, non-discrimination is understood to refer to national treatment as defined in Article XX [national treatment], as well as to reflect sector-specific usage of the term to mean "terms and conditions no less

conditions (including in relation to rates, technical standards, specifications, quality and maintenance).

Article 29

Interconnection

1. Any supplier authorised to provide telecommunications services shall have the right to negotiate interconnection with other providers of publicly available telecommunications networks and services. Interconnection should in principle be agreed on the basis of commercial negotiation between the companies concerned.

2. Each Party shall ensure that suppliers that acquire information from another undertaking during the process of negotiating interconnection arrangements use that information solely for the purpose for which it was supplied and respect at all times the confidentiality of information transmitted or stored.

3. Interconnection with a major supplier[21] shall be ensured at any technically feasible point in the network. Such interconnection shall be provided:

(a) under non-discriminatory terms, conditions (including technical standards and specifications) and rates, and of a quality no less favourable than that provided for the own like services of such major supplier, or for like services of non-affiliated service suppliers, or for its subsidiaries or other affiliates;

(b) in a timely fashion, on terms and conditions (including technical standards and specifications) that are transparent, reasonable, having regard to economic feasibility, and sufficiently detailed, so that the supplier need not pay for network components or facilities that it does not require for the service to be provided.

(c) upon request by another supplier, and subject to an assessment by the regulatory authority where appropriate, at any technically feasible points in addition to the network termination points offered to the majority of users, subject to reasonable charges.

4. The rules applicable for interconnection to a major supplier shall be made publicly available.

5. Major suppliers shall make publicly available either their interconnection agreements or their reference interconnection offers where it is appropriate.

6. A service supplier requesting interconnection with a major supplier shall have recourse either at any time or after a reasonable period of time which has been made publicly known, to an

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favourable than those accorded to any other user of like public telecommunication networks or services under like circumstances".

[21] In the case of the Oriental Republic of Uruguay, the scope of this provision applies to all suppliers.

independent domestic body, which may be a regulatory body as referred to in Article 31 of this Sub-Section, to resolve disputes regarding appropriate terms, conditions and rates for interconnection.

Article 30

Scarce resources

Any procedures for the allocation and use of scarce resources, including frequencies, shall be carried out in an objective, timely, transparent and non discriminatory manner. To the extent possible, the current state of allocated frequency bands shall be made publicly available, but detailed identification of frequencies allocated for specific government uses is not required.

Article 31

Universal services

1. Each Party has the right to define the kind of universal service obligations it wishes to maintain. Such obligations must be administered in a transparent, objective, non discriminatory and proportionate way.

2. Where the designation of a universal service provider is open to multiple service suppliers, such procedures shall be open to all suppliers. The designation shall be made through an efficient, transparent and non-discriminatory mechanism.

Article 32

Confidentiality of information

Each Party shall ensure the confidentiality of telecommunications and related traffic data by means of a public telecommunication network and publicly available telecommunications services, subject to the requirement that measures applied to that end do not constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on trade in services.

Article 33

Disputes between suppliers

1. In the event of a dispute arising between suppliers of telecommunications networks or services, the national regulatory authority concerned shall, at the request of either party, issue a binding decision to resolve the dispute in the shortest possible timeframe.

2. When such a dispute concerns the cross-border provision of services, the national regulatory authorities concerned shall co-ordinate their efforts in order to bring about a resolution of the dispute.

Article 34

International mobile roaming services

1. Each Party shall endeavour to cooperate on promoting transparent and reasonable rates for international roaming services with a view to promoting the growth of trade between the Parties and enhancing consumer welfare.

2. Each Party shall ensure that telecommunications services suppliers providing international mobile roaming services for voice, text messaging and data, provide those services:

-with a similar quality than that provided to their own retail customers in their country of establishment; and

-with clear and readily available information in respect of access to the services and the prices thereof.

3. The Parties shall establish cooperation mechanisms aimed at monitoring the achievement of the above mentioned points as well as on the other issues related to international mobile roaming services that could be identified.

4. Nothing in this Article shall oblige a Party to regulate rates or conditions for international mobile roaming services.

Sub-Section 5 - Financial Services

Article 35

Definitions

1. This sub-section applies to measures by a Party affecting supply of financial services.

2. For the purposes of this Sub-Section:

(i) "Financial service" means any service of a financial nature offered by a financial service supplier of a Party. Financial services comprise the following activities:

A. Insurance and insurance-related services

1. direct insurance (including co-insurance):

(a) life;

(b) non-life;

2. reinsurance and retrocession;

3. insurance inter-mediation, such as brokerage and agency; and

4. services auxiliary to insurance, such as consultancy, actuarial, risk assessment and claim settlement services.

B. Banking and other financial services (excluding insurance):

1. acceptance of deposits and other repayable funds from the public;

2. lending of all types, including consumer credit, mortgage credit, factoring and financing of commercial transaction;

3. financial leasing;

4. all payment and money transmission services, including credit, charge and debit cards, travellers cheques and bankers drafts;

5. guarantees and commitments;

6. trading for own account or for account of customers, whether on an exchange, in an over-the-counter market or otherwise, the following:

(a) money market instruments (including cheques, bills, certificates of deposits);

(b) foreign exchange;

(c) derivative products including, but not limited to, futures and options;

(d) exchange rate and interest rate instruments, including products such as swaps, forward rate agreements;

(e) transferable securities;

(f) other negotiable instruments and financial assets, including bullion;

7. participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues;

8. money broking;

9. asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services;

10. settlement and clearing services for financial assets, including securities, derivative products, and other negotiable instruments;

11. provision and transfer of financial information, and financial data processing and related software by suppliers of other financial services;

12. advisory, intermediation and other auxiliary financial services on all the activities listed in subparagraphs (1) through (11), including credit reference and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate restructuring and strategy.

(ii) "Financial service supplier" means any natural or juridical person of a Member wishing to supply or supplying financial services but the term "financial service supplier" does not include a public entity.

(iii) "New financial service" means a service of a financial nature, including services related to existing and new products or the manner in which a product is delivered, that is not supplied by any financial service supplier in the territory of a Party but which is supplied in the territory of the other Party.

(iv) Self-regulatory organisation means a non-governmental body, including any organisation or association, that exercises regulatory or supervisory authority over financial service suppliers by delegation from a Party.

(v) "Public entity" means:

1. A government, a central bank or a monetary authority, of a Party, or an entity owned or controlled by a Party, that is principally engaged in carrying out governmental functions or activities for governmental purposes, not including an entity principally engaged in supplying financial services on commercial terms; or

2. A private entity, performing functions normally performed by a central bank or monetary authority, when exercising those functions.

(vi) For the purposes of this sub-section and only in relation to services covered by this sub-section (financial services) "services supplied in the exercise of governmental authority" means the following:

1. activities conducted by a central bank or monetary authority or by any other public entity in pursuit of monetary or exchange rate policies;

2. activities forming part of a statutory system of social security or public retirement plans; and

3. other activities conducted by a public entity for the account or with the guarantee or using the financial resources of the Government.

If a Party allows any of the activities referred to in subparagraphs (2) or (3) of paragraph (vi) to be conducted by its financial service suppliers in competition with a public entity or a financial service supplier, "financial services" shall include such activities, which will then fall within the scope of this Chapter.

The general definition of 'services supplied in the exercise of governmental authority' included in article 1.7 of this Chapter shall not apply to services covered by this sub-section.

Article 36

Prudential carve out

1. Nothing in this Agreement shall be construed to prevent a Party from taking measures for prudential reasons, such as:

(a) the protection of investors, depositors, financial market participants, policy-holders or persons to whom a fiduciary duty is owed by a financial service supplier;

(b) ensuring the integrity and stability of a Party's financial system.

2. Where such measures do not conform with the provisions of this sub-section, they shall not be used as a means of avoiding the Party's commitments or obligations under this sub-section.

3. Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual clients or any confidential or proprietary information in the possession of public entities.

Article 37

Effective and transparent regulation in the financial services sector

1. Each Party shall make its best endeavours to provide in advance to all interested persons any measure of general application that the Party proposes to adopt Such measure shall be provided:

(a) by means of an official publication; or

(b) in other written or electronic form.

2. Each Party's appropriate financial authority shall make available to interested persons its requirements for completing applications relating to the supply of financial services.

3. On the request of an applicant, the appropriate financial authority shall inform the applicant of the status of its application. If such authority requires additional information from the applicant, it shall notify the applicant without undue delay.

4. Each Party shall make its best endeavours to ensure that internationally agreed standards for regulation and supervision in the financial services sector and for the fight against tax evasion and avoidance are implemented and applied in its territory. Such internationally agreed standards are, inter alia, those adopted by the G20, the Financial Stability Board (FSB), the Basle

Committee the International Association of Insurance Supervisors, the International Organisation of Securities Commissions, recommendations from the Financial Action Task Force on Money Laundering, the Global Forum on Transparency and Exchange of Information for Tax Purposes of the Organisation of Economic Cooperation and Development (OECD), and the International Financial Reporting Standards (IFRS). For this purpose, the Parties shall cooperate and exchange information and experiences on the matter.

Article 38

New financial services

1. Each Party shall permit a financial services supplier of the other Party, established in its territory, to provide in its territory any new financial services within the scope of the sub-sectors and financial services committed in its schedule and subject to the terms, limitations, conditions and qualifications established in that schedule.

2. A "new financial service" must be in accordance with laws of the party where it is intended to be supplied and subject to the approval, regulation and supervision of competent authorities of that party.

Article 39

Mutual recognition of prudential measures

1. A Party may recognise prudential measures of the other Party in determining how the Party's measures relating to financial services shall be applied. Such recognition, which may be achieved through harmonisation or otherwise, may be based upon an agreement or arrangement or may be accorded autonomously.

2. A Party that is a party to an agreement or arrangement with a third party such as those referred to in paragraph 1, whether future or existing, shall afford adequate opportunity for the other Party to negotiate its accession to such agreements or arrangements, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and, if appropriate, procedures concerning the sharing of information between the Parties to the agreement or arrangement. Where a Party accords recognition autonomously, it shall afford adequate opportunity for the other Party to demonstrate that such circumstances exist.

Article 40

Self-regulatory organisations

1. When a Party requires membership or participation in, or access to, any self-regulatory body, in order for financial service suppliers of the other Party to supply financial services on an equal basis with financial service suppliers of the Party, or when the Party provides directly or indirectly such entities, privileges or advantages in supplying financial services, the Party shall ensure that such entities accord National Treatment (Article...) to financial service suppliers established in the territory of that Party.

2. For greater certainty, nothing in this Article prevents a self-regulatory organisation referred to in paragraph 1 from adopting its own non-discriminatory requirements or procedures. Insofar as such measures are taken by non-governmental bodies and not in relation to the exercise of powers delegated by central, regional, or local governments or authorities then they are not considered to be measures of a Party and thus do not fall within the scope of this Chapter.

Article 41

Payment and clearing systems

On the basis of regulatory requirements and in accordance with national treatment, each Party shall grant to financial services suppliers of the other Party established in its territory access to payment and clearing facilities operated by public entities and to official funding and refinancing available in the normal course of ordinary business. This paragraph is not intended to confer access to a Party's lender of last resort facilities (national central bank and/ or any other monetary authority).

Sub-Section 6 – E-commerce

Article 42

Objective and scope

1. The Parties, recognising that electronic commerce increases trade opportunities in many economic activities, agree to promote the development of electronic commerce between them, including by co-operating on the issues raised by electronic commerce under the provisions of this Section.

2. This Section shall apply to measures that affect trade by electronic means.

3. The parties recognise the principle of technological neutrality in electronic commerce.

4. The provisions of this section shall not apply to gambling services, broadcasting services, audio-visual services, services of notaries or equivalent professions and legal representation services.

Article 43

Definitions

For the purpose of this Chapter:

a) 'consumer' means any natural person, or juridical person if provided for in national laws and regulations of each party, using or requesting a publicly available telecommunications service for purposes outside his trade, business or profession;

b) 'direct marketing communication' means any form of advertising by which a natural or juridical person communicates marketing messages directly to end-users via a public telecommunications network and, for the purpose of this agreement, covers at least electronic mail and text and multimedia messages (SMS and MMS);

c) 'electronic authentication service' means a service that enables to confirm:

i) the electronic identification of a natural or juridical person, or

ii) the origin and integrity of data in electronic form;

d) 'electronic signature' means data in electronic form which are attached to or logically associated with other electronic data and fulfils the following requirements:

i) it is used by a natural person to agree on the electronic data to which it relates;

ii) it is linked to the electronic data to which it relates in such a way that any subsequent alteration in the data is detectable;

iii) it is used by a juridical person to ensure the origin and integrity of the electronic data to which it relates;

e) 'end-user' means any natural or juridical person using or requesting a publicly available telecommunications service, either as a consumer or for trade, business or professional purposes.

Article 44

Customs duties on electronic transmissions

1. Neither Party shall impose custom duties on electronic transmissions between a person of one Party and a person of the other Party.

2. For greater certainty, paragraph 1 shall not preclude a Party from imposing internal taxes, fees, or other charges on electronic transmissions, provided that such taxes, fees, or charges are imposed in a manner consistent with this Agreement.

Article 45

Principle of no prior authorisation

1. The Parties shall endeavour not to require prior authorisation solely on the ground that the service is provided by electronic means or adopt or maintain any other requirement having equivalent effect.

2. Paragraph 1 does not apply to telecommunication and financial services.

3. For greater certainty, nothing shall prevent a Party from adopting or maintaining measures inconsistent with paragraph 1 to achieve a legitimate public policy objective in accordance with:

a) right to regulate (Art. 1.4);

b) general exception (Art. 48);

c) security exceptions (Art. 49); and

d) prudential carve-outs (Art. 36).

Article 46

Conclusion of contracts by electronic means

The Parties shall ensure that their legal systems allow contracts to be concluded by electronic means and that the legal requirements for contractual processes neither create obstacles for the use of electronic contracts nor result in such contracts being deprived of legal effectiveness and validity for having been made by electronic means, unless provided for in their laws and regulations[22].

Article 47

Electronic signature and authentication services

[22] This provision shall not apply to contracts that create or transfer rights in real estate; contracts requiring by law the involvement of courts, public authorities or professions exercising public authority; contracts of suretyship granted and or collateral securities furnished by persons acting for purposes outside their trade, business or profession; and contracts governed by family law or by the law of succession.

1. A Party shall not deny the legal effect and admissibility as evidence in legal proceedings of an electronic signature and electronic authentication service solely on the basis that the service is in electronic form.

2. Neither Party shall adopt or maintain measures regulating electronic signature and electronic authentication services that would:

(a) prohibit parties to an electronic transaction from mutually determining the appropriate electronic methods for their transaction; or

(b) prevent parties to an electronic transaction from having the opportunity to prove to judicial and administrative authorities that their electronic transaction complies with any legal requirements with respect to electronic signature and electronic authentication services.

Article 48

Unsolicited direct marketing communications

1. Each Party shall endeavour to protect end-users effectively against unsolicited direct marketing communications. To this end, in particular the following paragraphs shall apply.

2. Each Party shall endeavour to ensure that natural and juridical persons do not send direct marketing communications to consumers who have not given their consent[23].

3. Notwithstanding paragraph 2, the Parties shall allow natural and juridical persons which have collected, in accordance with each Party's own laws and regulations, a consumer's contact details in the context of the sale of a product or a service, to send direct marketing communications to that consumer for their own similar products or services.

4. Each Party shall endeavour to ensure that direct marketing communications are clearly identifiable as such, clearly disclose on whose behalf they are made, and contain the necessary information to enable end-users to request cessation free of charge and at any moment.

Article 49

Consumer Protection

1. The Parties recognize the importance of adopting and maintaining transparent and effective measures to protect consumers, inter alia, from fraudulent and misleading commercial practices when they engage in electronic commerce transactions.

[23] Consent shall be defined in accordance with each Party's own laws and regulations.

2. To this end, the Parties shall adopt or maintain measures that contribute to consumer trust, including measures that proscribe fraudulent and deceptive commercial practices. Such measure shall, inter alia, provide for:

a) The right of consumers to clear and thorough information regarding the service and its provider;

b) The obligation of traders to act in good faith and abide by honest market practices, including in response to questions by consumers;

c) The prohibition of charging consumers for services not requested or for a period in time not authorized by the consumer;

d) Access to redress for consumers to claim their rights, including as regards their right to remedies for services paid and not provided as agreed.

3. The Parties recognise the importance of cooperation between their respective national consumer protection agencies or other relevant bodies on activities related to electronic commerce in order to protect consumers and enhance consumer trust.

Article 50

Regulatory cooperation on e-commerce

1. The Parties shall maintain cooperation and dialogue on the regulatory issues raised by electronic commerce on the basis of mutually agreed terms and conditions, which shall address, inter alia, the following issues:

(a) the recognition and facilitation of interoperable cross-border electronic signature and authentication services;

(b) the liability of intermediary service providers with respect to the transmission or storage of information;

(c) the treatment of direct marketing communications;

(d) the protection of consumers in the ambit of electronic commerce;

(e) the promotion of paperless trading; and

(f) any other issue relevant to the development of electronic commerce.

2. Such cooperation shall focus on exchange of information on the Parties' respective legislation on these issues as well as on the implementation of such legislation.

Article 51

Understanding on computer services

1. The Parties agree that, for the purpose of liberalising trade in services in accordance with articles 3 and 4 of this Chapter, the following shall be considered as computer and related services, regardless of whether they are delivered via a network, including the Internet:

(a) consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, support, technical assistance, or management of or for computers or computer systems;

(b) computer programmes defined as the sets of instructions required to make computers work and communicate (in and of themselves), plus consulting, strategy, analysis, planning, specification, design, development, installation, implementation, integration, testing, debugging, updating, adaptation, maintenance, support, technical assistance, management or use of or for computer programs;

(c) data processing, data storage, data hosting or database services;

(d) maintenance and repair services for office machinery and equipment, including computers; and

(e) training services for staff of clients, related to computer programmes, computers or computer systems, and not elsewhere classified.

2. For greater certainty, services enabled by computer and related services shall not necessarily be regarded as computer and related services in themselves.

Section 4 - Final provisions and exceptions

Article 52

Contact points

No later than one year from the date of entry into force of the Agreement, each Party shall designate contact points with an aim to:

1. Facilitate information to the other Party regarding the implementation of this chapter, such as:

(a) commercial and technical aspects of the supply of services; and

(b) registration, recognition and obtaining of professional qualifications.

2. Consider any other issues regarding the implementation of this Chapter that are referred by a Party.

Article 53

Review clause

Pursuant to its objectives, this Chapter may be revised no later than three (3) years from the date of entry into force of this Agreement, or in the context of an overall review of this Agreement.

Article 54

General exceptions

1. Subject to the requirement that such measures are not applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination between countries where like conditions prevail, or a disguised restriction on establishment or cross-border supply of services, nothing in this Chapter shall be construed to prevent the adoption or enforcement by either Party of measures:

(a) necessary to protect public security or public morals or to maintain public order[24];

(b) necessary to protect human, animal or plant life or health;

(c) relating to the conservation of exhaustible natural resources, if such measures are applied in conjunction with restrictions on domestic investors or on the domestic supply or consumption of services.

(d) necessary for the protection of national treasures of artistic, historic or archaeological value;

(f) necessary to secure compliance with laws or regulations which are not inconsistent with the provisions of this Chapter including those relating to:

(i) the prevention of deceptive and fraudulent practices[25] or to deal with the effects of a default on contracts;

[24] The public order exception may be invoked only where a genuine and sufficiently serious threat is posed to one of the fundamental interests of society.

[25] For greater certainty, this includes anti-money laundering and counter-terrorism financing (AML/CTF) regulations

(ii) the protection of the privacy of individuals in relation to the processing and dissemination of personal data and the protection of confidentiality of individual records and accounts;

(iii) safety;

(g) inconsistent with Article [....] on National Treatment, provided that the difference in treatment is aimed at ensuring the effective or equitable imposition or collection of direct taxes in respect of economic activities, investors or services suppliers of the other Party[26].

2. Nothing in this Chapter shall be construed to prevent the adoption or enforcement of a measure which implements a requirement imposed or enforced by a court, administrative tribunal, or competition authority to remedy a violation of competition laws and regulations.

Article 55

Denial of benefits

A Party may deny the benefits of this Agreement to:

(a) the supply of a service, if it establishes that this service is supplied from or in the territory of a non-Party

(b) a juridical person, if it establishes that it is a juridical person of a non-Party.

[26] Measures that are aimed at ensuring the equitable or effective imposition or collection of direct taxes include measures taken by a Party under its taxation system which:

(i) apply to non-resident investors and services suppliers in recognition of the fact that the tax obligation of non-residents is determined with respect to taxable items sourced or located in the Party's territory; or
(ii) apply to non-residents in order to ensure the imposition or collection of taxes in the Party's territory; or
(iii) apply to non-residents or residents in order to prevent the avoidance or evasion of taxes, including compliance measures; or
(iv) apply to consumers of services supplied in or from the territory of another Party in order to ensure the imposition or collection of taxes on such consumers derived from sources in the Party's territory; or
(v) distinguish investors and service suppliers subject to tax on worldwide taxable items from other investors and service suppliers, in recognition of the difference in the nature of the tax base between them; or
(vi) determine, allocate or apportion income, profit, gain, loss, deduction or credit of resident persons or branches, or between related persons or branches of the same person, in order to safeguard the Party's tax base.
Tax terms or concepts in paragraph (f) of this provision and in this footnote are determined according to tax definitions and concepts, or equivalent or similar definitions and concepts, under the domestic law of the Party taking the measure.

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

CHAPTER

GOVERNMENT PROCUREMENT

Article 1

Introduction

1. The Parties recognise the contribution of transparent, competitive and open tendering to economic development and set as their objective the effective opening of their respective procurement markets.

Article 2

Definitions

1. For the purposes of this Chapter:

a. commercial goods or services means goods or services of a type generally sold or offered for sale in the commercial marketplace to, and customarily purchased by, non governmental buyers for non-governmental purposes;

b. construction service means a service that has as its objective the realization by whatever means of civil or building works, based on Division 51 of the United Nations Provisional Central Product Classification (CPC);

c. days means calendar days;

d. electronic auction means an iterative process that involves the use of electronic means for the presentation by suppliers of either new prices, or new values for quantifiable non-price elements of the tender related to the evaluation criteria, or both, resulting in a ranking or re ranking of tenders;

e. in writing or written means any worded or numbered expression that can be read, reproduced and later communicated. It may include electronically transmitted and stored information;

f.limited tendering means a procurement method whereby the procuring entity contacts a supplier or suppliers of its choice;

g. measure means any law, regulation, procedure, administrative guidance or practice, or any action of a procuring entity relating to a covered procurement;

h. multi-use list means a list of suppliers that a procuring entity has determined satisfy the conditions for participation in that list, and that the procuring entity intends to use more than once;

i. negotiation means a way to conduct the procurement procedure limited to specific situations whereby contracting authorities are allowed to negotiate with tenderers, when certain conditions are met; the principles of transparency and non-discrimination apply throughout the conduct of the negotiations.

j.notice of intended procurement means a notice published by a procuring entity inviting interested suppliers to submit a request for participation, a tender, or both;

k. open tendering means a procurement method whereby all interested suppliers may submit a tender;

l. person means a natural person or a juridical person;

i. natural person means a national or permanent resident of one of the Member States of MERCOSUR or one of the Member States of the European Union according to their respective legislation;

ii. juridical person means any legal entity duly constituted or otherwise organized under applicable law, whether for profit or otherwise, and whether privately-owned or governmentally-owned, including any corporation, trust, partnership, joint venture, sole proprietorship or association;

m. procuring entity means an entity covered under a Party's Annexes (..) under Appendix I;

n. qualified supplier means a supplier that a procuring entity recognizes as having

satisfied the conditions for participation;

o. selective tendering means a procurement method whereby only qualified suppliers are invited by the procuring entity to submit a tender;

p. services include construction services, unless otherwise specified;

q. standard means a document approved by a recognized body that provides for common and repeated use, rules, guidelines or characteristics for goods or services, or related processes and production methods, with which compliance is not mandatory. It may also include or deal exclusively with terminology, symbols, packaging, marking or labelling requirements as they apply to a good, service, process or production method;

r. supplier means a person or persons that provide or could provide goods or services; and

s. technical specification means a tendering requirement that:

i. lays down the characteristics of goods or services to be procured, including quality, performance, safety and dimensions, or the processes and methods for their production or provision; or

ii. addresses terminology, symbols, packaging, marking or labelling requirements, as they apply to a good or service.

t. offsets means measures used to encourage local development or improve the balance-of-payments accounts by means of domestic content, licensing of technology, investment requirements, counter-trade or similar requirements.

Article 3

Scope and Coverage

1. This Chapter applies to covered procurement for governmental purposes:

a. of goods, services, or any combination thereof:

a.i. as specified in each Party's annexes to Appendix I; and

a.ii. not procured with a view to commercial sale or resale, or for use in the production or supply of goods or services for commercial sale or resale;

b. by any contractual means, including: purchase, lease, and rental or hire purchase, with or without an option to buy;

c. for which the value equals or exceeds the relevant threshold specified in each Party's Annexes to Appendix I, at the time of publication of a notice in accordance with Article 13;

d. by a procuring entity as specified in each Party's annexes; and

e. that is not otherwise excluded from coverage.

2. Except where provided, this Chapter does not apply to:

a. the acquisition or rental of land, buildings or other immovable property or the rights thereon;

b. Non-contractual agreements or any form of assistance that a Party provides, including cooperative agreements, grants, loans, equity infusions, guarantees and fiscal incentives, government provision of goods and services to state, regional, or local government entities;

c. the procurement or acquisition of fiscal agency or depositary services, liquidation and management services for regulated financial institutions or services related to the sale, redemption and distribution of public debt, including loans and government bonds, notes and other securities;

d. public employment contracts;

e. procurement conducted:

e.i. for the specific purpose of providing international assistance, including development aid;

e.ii. under the particular procedure or condition of an international agreement relating to the stationing of troops

e.iii. under the particular procedure or condition of an international agreement relating to the joint implementation by the signatory countries of a project;

e.iv. under the particular procedure or condition of a international organisation, or funded by international grants, loans or other assistance where the applicable procedure or condition would be inconsistent with this Chapter.

3. Each Party shall specify the following information in its annexes to Appendix I:

a. In Annex 1, the central government entities whose procurement is covered by this Chapter;

b. In Annex 2, the sub-central government entities whose procurement is covered by this Chapter;

c. In Annex 3, all other entities whose procurement is covered by this Chapter;

d. In Annex 4, the goods covered by this Chapter;

e. In Annex 5, the services, other than construction services, covered by this Chapter;

f. In Annex 6, the construction services covered by this Chapter;

g. In Annex 7, any General Notes.

4. Where a procuring entity, in the context of covered procurement, requires persons not covered under a Party's Annexes to Appendix I to procure on its behalf, Article 6 shall apply mutatis mutandis.

Article 4

Valuation of Contracts

1. In estimating the value of a procurement for the purpose of ascertaining whether it is a covered procurement, a procuring entity shall

   a. neither divide a procurement into separate procurements nor select or use a particular valuation method for estimating the value of a procurement with the intention of totally or partially excluding it from the application of this Agreement; and

   b. include the estimated maximum total value of the procurement over its entire duration, whether awarded to one or more suppliers, taking into account all forms of remuneration, including:

      b.i. premiums, fees, commissions, and interest; and

      b.ii. where the procurement provides for the possibility of options, the total value of such options.

2. Where an individual requirement for a procurement results in the award of more than one contract, or in the award of contracts in separate parts (hereafter referred to as "recurring procurements"), the calculation of the estimated maximum total value shall be based on:

   a. the value of recurring procurements of the same type of good or service awarded during the preceding 12 months or the procuring entity's preceding fiscal year, adjusted where possible to take into account anticipated changes in the quantity or value of the good or service being procured over the subsequent 12 months; or

   b. the estimated value of recurring procurements of the same type of good or service to be awarded during the 12 months subsequent to the initial contract award or the

procuring entity's fiscal year.

3. In the case of procurement by lease, rental, or hire purchase of goods or services, or procurement for which a total price is not specified, the basis for valuation shall be:

a. in the case of a fixed-term contract:

a.i. where the term of the contract is 12 months or less, the total estimated maximum value for its duration, or

a.ii. where the term of the contract exceeds 12 months, the total estimated maximum value, including any estimated residual value;

b. where the contract is for an indefinite period, the estimated monthly instalment multiplied by 48; and

c. where is it not certain whether the contract is to be a fixed-term contract, subparagraph (b) shall be used.

Article 5

General Exceptions

1. Nothing in this Agreement shall be construed to prevent any Party from taking any action or not disclosing any information that it considers necessary for the protection of its essential security interests relating to the procurement of arms, ammunition, defence products or war materials, or to procurement indispensable for national security or for national defence purposes.

2. Subject to the requirement that such measures are not applied in a manner that would constitute a means of arbitrary or unjustifiable discrimination between the Parties where the same conditions prevail, or a disguised restriction of trade between the Parties, nothing in the Chapter shall be construed to prevent any Party from adopting or maintaining measures:

a. relating to goods or services of handicapped persons, of philanthropic institutions or of prison labour,

b. necessary to protect public morals, order, or safety;

c. necessary to protect human, animal, or plant life or health including environmental measures, or

d. necessary to protect intellectual property.

Article 6

General Principles

1. With respect to any measure related to covered procurement:

a. the EU Party, including its procuring entities, shall accord immediately and unconditionally to the goods and services of the signatory Mercosur countries and to the suppliers of the signatory Mercosur countries offering such goods and services, treatment no less favourable than the treatment accorded to its own goods, services and suppliers;

b. each signatory Mercosur country, including its procuring entities, shall accord immediately and unconditionally to the goods and services of the EU Party and to the suppliers of the EU Party offering such goods and services, treatment no less favourable than the treatment accorded to its own goods, services and suppliers.

2. With respect to any measure concerning covered procurement, the EU and each Mercosur State, including their respective procuring entities, shall not:

a. treat a locally established supplier less favourably than another locally established supplier on the basis of degree of foreign affiliation to, or ownership by, juridical or natural persons of the other Party; nor

b. discriminate against a locally established supplier on the basis that the goods or services offered by that supplier for a particular procurement are goods or services of the other Party.

3. The provisions of this Article do not apply to custom duties or any other measure of an equivalent nature, which have an impact on foreign trade, or to other import regulations and measures which affect the trade in services, different to the ones which specifically regulate public procurement covered under this agreement.

Article 7

Use of electronic means

1. The Parties shall conduct covered procurement by electronic means to the widest extent possible and shall cooperate in developing and expanding the use of electronic means in government procurement systems.

2. If a procuring entity conducts a covered procurement by electronic means, it shall:

a. ensure that the procurement is conducted using information technology systems and software, including those related to authentication and encryption of information, that are generally available and interoperable with other generally available information technology systems and software; and

b. maintain mechanisms that ensure the integrity of requests for participation and tenders, including establishment of the time and receipt and the prevention of inappropriate access.

Article 8

Conduct of procurement

A procuring entity shall conduct covered procurement in a transparent and impartial manner that avoids conflicts of interest and prevents corruptive practices and that is consistent with this Chapter, using the following methods: open tendering, selective tendering or limited tendering. Additionally, the Parties shall establish or maintain sanctions against such corruptive practices according to their domestic legislation.

Article 9

Rules of origin

For the purpose of Article 6 - General Principles, determination of the origin of goods shall be made on a non-preferential basis.

Article 10

Denial of Benefits

Without prejudice to the time periods of the procurement procedure, under previous notification to a service supplier of the other Party and, when requested, consultations, a Party may deny the benefits of this chapter if such supplier is a Juridical person of the other Party not engaged in substantial business operation in the territory of that other Party.

Article 11

Offsets

With regard to covered procurement, a Party shall not seek, take account of, impose or enforce offsets.

Article 12

Publication of procurement information

1. Each Party shall:

a. promptly publish any law, regulation, judicial decision or administrative ruling of general application, standard contract clauses that are mandated by a law or regulation and incorporated by reference in notices and tender documentation and procedure regarding covered procurement, and any modifications thereof, in officially designated electronic or paper media that are widely disseminated and remain readily accessible to the public;

b. provide, if so requested by any Party, further information concerning the application of such provisions;

c. list in Appendix II, the electronic or paper media in which the Party publishes the information described in paragraph a;

d. list in Appendix III, the electronic media, if and where they exist, in which the Party publishes the notices required by Article 13: Publication of notices, Article 15: Qualification of suppliers, paragraph 4, and Article 23 paragraph 2: Transparency of procurement information.

2. Each Party shall promptly notify the other Party of any modification to the Party's information listed in Appendix II and III.

Article 13

Publication of Notices

Notice of intended procurement

1. For each covered procurement, except in the circumstances described in Article 20 - Limited Tendering, a procuring entity shall publish a notice of intended procurement, which shall be directly accessible by electronic means free of charge through a single point of access, for the EU at EU level and for Mercosur countries at national level or at the Mercosur level when it will exist. The notice of intended procurement shall remain readily accessible to the public, at least, until expiration of the time period indicated in the notice. The electronic medium shall be listed by each Party in Appendix III. Each such notice shall include the information set out in Appendix IV.

Summary Notice

2. For each case of intended procurement, a procuring entity shall publish a summary notice that is readily accessible, at the same time as the publication of the notice of intended procurement ,in one of the WTO languages. Each such notice shall include the information set out in Appendix V.

Notice of Planned Procurement

3. Procuring entities are encouraged to publish in the appropriate paper or electronic medium listed in Appendix III as early as possible in each fiscal year a notice regarding their future procurement plans. The notice should include the subject-matter of the procurement and the planned date of the publication of the notice of intended procurement.

4. A procuring entity in Annex 2 or 3 may use a notice of planned procurement as a notice of intended procurement provided that it includes as much of the information in Appendix IV as is available and a statement that interested suppliers should express their interest in the procurement to the entity.

Article 14

Conditions for Participation

1. A procuring entity shall limit any conditions for participation in a procurement to those that are essential to ensure that a supplier has the legal and financial capacities and the commercial and technical abilities to undertake the relevant procurement.

2. In assessing whether a supplier satisfies the conditions for participation, a procuring entity shall evaluate the financial, commercial and technical abilities of a supplier on the basis of that supplier's business activities inside and outside the territory of the Party of the procuring entity. It may require a supplier to demonstrate a relevant prior experience. However, it may not impose the condition that, in order for a supplier to participate in a procurement, the supplier has previously been awarded one or more contracts by a procuring entity of a given Party or that the supplier has prior work experience in the territory of a given Party.

3. In making this assessment, the procuring entity shall base its evaluation on the conditions that it has specified in advance in notices or tender documentation.

4. A procuring entity may exclude a supplier on the following grounds:

a. bankruptcy,

b. false declarations,

c. significant deficiencies in performance of any substantive requirement or obligation under a prior contract or contracts,

d. final judgments in respect of crime or serious public offences,

e. other sanctions that disqualify him to contract with entities of the Parties

f. grave professional misconduct, which renders the suppliers' integrity questionable, or

g. failure to pay taxes.

5. The dispositions in paragraphs 1 and 2 shall be fulfilled by the suppliers of the Parties through the presentation of the documentation required by the tender or through equivalent documentation.

Article 15
Qualification of suppliers

Selective tendering

1. Where a procuring entity intends to use selective tendering, the entity shall:

a. include in the notice of intended procurement at least the information specified in Appendix IV (a), (b), (c), (i), (j) and (k) and invite suppliers to submit a request for participation; and

b. provide by the commencement of the time-period for tendering, at least the information specified in Appendix IV (d), (e), (f), (g) and (h) to the qualified or registered suppliers.

2. A procuring entity shall recognise as qualified suppliers any domestic suppliers and any suppliers of the other Party that meets the conditions for participation in a particular procurement, unless the procuring entity states in the notice of intended procurement any limitation on the number of suppliers that will be permitted to tender and the criteria for selecting the limited number of suppliers.

3. Where the tender documentation is not made publicly available from the date of publication of the notice referred to in paragraph 1, a procuring entity shall ensure that those documents are made available at the same time to all qualified suppliers selected in accordance with paragraph 2.

Multi-Use Lists

4. If a Party in its internal legislation provides for the possibility for procuring entities to maintain a multi-use list of suppliers, such legislation shall ensure that a notice inviting interested suppliers to apply for inclusion on the list is:

a. published annually; and

b. where published by electronic means, made available continuously,

in the appropriate medium listed in Appendix III. Such a notice shall include the information set out in Appendix VI.

5. Notwithstanding paragraph 4, where a multi-use list will be valid for three years or less, a procuring entity may publish the notice referred to in paragraph 4 only once, at the beginning of the period of validity of the list, provided that the notice:

a. states the period of validity and that further notices will not be published; and

b. is published by electronic means and is made available continuously during the

period of its validity.

6. A procuring entity shall allow suppliers to apply at any time for inclusion on a multi-use list and shall include on the list all qualified suppliers within a reasonably short time.

7. Where a supplier that is not included on a multi-use list submits a request for participation in a procurement based on a multi-use list and all required documents relating thereto, within the time-period provided for in Appendix VII, a procuring entity shall examine the request. The procuring entity shall not exclude the supplier from consideration in respect of the procurement on the grounds that the entity has insufficient time to examine the request, unless, in exceptional cases, due to the complexity of the procurement, the entity is not able to complete the examination of the request within the time-period allowed for the submission of tenders.

Annexes 2 and 3 Entities

8. A procuring entity listed in Annex 2 or 3 may use a notice inviting suppliers to apply for inclusion on a multi-use list as a notice of intended procurement, provided that:

a. the notice is published in accordance with paragraph 4 and includes the information in appendix VI, as much of the information in Appendix IV as is available, and a statement that it constitutes a notice of intended procurement or that only the suppliers on the multi-use list will receive further notices of procurement covered by the multi-use list; and

b. the entity promptly provides to suppliers that have expressed an interest to the entity in a given procurement, sufficient information to permit them to assess their interest in the procurement, including all remaining information required in Appendix IV, to the extent such information is available.

9. A supplier having applied for inclusion on a multi-use list in accordance with paragraph 6 may be allowed by a procuring entity covered under Annex 2 and 3 to tender in a given procurement, where there is sufficient time for the procuring entity to examine whether it satisfies the conditions for participation.

Information on Procuring Entity Decisions

10. A procuring entity shall promptly inform any supplier that submits a request for participation or application for inclusion on a multi-use list of the procuring entity's decision with respect to the request.

11. Where a procuring entity rejects a supplier's request for participation or application for inclusion on a multi-use list, ceases to recognize a supplier as qualified, or removes a supplier from a multi-use list, the entity shall promptly inform the supplier and, on request of the supplier, promptly provide the supplier with a written explanation of the reasons for its decision.

Article 16

Technical Specifications

1. A procuring entity shall not prepare, adopt or apply any technical specification or prescribe any conformity assessment procedure with the purpose or the effect of limiting competition, creating unnecessary obstacles to international trade, or discriminating between suppliers.

2. In prescribing the technical specifications for the goods or services being procured, a procuring entity shall, where appropriate:

a. set out the technical specifications in terms of performance and functional requirements, rather than design or descriptive characteristics; and

b. base the technical specifications on international standards, where these exist; otherwise, on national technical regulations, recognized national standards or building codes; each reference shall be accompanied by the words ‘or equivalent’.

3. Where design or descriptive characteristics are used in the technical specifications, a procuring entity should indicate, where appropriate, that it will consider tenders of equivalent goods or services that demonstrably fulfil the requirements of the procurement by including such words as "or equivalent" in the tender documentation.

4. A procuring entity shall not prescribe technical specifications that require or refer to a particular trademark or trade name, patent, copyright, design, type, specific origin, producer or supplier, unless there is no other sufficiently precise or intelligible way of describing the procurement requirements and provided that, in such cases, the entity includes words such as "or equivalent" in the tender documentation.

5. A procuring entity shall not seek or accept, in a manner that would have the effect of precluding competition, advice that may be used in the preparation of adoption of any technical specification for a specific procurement from a person that may have a commercial interest in the procurement.

6. For greater certainty, this Article is not intended to preclude a procuring entity from preparing, adopting, or applying technical specifications to promote the conservation of natural resources or protect the environment.

Article 17

Tender Documentation

1. A procuring entity shall provide to suppliers tender documentation that includes all information necessary to permit suppliers to prepare and submit responsive tenders. Unless already provided in the notice of intended procurement, such documentation shall include a complete description of the following issues:

a. the procurement, including the nature and quantity of the goods or services to be

procured or, where the quantity is not known, the estimated quantity and any requirements to be fulfilled, including any technical specification, conformity assessment certification, plans, drawings or instructional materials;

b. any conditions for participation of suppliers, including a list of information and documents that suppliers are required to submit in connection therewith;

c. all evaluation criteria to be considered in the awarding of the contract, and, except where the price is the sole criterion, the relative importance of such criteria;

d. where the procuring entity will conduct the procurement by electronic means, any authentication and encryption requirements or other equipment related to the receipt of information by electronic means;

e. where the procuring entity will hold an electronic auction, the rules, including identification of the elements of the tender related to the evaluation criteria, on which the auction will be conducted;

f.where there will be a public opening of tenders, the date, time and place for the opening and, where appropriate, the persons authorised to be present;

g. any other terms of conditions, including terms of payment and any limitation on the means by which tenders may be submitted, e.g., paper or electronic means; and

h. any dates for the delivery of goods or the supply of services.

2. In establishing in the tender documentation any delivery date for the goods or services being procured, a procuring entity shall take into account such factors as the complexity of the procurement~~,~~ the extent of subcontracting anticipated and the realistic time required for production, de-stocking and transport of goods from the point of supply or for supply of services.

3. The evaluation criteria set out in the notice of intended procurement or tender documentation may include, among others, price and other cost factors, quality, technical merit environmental characteristics, and terms of delivery.

4. A procuring entity shall promptly provide, on request, the tender documentation to any supplier participating in the procurement; and reply to any reasonable request for relevant information by a supplier participating in the procurement, provided that such information does not give that supplier an advantage over its competitors in the procurement and that the request was presented within the corresponding time limits.

5. Where, prior to the assessment of tenders under Article 22, a procuring entity modifies or amends the criteria or requirements set out in the notice of intended procurement or tender documentation provided to participating suppliers, it shall transmit in writing all such modifications:

a. to all suppliers that are participating at the time the information is amended, if

known, and in all other cases, in the same manner as the original information; and

b. in adequate time to allow such suppliers to modify and re-submit amended tenders, as appropriate.

6. Procuring entities may require bidders to provide guarantees for maintaining the offer, and the successful bidder to provide a guarantee for the execution.

Article 18

Time Periods

A procuring entity shall, consistent with its own needs, provide sufficient time for suppliers to prepare and submit requests for participation and responsive tenders, taking into account such factors as the nature and complexity of the procurement, the extent of subcontracting anticipated, and the time for transmitting tenders from foreign as well as domestic points where electronic means are not used. Such time-periods, including any extension of the time-periods, shall be the same for all interested or participating suppliers. The applicable time periods are set out in Appendix VII.

Article 19

Negotiations

1. If a Party, in its internal legislation, provides for the possibility for procuring entities to conduct procurement through negotiations, the procuring entities may use it in the following cases:

a. in the context of procurements in which they have indicated such intent in the notice of intended procurement; or

b. where it appears from the evaluation that no one tender is obviously the most advantageous in terms of the specific evaluation criteria set forth in the notices or tender documentation.

2. A procuring entity shall:

a. ensure that any elimination of suppliers participating in negotiations is carried out in accordance with the evaluation criteria set out in the notices or tender documentation; and

b. where negotiations are concluded, provide a common deadline for the remaining suppliers to submit any new or revised tenders.

Article 20

Limited Tendering

1. Provided that the tendering procedure is not used to avoid competition or to protect domestic suppliers, a procuring entity may award contracts by limited tendering, in the following circumstances:

(a) where

i) no tenders were submitted, or no suppliers requested participation;

ii) no tenders that conform to the essential requirements of the tender documentation were submitted;

iii) no suppliers satisfied the conditions for participation; or

iv) the tenders submitted have been collusive

provided that the requirements of the tender documentation are not substantially modified;

(b) where, for works of art, or for reasons connected with the protection of exclusive intellectual property rights, such as patents or copyrights, or proprietary information, or where there is an absence of competition for technical reasons, the goods or services can be supplied only by a particular supplier and no reasonable alternative or substitute exists;

(c) for additional deliveries by the original supplier of goods and services that were not included in the initial procurement where a change of supplier for such additional goods or services:

i) cannot be made for economic or technical reasons such as requirements of interchangeability or interoperability with existing equipment, software, services or installations procured under the initial procurement; and

ii) would cause significant inconvenience or substantial duplication of costs for the procuring entity;

(d) for goods purchased on a commodity market;

(e) where a procuring entity procures a prototype or a first good or service that is developed at its request in the course of, and for, a particular contract for research, experiment, study, or original development. When such contracts have been fulfilled, subsequent procurements of goods or services shall be subject to this Chapter;

(f) in so far as is strictly necessary where, for reasons of urgency brought about by events unforeseeable by the procuring entity, the goods or services could not be obtained in time by means of an open tendering procedure or selective tendering

(g) where a contract is awarded to a winner of a design contest provided that the contest has been organised in a manner that is consistent with the principles of this Chapter, and the participants are judged by an independent jury with a view to a design contract being awarded to a winner;

(h) purchases made under exceptionally advantageous conditions that only arise in the very short term, such as unusual disposals by companies that normally are not suppliers, or disposals of assets of businesses in liquidation or receivership.

2. A procuring entity shall maintain records or prepare written reports providing specific justification for any contract awarded under paragraph 1.

Article 21

Electronic Auctions

Where a procuring entity intends to conduct a covered procurement using an electronic auction, the entity shall provide each participant, before commencing the electronic auction, with:

a. the automatic evaluation method, including the mathematical formula, that is based on the evaluation criteria set out in the tender documentation and that will be used in the automatic ranking or re-ranking during the auction;

b. the results of any initial evaluation of the elements of its tender where the contract is to be awarded on the basis of the most advantageous tender; and

c. any other relevant information relating to the conduct of the auction.

Article 22

Treatment of Tenders and Award of Contracts

1. A procuring entity shall receive, open and treat all tender under procedures that guarantee the fairness and impartiality of the procurement process, and the confidentiality of tenders.

2. A procuring entity shall not penalize any supplier whose tender is received after the time specified for receiving tenders if the delay is due solely to mishandling on the part of the procuring entity.

3. To be considered for an award, a tender shall be in writing and shall, at the time of opening, comply with the essential requirements set out in the tender documentation and, where applicable, in the notices and be from a supplier that satisfies the conditions for participation.

4. Unless a procuring entity determines that it is not in the public interest to award a contract, the entity shall award the contract to the supplier that the entity has determined to be capable of

fulfilling the terms of the contract and that, based solely on the evaluation criteria specified in the notices and tender documentation, has submitted the most advantageous tender or where price is the sole criterion, the lowest price.

5. Where a procuring entity receives a tender with a price that is abnormally lower than the prices in other tenders submitted, it may verify with the supplier that it satisfies the conditions for participation and is capable of fulfilling the terms of the contract.

6. A procuring entity shall not use options, cancel a procurement, or modify awarded contracts in a manner that circumvents the obligations under this Chapter.

7. Parties may provide that if, for reasons imputable to the awarded supplier, the contract is not concluded within a reasonable time, or the awarded supplier does not fulfil the guarantee or does not comply with the contract terms, the contract may be awarded to the next tenderer and so forth.

Article 23

Transparency of Procurement Information

1. A procuring entity shall promptly inform participating suppliers of the entity's contract award decisions and, on request, shall do so in writing. Subject to paragraphs 2 and 3 of Article 24, a procuring entity shall, on request, provide an unsuccessful supplier with an explanation of the reasons why the entity did not select its tender and the relative advantages of the successful supplier's tender.

2. After the award of each contract covered by this Chapter, a procuring entity shall as early as possible according to the time limits established in each Party's legislation, publish a notice in the appropriate paper or electronic media listed in Appendix III. Where only an electronic medium is used, the information shall remain readily available for a reasonable period of time. The notice shall include at least the following information:

a. a description of the goods or services procured which may include the nature and the quantity of the goods procured and the nature and the extent of the services procured;

b. the name and address of the procuring entity;

c. the name of the successful supplier;

d. the value of the successful tender or the highest and lowest offers taken into account in the award of the contract;

e. the date of the award; and

f. the type of procurement method used, and in cases limited tendering was used a description of the circumstances justifying the use of limited tendering.]

3. Each party agrees to communicate to other Party the available and comparable statistical data relevant to the procurement covered by this Chapter.

Article 24

Disclosure of Information

1. On request of the other Party each Party will promptly provide all relevant information about the adjudication of a covered procurement, in order to determine if the procurement was made in accordance with the rules of this Chapter. In cases where release of this information would prejudice competition in future tenders, the Party that receives that information shall not disclose it to any supplier, except after consultation with, and agreement of, the Party that provided the information.

2. Notwithstanding any other provision of this Chapter, a Party, including its procuring entities, shall not provide to any supplier information that might prejudice fair competition between suppliers.

3. Nothing in this Chapter shall be construed to require a Party, including its procuring entities, authorities and review bodies, to disclose confidential information where disclosure would impede law enforcement; might prejudice fair competition between suppliers; would prejudice the legitimate commercial interests of particular persons, including the protection of intellectual property; or would otherwise be contrary to the public interest.

Article 25

Domestic Review Procedures

1. Each Party shall establish or maintain timely, effective, transparent and non-discriminatory administrative or judicial review procedures through which a supplier may present a challenge with respect to the obligations under this Chapter of a Party and its entities that may arise in the context of a covered procurement, in which the supplier has, or has had, an interest. The procedural rules for all challenges shall be in writing and made generally available.

2. Each Party may foresee in its domestic legislation, that in the event of a complaint by a supplier arising in the context of covered procurement, the Party concerned shall encourage its procuring entity and the supplier to seek resolution of the complaint through consultation. The procuring entity shall accord impartial and timely consideration to any such complaint in a manner that is not prejudicial to the supplier's participation in ongoing or future procurement or right to seek corrective measures under the administrative or judicial review procedure.

3. Each supplier shall be allowed a sufficient period of time to prepare and submit a challenge, which in no case be less than 10 days from the time when the basis of the challenge became known or reasonably should have become known to the supplier.

4. Each Party shall establish or designate at least one impartial administrative or judicial authority that is independent of its procuring entities to receive and review a challenge by a supplier arising in the context of a covered procurement.

5. Where a body other than an authority referred to in paragraph 4 initially reviews a challenge, the Party shall ensure that the supplier may appeal the initial decision to an impartial administrative or judicial authority that is independent of the procuring entity whose procurement is the subject of the challenge. A review body that is not a court shall either be subject to judicial review or have procedural guarantees that provide for:

a. the procuring entity shall respond in writing to the challenge and disclose all relevant documents to the review body;

b. the participants to the proceedings (hereinafter referred to as "participants") shall have the right to be heard prior to a decision of the review body being made on the challenge;

c. the participants shall have the right to be represented and accompanied;

d. the participants shall have access to all proceedings; and

e. the participants shall, have the right to request that the proceedings take place in public and that witnesses may be presented; and

f. decisions or recommendations relating to challenges by suppliers shall be provided, within a reasonable time, in writing, with an explanation of the basis for each decision or recommendation.

6. Both Parties shall adopt or maintain procedures that provide for:

a. rapid interim measures to preserve the supplier's opportunity to participate in the procurement. Such interim measures may result in suspension of the procurement process. The procedures may provide that overriding adverse consequences for the interests concerned, including the public interest, may be taken into account when deciding whether such measures should be applied. Just cause for not acting shall be provided in writing; and

b. corrective action or compensation for the loss or damages suffered, which may be limited to either the costs for the preparation of the tender or the costs relating to the challenge, or both, if a review body determines that there has been a breach or a failure as referred to in paragraph 1.

Article 26

Modifications and Rectifications of Coverage

1. A Party may propose to modify or rectify its Annexes to this Chapter.

Modifications

2. When a Party intends to modify an Annex to this Chapter, the Party shall:

a. notify the other Party in writing; and

b. include in the notification a proposal for appropriate compensatory adjustments to the other Party to maintain a level of coverage comparable to that existing prior to the modification.

3. Notwithstanding subparagraph 2(b), a Party does not need to provide compensatory adjustments if the modification covers an entity over which the Party has effectively eliminated its control or influence.

4. If the other Party disputes that:

a. an adjustment proposed under sub-paragraph 2 (b) is adequate to maintain a comparable level of mutually agreed coverage; or

b. the modification covers an entity over which the Party has effectively eliminated its control or influence under sub-paragraph 3,

it must object in writing within 45 days of receipt of the notification referred to in sub-paragraph 2 (a). If no such objection is submitted within 45 days after having received the notification, the Party shall be deemed to have agreed to the proposed modification.

Rectifications

5. The following changes to a Party's Annexes shall be considered a rectification of a purely formal nature, provided that they do not affect the mutually agreed coverage provided for in the Chapter:

a. a change in the name of an entity;

b. a merger of two or more entities listed within an Annex; and

c. the separation of an entity listed in an Annex into two or more entities that are all added to the entities listed in the same Annex.

The party making such rectification of a purely formal nature shall not be obliged to provide for compensatory adjustments.

6. In the case of proposed rectifications to a Party's Annexes, the Party shall notify the other Party every two years following the entry into force of this Chapter.

7. A Party may notify the other Party of an objection to a proposed rectification within 45 days from having received the notification. Where a Party submits an objection, it shall set out the reasons why it believes the proposed rectification is not a change provided for in paragraph 5 of this Article, and describe the effect of the proposed rectification on the mutually agreed coverage

provided for in the Agreement. If no such objection is submitted in writing within 45 days after having received the notification, the Party shall be deemed to have agreed to the proposed rectification.

Consultations and Dispute resolution

8. If the other party objects to the proposed modification or rectification or to the proposed compensatory adjustments, the Parties will seek to resolve the issue through consultations. If no agreement is found within 60 days of receipt of the objection, the Party seeking to modify or rectify its Annex may refer the matter to the Dispute Settlement procedure under this Agreement unless the Parties agree to extend the deadline. Once the Parties agree through consultations or on the basis of a final decision of the [Dispute Settlement Body], the Association Committee shall modify forthwith the relevant Annex to reflect the agreed modifications or rectifications or the agreed compensatory adjustments.

9. The consultation procedure under paragraph 8 is without prejudice of the consultation under the [Dispute Settlement procedure] of this Agreement.

Article 27

Government Procurement Sub-Committee

1. The Parties shall establish a Sub-Committee on Government Procurement (hereinafter referred to as "Sub-Committee", comprised of representatives of the Parties.

2. The Sub-Committee shall meet annually or upon request of a Party, to:

a. review the effective operation of this Chapter, the mutual opening of procurement markets;

b. exchange information relating to the government procurement opportunities in each Party including exchanges on procurement statistical data;

c. discuss the extent and the means of cooperation in government procurement among parties as referred to in Article 28 Cooperation in government procurement and;

d. discuss any other matters related to the satisfactory operation of this Chapter.

Article 28

Cooperation in Government procurement

The Parties commit to cooperate to ensure the effective implementation of this chapter. The Parties shall use the available and existing instruments, resources and mechanisms.

In particular, cooperation activities in this area shall be carried out, *inter alia*, through:

i) exchange of information, good practices, statistical data, experts, experiences and policies in areas of mutual interest;

ii) exchange of good practices regarding the use of sustainable procurement practices and other areas of mutual interest;

iii) promoting networks, seminars and workshops in topics of mutual interest;

iv) transfer of knowledge, including, *inter alia*, contacts between experts from the EU and MERCOSUR countries;

v) sharing of information between the EU and MERCOSUR countries, with a view to facilitate access to the government procurement markets of each other Parties', in particular for micro, small and medium size enterprises.

APPENDIX I

Annex 1

Central Government Entities whose Procurement is covered by this Chapter

Annex 2

Sub central Government Entities whose Procurement is covered by this Chapter

Annex 3

All other Entities whose Procurement is covered by this Chapter

Annex 4

Goods covered by this Chapter

Annex 5
Services, other than construction services, covered by this Chapter

Annex 6
Construction services covered by this Chapter

Annex 7
General Notes

APPENDIX II

Media for Publication of Procurement Information

APPENDIX III

Media for Publication of Notices

APPENDIX IV

Notice of Intended Procurement

Each notice of intended procurement shall include:

a. the name and address of the procuring entity and other information necessary to contact the procuring entity and obtain all relevant documents relating to the procurement, and their cost and terms of payment, if any;

b. a description of the procurement, including the nature and quantity of the goods or services to be procured or, where the quantity is not known, the estimated quantity;

c. the procurement method that will be used and whether it will involve negotiation or electronic auction;

d. the address and final date for the submission of tenders;

e. the language or languages in which tenders or requests for participation may/must be submitted, if other than an official language of the Party of the procuring entity;

f. for recurring contracts, if possible, an estimate of the timing of subsequent notices of intended procurement;

g. a description of any options;

h. the time-frame for delivery of goods or services or the duration of the contract;

i. where applicable, the address and any final date for the submission of requests for participation in the procurement;

j. a list and brief description of any conditions for participation of suppliers;

k. where, pursuant to Article 15, a procuring entity intends to select a limited number of qualified suppliers to be invited to tender, the criteria that will be used to select them and, where applicable, any limitation on the number of suppliers that will be permitted to tender.

APPENDIX V

Summary notice

Each summary notice shall include:

a. the subject-matter of the procurement;

b. the final date for the submission of tenders or, where applicable, any final date for the submission of requests for participation in the procurement or for inclusion on a multi-use list; and

c. the address from which documents relating to the procurement may be requested.

APPENDIX VI

Notice Inviting Interested Suppliers to Apply for Inclusion in a multi-use list

Each notice inviting interested suppliers to apply for inclusion in a multi use list shall include:

a. a description of the goods or services, or categories thereof, for which the list may be used;

b. the conditions for participation to be satisfied by suppliers for inclusion on the list and the methods that the procuring entity will use to verify that a supplier satisfies the conditions;

c. the name and address of the procuring entity and other information necessary to contact the entity and obtain all relevant documents relating to the list;

d. the period of validity of the list and the means for its renewal or termination, or where the period of validity is not provided, an indication of the method by which notice will be given of the termination of use of the list; and

e. an indication that the list may be used for procurement covered by this Agreement.

APPENDIX VII

Time Periods

Deadline for the submission of request for application in case of selective tendering

1. A procuring entity that uses selective tendering shall establish that the final date for the submission of requests for participation shall not, in principle, be less than 25 days from the date of publication of the notice of intended procurement. Where a state of urgency duly substantiated by the procuring entity renders this time-period impracticable, the time-period may be reduced to not less than 10 days.

Deadlines for the submission of tenders

2. Except as provided for in paragraphs 3, 4 and 6, a procuring entity shall establish that the final date for the submission of tenders shall not be less than 40 days from the date on which:

a. in the case of open tendering, the notice of intended procurement is published; or

b. in the case of selective tendering, the entity notifies suppliers that they will be invited to submit tenders, whether or not it uses a multi-use list.

Cases for the reduction of the time period for tendering (open and selective)

3. A procuring entity may reduce the time-period for tendering set out in paragraph 2 to not less than 10 days where:

a. the procuring entity published a notice of planned procurement under Article 13:

Publication of notices] paragraph 3 at least 40 days and not more than 12 months in advance of the publication of the notice of intended procurement, and the notice of planned procurement contains:

(i) a description of the procurement;

(ii) the approximate final dates for the submission of tenders or requests for participation;

(iii) the address from which documents relating to the procurement may be obtained; and

(iv) as much of the information that is required under Appendix IV for the notice of intended procurement, as is available;

b. the procuring entity, for procurements of a recurring nature, indicates in an initial notice of intended procurement that subsequent notices will provide time periods for tendering based on this paragraph; or

c. a state of urgency duly substantiated by the procuring entity renders the time-period for tendering established in accordance with paragraph 2 impracticable.

4. A procuring entity may reduce the time-period for tendering set out in paragraph 2 by five days for each one of the following circumstances:

a. the notice of intended procurement is published by electronic means;

b. all the tender documentation is made available by electronic means from the date of the publication of the notice of intended procurement; and

c. the tenders can be received by electronic means by the procuring entity.

5. The use of paragraph 4, in conjunction with paragraph 3, shall in no case result in the reduction of the time-period for tendering set out in paragraph 2 to less than 10 days from the date on which the notice of intended procurement is published.

6. Notwithstanding any other provision in this Article, where a procuring entity purchases commercial goods or services, or any combination thereof, it may reduce the time-period for tendering set out in paragraph 2 to not less than 13 days, provided that it publishes by electronic means, at the same time, both the notice of intended procurement and the tender documentation. In addition, where the entity also accepts tenders for commercial goods and services by electronic means, it may reduce the time period set out in paragraph 2 to not less than 10 days.

7. Where a procuring entity in Annex 2 or 3 has selected all or a limited number of qualified suppliers, the time-period for tendering may be fixed by mutual agreement between the procuring entity and the selected suppliers. In the absence of agreement, the period shall not be less than 10 days.

APPENDIX VIII

Thresholds adjustment formula

For the EU:

a. The threshold shall be adjusted at two-year intervals with each adjustment taking effect on January 1.

b. The calculation of the values of thresholds shall be based on the average of the daily values of the SDRs to Euro exchange rate over the 24 months terminating on 31 August preceding the revision with effect from 1 January. The value of the thresholds thus revised shall, where necessary, be rounded down to the nearest thousand Euros. The data source for the exchange rate is the International Monetary Fund.

c. The value of the newly calculated thresholds shall be made publicly available by the European Union before the respective thresholds take effect.

For Mercosur countries:

a. Each signatory Mercosur country shall calculate and convert the value of the thresholds into their respective national currencies, using the conversion rates of the International Monetary Fund (IMF). The conversion rates will be the average of the values of their respective national currencies in terms of the SDR published by the IMF in its monthly "International Financial Statistics", over the two-year period preceding 1 October of the year prior to the thresholds becoming effective. The converted thresholds shall apply from 1 January of the following year and will be fixed for one year.

b. The value of the newly calculated thresholds shall be made publicly available, in their respective currencies, by the Mercosur States, before the respective thresholds take effect.

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CURRENT PAYMENTS AND CAPITAL MOVEMENTS

Article 1

Capital Account

With regard to transactions on the capital and financial account of the balance of payments, from the entry into force of the Agreement, the Parties shall allow the free movement of capital relating to direct investments made in accordance with the laws of the host country and investments established in accordance with the provisions of Chapter […] Trade in Services and Establishment, and the liquidation or repatriation of these capitals and of any profit stemming therefrom.

Article 2

Current account

The Parties shall allow, in freely convertible currency and in accordance with the Articles of Agreement of the International Monetary Fund, any payments and transfers of the current account between the Parties.

Article 3

Application of laws and regulations relating to capital movements and payments

Nothing in Articles 1 and 2 of this Title shall be construed to prevent a Party from applying in an equitable and non-discriminatory manner, and not in a way that would constitute a disguised restriction on capital movements, transfers and payments, its laws and regulations relating to:

(a) bankruptcy, insolvency or the protection of the rights of creditors;

(b) issuing, trading or dealing in securities;

(c) criminal or penal offences[1] ;

(d) financial reporting or record keeping of transfers when necessary to assist law enforcement or financial regulatory authorities; and

(e) the satisfaction of judgments in adjudicatory proceedings.

Article 4

Temporary safeguard measures

Where, in exceptional circumstances, capital movements and payments cause or threaten to cause serious difficulties for the operation of the economic and monetary union of the European Union, the European Union may impose safeguard measures that are strictly necessary to address such difficulties for a period not to exceed six months.

Article 5

Safeguard Measures difficulties

1. Where, in exceptional circumstances, a Member State of Mercosur or a Member State of the European Union that is not a member of the European Monetary Union experiences serious difficulties for the balance-of-payments, including operation of monetary policy or exchange rate policy, or external financial difficulties, or threat thereof, it may adopt or maintain restrictive measures with regard to capital movements, transfers or payments.

2. Measures referred to in paragraph 1 shall:

(a) not treat a Party less favorably than a third country in like situations;

(b) be consistent with the Articles of the Agreement of the International Monetary Fund, done at Bretton Woods on 22 July 1945, as applicable;

[1] For greater certainty, this includes anti-money laundering and counter-terrorism (AML/CTF) regulations.

(c) avoid unnecessary damage to the commercial, economic and financial interests of a Party;

(d) be temporary, proportional and strictly necessary to address the difficulties and phased out progressively as the situation specified in paragraph 1 improves. If extremely exceptional circumstances arise such that a Party seeks to extend such measures beyond a period of 1 year, it will notify in advance to the other Party regarding the implementation of any extension.

Article 6

Final provisions

1. Nothing in this Title shall be taken to limit the rights of economic operators of the Parties from benefiting from any more favourable treatment that may be provided for in any existing bilateral or multilateral agreement to which they are parties.

2. The Parties shall consult each other with a view to facilitating the movement of capital between them in order to promote the objectives of this Agreement.

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TITLE

COMPETITION

Article 1

Definitions

For the purpose of this Chapter:

(a) "Competition Laws" include:

(i) for the EU, Articles 101, 102 and 106 of the Treaty on the Functioning of the European Union, Council Regulation (EC) No 139/2004 on the control of concentrations between undertakings, and their implementing regulations or amendments[1];

(ii) for MERCOSUR, the national legislation on competition of the Parties States of MERCOSUR and its implementing regulations or amendments;

[1] For greater certainty, competition rules in the EU apply to the agricultural sector in accordance with Regulation 1308/2013 of the European Parliament and Council establishing a common organisation of the markets in agricultural products and its subsequent amendments or replacements, if any (Official Journal L347/2013).

(iii) any amendments that the above mentioned legislation may undergo.

(b) "Competition authority" means:

(i) for the EU, the European Commission, and

(ii) for MERCOSUR, the national application authorities, which shall designate and inform a focal point periodically.

(c) "enforcement activities" means any application of competition law by way of investigation or proceeding conducted by the competition authorities of a Party.

(d) "anticompetitive practices" mean any conduct or act as defined under the competition laws of a Party, which is subject to the imposition of penalties.

(e) “Concentrations between undertakings” means any transaction or act as defined under the Competition Laws of a Party.

Article 2

Principles

1. The Parties recognise the importance of free and undistorted competition in their trade relations. The Parties acknowledge that anti-competitive practices and concentrations between undertakings which significantly impede effective competition have the potential to affect the proper functioning of markets and the benefits of trade liberalisation.

2. The Parties therefore agree that the following are incompatible with this Agreement, in so far as they may affect trade between the Parties:

(a) agreements between undertakings, decisions by associations of undertakings and concerted practices between undertakings, which have as their object or effect the prevention, restriction or distortion of competition[2] as specified in their respective competition laws;

(b) any abuse by one or more undertakings of a dominant position or a substantial market power or notable market participation, as specified in their respective Competition Laws;

[2] For greater certainty, this paragraph shall not be construed as limiting the scope of the analysis to be carried out in the cases of application of agreements between undertakings, decision by associations of undertaking and concerted practices between undertakings as established in the national competition laws of the Parties.

(c) concentrations between undertakings, which significantly impede effective-competition, as specified in their respective competition laws.

3. The Parties recognise the importance of applying their respective competition laws in a transparent, timely and non-discriminatory manner, respecting the principles of procedural fairness towards all interested parties and rights of defense of the parties under investigation.

Article 3

Implementation

The Parties shall adopt or maintain in force comprehensive Competition Laws which effectively address the anti-competitive practices and concentrations between undertakings which significantly impede effective competition referred to in Article 2 (2) (a) to (c) and respect the principles set out in Article 2 (3). The Parties shall establish or maintain Competition Authorities designated and appropriately equipped for the transparent and effective implementation of the Competition Laws.

Article 4

Public enterprises and enterprises entrusted with special or exclusive rights including designated monopolies

1. Nothing in this Chapter prevents a [signatory State] from designating or maintaining public enterprises, enterprises entrusted with special or exclusive rights or monopolies according to their respective national laws.

2. The entities mentioned in paragraph 1 above shall be subject to the Competition Laws insofar as the application of the Competition Laws does not obstruct the performance, in law or in fact, of the particular tasks of public interest assigned to them by a [signatory state].

Article 5

Exchange of non confidential information and enforcement cooperation

1. With a view to facilitating the effective application of their respective competition laws, the competition authorities may exchange non-confidential information.

2. The Competition Authority of one Party may request cooperation to the other Party's competition authority with respect to enforcement activities. This co-operation shall not prevent the Parties from taking autonomous decisions.

3. Neither Party is required to communicate information to the other Party. A Party may require that information communicated pursuant to this Article be used subject to the terms and conditions it may specify**.**

Article 6

Consultations

1. A competition authority of a Party may request consultations with the competition authority of the other Party should it consider that the interests of that Party are being substantially and adversely affected by

(a) anticompetitive practices that are or have been engaged in by one or more enterprises situated in the territory of the other Party or

(b) concentrations between undertakings which significantly impede effective competition as referred to in Article 2 (2) (a) to (c) or

(c) the enforcement activities of the competition authority of the other Party.

(d) The EU Competition Authority shall endeavor to assist the Competition Authorities from the Members countries of MERCOSUR, in their contacts with the Competition Authorities from the EU Member States in relation to anticompetitive practices, concentrations between undertakings and the enforcement of competition activities, without implications at Community level.

It is recognised that entering into such consultations is without prejudice to any action under its competition law and to the full freedom of ultimate decision of the competition authority concerned.

2. A competition authority so consulted may take whatever corrective measures it deems appropriate, consistent with its laws, and without prejudice to its full enforcement discretion.

Article 7

Technical assistance

The Parties will engage in capacity building activities in the area of competition policy subject to the availability of funding for such activities under the Parties' cooperation instruments and programmes. This cooperation is addressed in Article X of Chapter XX of this Agreement.

[For the Cooperation Chapter of this Agreement:]

The Parties will engage in capacity building activities in the area of competition policy subject to the availability of funding for such activities under the Parties' cooperation instruments and programmes.

Technical assistance shall focus on institutional capacity building and training of human resources of the competition authorities, to support them in the establishment of their respective competition regimes and effective enforcement. The aim shall be to strengthen and effectively enforce competition laws in the areas of antitrust and concentrations between undertakings, including competition advocacy.

Article 8

Transparency

The provisions of Title [X] (Transparency) shall apply to matters covered by this Title. For the purposes of the application of Article [5 of that Title] to matters covered by this Title, "interested persons that are directly affected by a proceeding" shall mean the potential addressees of a decision by a competition authority. [placement to be decided]

Article 9

Dispute Settlement

Neither Party shall call upon a dispute settlement procedure under this Agreement for any matter arising from this Chapter.

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SECTION

SUBSIDIES

Article X.1

Principles

The Parties agree that subsidies can be granted by a Party when they are necessary to achieve a public policy objective. The Parties acknowledge, however, that certain subsidies have the potential to distort the proper functioning of markets and undermine the benefits of trade liberalisation.

Article X.2

Cooperation

The Parties recognize the need to work jointly and cooperate, both at multilateral and regional level, in order to:

(a) seek effective ways to coordinate positions and proposals regarding subsidies in the framework of the WTO negotiations;

(b) explore ways to improve transparency regarding subsidies;

(c) provide advice and recommendations to the Association Council on ways to further enhance their understanding of the impact of subsidization on trade; and

d) exchange of information on the functioning of subsidy control systems.

Details of such cooperation may be set out in an Administrative Agreement.

The Parties shall review their cooperation no later than three years after the entry into force of this Agreement and at regular intervals thereafter. The Parties shall consult with each other on ways to improve their cooperation, in light of the experience gained and the development of any initiatives on subsidy rules in the WTO.

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CHAPTER

STATE-OWNED ENTERPRISES, ENTERPRISES GRANTED EXCLUSIVE OR SPECIAL PRIVILEGES

Article 1

Definitions

For the purposes of this Chapter:

(a) "Commercial activities" means activities, the end result of which is the production of a good or supply of a service, which will be sold in the relevant market in quantities and at prices determined by the enterprise, and are undertaken with an orientation towards profit-making[1].

(b) "Commercial considerations" means price, quality, availability, marketability, transportation and other terms and conditions of purchase or sale; or other factors that would normally be taken into account in the commercial decisions of a privately owned enterprise operating according to market economy principles in the relevant business or industry.

(c) "Enterprise granted exclusive or special privileges" means an enterprise, public or private, including a subsidiary, to which a Party has granted formally or in effect, exclusive or special privileges.

[1] For greater certainty, this excludes activities undertaken by an enterprise which operates: (a) on a not-for-profit basis; or (b) on cost recovery basis.

(d) "Exclusive or special privileges" means rights or privileges granted by a Party to a sole or to a limited number of enterprises authorized to supply a good or a service, other than according to objective, proportional and non-discriminatory criteria, taking into account the specific sectorial regulation under which the granting of the right or privilege has taken place, thereby substantially affecting the ability of any other enterprise to supply the same good or service in the same geographical area under substantially equivalent conditions.[2]

(e) "A service supplied in the exercise of governmental authority" has the same meaning as in the Article 1:3(c) of the GATS, as well as the meaning in Articles 1.(b), (c) and (d) of its Annex on Financial Services where applicable.

(f) "State-owned enterprise" means an enterprise owned or controlled by a Party[3].

Article 2

Scope of application

1. This Chapter applies to state-owned enterprises and to enterprises to which a Party has granted, formally or in effect, exclusive or special privileges, engaged in commercial activities. Where an enterprise combines commercial and non-commercial activities[4], only the commercial activities of that enterprise are covered by this Chapter.

2. This Chapter does not apply to the procurement by a Party of a good or service purchased for governmental purposes and not with a view to commercial resale nor with a view to use in the production or the supply of a good or service for commercial sale, whether or not that procurement is a "covered procurement" within the meaning of Article XX (Scope and coverage of the Government Procurement Chapter).

3. This Chapter shall not apply to any service supplied in the exercise of governmental authority.

4. This Chapter shall not apply to state-owned enterprises or to enterprises granted exclusive or special privileges if in any one of the three previous consecutive fiscal years the annual revenue derived from the commercial activities covered by this Chapter of the corresponding enterprise was less than 200 million SDR.

5. This Chapter does not apply to the sectors which are outside the scope of this Agreement.

6. This Chapter shall not apply to the commercial activities of state-owned enterprises and enterprise granted exclusive or special privileges with respect to sectors or sub-sectors not committed or committed but unbound in a Party's schedules of commitments in the Chapter on Trade in Services and Establishment, nor with respect to sectors or sub-sectors committed with

[2] For greater certainty, the granting of a licence to a limited number of enterprises in allocating a scarce resource through objective, proportional and non-discriminatory criteria is not in and of itself an exclusive or special privilege.

[3] For the purposes of this definition, the term "owned or controlled" refers to situations in which a Party owns more than 50% of the share capital or controls the exercise of more than 50% of the voting rights, or otherwise exercises an equivalent degree of control of the enterprise according to its governance rules.

[4] Such as carrying out a legitimate public service obligation.

limitations in a Party's schedules of commitments, to the extent of those limitations and subject to conditions or qualifications set out therein.

7. This Chapter does not apply to State Owned Enterprises in the Defense sector.

8. This Chapter does not apply to state-owned enterprises and enterprises granted exclusive or special privileges listed in Schedule to Annex X.A (Brazil's schedule) and Schedule to Annex X.B (Argentina's Schedule). Article 4 (Commercial considerations) does not apply to state-owned enterprises that Argentina lists in its Schedule to Annex X.B (Argentina's schedule).

Article 3

General provisions

1. The Parties confirm their rights and obligations of Article XVII of the GATT 1994, the Understanding on the Interpretation of Article XVII of the GATT 1994, as well as under Article VIII of the GATS.

2. Nothing in this Chapter prevents the Parties from establishing or maintaining state-owned enterprises, designating or maintaining monopolies, nor from granting enterprises exclusive or special rights or privileges.

Article 4

Commercial considerations

1. Each Party shall ensure that its state-owned enterprises and enterprises granted exclusive or special privileges, when engaging in commercial activities in the territory of any Party, act in accordance with commercial considerations in their purchases or sales of goods or services, except to fulfil its public mandate or purpose[5] as provided for in domestic legislation.

2. Paragraph 1 does not preclude these enterprises from:

(a) purchasing or supplying goods or services on different terms or conditions, including those relating to price; or

(b) refusing to purchase or supply goods or services,

provided that such different terms or conditions or refusal are undertaken in accordance with commercial considerations.

[5] For greater certainty, the concept of public mandate or purpose includes the activities of national banks regarding the purchase of goods and services under federal procurement laws, and lending policies in support of affordable housing, exports or imports, micro, small and medium-sized enterprises and farmers. The concept of public mandate or purpose also includes activities carried out by a public entity or trust relating to social security or public retirement plans.

Article 5

Transparency

1. A Party which has reason to believe that its interests under this Chapter are being adversely affected by the commercial activities of a state-owned enterprise or of an enterprise granted exclusive or special privileges of the other Party, subject to the scope of this Chapter as defined in Article 2, may request in writing that Party to supply information about the operations of that enterprise related to the carrying out of the provisions of this Chapter. The requested Party shall, to the extent possible, provide an answer in a timely manner.

2. Requests for such information shall indicate the enterprise, the products/services and markets concerned, and include indications of the interests under this Chapter that the requesting Party believes to be adversely affected.

3. The provisions of this Article shall not require any contracting party to disclose confidential information which would impede law enforcement or otherwise be contrary to the public interest or would prejudice the legitimate commercial interests of particular enterprises.

Article 6

Cooperation

The Parties hereby agree to cooperate on state-owned enterprises and enterprises granted exclusive or special privileges in order to:

(a) explore the possibility to adopt further commitments on state-owned enterprises and enterprises granted exclusive or special privileges in the future;

(b) exchange experiences in the development of best practices of corporate governance of state-owned enterprises.

ANNEX X

Party-specific schedules on State-owned enterprises and enterprises granted exclusive or special privileges

ANNEX X.A

BRAZIL

Chapter X (State-owned enterprises, enterprises granted exclusive or special privileges) does not apply to state-owned enterprises and enterprises granted exclusive or special privileges at sub-central level.

Five years after entry into force of the Agreement this Annex shall be subject to review by the Association Council with a view to exploring the possibility to establish further commitments. The Association Council shall have the power to adopt a decision to modify the present Annex as appropriate.

ANNEX X.B

ARGENTINA

1. Chapter X (State-owned enterprises, enterprises granted exclusive or special privileges) does not apply to state-owned enterprises and enterprises granted exclusive or special privileges at sub-central level.

Five years after entry into force of the Agreement this Annex shall be subject to review by the Association Council with a view to exploring the possibility to establish further commitments The Association Council shall have the power to adopt a decision to modify the present Annex as appropriate.

2. Article 4 (Commercial considerations) of Chapter X (State-owned enterprises, enterprises granted exclusive or special privileges) does not apply to the following state-owned enterprises and enterprises granted exclusive or special privileges, nor to their controlled enterprises, subsidiaries and affiliates or any new, reorganized or successor enterprises or entities:

(a) Nucleoeléctrica Argentina S.A.

(b) Soluciones Satelitales S.A.

(c) Integración Energética Argentina S.A.

(d) Banco de Inversiones y Comercio Exterior S.A.

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CHAPTER

TRADE AND SUSTAINABLE DEVELOPMENT

Article 1

Objectives and Scope

1. The objective of this Chapter is to enhance the integration of sustainable development in the Parties' trade and investment relationship, notably by establishing principles and actions concerning labour[1] and environmental aspects of sustainable development of specific relevance in a trade and investment context.

2. The Parties recall the Agenda 21 and the Rio Declaration on Environment and Development of 1992, the Johannesburg Declaration on Sustainable Development and the Johannesburg Plan of Implementation on Sustainable Development of 2002, the Ministerial Declaration of the United Nations Economic and Social Council on Creating an environment at the national and international levels conducive to generating full and productive employment and decent work for all, and its impact on sustainable development of 2006, the Declaration on Social Justice for a Fair Globalisation of 2008 of the International Labour Organisation (ILO), and the Outcome Document of the UN Conference on Sustainable Development of 2012 entitled *"The Future We Want"* and the document "Transforming our World: the 2030 Agenda for Sustainable Development", adopted in 2015.

[1] For the purposes of this chapter, the term "labour" means the strategic objectives of the ILO under the Decent Work Agenda, which is expressed in the ILO 2008 Declaration on Social Justice for a Fair Globalisation

3. The Parties recognize that the economic, social and environmental dimensions are interdependent and mutually reinforcing dimensions of sustainable development, and reaffirm their commitment to promoting the development of international trade in such a way as to contribute to the objective of sustainable development, for the welfare of present and future generations.

4. Consistent with the instruments referred to in paragraph 2, the Parties shall promote sustainable development through:

(a) the development of trade and economic relations in a manner that contributes to the objective of achieving the Sustainable Development Goals and supports their respective labour and environmental standards and objectives in a context of trade relations that are free, open, transparent, and respectful of multilateral agreements to which they are Party.

(b) the respect of their multilateral commitments in the fields of labour and of the environment.

(c) enhanced cooperation and understanding of their respective labour and environmental trade-related policies and measures, taking into account the different national realities, capacities, needs and levels of development and respecting national policies and priorities.

5. Recognizing the differences in their levels of development, the Parties agree that this Chapter embodies a cooperative approach based on common values and interests.

Article 2

Right to regulate and levels of protection

1. The Parties recognise the right of each Party to determine its sustainable development policies and priorities, to establish the levels of domestic environmental and labour protection it deems appropriate and to adopt or modify its law and policies. Such levels, law and policies shall be consistent with each Party's commitment to the international agreements and labour standards referred to in Articles 4 and 5.

2. Each Party shall strive to improve its relevant laws and policies so as to ensure high and effective levels of environmental and labour protection.

3. A Party should not weaken the levels of protection afforded in domestic environmental or labour law with the intention of encouraging trade or investment.

4. A Party shall not waive or derogate from, or offer to waive or derogate from, its environmental or labour laws in order to encourage trade or investment.

5. A Party shall not, through a sustained or recurring course of action or inaction, fail to effectively enforce its environmental or labour laws in order to encourage trade or investment.

6. A Party shall not apply environmental and labour laws in a manner that would constitute a disguised restriction on trade or an unjustifiable or arbitrary discrimination.

Article 3

Transparency

1. Each Party shall, in accordance with Chapter n°xx *[Transparency]*, ensure that the development, enactment and implementation of:

(a) measures aimed at protecting the environment and labour conditions that may affect trade or investment, or

(b) trade or investment measures that may affect the protection of the environment or labour conditions,

are done in a transparent manner, ensuring awareness and encouraging public participation, in accordance with its domestic rules and procedures.

Article 4

Multilateral Labour Standards and Agreements

1. Affirming the value of greater policy coherence in decent work, encompassing core labour standards, and high levels of labour protection, coupled with their effective enforcement, the Parties recognize the beneficial role that those areas can have on economic efficiency, innovation and productivity, including export performance. In this context, they also recognize the importance of social dialogue on labour matters among workers and employers, and their respective organizations, and governments, and commit to the promotion of such dialogue.

2. The Parties reaffirm their commitment to promote the development of international trade in a way that is conducive to decent work for all, including for women and young people.

3. In accordance with the ILO Constitution and the ILO Declaration on Fundamental Principles and Rights at Work and its Follow-up, adopted by the International Labour Conference at its 86th Session in 1998, each Party shall respect, promote and effectively implement the internationally recognised core labour standards, as defined in the fundamental ILO Conventions, which are:

(a) Freedom of association and the effective recognition of the right to collective bargaining;
(b) The elimination of all forms of forced or compulsory labour;
(c) The effective abolition of child labour; and
(d) The elimination of discrimination in respect of employment and occupation.

4. Each Party shall make continued and sustained efforts towards ratifying the fundamental ILO Conventions, Protocols and other relevant ILO Conventions to which it is not yet Party and that are classified as up-to-date by the ILO.

5. Recalling that among the objectives of the Agenda 2030 is the elimination of forced labour, the Parties underline the importance of ratification and then effective implementation of the 2014 Protocol to the Forced Labour Convention.

6. The Parties shall regularly exchange information on their respective progress with regard to ratification of the fundamental ILO Conventions and related Protocols and of other ILO Conventions or protocols to which they are not yet party and that are classified as up-to-date by the ILO.

7. Recalling paragraph 2, each Party reaffirms its commitment to promote and effectively implement the ILO Conventions and Protocols ratified by the signatory Mercosur States and by the Member States of the European Union respectively and classified as up-to-date by the ILO.

8. The Parties shall consult and cooperate, as appropriate, on trade-related labour issues of mutual interest, including in the context of the ILO.

9. Recalling the ILO Declaration of Fundamental Principles and Rights at Work of 1998 and the ILO Declaration on Social Justice for a Fair Globalisation of 2008, the Parties note that the violation of fundamental principles and rights at work cannot be invoked or otherwise used as a legitimate comparative advantage and that labour standards should not be used for protectionist trade purposes.

10. Each Party shall promote decent work as provided by the Declaration on Social Justice for a Fair Globalization of 2008 adopted by the International Labour Conference at its 97th Session. Particular attention shall be paid by each Party to:

a) developing and enhancing measures for occupational safety and health, including compensation in case of occupational injury or illness, as defined in the relevant ILO Conventions and other international commitments;

b) decent working conditions for all, with regard to, inter alia, wages and earnings, working hours and other conditions of work;

c) labour inspection, in particular through effective implementation of relevant ILO standards on labour inspections.

(d) non-discrimination in respect of working conditions, including for migrant workers.

11. Each Party shall ensure that administrative and judicial proceedings are available and accessible in order to permit effective action to be taken against infringements of labour rights referred to in this Chapter.

Article 5

Multilateral Environmental Agreements

1. The Parties recognize that the environment is one of the three dimensions of sustainable development and that its three dimensions -economic, social and environmental- should be addressed

in a balanced and integrated manner. Additionally, the Parties recognize the contribution that trade could make to sustainable development.

2. The Parties recognise the importance of the United Nations Environment Assembly (UNEA) of the United Nations Environment Programme (UNEP) and multilateral environment agreements as a response of the international community to global or regional environmental challenges and stress the need to enhance the mutual supportiveness between trade and environment policies.

3. Recalling the above paragraphs, each Party reaffirms its commitments to promote and effectively implement, multilateral environmental agreements (MEAs), protocols and their amendments to which it is a party.

4. The Parties shall regularly exchange information on their respective progress as regards the ratifications of MEAs, including their protocols and amendments.

5. The Parties shall consult and cooperate, as appropriate, on trade-related environmental matters of mutual interest in the context of multilateral environmental agreements.

6. The Parties acknowledge their right to invoke Article [*insert article number - General Exceptions*] in relation to environmental measures.[2]

7. Nothing in this agreement shall prevent Parties from adopting or maintaining measures to implement the MEAs to which they are party provided that such measures are consistent with Article 2.6.

Article 6

Trade and Climate Change

1. The Parties recognise the importance of pursuing the ultimate objective of the United Nations Framework Convention on Climate Change (UNFCCC) in order to address the urgent threat of climate change and the role of trade to this end.

2. Pursuant to paragraph 1, each Party shall:

(a) effectively implement the UNFCCC and the Paris Agreement established thereunder;

(b) consistent with article 2 of the Paris Agreement, promote the positive contribution of trade to a pathway towards low greenhouse gas emissions and climate-resilient development and to increasing the ability to adapt to the adverse impacts of climate change in a manner that does not threaten food production.

[2] Negotiators Note: To see in light of the relevant General Exceptions text.

3. The Parties shall also cooperate, as appropriate, on trade-related climate change issues bilaterally, regionally and in international fora, particularly in the UNFCCC.

Article 7

Trade and Biodiversity

1. The Parties recognise the importance of the conservation and sustainable use of biological diversity consistent with the Convention on Biological Diversity (CBD), the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), the International Treaty on Plant Genetic Resources for Food and Agriculture, and the decisions adopted thereunder and the role that trade can play in contributing to the objectives of these agreements.

2. Pursuant to paragraph 1, each Party shall:

(a) promote the use of CITES as an instrument for conservation and sustainable use of biodiversity; including through the inclusion of animal and plant species in the Appendices to the CITES where the conservation status of that species is considered at risk because of international trade.

(b) implement effective measures leading to a reduction of illegal trade in wildlife, consistent with international agreements to which it is Party.

(c) encourage trade in natural resource-based products obtained through a sustainable use of biological resources or which contribute to the conservation of biodiversity, in accordance with domestic laws.

(d) promote the fair and equitable sharing of benefits arising from the use of genetic resources and, where appropriate, measures for access to such resources and prior informed consent.

3. The Parties shall also exchange information on initiatives and good practices on trade in natural resource-based products with the aim of conserving biological diversity and cooperate, as appropriate, bilaterally, regionally and in international fora on issues covered by this article.

Article 8

Trade and Sustainable Management of Forests

1. The Parties recognise the importance of sustainable forest management and the role of trade in pursuing this objective and of forest restoration for conservation and sustainable use.

2. Pursuant to paragraph 1, each Party shall:

(a) encourage trade in products from sustainably managed forests harvested in accordance with the law of the country of harvest;

(b) promote, as appropriate and with their prior informed consent, the inclusion of forest-based local communities and indigenous peoples in sustainable supply chains of timber and non-timber forest products, as a means of enhancing their livelihoods and of promoting the conservation and sustainable use of forests.

(c) implement measures to combat illegal logging and related trade;

3. The Parties shall also:

(a) exchange information on trade-related initiatives on sustainable forest management, forest governance and on the conservation of forest cover and cooperate to maximise the impact and ensure the mutual supportiveness of their respective policies of mutual interest;

(b) Cooperate, as appropriate, bilaterally, regionally and in international fora on issues concerning trade and the conservation of forest cover as well as sustainable forest management, consistent with the 2030 Agenda for Sustainable Development.

Article 9

Trade and Sustainable Management of Fisheries and Aquaculture

1. The Parties recognise the importance of conserving and sustainably managing marine biological resources and marine ecosystems as well as of promoting responsible and sustainable aquaculture, and the role of trade in pursuing these objectives and their shared commitment to achieving Sustainable Development Goal 14 of the 2030 Agenda for Sustainable Development, particularly SDGs 14.4 and 14.6.

2. Pursuant to paragraph 1, and in a manner consistent with its international commitments, each Party shall:

(a) implement long-term conservation and management measures and sustainable exploitation of marine living resources in accordance with international law as enshrined in the UN Convention on the Law of the Sea of 1982 and other relevant UN and FAO instruments to which it is party.

(b) act consistent with the principles of the FAO Code of Conduct for Responsible Fisheries.

(c) participate and cooperate actively within the Regional Fisheries Management Organisations (RFMOs) and other relevant international fora to which it is a member, observer, or cooperating non-contracting party, with the aim of achieving good fisheries governance and sustainable fisheries; including through the adoption of effective control, monitoring and

enforcement of management measures and, where applicable, the implementation of Catch Documentation or Certification Schemes;

(d) implement, consistent with its international commitments, comprehensive, effective and transparent measures to combat IUU fishing, and exclude from international trade products that do not comply with such measures, and cooperate to this end, including by facilitating the exchange of information.

(e) work with a view to coordinating the measures necessary for the conservation and sustainable use of straddling fish stocks in areas of common interest;

(f) promote the development of sustainable and responsible aquaculture, taking into account its economic, social and environmental aspects, including with regard to the implementation of the objectives and principles contained in the FAO Code of Conduct for Responsible Fisheries.

Article 10

Scientific and Technical Information

1. When establishing or implementing measures aimed at protecting the environment or labour conditions that may affect trade or investment, each Party shall ensure that the scientific and technical evidence on which they are based is from recognized technical and scientific bodies and that the measures are based on relevant international standards, guidelines or recommendations where they exist.

2. In cases when scientific evidence or information is insufficient or inconclusive and there is a risk of serious environmental degradation or to occupational health and safety in its territory, a Party may adopt measures based on the precautionary principle. Such measures shall be based upon available pertinent information and subject to periodic review. The Party adopting the measure shall seek to obtain new or additional scientific information necessary for a more conclusive assessment and shall review the measure as appropriate.

3. When a measure adopted in accordance with the above paragraph has an impact on trade or investment, a Party may request to the Party adopting the measure to provide information indicating that scientific knowledge is insufficient or inconclusive in relation to the matter at stake and that the measure adopted is consistent with its own level of protection, and may request discussion of the matter in the TSD Sub-Committee.

4. Such measures shall not be applied in a manner which would constitute a means of arbitrary or unjustifiable discrimination or a disguised restriction on international trade.

Article 11

Trade and Responsible Management of Supply Chains

1. The Parties recognise the importance of responsible management of supply chains through responsible business conduct and corporate social responsibility practices based on internationally agreed guidance.

2. Pursuant to paragraph 1, each Party shall:

(a) support the dissemination and use of relevant international instruments that it has endorsed or supported, such as the ILO Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Global Compact, the UN Guiding Principles on Business and Human Rights and the OECD Guidelines for Multinational Enterprises.

(b) promote the voluntary uptake by companies of corporate social responsibility or responsible business practices, consistent with the above-mentioned guidelines and principles.

c) provide a supportive policy framework for the effective implementation of the above-mentioned guidelines and principles.

3. The Parties recognise the utility of international sector-specific guidelines in the area of corporate social responsibility or responsible business conduct and shall promote joint work in this regard. In respect of the OECD Due Diligence Guidance for responsible supply chains of minerals from conflict-affected and high-risk areas and its supplements, the Parties adhering to or supporting such Guidance shall also promote the uptake of this Guidance.

4. The Parties shall exchange information as well as best practices[3] and, as appropriate, cooperate on issues covered by this article, including in relevant regional and international fora.

Article 12

Other Trade and Investment-related Initiatives Favouring Sustainable Development

1. The Parties confirm their commitment to enhance the contribution of trade and investment to the objective of sustainable development in its economic, social and environmental dimensions.

Accordingly, the Parties shall:

(a) promote the objectives of the Decent Work Agenda, consistent with the 2008 ILO Declaration on Social Justice for a Fair Globalisation, including the minimum living wage, inclusive social protection, health and safety at work, and other aspects related to working conditions;

(b) encourage trade and investment in goods and services as well as the voluntary exchange of practices and technologies that contribute to enhanced social and environmental

[3] Negotiators Note: "buenas practicas" in Spanish version

conditions, including those of particular relevance for climate change mitigation and adaptation, in a manner consistent with other provisions of this agreement.

(c) cooperate, as appropriate, bilaterally, regionally and in international fora on issues in this article.

Article 13

Working together on trade and sustainable development

The Parties recognise the importance of working together in order to achieve the objectives of this Chapter. They may work together on *inter alia*:

(a) labour and environmental aspects of trade and sustainable development in international fora, including in particular the WTO, the ILO, UNEP, UNCTAD, High-level Political Forum for Sustainable Development and multilateral environmental agreements (MEAs)

(b) the impact of labour and environmental law and standards on trade and investment;

(c) the impact of trade and investment law on labour and the environment;

(d) voluntary sustainability assurance schemes such as fair and ethical trade schemes and eco-labels through the sharing of experience and information on such schemes;

as well as trade-related aspects of:

(e) the implementation of fundamental, priority and other up-to-date ILO Conventions;

(f) the ILO Decent Work Agenda, including on the inter-linkages between trade and full and productive employment, labour market adjustment, core labour standards, decent work in global supply chains, social protection and social inclusion, social dialogue, skills development and gender equality;

(g) the implementation of MEAs and support for each other's participation in such MEAs;

(h) the dynamic international climate change regime under the UNFCCC, in particular the implementation of the Paris Agreement;

(i) the Montreal Protocol and any amendments to it ratified by the Parties, in particular measures to control the production and consumption of and trade in Ozone Depleting Substances (ODS) and Hydrofluorocarbons (HFCs), and the promotion of environmentally friendly alternatives to them, and measures to address illegal trade of substances regulated by the Protocol;

(j) corporate social responsibility, responsible business conduct, responsible management of global supply chains and accountability, including with regard to implementation, follow-up, and dissemination of relevant international instruments;

(k) the sound management of chemicals and waste;

(l) the conservation and sustainable use of biological diversity, and the fair and equitable sharing of the benefits arising from the utilization of genetic resources, including by appropriate access to such resources, as referred to in Article 7;

(m) combatting wildlife trafficking, as referred to in Article 7;

(n) the promotion of the conservation and sustainable management of forests with a view to reducing deforestation and illegal logging, as referred to in Article 8;

(o) private and public initiatives contributing to the objective of halting deforestation, including those linking production and consumption through supply chains, consistent with SDGs 12 and 15;

(p) the promotion of sustainable fishing practices and trade in sustainably managed fish products, as referred to in Article 9;

(q) sustainable consumption and production initiatives consistent with SDG 12, including, but not limited to, circular economy and other sustainable economic models aimed at increasing resource efficiency and reducing waste generation.

Article 14

Sub-Committee on Trade and Sustainable Development and Contact Points

1. The Parties hereby establish a Sub-Committee on Trade and Sustainable Development (hereafter "TSD Sub-Committee"). It shall comprise senior officials, or their delegates, from each Party.

2. The TSD Sub-Committee shall meet within a year of the date of entry into force of this Agreement, unless otherwise agreed by the Parties, and thereafter as necessary in accordance with Article … of Chapter … *[Institutional provisions on meetings of Sub-Committees of the Trade Committee]*. [This TSD Sub-Committee shall establish its own rules of procedures and adopt its decisions by consensus.]

3. The functions of the TSD Sub-Committee are to:

(a) facilitate and monitor the effective implementation of this Chapter, including cooperation activities undertaken under this Chapter,

(b) carry out the tasks referred to in Articles 16 and 17,

(c) make recommendations to the Trade Committee, including with regard to topics for discussion with the *[civil society mechanism]*, referred to in Article … of Chapter … *[general institutional provisions]*,

(d) consider any other matter related to this Chapter as the Parties may agree.

4. The TSD Sub-Committee shall publish a report after each of its meetings.

5. Each Party shall designate a Contact Point within its administration to facilitate communication and coordination between the Parties on any matter relating to the implementation of this Chapter.

Article 15

Dispute Resolution

1. The Parties shall make all efforts through dialogue, consultation, exchange of information and cooperation to address any disagreement on the interpretation or application of this Chapter.

2. Any time period mentioned in Articles 16 and 17 may be extended by mutual agreement of the Parties.

3. All time periods established under this Chapter shall be counted in calendar days from the day following the act or fact to which they refer.

4. For the purpose of this Chapter, parties to a dispute under this chapter shall be as set out in Article 2 (Parties) of Chapter 1 (Objective and Scope) of Title VIII (Dispute Settlement).[4]

5. No Party shall have recourse to dispute settlement under Title VIII (Dispute Settlement) for any matter arising under this Chapter.

Article 16

Consultations

1. A Party may request consultations with the other Party regarding the interpretation or application of this Chapter by delivering a written request to the contact point of the other Party established in accordance with Article 14.5. The request shall present the matter at issue clearly, and provide a brief summary of the claims under this Chapter, including an indication of the relevant provisions thereof and explaining how it affects the objectives of this Chapter, as well as any other information the Party deems relevant. Consultations shall start promptly after a Party delivers a request for consultations, and in any event not later than 30 days of the date of receipt of the request.

[4] Negotiators Note: Definition of parties participating in government consultations or dispute settlement to be aligned with agreed text in Dispute Settlement Title on the definition of parties to a dispute – as part of legal scrubbing review.

2. Consultations shall be held in person or, if so agreed by the Parties, by videoconference or other virtual means. If the consultations are held in person they shall be held in the territory of the Party to whom the request is made, unless the Parties agree otherwise.

3. The Parties shall enter into consultations with the aim of reaching a mutually satisfactory resolution of the matter. In matters related to the multilateral agreements referred to in this Chapter, the Parties shall take into account information from the ILO or from relevant organisations or bodies responsible for multilateral environmental agreements ratified by both Parties, in order to promote coherence between the work of the Parties and these organisations. Where relevant, the Parties may agree to seek advice from such organisations or bodies, or any other expert or body they deem appropriate.

5. If, a Party considers that the matter needs further discussion, that Party may request in writing that the TSD Sub-Committee be convened and notify the request to the contact point established pursuant to Article 14.5. Such a request shall be made no earlier than 60 days from the date of the receipt of the request under paragraph 1. The TSD Sub-Committee shall meet promptly and endeavour to reach a mutually satisfactory resolution of the matter.

6. The TSD Sub-Committee shall take into account any views on the matter provided by the [*civil society mechanisms*] referred to in Article… of Chapter.. as well as any expert advice

7. Any resolution reached by the Parties shall be made publicly available.

Article 17

Panel of Experts

1. If, within 120 days of a request for consultations under Article 16 no mutually satisfactory resolution has been reached, a Party may request the establishment of a Panel of Experts to examine the matter. Any such request shall be made in writing to the contact point of the other Party established in accordance with Article 14.5 and shall identify the reasons for requesting the establishment of a Panel of Experts, including a description of the measure(s) at issue and indicating the relevant provision(s) of this Chapter that it considers applicable.

2. Except as otherwise provided for in this Article, the provisions set out in Articles 8 (Composition of arbitration panel), 9 (Hearings) and 10 (Information and technical advice) of Chapter 3 (Dispute Settlement Procedures), Articles 23 (Confidentiality) and 24 (Costs) of Chapter 4 (General Provisions) of Title VIII (Dispute Settlement), as well as the Rules of Procedure in Annex I and the Code of Conduct in Annex II to Title VIII (Dispute Settlement) shall apply.

3. The TSD Sub-Committee shall, at its first meeting after the entry into force of this Agreement, establish a list of at least 15 individuals who are willing and able to serve on the Panel of Experts. The list shall be composed of three sub-lists: one sub-list proposed by the EU, one sub-list proposed by MERCOSUR and one sub-list of individuals that are not nationals of either Party. Each Party shall propose at least five individuals for its sub-list. The Parties shall also select at least five individuals for the list of individuals that are not nationals of either Party. The TSD Sub-Committee shall ensure that the list is kept up to date and that the number of experts is maintained at least at 15 individuals.

4. The individuals referred to in paragraph 3 shall have specialised knowledge of, or expertise in issues addressed in this Chapter including labour, environmental or trade law, or in the resolution of disputes arising under international agreements. They shall be independent, serve in their individual capacities and shall not take instructions from any organisation or government with regard to issues related to the disagreement, or be affiliated with the government of any Party, and shall comply with Annex II (Code of Conduct) to Title VIII (Dispute Settlement).

5. A Panel of Experts shall be composed of three members, unless the Parties agree otherwise. The Chairperson shall be from the sub-list of individuals that are not nationals of either Party. A Panel of Experts shall be established according to the procedures set out in paragraphs 1 and 4 of Article 8 (Composition of arbitration panel) of Chapter 3 (Dispute Settlement Procedures) of Title VIII (Dispute Settlement). The experts shall be selected from the relevant individuals on the sub-lists referred to in paragraph 3 of this Article, in accordance with the relevant provisions of paras 2, 3 or 5 (Composition of arbitration panel) of Chapter 3 (Dispute Settlement Procedures) of Title VIII (Dispute Settlement).

6. Unless the Parties agree otherwise within seven days from the date of establishment of the Panel of Experts, as defined in paragraph 6 of Article 8 (Composition of arbitration panel) of Chapter 3 (Dispute Settlement Procedures), Title VIII (Dispute Settlement), the terms of reference shall be:

"to examine, in the light of the relevant provisions of Chapter X [*Trade and Sustainable Development*] of the EU-Mercosur Association Agreement, the matter referred to in the request for the establishment of the Panel of Experts, and to issue a report, in accordance with Article 17 of that Chapter, making recommendations for the resolution of the matter".

7. With regard to matters related to the respect of multilateral agreements referred to in this Chapter, the opinions of experts or information requested by the Panel of Experts in accordance with Article 10 (Information and Technical Advice) of Chapter 3 (Dispute Settlement Procedures) of Title VIII (Dispute Settlement) should include information and advice from the relevant ILO or MEA bodies. Any information obtained under this paragraph shall be provided to both Parties for their comments.

8. The Panel of Experts shall interpret the provisions of this Chapter in accordance with the customary rules of interpretation of public international law.

9. The Panel of Experts shall issue to the Parties an interim report within 90 days of the establishment of the Panel, and a final report no later than 60 days after issuing the interim report. These reports shall set out the findings of facts, the applicability of the relevant provisions and the basic rationale behind any findings and recommendations. Either of the involved Parties may submit written comments on the interim report to the Panel of Experts within 45 days of the date of issue of the interim report. After considering any such written comments, the Panel of Experts may modify the report and make any further examination it considers appropriate. Where it considers that the deadlines set in this paragraph cannot be met, the chairperson of the Panel of Experts shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to issue its interim or final report.

10. The Parties shall make the final report publicly available within 15 days of its submission by the Panel of Experts

11. The Parties shall discuss appropriate measures to be implemented taking into account the report and recommendations of the Panel of Experts. The Party complained against shall inform its … *[civil society domestic advisory group]* referred to in Article … of Chapter … and the other Party of its decisions on any actions or measures to be implemented no later than 90 days after the report has been made publicly available. The Sub-Committee on Trade and Sustainable Development shall monitor the follow-up to the report of the Panel of Experts and its recommendations. The … *[civil society domestic advisory groups set up under the Agreement]* referred to in Article(s) … of Chapter … may submit observations to the TSD Sub-Committee in this regard.

Article 18

Review

1. For the purpose of enhancing the achievement of the objectives of this Chapter, the Parties shall discuss through the meetings of the Trade and Sustainable Development Sub-Committee its effective implementation, including a possible review of its provisions, taking into account, inter alia, the experience gained, policy developments in each Party, developments in international agreements and views presented by stakeholders.

2. The Trade and Sustainable Sub-Committee may recommend modifications to the relevant provisions of this Chapter reflecting the outcome of the discussions referred to in paragraph 1 above, in accordance with the amendment procedure established in Article X [*Amendments*].]

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

CHAPTER

TRANSPARENCY

Article 1

Definitions

For the purposes of this Chapter:

measure of general application means laws, regulations, judicial decisions, procedures and administrative rulings of general application that may have an impact on any matter covered by this Part of the Agreement; and

interested person means any natural or legal person that may be affected by a measure of general application.

administrative decision means a decision with a legal effect that affects the rights and obligations of a specific person in an individual case, and covers an administrative action or failure to take an administrative action or decision as provided for in the Party's domestic law and legal system.

Article 2

Objective

1. Recognising the impact which their respective regulatory environment may have on trade and investment between them, the Parties shall aim at promoting a transparent and predictable regulatory environment and efficient procedures for economic operators, especially small and medium-sized enterprises in accordance with the provisions of this Chapter.

Article 3

Publication

1. Each Party shall ensure that a measure of general application with respect to any matter covered by Part trade:

(a) is promptly published via an officially designated medium and where feasible, electronic means, or otherwise made available, in such a manner as to enable any person to become acquainted with them;

(b) provide an explanation of the objective of, and rationale for, the measure; and

(c) allow for sufficient time between publication and entry into force of such measures, except where it is not possible on grounds of urgency.

2. To the extent possible, when adopting or amending major laws or regulations of general application with respect to any matter covered by Part [TRADE], each Party shall, in accordance with its respective rules and procedures:

(a) Publish in advance the draft law or regulation or consultation documents providing details of the objective of, and rationale for the law or regulation;
(b) Provide interested persons and the other Party a reasonable opportunity to comment; and
(c) Endeavour to take into consideration the comments received.

Article 4

Enquiries

1. No later than 3 years of entry into force of this Agreement, each Party shall establish or maintain appropriate mechanisms for receiving and responding to enquiries from any person regarding any measure of general application which is proposed or in force with respect to any matter covered by Part Trade, and how they would be applied.

2. Upon request of a Party, the other Party shall promptly provide information and respond to questions pertaining to any measure of general application or any proposal to adopt or amend any measure of general application with respect to any matter covered by Part trade. that the requesting Party considers might affect the operation of this Agreement.

Article 5

Administration of measures of general application

1. Each Party shall administer in an objective, impartial and reasonable manner all measures of general application with respect to any matter covered by Part trade.

2. Each Party, in applying such measures to particular persons, goods or services of the other

Party in specific cases, shall:

(a) endeavour to provide interested persons, that are directly affected by administrative proceedings, with reasonable notice, in accordance with its laws and regulations, when such proceedings are initiated, including a description of the nature of the proceedings, a statement of the legal authority under which the proceedings are initiated and a general description of any issues in controversy;

(b) afford such interested persons a reasonable opportunity to present facts and arguments in support of their positions prior to any final administrative decision, in so far as time, the nature of the proceedings and the public interest permit.

Article 6

Review and appeal

1. Each Party shall establish or maintain judicial, arbitral or administrative tribunals or procedures for the purpose of the prompt review and, where warranted, correction of an administrative decision with respect to any matter covered by Part trade. Each Party shall ensure that its procedures for appeal or review are carried out in a non-discriminatory and impartial manner by tribunals that shall be impartial and independent of the authority entrusted with administrative enforcement and those responsible for such tribunals shall not have any substantial interest in the outcome of the matter.

2. Each Party shall ensure that the parties to the proceedings in paragraph 1 are provided with the right to:

(a) a reasonable opportunity to support or defend their respective positions; and

(b) a decision based on the evidence and submissions of record or, where required by its law, the record compiled by the administrative authority.

3. The decision in paragraph 2 shall, subject to appeal or further review as provided for in its law, be implemented by, and shall govern the practice of, the office or authority entrusted with administrative enforcement.

Article 7

Regulatory quality and performance and good regulatory practices

1. The Parties recognise the principles of good regulatory practices and shall promote regulatory quality and performance. In particular, Parties shall endeavour to:

(a) Encourage the use of regulatory impact assessments when developing major initiatives;

(b) establish or maintain procedures to promote periodic retrospective evaluation of measures of general interest.

2. The Parties shall endeavour to cooperate in regional and multilateral fora to promote good regulatory practices and transparency in respect of international trade and investment in areas covered by Part trade.

Article 8

Relation to other chapters

Specific rules in other Chapters of this Agreement regarding the subject matter of this Chapter shall prevail to the extent that they differ from the provisions of this Chapter.

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The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

CHAPTER

SMALL AND MEDIUM-SIZED ENTERPRISES

Article 1

General principles

1. The Parties recognise that Small and Medium-sized Enterprises, which include micro, small and medium-sized enterprises and entrepreneurs (hereinafter referred to as SMEs), contribute significantly to trade, economic growth, employment and innovation. The Parties seek to support the growth and development of SMEs by enhancing their ability to participate in and benefit from the opportunities created by this Agreement.

2. The Parties acknowledge the importance of reducing non-tariff barriers which place a disproportionate burden on SMEs. They also acknowledge that, in addition to the provisions in this Chapter, there are other provisions in the Agreement that seek to enhance cooperation between the Parties on SMEs issues or that otherwise may be of particular benefit to SMEs.

Article 2

Information sharing

1. Each Party shall establish or maintain its own publicly accessible website containing information regarding this Agreement, including:

(a) the text of this Agreement, including all annexes, tariff schedules, and product specific rules of origin;

(b) a summary of this Agreement; and

(c) information designed for SMEs that contains:

(i) a description of the provisions in this Agreement that the Party in question considers to be relevant to SMEs; and

(ii) any additional information that the Party considers would be useful for SMEs interested in benefitting from the opportunities provided by this Agreement.

2. Each Party shall include links from the website provided for in paragraph 1 to:

(a) the equivalent website of the other Party;

(b) the websites of its own government authorities and other appropriate entities that the Party considers would provide useful information to persons interested in trading, investing, or doing business in that Party. Each Party shall include available information related to the following:

(i) rates of most-favoured nation (MFN) and preferential customs duties and quotas, rules of origin, customs or other fees at the border;

(ii) customs regulations and procedures for importation, exportation, and transit as well as required forms and documents;

(iii) regulations and procedures concerning intellectual property rights;

(iv) technical regulations including, where necessary, obligatory conformity assessment procedures; and links to lists of conformity assessment bodies, in cases where third party conformity assessment is obligatory;

(v) sanitary and phytosanitary measures relating to importation and exportation;

(vi) government procurement, transparency rules and publication of procurement notices as well as other relevant provisions contained in Chapter [XX] on government procurement;

(vii) business registration procedures;

(viii) other information which the Parties agree may be of assistance to SMEs.

(c) a database that is electronically searchable by tariff nomenclature code and that shall include the information contained in paragraph 2.b (i) and the following information:

(i) excise duties;

(ii) taxes (value added tax / sales tax);

(iii) other tariff measures;

(iv) deferral, or other types of relief that reduce, refund, or waive customs duties;

(v) criteria used to determine the customs value of the good;

(vi) if applicable, country of origin marking requirements, including placement and method of marking;

(vii) information needed for import procedures;

(viii) information related to non-tariff measures or regulations.

Each MERCOSUR signatory country shall implement the websites and the database with the maximum possible information described above with respect to access to its markets with the best effort to put it into place within 3 years from entry into force of this Agreement.

3. Each Party shall regularly, or when requested by the other Party, update the information and links referred to in paragraphs 1 and 2.

4. Each Party shall ensure that information set out in this article is presented in a manner that is easy to use for SMEs. When possible, each Party shall endeavour to make the information available in English.

5. No fee shall apply for access to the information provided pursuant to paragraphs 1 and 2 for any person in either Party.

Article 3

SME Coordinators

Each Party shall communicate to the other Party its SME Coordinator to carry out the functions listed in this article. These two SME Coordinators shall:

a) develop a work plan to carry out the tasks described in this Article;

b) carry out their work through the communication channels agreed by the SME Coordinators, which may include electronic mail, videoconferencing, or other means;

c) meet as mutually agreed, at least once a year, through appropriate means; and

d) report periodically on their activities and make appropriate recommendations to the [Association Committee in its trade configuration] for its consideration.

2. The SME Coordinators shall work to:

(a) ensure that SME needs are taken into account in the implementation of this Agreement;

(b) monitor the implementation of the provisions on information sharing of Article 2 to ensure that the information provided by the Parties is up-to-date and relevant for SMEs;

(c) recommend additional information that the Parties may include in their websites described in Article 2;

(d) identify ways to cooperate and exchange information for EU and Mercosur SMEs to take advantage of new opportunities under this Agreement to increase trade and investment;

(e) address any other matters of interest to SMEs in connection with the implementation of this Agreement;

(f) participate, if appropriate, in the work of any Sub-Committee and Working Group established in this trade part of this Agreement and present jointly to these Sub-Committees and Working Groups specific issues and recommendations and possible solutions of particular interest to SMEs in their areas, while avoiding duplication of work programmes;

(g) exchange information to assist the Parties in monitoring and implementing this Agreement as it relates to SMEs;

(h) consider any other matter arising under this Agreement pertaining to SMEs as the Parties may agree.

3. SME Coordinators may seek to cooperate with experts and external organizations, as appropriate, in carrying out their activities.

Article 4

Non-Application of Dispute Settlement

No Party shall have recourse to dispute settlement under Chapter [XX] for any matter arising under this Chapter.

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The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

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N.B. The numbering of Titles, Articles, paragraphs and any cross-references are to be revised.

TITLE XXX

DISPUTE SETTLEMENT

CHAPTER I

OBJECTIVE AND SCOPE

Article 1

Objective

The objective of this Title is to establish an effective and efficient mechanism to avoid and settle disputes between the Parties regarding Part [X] of the Agreement with a view to arrive at, where possible, a mutually satisfactory resolution of the dispute.

Article 2

Parties

1. For the purposes of this Title, the EU, MERCOSUR or one or more of its signatory Member States, may be parties to a dispute. The parties to the dispute shall be hereinafter referred to as "party" or "parties".

2. The EU may initiate a dispute settlement proceeding against a measure of MERCOSUR that concerns the EU or one or more of its Member States.

3. The EU may initiate a dispute settlement proceeding against one or more of the signatory Member States of MERCOSUR that concerns the EU or one or more of its Member States whenever the measure at issue is a measure of such individual signatory Member State(s).

4. MERCOSUR may initiate a dispute settlement proceeding against the EU whenever the measure at issue is a measure of the EU[1] that concerns MERCOSUR as a whole or all of its signatory Member States.

5. One or more signatory Member States of MERCOSUR may individually initiate a dispute settlement proceeding against the EU whenever the measure at issue is a measure of the EU[2] that concerns such individual signatory Member State(s).

6. When MERCOSUR has requested the establishment of a panel under Article X of this Title, a signatory MERCOSUR Member State shall not initiate another proceeding on the same matter under this same forum.

Article 3

Scope

The provisions of this Title shall apply with respect to any dispute concerning the interpretation and application of the provision of Part [X] of this Agreement, except where otherwise expressly provided.

CHAPTER II

DISPUTE AVOIDANCE

CONSULTATIONS AND MEDIATION

[1] For greater certainty, a measure(s) of the EU would also cover measure(s) of one or more of its Member States.
[2] For greater certainty, a measure(s) of the EU would also cover measure(s) of one or more of its Member States.

Article 4

Consultations

1. The Parties shall endeavour to resolve any dispute regarding the alleged non-compliance with the provisions referred to in Article 3 by entering into good faith consultations with the aim of reaching a mutually agreed solution.

2. A Party shall seek consultations through a written request to the other Party, copied to the [Trade Committee], giving the reasons for the request, including the identification of the measure at issue and the relevant provisions referred to in Article 3 that it considers applicable.

3. Consultations shall be held within fifteen (15) days of the request being received, and shall, unless the parties agree otherwise, be held on the territory of the consulted party. The consultations shall be deemed concluded within thirty (30) days from the date of the receipt of the consultation request, unless both parties agree to continue consultations. Consultations, in particular the positions taken by the parties therein, shall be confidential and without prejudice to the rights of any Party in any further proceedings.

4. If consultations are not held within the timeframe laid down in paragraph [3 or 5], as the case may be, or if consultations are concluded and no agreement is reached on a mutually agreed solution, then the party which has requested consultations may proceed directly to request the establishment of an arbitration panel in accordance with Article 6 of this Title.

5. Consultations on matters of urgency, including those regarding perishable goods or other goods or services that rapidly lose their quality, current condition or commercial value in a short period of time shall be held within fifteen (15) days of the date of receipt of the request by the consulted Party and shall be deemed concluded within those fifteen (15) days, unless both Parties agree to continue consultations.

6. During consultations, each Party shall provide factual information, so as to allow for the complete examination of the manner in which the measure at issue could affect the operation and application of Part [X] of this Agreement.

Article 5

Mediation

Any Party may request the other Party to enter into a mediation procedure with respect to any measure adversely affecting trade between the Parties pursuant to [Annex X] (Mediation Mechanism) of this Agreement. The mediation procedure may only be initiated by mutual agreement of the Parties.

CHAPTER III

DISPUTE SETTLEMENT PROCEDURES

Article 6

Initiation of arbitration panel proceedings

1. Where the parties have failed to resolve the dispute by recourse to consultations as detailed in Article 4, or if the complaining party considers that the defending party has failed to comply with a solution mutually agreed during consultations , the complaining party may seek the establishment of an arbitration panel upon written request to the defending party and simultaneously to the [Trade Committee].

2. The complaining party shall give the reasons for the request, identifying the measure it considers to be in breach of this Part which has been the subject of consultations[3], and indicating the provisions referred to in Article 3 that it considers applicable, in a manner that the legal basis of the complaint is presented clearly.

Article 7

Appointment of arbitrators

1. Arbitrators shall have specialised knowledge or experience in law and international trade. Additionally, non-national arbitrators shall be jurists.

2. Arbitrators shall be independent, serve in their individual capacities and not take instructions from any organisation or government or be affiliated to a government, including governmental organisation, of a Party to the Agreement, and shall comply with the Code of Conduct set out in [Annex No. X].

3. The [Trade Committee] shall, no later than six months after the entry into force of this Agreement, establish a list of thirty-two (32) individuals who are willing and able to serve as arbitrators. This list shall be composed of three sub-lists: one composed by twelve (12) individuals proposed by the EU, another composed by twelve (12) individuals proposed by MERCOSUR and a third one composed by eight (8) individuals agreed by both Parties that are not nationals of either Party and who shall act as chairperson to the arbitration panel. The [Trade Committee] will ensure that the list contains this number of individuals. The [Trade Committee] may amend the list of arbitrators, in accordance with [Rule X (between 27 and 28)] of the Rules of Procedure.

[3] In cases where recourse to arbitration is made following a failure to comply with a mutually agreed solution reached during consultations, the request for arbitration shall refer to the subject matter on which consultations were requested.

4. In the event that, at the moment of the composition of a particular arbitration panel in accordance with Article [8], the list provided for in paragraph [4] is not established or, once established, not all individuals included in a particular sub-list could serve as arbitrator in a dispute, the co-Chair of the [Trade Committee] of the complaining Party shall draw by lot the arbitrators in accordance with [Rule 13a bis] of the Rules of Procedure established in Annex [XX].

Article 8

Composition of arbitration panel

[1.] An arbitration panel shall be composed of three arbitrators

1. Within ten (10) days from the request for a panel being submitted to the defending party and simultaneously to the [Trade Committee] the parties shall consult in order to agree on the composition of the arbitration panel. Expertise relevant to the subject matter of the dispute may be taken into consideration by the parties for the selection of arbitrators according to this paragraph. The arbitration panel shall always be composed of at least a non-national of either Party, who will act as the chairperson.

2. If there is no agreement on the composition within this timeframe, each party shall appoint one member of the panel from the sub-list of that party established in [paragraph 4 of Article 7] within ten (10) days from the expiry of the timeframe established in paragraph 1 of this Article. If a party fails to appoint an arbitrator within such period, and upon request of either party to the dispute, the Chairperson of the [Trade Committee] or the Chairperson's designee shall, within five days from the date of that request, select the arbitrator by lot from the sub-list of that party established in [paragraph 4 of Article 7].

3. During the timeframe established in paragraph [1], the parties shall endeavour to agree on the chairperson of the panel. If they are unable to agree, either party shall ask the chairperson of the [Trade Committee] to select the chairperson of the panel by lot from the sub-list established in [paragraph 4 of Article 7] within five days from that request.

4. The parties shall notify the Chairperson of the [Trade Committee] of the arbitrators appointed by them under this Article that have accepted their appointment in accordance with paragraph[6] of this Article.

5. Notwithstanding the preceding provisions, the parties may, by mutual agreement, select as arbitrators persons who are not included in the list of arbitrators, as well as establish different criteria and/or procedures for the appointment of the members of the arbitration panel, provided that the latter comply the provisions of [paragraph 3 of Article 7].

6. The date of the establishment of the arbitration panel shall be the date on which all three arbitrators are selected and have accepted the appointment according to the Rules of Procedure established in Annex [XX].

7. Where a party considers that an arbitrator does not comply with the requirements of the Code of Conduct, the procedures provided for in the Rules of Procedure shall apply.

8. If an arbitrator is unable to participate in the proceeding, withdraws or needs to be replaced, a replacement shall be selected within ten (10) days in accordance with the selection procedures set out in this Article. The panel proceedings will be suspended for the period this procedure is undertaken up to a maximum of 25 days.

9. The parties shall accept as binding, ipso facto and with no need for a special agreement, the authority of any arbitration panel established in accordance with this Title.

Article 9

Hearings

The hearings of the arbitration panel shall be open to the public, unless the parties to the dispute decide otherwise. The hearings of the arbitration panel shall be partially or completely closed to the public when the submission and arguments of a party contains information which that party has designated as confidential.

Article 10

Information and technical advice

1. The arbitration panel may request the opinion of experts or obtain information from any source deemed relevant in accordance with the Rules of Procedures.

2. The opinions of experts as well as information obtained from any relevant source shall be non-binding.

3. Experts shall be persons of professional standing and experience in the relevant field. The arbitration panel shall consult the parties before choosing such experts.

4. The arbitration panel shall set a reasonable time limit for the submission of information or the report of the experts.

5. Persons of the Parties shall be authorised to submit amicus curiae briefs to the arbitration panels under conditions to be defined in the Rules of Procedures. These conditions shall ensure that the amicus curiae briefs do not create undue burden to the parties to the dispute nor unduly delay or complicate the panel proceedings.

6. Any information obtained under this Article shall be disclosed to each of the parties and submitted for their comments.

Article 11

Applicable Law

1. The arbitration panel shall resolve the dispute according to the provisions referred to in [Article 3].

2. The arbitration panel shall interpret the provisions referred to Article 3 in accordance with the customary rules of interpretation of public international law. When interpreting an obligation under this Agreement which is identical to an obligation under the WTO Agreement, the arbitration panel shall take into consideration any relevant interpretation established in the rulings of the WTO Dispute Settlement Body (hereinafter referred to as "DSB").

Article 12

Arbitral award

1. The arbitration panel shall deliver an interim arbitral report to the Parties not later than ninety (90) days of the date of establishment of the arbitration panel. The interim report shall set out the findings of fact, the applicability of relevant provisions and the basic rationale behind any findings and recommendations that the panel makes.

2. When the panel considers that the 90-day deadline cannot be met, the chairperson of the arbitration panel shall notify the Parties and the [Trade Committee] in writing, stating the reasons for the delay and the date on which the panel plans to deliver its interim arbitral report. Under no circumstances should the interim arbitral report be delivered later than one hundred twenty (120) days after the date of establishment of the arbitration panel.

In cases of urgency, including those regarding perishable goods or other goods or services that rapidly lose their quality, current condition or commercial value in a short period of time, the arbitration panel shall make every effort to deliver its interim arbitral report within forty-five (45) days and, in any case, no later than sixty (60) days after the date of establishment of the arbitration panel.

3. Any party may deliver a written request to the arbitration panel to review precise aspects of the interim arbitral report within fourteen (14) days of its receipt or, in cases of urgency, including those involving perishable goods or seasonal goods or services, within seven (7) days of its receipt. After considering any written comments by the Parties on the interim arbitral report, the arbitration panel may modify its arbitral report and make any further examination it considers appropriate.

4. The arbitration panel shall issue its final report constituting the arbitral award to the parties and the [Trade Committee] within one hundred twenty (120) days following the establishment of the panel. Where it considers that this deadline cannot be met, the chairperson of the panel shall notify the [Trade Committee] and the parties in writing, stating the reasons for the delay. Under no

circumstances should the arbitral award be issued later than one hundred fifty (150) days following the establishment of the panel.

[X] In cases of urgency, including those regarding perishable goods or other goods or services that rapidly lose their quality, current condition or commercial value in a short period of time, the arbitration panel shall make every effort to transmit its arbitral award within sixty (60) days from the date of its establishment. Under no circumstances should it take longer than seventy-five (75) days from such date. If a party so requests, the arbitration panel shall give a preliminary ruling within ten (10) days of its establishment on whether it deems the case to be urgent.

5. The arbitral award shall set out the findings of fact, the applicable law and the basic rationale behind the findings and conclusions. The arbitral award shall include a sufficient discussion of the arguments made at the interim review stage, and shall answer clearly to the questions and observations of both parties.

[X] The arbitration panel shall make an objective assessment of the matter before it including an objective assessment of the facts of the case and of the arguments and evidence presented by both parties and the applicability of and conformity with the provisions referred to in [Article 3].

6. The arbitration panel shall make every effort to take any decision by consensus. Where, nevertheless, a decision cannot be arrived at by consensus, the matter at issue shall be decided by majority vote. The arbitrators shall not issue dissenting or separate opinions and must maintain confidentiality as regards the voting.

7. The [Trade Committee] shall make the arbitral award of the arbitration panel publicly available in its entirety, unless the parties decide, by mutual agreement, not to make public parts thereof which contain confidential information.

8. The arbitral award is binding on the parties from the date it is issued and is not subject to appeal.

9. The arbitral award cannot add to or diminish the rights and obligations provided in the provisions referred to in [Article 3]. The arbitral award shall not be construed as conferring rights or imposing obligations for natural or legal persons, other than those provided under MERCOSUR countries' domestic law.

10. [Paragraphs 2, 3, 4, 5 and 6] shall be applicable to the rulings of the arbitration panel referred to in [Articles 16, 17, 18 and 19].

Article 13

Withdrawal, Settlement or Suspension of a Dispute

1. The complaining party may, with the consent of the defending party, withdraw its complaint before the award has been issued.

2. In the event that the parties reach a settlement at any time either before or following the issuance of the arbitral award, the [Trade Committee] will be so notified in writing by both parties.

3. The arbitration panel shall, at the request of both parties, suspend its work at any time, before the award has been issued, for a period agreed by the Parties and not exceeding twelve (12) consecutive months. Within this period, the arbitration panel shall resume its work only at the written request of both parties. The request shall be notified to the chairperson of the [Trade Committee]. The procedures shall be resumed from the stage they have been suspended twenty (20) days after the date of receipt of the request. If the work of the panel has been suspended for more than twelve (12) months, the authority for establishment of the panel shall lapse, without prejudice to the right of the complaining party to request at a later point in time the establishment of a panel on the same subject matter.

Article XX

Mutually Agreed Solution

1. The Parties may reach a mutually agreed solution at any time with respect to any dispute settlement procedure.

2. If a mutually agreed solution is reached during the panel procedure, the parties shall jointly notify that solution to the chairperson of the panel. Upon such notification, the panel procedure shall be terminated.

3. Each party shall take measures necessary to implement the mutually agreed solution mentioned in the present Article with respect to disputes referred within the agreed time period.

4. No later than at the expiry of the agreed time period the implementing party shall inform the other party, in writing, of any measure that it has taken to implement the mutually agreed solution.

Article 14

Request for Clarification

Within ten (10) days following the notification of the arbitral award, either party may request in writing to the arbitration panel, with copy to the other party and the [Trade Committee], to clarify certain specific aspects of any determination or recommendation in the arbitral award that the requesting party considers ambiguous. The other party to the dispute may submit comments on such request to the arbitration panel within five days following its receipt. The arbitration panel shall answer a request for clarification of the arbitral award within fifteen (15) days following its receipt. Requests for clarification shall not be used as a means to review the arbitral award.

Article 15

Compliance with the Arbitral Award

1. The defending party shall take any measure necessary to comply promptly and in good faith with the arbitral award.

2. If it is impracticable to comply immediately with the arbitral award, the defending party shall have a reasonable period of time in which to do so.

Article 16

Reasonable period time for compliance

1. In cases under [paragraph 2 of Article 15], the defending party shall, notify the complaining party and the [Trade Committee] of the time it will require for compliance, no later than thirty (30) days after the issuance of the arbitral award.

2. If there is disagreement between the parties on the reasonable period of time to comply with the arbitral award, the complaining party shall, within twenty (20) days of the notification made under [paragraph 1] by the defending party, request in writing the original arbitration panel to determine the length of the reasonable period of time. Such request shall be notified to the other party and to the [Trade Committee]. The arbitration panel shall issue its ruling to the parties and to the [Trade Committee] within twenty (20) days of the date of the submission of the request.

3. The defending party shall inform the complaining party in writing of its progress to comply with the arbitral award at least one month before the expiry of the reasonable period of time.

4. The reasonable period of time may be extended by mutual agreement of the parties.

Article 17

Review of any measure taken to comply with the arbitral award

1. Before the expiry of the period for implementation as determined according to [Article 16], the defending party will notify the other party and the [Trade Committee] of the action it has taken to comply.

2. Where there is disagreement between the parties as to the existence or the conformity of the measure notified by the defending party under [paragraph 1] with the arbitral award and/or with the provisions referred to in [Article 3], the complaining party shall refer the matter to the original arbitration panel. Such request shall identify the specific measure at issue and explain how such measure does not comply with the arbitral award and/or is inconsistent with the provisions referred to in [Article 3] in a manner to present the legal basis for the complaint clearly. The panel shall issue its ruling forty-five (45) days after the date of referral of the matter to it.

Article 18

Temporary remedies in case of non-compliance

1. If the defending party has not notified the action it has taken to comply within the period determined according to [Article 16], or if the panel makes a ruling under [Article 17 paragraph 2] to the effect that no measure taken to comply exists or that the measure notified under [Article 17] paragraph 1 is inconsistent with the arbitral award and/or with the defending party's obligations under the provisions referred to in [Article 3], the defending party shall, if so requested by the complaining party, present an offer for temporary compensation.

2. If the complaining Party decides not to request an offer for temporary compensation under paragraph 1, or if such request is made and no agreement on compensation is reached within thirty (30) days after the end of the period determined according to [Article 16] or after the issuance of the arbitral award pursuant to [Article 17 paragraph 2] that no measure taken to comply exists or that the measure notified under [Article 17 paragraph 1] is inconsistent with the arbitral award and/or with the provisions referred to in [Article 3], the complaining party may, upon notification to the defending party and the [Trade Committee], suspend concessions or other obligations arising from the provisions referred to in [Article 3] equivalent to the nullification or impairment of benefits accruing to the Party under this Agreement suffered as a result of the violation. The complaining party shall notify the other Party the concessions or other obligations it intends to suspend thirty (30) days before the date on which the suspension is due to enter into force.

3. The suspension of concessions or other obligations shall be at a level equivalent to the nullification or impairment that is caused by the failure of the Party complained against to comply with the final award. In considering the concessions or other obligations to suspend, a complaining party should first seek to suspend concessions or other obligations within the same sector or sectors as the measure found to be in violation with the covered legal instruments. The suspension of concessions may be applied to other sectors covered by the scope of this Title pursuant to [Article 3 (Scope)] than the sector or sectors in which the panel has found nullification or impairment, in particular if the complaining Party is of the view that such suspension is effective in inducing compliance.

4. If the defending party considers that the suspension of concessions or other obligations does comply with [paragraph 3], it may request the arbitration panel to rule on the matter. Such request shall be notified to the complaining party and to the [Trade Committee] within thirty (30) days as from the date of the receipt of the notification referred to in [paragraph 2]. Within ten (10) days from the date of the request for the arbitration panel, the complaining party shall present a document indicating the methodology it has used to calculate the level of the suspension of concessions or other obligations. The arbitration panel will issue its ruling within thirty (30) days from the request. During this period the complaining party shall not suspend any concessions or other obligations.

5. The suspension of concessions or other obligations against the Party complained against shall be a temporary measure, and is not intended to replace the agreed objective of full compliance with the arbitral award. Concessions or other obligations shall only be suspended until:

(a) the measure that the arbitration panel under [paragraph 2 of Article 17] has found to violate the provisions referred to in [Article 3] has been withdrawn or amended so as to bring it into conformity with those provisions;

(b) the parties have agreed that the measure notified under [paragraph 1 of Article 17] brings the complaining party into conformity with the provisions referred to in Article 3; or

(c) the parties have reached agreement on the resolution of the dispute pursuant to [Article XX (mutually agreed solutions)].

Article 19

Review of any measure taken to comply after the adoption of temporary remedies for non-compliance

1. The defending party shall notify the complaining party and the [Trade Committee] of any measure it has taken to comply with the arbitration award following the suspension of concessions or other obligations or following the application of temporary compensation, as the case may be. With the exception of cases under [paragraph 2], the complaining party shall terminate the suspension of concessions or other obligations within thirty (30) days from the receipt of the notification. In cases where compensation has been applied, and with the exception of cases under [paragraph 2], the defending party may terminate the application of such compensation within thirty (30) days from its notification that it has complied with the arbitration award.

2. If the parties disagree on whether the notified measure brings the defending party into conformity with the arbitral award and/or the provisions referred to in Article any of the parties may, within thirty (30) days from the receipt of the notification of the measure(s), request in writing the arbitration panel to rule on the matte, failing which the suspension of concessions or the compensation, as the case may be, shall be terminated. Such request shall be notified to the other party and to the [Trade Committee]. The arbitration panel shall notify its ruling to the parties and to the [Trade Committee] within forty-five (45) days from the request. If the arbitration panel rules that any measure(s) taken to comply is in conformity with the arbitral award and with the provisions referred to in [Article 3], the suspension of concessions or other obligations or compensation, as the case may be, shall be terminated. Where relevant, the complaining party shall adapt the level of suspension of concessions or other obligations to the level determined by the arbitration panel.

Article 20

Rules of Procedure

1. Disputes under this Title shall be conducted in accordance with the Rules of Procedures established in [Annex XX] and by Code of Conduct established in [Annex XX] to this Agreement.

2. The [Trade Committee] may amend the Rules of Procedures and the Code of Conduct when it deems necessary.

CHAPTER IV

GENERAL PROVISIONS

Article 21

Choice of Forum

1. The disputes related to the same matter arising under the scope of [Article 3] and under the WTO agreement or under any other agreement to which the relevant Parties are party, may be settled under this Title or under the WTO Dispute Settlement Understanding or the dispute settlement of that other agreement at the discretion of the complaining Party.

For the purposes of this Article:

- dispute settlement procedures under the WTO Agreement are deemed to be initiated by a party's request for the establishment of a panel under Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes of the WTO (DSU);

- dispute settlement procedures under any other agreement are deemed to be initiated by a Party's request for the establishment of a dispute settlement panel or tribunal in accordance with the provisions of that agreement; and

- dispute settlement procedures under this Title are deemed to be initiated by a party's request for the establishment of an arbitration panel under Article 6.

2. Nevertheless, when a Party has requested the establishment of a panel under Article 6 of the WTO Dispute Settlement Understanding or under the relevant provisions of another agreement to which the relevant Parties are party, or an arbitration panel pursuant to Article [X] (Establishment of the Arbitration Panel), that Party may not initiate another proceeding on the same matter in the other forum, except when the competent body in the forum chosen has not taken a decision on the substance of the matter due to jurisdictional or procedural reasons other than termination of the proceedings following a request for withdrawal or suspension of the proceedings.

3. The Parties understand that two or more disputes concern the same matter when they involve the same parties to the dispute, refer to the same measure and deal with the alleged violation of the same substantive obligation.

4. Without prejudice to [paragraph 2], nothing in this Agreement shall preclude a Party from suspending obligations authorized by the Dispute Settlement Body of the WTO or authorized under the dispute settlement procedure of another international agreement to which the disputing parties are party. The WTO Agreement or the other international agreement between the parties shall not be invoked to preclude a Party from suspending obligations under this Title.

Article 22

Time Periods

1. All time periods established under this Title shall be counted in calendar days from the day following the act or fact to which they refer.

2. The arbitration panel or the mediator may at any time propose to the Parties to modify any time period referred to in this Title, stating the reasons for the proposal.

3. Any time period mentioned in this Title may be extended by mutual agreement of the parties.

Article 23

Confidentiality

The deliberations of the panel shall be confidential. The panel and the Parties shall treat as confidential any information submitted by a party to the panel which that party has designated as confidential. Where that Party submits a confidential version of its written submissions to the panel, it shall also, upon request of the other party, provide a non-confidential summary of the information contained in its submissions that could be disclosed to the public.

Article 24

Costs

1. Each Party shall bear its own expenses derived from the participation in the panel or mediation procedure.

2. The Parties shall share jointly and equally the expenses derived from organisational matters, including the remuneration and expenses of the arbitrators and of the mediator in accordance with Annex [X] (Rules of Procedure).

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N.B. The numbering of Titles, Articles, paragraphs and any cross-references are to be revised.

ANNEX I

RULES OF PROCEDURE FOR ARBITRATION

General Provisions

1. In Title [XX] of this Agreement and under these rules:

"adviser" means a person retained by a party to a dispute to advise or assist that party in connection with the arbitration panel proceeding;

"arbitrator" means a member of an arbitration panel established under Article 8 of Title [XX] of this Agreement;

"assistant" means a person who, under the terms of appointment of an arbitrator, conducts research or provides assistance to that arbitrator;

"complaining party" means any [P]arty that requests the establishment of an arbitration panel under Article [6]of Title [XX] of this Agreement;

"defending party" means the [P]arty against whom a dispute is brought under Article [6] of Title [XX] of this Agreement;[

"arbitration panel" means a panel established under Article [8] of Title [XX] of the Agreement;

"representative of a party" means an employee or any person appointed by a government department or agency or any other public entity of a party who represents the party for the purposes of a dispute under this Agreement;

Costs

The remuneration paid to the arbitrators shall include all remuneration and expenses due to their assistant(s). The [Trade Committee] shall agree on rules regarding the remuneration and expenses of arbitrators at its first meeting. To the extent that the [Trade Committee*]* has not established such rules, the remuneration and expenses of arbitrators shall be determined in accordance with WTO practice.

Notifications

5[1]. The parties to a dispute and the arbitration panel shall deliver any request, notice, written submission or other document by e-mail or other electronic means that provides a record of the sending thereof. Unless proven otherwise, the notification shall be deemed to be delivered on the date of its sending. A copy of the documents shall also be provided by post or other means agreed by the parties, including a notification of the date of its sending.

6. Any request, notice, written submission or other document of:

a) the panel, shall be sent to both parties at the same time,

b) a party, which is addressed to the panel, shall be copied to the other party at the same time,

c) a party, which is addressed to the other party, shall be copied to the panel at the same time, as appropriate;

d) a co-chair of the Trade Committee which is addressed to the arbitrators pursuant to rules 13 and 14 shall be copied to the other co-chair and to the parties to the dispute.

7. All notifications shall be addressed to the Pro Tempore Presidency or to the National Coordinators of the Common Market Group in the case of MERCOSUR or its Member States, as the case may be, and to the Directorate-General for Trade of the Commission of the European Union, respectively. If the parties have already appointed their representatives to the dispute, all notifications shall be also addressed to them.

8. Minor errors of a clerical nature in any request, notice, written submission or other document related to the arbitration panel proceeding may be corrected by delivery of a new document clearly indicating the changes.

9. The documents submitted by the parties shall be signed by their duly authorized representatives in order to be considered officially submitted to the Arbitration Panel.

10. If the last day for delivery of a document falls on an official legal holiday of the party responsible for such delivery, such party may deliver the document in the next business day. The parties shall notify the Arbitration Panel their respective calendars of official legal holidays at the meeting of the Arbitration Panel with the parties, provided for in rule 13 (d).

11. The Chairperson of the arbitration panel shall be responsible for the internal and external communications of the panel, including notifications between the parties and the panel.

12. The Chairperson of the arbitration panel shall be responsible for keeping the file of the proceedings.

The Chairperson shall provide to any of the parties, upon its request, a copy of the file of the proceedings after the issuing of the arbitral award or ruling. The Chairperson shall keep the original

[1] Note - numbering to be modified and cross-references to be checked and modified

file during five years after the date of issuing of the award or ruling. At the end of this period, the Chairperson shall transmit the original file to the complaining party. The complaining party shall provide a copy of the file to the defending party on its request.

Commencing the Arbitration

13. (a) If pursuant to [Article 8 of Title VIII] of this Agreement or to [rules 30, 31 or 64] of these Rules of Procedure, any member of the arbitration panel is selected by lot, representatives of both parties shall be invited with due anticipation to be present when lots are drawn. In any case, the lot shall be carried out with any disputing party present at the time. The co-chair of the Trade Committee of the complaining party shall promptly inform the co-chair of the party complained against of the date, time and venue of the lot.

(a bis) The co-chair of the Trade Committee of the complaining Party shall select by lot the arbitrator within 5 days from the request referred to in Article X (Establishment of a Panel), if any of the sub-lists referred in paragraph X of Article X (List of Arbitrators):

i) is not established, amongst those individuals who have been formally proposed by one or both Parties for the establishment of that particular sub-list; or

ii) once established, not all individuals included in a particular sub-list could serve as arbitrator in a dispute, amongst those individuals that integrate that particular sub-list.

(b) The co-Chair of the [Trade Committee] of the complaining party shall notify arbitrators regarding their appointment.

(c) An arbitrator who has been appointed according to the procedure established in Article [8] of Title [XX] shall confirm in writing his/her availability to serve as member of the arbitration panel to the co-Chairs of the [Trade Committee]within five days of the date in which s/he was informed of his/her appointment. In this notification, the arbitrator shall also explicitly confirm that s/he complies and commits to comply with the provisions of the Code of Conduct.

(d) Unless the parties to the dispute agree otherwise, they shall meet the arbitration panel within seven days of its establishment in order to determine such matters that the parties or the arbitration panel deem appropriate**.** Members of the arbitration panel and representatives of the parties to the dispute may take part in this meeting via telephone or video conference. Before this meeting, the parties shall notify their appointed representatives to the arbitration panel, as well as the address, telephone numbers and e-mail addresses to which communications arising in the course of the proceeding shall be sent.

14. (a) Unless the parties agree otherwise within five days from the date of the selection of the arbitrators, the terms of reference of the arbitration panel shall be:

"to examine, in the light of the relevant provisions of the Agreement cited by the parties, the matter referred to in the request for establishment of the arbitration panel, to rule on

the compatibility of the measure in question with the provisions referred to in Article [3] of Title [XX] of this Agreement and to issue an award in accordance with Article [12] of Title [XX] of this Agreement."

(b) The Parties must notify the agreed terms of reference to the arbitration panel within three days of their agreement.

Initial Submissions

15. The complaining party shall deliver its initial written submission no later than thirty (30) days after the date of establishment of the arbitration panel. The defending party shall deliver its written counter-submission no later than thirty (30) days after the date of receipt of the initial written submission.

16. The initial submission shall state clearly the party's claim, including the identification of the measures at issue and the legal basis for the complaint and shall also include a summary of the relevant facts and circumstances.

17. The counter-submission shall state the facts and arguments of the defending party upon which its defense is based.

Evidence

18. The initial submission and the counter-submission shall include any available supporting evidence, including any expert or technical opinion. The parties shall otherwise submit all factual evidence to the arbitration panel as early as possible and not later than 5 days prior to the date of the first hearing, except with respect to evidence necessary for purposes of rebuttals, answers to questions, or comments to answers provided by the other party. Upon good cause being shown, the arbitration panel may grant exceptions to this rule. In such cases, the other party shall be accorded the opportunity to comment on the newly submitted evidence.

19. In all cases, each party shall be accorded the opportunity to comment on the evidence submitted by the other party.

20. All the evidence submitted by the parties shall be kept in the files of the proceedings.

21. The arbitration panel may hear witnesses and/or experts only in the presence of both parties.

Working of Arbitration Panels

22. The chairperson of the arbitration panel shall preside at all its meetings. An arbitration panel may delegate to the chairperson authority to make administrative and procedural decisions. These decisions shall be notified to the other arbitrators and, where appropriate, to the parties.

23. The arbitration panel may conduct its activities by any means, including telephone, facsimile transmissions or computer links or video-conference.

24. Only arbitrators may take part in the deliberations of the arbitration panel, but the arbitration panel may permit its assistants to be present at its deliberations.

25. The drafting of any ruling shall remain the exclusive responsibility of the arbitration panel and must not be delegated.

26. Where a procedural question arises that is not covered by the provisions of Title [XX] of Part [X] of this Agreement and these Rules of Procedure, the arbitration panel, after consulting the parties, may adopt an appropriate procedure that is compatible with those provisions.

27. When the arbitration panel considers that there is a need to modify any time limit applicable in the proceedings or to make any other procedural or administrative adjustment, it shall inform the parties to the dispute in writing of the reasons for the change or adjustment and of the period of time or adjustment needed. The arbitration panel may adopt such change or adjustment after consulting the parties. The time limits of Article [12] of Title [XX] of this Agreement shall not be modified.

Amendment of the list

X. The list of arbitrators may be amended at any time by initiative of any Party. Any Party can present new candidates by notifying the other Party of the proposed names. The Parties shall discuss the proposal within one month of the delivery (receipt) of the notification of the proposed names. The Trade Committee shall take the decision to amend the list within six months of such notification.

Replacement of arbitrators

28. If an arbitrator is unable to participate in the proceeding, withdraws, or must be replaced, a replacement shall be selected in accordance with Article [8] of Title [XX] of this Agreement and Rule [13] of these Rules of Procedure.

29. Where a party to the dispute considers that an arbitrator does not comply with the requirements of the Code of Conduct and for this reason should be replaced, this party should notify the other party to the dispute within fifteen (15) days from the time at which it obtained evidence of the circumstances underlying the arbitrator's material violation of the Code of Conduct.

30. Where a party to the dispute considers that an arbitrator other than the chairperson does not comply with the requirements of the Code of Conduct, the parties to the dispute shall consult and, if they so agree, replace the arbitrator and select a replacement following the procedure set out in Article [8] of Title [XX] of Part [X] of this Agreement and Rule [13] of these Rules of Procedure. If the parties to the dispute fail to agree on the need to replace an arbitrator within five days from the date of the notification referred to in Rule [19], any party to the dispute may request that such matter be referred to the chairperson of the arbitration panel, whose decision shall be final.

In case an arbitrator other than the chairperson has to be replaced, and if the party concerned fails to select the replacement of an arbitrator, the chairperson shall select a new arbitrator by lot among the pool of individuals referred to under Article [7] paragraph [4] of Title [XX] of which the original arbitrator was a member. The selection of the new arbitrator shall be done within five days of the date of the submission of the request to the chairperson of the arbitration panel.

31. Where a party considers that the chairperson of the arbitration panel does not comply with the requirements of the Code of Conduct, the parties shall consult and, if they so agree, replace the chairperson and select a replacement following the procedure set out in Article [8] of Title [XX] of this Agreement and Rule [13] of these Rules of Procedure.

If the parties fail to agree on the need to replace the chairperson within five days from the date of the notification referred to in rule 29, a new chairperson shall, unless the parties agree otherwise, be selected by lot by the co-Chairperson of the [Trade Committee] or the Chair´s delegate from the relevant part of the list referred to under Article [7], paragraph [4] of Title [XX]. The selection of the new chairperson shall be done within five days of the date of the request to the Chairperson(s) of the [Trade Committee] to that effect.

32. The arbitration panel proceedings shall be suspended for the period taken to carry out the procedures provided for in Rules[28, 29, 30 and 31].

Hearings

33. The defending party shall be in charge of the logistical administration of dispute settlement hearings, unless otherwise agreed. The chairperson of the arbitration panel shall fix the date and time of the hearing in consultation with the parties to the dispute and the other members of the arbitration panel, and shall confirm this in writing to the parties to the dispute. This information shall also be made publicly available by the party in charge of the logistical administration of the hearing unless the hearing is closed to the public. Unless a party disagrees, the arbitration panel may decide not to convene a hearing.

34. Unless the parties agree otherwise, the hearing shall be held:

(a) if the defending party is the EU, in Brussels;

(b) if the defending party is MERCOSUR, in Asunción; and

(c) if the defending party is one or more Member States of MERCOSUR, in the place indicated by such Member State/s.

35. The arbitration panel may convene additional hearings if the parties to the dispute so agree.

36. All arbitrators shall be present during the entirety of any hearings.

37. The following persons may attend the hearing, irrespective of whether the proceedings are open to the public or not:

(a) representatives of the parties to the dispute;

(b) advisers to the parties to the dispute;

(c) administrative staff, interpreters, translators; and

(d) arbitrators' assistants.

Only the representatives and advisers of the parties to the dispute may address the arbitration panel.

38. No later than five days before the date of a hearing, each party to the dispute shall deliver to the arbitration panel a list of the names of persons who will make oral arguments or presentations at the hearing on behalf of that party and of other representatives or advisers who will be attending the hearing. Upon good cause being shown, the parties may modify their lists after that time limit.

39. The hearings of the arbitration panel shall be open to the public, unless the parties to the dispute decide otherwise. The hearings of the arbitration panel shall be partially or completely closed to the public when the submission and arguments of a party contains information which that party has designated as confidential.

40. The arbitration panel shall conduct the hearing in the following manner, ensuring that the complaining party and the defending party are afforded equal time:

Argument

(a) argument of the complaining party

(b) argument of the defending party

Rebuttal Argument

(a) argument of the complaining party

(b) argument of the defending party

41. The arbitration panel may direct questions to either party to the dispute at any time during the hearing.

42. The arbitration panel shall arrange for a transcript or audio recording of each hearing to be prepared and delivered as soon as possible to the parties to the dispute. The parties to the dispute may comment on the accuracy of the transcript and the arbitration panel may consider those comments.

43. Each party to the dispute may deliver to the arbitration panel, with a copy to the other party, a supplementary written submission concerning any matter that arose during the hearing within ten (10) days of the date of the hearing.

Questions in writing

44. The arbitration panel may at any time during the proceedings address questions in writing to one or both parties to the dispute and set a reasonable time limit for the submission of their responses. Each of the parties to the dispute shall receive a copy of any questions put by the arbitration panel.

45. A party to the dispute shall also provide a copy of its written response to the arbitration panel's questions to the other party. Each party to the dispute shall be given the opportunity to provide written comments on the other party's reply within **seven (7)** days of the date of receipt of such reply.

Confidentiality

46. The parties to the dispute and their advisers shall maintain the confidentiality of the arbitration panel hearings where the hearings are held in closed session, in accordance with rule 39. Each party to the dispute and its advisers shall treat as confidential any information submitted by the other party to the arbitration panel which that party has designated as confidential. Where a Party to the dispute submits a confidential version of its written submissions to the arbitration panel, it shall also, upon request of the other Party, provide a non-confidential summary of the information contained in its submissions that could be disclosed to the public as soon as possible but not later than thirty (30) days after the date of either the request or the submission, whichever is later. Nothing in these rules shall preclude a Party to the dispute from disclosing statements of its own positions to the public to the extent that, when making reference to information submitted by the other Party, it does not disclose any information designated by the other Party as confidential.

Ex parte contacts

47. The arbitration panel shall not meet or communicate with a party in the absence of the other party.

48. No member of the arbitration panel may discuss any aspect of the subject matter of the proceedings with one party or both parties to the dispute in the absence of the other arbitrators.

Information and Technical Advice

49. The arbitration panel shall notify to the parties of its intention to request the opinion of experts or information from any relevant source. For greater certainty, the opinion or information obtained pursuant this provision do not discharge the parties of their corresponding burden of proof.

50. The arbitration panel will take into account the cost of any request for information or opinion of experts in order not to excessively increase the costs of the dispute settlement procedure**.**

51. The arbitration panel shall provide the parties with a copy of the information or the expert's opinion received and shall grant them a reasonable time to present their comments.

Amicus curiae briefs

54. Unless the parties agree otherwise within five (5) days of the date of the establishment of the arbitration panel, the arbitration panel shall receive unsolicited written briefs from interested natural persons of a Party or legal persons established in the territory of a party and which are independent from the government of any of the Parties, provided that they are received by the panel within 10 days of the date of the establishment of the arbitration panel.

55. Amicus curiae submission shall:

(a) be concise and in no case longer than twenty-two thousand five hundred (22,500) characters typed, including spaces, footnotes, notes at the end of the text and any attachment;

(b) be directly relevant to the issue under consideration by the arbitration panel;

(c) contain a description of the person making the submission, whether natural or legal, including its nationality or place of establishment, the nature of their activities and, in the case of legal persons, information on its members, its legal status, general objectives;

(d) provide information on any source of financing;

(d) specify the nature of the interest that the person has in the arbitration proceeding.

(e) be drafted in the languages chosen by the parties in accordance with Rules 58 and 59 of these Rules of Procedure.

56. The arbitration panel shall list in its ruling all the submissions it has received that conform to Rules 54 and 55. The arbitration panel shall not be obliged to address in its ruling the arguments made in such submissions. The arbitration panel shall ensure that the parties have the opportunity to comment in written on any *amicus curiae* submission before the date of the hearing. The comments of the parties to the dispute shall be delivered within ten (10) days of receipt of the submission, and any such comments shall be taken into consideration by the arbitration panel**.**

Urgent cases

57. In cases of urgency referred to in Title [XX] of Part [X] of the Agreement, the arbitration panel, after consulting the parties, shall adjust the time limits referred to in these rules as appropriate and shall notify the parties of such adjustments.

Translation and interpretation

58. During the consultations referred to in Article [4] of Title [XX] of this Agreement, and no later than the meeting referred to in Rule [13(d)], the parties shall endeavour to agree on a common working language for the proceedings before the arbitration panel.

59. If the parties are unable to agree on a common working language, each party may choose any of its official languages as its working language for the proceedings.

However, if a party chooses a language that is not an official language of the WTO, it shall provide, at the time of filing, a translated version of all its written submissions into the language chosen by the other party and shall arrange for and bear the costs of interpretation of its oral submissions to and from the language chosen by the other party.

60 Arbitral awards and rulings shall be issued in the common working language chosen by the parties. If the parties are unable to agree on a common working language, the arbitral panel awards and panel rulings shall be issued in any of the official languages of the WTO chosen by the panel. Any costs incurred for translation of an arbitration awards and rulings shall be borne equally by the parties.

61. Any party may provide, within five (5) days of its receipt, comments on the accuracy of the translation of any translated version of a document drawn up in accordance with these rules.

Calculation of the time-limits

62. Where, a party receives a document on a date other than the date on which this document is received by the other Party, any period of time that is calculated on the basis of the date of receipt of that document shall be calculated from the last date of receipt of that document.

Other procedures

63. These Rules of Procedure are also applicable to procedures established under Articles [16, 17, 18 and 19] of Title [XX] of Part [X] of this Agreement. However, the time-limits laid down in these Rules of Procedure shall be adjusted in line with the special time-limits provided for the adoption of a ruling by the arbitration panel in those other procedures.

64. In the event of the original panel, or some of its members, being unable to reconvene for the procedures established under Articles [16, 17, 18 and 19] of Title [XX], the procedures set out in Article [8] of Title [XX] shall apply.

Arbitral awards

65. The arbitral award must contain the following details, in addition to any other elements which the arbitration panel may consider appropriate for inclusion:

a) the parties;

b) the name of each of the members of the arbitration panel and the date of its establishment;

c) the terms of reference of the arbitration panel, including a description of the measure at issue;

d) the arguments of each of the parties;

e) a description of the development of the arbitration procedure, including a summary of the actions taken

c) a description of the factual elements of the dispute;

d) the decision reached in relation to the dispute, indicating the factual and legal grounds;

e) the date of issue; and

f) the signature of all the members of the arbitration panel.

ANNEX II

CODE OF CONDUCT FOR MEMBERS OF ARBITRATION PANELS AND MEDIATORS

Definitions

1. In this Code of Conduct:

(a) “arbitrator” means a member of an arbitration panel effectively established under Article [8] of Title [XX] of this Agreement;

(b) "mediator" means a person who conducts a mediation procedure in accordance with Article [5] of Title [XX] of Part [X] of this Agreement;

(b) "candidate" means an individual whose name is on the list of arbitrators referred to in Article [7] paragraph [2] of Title [XX] and who is under consideration for selection as a member of an arbitration panel under Article [8] of Title [XX] of Part [X] of this Agreement;

(c) "assistant" means a person who, under the terms of appointment of an arbitrator, conducts, researches or provides assistance to that arbitrator;

(d) "proceeding", unless otherwise specified, means an arbitration panel proceeding under Title [XX] of the Agreement;

(e) "staff", in respect of an arbitrator, means persons under the direction and control of the arbitrator, other than assistants;

(f) “expert”: means a person with specialized and recognized knowledge and experience in the field in question that is requested by an arbitration panel or mediator, or whose opinion is submitted to or requested by any of the parties.

Responsibilities to the Process

2. Every candidate and arbitrator shall avoid impropriety and the appearance of impropriety, shall be independent and impartial, shall avoid direct and indirect conflicts of interests and shall observe high standards of conduct so that the integrity and impartiality of the dispute settlement mechanism is preserved. Former arbitrators must comply with the obligations established in paragraphs [15, 16, 17 and 18] of this Code of Conduct.

Disclosure obligations

3. Prior to confirmation of her or his selection as an arbitrator under Article [8] of Title [XX] of the Agreement, a candidate shall disclose any interest, relationship or matter that is likely to affect his or her independence or impartiality or that might reasonably create an appearance of impropriety or bias in the proceeding. To this end, a candidate shall make all reasonable efforts to become aware of any such interests, relationships and matters.

4. A candidate or arbitrator shall communicate matters concerning actual or potential violations of this Code of Conduct to the [Trade Committee*]* for consideration by the Parties.

5. Once selected, an arbitrator shall continue to make all reasonable efforts to become aware of any interests, relationships or matters referred to in paragraph 3 of this Code of Conduct and shall disclose them. The disclosure obligation is a continuing duty which requires an arbitrator to disclose any such interests, relationships or matters that may arise during any stage of the proceeding. The arbitrator shall disclose such interests, relationships or matters by informing the [Trade Committee], in writing, for consideration by the parties.

Duties of arbitrators

6. Upon confirmation of his or her selection an arbitrator shall be available to perform and shall perform her or his duties thoroughly and expeditiously throughout the course of the proceeding, including any proceedings on the same dispute under Articles [16, 17, 18 and 19] of Title [XX], and with fairness and diligence.

7. An arbitrator shall consider only those issues raised in the proceeding and necessary for a ruling and shall not delegate this duty to any other person.

8. An arbitrator shall take all appropriate steps to ensure that his or her assistant and staff are aware of, and comply with the relevant provisions of this Code of Conduct, *mutatis mutandis*

9. An arbitrator shall not engage in *ex parte* contacts concerning the proceeding.

Independence and impartiality of arbitrators

10. An arbitrator shall be independent and impartial and avoid creating an appearance of impropriety or bias and shall not be influenced by self-interest, outside pressure, political considerations, public opinion, and loyalty to a Party or fear of criticism. An arbitrator shall not take instructions from any organisation or government or be affiliated to a government, including governmental organization, of a Party to the Agreement.

11. An arbitrator shall not, directly or indirectly, incur any obligation or accept any benefit that would in any way interfere, or appear to interfere, with the proper performance of her or his duties.

12. An arbitrator may not use her or his position in the arbitration panel to advance any personal or private interests and shall avoid actions that may create the impression that others are in a special position to influence her or him.

13. An arbitrator may not allow financial, business, professional, family or social relationships or responsibilities to influence her or his conduct or judgement.

14. An arbitrator must avoid entering into any relationship or acquiring any financial interest that is likely to affect her or his impartiality or that might reasonably create an appearance of impropriety or bias.

Obligations of former members

15. All former arbitrators must avoid actions that may create the appearance that they were biased in carrying out their duties or derived advantage from the decision or ruling of the arbitration panel.

Confidentiality

16. No arbitrator or former arbitrator shall at any time disclose or use any non-public information concerning a proceeding or acquired during a proceeding except for the purposes of that proceeding and shall not, in any case, disclose or use any such information to gain personal advantage or advantage for others or to adversely affect the interest of others.

17. An arbitrator shall not disclose an arbitration panel ruling or parts thereof prior to its publication in accordance with Article [12 paragraph 4] of Title [XX].

18. An arbitrator or former arbitrator shall not disclose the deliberations of an arbitration panel, or any member's view at any time.

Expenses

19. Each arbitrator shall keep a record and render a final account of her or his expenses, as well as the expenses of his or her assistant**.**

Mediators

20. The disciplines described in this Code of Conduct as applying to arbitrators or former arbitrators shall apply, *mutatis mutandis*, to mediators and, where applicable, to former mediators.

Experts

21. The following rules apply to the experts whose opinion is requested by the arbitration panel.

a) They shall disclose any interest, relationship or matter that could affect their independence or impartiality. Such experts shall act in their own capacity and shall not accept or seek instructions from any government or organization in delivering their opinion.

b) They shall not engage in *ex parte* contacts in the course of the proceeding for which their opinion is requested.

c) They shall not disclose or use any non-public information acquired during a proceeding for which their opinion is requested except for the purposes of the proceeding and shall not, in any case, disclose or use any such information to gain personal advantage or advantage for others or to adversely affect the interest of others.

d) Unless otherwise agreed by the parties, they shall not disclose their opinion or parts thereof prior to the publication of the arbitration panel award.

e) They shall keep a record and render a final account of their expenses.

22. The opinions of experts presented to the arbitration panel shall be accompanied, or preceded, by a declaration by the expert confirming its commitment to abide by the obligations described in paragraph [21], as applicable.

ANNEX III

MEDIATION

Article 1

Objective

The objective of this Annex is to facilitate the finding of a mutually agreed solution through a comprehensive and expeditious procedure with the assistance of a mediator.

Article [X]

Provision of Information

1. At the request of a Party, the other Party shall promptly provide information and respond to questions pertaining to any existing or proposed measure that materially affects the operation of Part X [Trade] of this Agreement.

2. Information provided under this Article is without prejudice as to whether the measure is consistent with the Part X [Trade] of this Agreement.

Article 3

Initiation of the Procedure

1. A Party may request that the Parties enter into a mediation procedure at any time, by means of a written request delivered to the other Party. The request shall be sufficiently detailed to present the concerns of the requesting Party clearly and shall:

(a) identify the specific measure at issue;

(b) provide a statement of the alleged adverse effects that the requesting Party believes the measure has, or will have, on trade between the Parties; and

(c) explain how the requesting Party considers that those effects are linked to the measure.

2. The mediation procedure may only be initiated by mutual agreement of the Parties. When a request is made pursuant to paragraph 1, the Party to which the request is made shall give sympathetic consideration to the request and deliver its written acceptance or rejection to the requesting Party within 10 days of its receipt.

3. Consultations, including under the Dispute Settlement Title [XX], are not required before initiating the mediation procedure. However, a Party should normally avail itself of the other relevant cooperation or consultation provisions provided for in this Agreement before initiating the mediation procedure.

Article 4

Selection of the Mediator

1. The Parties shall endeavour to agree on a mediator within 15 days of the delivery of the acceptance referred to in Article 3 paragraph 2.

2. A mediator shall not be a national of either Party, unless the Parties agree otherwise.

3. In the event that the Parties are unable to agree on the mediator within the time frame laid down in paragraph [1], either Party may request the chair of the [Trade Committee*]*, or the chair's delegate, to select the mediator by lot from the list established under Article [7 paragraph 4] of the Dispute Settlement Title. Representatives of both Parties shall be invited, with sufficient advance notice, to be present when the lots are drawn. In any event, the drawing of lots shall be carried out with the Party/Parties that are present.

4. The chair of the [Trade Committee], or the chair's designee, shall select the mediator within five days of the request made pursuant to paragraph 2 of this Article.

5. Should the list referred to in Article [7 paragraph 4] of the Dispute Settlement Title not be established at the time a request is made pursuant to Article [3], the mediator shall be drawn by lot from the individuals which have been formally proposed by one or both of the Parties.

6. The mediator shall, in an impartial and transparent manner, assist the Parties in bringing clarity to the measure and its possible trade effects, and in reaching a mutually agreed solution.

7. The Code of Conduct for Members of Arbitration Panels and Mediators set out in Annex XX shall apply to mediators, *mutatis mutandis*.

8. [Rules 5 to 12 (Notifications) and 58 to 61] (Translation and interpretation) of the Rules of Procedure for Arbitration set out in Annex [XX] shall apply, *mutatis mutandis*.

Article 5

Rules of the Mediation Procedure

1. Within 10 days of the appointment of the mediator, the Party which invoked the mediation procedure shall deliver a detailed, written description of its concerns to the mediator and to the other Party, in particular of the operation of the measure at issue and its trade effects. Within 20

days of the receipt of this description, the other Party may deliver written comments on the description. Either Party may include any information that it deems relevant in its description or comments.

2. The mediator may decide on the most appropriate way of bringing clarity to the measure concerned and its possible trade effects. In particular, the mediator may organize meetings between the Parties, consult them jointly or individually and provide any additional support requested by the Parties. The mediator shall seek the assistance of, or consult with, relevant experts and stakeholders upon agreement of the Parties.

3. The mediator shall not advise or comment on the consistency of the measure at issue with this Agreement. The mediator may offer advice and propose a solution for the consideration of the Parties. The Parties may accept or reject the proposed solution, or agree on a different solution.

4. The mediation procedure shall take place in the territory of the Party to which the request was addressed, or by mutual agreement in any other location or by any other means.

5. The Parties shall endeavour to reach a mutually agreed solution within 60 days of the appointment of the mediator. Pending a final agreement, the Parties may consider possible interim solutions, particularly if the measure relates to perishable goods.

6. Either Party may make the solution subject to the completion of any necessary internal procedures. Mutually agreed solutions shall be made publicly available. The version disclosed to the public shall not contain any information a Party has designated as confidential.

7. On request of the Parties, the mediator shall deliver a draft factual report to the Parties, providing a brief summary of (1) the measure at issue; (2) the procedures followed; and (3) any mutually agreed solution reached, including possible interim solutions. The mediator shall allow the Parties 15 days to comment on the draft report. After considering the comments of the Parties received within that period, the mediator shall, within 15 days, deliver a final factual report to the Parties. The factual report shall not include any interpretation of this Agreement.

8. The procedure shall be terminated:

(a) by the adoption of a mutually agreed solution by the Parties, on the date of the adoption thereof;

(b) by mutual agreement of the Parties at any stage of the procedure, on the date of that agreement;

(c) by a written declaration of the mediator, after consultation with the Parties, that further efforts at mediation would be to no avail, on the date of that declaration; or

(d) by a written declaration of a Party after exploring any possible mutually agreed solutions under the mediation procedure and after having considered any advice and proposed solutions by the mediator, on the date of that declaration.

Article 6

Implementation of a Mutually Agreed Solution

1. Where the Parties reached agreement on a solution, each Party shall take the measures it considers necessary to implement the mutually agreed solution within the agreed timeframe.

2. The implementing Party shall notify the other Party, in writing, of any steps or measures taken to implement the mutually agreed solution.

Article 7

Confidentiality

Unless the Parties agree otherwise, and without prejudice to Article 5(6), all steps of the procedure, including any advice or proposed solution, are confidential. However, any Party may disclose to the public the fact that mediation is taking place.

Article 8

Relationship to Dispute Settlement Procedures

1. The mediation procedure is without prejudice to the Parties' rights and obligations under the provisions on Dispute Settlement in this Agreement, or any other agreement.

2. A Party shall not rely on, or introduce as evidence, in other dispute settlement procedures under this, or any other Agreement, nor shall a panel take into consideration:

(a) positions taken by the other Party in the course of the mediation procedure or information gathered under Article 5.2;

(b) the fact that the other Party has indicated its willingness to accept a solution to the measure subject to mediation; or

(c) advice given or proposals made by the mediator.

3. A mediator may not serve as a member of a panel in a dispute settlement proceeding under this Agreement or under the WTO Agreement, or other agreement to which the Parties are party, involving the same matter for which they have been a mediator.

Article [X]

Costs

1. Each Party shall bear its own expenses derived from the participation in the panel or mediation procedure.

2. The Parties shall share jointly and equally the expenses derived from organisational matters, including the remuneration and expenses of the arbitrators and of the mediator in accordance with Annex [X] (Rules of Procedure).

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

ANNEX 2

EXPORT DUTIES

Section A - General provisions

1. The following categories apply to the elimination, reduction, or binding of export duties, taxes, or other charges of any kind imposed on, or in connection with, the exportation of goods to the territory of the Union (hereinafter referred to as "export duties") on goods set out in this Annex pursuant to Article [8] of this Chapter:

(a) export duties on goods provided for in the items in staging category “Y5” in the schedule to this Annex shall be eliminated in 3 equal annual stages. The first reduction shall take effect on the first day of the fourth year from entry into force of this Agreement, and export duties on such goods shall be set to zero by the first day of the sixth year from the entry into force of this Agreement;

(b) export duties on goods provided for in the items in category “Y10” in the schedule to this Annex shall be bound to 18% on the first day of the fifth year from entry into force of this Agreement and be progressively reduced to 14% in linear annual cuts of 1 percentage point starting at the first day of the seventh year from entry into force until the beginning of the tenth year from the date this Agreement enters into force.

(c) upon the first day of the fourth year from entry into force of this Agreement, export duties on goods provided for in the items in staging category “S” in the schedule to this Annex shall not exceed the base rate set forth in the Schedule

2. The base rate of export duty and staging category for determining the interim rate of export duty at each stage of reduction or binding commitment for an item are specified for the item in the Schedules in this Annex.

3. In the case of amendments of the Mercosur export tariff list, commitments made under the Schedules in this Annex shall apply based on correspondence of the description of the good, irrespective of its tariff classification.

4. Rates of export duties in the interim stages shall be rounded down, at least to the nearest 10th of a percentage point.

5. If a Mercosur Signatory Party applies a lower rate of duty, or other fees and charge pursuant to paragraph 1 (Schedules X-x) on, or in connection with the exportation of a good, and for as long as it is lower than the rate calculated in accordance with the Schedules included in Annex [X-x] (Export Duties Schedule of Mercosur), that lower rate shall apply.

Section B - Serious imbalances

1. Notwithstanding the provisions set out in Article 18, in exceptional circumstances where justified for relief of serious fiscal imbalances or a sharp and sudden depreciation of the local currency that require immediate action, a MERCOSUR State Party may, for a limited period of time, introduce new or raise the level of existing customs duties imposed on the exportation of goods for which customs duties on exports were in place the 31st December 2018.

2. Measures referred to in paragraph 1:

a) shall be strictly necessary to address the exigencies of the situation described under paragraph 1 of this Section.

b) shall not be applied to the EU or any other Signatory Party in a less favourable way than to a third country or in a manner which would constitute a disguised restriction on international trade; shall be triggered only as part of an economic programme entered into to address the situation specified in paragraph 1.

c) shall be temporary, proportionate and not more burdensome than necessary to address the situation specified in paragraph 1 and phased out progressively as that situation improves.

(d) shall be officially proclaimed in a way that ensures their transparent application and the timely information of the EU with regards to the precise conditions of their application, including the intended duration.

3. The concerned MERCOSUR State Party and the EU shall, upon EU's request, consult periodically on the application and the schedule for dismantling of customs duties or other fees and charges introduced in excess of those included in the Export Duties Schedules.

Section C.

1. Export Duty Schedule of Argentina

HS [2012]	Description	Base rate (%)	Final rate (%)	Category
12019000	Desactivada // A granel, con hasta 15 % embolsado (Ley 21.453) // -Los demás // HABAS (POROTOS, FRIJOLES, FREJOLES)* DE SOJA(SOYA), INCLUSO QUEBRANTADAS.	18	14	Y10, and in any event not higher than applicable rate for HS Headings 1507, 2304 and 3826
12019000	Las demás // A granel, con hasta 15 % embolsado (Ley 21.453) // -Los demás // HABAS (POROTOS, FRIJOLES, FREJOLES)* DE SOJA(SOYA), INCLUSO QUEBRANTADAS.	18	14	Y10, and in any event not higher than applicable rate for HS Headings 1507, 2304 and 3826
12019000	En envases inmediatos de contenido neto inferior o igual a 2 kg (Res. 835/05 SAGPyA) // Desactivada // Más del 15 % embolsado (Ley 21.453) // -Los demás // HABAS (POROTOS, FRIJOLES, FREJOLES)* DE SOJA(SOYA), INCLUSO QUEBRANTADAS.	18	14	Y10, and in any event not higher than applicable rate for HS Headings 1507, 2304 and 3826
12019000	Las demás // Desactivada // Más del 15 % embolsado (Ley 21.453) // -Los demás // HABAS (POROTOS, FRIJOLES, FREJOLES)* DE SOJA(SOYA), INCLUSO QUEBRANTADAS.	18	14	Y10, and in any event not higher than applicable rate for HS Headings 1507, 2304 and 3826
12019000	En envases inmediatos de contenido neto inferior o igual a 2 kg (Res. 835/05 SAGPyA) // Las demás // Más del 15 % embolsado (Ley 21.453) // -Los demás // HABAS (POROTOS, FRIJOLES, FREJOLES)* DE SOJA(SOYA), INCLUSO QUEBRANTADAS.	18	14	Y10, and in any event not higher than applicable rate for HS Headings 1507, 2304 and 3826
12019000	Las demás // Las demás // Más del 15 % embolsado (Ley 21.453) // -Los demás // HABAS (POROTOS, FRIJOLES, FREJOLES)* DE SOJA(SOYA), INCLUSO QUEBRANTADAS.	18	14	Y10, and in any event not higher than applicable rate for HS Headings 1507, 2304 and 3826

12081000	-De habas (porotos, frijoles, fréjoles)* de soja (soya) // HARINA DE SEMILLAS O DE FRUTOS OLEAGINOSOS, EXCEPTO LA HARINA DE MOSTAZA.	18	14	Y10
15071000	A granel (Ley 21.453) // -Aceite en bruto, incluso desgomado // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15071000	En envases de 10 kg arriba unicamente (Ley 21.453) // -Aceite en bruto, incluso desgomado // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15071000	Los demás // -Aceite en bruto, incluso desgomado // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15079011	En envases con capacidad inferior o igual a 5 l (Res.359/99 MEYOSP) // Refinado // -Los demás // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15079019	A granel (Ley 21.453) // Los demás // Refinado // -Los demás // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15079019	En tambores con capacidad superior a 200 l (Ley 21.453) // Los demás, en envases de 10 kg arriba únicamente (Ley 21.453) // Los demás // Refinado // -Los demás // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826

15079019	Los demás // Los demás, en envases de 10 kg arriba únicamente (Ley 21.453) // Los demás // Refinado // -Los demás // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15079019	Los demás // Los demás // Refinado // -Los demás // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15079090	Los demás // -Los demás // ACEITE DE SOJA (SOYA) Y SUS FRACCIONES, INCLUSO REFINADO, PERO SIN MODIFICARQUÍMICAMENTE.	18	14	Y10, and in any event not higher than applicable rate for HS Heading 3826
15179010	Que contengan aceite de girasol // Que contengan aceite de soja // Mezclas de aceites refinados, en envases con capacidad inferior o igual a 5 l // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.	18	14	Y10
15179010	Las demás // Que contengan aceite de soja // Mezclas de aceites refinados, en envases con capacidad inferior o igual a 5 l // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.	18	14	Y10
15179090	Que contengan aceite de girasol // A granel (Ley 21.453) // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES	18	14	Y10

	ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.			
15179090	Las demás // A granel (Ley 21.453) // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.	18	14	Y10
15179090	En tambores con capacidad superior a 200 l (Ley 21.453) // Los demás, que contengan aceite de girasol, en envases de 10 Kg arriba únicamente (Ley 21.453) // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.	18	14	Y10
15179090	Los demás // Los demás, que contengan aceite de girasol, en envases de 10 Kg arriba únicamente (Ley 21.453) // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS	18	14	Y10

	FRACCIONES, DE LA PARTIDA 15.16.			
15179090	En tambores con capacidad superior a 200 l (Ley 21.453) // Los demás, en envases de 10 Kg arriba únicamente (Ley 21.453) // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.	18	14	Y10
15179090	Los demás // Los demás, en envases de 10 Kg arriba únicamente (Ley 21.453) // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.	18	14	Y10
15179090	Que contengan aceite de girasol // Los demás // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O	18	14	Y10

	ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.			
15179090	Las demás // Los demás // Las demás, que contengan aceite de soja // Las demás // -Las demás // MARGARINA; MEZCLAS O PREPARACIONES ALIMENTICIASDE GRASAS O ACEITES, ANIMALES O VEGETALES, O DEFRACCIONES DE DIFERENTES GRASAS O ACEITES, DEESTE CAPÍTULO, EXCEPTO LAS GRASAS Y ACEITESALIMENTICIOS Y SUS FRACCIONES, DE LA PARTIDA 15.16.	18	14	Y10
15180090	Que contengan soja // De origen vegetal // Mezclas o preparaciones no alimenticias // Los demás // GRASAS Y ACEITES, ANIMALES O VEGETALES, Y SUS FRACCIONES, COCIDOS, OXIDADOS, DESHIDRATADOS, SULFURADOS, SOPLADOS, POLIMERIZADOS POR CALOR EN VACÍO O ATMÓSFERA INERTE (<<ESTANDOLIZADOS>>), O MODIFICADOS QUÍMICAMENTE DE OTRA FORMA, EXCEPTO LOS DE LA PARTIDA 15.16; MEZCLAS O PREPARACIONES NO ALIMENTICIAS DE GRASAS O DE ACEITES, ANIMALES O VEGETALES, O DE FRACCIONES DE DIFERENTES GRASAS O ACEITES DE ESTE CAPÍTULO, NO EXPRESADAS NI COMPRENDIDAS EN OTRA PARTE.	18	14	Y10
23025000	Pellets de cáscara de soja // -De leguminosas // SALVADOS, MOYUELOS Y DEMÁS RESIDUOS DEL CERNIDO,DE LA MOLIENDA O DE OTROS TRATAMIENTOS DE LOSCEREALES O DE LAS LEGUMINOSAS, INCLUSO EN«PELLETS».	18	14	Y10

23025000	De soja // Los demás // -De leguminosas // SALVADOS, MOYUELOS Y DEMÁS RESIDUOS DEL CERNIDO,DE LA MOLIENDA O DE OTROS TRATAMIENTOS DE LOSCEREALES O DE LAS LEGUMINOSAS, INCLUSO EN«PELLETS».	18	14	Y10
23040010	Harina de tortas (Ley 21.453) // Harina y «pellets» // TORTAS Y DEMÁS RESIDUOS SÓLIDOS DE LA EXTRACCIÓNDEL ACEITE DE SOJA (SOYA), INCLUSO MOLIDOS O EN«PELLETS».	18	14	Y10
23040010	Pellets (Ley 21.453) // Harina y «pellets» // TORTAS Y DEMÁS RESIDUOS SÓLIDOS DE LA EXTRACCIÓNDEL ACEITE DE SOJA (SOYA), INCLUSO MOLIDOS O EN«PELLETS».	18	14	Y10
23040090	Tortas (Ley 21.453) // Los demás // TORTAS Y DEMÁS RESIDUOS SÓLIDOS DE LA EXTRACCIÓNDEL ACEITE DE SOJA (SOYA), INCLUSO MOLIDOS O EN«PELLETS».	18	14	Y10
23040090	Expellers (Ley 21.453) // Los demás // TORTAS Y DEMÁS RESIDUOS SÓLIDOS DE LA EXTRACCIÓNDEL ACEITE DE SOJA (SOYA), INCLUSO MOLIDOS O EN«PELLETS».	18	14	Y10
23040090	Las demás // Los demás // TORTAS Y DEMÁS RESIDUOS SÓLIDOS DE LA EXTRACCIÓNDEL ACEITE DE SOJA (SOYA), INCLUSO MOLIDOS O EN«PELLETS».	18	14	Y10

23080000	Productos que contengan soja en su composición // MATERIAS VEGETALES Y DESPERDICIOS VEGETALES,RESIDUOS Y SUBPRODUCTOS VEGETALES, INCLUSO EN"PELLETS", DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES, NO EXPRESADOS NICOMPRENDIDOS EN OTRA PARTE.	18	14	Y10
23099010	Que contengan cloranfenicol (R.2507/93 ex-ANA) // Preparaciones destinadas a proporcionar al animal la totalidad de los elementos nutritivos necesarios para una alimentación diaria, racional y balanceada (piensos compuestos «completos») // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
23099010	Que contengan carbadox (R.57/16 SENASA) // Preparaciones destinadas a proporcionar al animal la totalidad de los elementos nutritivos necesarios para una alimentación diaria, racional y balanceada (piensos compuestos «completos») // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
23099010	Las demas // En bolsas rotuladas de peso neto inferior o igual a 50kg // Las demas preparaciones que contengan soja, sus subproductos o residuos, en su composición // Preparaciones destinadas a proporcionar al animal la totalidad de los elementos nutritivos necesarios para una alimentación diaria, racional y balanceada (piensos compuestos «completos») // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10

23099010	Con una granulometria que permita su retencion en un tamiz IRAM N? 30 en una proporcion superior o igual al 80% y contengan una proporcion inferior o igual al 30% de soja, sus subproductos o residuos // En bolsas rotuladas de peso neto superior a 50 kg. pero inferior o igual a 1500kg. // Las demas preparaciones que contengan soja, sus subproductos o residuos, en su composición // Preparaciones destinadas a proporcionar al animal la totalidad de los elementos nutritivos necesarios para una alimentación diaria, racional y balanceada (piensos compuestos «completos») // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	4	4	S
23099010	Las demás // En bolsas rotuladas de peso neto superior a 50 kg. pero inferior o igual a 1500kg. // Las demas preparaciones que contengan soja, sus subproductos o residuos, en su composición // Preparaciones destinadas a proporcionar al animal la totalidad de los elementos nutritivos necesarios para una alimentación diaria, racional y balanceada (piensos compuestos «completos») // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10

23099010	En una proporción inferior o igual al 30%, presentadas con una granulometría que permita su retención en un tamiz IRAM N° 30 en una proporción superior o igual al 80% // Las demás // Las demas preparaciones que contengan soja, sus subproductos o residuos, en su composición // Preparaciones destinadas a proporcionar al animal la totalidad de los elementos nutritivos necesarios para una alimentación diaria, racional y balanceada (piensos compuestos «completos») // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	6	6	S
23099010	Las demás // Las demás // Las demas preparaciones que contengan soja, sus subproductos o residuos, en su composición // Preparaciones destinadas a proporcionar al animal la totalidad de los elementos nutritivos necesarios para una alimentación diaria, racional y balanceada (piensos compuestos «completos») // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
23099060	Que contengan cloranfenicol (R.2507/93 ex-ANA) // Preparaciones que contengan xilanasa y betaglucanasa con soporte de harina de trigo // - Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10

23099060	Las demás // Las demás preparaciones que contengan soja, sus subproductos o residuos, en su composición // Preparaciones que contengan xilanasa y betaglucanasa con soporte de harina de trigo // -Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
23099090	Presentados en bolsas rotuladas, de peso neto inferior o igual a 50 Kg.. // Preparaciones que contengan soja, sus subproductos o residuos, en su composición // Que contengan cloranfenicol (R.2507/93 ex-ANA) // Las demás // -Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
23099090	Los demás // Preparaciones que contengan soja, sus subproductos o residuos, en su composición // Que contengan cloranfenicol (R.2507/93 ex-ANA) // Las demás // -Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
23099090	Que contengan carbadox (R.57/16 SENASA) // Las demás // -Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
23099090	Presentados en bolsas rotuladas, de peso neto inferior o igual a 50 Kg.. // Preparaciones que contengan soja, sus subproductos o residuos, en su composición // Los demás (R.2012/93 ex-ANA) // Las demás // -Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10

23099090	Los demás // Preparaciones que contengan soja, sus subproductos o residuos, en su composición // Los demás (R.2012/93 ex-ANA) // Las demás // -Las demás // PREPARACIONES DE LOS TIPOS UTILIZADOS PARA LAALIMENTACIÓN DE LOS ANIMALES.	18	14	Y10
27012000	-Briquetas, ovoides y combustibles sólidos similares, obtenidos de la hulla // HULLAS; BRIQUETAS, OVOIDES Y COMBUSTIBLESSÓLIDOS SIMILARES, OBTENIDOS DE LA HULLA.	5	5	S
27021000	-Lignitos, incluso pulverizados, pero sin aglomerar // LIGNITOS, INCLUSO AGLOMERADOS, EXCEPTO ELAZABACHE.	5	5	S
27022000	-Lignitos aglomerados // LIGNITOS, INCLUSO AGLOMERADOS, EXCEPTO ELAZABACHE.	5	5	S
27040010	Coques // COQUES Y SEMICOQUES DE HULLA, LIGNITO O TURBA,INCLUSO AGLOMERADOS; CARBÓN DE RETORTA.	5	5	S
27040090	Carbón de retorta // Los demás // COQUES Y SEMICOQUES DE HULLA, LIGNITO O TURBA,INCLUSO AGLOMERADOS; CARBÓN DE RETORTA.	5	5	S
27040090	Semi-coques // Los demás // COQUES Y SEMICOQUES DE HULLA, LIGNITO O TURBA,INCLUSO AGLOMERADOS; CARBÓN DE RETORTA.	5	5	S
27050000	GAS DE HULLA, GAS DE AGUA, GAS POBRE YGASES SIMILARES, EXCEPTO EL GAS DE PETRÓLEO Y DEMÁS HIDROCARBUROS GASEOSOS.	5	5	S

27060000	Alquitrán de hulla // ALQUITRANES DE HULLA, LIGNITO O TURBA Y DEMASALQUITRANES MINERALES, AUNQUE ESTEN DESHIDRATADOSO DESCABEZADOS, INCLUIDOS LOS ALQUITRANESRECONSTITUIDOS.	5	5	S
27060000	Alquitrán de lignito // ALQUITRANES DE HULLA, LIGNITO O TURBA Y DEMASALQUITRANES MINERALES, AUNQUE ESTEN DESHIDRATADOSO DESCABEZADOS, INCLUIDOS LOS ALQUITRANESRECONSTITUIDOS.	5	5	S
27060000	Alquitrán de turba // ALQUITRANES DE HULLA, LIGNITO O TURBA Y DEMASALQUITRANES MINERALES, AUNQUE ESTEN DESHIDRATADOSO DESCABEZADOS, INCLUIDOS LOS ALQUITRANESRECONSTITUIDOS.	5	5	S
27060000	Los demás alquitranes minerales // alquitranes minerales // ALQUITRANES DE HULLA, LIGNITO O TURBA Y DEMASALQUITRANES MINERALES, AUNQUE ESTEN DESHIDRATADOSO DESCABEZADOS, INCLUIDOS LOS ALQUITRANESRECONSTITUIDOS.	5	5	S
27071000	-Benzol (benceno) // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S

27072000	-Toluol (tolueno) // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27073000	-Xilol (xilenos) // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27074000	-Naftaleno // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27075000	Mezcla de alquil-bencenos de fórmula C10 H14 y C11 H16 como componentes mayoritarios // -Las demás mezclas de hidrocarburos aromáticos que destilen, incluidas las pérdidas, una proporción superior o igual al 65 % en volumen a 250º C, según la norma ASTM D 86 // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S

27075000	Los demás // -Las demás mezclas de hidrocarburos aromáticos que destilen, incluidas las pérdidas, una proporción superior o igual al 65 % en volumen a 250º C, según la norma ASTM D 86 // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27079100	--Aceites de creosota // -Los demás: // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27079910	Cresoles // --Los demás // -Los demás: // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27079990	Antracenos // Los demás // --Los demás // -Los demás: // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27079990	Fenoles // Los demás // --Los demás // -Los demás: // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN	5	5	S

	PESO SOBRE LOS NO AROMATICOS.			
27079990	Los demás // Los demás // --Los demás // -Los demás: // ACEITES Y DEMAS PRODUCTOS DE LA DESTILACION DE LOS ALQUITRANES DE HULLA DE ALTA TEMPERATURA; PRODUCTOS ANALOGOS EN LOS QUELOS CONSTITUYENTES AROMATICOS PREDOMINENEN PESO SOBRE LOS NO AROMATICOS.	5	5	S
27081000	-Brea // BREA Y COQUE DE BREA DE ALQUITRÁN DEHULLA O DE OTROS ALQUITRANES MINERALES.	5	5	S
27082000	-Coque de brea // BREA Y COQUE DE BREA DE ALQUITRÁN DEHULLA O DE OTROS ALQUITRANES MINERALES.	5	5	S
27109100	--Que contengan difenilos policlorados (PCB), terfenilos policlorados (PCT) o difenilos polibromados (PBB) // -Desechos de aceites: // ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO, EXCEPTO LOS ACEITES CRUDOS; PREPARACIONES NO EXPRESADAS NI COMPRENDIDAS EN OTRA PARTE, CON UN CONTENIDO DE ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO SUPERIOR O IGUAL AL 70 % EN PESO, EN LAS QUE ESTOS ACEITES CONSTITUYAN EL ELEMENTO BASE; DESECHOS DE ACEITES.	5	5	S

27109900	Que contengan monometiltetraclorodifenilmetano, monometildiclorodifenilmetano o monometildibromodifenilmetano // --Los demás // -Desechos de aceites: // ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO, EXCEPTO LOS ACEITES CRUDOS; PREPARACIONES NO EXPRESADAS NI COMPRENDIDAS EN OTRA PARTE, CON UN CONTENIDO DE ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO SUPERIOR O IGUAL AL 70 % EN PESO, EN LAS QUE ESTOS ACEITES CONSTITUYAN EL ELEMENTO BASE; DESECHOS DE ACEITES.	5	5	S
27109900	Los demás // --Los demás // -Desechos de aceites: // ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO, EXCEPTO LOS ACEITES CRUDOS; PREPARACIONES NO EXPRESADAS NI COMPRENDIDAS EN OTRA PARTE, CON UN CONTENIDO DE ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO SUPERIOR O IGUAL AL 70 % EN PESO, EN LAS QUE ESTOS ACEITES CONSTITUYAN EL ELEMENTO BASE; DESECHOS DE ACEITES.	5	5	S
27111400	--Etileno, propileno, butileno y butadieno // -Licuados: // GAS DE PETRÓLEO Y DEMÁS HIDROCARBUROS GASEOSOS.	5	0	Y5
27160000	ENERGÍA ELECTRICA.	5	5	S
38260000	Biodiesel // BIODIESEL Y SUS MEZCLAS, SIN ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO O CON UN CONTENIDO INFERIOR AL 70% EN PESO DE ESTOS ACEITES	18	14	Y10

38260000	Mezclas con gas oil // Mezclas con gas oil u otros productos gravados como componentes // BIODIESEL Y SUS MEZCLAS, SIN ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO O CON UN CONTENIDO INFERIOR AL 70% EN PESO DE ESTOS ACEITES	18	14	Y10
38260000	Las demás // Mezclas con gas oil u otros productos gravados como componentes // BIODIESEL Y SUS MEZCLAS, SIN ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO O CON UN CONTENIDO INFERIOR AL 70% EN PESO DE ESTOS ACEITES	18	14	Y10
38260000	Las demás // BIODIESEL Y SUS MEZCLAS, SIN ACEITES DE PETRÓLEO O DE MINERAL BITUMINOSO O CON UN CONTENIDO INFERIOR AL 70% EN PESO DE ESTOS ACEITES	18	14	Y10
41012000	Frescos o salados verdes (húmedos) // Cueros y pieles enteros de bovino (incluido el búfalo) // -Cueros y pieles enteros, sin dividir, de peso unitario inferior o igual a 8 kg para los secos, a 10 kg para los salados secos y a 16 kg para los frescos, salados verdes (húmedos) o conservados de otro modo // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5

41012000	Salados secos // Cueros y pieles enteros de bovino (incluido el búfalo) // -Cueros y pieles enteros, sin dividir, de peso unitario inferior o igual a 8 kg para los secos, a 10 kg para los salados secos y a 16 kg para los frescos, salados verdes (húmedos) o conservados de otro modo // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41012000	Los demás // Cueros y pieles enteros de bovino (incluido el búfalo) // -Cueros y pieles enteros, sin dividir, de peso unitario inferior o igual a 8 kg para los secos, a 10 kg para los salados secos y a 16 kg para los frescos, salados verdes (húmedos) o conservados de otro modo // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41012000	Frescos o salados verdes (húmedos) // Cueros y pieles de equino // -Cueros y pieles enteros, sin dividir, de peso unitario inferior o igual a 8 kg para los secos, a 10 kg para los salados secos y a 16 kg para los frescos, salados verdes (húmedos) o conservados de otro modo // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5

41012000	Los demás // Cueros y pieles de equino // -Cueros y pieles enteros, sin dividir, de peso unitario inferior o igual a 8 kg para los secos, a 10 kg para los salados secos y a 16 kg para los frescos, salados verdes (húmedos) o conservados de otro modo // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41015010	Frescos o salados verdes (húmedos) // Cueros y pieles enteros de bovino (incluido el búfalo) // Sin dividir // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41015010	Salados secos // Cueros y pieles enteros de bovino (incluido el búfalo) // Sin dividir // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5

41015010	Los demás // Cueros y pieles enteros de bovino (incluido el búfalo) // Sin dividir // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41015010	Los demás // Cueros y pieles de equino // Sin dividir // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41015020	Frescos o salados verdes (húmedos) // Cueros y pieles enteros de bovino (incluido el búfalo) // Divididos con la flor // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41015020	Salados secos // Cueros y pieles enteros de bovino (incluido el búfalo) // Divididos con la flor // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA),	10	0	Y5

	INCLUSO DEPILADOS O DIVIDIDOS.			
41015020	Los demás // Cueros y pieles enteros de bovino (incluido el búfalo) // Divididos con la flor // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41015030	Frescos o salados verdes (húmedos) // Cueros y pieles enteros de bovino (incluido el búfalo) // Divididos sin la flor // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5

41015030	Salados secos // Cueros y pieles enteros de bovino (incluido el búfalo) // Divididos sin la flor // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41015030	Los demás // Cueros y pieles enteros de bovino (incluido el búfalo) // Divididos sin la flor // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41015030	Los demás // Cueros y pieles de equino // Divididos sin la flor // -Cueros y pieles enteros, de peso unitario superior a 16 Kg // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5

41019010	Frescos o salados verdes (húmedos) // Cueros y pieles de bovino (incluido el bufalo) // Sin dividir // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41019010	Los demás // Cueros y pieles de bovino (incluido el bufalo) // Sin dividir // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41019010	Los demás // Cueros y pieles de equino // Sin dividir // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41019020	Frescos o salados verdes (húmedos) // Enteros // Cueros y pieles de bovino (incluido el bufalo) // Divididos con la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR	10	0	Y5

	DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.			
41019020	Salados secos // Enteros // Cueros y pieles de bovino (incluido el bufalo) // Divididos con la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41019020	Los demás // Enteros // Cueros y pieles de bovino (incluido el bufalo) // Divididos con la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5

41019020	Frescos o salados verdes (húmedos) // Los demás // Cueros y pieles de bovino (incluido el bufalo) // Divididos con la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41019020	Secos, sin vestigios de tratamientos con sales // Los demás // Cueros y pieles de bovino (incluido el bufalo) // Divididos con la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41019020	Los demás // Los demás // Cueros y pieles de bovino (incluido el bufalo) // Divididos con la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5

41019020	Secos, sin vestigios de tratamientos con sales // Los demás // Cueros y pieles de equino // Divididos con la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41019030	Frescos o salados verdes (húmedos) // Enteros // Cueros y pieles de bovino (incluido el bufalo) // Divididos sin la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41019030	Salados secos // Enteros // Cueros y pieles de bovino (incluido el bufalo) // Divididos sin la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5

41019030	Los demás // Enteros // Cueros y pieles de bovino (incluido el bufalo) // Divididos sin la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41019030	Frescos o salados verdes (húmedos) // Los demás // Cueros y pieles de bovino (incluido el bufalo) // Divididos sin la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	10	0	Y5
41019030	Secos, sin vestigios de tratamientos con sales // Los demás // Cueros y pieles de bovino (incluido el bufalo) // Divididos sin la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5

41019030	Los demás // Los demás // Cueros y pieles de bovino (incluido el bufalo) // Divididos sin la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41019030	Secos, sin vestigios de tratamientos con sales // Los demás // Cueros y pieles de equino // Divididos sin la flor // -Los demás, incluidos los crupones, medios cuprones y faldas // CUEROS Y PIELES EN BRUTO, DE BOVINO (INCLUIDO ELBÚFALO) DE EQUINO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS.	5	0	Y5
41021000	Secos al sol // -Con lana // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5
41021000	Salados secos // -Con lana // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5

41021000	Los demás // -Con lana // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5
41022100	Lanares // --Piquelados // -Sin lana (depilados): // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5
41022100	Borregos // --Piquelados // -Sin lana (depilados): // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5
41022100	Corderitos // --Piquelados // -Sin lana (depilados): // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5

41022100	Los demás // --Piquelados // -Sin lana (depilados): // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5
41022900	Secos al sol // --Los demás // -Sin lana (depilados): // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5
41022900	Salados secos // --Los demás // -Sin lana (depilados): // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5
41022900	Los demás // --Los demás // -Sin lana (depilados): // CUEROS Y PIELES EN BRUTO, DE OVINO (FRESCOS OSALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LA NOTA 1 c) DE ESTE CAPÍTULO.	10	0	Y5

41039000	Caprinos // -Los demás // LOS DEMÁS CUEROS Y PIELES EN BRUTO (FRESCOS O SALADOS, SECOS, ENCALADOS, PIQUELADOS O CONSERVADOS DE OTRO MODO, PERO SIN CURTIR, APERGAMINAR NI PREPARAR DE OTRA FORMA), INCLUSO DEPILADOS O DIVIDIDOS, EXCEPTO LOS EXCLUIDOS POR LAS NOTAS 1b) Ó 1c) DE ESTE CAPÍTULO.	5	0	Y5
41041111	Cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2, simplemente curtidos al cromo («wet-blue») // Plena flor sin dividir // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041112	Los demás cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2 // cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2 // Plena flor sin dividir // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041113	Enteros o medios // Los demás cueros y pieles de bovino (incluido el búfalo), con precurtido vegetal // Plena flor sin dividir // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO	10	0	Y5

	DIVIDIDOS PERO SIN OTRA PREPERACIÓN.			
41041113	Los demás // Los demás cueros y pieles de bovino (incluido el búfalo), con precurtido vegetal // Plena flor sin dividir // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041114	Enteros o medios // Los demás cueros y pieles de bovino (incluido el búfalo) // Plena flor sin dividir // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041114	Los demás // Los demás cueros y pieles de bovino (incluido el búfalo) // Plena flor sin dividir // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041121	Cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2, simplemente curtidos al cromo («wet-blue») // Divididos con la flor // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST»,	10	0	Y5

	DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDOS PERO SIN OTRA PREPERACIÓN.			
41041123	Enteros o medios // Los demás cueros y pieles de bovino (incluido el búfalo), con precurtido vegetal // Divididos con la flor // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041123	Los demás // Los demás cueros y pieles de bovino (incluido el búfalo), con precurtido vegetal // Divididos con la flor // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041124	Enteros o medios // Los demás cueros y pieles de bovino (incluido el búfalo) // Divididos con la flor // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041124	Los demás // Los demás cueros y pieles de bovino (incluido el búfalo) // Divididos con la flor // --Plena flor sin dividir; divididos con la flor // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5

41041910	Descarnes de cueros vacunos // Cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2, simplemente curtidos al cromo («wet-blue») // --Los demás // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041910	Los demás // Cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2, simplemente curtidos al cromo («wet-blue») // --Los demás // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041930	Los demás cueros y pieles de bovino (incluido el búfalo), con precurtido vegetal // cueros y pieles de bovino (incluido el búfalo), con precurtido vegetal // --Los demás // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041940	Los demás // Enteros o medios // Los demás cueros y pieles de bovino (incluido el búfalo) // cueros y pieles de bovino (incluido el búfalo) // --Los demás // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5

41041940	Los demás // Divididos sin la flor (descarnes) // Los demás // Los demás cueros y pieles de bovino (incluido el búfalo) // cueros y pieles de bovino (incluido el búfalo) // --Los demás // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41041940	Los demás // Los demás // Los demás cueros y pieles de bovino (incluido el búfalo) // cueros y pieles de bovino (incluido el búfalo) // --Los demás // -En estado húmedo (incluido el «wet-blue»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41044110	Los demás // Cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2 // --Plena flor sin dividir; divididos con la flor // -En estado seco («crust»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41044130	Los demás // Los demás cueros y pieles de bovino (incluido el búfalo) // cueros y pieles de bovino (incluido el búfalo) // --Plena flor sin dividir; divididos con la flor // -En estado seco («crust»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5

41044910	Curtidos al cromo, en estado seco («box-calf») // Cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2 // --Los demás // -En estado seco («crust»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41044910	Los demás // Cueros y pieles enteros de bovino (incluido el búfalo), con una superficie por unidad inferior o igual a 2,6 m2 // --Los demás // -En estado seco («crust»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
41044920	Los demás // Los demás cueros y pieles de bovino (incluido el búfalo) // cueros y pieles de bovino (incluido el búfalo) // --Los demás // -En estado seco («crust»): // CUEROS Y PIELES CURTIDOS O «CRUST», DE BOVINO (INCLUIDO EL BÚFALO) O DE EQUINO, DEPILADOS, INCLUSO DIVIDIDOS PERO SIN OTRA PREPERACIÓN.	10	0	Y5
45011000	-Corcho natural en bruto o simplemente preparado // CORCHO NATURAL EN BRUTO O SIMPLEMENTE PREPARADO;DESPERDICIOS DE CORCHO; CORCHO TRITURADO, GRANULADO O PULVERIZADO.	10	10	S
45019000	-Los demás // CORCHO NATURAL EN BRUTO O SIMPLEMENTE PREPARADO;DESPERDICIOS DE CORCHO; CORCHO TRITURADO, GRANULADO O PULVERIZADO.	10	10	S
45020000	Simplemente escuadrado // CORCHO NATURAL, DESCORTEZADO O SIMPLEMENTEESCUADRADO O EN BLOQUES, PLACAS, HOJAS O TIRAS,CUADRADAS O RECTANGULARES (INCLUIDOS	5	5	S

	LOS ESBOZOS CON ARISTAS VIVAS PARA TAPONES).			
45020000	En tiras, incluso reforzadas con papel o textil // CORCHO NATURAL, DESCORTEZADO O SIMPLEMENTEESCUADRADO O EN BLOQUES, PLACAS, HOJAS O TIRAS,CUADRADAS O RECTANGULARES (INCLUIDOS LOS ESBOZOS CON ARISTAS VIVAS PARA TAPONES).	5	5	S
45020000	Los demás // CORCHO NATURAL, DESCORTEZADO O SIMPLEMENTEESCUADRADO O EN BLOQUES, PLACAS, HOJAS O TIRAS,CUADRADAS O RECTANGULARES (INCLUIDOS LOS ESBOZOS CON ARISTAS VIVAS PARA TAPONES).	5	5	S
47071000	-Papel o cartón Kraft crudo o papel o cartón corrugado // PAPEL O CARTÓN PARA RECICLAR (DESPERDICIOS Y DESECHOS).	20	20	S
47072000	-Los demás papeles o cartones obtenidos principalmente a partir de pasta química blanqueada sin colorear en la masa // PAPEL O CARTÓN PARA RECICLAR (DESPERDICIOS Y DESECHOS).	20	20	S
47073000	-Papel o cartón obtenido principalmente a partir de pasta mecánica (por ejemplo: diarios, periódicos e impresos similares) // PAPEL O CARTÓN PARA RECICLAR (DESPERDICIOS Y DESECHOS).	20	20	S
47079000	-Los demás, incluidos los desperdicios y desechos sin clasificar // PAPEL O CARTÓN PARA RECICLAR (DESPERDICIOS Y DESECHOS).	20	20	S
72041000	-Desperdicios y desechos, de fundición // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S

72042100	Austeniticos (Serie AISI 300 y equivalentes de otras normas) // --De acero inoxidable // -Desperdicios y desechos, de aceros aleados: // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S
72042100	Los demás // --De acero inoxidable // -Desperdicios y desechos, de aceros aleados: // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S
72042900	De acero ràpido // --Los demás // -Desperdicios y desechos, de aceros aleados: // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S
72042900	Los demàs // Los demàs // --Los demás // -Desperdicios y desechos, de aceros aleados: // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S
72043000	-Desperdicios y desechos, de hierro o acero estañados // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S
72044100	--Torneaduras, virutas, esquirlas, limaduras (de amolado, aserrado, limado) y recortes de estampado o de corte, incluso en paquetes // -Los demás desperdicios y desechos: // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S

72044900	--Los demás // -Los demás desperdicios y desechos: // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S
72045000	-Lingotes de chatarra // DESPERDICIOS Y DESECHOS (CHATARRA), DE FUNDICIÓN, HIERRO O ACERO; LINGOTES DE CHATARRA DE HIERRO O ACERO.	5	5	S
97011000	Los demás // Originales // -Pinturas y dibujos // PINTURAS Y DIBUJOS, HECHOS TOTALMENTE A MANO,EXCEPTO LOS DIBUJOS DE LA PARTIDA 49.06 Y LOSARTÍCULOS MANUFACTURADOS DECORADOS A MANO; COLLAGES Y CUADROS SIMILARES.	5	5	S
97011000	Los demás // -Pinturas y dibujos // PINTURAS Y DIBUJOS, HECHOS TOTALMENTE A MANO,EXCEPTO LOS DIBUJOS DE LA PARTIDA 49.06 Y LOSARTÍCULOS MANUFACTURADOS DECORADOS A MANO; COLLAGES Y CUADROS SIMILARES.	5	5	S
97019000	Los demás // Originales // -Los demás // PINTURAS Y DIBUJOS, HECHOS TOTALMENTE A MANO,EXCEPTO LOS DIBUJOS DE LA PARTIDA 49.06 Y LOSARTÍCULOS MANUFACTURADOS DECORADOS A MANO; COLLAGES Y CUADROS SIMILARES.	5	5	S
97019000	Los demás // -Los demás // PINTURAS Y DIBUJOS, HECHOS TOTALMENTE A MANO,EXCEPTO LOS DIBUJOS DE LA PARTIDA 49.06 Y LOSARTÍCULOS MANUFACTURADOS DECORADOS A MANO; COLLAGES Y CUADROS SIMILARES.	5	5	S
97020000	Los demás // GRABADOS, ESTAMPAS Y LITOGRAFÍAS ORIGINALES.	5	5	S

97030000	Los demás // OBRAS ORIGINALES DE ESTATUARIA O ESCULTURA, DECUALQUIER MATERIA.	5	5	S
97040000	SELLOS (ESTAMPILLAS) DE CORREO, TIMBRESFISCALES, MARCAS POSTALES, SOBRES PRIMER DÍA,ENTEROS POSTALES, DEMÁS ARTÍCULOS FRANQUEADOS Y ANÁLOGOS, INCLUSO OBLITERADOS, EXCEPTO LOS ARTÍCULOS DE LA PARTIDA 49.07.	5	5	S
97050000	Trofeos de caza // Colecciones y especímenes para colecciones de zoología (R.2012/93 ex ANA) // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S
97050000	Los demás // Colecciones y especímenes para colecciones de zoología (R.2012/93 ex ANA) // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S
97050000	Libros, folletos e impresos similares, incluso en hojas sueltas (R.634/93 ex ANA) // Objetos para coleccionar que tengan un interés histórico, etnográfico o numismático // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S

97050000	Los demás // Objetos para coleccionar que tengan un interés histórico, etnográfico o numismático // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S
97050000	Objetos para coleccionar que tengan un interés arqueológico // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S
97050000	Objetos para coleccionar que tengan un interés paleontológico // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S
97050000	Colecciones y especímenes para colecciones de botánica // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S
97050000	Bandoneón diatónico // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S

97050000	Los demás // COLECCIONES Y ESPECÍMENES PARA COLECCIONES DEZOOLOGÍA, BOTÁNICA, MINERALOGÍA O ANATOMÍA O QUETENGAN INTERES HISTÓRICO, ARQUEOLÓGICO,PALEONTOLÓGICO, ETNOGRÁFICO O NUMISMÁTICO.	5	5	S
97060000	Libros, folletos e impresos similares, incluso en hojas sueltas (R.634/93 ex ANA) // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	Bandoneón diatónico // Instrumentos musicales // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	Los demás // Instrumentos musicales // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	De madera // Los demás // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	Conjuntos y montajes artísticos originales, (Ley 24633 y Decreto reglamentario N° 1321) // De ceramica // Los demás // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	Los demás // De ceramica // Los demás // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	Conjuntos y montajes artísticos originales, (Ley 24633 y Decreto reglamentario N° 1321) // De materia textil // Los demás // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	Los demás // De materia textil // Los demás // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S
97060000	Los demás // Los demás // ANTIGÜEDADES DE MÁS DE CIEN AÑOS.	5	5	S

2. Export Duty Schedule of Uruguay

HS [2012]	Description	Base rate (%)	Final rate (%)	Category
41.01	Cueros crudos, salados, piquelados y wet-blue	5	0	Y5
41.04.11		5	0	Y5
41.04.19		5	0	Y5

Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 28 June 2019.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mercosur.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

ANNEX II

PRODUCT SPECIFIC RULES OF ORIGIN

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
SECTION I	**LIVE ANIMALS; ANIMAL PRODUCTS**
Chapter 1 01.01 – 01.06	**Live animals** All animals of Chapter 1 are wholly obtained.
Chapter 2 02.01 – 02.10	**Meat and edible meat offal** Manufacture in which all the materials of Chapters 1 and 2 used are wholly obtained.
Chapter 3 03.01 – 03.08	**Fish and crustaceans, molluscs and other aquatic invertebrates** Manufacture in which all the materials of Chapter 3 used are wholly obtained.
Chapter 4	**Dairy produce; birds' eggs; natural honey; edible products of animal origin, not elsewhere specified or included**
0401.10 – 0402.91	Manufacture in which all the materials of Chapter 4 used are wholly obtained.
0402.99	Manufacture in which: - all the materials of Chapter 4 used are wholly obtained and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 15% of the weight of the product.
04.03 – 04.10	Manufacture in which all the materials of Chapter 4 used are wholly obtained.
Chapter 5 0501.00 – 0511.10 0511.91 - *Fish eggs and roes unfit for human consumption* - *Others* 0511.99	**Products of animal origin, not elsewhere specified or included** Manufacture from non-originating materials of any heading. All the fish eggs and roes are wholly obtained. Manufacture from non-originating materials of any heading. Manufacture from non-originating materials of any heading.
SECTION II	**VEGETABLE PRODUCTS**
Chapter 6 06.01 – 06.04	**Live trees and other plants; bulbs, roots and the like; cut flowers and ornamental foliage** Manufacture in which all the materials of Chapter 6 used are wholly obtained.
Chapter 7 07.01 – 07.14	**Edible vegetables and certain roots and tubers** Manufacture in which all the materials of Chapter 7 used are wholly obtained.
Chapter 8 08.01– 08.10 08.11	**Edible fruit and nuts; peel of citrus fruits or melons** Manufacture in which all the materials of Chapter 8 used are wholly obtained. Manufacture in which:

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	- all the materials of Chapter 8 used are wholly obtained and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 15% of the weight of the product.
08.12 – 08.14	Manufacture in which all the materials of Chapter 8 used are wholly obtained.
Chapter 9	**Coffee, tea, maté and spices**
0901.11 – 0901.12	CTH
0901.21 – 0901.22	Manufacture in which the weight of non-originating materials of Chapter 9 used does not exceed 60% of the weight of the product.
0901.90	CTH
0902	CTSH
0903	CTH
09.04 – 09.10	Manufacture from non-originating materials of any heading.
Chapter 10	**Cereals**
10.01 – 10.08	Manufacture in which all the materials of Chapter 10 used are wholly obtained.
Chapter 11	**Products of the milling industry; malt; starches; inulin; wheat gluten**
11.01 – 11.09	Manufacture in which all the materials of Chapters 10 and 11, headings 07.01 and 23.03, and sub-heading 0710.10 used are wholly obtained.
Chapter 12	**Oil seeds and oleaginous fruits; miscellaneous grains, seeds and fruits; industrial or medicinal plants; straw and fodder**
12.01 – 12.14	Manufacture in which all the materials of Chapter 12 used are wholly obtained.
Chapter 13	**Lac; gums, resins and other vegetable saps and extracts**
13.01	Manufacture in which the value of all the non-originating materials of heading 13.01 used does not exceed 50 % of the EXW of the product.
13.02	Manufacture from non-originating materials of any heading.
Chapter 14	**Vegetable plaiting materials; vegetable products not elsewhere specified or included**
14.01 – 14.04	Manufacture in which all the materials of Chapter 14 used are wholly obtained.
SECTION III	**ANIMAL OR VEGETABLE FATS AND OILS AND THEIR CLEAVAGE PRODUCTS; PREPARED EDIBLE FATS; ANIMAL OR VEGETABLE WAXES**
Chapter 15	**Animal or vegetable fats and oils and their cleavage products; prepared edible fats; animal or vegetable waxes**
15.01 – 15.06	CTH

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
15.07	Manufacture in which all the materials of headings 12.01 and 15.07 used are wholly obtained.
15.08	CTSH
15.09 – 15.10	Manufacture in which all the vegetable materials used are wholly obtained.
15.11	CTH
1512.11 – 1512.19	
- *Sunflower-seed oil*	Manufacture in which all the materials of headings 12.06 and 15.12 used are wholly obtained.
- *Safflower oil*	CTH
1512.21 – 1513.19	CTSH
1513.21 – 1513.29	CTH
15.14	
- *Rape or colza oil*	Manufacture in which all the materials of headings 12.05 and 15.14 used are wholly obtained.
- *Mustard oil*	CTH
1515.11 – 1515.19	CTSH
1515.21 – 1515.29	Manufacture in which all the materials of headings 10.05 and 15.15 used are wholly obtained.
1515.30 – 1515.50	CTH
1515.90	
- *Chia and tung oil, oiticica oil*	CTH
- *Others*	CTSH
15.16 – 15.17	CTH
15.18	CTSH
15.20	CTH
15.21 – 15.22	CTSH
SECTION IV	**PREPARED FOODSTUFFS; BEVERAGES, SPIRITS AND VINEGAR; TOBACCO AND MANUFACTURED TOBACCO SUBSTITUTES**
Chapter 16	**Preparations of meat, of fish or of crustaceans, molluscs or other aquatic invertebrates**
16.01 – 16.05	CC, in which all the materials of Chapter 2 and 3 used are wholly obtained.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
Chapter 17	**Sugars and sugar confectionery**
17.01	CTH
1702	
- *Chemically-pure maltose and chemically pure fructose*	Manufacture from non-originating materials of any heading except from non-originating chemically-pure maltose and chemically-pure fructose.
- *Others*	CC except from non-originating materials of Chapters 11 and 23.
17.03	Manufacture in which all the materials of Chapter 17 used are wholly obtained.
17.04	Manufacture in which: - all the materials of Chapter 4 used are wholly obtained and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 40% of the weight of the product.
Chapter 18	**Cocoa and cocoa preparations**
18.01	CTH
18.02	CTH except from non-originating materials of heading 1801.
18.03	CTH except from non-originating materials of heading 1802.
18.04 – 18.05	CTH except from non-originating materials of heading 1802 and 1803.
1806	Manufacture in which: - all the materials of Chapter 4 used are wholly obtained and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 40% of the weight of the product.
Chapter 19	**Preparations of cereals, flour, starch or milk; pastrycooks' products**
19.01	CC, provided that: - all the materials of Chapter 4 used are wholly obtained, and - the total weight of the non-originating materials of headings 10.06 and 11.01 to 11.08 used does not exceed 20% of the weight of the product, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 20% of the weight of the product.
19.02 – 19.03	CC, provided that: - all the materials of Chapters 2, 3, 4 and 16 used are wholly obtained, and - the total weight of the non-originating materials of headings 10.06 and 11.01 to 11.08 used does not exceed 20% of the weight of the product.
19.04 – 19.05	CC, provided that: - all the materials of Chapter 4 used are wholly obtained, and - the total weight of the non-originating materials of headings 10.06 and 11.01 to 11.08 used does not exceed 20% of the weight of the product, and

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	- the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 20% of the weight of the product.
Chapter 20	**Preparations of vegetables, fruit, nuts or other parts of plants**
20.01	CTH
20.02 – 20.03	Manufacture in which all the materials of Chapter 7 used are wholly obtained.
20.04 – 20.05	CTH
20.06 – 20.08	CTH, provided that: - apples, lemons, limes, oranges, peaches and pears are wholly obtained, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 40% of the weight of the product.
20.09	CTH, provided that: - apples, grapefruits, lemons, limes, oranges, peaches, pears, strawberries and tangerines are wholly obtained, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 40% of the weight of the product.
Chapter 21	**Miscellaneous edible preparations**
2101.11- 2101.12	CTH, provided that the value of all the non-originating materials of heading 09.01 used does not exceed 50% of the EXW of the product.
2101.20	CTH, provided that: - all the materials of Chapter 4 used are wholly obtained, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 15% of the weight of the product.
2101.30	CTH, provided that the value of all the non-originating materials of heading 09.01 used does not exceed 50% of the EXW of the product.
21.02	CTH, provided that all the materials of Chapter 4 used are wholly obtained.
2103.10	CTH, provided that all the materials of heading 12.01 and subheading 1208.10 used are wholly obtained.
2103.20 – 2104.20	CTH, provided that all the materials of Chapter 4 used are wholly obtained.
21.05	CTH, provided that: - all the materials of Chapter 4 used are wholly obtained, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 20% of the weight of the product.
21.06	CTH, provided that: - all the materials of Chapter 4 used are wholly obtained, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 20% of the weight of the product.
Chapter 22	**Beverages, spirits and vinegar**

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
22.01	CTH
22.02	
- *Soya drinks*	CTH, provided that: - all the materials of Chapter 4 and subheadings 1201.90 and 1208.10 used are wholly obtained and, - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 15% of the weight of the product.
- *Others*	CTH, provided that: - all the materials of Chapter 4 used are wholly obtained, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 15% of the weight of the product.
22.03	CTH
22.04 – 22.05	CTH except from non-originating materials of headings 22.07 or 22.08, in which all the grapes used are wholly obtained or materials derived from grapes used are originating.
22.06	CTH
22.07	CTH except from non-originating materials of heading 22.08, in which all the grapes, cane, maize (corn) used are wholly obtained or materials derived from grapes, cane, maize (corn) used are originating.
22.08 – 22.09	CTH except from non-originating materials of heading 22.07 or 22.08, in which all the grapes used are wholly obtained or materials derived from grapes used are originating.
Chapter 23	**Residues and waste from the food industries; prepared animal fodder**
23.01	CTH, provided that all the materials of Chapter 2 used are wholly obtained.
2302.10 – 2303.10	CTH, provided that the weight of the non-originating materials of Chapter 10 used does not exceed 20% of the weight of the product.
2303.20 – 2308.00	CTH
23.09	CC, provided that: - all the materials of Chapters 2, 3, and 4 used are wholly obtained, and - the total weight of the materials of Chapter 10 and 11 used does not exceed 20% of the weight of the product, and - the total weight of non-originating materials of headings 17.01 and 17.02 used does not exceed 15% of the weight of the product.
Chapter 24	**Tobacco and manufactured tobacco substitutes**
24.01	Manufacture in which all the materials of Chapter 24 used are wholly obtained.
2402.10	Manufacture in which the weight of non-originating materials of heading 24.01 used does not exceed 30% of weight of the product.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
2402.20 2402.90 24.03	Manufacture in which the weight of non-originating materials of heading 24.01 used does not exceed 40% of weight of the product. CTH Manufacture in which the weight of non-originating materials of heading 24.01 used does not exceed 80% of weight of the product.
SECTION V	**MINERAL PRODUCTS**
Chapter 25	**Salt; sulphur; earths and stone; plastering materials, lime and cement**
25.01 – 25.03	CTH; or MaxNOM 50% (EXW).
25.04	CTSH; or MaxNOM 50% (EXW).
25.05 – 25.14	CTH; or MaxNOM 50% (EXW).
25.15 – 25.16	CTSH; or MaxNOM 50% (EXW).
25.17	CTH; or MaxNOM 50% (EXW).
25.18 – 25.20	CTSH; or MaxNOM 50% (EXW).
25.21– 25.23	CTH; or MaxNOM 50% (EXW).
25.24 – 25.25	CTSH; or MaxNOM 50% (EXW).
2526.10 – 2530.20	CTH; or MaxNOM 50% (EXW).
2530.90	
- *Earth colours, calcined or powdered*	Calcination or grinding of earth colours.
- *Others*	CTH; or MaxNOM 50% (EXW).
Chapter 26	**Ores, slag and ash**
26.01 – 26.21	CTH
Chapter 27	**Mineral fuels, mineral oils and products of their distillation; bituminous substances; mineral waxes**
27.01 – 27.09	Manufacture from non-originating materials of any heading.
27.10	CTH except from non-originating biodiesel of subheading 3824.99 or 3826.00; or Distillation or a chemical reaction is undergone, provided that biodiesel (including hydrotreated vegetable oil) of heading 27.10 and subheadings 3824.99 and 3826.00 used is obtained by esterification, transesterification or hydrotreatment.
27.11 – 27.15	Manufacture from non-originating materials of any heading.

Harmonized System Classification (2017), including specific description	Product Specific Rule of Origin
SECTION VI	**PRODUCTS OF THE CHEMICAL OR ALLIED INDUSTRIES** **Section note:** *For definitions of horizontal processing rules within this Section, see Note 8 of Annex I (Introductory Notes)*
Chapter 28	**Inorganic chemicals; organic or inorganic compounds of precious metals, of rare-earth metals, of radioactive elements or of isotopes**
28.01 – 28.53	CTSH; or A chemical reaction is undergone; or MaxNOM 50% (EXW).
Chapter 29	**Organic chemicals**
2901.10 – 2905.42	CTSH; or A chemical reaction, isomer separation or biotechnological processing is undergone; or MaxNOM 50% (EXW).
2905.43 – 2905.44	CTH except from non-originating materials heading 38.24.
2905.45	CTSH; however, non-originating materials of subheading 2905.45 may be used, provided that their total value does not exceed 20% of the ex-works price of the product; or MaxNOM 50% (EXW).
2905.49 – 2942.00	CTSH; or A chemical reaction, isomer separation or biotechnological processing is undergone; or MaxNOM 50% (EXW).
Chapter 30	**Pharmaceutical products**
30.01 – 30.03	CTSH; or A chemical reaction, purification, production of standard materials, a change in particle size, isomer separation or biotechnological processing is undergone; or MaxNOM 50% (EXW).
30.04	CTH
30.05 – 30.06	CTSH; or A chemical reaction, purification, production of standard materials, a change in particle size, isomer separation or biotechnological processing is undergone; or MaxNOM 50% (EXW).
Chapter 31	**Fertilisers**
31.01 – 31.04	CTH; however, non-originating materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the EXW of the product; or

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	MaxNOM 40% (EXW).
31.05 - *Sodium nitrate,* - *Calcium cyanamide,* - *Potassium sulphate* - *Magnesium potassium sulphate*	CTH; however, non-originating materials of the same heading as the product may be used, provided that their total value does not exceed 20% of the EXW of the product; or MaxNOM 40% (EXW).
- *Others*	CTH and MaxNOM 50%(EXW), however non originating materials of heading 31.05 may be used provided that their total value does not exceed 20% of the EXW of the product, or MaxNOM 40% (EXW).
Chapter 32	**Tanning or dyeing extracts; tannins and their derivatives; dyes, pigments and other colouring matter; paints and varnishes; putty and other mastics; inks**
32.01 – 32.05	CTSH; or A chemical reaction or biotechnological processing is undergone; or Mixing and blending is undergone, provided that the value of all the non-originating materials used does not exceed 70% of the EXW of the product; or MaxNOM 50% (EXW).
32.06	CTH; however, non-originating materials of heading 32.06 may be used, provided that their total value does not exceed 20% of the EXW price of the product; or MaxNOM 40% (EXW).
32.07 – 32.15	CTSH; or A chemical reaction or biotechnological processing is undergone; or Mixing and blending is undergone, provided that the value of all the non-originating materials used does not exceed 70% of the EXW of the product; or MaxNOM 50% (EXW).
Chapter 33	**Essential oils and resinoids; perfumery, cosmetic or toilet preparations**
3301.12 – 3301.30	CTSH; or A chemical reaction or biotechnological processing is undergone; or Mixing and blending is undergone, provided that the value of all the non-originating materials used does not exceed 70% of the EXW of the product; or MaxNOM 50% (EXW).
3301.90	CTSH; or MaxNOM 50% (EXW).
3302.10	CTH; however, non-originating materials of subheading 3302.10 may be used, provided that their total value does not exceed 20% of the EXW of the product, or MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
3302.90 – 3303.00	CTSH; or A chemical reaction or biotechnological processing is undergone; or Mixing and blending is undergone, provided that the value of all the non-originating materials used does not exceed 70% of the EXW of the product; or MaxNOM 50% (EXW).
33.04 – 33.07	CTH; or MaxNOM 50% (EXW).
Chapter 34	**Soap, organic surface-active agents, washing preparations, lubricating preparations, artificial waxes, prepared waxes, polishing or scouring preparations, candles and similar articles, modelling pastes, "dental waxes" and dental preparations with a basis of plaster**
3401.11 – 3401.20	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3401.30	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3402 – 34.07	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
Chapter 35	**Albuminoidal substances; modified starches; glues; enzymes**
3501.10 – 3502.20	CTH and MaxNOM 50% (EXW).
3502.90 – 3504.00	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
35.05	CTH and MaxNOM 50% (EXW).
35.06 – 35.07	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
Chapter 36	**Explosives; pyrotechnic products; matches; pyrophoric alloys; certain combustible preparations**
36.01 – 36.06	CTSH; or A chemical reaction is undergone; or MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
Chapter 37	**Photographic or cinematographic goods**
37.01 – 37.07	CTSH; or A chemical reaction is undergone; or MaxNOM 50% (EXW).
Chapter 38	**Miscellaneous chemical products**
38.01 – 38.07	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
38.08	CTH; however, non-originating materials of the same heading may be used, provided that their total value does not exceed 20% of the EXW of the product, or MaxNOM 50 % (EXW).
38.09	CTH except from non-originating materials of heading 11.08.
3810.10 – 3824.50	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3824.60	CTH except from non-originating materials of subheading 2905.44.
3824.71 – 3824.91	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3824.99 - *Biodiesel*	Manufacture in which biodiesel is obtained through transesterification and/or esterification or through hydro-treatment.
- *Others*	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
38.25	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
38.26	Manufacture in which biodiesel is obtained through transesterification and/or esterification or through hydro-treatment.
SECTION VII	**PLASTICS AND ARTICLES THEREOF; RUBBER AND ARTICLES THEREOF** **Section note:** *For definitions of horizontal processing rules within this Section, see Note 8 of*

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	Annex I (Introductory notes)
Chapter 39	**Plastics and articles thereof**
3901.10	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3901.20	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3901.30 – 3901.40	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3901.90	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
39.02	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3903.11	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3903.19 – 3903.30	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3903.90 - 3904.10	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3904.21 – 3906.10	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3906.90	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
3907.10	CTSH; or MaxNOM 50% (EXW).
3907.20 – 3907.30	CTH; or MaxNOM 50% (EXW).
3907.40 – 3907.70	CTSH; or MaxNOM 50% (EXW).
3907.91	CTH; or MaxNOM 50% (EXW).
3907.99 – 3908.90	CTSH; or MaxNOM 50% (EXW).
3909.10 – 3909.20	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3909.31 - 3909.39	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3909.40	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
3909.50	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
39.10	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
39.11	CTH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).
39.12 – 39.15	CTSH; or A chemical reaction or biotechnological processing is undergone; or MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
39.16 – 3923.29	CTH; or MaxNOM 50% (EXW).
3923.30	MaxNOM 50% (EXW).
3923.40 – 3926.90	CTH; or MaxNOM 50% (EXW).
Chapter 40	**Rubber and articles thereof**
40.01 – 40.04	CTH; or MaxNOM 50% (EXW).
40.05	Manufacture in which the value of all the non-originating materials used except natural rubber, does not exceed 50% of the EXW of the product.
40.06 – 40.11	CTH; or MaxNOM 50% (EXW).
4012.11 – 4012.19	CTSH; or Retreading of used tyres.
4012.20 – 4017.00	CTH; or MaxNOM 50% (EXW).
SECTION VIII	**RAW HIDES AND SKINS, LEATHER, FURSKINS AND ARTICLES THEREOF; SADDLERY AND HARNESS; TRAVEL GOODS, HANDBAGS AND SIMILAR CONTAINERS; ARTICLES OF ANIMAL GUT (OTHER THAN SILK-WORM GUT)**
Chapter 41	**Raw hides and skins (other than furskins) and leather**
41.01 – 41.03	CTSH
41.04 – 4106	CTH; or Re-tanning of tanned or pre-tanned hides and skins of sub-headings 4104.11, 4104.19, 4105.10, 4106.21, 4106.31 or 4106.91.
41.07 – 41.13	CTH; however, non-originating materials of sub-headings 4104.41, 4104.49, 4105.30, 4106.22, 4106.32 and 4106.92 may be used provided that a re-tanning operation of the tanned or crust hides and skins in the dry state takes place.
41.14 – 41.15	CTH
Chapter 42	**Articles of leather; saddlery and harness; travel goods, handbags and similar containers; articles of animal gut (other than silk-worm gut)**
42.01 – 42.06	CTH

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
Chapter 43 43.01 – 43.04	**Furskins and artificial fur; manufactures thereof** CTH; or MaxNOM 50% (EXW).
SECTION IX	**WOOD AND ARTICLES OF WOOD; WOOD CHARCOAL; CORK AND ARTICLES OF CORK; MANUFACTURERS OF STRAW, OF ESPARTO OR OF OTHER PLAITING MATERIALS; BASKETWARE AND WICKERWORK**
Chapter 44 44.01 – 44.21	**Wood and articles of wood; wood charcoal** CTH
Chapter 45 45.01 – 45.04	**Cork and articles of cork** CTH; or MaxNOM 50% (EXW).
Chapter 46 46.01 – 46.02	**Manufactures of straw, of esparto or of other plaiting materials; basketware and wickerwork** CTH
SECTION X	**PULP OF WOOD OR OF OTHER FIBROUS CELLULOSIC MATERIAL; RECOVERED (WASTE AND SCRAP) PAPER OR PAPERBOARD; PAPER AND PAPERBOARD AND ARTICLES THEREOF**
Chapter 47 47.01 – 47.07	**Pulp of wood or of other fibrous cellulosic material; recovered (waste and scrap) paper or paperboard** CTH
Chapter 48 48.01 – 48.07 4808.10 4808.40 – 4811.49 4811.51 4811.59 – 4816.90 4817	**Paper and paperboard; articles of paper pulp, of paper or of paperboard** CTH; or MaxNOM 50% (EXW). CTH and MaxNOM 50% (EXW). CTH; or MaxNOM 50% (EXW). CTH CTH; or MaxNOM 50% (EXW). CTH and MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
48.18	CTH; or MaxNOM 50% (EXW).
4819.10 – 4819.50	CTH and MaxNOM 50% (EXW).
4819.60 – 4823.20	CTH; or MaxNOM 50% (EXW).
4823.40	CTH and MaxNOM 50% (EXW).
4823.61 – 4823.70	CTH; or MaxNOM 50% (EXW).
4823.90	CTH and MaxNOM 50% (EXW).
Chapter 49	**Printed books, newspapers, pictures and other products of the printing industry; manuscripts, typescripts and plans**
49.01 – 49.11	CTH
SECTION XI	**TEXTILES AND TEXTILE ARTICLES** **Section note:** *For application of tolerances within this Section, see Note 6 and 7 of Annex I (Introductory notes)*
Chapter 50	**Silk**
50.01 – 50.02	CTH
50.03 - *Carded or combed*	Carding or combing of silk waste.
- *Others*	CTH
50.04 – 50.05	Spinning of natural fibres; or Extrusion of man-made continuous filament combined with spinning; or Extrusion of man-made continuous filament combined with twisting; or Twisting combined with any mechanical operation.
50.06 - *Silk yarn and yarn spun from silk waste*	Spinning of natural fibres; or Extrusion of man-made continuous filament combined with spinning; or Extrusion of man-made continuous filament combined with twisting; or Twisting combined with any mechanical operation.
- *Silkworm gut*	CTH
50.07	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	Twisting or any mechanical operation combined with weaving; or Weaving combined with dyeing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
Chapter 51	**Wool, fine or coarse animal hair; horsehair yarn and woven fabric**
51.01 – 51.05	CTH
51.06 – 51.10	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation.
51.11 – 51.13	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or Twisting or any mechanical operation combined with weaving; or Weaving combined with dyeing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
Chapter 52	**Cotton**
52.01 – 52.03	CTH
52.04	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation; or Dyeing combined with any mechanical operation.
52.05 – 52.07	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation.
52.08 – 52.12	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or Twisting or any mechanical operation combined with weaving; or Weaving combined with dyeing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
Chapter 53	**Other vegetable textile fibers; paper yarn and woven fabrics of paper yarn**
53.01 – 53.05	CTH
53.06 – 53.08	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation.
53.09	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or Twisting or any mechanical operation combined with weaving; or Weaving combined with dyeing; or Yarn dyeing combined with weaving; or

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	Weaving combined with printing.
53.10	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving.
53.11	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or Twisting or any mechanical operation combined with weaving; or Weaving combined with dyeing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
Chapter 54	**Man-made filaments; strip and the like of man-made textile materials**
54.01	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation; or Dyeing combined with any mechanical operation.
54.02 – 54.06	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning.
54.07 – 54.08	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or Twisting or any mechanical operation combined with weaving; or Weaving combined with dyeing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
Chapter 55	**Man-made staple fibers**
5501.10 – 5503.19	Extrusion of man-made fibres.
5503.20	Manufacture from chemical materials or textile pulp except those from non-originating materials of headings 39.07 to 39.12.
5503.30 – 5507.00	Extrusion of man-made fibres.
55.08	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation; or Dyeing combined with any mechanical operation.
55.09 – 55.11	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation.
55.12 – 55.16	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or Twisting or any mechanical operation combined with weaving; or Weaving combined with dyeing; or Yarn dyeing combined with weaving; or Weaving combined with printing.

Harmonized System Classification (2017), including specific description	Product Specific Rule of Origin
Chapter 56	**Wadding, felt and nonwovens; special yarns, twine, cordage, ropes and cables and articles thereof**
56.01	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning; or Flocking combined with dyeing or printing; or Coating, flocking, laminating, or metalizing combined with at least two other main preparatory or finishing operations (such as calendering, shrink-resistance processes, heat setting, permanent finishing) provided that the value of all the non-originating materials used does not exceed 50% of the EXW of the product.
56.02 – 56.03	Manufacture from natural or man-made fibers or polymers, followed by bonding into a fabric formation.
5604.10	Manufacture from rubber thread or cord, not textile covered.
5604.90	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning.
56.05	Spinning of natural and/or man-made staple fibres; or Extrusion of man-made fibres combined with spinning; or Twisting combined with any mechanical operation.
56.06	Spinning of natural and/or man-made staple fibres; or Extrusion of man-made fibres combined with spinning.
56.07 – 56.09	Spinning of natural fibres; or Extrusion of man-made fibres combined with spinning.
Chapter 57	**Carpets and other textile floor coverings**
57.01 – 57.05	Spinning of natural and/or man-made staple fibres combined with weaving or with tufting; or Extrusion of man-made filament yarn combined with weaving or with tufting; or Manufacture from coir yarn or sisal yarn or jute yarn or classical ring spun viscose yarn; or Extrusion of man-made fibres combined with non-woven techniques including needle punching.
Chapter 58	**Special woven fabrics; tufted textile fabrics; lace, tapestries; trimmings; embroidery**
58.01 – 58.04	Spinning of natural and/or man-made staple fibres combined with weaving or tufting; or Extrusion of man-made filament yarn combined with weaving or with tufting; or Weaving combined with dyeing or with flocking or with coating or with laminating or with metalizing; or Tufting combined with dyeing or with printing; or Flocking combined with dyeing or with printing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
58.05	CTH
58.06 – 58.09	Spinning of natural and/or man-made staple fibres combined with weaving or tufting; or Extrusion of man-made filament yarn combined with weaving or with tufting; or Weaving combined with dyeing or with flocking or with coating or with laminating or with

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	metalizing; or Tufting combined with dyeing or with printing; or Flocking combined with dyeing or with printing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
58.10	Embroidering in which the value of all the non-originating materials of any heading, except that of the product used does not exceed 50% of the EXW of the product.
58.11	Spinning of natural and/or man-made staple fibres combined with weaving or tufting; or Extrusion of man-made filament yarn combined with weaving or with tufting; or Weaving combined with dyeing or with flocking or with coating or with laminating or with metalizing; or Tufting combined with dyeing or with printing; or Flocking combined with dyeing or with printing; or Yarn dyeing combined with weaving; or Weaving combined with printing.
Chapter 59	**Impregnated, coated, covered or laminated textile fabrics; textile articles of a kind suitable for industrial use**
59.01	Weaving combined with dyeing or with flocking or with coating or with laminating or with metalizing; or Flocking combined with dyeing or with printing.
59.02	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving.
59.03	Weaving combined with impregnating or with coating or with covering or with laminating or with metalizing; or Weaving combined with printing; or Printing (as standalone operation).
59.04	Weaving or calendaring combined with dyeing or with coating or with laminating or with metalizing; or
59.05	Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving; or Weaving, knitting or non-woven fabric formation combined with impregnating or with coating or with covering or with laminating or with metalizing; or Weaving combined with printing; or Printing (as standalone operation).
5906	
- *Knitted or crocheted fabrics*	Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or Knitting or crocheting combined with rubberizing; or Rubberising combined with at least two other main preparatory or finishing operations (such as calendering, shrink-resistance processes, heat setting, permanent finishing) provided that the value of all the non-originating materials used does not exceed 50% of the EXW of the product.
- *Other fabrics made of*	Extrusion of man-made fibres combined with weaving.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
synthetic filament yarn, containing more than 90% by weight of textile materials	
- *Others*	Weaving, knitting or non-woven process combined with dyeing or with coating rubberizing; or Yarn dyeing combined with weaving knitting or non-woven process; or Rubberising combined with at least two other main preparatory or finishing operations (such as calendering, shrink-resistance processes, heat setting, permanent finishing) provided that the value of all the non-originating materials used does not exceed 50% of the EXW of the product.
59.07	Weaving or knitting or non-woven fabric formation combined with dyeing or with printing or with coating or with impregnating or with covering; or Flocking combined with dyeing or with printing; or Printing (as standalone operation).
59.08	
- *Incandescent gas mantles, impregnated*	Manufacture from non-originating tubular knitted or crocheted gas-mantle fabric.
- *Others*	CTH
59.09 – 59.10	Spinning of natural and/or of man-made staple fibres combined with weaving; or Extrusion of man-made fibres combined with weaving; or Weaving combined with dyeing or with coating or with laminating; or Coating, flocking, laminating or metalizing combined with at least two other main preparatory or finishing operations (such as calendering, shrink-resistance processes, heat setting, permanent finishing) provided that the value of all the non—originating materials used does not exceed 50% of the EXW of the product.
59.11	
- *Polishing discs or rings other than of felt of heading 59.11*	Manufacture from non-originating yarn or waste fabrics or rags of heading 63.10.
- *Woven fabrics, of a kind commonly used in papermaking or other technical uses, felted or not, whether or not impregnated or coated, tubular or endless with single or multiple warp and/or weft, or flat woven with multiple warp and/or weft of heading 59.11*	Spinning of natural and/or of man-made staple fibres combined with weaving; or Extrusion of man-made fibres combined with weaving; or Weaving combined with dyeing or with coating or with laminating.
- *Others*	Spinning of natural and/or of man-made staple fibres combined with weaving; or Extrusion of man-made fibres combined with weaving; or Weaving combined with dyeing or with coating or with laminating; or Coating, flocking, laminating or metalizing combined with at least two other main preparatory or finishing operations (such as calendering, shrink-resistance processes, heat setting, permanent

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	finishing) provided that the value of all the non-originating materials used does not exceed 50% of the ex-works price of the product.
Chapter 60 60.01 – 60.06	**Knitted or crocheted fabrics** Spinning of natural and/or man-made staple fibres combined with weaving; or Extrusion of man-made filament yarn combined with weaving.
Chapter 61 6101.20 – 6103.39 - *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form* - *Others* 6103.41 – 6103.49 - *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form* - *Knit to shape or seamless only* 6104.13 – 6104.59 - *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form* - *Others*	**Articles of apparel and clothing accessories, knitted or crocheted** Knitting or crocheting combined with making-up including cutting of fabric. Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or Knitting and making-up in one operation. Knitting or crocheting combined with making-up including cutting of fabric. Spinning of natural and/or man- made staple fibres and/or extrusion of man-made filament yarn, combined with knitting/crocheting and making up in one operation Knitting or crocheting combined with making-up including cutting of fabric. Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	Knitting and making-up in one operation.
6104.61 – 6104.69	
- *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form*	Knitting or crocheting combined with making-up including cutting of fabric.
- *Knit to shape or seamless*	Spinning of natural and/or man- made staple fibres and/or extrusion of man-made filament yarn, combined with knitting/crocheting and making up in one operation.
61.05 – 61.06	
- *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form*	Knitting or crocheting combined with making-up including cutting of fabric.
- *Others*	Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or Knitting and making-up in one operation.
6107.11	
- *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form*	Knitting or crocheting combined with making-up including cutting of fabric.
- *Knit to shape or seamless*	Spinning of natural and/or man-made staple fibres and/or extrusion of man-made filament yarn, combined with knitting/crocheting and making up in one operation.
6107.12 – 6108.19	
- *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or*	Knitting or crocheting combined with making-up including cutting of fabric.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
crocheted fabric which have been either cut to form or obtained directly to form	
- Others	Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or Knitting and making-up in one operation.
6108.21 – 6108.29 *- Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form*	Knitting or crocheting combined with making-up including cutting of fabric.
- Knit to shape or seamless	Spinning of natural and/or man- made staple fibres and/or extrusion of man-made filament yarn, combined with knitting/crocheting and making up in one operation.
6108.31 – 6110.20	
- Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form	Knitting or crocheting combined with making-up including cutting of fabric.
- Others	Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or Knitting and making-up in one operation.
6110.30	
- Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form	Knitting or crocheting combined with making-up including cutting of fabric.
- Knit to shape or seamless	Spinning of natural and/or man-made staple fibres and/or extrusion of man-made filament yarn, combined with knitting/crocheting and making up in one operation.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
6110.90 - 6114.90	
- *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form*	Knitting or crocheting combined with making-up including cutting of fabric.
- *Others*	Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or Knitting and making-up in one operation.
6115	
- *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form*	Knitting or crocheting combined with making-up including cutting of fabric.
- *Knit to shape or seamless (does not include compression hosiery)*	Spinning of natural and/or man- made staple fibres and/or extrusion of man-made filament yarn, combined with knitting/crocheting and making up in one operation.
61.16 – 61.17	
- *Obtained by sewing together or otherwise assembling, two or more pieces of knitted or crocheted fabric which have been either cut to form or obtained directly to form*	Knitting or crocheting combined with making-up including cutting of fabric.
- *Others*	Spinning of natural and/or man-made staple fibres combined with knitting or crocheting; or Extrusion of man-made filament yarn combined with knitting or crocheting; or Knitting and making-up in one operation.
Chapter 62	**Articles of apparel and clothing accessories, not knitted or crocheted**
62.01	Weaving combined with making-up including cutting of fabric.
62.02	
- *Embroidered*	Weaving combined with making-up including cutting of fabric; or

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the EXW of the product.
- *Others*	Weaving combined with making-up including cutting of fabric.
62.03	Weaving combined with making-up including cutting of fabric.
6204.11 – 6204.59	
- *Embroidered*	Weaving combined with making-up including cutting of fabric; or Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the EXW of the product.
- *Others*	Weaving combined with making-up including cutting of fabric.
6204.61 – 6205.90	Weaving combined with making-up including cutting of fabric.
62.06	
- *Embroidered*	Weaving combined with making-up including cutting of fabric; or Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the EXW of the product.
- *Others*	Weaving combined with making-up including cutting of fabric.
62.07 – 62.08	Weaving combined with making-up including cutting of fabric.
62.09	
- *Embroidered*	Weaving combined with making-up including cutting of fabric; or Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the EXW of the product.
- *Others*	Weaving combined with making-up including cutting of fabric.
62.10	
- *Fire-resistant equipment of fabric covered with foil of aluminised polyester*	Weaving combined with making-up including cutting of fabric; or Coating or laminating provided that the value of the non-originating uncoated or unlaminated fabric used does not exceed 40 % of the EXW of the product, combined with making-up including cutting of fabric.
- *Others*	Weaving combined with making-up including cutting of fabric.
62.11	
- *Embroidered*	Weaving combined with making-up including cutting of fabric; or Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the EXW of the product.
- *Others*	Weaving combined with making-up including cutting of fabric. Knitting or weaving combined with making-up including cutting of fabric.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
62.12	
62.13 - 62.14	
- *Embroidered*	Weaving combined with making-up including cutting of fabric; or Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the EXW of the product.
- *Others*	Weaving combined with making-up including cutting of fabric.
62.15	Weaving combined with making-up including cutting of fabric.
62.16	
- *Fire-resistant equipment of fabric covered with foil of aluminised polyester*	Weaving combined with making-up including cutting of fabric; or Coating or laminating provided that the value of the non-originating uncoated or unlaminated fabric used does not exceed 40 % of the EXW of the product, combined with making-up including cutting of fabric.
- *Others*	Weaving combined with making-up including cutting of fabric.
62.17	
- *Embroidered*	Weaving combined with making-up including cutting of fabric; or Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the ex-works price of the product.
- *Fire-resistant equipment of fabric covered with foil of aluminised polyester*	Weaving combined with making-up including cutting of fabric; or Coating or laminating provided that the value of the non-originating uncoated or unlaminated fabric used does not exceed 40 % of the ex-works price of the product combined with making-up including cutting of fabric.
- *Interlinings for collars and cuffs, cut out*	Fabric formation combined with making-up including cutting of fabric.
- *Others*	Weaving combined with making-up including cutting of fabric.
Chapter 63	**Other made up textile articles; sets; worn clothing and worn textile articles; rags**
63.01 – 63.04	
- *Felt, nonwovens*	Non-woven fabric formation combined with making-up including cutting of fabric.
- *Others*	
-- *embroidered*	Weaving combined with making-up including cutting of fabric; or Manufacture from unembroidered fabric, provided that the value of the non-originating unembroidered fabric used does not exceed 40 % of the EXW of the product.
-- *others*	Weaving or knitting or crocheting combined with making-up including cutting of fabric.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
63.05	Extrusion of man-made fibres or spinning of natural and/or man-made staple fibres, combined with weaving or with knitting and making-up including cutting of fabric.
63.06	
- *Nonwovens*	Non-woven fabric formation, combined with making-up including cutting of fabric.
- *Others*	Weaving combined with making-up including cutting of fabric.
63.07	CTH and MaxNOM 40% (EXW).
63.08	Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided that their total value does not exceed 10 % of the EXW of the set.
63.09 – 63.10	CTH
SECTION XII	**FOOTWEAR, HEADGEAR, UMBRELLAS, SUN UMBRELLAS, WALKING STICKS, SEATSTICKS, WHIPS, RIDING-CROPS AND PARTS THEREOF; PREPARED FEATHERS AND ARTICLES MADE THEREWITH; ARTIFICIAL FLOWERS; ARTICLES OF HUMAN HAIR**
Chapter 64	**Footwear, gaiters and the like; parts of such articles**
64.01 – 64.05	
- *With a customs value of 35 euros or less*	Manufacture from non-originating materials of any heading, except from non-originating materials of subheading 6406.10 provided that the total value of the non-originating materials does not exceed 40% of the value of the product.
- *With a customs value above 35 euros*	Manufacture from non-originating materials of any heading, except from assemblies of uppers affixed to inner soles or to other sole components of heading 64.06.
64.06	CTH
Chapter 65	**Headgear and parts thereof**
65.01 – 65.07	CTH
Chapter 66	**Umbrellas, sun umbrellas, walking sticks, seat-sticks, whips, riding-crops and parts thereof**
66.01 – 66.03	CTH; or MaxNOM 50% (EXW).
Chapter 67	**Prepared feathers and down and articles made of feathers or of down; artificial flowers; articles of human hair**
67.01 – 67.04	CTH
SECTION XIII	**ARTICLES OF STONE, PLASTER, CEMENT, ASBESTOS, MICA OR SIMILAR MATERIALS; CERAMIC PRODUCTS; GLASS AND GLASSWARE**

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
Chapter 68	**Articles of stone, plaster, cement, asbestos, mica or similar materials**
68.01 – 68.02	CTH; or MaxNOM 50% (EXW).
68.03 - *Worked slate*	CTH; or MaxNOM 50% (EXW).
- *Articles of slate or of agglomerated slate*	Manufacture from worked slate.
68.04 – 68.11	CTH; or MaxNOM 50% (EXW).
68.12 - *Articles of asbestos; articles of mixtures with a basis of asbestos or of mixtures with a basis of asbestos and magnesium carbonate*	Manufacture from non-originating materials of any heading.
- *Others*	CTH; or MaxNOM 50% (EXW).
6813.20	CTH; or MaxNOM 50% (EXW).
6813.81 – 6813.89	MaxNOM 50% (EXW).[1]
68.14 - *Articles of mica, including agglomerated or reconstituted mica, on a support of paper, paperboard or other materials*	Manufacture from non-originating worked mica (including agglomerated or reconstituted mica).
- *Others*	CTH; or

[1] For the subheading 6813.89, for a period not exceeding four years from the entry into force of the Agreement, Paraguay may apply MaxNOM 55% (EXW) and therefore confers Paraguay origin. The Protocol on rules of origin shall apply *mutatis mutandis*.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	MaxNOM 50% (EXW).
68.15	CTH; or
	MaxNOM 50% (EXW).
Chapter 69	**Ceramic products**
69.01 – 69.14	CTH
Chapter 70	**Glass and glassware**
70.01 – 70.05	CTH; or
	MaxNOM 50% (EXW).
70.06 – 70.09	CTH except from non-originating materials of heading 70.05.
70.10	CTH; or
	MaxNOM 20% (EXW).
70.11 – 70.12	CTH; or
	MaxNOM 50% (EXW).
70.13	CTH except from non-originating materials of heading 70.10; or
	MaxNOM 20% (EXW).
70.14 – 70.18	CTH; or
	MaxNOM 50% (EXW).
70.19	CTH; or

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
70.20	MaxNOM 45% (EXW). CTH; or MaxNOM 50% (EXW).
SECTION XIV	**NATURAL OR CULTURED PEARLS, PRECIOUS OR SEMI-PRECIOUS STONES, PRECIOUS METALS, METALS CLAD WITH PRECIOUS METAL, AND ARTICLES THEREOF; IMITATION JEWELRY; COIN**
Chapter 71	**Natural or cultured pearls, precious or semi-precious stones, precious metals, metals clad with precious metal, and articles thereof; imitation jewelry; coin**
71.01 - *Natural or cultured pearls, graded and temporarily strung for convenience of transport*	MaxNOM 50% EXW
- *Others*	CTH
71.02 - *Worked precious or semi-precious stones (natural, synthetic or reconstructed)*	Manufacture from non-originating unworked precious or semi-precious stones.
- *Others*	CTH
71.03 - *Worked precious or semi-precious stones (natural, synthetic or reconstructed)*	Manufacture from non-originating unworked precious or semi-precious stones.
- *Others*	CTH
71.04 - *Worked precious or semi-precious stones (natural, synthetic or reconstructed)*	Manufacture from non-originating unworked precious or semi-precious stones.
- *Others*	CTH
71.05	CTH
71.06 - *Unwrought*	CTH except from non-originating materials of headings 71.06, 71.08 and 71.10; or Electrolytic, thermal or chemical separation of precious metals of heading 71.06, 71.08 or 71.10; or Alloying of precious metals of heading 71.06, 71.08 or 71.10 with each other or with base metals.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
- *Semi-manufactured or in powder form*	Manufacture from non-originating unwrought precious metals.
71.07	
- *Metals clad with precious metals, semi-manufactured*	Manufacture from non-originating metals clad with precious metals, unwrought.
- *Others*	CTH
7108	
- *Unwrought*	CTH except from non-originating materials of headings 71.06, 71.08 and 71.10; or Electrolytic, thermal or chemical separation of precious metals of heading 71.06, 71.08 or 71.10; or Alloying of precious metals of heading 71.06, 71.08 or 71.10 with each other or with base metals.
- *Semi-manufactured or in powder form*	Manufacture from non-originating unwrought precious metals.
71.09	
- *Metals clad with precious metals, semi-manufactured*	Manufacture from non-originating metals clad with precious metals, unwrought.
- *Others*	CTH
71.10	
- *Unwrought*	CTH except from non-originating materials of headings 71.06, 71.08 and 71.10; or Electrolytic, thermal or chemical separation of precious metals of heading 71.06, 71.08 or 71.10; or Alloying of precious metals of heading 71.06, 71.08 or 71.10 with each other or with base metals.
- *Semi-manufactured or in powder form*	Manufacture from non-originating unwrought precious metals.
71.11	
- *Metals clad with precious metals, semi-manufactured*	Manufacture from non-originating metals clad with precious metals, unwrought.
- *Others*	CTH
71.12 – 71.15	CTH
71.16	MaxNOM 50% (EXW).
71.17	CTH; or Manufacture from base metal parts, not plated or covered with precious metals, provided that the

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	value of all the non-originating materials used does not exceed 50 % of the EXW of the product.
71.18	CTH
SECTION XV	**BASE METALS AND ARTICLES OF BASE METAL**
Chapter 72	**Iron and steel**
72.01 – 72.06	CTH
72.07 – 72.17	CTH except from non-originating materials of headings 72.06 to 72.17.
72.18	CTH
72.19 – 72.23	CTH except from non-originating materials of headings 72.18 to 72.23.
72.24	CTH
72.25 – 72.29	CTH except from non-originating materials of headings 72.24 to 72.29.
Chapter 73	**Articles of iron and steel**
7301.10	CC except from non-originating materials of headings 72.07 to 72.17.
7301.20	CTH
73.02	CC except from non-originating materials of heading 72.07 to 72.17.
73.03	CTH
73.04	CTH except from non-originating materials of headings 72.06 to 72.29.
73.05 - 73.06	CC except from non-originating materials of headings 72.13 to 72.17, 72.21 to 72.23 and 72.25 to 72.29.
73.07 - *Of stainless steel*	Turning, drilling, reaming, threading, deburring and sandblasting of forged blanks, provided that the total value of the non-originating forged blanks used does not exceed 35% of the ex-works price of the product.
- *Others*	CTH
73.08	CTH except from non-originating materials of subheading 7301.20.
7309.00 – 7315.19	CTH
7315.20	Manufacture in which the value of all the non-originating materials of heading 73.15 used does not exceed 50% of the ex-works price of the product.
7315.81 – 7326.90	CTH
Chapter 74	**Copper and articles thereof**
74.01 – 74.02	CTH
74.03	CTSH

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
74.04 – 74.07	CTH
74.08	CTH and MaxNOM 50% (EXW).
74.09	CTH
74.10	CTH and MaxNOM 50% (EXW).
74.11 – 74.19	CTH
Chapter 75	**Nickel and articles thereof**
75.01 – 75.08	CTH
Chapter 76	**Aluminum and articles thereof**
76.01 – 76.16	CTH and MaxNOM 50% (EXW).
Chapter 78	**Lead and articles thereof**
78.01 – 78.06	CTH and MaxNOM 50% (EXW).
Chapter 79	**Zinc and articles thereof**
79.01 – 79.07	CTH
Chapter 80	**Tin and articles thereof**
80.01 – 80.07	CTH
Chapter 81	**Other base metals; cermets; articles thereof**
81.01 – 81.13	CTH and MaxNOM 50% (EXW).
Chapter 82	**Tools, implements, cutlery, spoons and forks, of base metal; parts thereof of base metal**
8201.10 – 8205.70	CTH; or MaxNOM 50% (EXW).
8205.90	CTH; however, non-originating tools of heading 82.05 may be incorporated into the set, provided that their total value does not exceed 15% of the EXW of the set.
82.06	CTH except from non-originating materials of headings 82.02 to 82.05; however, non-originating tools of headings 82.02 to 82.05 may be incorporated into the set, provided that their total value does not exceed 15% of the EXW of the set.
8207.13 – 8207.20	CTH; or MaxNOM 50% (EXW).
8207.30	MaxNOM 40% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
8207.40 – 8215.99	CTH; or MaxNOM 50% (EXW).
Chapter 83	**Miscellaneous articles of base metal**
8301.10	CTH; or MaxNOM 50% (EXW).
8301.20	MaxNOM 50% (EXW).
8301.30 – 8302.20	CTH; or MaxNOM 50% (EXW).
8302.30	MaxNOM 50% (EXW).
8302.41– 8311.90	CTH; or MaxNOM 50% (EXW).
SECTION XVI	**MACHINERY AND MECHANICAL APPLIANCE; ELECTRICAL EQUIPMENT; PARTS THEREOF; SOUND RECORDERS AND REPRODUCERS, TELEVISION IMAGE AND SOUND RECORDERS AND REPRODUCERS, AND PARTS AND ACCESSORIES OF SUCH ARTICLES**
Chapter 84	**Nuclear reactors, boilers, machinery and mechanical appliances; parts thereof**
84.01	MaxNOM 50% (EXW).
84.02 – 84.06	CTH; or MaxNOM 50% (EXW).
84.07 – 84.08	MaxNOM 50% (EXW).
8409.10	CTH; or MaxNOM 45% (EXW),
8409.91 – 8409.99	MaxNOM 50% (EXW).[2]
84.10	CTH; or MaxNOM 50% (EXW).

[2] For the subheading 8409.91 for a period not exceeding four years from the entry into force of the Agreement, Paraguay may apply MaxNOM 55% (EXW) and therefore confers Paraguay origin. The Protocol on rules of origin shall apply *mutatis mutandis*.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
84.11	CTH; or MaxNOM 45% (EXW).
8412.10 – 8415.10	CTH; or MaxNOM 50% (EXW).
8415.20	MaxNOM 50% (EXW).
8415.81 – 8416.90	CTH; or MaxNOM 50% (EXW).
84.17	MaxNOM 45% (EXW).
84.18 – 84.22	CTH; or MaxNOM 50% (EXW).
84.23	MaxNOM 45% (EXW).
84.24	CTH; or MaxNOM 50% (EXW).
84.25 – 84.26	CTH except from non-originating materials of heading 84.31; or MaxNOM 50% (EXW).
84.27	MaxNOM 50% (EXW).
84.28 – 84.30	CTH except from non-originating materials of heading 84.31; or MaxNOM 50% (EXW).
84.31	CTH; or MaxNOM 50% (EXW).
84.32	MaxNOM 45% (EXW).
84.33 – 84.37	CTH; or MaxNOM 50% (EXW).
84.38	CTH; or MaxNOM 45% (EXW).
84.39 – 84.41	CTH; or MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
84.42	CTH; or MaxNOM 45% (EXW).
8443.11 – 8443.19	MaxNOM 50% (EXW).
8443.31 – 8443.32	CTH; or MaxNOM 50% (EXW).
8443.39 – 8443.91	MaxNOM 50% (EXW).
8443.99	CTH; or MaxNOM 50% (EXW).
84.44 – 84.47	CTH except from non-originating materials of heading 84.48; or MaxNOM 45% (EXW).
84.48 – 84.51	CTH; or MaxNOM 50% (EXW).
84.52	MaxNOM 50% (EXW).
84.53	CTH; or MaxNOM 50% (EXW).
84.54	CTH; or MaxNOM 45% (EXW).
84.55	CTH; or MaxNOM 50% (EXW).
84.56 – 84.65	CTH except from non-originating materials of heading 84.66; or MaxNOM 50% (EXW).
84.66 – 84.68	CTH; or MaxNOM 50% (EXW).
84.70.10 – 84.70.30	CTH except from non-originating materials of heading 84.73; or MaxNOM 45% (EXW).
8470.50	CTH except from non-originating materials of heading 84.73; or MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
8470.90	CTH except from non-originating materials of heading 84.73; or MaxNOM 45% (EXW).
84.71	CTH except from non-originating materials of heading 84.73; or MaxNOM 50% (EXW).
84.72	CTH except from non-originating materials of heading 84.73; or MaxNOM 50% (EXW).
84.73.21	MaxNOM 45% (EXW).
8473.29 – 8473.50	CTH; or MaxNOM 50% (EXW).
84.74	CTH; or MaxNOM 45% (EXW).
84.75 – 84.77	CTH; or MaxNOM 50% (EXW).
84.78	CTH; or MaxNOM 45% (EXW).
84.79 – 84.81	CTH; or MaxNOM 50% (EXW).
84.82	MaxNOM 45% (EXW).
84.83 – 84.84	CTH; or MaxNOM 50% (EXW).
84.86	CTH; or MaxNOM 45% (EXW).
84.87	CTH; or MaxNOM 50% (EXW).
Chapter 85	**Electrical machinery and equipment and parts thereof; sound recorders and reproducers, television image and sound recorders and reproducers, and parts and accessories of such articles**

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
85.01 – 85.02	CTH except from non-originating materials of heading 85.03; or MaxNOM 50% (EXW).
85.03	CTH; or MaxNOM 50% (EXW).
8504.10 – 8504.34	MaxNOM 50% (EXW).
8504.40	CTH; or MaxNOM 50% (EXW).
8504.50 – 8505.90	MaxNOM 50% (EXW).
85.06.10 – 8512.20	CTH; or MaxNOM 50% (EXW).
8512.30 – 8512.90	MaxNOM 50% (EXW).[3]
85.13 – 85.16	CTH; or MaxNOM 50% (EXW).
85.17.11	MaxNOM 50% (EXW).
8517.12	CTH; or MaxNOM 50% (EXW).
8517.18	MaxNOM 50% (EXW).
8517.61 – 8517.70	CTH; or MaxNOM 50% (EXW).
85.18	CTH; or MaxNOM 50% (EXW).
85.19	MaxNOM 50% (EXW).
85.21	CTH except from non-originating materials of heading 85.22; or MaxNOM 50% (EXW).

[3] For subheadings 8512.40 and 8512.90 for a period not exceeding four years from the entry into force of the Agreement, Paraguay may apply MaxNOM 55% (EXW) and therefore confers Paraguay origin. The Protocol on rules of origin shall apply *mutatis mutandis*.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
85.22	CTH; or MaxNOM 50% (EXW).
8523.21 – 8523.51	MaxNOM 50% (EXW).
8523.52 – 8523.59	CTH; or MaxNOM 50% (EXW).
8523.80	MaxNOM 50% (EXW).
85.25	CTH except from non-originating materials of heading 85.29; or MaxNOM 50% (EXW).
85.26	CTH except from non-originating materials of heading 85.29; or MaxNOM 50% (EXW).
85.27	CTH except from non-originating materials of heading 85.29; or MaxNOM 50% (EXW).
8528.42	CTH; or MaxNOM 50% (EXW).
8528.49	CTH except from non-originating materials of heading 85.29; or MaxNOM 50% (EXW).
8528.52 – 8528.59	CTH except from non-originating materials of heading 85.29; or MaxNOM 55% (EXW).
8528.62 – 8528.69	CTH except from non-originating materials of heading 85.29; or MaxNOM 50% (EXW).
8528.71	CTH; or MaxNOM 50% (EXW).
8528.72 – 8528.73	CTH except from non-originating materials of heading 85.29; or MaxNOM 55% (EXW).
8529.10	MaxNOM 50% (EXW).
8529.90 – 8530.80	CTH; or MaxNOM 55% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
8530.90 – 8531.90	CTH; or MaxNOM 50% (EXW).
85.32 – 85.34	MaxNOM 50% (EXW).
85.35 – 85.36	CTH except from non-originating materials of heading 85.38; or MaxNOM 50% (EXW).
8537.10	CTH except from non-originating materials of heading 85.38; or MaxNOM 55% (EXW).
8537.20	CTH except from non-originating materials of heading 85.38; or MaxNOM 50% (EXW).
8538.10	CTH; or MaxNOM 50% (EXW).
8538.90	CTH; or MaxNOM 55% (EXW).
85.39 – 85.43	CTH; or MaxNOM 50% (EXW).
8544.11 – 8544.60	MaxNOM 50% (EXW).[4]
8544.70	MaxNOM 45% (EXW).
85.45 – 85.48	MaxNOM 50% (EXW).
SECTION XVII	**VEHICLES, AIRCRAFT, VESSELS AND ASSOCIATED TRANSPORT EQUIPMENT**
Chapter 86 86.01 – 86.09	**Railway or tramway locomotives, rolling-stock and parts thereof; railway or tramway track fixtures and fittings and parts thereof; mechanical (including electro-mechanical) traffic signalling equipment of all kinds** MaxNOM 40% (EXW).
Chapter 87	**Vehicles other than railway or tramway rolling-stock, and parts and accessories thereof**
87.01 – 87.07 87.08– 87.09	MaxNOM 45% (EXW). MaxNOM 50% (EXW).[5]

[4] For 8544.30 and 8544.49, for a period not exceeding four years from the entry into force of the Agreement, Paraguay may apply MaxNOM 55% (EXW) and therefore confers Paraguay origin. The Protocol on rules of origin shall apply *mutatis mutandis*.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
87.10	CTH; or MaxNOM 50% (EXW).
87.11	MaxNOM 50% (EXW).
87.12	CTH except from non-originating materials of heading 87.14; or MaxNOM 50% (EXW).
87.13 – 87.16	MaxNOM 50% (EXW).
Chapter 88 88.01 – 88.05	**Aircraft, spacecraft, and parts thereof** CTH; or MaxNOM 40% (EXW).
Chapter 89 89.01 – 89.08	**Ships, boats and floating structures** CC; or MaxNOM 40% (EXW).
SECTION XVIII	**OPTICAL, PHOTOGRAPHIC, CINEMATOGRAPHIC, MEASURING, CHECKING, PRECISION, MEDICAL OR SURGICAL INSTRUMENTS AND APPARATUS; CLOCKS AND WATCHES; MUSICAL INSTRUMENTS; PARTS AND ACCESSORIES THEREOF**
Chapter 90	**Optical, photographic, cinematographic, measuring, checking, precision, medical or surgical instruments and apparatus; parts and accessories thereof**
9001.10	MaxNOM 45% (EXW).
9001.20 – 9001.40	CTH; or MaxNOM 50% (EXW).
9001.50	CTH; or Manufacture in which one of the following operations is made: - surfacing of the semi-finished lens into a finished ophthalmic lens with optical corrective power meant to be mounted on a pair of spectacles - coating of the lens through appropriated treatments to improve vision and ensure protection of the wearer; or MaxNOM 50% (EXW).
9001.90 – 9010.90	CTH; or

[5] For subheadings 8708.10, 8708.21, 8708.29, 8708.40, 8708.50, 8708.80, 8708.91, 8708.92, 8708.93 and 8708.99, for a period not exceeding four years from the entry into force of the Agreement, Paraguay may apply MaxNOM 55% (EXW) and therefore confers Paraguay origin. The Protocol on rules of origin shall apply *mutatis mutandis*.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
	MaxNOM 50% (EXW).
90.11	MaxNOM 50% (EXW).
90.12 – 90.13	CTH; or
	MaxNOM 50% (EXW).
90.14	MaxNOM 50% (EXW).
90.15	CTH; or
	MaxNOM 50% (EXW).
90.16	MaxNOM 45% (EXW).
90.17 – 90.23	CTH; or
	MaxNOM 50% (EXW).
90.24 – 90.25	MaxNOM 45% (EXW).
90.26 – 90.27	CTH; or
	MaxNOM 50% (EXW).
90.28	MaxNOM 45% (EXW).
90.29 – 9032.89	CTH; or
	MaxNOM 50% (EXW).
9032.90	CTH; or
	MaxNOM 55% (EXW).
90.33	MaxNOM 45% (EXW).
Chapter 91	**Clocks and watches and parts thereof**
91.01 – 91.14	MaxNOM 50% (EXW).
Chapter 92	**Musical instruments; parts and accessories of such articles**
92.01 – 92.09	MaxNOM 45% (EXW).
SECTION XIX	**ARMS AND AMMUNITION; PARTS AND ACCESSORIES THEREOF**
Chapter 93	**Arms and ammunition; parts and accessories thereof**
93.01 – 93.07	MaxNOM 50% (EXW).

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
SECTION XX	**MISCELLANEOUS MANUFACTURED ARTICLES**
Chapter 94	**Furniture; bedding, mattresses, mattress supports, cushions and similar stuffed furnishings; lamps and lighting fittings, not elsewhere specified or included; illuminated sign illuminated nameplates and the like; prefabricated buildings**
9401.10	CTH; or MaxNOM 50% (EXW).
9401.20	MaxNOM 50% (EXW).
9401.30 – 9401.80	CTH; or MaxNOM 50% (EXW).
9401.90	MaxNOM 50% (EXW).[6]
94.02 – 94.05	CTH; or MaxNOM 50% (EXW).
94.06	MaxNOM 50% (EXW).
Chapter 95	**Toys, games and sports requisites; parts and accessories thereof**
9503.00 – 9504.20	CTH; or MaxNOM 50% (EXW).
9504.30	MaxNOM 45% (EXW).
9504.40 – 9506.70	CTH; or MaxNOM 50% (EXW).
9506.91	MaxNOM 45% (EXW).
9506.99 – 9508.90	CTH; or MaxNOM 50% (EXW).
Chapter 96	**Miscellaneous manufactured articles**
96.01 – 96.04	CTH; or MaxNOM 50% (EXW).

[6] For 9401.90, for a period not exceeding four years from the entry into force of the Agreement, Paraguay may apply MaxNOM 55% (EXW) and therefore confers Paraguay origin. The Protocol on rules of origin shall apply *mutatis mutandis*.

Harmonized System Classification (2017), including specific description	**Product Specific Rule of Origin**
96.05 96.06 – 96.07 96.08 – 96.20	Each item in the set must satisfy the rule which would apply to it if it were not included in the set. However, non-originating articles may be incorporated, provided that their total value does not exceed 15% of the EXW of the set. CTH and MaxNOM 50% (EXW). CTH; or MaxNOM 50% (EXW).
SECTION XXI	**WORKS OF ART, COLLECTORS' PIECES AND ANTIQUES**
Chapter 97 97.01 – 97.06	**Works of art, collectors' pieces and antiques** CTH

Note: Alternative rules for some products of Chapters 84, 85 and 90 are set out in Annex IIa, subject to applicable conditions.

Annex IIa

If the European Union WTO´s bound tariff applicable to these products is not zero percent, the following products shall also be considered as originating in Mercosur when the corresponding product specific rule of origin as set out below is fulfilled in Mercosur, according to this Agreement unless Mercosur notifies otherwise.

HS	Rule of origin
8443.31; 8443.32; 8470.50; 8471; 8473.30; 8517.69; 8525; 8527; 8531.20; 8543.70; 9030.20; 9030.33; 9030.39; 9030.40; 9030.82; 9030.84; 9030.89; 9031.80	I. Assembly and welding of all components on the printed circuit board that implements the Central Processing function (main board); II. Integration of the printed circuit board assembled in accordance with subsection I, other printed circuit boards (if any) and other electrical, mechanical and subassembly parts in the final product format, and III. Final product configuration, software installation (when applicable) and functional tests.
8443.99; 8473.29; 8473.30; 8473.40; 8473.50; 8517.70; 8523.52; 8523.59	I. Assembly and welding of all components on printed circuit board; and II. Final product configuration, software installation (when applicable) and functional tests.
8504.40; 8517.12; 8517.61; 8517.62; 8521	I. Assembly and welding of all the components in printed circuit boards; II. Assembly of the electrical and mechanical parts, totally disaggregated, at the basic level of components, III. Integration of printed circuit boards and electrical and mechanical parts, assembled according to subsections I and II.