

This document contains the consolidated text resulting from the 30th round of negotiations (6-10 November 2017) on small and medium-sized enterprises in the Trade Part of the EU-Mercosur Association Agreement. This is without prejudice to the final outcome of negotiations. Both sides reserve the right to make subsequent modifications to their proposals.

As agreed at the Mercosur (MS)-EU negotiation round in Brasilia, 9 November 2017. The MS and the EU reserve the right to make subsequent comments to this text.

Chapter on [MS: Micro,] Small and Medium-Sized Enterprises [MS: and Entrepreneurs]

Article 1

Recognizing that micro, small and medium-sized enterprises and entrepreneurs (hereinafter referred to as SME) contribute significantly to 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. The Parties¹ recognize 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 SME 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

1 [UE: The definition of the Parties is still pending. The EU understands the Parties as the Mercosur Signatory States and the EU.]

(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; [UE: and]

(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; [MSUL: and]

[MCS: (c)a database that is electronically searchable.]

[EU: 3. With respect to paragraph 2(b), each Party shall include information related to the following, covering both the central level and lower level than central (...) or Union:

- (a) customs regulations and procedures as well as a description of the importation, exportation, and transit procedures informing of the practical steps needed to import and export, and for transit; and the forms, documents and other information required for importation into, exportation from, or transit through the customs territory of that Party;
- (b) regulations and procedures concerning intellectual property rights including geographical indications;
- (c) a registry of technical regulations in force (including, where necessary, obligatory conformity assessment procedures); and of the titles and references of standards selected for reference in or used in connection with technical regulations, or proposed for such use; links to lists of conformity assessment bodies, in cases where third party conformity assessment is obligatory;
- (d) sanitary and phytosanitary measures relating to importation and exportation;
- (e) rules on public procurement, a database containing public procurement notices as well as other relevant information concerning public procurement opportunities;
- (f) business registration procedures;
- (g) other information which the Party considers may be of assistance to SMEs.]

[MS: 3. The information described in paragraph 2(b) may include:

- (a) customs regulations and procedures [EU: import, export, transit as well as the guided forms and documents.]
- (b) regulations and procedures concerning IP rights,

- (c) technical regulations, standards, SPS measures relating to importation and exportation, [EU: technical regulations including obligatory conformity assessment procedures and links to lists of conformity assessment bodies in cases where third party conformity assessment is obligatory]
- (d) business registration procedures].

[EU: 4. Each Party shall include a link from the website or webpage provided for in paragraph 1 to a database that is electronically searchable by tariff nomenclature code and that includes the following information with respect to access to its market, covering both the central level and lower level than (...) or Union (EU):

Tariff measures and tariff-related information

- (a) rates of duty and quotas (including most-favoured nation (MFN), rates concerning non MFN countries and preferential rates and tariff rate quotas);
- (b) tariff nomenclature related excise duties;
- (c) tariff nomenclature related taxes (value added tax / sales tax);
- (d) tariff nomenclature related customs or other fees, including other product specific fees, at the border;
- (e) other tariff measures;
- (f) rules of origin;
- (g) [duty drawback], deferral, or other types of relief that reduce, refund, or waive customs duties;
- (h) criteria used to determine the customs value of the good;
- (i) and, if applicable, country of origin marking requirements, including placement and method of marking;

Tariff nomenclature related non-tariff measures

- (j) tariff nomenclature information needed for import procedures;
- (k) tariff nomenclature related non-tariff measures or regulations.]

[EU: 5. Each Party shall regularly, or when requested by the other Party, review the information and links referred to in paragraphs 1 to 4 that it maintains on its website or webpage to ensure they are up-to-date and accurate.]

[EU.6] [MCS.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 endeavor to make the information available in English.

[EU.7] [MCS.5]. No fee shall apply for access to the information provided pursuant to paragraphs 1 to [X] for any person in either Party.

[EU.8] [MCS.6] The Parties will implement the webpage and database in a period up to 5 years [EU: 3 years] after the entry into force of the Agreement.

[EU.9: EU will propose a new text to this paragraph] [MCS.7: The European Union agrees to offer technical assistance to Mercosur for the implementation of the webpage and database. Such cooperation shall include, but not limited to, the following modalities: providing technical assistance, capacity building, transferring of know-how and technology to develop the webpage as well as related databases and ICT instruments.]

Article 3 [EU: SME Contact Points on SME Issues] [MS: Working Group on SMEs]

[MS.1: The Parties shall establish within 12 months after the date of entry into force of this Agreement, a Working Group on SMEs. The Working Group *shall meet* as mutually agreed, but not less than once each year, and *shall report* annually *to the Trade Commission* on the efforts of the Parties to promote opportunities for their SMEs.]

[EU.1: Each Party shall communicate to the other Party its SME contact point to carry out the functions listed in this article:]

2. The [EU: SME Contact Points] [MS: Working Group] shall [MS: work to facilitate the following activities of the Parties]:

(a) ensure that SME needs are taken into account in the implementation of the Agreement and consider ways to increase trade and investment opportunities for SMEs by strengthening cooperation on SME issues between the Parties;

(b) identify ways and exchange information for EU and Mercosur SMEs to take advantage of new opportunities under the Agreement;]

[MCS: (c) decide on the information to be included in the website and database]

(d) [EU: ensure that the information included in the website referred to in Article 2 is up-to-date and relevant for SMEs] 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. [EU: The SME Contact Points] [MCS: The WG on SMEs] may recommend additional information that the Parties may include in their websites to be maintained in accordance with Article 2;

(e) raise any other matter of interest to SMEs in connection with the implementation of the Agreement, including:

- exchanging information to assist the Parties in monitoring and implementing the Agreement as it relates to SMEs;

- possible participation, if appropriate, in the work of other Committees and working groups established by the Agreement, including the provisions on regulatory cooperation/regulatory coherence and non-tariff issues, and presenting to these Committees and working groups specific issues of

particular interest to SMEs in their areas, while avoiding duplication of work programs; and

- identifying and reaching possible solutions that are mutually acceptable in order to improve the ability of SMEs to engage in trade and investment among the Parties;

(f) report regularly its activities and make appropriate recommendations to the Joint Committee for its consideration.

(g) consider any other matter arising under the Agreement pertaining to SMEs as the Parties may agree.

(h) [EU: SME Contact Points shall meet as necessary and shall carry out their work through the communication channels decided by the Parties, which may include electronic mail, videoconferencing, or other means.]

3. [EU: SME Contact Points) [MCS: Working Group] may seek to collaborate with experts and external organizations, as appropriate, in carrying out its programmes and activities.

[MCS. Article 4: Cooperation on SMEs

1. The Parties agree to strengthen cooperation that contributes to the implementation of this Agreement and to make the most of it with the aim of optimizing its results, expanding opportunities and obtaining the greatest benefits for the Parties.

2. The Parties recognizes the importance of MSMEs for the economic development, employment and trade, and the importance to cooperate to reduce non-tariff barriers, which place a disproportionate burden on SMEs.

3. [EU: proposes referring to the TBT chapter] The European Union agrees to offer technical assistance to MERCOSUR to provide expertise, technical assistance and capacity building initiatives focused on trade needs of SMEs in the areas of technical regulations, standardization and conformity assessment. This includes activities to facilitate the comprehension and compliance with European Union requirements, in particular by SMEs from Mercosur].

[MCS. Article 5: Trade Facilitation

1. The Parties agree that their respective import, export and transit provisions and procedures will:

(a) take into account, whenever possible, the characteristics and special needs of SMEs; and

(b) provide effective, prompt, non-discriminatory and easily accessible procedures to guarantee the right to appeal customs administrative rulings and decisions affecting imports, exports or goods in transit.]