

This document contains a new EU proposal for a legal text on Small and Medium Enterprises (SMEs) in the Trade Part of the EU-Mercosur Association Agreement. It has been tabled for discussion with Mercosur. The actual text in the final agreement will be a result of negotiations between the EU and Mercosur. The EU reserves the right to make subsequent modifications to this proposal.

SME chapter in the trade pillar of the EU-Mercosur Association Agreement

Article 1. Information sharing

1. Each Party shall establish or maintain its own publicly accessible website or webpage 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 or webpage provided for in paragraph 1 to:

- (a) the equivalent website or webpage of the other Party; and
- (b) the websites or webpages 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.

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 (EU):

- (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.

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, in accordance with the WTO Customs Valuation Agreement;
- (i) 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.

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.

6. Each Party shall ensure that information set out in this article is presented in a manner that is easy to use for SMEs. Each Party shall make the information available in English.

7. No fee shall apply for access to the information provided pursuant to paragraphs 1 to 4 for any person in either Party.

Article 2: SME Contact Points on SME Issues

1. The Parties hereby establish an SME Contact Point on each side.

2. The SME Contact Points on SME Issues shall:

- (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;
- (c) monitor the implementation of the provisions on information sharing of Article 1 to ensure that the information provided by the Parties is up-to-date and relevant for SMEs. The SME Contact Points may recommend additional information that the Parties may include in their websites or webpages to be maintained in accordance with Article 1;
- (d) 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;

[Note: appropriate provisions for contacts with the SME Contact Points shall be placed in the other Chapters/Titles]

- (e) submit a regular report of its activities and make appropriate recommendations to the Joint Committee for its consideration.
- (f) consider any other matter arising under the Agreement pertaining to SMEs as the Parties may agree.

3. 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.

4. SME Contact Points may seek to collaborate with experts and external organizations, as appropriate, in carrying out its programs and activities.

Article 3:

The Parties recognise 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.