

**EU DRAFT TEXTUAL PROPOSALS RELATED TO AGRICULTURE IN TRADE PART
OF EU-MERCOSUR ASSOCIATION AGREEMENT**

TITLE [X]

TRADE IN GOODS

CHAPTER 1

MARKET ACCESS FOR GOODS¹

Section: Agriculture

Article [..]

Cooperation in agriculture

[Note: The placement of this article is to be reviewed in light of discussions with Mercosur on the institutional structure.]

1. The Parties recall the prominent role of sustainability in its economic, social and environmental dimensions in agriculture and aim at developing a fruitful cooperation and dialogue on agricultural sustainability issues. The Parties recognise the differences of their respective agricultural sectors and the need to ensure that this Agreement does not adversely affect the agricultural diversity of the Parties.

2. The Parties recognise that their respective societal choices may differ with respect to public policy decisions affecting agriculture. In this regard, nothing in this Agreement will restrain the Parties from taking measures in conformity with GATT Article XX.

3. The areas of cooperation shall include, inter alia:

- sharing knowledge and experience in developing sustainable agricultural production methods, particularly with regards to organic production,
- measures, initiatives or agricultural policies aimed at the improvement of agricultural productivity, sustainable management of resources, climate change impact, nutrition, and any research activities in this field,
- sharing information and analysis about policy developments affecting agricultural trade, including for the purpose of preparation of an agricultural markets outlook,
- geographical indications, without prejudice to the relevant provisions in the [Chapter on Intellectual Property], and other quality policies, recognising their role in sustainable agriculture and rural development, and in the sector of small and medium-sized enterprises, and

¹ Cross references to definitions, relevant Committees/Subcommittees and other relevant provisions in other parts of the Title or the Agreement will be added at a later stage.

- collaboration on research and innovation and sharing of best practices to secure viable food production in the face of growing world food demand and at the same time ensure sustainable management of natural resources.

Article [...]

Cooperation in Multilateral and Other Fora

[Note: The placement of this article is to be reviewed in light of discussions with Mercosur on the institutional structure.]

1. The Parties shall work together to promote a universal, rules-based, open, non-discriminatory and equitable multilateral trading system *[SDG 17.10]*, advance agriculture negotiations in the WTO and promote any new disciplines facilitating trade, and consider that this Agreement constitutes a significant contribution in that respect.
2. The Parties acknowledge the efforts undertaken in international fora to enhance global food security and nutrition and sustainable agriculture and commit to actively engage in cooperation in those fora with a view to contributing, by 2030, to ending hunger and all forms of malnutrition *[SDG 2.1, 2.2]*.
3. The Parties also recognise that export prohibitions, export restrictions or export taxes may exacerbate volatility, increase prices and have a detrimental effect on critical supplies of agricultural goods to the Parties and to other trading partners. In this respect and in addition to the prohibitions set out in [Article XXX of this Agreement relating to export taxes and export restrictions], the Parties undertake to support the establishment of disciplines through a coordinated approach in the relevant international fora.
4. The Parties also commit to work together towards achievement of Agenda 2030 for Sustainable Development in the agri-food sector, notably sustainable development goals (SDGs) 2, 1, 12, 17 and other relevant SDGs. In particular, they will encourage and promote effective public, public-private and civil society partnerships, building on the experience and resourcing strategies of partnerships foreseen in SDG 17.

Article [...]

Export Competition

1. For the purposes of this Article, “export subsidies” shall mean subsidies referred to in Article 1 (e) of the WTO Agreement on Agriculture and other subsidies listed in Annex I of Subsidies and countervailing measures (“Illustrative List of Export Subsidies”) that may be applied to agricultural goods², subject to paragraph 2.
2. “Measures with equivalent effect” are export credits, export credit guarantees or insurance programmes, as well as other measures that have an equivalent effect to an export subsidy.

² Measures that may be applied to agricultural goods are for example fiscal incentives (tax credits) which do not comply with the limits set out in items (g) or (h) of Annex I (Illustrative list of export subsidies) in connection with footnote 1 of Article 1 in the Agreement on Subsidies and Countervailing Measures.

3. The Parties reaffirm their commitment expressed in the 2015 Nairobi Ministerial Declaration on Export Competition to exercise utmost restraint with regard to any recourse to all forms of export subsidies and all export measures with equivalent effect.

4. No Party shall maintain, introduce or reintroduce export subsidies or other measures with equivalent effect on an agricultural good that is exported or incorporated in a product that is exported to the territory of the other Party or the territory of a non-Party with which both Parties will have concluded a preferential trade agreement or arrangement by the time of entry of this Agreement into force or at any time thereafter, and where the non-Party will have granted preferences on that agricultural good for the benefit of both Parties. This paragraph shall not apply to export financing support as referred to in paragraph 5 and for which paragraphs 5 to 7 apply.

For greater clarity, should this Agreement enter into force before the end of 2023, i.e. the date specified in paragraph 8 of the Ministerial Decision of 19 December 2015 of the 10th Ministerial Conference in Nairobi, no Party shall be entitled to continue to benefit from the provisions of Article 9.4 of the Agreement on Agriculture.

5. The Parties shall continue to comply with any other export subsidy obligations under this Agreement and any relevant WTO Agreement, including the Agreement on Subsidies and Countervailing Measures³. In addition, a Party shall not grant export credits⁴, export credit guarantees or insurance programmes ("export financing support") for exports of an agricultural good, provided by entities referred to in paragraph 6, destined to the territory of the other Party or the territory of a non-Party referred to in paragraph 4, where the non-Party has granted preferences on that agricultural good for the benefit of both Parties, unless this export financing support complies with the terms and conditions laid down in paragraph 7. The export credits, export credit guarantees and insurance programmes shall comprise:

- (a) direct financing support, comprising direct credits/financing, refinancing, and interest rate support;
- (b) risk cover, comprising export credit insurance or reinsurance and export credit guarantees;
- (c) government-to-government credit agreements covering the imports of agricultural products from the creditor country under which some or all of the risk is undertaken by the government of the exporting country; and
- (d) any other form of governmental export credit support, direct or indirect, including deferred invoicing and foreign exchange risk hedging.

6. The provisions of this Article shall apply to export financing support provided by or on behalf of the following entities, hereinafter referred to as "export financing entities", whether such entities are established at the national or at the sub-national level:

- (a) government departments, agencies, or statutory bodies;

³ However, the second paragraph of item (k) of Annex I to the Agreement on Subsidies and Countervailing Measures shall not be applicable in the case of agricultural products.

⁴ The export credits defined in this paragraph do not include working capital financing to the suppliers.

- (b) any financial institution or entity engaged in export financing in which there is governmental participation by way of equity, provision of funds, loans or underwriting of losses;
- (c) agricultural export state trading enterprises; and
- (d) any bank or other private financial, credit insurance or guarantee institution which acts on behalf of or at the direction of governments or their agencies.

7. Export financing support shall be provided in conformity with the terms and conditions set out below.

- (a) **Maximum repayment term:** the maximum repayment term for export financing support under this Agreement, this being the period beginning at the starting point of credit⁵ and ending on the contractual date of the final payment, shall be no more than [180 days]. This shall apply from the entry into force of this Agreement. Existing contracts which have been entered into prior to the entry into force of the Agreement and are operating on a longer timeframe than that defined in the preceding sentence, shall run their course until the end of their contractual date, provided that they are not extended and that they are notified to the other Party.

On the date of entry into force of the agreement, for Paraguay, the maximum repayment term shall be [360 days]. Two years after entry into force, the maximum repayment term for Paraguay shall be [270 days]. The [180 day] period shall apply for Paraguay four years after entry into force of the Agreement.

- (b) **Self-financing:** export financing support as specified in sub-paragraphs 5 (b) (c) and (d) above shall be self-financing. For this support premiums shall be charged and be risk-based. Where premium rates charged under a programme are inadequate to cover the operating costs and losses of that programme over a previous 4-year rolling period, this shall, in and of itself, be sufficient to determine that the programme is not self-financing. In addition, the programs shall cover the long-term operating costs and losses of a programme in the sense of item (j) of the Illustrative List of Annex I of the Agreement on Subsidies and Countervailing Measures.

For Paraguay, the self-financing period referred to above shall be a 6-year rolling period.

International food aid

8. The Parties agree that the **international food aid transactions** destined for the territory of the Parties or the territory of a non-Party with which both Parties have concluded a preferential trade agreement or made a similar arrangement, as well as for the territory of a least developed country, shall be provided in cash and fully grant form with the exception of clearly defined emergency situations.

⁵ The “starting point of a credit” shall be no later than the weighted mean date or actual date of the arrival of the goods in the recipient country for a contract under which shipments are made in any consecutive six-month period.

Emergency situation refers to a situation where:

- (a) there has been a declaration of an emergency by the recipient country or by the Secretary-General of the United Nations; or
- (b) there has been an emergency appeal from a country; a relevant United Nations agency, including the World Food Programme and the United Nations Humanitarian Programme Cycle; the International Committee of the Red Cross or the International Federation of Red Cross and Red Crescent Societies; a relevant regional or international intergovernmental agency; a non-governmental humanitarian organization of recognized standing traditionally working in conjunction with the former bodies; and in either case, there is an assessment of need coordinated under the auspices of a relevant United Nations agency, including the World Food Programme; the International Committee of the Red Cross or the International Federation of Red Cross and Red Crescent Societies. Needs assessment should be done with the involvement of the recipient government and may involve a relevant regional intergovernmental organization or an NGO, but while the latter bodies may be so involved, this is in a context where they are in coordination with the relevant United Nations agency or ICRC/IFRCRCS as the case may be.

State Trading Enterprises

9. Pursuant to Article [on STEs in the general text on Trade in Goods,] in order to ensure the elimination of trade-distorting practices with respect to agricultural exporting state trading enterprises as described above, the Parties shall eliminate, in parallel and in proportion to the elimination of all forms of export subsidies including those related to food aid and export credits:

- (i) export subsidies, defined by Article 1(e) of the Uruguay Round Agreement on Agriculture, which are currently provided, consistently with existing obligations under Article 3.3 of the Uruguay Round Agreement on Agriculture, to or by an agricultural exporting state trading enterprise;
- (ii) government financing of agricultural exporting state trading enterprises, preferential access to capital or other special privileges with respect to government financing or re-financing facilities, borrowing, lending or government guarantees for commercial borrowing or lending, at below market rates; and
- (iii) government underwriting of losses, either directly or indirectly, losses or reimbursement of the costs or write-downs or write-offs of debts owed to, or by agricultural exporting state trading enterprises on their export sales.
- (iv) by the date of entry into force of this Agreement, the use of agricultural export monopoly powers for such enterprises.

10. The Parties reaffirm their commitment in the 2013 Bali Ministerial Declaration and strengthened by the 2015 Nairobi Ministerial Declaration to enhance transparency and to improve monitoring in relation to all forms of export subsidies and all export measures with equivalent effect. To this end, upon request of the other Party, a Party shall provide necessary information on measures applied on an agricultural good destined to the territory of the other Party or the territory of a non-Party referred to in paragraph 4. As regards export subsidies that may be applied on agricultural goods in accordance with the Illustrative List of Export

Subsidies, if a Party has a reasonable doubt that they do not comply with the criteria on that List and, in particular, with footnote 1 of Article 1 of the Agreement on Subsidies and Countervailing Measures, and it considers they may have a distorting effect on trade between the Parties and the non-Parties referred to in paragraph 4, the affected Party may request additional information that the other Party shall provide without delay.

11. If a Party maintains, introduces or reintroduces subsidies or other measures with equivalent effect on the export of agricultural goods to the other Party or the territory of a non-Party referred to in paragraph 4, which are not in compliance with this Article, the affected Party may resort to the Dispute Settlement proceedings as provided for in [Title XX-Dispute Settlement].

Article [...]

[Sub-committee] on Agriculture

[Note: The placement of this article is to be reviewed in light of discussions with Mercosur on the institutional structure.]

1. The Parties hereby establish a Sub-committee on Agriculture comprised of representatives of each Party. The Sub-committee on Agriculture shall report to the [Trade] Committee.
2. The Sub-committee on Agriculture shall:
 - (a) monitor and promote cooperation on the implementation and administration of Section [on Agriculture], in order to facilitate the trade in agricultural goods between the Parties;
 - (b) provide a forum for the Parties to discuss developments of domestic agricultural programs and trade in agricultural goods between the Parties;
 - (c) address barriers, including those of non-tariff nature, in trade in agricultural goods between the Parties;
 - (d) evaluate the impact of this Agreement on the agricultural sector of each Party, as well as the operation of the instruments of this Agreement, and recommend any appropriate action to the [Trade] Committee;
 - (e) consult on matters related to Section [on Agriculture] in coordination with other relevant committees, working groups or any other specialised body under this Agreement;
 - (f) undertake any additional work that the [Trade] Committee may assign to it; and
 - (g) report and submit for consideration of the [Trade] Committee the results of its work under this paragraph.
3. The Sub-committee on Agriculture shall meet at least once a year unless the Parties decide otherwise. When special circumstances arise, upon request of a Party, the Sub-committee shall meet at the Agreement of the Parties no later than 30 days following the date of such request. Meetings of the Sub-committee on Agriculture shall be chaired by representatives of the Party hosting the meeting.
4. The Sub-committee on Agriculture shall adopt all decisions by consensus.

ANNEX [X]⁶

TRADE IN WINE PRODUCTS AND SPIRITS

Article 1
Scope and coverage

This Section applies to wine products and spirits falling under headings 2204 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
Winemaking practices

1. The European Union shall authorise the importation and marketing in its territory for human consumption of wine products originating in Mercosur and produced in accordance with:

(a) product definitions authorised in Mercosur by laws and regulations referred to in Part A1(a) of Section 1 of this Annex,

(b) oenological practices and restrictions authorised in Mercosur under laws and regulations referred to in Part A1(b) of Section 1 of this Annex or otherwise approved for use in wines for export by the competent authority, in so far as they are recommended and published by the International Organisation of the Vine and Wine, hereafter referred to as the “OIV”, and

(c) additional oenological practices and restrictions jointly accepted by the Parties under the conditions provided for in Part A1(c) of Section 1 of this Annex.

2. Mercosur shall authorise the importation and marketing in its territory for human consumption of wine products originating in the European Union and produced in accordance with:

(a) product definitions authorised in the European Union by laws and regulations referred to in Part B1(a) of Section 1 of this Annex,

(b) oenological practices and restrictions authorised in the European Union by laws and regulations referred to in Part B1(b) of Section 1 of this Annex, in so far as they are recommended and published by the OIV, and

(c) additional oenological practices and restrictions jointly accepted by the Parties under the conditions provided for in Part B1(c) of Section 1 of this Annex.

⁶ Cross references to definitions, relevant Committees/Subcommittees and other relevant provisions in other parts of the Title or the Agreement will be added at a later stage.

3. The Parties may jointly decide, by way of amendment to Section 1, to add, delete or modify references to product definitions, and oenological practices and restrictions. Such decisions shall be adopted by the Committee referred to in Article 5 according to its procedures.

4. In respect of oenological practices, the Parties reconfirm their WTO undertakings in relation to national treatment and the most favoured nation principle, having regard in particular to their undertakings in Article x of the Agreement.

Article 3
Labelling

1. No Party shall require any of the following dates 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;
- d. date of expiration, use by date, use or consume by date, expire by date;
- e. date of minimum durability best-by-date, best quality before date; or
- f. sell-by-date,

except that 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.

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

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

4. No Party shall require the removal of lot identification codes from wine and spirit containers or labels provided that they are not misleading to consumers and irrespective of:

- a. Where on the containers or labels, or packaging the lot identification codes are placed provided they are not placed so as to obscure mandatory information; and
- b. The specific font size, type, and formatting for the codes.

5. No Party shall apply a measure to wines and spirits that were entered into commerce in the Party's territory prior to the date on which the measure entered into force, except under exceptional circumstances.

6. 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.

7. Spirits shall not be subject to allergen labelling with regard to allergens which have been used in the manufacture and preparation of the spirit and are not present in the final product.

Article 4
Certification of wines and spirits

1. For wine products and spirits imported from Mercosur and placed on the market in the European Union, the documentation and certification that may be required by the European Union shall be limited to that set out in Part A2 of Section 1 of this Annex.

2. For wine products and spirits imported from the European Union and placed on the market in Mercosur, the documentation and certification that may be required by Mercosur shall be limited to that set out in Part B2 of Section 1 of this Annex.

Article 5
[Sub-Committee on trade in wines and spirits]

[Note: The placement of this article is to be reviewed in light of discussions with Mercosur on the institutional structure.]

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 Protocol, 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 may modify Appendix I of this Annex, including modifications pursuant to their cooperation under Article 6(1).

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

Article 6
Cooperation

1. Without prejudice to the relevant provisions in the Chapter on Intellectual Property, the Parties shall address issues related to geographical indications and trade in wines and spirits, and in particular:

- product definitions, certification and labelling of wines;
- use of grape varieties in winemaking and labelling thereof;
- product definitions, certification and labelling of spirits;
- the Parties may discuss issues of mutual concern relating to products classified under HS 2205.

Article 7
Applicable rules

Unless otherwise provided for in this Annex or in other provisions of this Agreement, importation and marketing of products covered by this Protocol, traded between the Parties shall be conducted in compliance with the laws and regulations applying in the territory of the Party of importation.

Article 8
Transitional measures

Product which, at the date of entry into force, has 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.

Section 1

Importation and marketing of wine products and spirits

Part A
Products originating in Mercosur

Part A.1 Oenological practices and restrictions and product definitions referred to in Article 2(1).

For the purposes of Article 2 and Section 1, part A.1(a), the term “product definitions” does not cover production methods or oenological practices and restrictions, which are covered by paragraphs (b) and (c).

The addition of alcohol spirit is excluded for all wines other than liqueur wines, to which only grape spirit may be added.

- (a) Laws and regulations concerning product definitions:

.....

- (b) Laws and regulations concerning oenological practices and restrictions:
.....
- (c) Additional oenological practices and restrictions:
.....

Part A.2. Documentation and certification referred to in Article 4 (1).

Certification documents and analysis report

- (a) The European Union shall authorise the importation in its territory of wines in accordance with the rules governing the import certification documents and analysis reports as provided for according to the terms of the Appendix hereto.
- (b) The European Union agrees not to submit the import of wine originating in the territory of Mercosur to more restrictive import certification requirements than any of those laid down in this Annex.
- (c) The European Union shall authorise the importation in its territory of spirits in accordance with the rules governing the import certification document and analysis reports as provided for in this internal legislation.

Part B
Products originating in the European Union

Part B.1. Oenological practices and restrictions and product definitions referred to in Article 11(2).

The addition of alcohol spirit is prohibited for all wines other than liqueur wines, to which only grape spirit may be added.

- (a) Laws and regulations concerning product definitions:
- Council Regulation (EC) No (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671), in particular production rules in the wine sector, in accordance with Articles 75, 80, 81, 83 and 91 and Annex VIII, Part I and II of that Regulation.
 - Commission Regulation (EC) No 606/2009 laying down certain detailed rules for implementing Council Regulation (EC) No 479/2008 as regards the categories of grapevine products, oenological practices and the applicable restrictions (OJ L 193, 24.7.2009, p. 1), in particular Article 2 and Annex I and III of that Regulation.
 - Commission regulation (EC) No 607/2009 of 14 July 2009 laying down certain detailed rules for the implementation of Council Regulation (EC) No 479/2008 as regards protected designations of origin and geographical indications, traditional

terms, labelling and presentation of certain wine sector products (OJ L 193, 24.7.2009, p. 60), in particular Articles 7, 57, 58, 64 and 66 and Annexes XIII, XIV and XVI of that Regulation.

(b) Laws and regulations concerning oenological practices and restrictions:

- Council Regulation (EC) No (EU) No 1308/2013 of the European Parliament and of the Council of 17 December 2013 establishing a common organisation of the markets in agricultural products and repealing Council Regulations (EEC) No 922/72, (EEC) No 234/79, (EC) No 1037/2001 and (EC) No 1234/2007 (OJ L 347, 20.12.2013, p. 671), in particular production rules in the wine sector, in accordance with Articles 75, 80, 81, 83 and 91 and Annex VIII, Part I and II of that Regulation, including subsequent modifications.
- Commission Regulation (EC) No 606/2009 laying down certain detailed rules for implementing Council Regulation (EC) No 479/2008 as regards the categories of grapevine products, oenological practices and the applicable restrictions (OJ L 193, 24.7.2009, p. 1), including subsequent modifications.

(c) Additional oenological practices and restrictions:

1. Calcium sulphate

Calcium sulphate may be used for "vino generoso (de licor)", limits of 2.5 g/l as potassium sulphate in the final product (point A(2)(b) of Annex III of Regulation (EC) No 606/2009).

2. Carboxymethylcellulose (CMC)

Carboxymethylcellulose (CMC) may be used for red wine for tartaric stabilisation, up to a limit of 100 mg/l, pending a determination by the OIV of its admissibility in wine making.

3. 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), subject to the exclusion of use of these products in a reconstituted form in wines covered by this Protocol.

3. Addition of water

The addition of water in winemaking is excluded, except where required on account of a specific technical necessity.

5. Fresh lees

Fresh lees may be used under specific and limited conditions (point 21 of annex I A of Regulation (EC) No 606/2009).

6. Tannin

Tannins may be used on a temporary basis (point 25 of Annex I A of Regulation (EC) No 606/2009), pending a determination by the OIV of its admissibility in wine making as antioxidant and stabilizer.

Part B.2. Documentation and certification referred to in Article 4(2).

Certification documents and analysis report

(a) Mercosur shall authorise the importation in its territory of wines in accordance with the rules governing the import certification documents and analysis reports as provided for according to the terms of the Appendix hereto.

(b) Mercosur agrees not to submit the import of wine originating in the territory of the European Union to more restrictive import certification requirements than any of those laid down in this Annex.

(c) Mercosur shall authorise the importation in its territory of spirits in accordance with the rules governing the import certification document and analysis reports as provided for in this internal legislation.

Part C**Specific rules on importation, labelling and marketing applicable to products of either Party imported into the other Party**

1. Vine varieties

Vine varieties that may be used in wines imported and marketed in the territory of the Parties are varieties of plants of *Vitis vinifera* and hybrids of *Vitis vinifera* without prejudice to any more restrictive legislation which a Party may have in respect of wine produced on its territory. The import and marketing of wine obtained from the varieties Clinton, Herbemont, Isabelle, Jacquez, Noah and Othello shall be prohibited.

2. The following names are protected with regard to wines and spirits:

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

(b) [to be completed if needed].

3. Mutual assistance between enforcement authorities

(a) Each Party shall designate the bodies and authorities to be responsible for the application of this Annex. Where a Party designates more than one competent body, it shall ensure the coordination of the work of those bodies. For this purpose, a single liaison authority shall be designated.

(b) The Parties shall inform one another of the names and addresses of the bodies and authorities referred to in paragraph (a) not later than six months after the date of entry into force of this Protocol. There shall be close and direct cooperation between those bodies.

(c) The bodies and authorities referred to in paragraph (a) shall seek ways of improving assistance to each other in the application of this Annex in order to combat fraudulent practices.

4. Safeguard provisions

(a) 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.

(b) 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.

APPENDIX to Section 1
Importation and marketing of wine products and spirits

1. Pursuant to Part A.2 (a) and Part B.2 (a) of this Annex, 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:

- total alcoholic strength by volume
- actual alcoholic strength by volume
- total dry extract
- total acidity, expressed as tartaric acid
- volatile acidity, expressed as acetic acid
- citric acidity
- residual sugar
- total sulphur dioxide.

2. The Parties shall mutually determine the specific details of these rules, in particular the forms to be used and the information to be given⁷.

3. In applying paragraph 6 of Part C of Section 1, 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.

[END]

⁷ To be done through a decision of the Sub-Committee established under Article 5.