

*This **TEXTUAL PROPOSAL** is the European Union's initial proposal for legal text on "Small and Medium-Sized Enterprises" in TTIP. It was tabled for discussion with the US in the negotiating round of (19-23 May 2014) and made public on 7 January 2015. The actual text in the final agreement will be a result of negotiations between the EU and US.*

TEXTUAL PROPOSAL

SMALL AND MEDIUM-SIZED ENTERPRISES

[Note: The following draft text covers a part of the intended content of the SME chapter. Other provisions will be drafted for discussion at a later date.]

For inclusion in Agreement preamble:

Recognizing that small and medium-sized enterprises (SMEs) contribute significantly to economic growth, employment, and innovation, and further recognizing the existing robust dialogue on ways to increase SMEs' participation in trade and the cooperative work on SMEs, the Parties seek to continue to support the growth and development of SMEs by enhancing their ability to participate in and benefit from the opportunities created by this Agreement;

Chapter X

Small and Medium-Sized Enterprises (SMEs)

Article X.1: Cooperation to Increase Trade and Investment Opportunities for SMEs

1. The Parties shall continue and build upon the robust dialogue commenced under the auspices of the Transatlantic Economic Council on ways to increase SMEs' participation in trade and exchange best practices (EU-U.S. SME Dialogue) and the cooperative work on SMEs of the International Trade Administration of the U.S. Department of Commerce and the Directorate General for Enterprise and Industry of the European Commission, which manages the Enterprise Europe Network, pursuant to the Memorandum of Understanding Concerning Support for SMEs (SMEs MOU).
2. In order to enhance SME trade between the Parties and strengthen cooperation in specific areas, including areas identified in the 2012 Joint Statement on EU- U.S. SME Workshops, the Parties shall:
 - (a) exchange information with a view to increasing transatlantic linkages and business opportunities between regional innovation clusters;
 - (b) continue work through the Transatlantic Intellectual Property Rights Working Group to develop and make available tools and resources related to intellectual property rights to inform SMEs and improve their competitiveness;

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- (c) develop ways to facilitate SMEs' access to information on EU and U.S. regulations and other requirements, including through a single information point;
 - (d) exchange on good regulatory practices that contribute to improved business environment;
 - (e) explore opportunities for linkages and exchanges between EU and U.S. entrepreneurial programs, for example, support measures for young entrepreneurs, women entrepreneurs, senior entrepreneurs and other relevant programs;
 - (f) exchange information on initiatives providing access to finance to support emerging growth companies and/or encouraging venture capital and investments in small companies in order to increase SMEs' competitiveness in international markets and expand bilateral trade among EU and U.S.- based small businesses;
 - (g) exchange information on best practices for increasing the ability of SMEs to do business in the other Party; and
 - (h) address other topics, as decided by the Parties, taking into consideration, among other things, topics that SMEs recommend to the Parties.
3. The Parties may work together, as appropriate, on the matters described in paragraph 2 through the EU - U.S. SME Dialogue, the SMEs MOU, the Committee on SME Issues established in Article X.4 (Committee on SME Issues) or any other means as the Parties may decide.

Article X.2: 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.

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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 provide information that can be useful to any person interested in trading, investing, or doing business in that Party.
3. With respect to paragraph 2(b) such information shall include, covering both the central level and lower level than Federal (US) or Union (EU):
 - (a) customs regulations and procedure 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 and documents required for importation into, exportation from, or transit through the customs territory of that Party;
 - (b) regulations and procedures concerning intellectual property rights;
 - (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 use 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) information on programs supporting SMEs internationalisation; and
 - (h) other information which the Party considers may be of assistance to SMEs.

[Provisions concerning the publication of regulations concerning services as well as foreign investment may be added pending further consultations.]

4. With respect to paragraph 2(b), each Party shall provide at least the following information concerning access to its market, covering both the central level and lower level than Federal (US) or Union (EU), by tariff nomenclature code through a searchable online database:

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(a) Tariff measures and tariff related information:

- i. rates of duty (most-favoured nation (MFN), "erga omnes" rate (countries not MFN), preferential rates, quotas and tariff quotas);
- ii. tariff nomenclature related excise duties;
- iii. tariff nomenclature related taxes (value added tax / sales tax);
- iv. tariff nomenclature related customs or other fees;
- v. other tariff measures;
- vi. rules of origin;
- vii. duty drawback, deferral, or other types of relief that reduce, refund, or waive customs duties;
- viii. criteria used to determine the customs value of the good, in accordance with the WTO Customs Valuation Agreement;
- ix. country of origin marking requirements, including placement and method of marking.

b) Tariff nomenclature related non-tariff measures:

- i. tariff nomenclature information needed for import procedure;
- ii. 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 and 2 that it maintains on its website or webpage to ensure they are up-to-date and accurate.

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

Article X.3: Other provisions

[Text to be drafted.]

Article X.4: Committee on SME Issues

[Text to be drafted.]