

CHAPTER 22

INSTITUTIONAL PROVISIONS

ARTICLE 22.1

Trade Council

1. A Trade Council is hereby established to oversee the fulfilment of the objectives of this Agreement and supervise its implementation. The Trade Council shall address the matters covered by this Agreement and shall examine any major issue arising within the framework of this Agreement.
2. The Trade Council shall be composed of representatives of the European Union, on the one side, and of each of the Signatory MERCOSUR States, on the other, at ministerial level with responsibility for trade and trade-related matters, or their designees.
3. The Trade Council shall meet at ministerial level at regular intervals, at least every 2 (two) years or on an ad-hoc basis as mutually agreed. It may also meet via teleconference, video-conference or through other means, as mutually agreed by the Parties.
4. The Trade Council shall adopt its own rules of procedure and the rules of procedure of the Trade Committee.

5. The Trade Council shall be co-chaired by one representative of the European Union and one representative of MERCOSUR in accordance with the provisions laid down in its rules of procedure taking into consideration the specific issues to be addressed at any given session.

6. The Trade Council shall have the power to:

- (a) oversee the fulfilment of the objectives of this Agreement and supervise its implementation;
- (b) discuss any matter covered by this Agreement and, without prejudice to Chapter 21, address any major issue arising from its implementation;
- (c) take decisions and make appropriate recommendations to the Parties as provided for in this Agreement;
- (d) adopt, through decisions, interpretations of the provisions of this Agreement which shall be binding on the Parties and all subcommittees and other bodies set up under this Agreement, including panels established under Chapter 21;
- (e) take such other action in the exercise of its functions as the Parties may agree; and
- (f) adopt decisions to amend, in fulfilment of the objectives of this Agreement:
 - (i) Annex 2-A in accordance with Article 2.4(9);
 - (ii) Appendix 2-D-1 in accordance with Article 2(6) of Annex 2-D;

- (iii) Appendix 2-D-2 in accordance with Article 4(3) of Annex 2-D;
- (iv) Appendix 2-D-3 in accordance with Article 5(4) of Annex 2-D;
- (v) Chapter 3 in accordance with Article 3.34;
- (vi) Section A of Annex 5-A in accordance with Article 5.8(9);
- (vii) Annex 6-A in accordance with Article 6.18;
- (viii) Annexes 12-A to 12-E in accordance with Article 12.26;
- (ix) Annexes 12-F to 12-J in accordance with Article 12.12;
- (x) Annex 13-A in accordance with Article 13.39;
- (xi) Annex 13-B in accordance with Article 13.39;
- (xii) Annex 13-C in accordance with Article 13.39;
- (xiii) Annex 13-E, in accordance with Article 13.39;
- (xiv) Annex 17-A, in accordance with Article 17.7;
- (xv) Annexes 21-A and 21-B in accordance with Article 21.22; and

(xvi) any other provision, Annex, Appendix or Protocol, for which the possibility of such decision is explicitly foreseen in this Agreement.

7. Unless the Parties agree otherwise, 3 (three) years after the entry into force of this Agreement, and every 5 (five) years thereafter, the Trade Council shall initiate a review process of this Agreement. Based on the outcome of each review, the Trade Council shall deliberate on the need to amend this Agreement.

8. The decisions adopted by the Trade Council shall be binding on the Parties, which shall take all necessary measures to implement them. The decisions referred to in point (f) of paragraph 6 shall be subject to Article 23.5(2). All decisions and recommendations of the Trade Council shall be adopted by agreement of the Parties and in accordance with the rules of procedure of the Trade Council.

9. The Trade Council may delegate to the Trade Committee any of its functions, including the power to take decisions, in accordance with the Trade Council's rules of procedure.

ARTICLE 22.2

Trade Committee

1. A Trade Committee is hereby established.

2. The Trade Committee shall be composed of representatives of the European Union, on the one side, and each of the Signatory MERCOSUR States, on the other, at senior official level with responsibility for trade-related matters, or their designees.

3. The Trade Committee shall be co-chaired by one representative of MERCOSUR and one representative of the European Union, taking into consideration the specific issues to be addressed in any given session.

4. The Trade Committee shall generally meet once a year on a date and with an

agenda agreed in advance by the Parties alternately in Brussels and in a Signatory MERCOSUR State. Additional meetings may also be convened by mutual agreement, at the request of either the European Union or MERCOSUR. It may also meet via teleconference, video-conference or through other means, as mutually agreed by the Parties.

5. The Trade Committee shall have the power to:

- (a) assist the Trade Council in the performance of its duties;
- (b) prepare the meetings of the Trade Council;
- (c) review the implementation of this Agreement including with a view to appraising its impacts on employment, investment and trade between the Parties; the review shall consider views or recommendations of civil society actors, including non-governmental organisations, business and employers' organisations, social movements and trade unions, taking into account in particular the provisions of Articles 22.5 to 22.7, consistent with each Party's laws and regulations;

- (d) take decisions as provided for in this Agreement or where such power has been delegated to it by the Trade Council; when exercising delegated powers, the Trade Committee shall take its decisions in accordance with the rules of procedure of the Trade Council;
- (e) supervise the work of all subcommittees established in accordance with this Agreement;
- (f) explore the most appropriate way to prevent or solve any difficulty that may arise in relation to the interpretation and application of this Agreement without prejudice to Chapter 21 (Dispute Settlement);
- (g) establish additional subcommittees, to allocate responsibilities within its competence to subcommittees, to decide to modify the functions of the subcommittees it establishes, including by assigning new ones, or to dissolve the subcommittees;
- (h) prepare decisions for adoption by the Trade Council, in compliance with the specific objectives of this Agreement, including the modifications referred to in point (f) of Article 22.1(6), or adopt such decisions in the intervals between the meetings of the Trade Council, or when the Trade Council cannot meet; and
- (i) take any other action in the exercise of its functions as the Parties may agree or as instructed by the Trade Council.

6. The decisions adopted by the Trade Committee shall be binding on the Parties, which shall take the measures necessary for the implementation of those decisions. Decisions as referred to in points (d) and (h) of paragraph 5 that introduce amendments to this Agreement shall be subject to Article 23.4(2). All decisions of the Trade Committee shall be adopted by agreement of the Parties.

ARTICLE 22.3

Subcommittees

1. The subcommittees shall be composed of representatives of the European Union, on the one part, and of each of the Signatory MERCOSUR States, on the other part.

2. The subcommittees shall meet at an appropriate level at the request of a Party, and, in any event, at least once a year. If in person, meetings shall be held alternately in Brussels and in one of the Signatory MERCOSUR States. The subcommittees may also meet via teleconference, video-conference or through other means, as mutually agreed by the Parties. The subcommittees shall be co-chaired by a representative of the European Union and a representative of MERCOSUR.

3. Each subcommittee shall agree on its meeting schedule and set its agenda by mutual consent.

4. The following subcommittees are hereby established under the auspices of the Trade Committee:

- (a) the Subcommittee on trade in goods;
- (b) the Subcommittee on trade in wine products and spirits;
- (c) the Subcommittee on customs, trade facilitation and rules of origin;
- (d) the Subcommittee on SPS matters;

- (e) the Subcommittee on dialogues on issues related to the agri-food chain;
- (f) the Subcommittee on trade in services and establishment;
- (g) the Subcommittee on government procurement;
- (h) the Subcommittee on intellectual property rights; and
- (i) the Subcommittee on trade and sustainable development.

5. With respect to issues related to their area of competence, the subcommittees shall have the power to:

- (a) monitor the implementation and ensure the proper functioning of this Agreement;
- (b) adopt by agreement of the Parties decisions and recommendations in respect of all matters where this Agreement so provides;
- (c) discuss issues arising from the implementation of this Agreement or of any supplementing agreement with a view to resolving them, without prejudice to Chapter 21; and
- (d) provide a forum for the Parties to exchange information, including discussing best practices and sharing implementation experience.

6. The tasks of the subcommittees are further defined as appropriate in the relevant Chapters of this Agreement and can be modified, if necessary, by decision of the Trade Committee.

7. The subcommittees shall conduct the preparatory technical work necessary to support the functions of the Trade Council and the Trade Committee, including when those bodies have to adopt decisions or recommendations.

8. The subcommittees shall report on their activities to the Trade Committee. The existence of a subcommittee shall not prevent the Parties from bringing any matter directly to the Trade Committee.

9. The Trade Committee shall adopt rules of procedure which determine the composition, duties and functioning of the subcommittees and other bodies.

ARTICLE 22.4

Coordinators of the Agreement

1. The European Union and each Signatory MERCOSUR State shall each appoint a Coordinator and notify the other Party thereof within 30 (thirty) days following the entry into force of this Agreement.

2. The coordinators shall:

(a) prepare the agenda and coordinate the preparation of the meeting of the Trade Council and the Trade Committee in accordance with Articles 22.1 and 22.2;

- (b) follow up on the decisions adopted by the Trade Council or the Trade Committee, as appropriate;
- (c) act as contact points to facilitate communication between the Parties on any matter covered by this Agreement, unless otherwise provided in this Agreement;
- (d) receive any notification and information submitted under this Agreement, including any notification or information submitted to the Trade Council or the Trade Committee, unless otherwise provided in this Agreement; and
- (e) fulfil any other tasks as requested by the Trade Council or the Trade Committee.

ARTICLE 22.5

Relationship with civil society

- 1. In order to facilitate the implementation of this Agreement, the Parties shall promote consultations with civil society through the establishment of an appropriate consultation mechanism and the promotion of interaction between the representatives of their civil society.
- 2. The Parties shall promote the dialogue between the Economic and Social Committee, for the European Union, and the Consultative Social and Economic Forum, for MERCOSUR, and encourage their contribution to the mechanisms set out in Articles 22.6 and 22.7.

ARTICLE 22.6

Domestic Advisory Groups

1. The EU Party and the MERCOSUR Party shall each designate a Domestic Advisory Group, established in accordance with each Party's internal arrangements, to advise the Party concerned on issues covered by this Agreement. It shall be composed of a balanced representation of independent civil society organisations, including non-governmental organisations, business and employers' organisations and trade unions, active on economic, development, social, human rights, environmental and other matters.
2. The Parties shall promote a regular dialogue with their Domestic Advisory Group and shall consider views or recommendations submitted by their respective Domestic Advisory Group on the implementation of this Agreement.
3. In order to promote public awareness of the Domestic Advisory Groups, the EU Party and the MERCOSUR Party shall each make available to the public the list of organisations participating in consultations as well as the contact point for that group.

ARTICLE 22.7

Civil Society Forum

1. The Parties shall facilitate the organisation of a Civil Society Forum to conduct a public dialogue on the implementation of this Agreement and shall agree at the first meeting of the Trade Council on operational guidelines for the conduct of the Civil Society Forum.
2. The Parties may facilitate participation in the Civil Society Forum by virtual means.
3. The Civil Society Forum shall be open to the participation of independent civil society organisations established in the territories of either the EU Party or the MERCOSUR Party, including members of the Domestic Advisory groups referred to in Article 22.6. The Parties shall promote a balanced representation, including, non-governmental organisations, business and employers' organisations and trade unions active on economic, development, social, human rights, environmental and other matters.
4. The representatives of the Parties participating in the Trade Council or the Trade Committee, as appropriate, shall take part in a session of the meeting of the Civil Society Forum in order to present information on the implementation of this Agreement and to engage in a dialogue with the Civil Society Forum.