

*This document contains an EU proposal for a legal text on the management of preferential treatment in the Trade Part of a possible modernised EU-Mexico Association Agreement. It has been tabled for discussion with Mexico. The actual text in the final agreement will be a result of negotiations between the EU and Mexico. The EU reserves the right to make subsequent modifications to this proposal.*

## **EU-Mexico Free Trade Agreement**

### **EU TEXTUAL PROPOSAL**

#### **Specific provision concerning the management of preferential treatment**

##### *Article X*

#### **Specific measures concerning the management of preferential treatment**

1. The Parties shall co-operate in preventing, detecting and combating breaches of customs legislation related to the preferential treatment granted under this [Title/Chapter], by providing each other administrative co-operation and mutual administrative assistance in accordance with their obligations under the Protocol on Rules of Origin and the Protocol on Mutual Administrative Assistance in Customs Matters.
2. A Party may, in accordance with the procedure laid down in paragraph 3, temporarily suspend the relevant preferential treatment of the products concerned when:
  - (a) a Party has made a finding, on the basis of objective information, that breaches of customs legislation related to the preferential treatment granted under this [Title/Chapter] have been committed, and
  - (b) the other Party repeatedly refuses or otherwise fails to comply with its obligations referred to in paragraph 1.
3. When the conditions referred to in paragraphs 2 (a) and 2 (b) are met, the Party concerned shall, without undue delay, notify the [Joint Committee] thereof and enter into consultations with the other Party within the [Joint Committee] with a view to reaching a solution acceptable to both Parties.
  - Where the Parties have failed to agree on an acceptable solution within three months following the notification, the importing Party may decide to suspend temporarily the relevant preferential treatment of the products concerned.
  - The importing Party may apply the temporary suspension only for a period necessary to protect its financial interests, and not exceeding six months. Where the conditions that gave rise to the initial suspension persist at the expiry of the six month period, the importing Party may decide to renew the suspension.

- The Party concerned shall notify the temporary suspension to the [Joint Committee] without undue delay. The pending suspensions shall be subject to periodic consultations within the Joint Committee.

4. Each Party shall publish, in accordance with its internal procedures, notices to importers about any notification to the [Joint Committee] and decision concerning temporary suspensions referred to in paragraph 3.