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Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, and provisional application of the Partnership Agreement between the European Union and its Member States, of the one part, and the Common Market of the South, the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the Oriental Republic of Uruguay, of the other part

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Reasons for and objectives of the proposal**

The attached proposal constitutes the legal instrument for authorising the signature and provisional application of the Partnership Agreement between the European Union and its Member States, and the Common Market of the South, the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the Oriental Republic of Uruguay (hereinafter referred to as ‘the EU-MERCOSUR Partnership Agreement’).

Relations between the European Union (‘EU’) and MERCOSUR¹ are currently based on the Interregional Framework Cooperation Agreement between the European Community and its Member States, and the Southern Common Market and its Party States, signed in Madrid, on 15 December 1995.

On 13 September 1999, the Council of the European Union authorised the European Commission to open negotiations with MERCOSUR and adopted negotiating directives. The negotiations were conducted in consultation with the Council Working Party on Latin America and the Caribbean. The Trade Policy Committee was consulted on the trade-related parts of the Agreement.

The negotiations took more than 25 years. The negotiation of the trade-related parts was initially concluded in June 2019 and of the political and cooperation part, in June 2020. During 2023 and 2024, the EU and Mercosur negotiated additional elements, in particular the Annex to the Trade and Sustainable Development Chapter, including reinforced commitments on deforestation as well as provisions granting Mercosur more flexibility on some industrial policy related commitments (e.g. public procurement). The EU and MERCOSUR concluded the negotiations of the Partnership Agreement on 6 December 2024 in Montevideo, Uruguay.

The outcome is an ambitious agreement which goes well beyond the 1995 Framework Agreement, responding to today’s global challenges. The EU-MERCOSUR Partnership Agreement will boost strategic political and economic ties between like-minded and reliable partners, based on shared universal values such as democracy and human rights. It is a modern agreement which stands for open and rules-based trade, countering protectionism and promoting sustainable development. It will open up opportunities for major mutual gains through strengthened cooperation. It will be an important step towards strengthening ties between partners of choice and enhancing the role of the European Union in South America.

The negotiated texts of the political and cooperation parts of the EU-MERCOSUR Partnership Agreement were sent to Council Working Group on Latin America in April 2025. The negotiated texts of the trade-related parts of the draft agreement were published by the Commission in August 2019 and in December 2024.

¹ The Common Market of the South (MERCOSUR for its Spanish initials) is a regional integration process, initially established by Argentina, Brazil, Paraguay and Uruguay, and subsequently joined by Venezuela (currently suspended) and Bolivia (in accession process). Only Argentina, Brazil, Paraguay and Uruguay are parties to the EU-MERCOSUR Partnership Agreement.

The negotiated outcome consists of two legal instruments:

1. the EU-MERCOSUR Partnership Agreement, including a) the Political and Cooperation pillar and b) the Trade and Investment pillar; and
2. the Interim Agreement on Trade, covering trade and investment liberalisation.

Both the EU-MERCOSUR Partnership Agreement and the Interim Agreement on Trade should be signed at the same time. Both agreements will enter into force on the first day of the month following the date on which the Parties have notified each other in writing of the completion of their respective internal procedures required for this purpose. The Interim Agreement on Trade will expire and be replaced by the EU-MERCOSUR Partnership Agreement upon entry into force of the latter, following ratification by all parties.

- **Consistency with existing policy provisions in the policy area**

The EU-MERCOSUR Partnership Agreement provides a comprehensive legal framework for EU-MERCOSUR relations and replaces the current Interregional Framework Cooperation Agreement between the European Community and its Member States, and the Southern Common Market and its Party States, signed in Madrid on 15 December 1995.

The EU-MERCOSUR Partnership Agreement is fully in line with the overall EU vision for its partnership with Latin America and the Caribbean, as outlined in the Joint Communication to the European Parliament and the Council of the European Union on a New Agenda for Relations between the EU and Latin America and the Caribbean, adopted on 7 June 2023. The EU presence in Latin America and the Caribbean through four outermost regions (French Guiana, Guadeloupe, Martinique and Saint Martin), as well as Overseas Countries and Territories, is an asset to this partnership.

In addition, the Trade and Investment Part of the EU-MERCOSUR Partnership Agreement is in line with the “Trade Policy Review – An Open, Sustainable and Assertive Trade Policy”, of February 2021, which anchors trade and investment policy to European and universal standards and values, alongside core economic interests, putting a greater emphasis on sustainable development, human rights, tax evasion, consumer protection, and responsible and fair trade.

- **Consistency with other Union policies**

The EU-MERCOSUR Partnership Agreement is fully consistent with European Union policies and will not require the EU to amend its rules, regulations or standards in any regulated area, e.g. technical rules and product standards, sanitary or phytosanitary rules, regulations on food and safety, health and safety standards, rules on genetically modified organisms, environmental protection or consumer protection.

The EU-MERCOSUR Partnership Agreement includes a chapter on Trade and Sustainable Development, which links the Agreement to overall objectives of sustainable development and specific objectives in the areas of labour, environment, and climate change.

Furthermore, the EU-MERCOSUR Partnership Agreement fully safeguards public services and ensures that governments’ right to regulate in the public interest is fully preserved and constitutes a basic underlying principle thereof.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The EU-MERCOSUR Partnership Agreement covers areas which fall within the scope of the common commercial policy, transport, development cooperation and of the economic, financial and technical cooperation with third countries. The legal basis of the proposed decision should therefore be Articles 91, 100(2), first subparagraph of 207(4), 209(2) and 212 of the Treaty on the Functioning of the European Union (TFEU).

Article 218(5) TFEU provides that the Council shall adopt a decision authorising the signing of the agreement and, if necessary, its provisional application before entry into force.

Article 218(8) TFEU provides that the Council is to act by qualified majority except for the circumstances listed in the second subparagraph of Article 218(8) TFEU where the Council is to act unanimously. Given the fact that the predominant components of the Agreement are trade policy, transport, and development, economic, financial and technical cooperation with third countries, the voting rule for this particular case is therefore qualified majority.

• Subsidiarity (for non-exclusive competence)

On 13 September 1999, the Council authorised the European Commission to negotiate with MERCOSUR. Therefore, action at the Union level was considered to be more effective than action at the national level.

Those parts of the EU-MERCOSUR Partnership Agreement that fall under EU competence shared with Member States, cover policy areas and elements that lend themselves to external action at the level of the Union. In the policy areas where regulatory action has been undertaken at the level of the Union, external exercise by the Union of the competence covered is inevitable (Article 3(2) TFEU). Additionally, in order to achieve meaningful cooperation and in order to be in a stronger negotiating position vis-à-vis MERCOSUR, it has been judged that action at the level of the Union was more desirable than action at the level of the individual Member States. Therefore, action at the Union level was considered to be more effective than action at the national level.

As regards the Trade and Investment part of the EU-MERCOSUR Partnership Agreement, the common commercial policy, in accordance with Article 3(1) of the TFEU, is an exclusive Union competence.

• Proportionality

This initiative pursues directly the objectives of the external action of the Union and contributes to the political priority of 'EU as a stronger global actor'. It is in line with the orientations of the EU Global Strategy, namely to engage with other countries and to revamp its external partnerships in a responsible way, in order to attain the EU's external objectives. It contributes to the trade and development objectives of the EU. The proposal is in line with the EU Green Deal.

Negotiations for the EU-MERCOSUR Partnership Agreement were carried out in accordance with the negotiating directives set out by the Council. The outcome of negotiations does not go beyond what is necessary to achieve the policy objectives set out in the negotiating directives.

- **Choice of the instrument**

This proposal for a Council decision is submitted in accordance with paragraph 5 of Article 218 TFEU, which envisages the adoption by the Council of a decision authorising the signing and the provisional application of the agreement. There exists no other legal instrument that could be used in order to achieve the objective expressed in this proposal.

3. RESULTS OF EX-POST EVALUATIONS, STAKEHOLDER CONSULTATIONS AND IMPACT ASSESSMENTS

- **Stakeholder consultations**

During the negotiations with MERCOSUR, a Sustainability Impact Assessment was commissioned from an external contractor to study the potential economic, social and environmental impact of the trade part of the agreement. That impact assessment fed into the negotiations and informed the negotiators and Commission services. The final report was published on 29 March 2021.

In preparing that impact assessment, the contractor consulted widely internal and external experts, organised public consultations and workshops, conducted online questionnaires and held bilateral meetings and interviews with civil society both in Europe and in MERCOSUR. Those consultations provided a valuable and effective platform for the involvement of key stakeholders and civil society, which participated in significant numbers.

Negotiations were carried out in consultation with the Council Working Party on Latin America and the Caribbean for the political and cooperation aspects of this Agreement, and in consultation with the Trade Policy Committee, for the trade aspects of this Agreement, as the special committee designated by the Council in accordance with Article 218(4) TFEU. The European Parliament was also regularly informed through the Committee on Foreign Affairs (AFET), the Committee on International Trade (INTA) and the MERCOSUR Monitoring Group. The texts resulting from the negotiations were circulated throughout the negotiation process to both institutions. The Commission also organised number of meetings and contacts with civil society (Civil Society Dialogues) to discuss progress and negotiating positions throughout the negotiations.

- **Collection and use of expertise**

The “*Sustainability Impact Assessment in Support of the Association Agreement Negotiations between the European Union and MERCOSUR*” was carried out by the external contractor London School of Economics Enterprise. It provides an examination of the potential economic, social, human rights and environmental impact of the trade agreement.

The “Economic Assessment of Negotiated Outcome” was carried out by Commission services following the conclusion of the negotiations and reflecting their outcome.

- **Impact assessment**

The Sustainability Impact Assessment consists of two complementary components. First, a robust analysis of the economic, social, human rights and environmental impacts, that the trade agreement under negotiation could have in the EU, in MERCOSUR countries and in other relevant countries. Second, a broad consultation process involving stakeholders both in

the EU and in MERCOSUR countries, providing opportunities for information gathering and sharing, consultation and dissemination of the results. The Impact Assessment provides valuable input to the process of designing possible flanking and mitigating measures, including via proposals in the study.

The report employs the dynamic version of the GTAP Model to study the impacts of two scenarios, one conservative and one more ambitious, with respect to the outcome of the negotiations in terms of tariff and non-tariff measures reductions by both parties. In the conservative scenario, GDP in the EU expands by EUR 10.9 billion (0.1%) and in MERCOSUR by EUR 7.4 billion (0.3%) by 2032, in comparison to the modelling baseline without the FTA. In the ambitious scenario, GDP in the EU expands by EUR 15 billion and in MERCOSUR by EUR 11.4 billion.

The Economic Assessment of Negotiated Outcome assesses the economic impact of the actual outcome of the negotiations. It is not based on assumptions regarding the expected outcome of the agreement, contrary to the Impact Assessment. The latter assessed the impact of two scenarios, one conservative and one ambitious, with respect to the outcome of the negotiations in terms of reductions of barriers to trade through tariff and non-tariff measures. The former estimates the economic impact based on the actual tariff and non-tariff measures concessions. It also takes into account that the fact that the UK is no longer in the EU. This explains the difference in estimated impact of the agreement in the economic assessment compared to the Impact Assessment. Furthermore, the economic assessment analysis is updated to include the most recent developments in the EU's trade policy.

- **Regulatory fitness and simplification (REFIT)**

The EU-MERCOSUR Partnership Agreement is not subject to REFIT procedures. It nevertheless contains a framework for simplified trade and investment procedures, reduced export and investment related costs and will therefore increase trade and investment opportunities for small and medium-sized enterprises in both markets.

Among the expected benefits are increased transparency, less burdensome technical rules, compliance requirements, customs procedures and rules of origin, enhanced protection of intellectual property rights and geographical indications, better access to government procurement tenders, as well as a special chapter to help SMEs use the opportunities offered under the Agreement.

- **Fundamental rights**

The proposal does not affect the protection of fundamental rights in the Union. On the contrary, the Parties undertake to cooperate on the promotion and protection of human rights, including with regard to the ratification and implementation of international human rights instruments, and to strengthen democratic principles and the rule of law, promoting gender equality and combatting discrimination in all its forms.

4. BUDGETARY IMPLICATIONS

The trade part of the Agreement will have a financial impact on the EU budget on the side of the revenues. It will lead to an estimated loss of duties of EUR 330 million at the entry into force of the Agreement. Once the Interim Trade Agreement is fully implemented in the EU (after 15 years from its entry into force) the yearly loss of duties is estimated to reach EUR 1 billion. This estimation is based on a projection of the evolution of trade for the next 15 years

without any agreement. Indirect positive impacts are expected in terms of an increase in resources linked to value added tax and gross national income.

5. OTHER ELEMENTS

- **Implementation plans and monitoring, evaluation and reporting arrangements**

The EU-MERCOSUR Partnership Agreement includes institutional provisions that establish joint bodies to continuously monitor its implementation, operation and impact.

The institutional structure of the EU-MERCOSUR Partnership Agreement is composed of a Joint Council, a Joint Committee and Sub-Committees and other bodies. The Joint Council will oversee the fulfilment of the objectives of this Agreement and supervise its implementation. The Joint Committee will assist the Joint Council in the performance of its duties and supervise the work of all Sub-Committees and other bodies established under the EU-MERCOSUR Partnership Agreement.

When discussing trade and investment matters, the Joint Council and the Joint Committee will meet in trade configuration. The institutional provisions of the Trade and Investment Part of the EU-MERCOSUR Partnership Agreement establish specific functions and tasks of the Joint Council and Joint Committee acting in trade configuration.

The Agreement establishes a Sub-Committee on International Cooperation and Development and a number of trade and investment related Sub-Committees. Further Sub-Committees or other bodies may be established by the Joint Council or Joint Committee to address specific tasks or subject matters.

The EU-MERCOSUR Partnership Agreement also includes a Civil Society Forum to allow the civil society on both sides to be heard on all the provisions in the Agreement.

- **Detailed explanation of the specific provisions of the proposal**

The EU-MERCOSUR Partnership Agreement creates a coherent, comprehensive, up-to-date legally binding framework for the EU's relations with MERCOSUR. It establishes a strong partnership, reinforces political dialogue and deepens and enhances cooperation on issues of mutual interest. At the same time, the EU-MERCOSUR Partnership Agreement will foster trade and investment by contributing to the expansion and diversification of economic and trade relations.

The EU-MERCOSUR Partnership Agreement is divided into four parts. Part I (General Principles and Institutional Framework) outlines the general principles and objectives of the Agreement and sets up its institutional framework, as described above.

Essential elements of the Agreement are: respect for democratic principles, human rights, fundamental freedoms and the principles of the rule of law, as well as the clause on non-proliferation of weapons of mass destruction (WMDs) and remaining a party in good faith of the United Nations Framework Convention on Climate Change and the Paris Agreement.

In Part II (Political Dialogue and Cooperation), the EU and MERCOSUR undertake to deepen dialogue and cooperate in the following areas:

- Democratic Principles, Human Rights and the Rule of Law and International Peace and Security

- Justice, Freedom and Security
- Sustainable Development
- Social, Economic and Cultural Partnership.

The Agreement puts emphasis on a wide range of crucial issues, including environmental protection, climate change, sustainable energy, rule of law, human and women's rights, responsible business conduct, labour rights and disaster risk reduction. Provisions in Part II will allow a more coordinated and common action in new areas such as public health, state modernisation, management of migration flows, non-proliferation of WMDs, money laundering or financing of terrorism and cybercrime.

This will translate into a stronger partnership at global level, e.g. concerning the agenda 2030, the action against climate change and on issues of global democratic governance and human rights, international migration, peace and security.

Part II also contains provisions to deepen the dialogue on international cooperation and development and to facilitate the implementation of this Agreement. The Agreement contains a Protocol on cooperation where the Parties commit to a cooperation partnership that will contribute to peace and prosperity, based on respect, trust, and shared values and interests, jointly addressing challenges and seizing opportunities arising from the EU-MERCOSUR Partnership Agreement.

Part III (Trade and Trade related matters) creates a coherent, comprehensive, up-to-date legally binding framework for the trade relations of the EU with MERCOSUR. It will foster trade and investment by contributing to the expansion and diversification of economic and trade relations.

Through this agreement, the EU aims to provide the best possible conditions for its operators on the MERCOSUR market. It goes beyond existing WTO commitments in many areas, such as trade in goods, services, government procurement, non-tariff barriers and the protection and enforcement of intellectual property rights, including geographical indications. In all of these areas, MERCOSUR countries agreed to significant new commitments in comparison to WTO terms. The agreement also contains advanced provisions on trade and sustainable development, including a strong commitment on deforestation.

The agreement satisfies the criteria of Article XXIV GATT (to eliminate duties and other restrictive regulations of commerce with respect to substantially all trade in goods between the parties), as well as of Article V GATS, which provides for a similar test with respect to services.

In line with the objectives set by the negotiating directives, Part III of the EU-MERCOSUR Partnership Agreement will offer:

1. The full removal, over time, of duties on 91% of goods that EU companies export to MERCOSUR. This will save over EUR 4 billion annually in duties. For example, MERCOSUR countries will remove high duties on industrial products, such as cars (35%), car parts (14 to 18%), machinery (14 to 20%), chemicals (up to 18%), clothing (up to 35%), pharmaceuticals (up to 14%), leather shoes (up to 35%) or textiles (up to 35%). The agreement will also progressively eliminate duties on EU food and drink exports, such as wine (27%), chocolate (20%), spirits (20 to 35%), biscuits (16 to 18%), canned peaches (55%) or soft drinks (20-35%). The agreement

will also provide duty-free access subject to quotas for EU dairy products (currently 28% tariff), notably for cheeses.

2. A balanced market opening by the EU, as the agreement will eliminate import duties on 92% of MERCOSUR goods exported to the EU. Sensitive agricultural products such as beef, sugar or poultry are only given preferential treatment in limited quantities via carefully calibrated tariff-rate quotas.
3. For Argentina, Uruguay and Paraguay, the agreement fully dismantles, or binds at zero, export taxes on raw materials and on industrial goods. It also reduces export taxes on agricultural goods (Argentina), or eliminates them (Uruguay, Paraguay and Brazil). For industrial goods, Brazil has bound at zero important raw materials needed for the EU's economic diversification (nickel, copper, aluminium, steel raw materials, steel, titanium). Brazil has maintained policy space to impose export duties on certain raw materials, in such cases, the EU has obtained preferences of at least 50% on any export tax introduced by Brazil in the future and a ceiling of 25%.
4. A robust bilateral safeguard mechanism that allows the EU and MERCOSUR to impose temporary measures to regulate imports in the event of an unexpected and significant increase in imports, which causes, or threatens to cause, serious injury to their domestic industry. These safeguards also apply to agricultural goods under the tariff-rate quota regime or can be limited to the territory of EU outermost regions, where relevant.
5. The highest standards for food safety, animal and plant health continue to apply to all products, irrespectively of whether they are produced domestically or imported into the EU. The precautionary principle applies. The agreement provides for reinforced cooperation with the authorities of the partner countries and faster flow of information about any potential risks through a more direct and efficient information and notification system.
6. A comprehensive chapter on trade and sustainable development, which aims at ensuring that trade supports environmental protection and social development. The chapter covers issues such as sustainable management and conservation of forests, respect for labour rights and promotion of responsible business conduct. It also includes specific dispute settlement provisions and a dedicated review mechanism. The chapter also includes an explicit commitment to effectively implement the Paris Agreement on Climate Change, which constitutes an essential element of the EU-MERCOSUR Partnership Agreement, and of the Interim Trade Agreement, therefore allowing a suspension of the latter if a Party leaves the Paris Agreement or stops being a party "in good faith". An Annex to the Trade & Sustainable Development Chapter contains commitments on deforestation by the Parties to take measures to stop further deforestation as of 2030. This is the first time that Parties to a trade agreement subject to dispute settlement take an individual legal commitment to stop deforestation. The Agreement also offers civil society organisations an active role to monitor the implementation of the agreement, including any environmental concerns.
7. New tendering opportunities for EU bidders with MERCOSUR countries, which are not members of the WTO Agreement on Government Procurement. This is the first time that MERCOSUR countries will open up their government procurement markets. EU companies will be able to tender for contracts with public authorities, such as central government ministries and other governmental and federal agencies, on an equal footing with companies from MERCOSUR countries.

8. The removal of technical and regulatory trade barriers to trade in goods, in particular by promoting the use of first-party certification and convergence through the use of international standards adopted by ISO, IEC, ITU and Codex Alimentarius, as well as by other international standard setting organisations in accordance with the common definition agreed by the EU and MERCOSUR. There is an agreement to reduce duplicative testing in the electronics sector in low-risk areas. There will also be a specific Motor Vehicles Annex promoting UNECE Regulations and reducing duplicative testing in the sector.
9. A comprehensive Annex with detailed provisions to facilitate trade in wine and spirits, covering recognition of winemaking practices, certification and labelling, in line with the most modern free trade agreements of the EU.
10. The opening of services sectors and facilitation of trade in services between the EU and MERCOSUR, both through local establishment and on a cross-border basis. The agreement covers a wide range of services sectors, including business services, financial services, telecommunications, maritime transport (for the first time MERCOSUR is opening maritime transport within the region), postal and courier services. It also includes commitments on establishment of enterprises, both in services and non-services sectors. It will ensure a level-playing field between EU service providers and their competitors in MERCOSUR. The 'right to regulate' in public interest is fully preserved, at all levels of government. The agreement also contains advanced provisions on the movement of professionals for business purposes, such as managers or specialists that EU companies post to their subsidiaries in MERCOSUR countries. There is also a substantive e-commerce chapter – a novelty for the MERCOSUR partners.
11. A high level of protection and enforcement of intellectual property rights including detailed provisions on copyright, trade secrets and enforcement providing for improved protection.
12. A high level of protection and enforcement for EU Geographical Indications, comparable to that of the EU, for 344 EU names of quality food, wine and spirits products.
13. A chapter dedicated to Small and Medium Enterprises to ensure that they fully benefit from the opportunities offered by the EU-MERCOSUR Partnership Agreement.
14. Efficient dispute resolution mechanisms, either through panel arbitration or with the help of a mediator. The dispute settlement chapter includes new provisions modelled on the WTO non-violation complaint - if a party considers that a measure of the other party nullifies or substantially impairs its benefits under the agreement, it can ask a panel to rule on this question.

Part IV (Final Provisions) includes *inter alia* a procedure for addressing cases of failure by a Party to fulfil its obligations under the Agreement and provisions on entry into force and amendments of the Agreement.

The Agreement is concluded for an indefinite period of time and, upon its entry into force, replaces the Interim Agreement on Trade.

All provisions of Part I (General Principles and Institutional Framework) and IV (Final Provisions) should be proposed for provisional application with the exception of the provisions relating to the interaction with the Interim Trade Agreement. All provisions of

Part II (Political Dialogue and Cooperation) should also be proposed for provisional application, except those related to consular protection and tax matters.

Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union, and provisional application of the Partnership Agreement between the European Union and its Member States, of the one part, and the Common Market of the South, the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the Oriental Republic of Uruguay, of the other part

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 91(1), 100(2), first subparagraph of Article 207(4), Article 209(2) and Article 212, in conjunction with Article 218(5) thereof,

Having regard to the proposal from the European Commission,

Whereas:

- (1) On 13 September 1999, the Council authorised the European Commission to open negotiations on an Agreement with the Common Market of the South and its State Parties consisting of political, cooperation and trade parts.
- (2) The negotiations were successfully concluded on 6 December 2024.
- (3) Therefore, the Partnership Agreement between the European Union and its Member States, of the one part, and the Common Market of the South, the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the Oriental Republic of Uruguay, of the other part ('the Agreement') should be signed on behalf of the Union, subject to its conclusion at a later date.
- (4) Certain provisions of the Agreement should be applied on a provisional basis, pending the completion of the procedures necessary for its entry into force.
- (5) The Agreement does not, in accordance with Article 30.9 thereof, within the Union, confer rights or impose obligations on persons, other than those created between the Parties under public international law,

HAS ADOPTED THIS DECISION:

Article 1

1. The signing on behalf of the Union of the Partnership Agreement between the European Union and its Member States, of the one part, and the Common Market of the South, the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the

Oriental Republic of Uruguay, of the other part, is hereby authorised, subject to the conclusion of the said Agreement.

2. The text of the Agreement is attached to this Decision.

Article 2

1. Pending its entry into force, in accordance with Article 30.2 of the Agreement and subject to the notifications provided for therein, the following parts of the Agreement shall be applied provisionally between the Union and the Common Market of the South ('MERCOSUR') and/or one or more of the signatory MERCOSUR States:

- Chapter 1 – with the exception of subparagraph d) of Article 1.4
- Chapter 2– with the exception of paragraph 4 of Article 2.2, paragraph 5 of Article 2.3 and paragraph 5 of Article 2.4
- Chapter 3 – with the exception of paragraphs 3 to 7 of Article 3.2
- Chapter 4
- Chapter 5
- Chapter 6 – with the exception of Article 6.6 (consular protection)
- Chapter 7
- Chapter 8 - with the exception of Article 8.4 (tax matters)
- Chapter 30- with the exception of paragraph 1 of Article 30.1, paragraph 2 of Article 30.4, paragraph 2 of Article 30.5 and paragraph 5 of Article 30.6.
- The Protocol on Cooperation, as attached to this Agreement

2. The date from which the above parts of the Agreement are to be provisionally applied shall be published in the *Official Journal of the European Union* by the General Secretariat of the Council.

Article 3

This Decision shall enter into force on the day of its adoption.

Done at Brussels,

For the Council
The President