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NOTE

From:	General Secretariat of the Council
To:	Permanent Representatives Committee
No. prev. doc.:	14922/25
Subject:	Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL implementing the bilateral safeguard clause of the EU-Mercosur Partnership Agreement and the EU-Mercosur Interim Trade Agreement for agricultural products - Analysis of the final compromise text with a view to agreement

I. INTRODUCTION

1. On 8 October 2025, the European Commission submitted the above-mentioned proposal (ST 13733/25 + ADD 1) to the Council.

2. The aim of the proposal is to incorporate into European Union law the safeguard provisions included in the EU-MERCOSUR Partnership Agreement and the EU-MERCOSUR Interim Trade Agreement, in relation to agricultural products. It lays down procedures to guarantee the timely and effective implementation of bilateral safeguard measures for agricultural products. It includes specific provisions as regards certain sensitive agricultural products.

3. The bilateral safeguard clauses allow for the temporary withdrawal of tariff preferences to counteract possible negative impacts of the tariff reductions, including for products whose market access is constrained by the limits contained in tariff rate quotas.

4. On 19 November 2025, the Permanent Representatives Committee confirmed the Commission proposal without amendments and notified the European Parliament accordingly.

5. On 8 December 2025, the European Parliament's Committee on International Trade (INTA) voted several amendments to the Commission proposal. On 16 December 2025, the plenary adopted the INTA amendments as well as some additional amendments.

6. On 17 December a trilogue was held which led to an agreement with the European Parliament on the text reproduced in the annex.

II. ELEMENTS OF THE FINAL COMPROMISE TEXT

7. Several open issues were discussed during the trilogue, and a compromise was reached.

8. The Presidency successfully blocked any amendment contrary to the provisions of the agreements with Mercosur.

9. As regards production standards and reciprocity in SPS measures, the Commission proposed a statement recalling all the initiatives in this area.

10. The Presidency considers this to be a balanced compromise package that fully takes into account the main concerns expressed by delegations.

III. CONCLUSIONS

11. In light of the above, the Permanent Representatives Committee is therefore invited to:

- examine and approve the final compromise text as set out in Annex I to this note with a view to reaching an agreement at first reading with the European Parliament;

- authorise the Chair of the Permanent Representatives Committee to send a letter to inform the Chair of the European Parliament's Committee on International Trade (INTA) that, should the European Parliament adopt its position at first reading on the text of the proposal in the exact form as set out in the annex to this note, and subject to revision of that text by the lawyer linguists of both institutions, the Council will approve the European Parliament's position and the act will be adopted in the wording which corresponds to the European Parliament's position.

- Take note of the Commission statement as contained in the Annex II

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ANNEX I

2025/0322 (COD)

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

implementing the bilateral safeguard clause of the EU-Mercosur Partnership Agreement and the EU-Mercosur Interim Trade Agreement for agricultural products

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THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union, and in particular Article 207(2) thereof,

Having regard to the proposal from the European Commission,

After transmission of the draft legislative act to the national parliaments,

Acting in accordance with the ordinary legislative procedure,

Whereas:

(1) The EU-Mercosur Interim Trade Agreement (hereinafter referred to as the ITA) and the EU-Mercosur Partnership Agreement (hereinafter referred to as the EMPA) grant to products originating in or destined to Mercosur countries preferential treatment and include bilateral safeguard clauses for the temporary withdrawal of tariff preferences. The specificities of some agricultural products subject to these Agreements, as well as the vulnerable situation of the Union's outermost regions as referred to in Article 349 of the Treaty on the Functioning of the European Union (TFEU) require ad hoc provisions.

(2) The EMPA and the ITA aim to protect Union producers of sensitive commodities in the agriculture sector by limiting preferences to tariff rate quotas.

(3) The Union maintains its right to take global safeguard measures in accordance with the WTO Agreement and the ITA and EMPA.

(4) The Union is determined to make swift and effective use of the bilateral safeguard clauses to counteract possible negative impacts of the tariff reductions pursuant to the EMPA and the ITA, including for products whose market access is constrained by the limits contained in tariff rate quotas.

(5) It is necessary to lay down procedures to guarantee the effective implementation of the bilateral safeguard clauses for agricultural products.

(6) A delay in applying justified safeguard measures could lead to injury to EU farmers in one or more Member States that could be difficult to remedy.

(7) It is therefore appropriate to lay down specific procedures consistent with the Agreement to guarantee a timely implementation of the bilateral safeguard clauses in the EMPA and the ITA as regards certain sensitive agricultural products.

(8) Safeguard measures are only to be considered where the product in question is imported into the Union in such increased quantities, in absolute terms or relative to Union production, and under such conditions as to cause or threaten to cause serious injury to Union producers of like or directly competing products. Safeguard measures should take one of the forms referred to in the Agreement.

(9) The follow up and review of the ITA and the EMPA, the conduct of investigations and, where appropriate, the imposition of safeguard measures, should be carried out in the most transparent manner possible.

(10) Member States should inform the Commission of any trends in imports which might call for the imposition of safeguard measures.

(11) The reliability of statistics relating to all imports from the countries concerned to the Union is crucial when determining whether the conditions for the imposition of safeguard measures are met.

(12) The close monitoring of any sensitive products should facilitate timely decisions concerning the possible initiation of investigations and the subsequent imposition of safeguard measures. Therefore, the Commission should ~~regularly~~***constantly and proactively*** monitor imports of any sensitive products from the date of entry into force of the ITA or the EMPA. Monitoring should be extended to other products or sectors if the

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relevant Union industry makes a duly justified request to the Commission. ***The Commission should present a monitoring report at least every six months, containing its assessment of the impact of imports of sensitive products benefitting from preferential market access under the Agreement, including data on import volumes and prices for all sensitive products.***

(13) It is also necessary to set time limits for the initiation of investigations and for determinations as to whether safeguard measures are appropriate, with a view to ensuring that such determinations are made quickly, thereby increasing legal certainty for the economic operators concerned.

(14) In critical circumstances, the Commission is to swiftly impose provisional safeguard measures.

(15) Safeguard measures should be applied only to the extent, and for such time as necessary to prevent serious injury and to facilitate adjustment. The maximum duration of safeguard measures should be determined, and specific provisions regarding the extension and review of such measures should be laid down.

(16) In order to amend the Annex to this Regulation, the power to adopt acts in accordance with Article 290 of the TFEU should be delegated to the Commission in respect of amending the list of products identified as sensitive. It is of particular importance that the Commission carry out appropriate consultations during its preparatory work, including at expert level, and that those consultations be conducted in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making (2). In particular, to ensure equal participation in the preparation of delegated acts, the European Parliament and the Council receive all documents at the same time as Member States' experts, and their experts systematically have access to meetings of Commission expert groups dealing with the preparation of delegated acts.

(17) The implementation of the bilateral safeguard clauses and the putting in place of transparent criteria for the temporary suspension of tariff preferences provided for in the Agreement require uniform conditions for the adoption of provisional and definitive safeguard measures, the imposition of prior surveillance measures, the termination of an investigation without measures, and the temporary suspension of the tariff preferences.

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(18) In order to ensure uniform conditions for the implementation of this Regulation, implementing powers should be conferred on the Commission. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council (3).

(19) The advisory procedure should be used for the adoption of prior surveillance measures and provisional safeguard measures, given the effects of those measures and their sequential logic in relation to the adoption of definitive safeguard measures. The examination procedure should apply to the imposition of definitive safeguard measures and for the review of such measures.

(20) The Commission should adopt immediately applicable implementing acts where imperative grounds of urgency so require if, in duly justified cases, a delay in the imposition of provisional safeguard measures would cause damage which would be difficult to repair or in order to prevent a negative impact on the Union market as a result of an increase in imports.

(21) Provision should be made for the treatment of confidential information so that business secrets are not disclosed.

(22) The Commission should submit an annual report to the European Parliament and the Council on the application of the safeguard measures,

HAVE ADOPTED THIS REGULATION:

Article 1

Subject matter and scope

This Regulation lays down provisions for the implementation, for agricultural products, of the bilateral safeguard clauses contained in the EMPA and the ITA.

Upon a duly justified request by the Union industry concerned, or on its own initiative, the Commission may amend the Annex as regards the list of sensitive products.

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Article 2

Definitions

For the purposes of this Regulation:

1. ‘Agreement’ means the ITA and, after its entry into force the EMPA;

2. ‘bilateral safeguard clause’ means a provision relating to the temporary suspension of tariff preferences that is set out in the bilateral safeguard measures chapter of the Agreement;

3. ‘interested parties’ means parties affected by the imports of the product, including:

   (i) exporters or foreign producers or importers of a product subject to investigation, or a trade or business association a majority of whose members are producers, exporters or importers of such product;

   (ii) the government of the exporting Party; and

   (iii) producers of the like or directly competitive product in the importing Party or a trade and business association a majority of whose members produces the like or directly competitive product in the territory of the importing Party;

4. ‘Union industry’ means either the Union producers as a whole of the like or directly competitive product who operate within the territory of the Union or Union producers whose collective output of the like or directly competitive product normally constitutes more than 50% and in exceptional circumstances not less than 25% of the total production of such product;

5. ‘serious injury’ means a significant overall impairment to the position of the Union industry;

6. ‘threat of serious injury’ means a serious injury that is clearly imminent, based on facts and not merely on allegation, conjecture or remote possibility;

7. ‘products’ means agricultural products listed in Annex 1 to the WTO Agreement on Agriculture subject to tariff reduction commitment as indicated in the Appendix 2-A-1, Tariff Elimination Schedule for the European Union of the Agreement;

8. ‘sensitive products’ means products referred to in the Annex;

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9. "like or directly competitive product" means:

(i) a product which is identical, meaning alike in all aspects, to the product under consideration;

(ii) another product which, although not alike in all aspects, has characteristics closely resembling those of the product under consideration; or

(iii) a product which directly competes within the internal market of the importing Party, given its degree of substitutability, basic physical characteristics and technical specifications, final uses and channels of distribution;

this list of factors is not exhaustive nor can one or several of these factors necessarily give decisive guidance;

10. 'transition period' means:

(i) 12 years from the date of entry into force of the Agreement; or

(ii) for goods for which the Tariff Elimination Schedule of the Union provides for tariff elimination in 10 years or more, 18 years from the date of entry into force of the Agreement;

11. 'country concerned' means MERCOSUR as a sole entity or one or more MERCOSUR States that are parties to the Agreement.

Article 3

Principles

1. A safeguard measure may be imposed in accordance with this Regulation where a product originating in a country concerned is imported into the Union:

(a) in such increased quantities, in absolute terms or relative to Union production or consumption; and

(b) under such conditions, as to cause or threaten to cause serious injury to the Union industry; and

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(c) the increase of imports is the result of the effect of obligations incurred under the Agreement, including of the reduction or the elimination of the customs duties on that product.

2. A safeguard measure may take one of the following forms:

(a) a suspension of a further reduction of the rate of customs duty on the product concerned provided for in the Annex 2-A, Tariff Elimination Schedule of the Agreement with the country concerned;

(b) an increase in the rate of customs duty on the product concerned to a level which does not exceed the lesser of:

(c) the most-favoured-nation applied rate of customs duty on the product concerned in effect at the time the safeguard measure is taken; or

(d) the base rate of customs duty as specified in the Annex 2-A, Tariff Elimination Schedule of the Agreement with the country concerned.

Article 4

Monitoring

1. The Commission shall ~~regularly~~***constantly and proactively*** monitor the Union market of sensitive products, in particular as regards import and export trends, production and price developments***, with the support of the Union market observatories established by Regulation (EU) No 1308/2013 of the European Parliament and of the Council***[1]. For that purpose, the Commission shall cooperate and exchange data with Member States***, the European Parliament*** and the Union industry on a regular basis.[1] ***Regulation (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, ELI: http://data.europa.eu/eli/reg/2013/1308/oj).***

2. The Commission shall rapidly assess the market situation based on the monitoring referred to in paragraph 1, by linking a possible increase in imports for the relevant sensitive

products with the evolution of production and/or consumption, price and market share on the Union market, as well as exports from the Union.

2a. ***Upon a duly justified request by the Union industry concerned, the Commission may extend the scope of the monitoring referred to in paragraph 1 to any products other than those referred to in the Annex.***

2b. ***Cooperation and exchange of data shall be carried out both vertically, between the Commission and the Member States, and horizontally, between the Member States.***

2c. ***No later than one month before the entry into force of the Agreement , the Commission shall make available to Member States the technical parameters and types of data that can be monitored in markets at national level.***

3. The Commission shall present a monitoring report to the European Parliament and to the Council ***at least*** every six months containing its assessment of the impact of imports of sensitive products benefitting from preferential market access under the Agreement. ~~Such reports~~***That report*** shall cover the Union market and, if relevant, also cover the ***specific*** situation in one or several Member States.

Article 5

Initiation of an investigation

1. An investigation shall be initiated by the Commission at the request of a Member State, of any natural or legal person that is acting on behalf of the Union industry, or of any association not having legal personality that is acting on behalf of the Union industry, where there is sufficient prima facie evidence of serious injury or the threat of serious injury to the Union industry, as determined on the basis of factors referred to in Article 7(5).

2. Requests for the initiation of an investigation shall contain the following information:

   (a) the name and description of the imported product concerned, its tariff heading and the tariff treatment in force, as well as the name and description of the like or directly competitive product;

(b) the names and addresses of the producers or association that submit the request, if applicable;

(c) if reasonably available, a list of all known producers of the like or directly competitive product;

(d) the production volume of producers submitting or represented in the application and an estimation of the production of other known producers of the like or directly competitive product;

(e) the rate and amount of the increase in imports of the product concerned, in absolute and relative terms, for at least over the 36 months prior to the date of the presentation of a request to initiate an investigation, for which information is available;

(f) the level of import prices during the same period as well as the price of like or directly competitive products; and

(g) the share of the domestic market taken by the increased imports, and the changes regarding the Union industry with respect to the level of sales in the domestic market, production, inventories, prices for the Union market, productivity, capacity utilisation, profits and losses, and employment, for at least the last 36 (thirty-six) months previous to the presentation of the request, for which information is available.

3. The scope of the product that is subject to the investigation may cover one or several tariff lines or one or several subsegments of one or several tariff lines, depending on the specific market circumstances, or may follow any product segmentation commonly applied in the Union industry.

4. An investigation may also be initiated where there is a surge of imports concentrated in one or several Member States, provided that there is sufficient prima facie evidence of serious injury or the threat of serious injury to the Union industry, as determined on the basis of factors referred to in Article 7(5).

5. The Commission shall provide a copy of the request to initiate an investigation to the Member States before it initiates the investigation.

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6. Where it is apparent to the Commission that there is sufficient prima facie evidence to justify the initiation of an investigation, the Commission shall initiate the investigation and shall publish a notice on initiation of investigation (the 'notice of initiation') in the Official Journal of the European Union. The investigation shall be initiated within one month of the Commission receiving the request pursuant to paragraph 1.

7. In line with the Agreement, the notice of initiation shall include the following information:

(a) the name of the applicant;

(b) the complete description of the imported product under investigation and its classification under the Harmonized System;

(c) the deadline for the request for hearings;

(d) the deadlines to register as an interested party and for the submission of information, statements and other documents;

(e) the address where the application and other documents related to the investigation can be examined;

(f) the name, address and email address or telephone or fax number of the institution which can provide further information;

(g) a summary of the facts on which the initiation of the investigation was based, including data on imports that have allegedly increased in absolute or relative terms to total production and an analysis of the domestic industry situation based on all the elements conveyed in the application.

Article 6

Initiation of an investigation for sensitive products

1. Without prejudice to Article 5, an investigation that concerns sensitive products shall be initiated by the Commission without delay, where there is sufficient prima facie evidence, for example obtained by means of the monitoring and market situation assessment referred to in Article 4 (1) and (2), of serious injury or the threat of serious injury to the Union

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industry, including where it may be geographically concentrated in one or several Member States.

2. The Commission shall examine, as a matter of priority, whether such prima facie evidence exists in cases where there is a surge of imports or a decrease in domestic prices concentrated in one or several Member States, or where there is a surge of imports or a decrease in the price of a product and the Union producers of like or directly competitive products are predominantly established in one or several Member States.

3. The Commission shall treat, in the absence of contrary indications, an increase in volume of more than ~~10% year-on-year,~~***8% compared to the three-year average*** as a rule, of the imports under preferential terms of a given product from a country concerned as prima facie evidence of serious injury***,*** or the threat of serious injury to ***the*** Union industry, if, at the same time, the average import price for those imports from a country concerned is at least ~~10%~~***8%***, as a rule, below the relevant average domestic price of like or directly competitive products during the same period, based on available data.

4. The Commission shall treat, in the absence of contrary indications, a decrease of more than ~~10% year-on-year~~***8% compared to the three-year average***, as a rule, in the average import price of a given product from a country concerned imported into the Union on preferential terms as prima facie evidence of serious injury or the threat of serious injury to ***the*** Union industry, if at the same time the average import price for that product from a country concerned is at least ~~10%~~***8%***, as a rule, below the relevant average domestic price of like or directly competitive products during the same period, based on available data.

4a. The Commission shall not be limited to the quantitative thresholds set out in this Article when establishing prima facie evidence of serious injury. Clear indications of a deterioration in the economic situation of the industry, across the Union or at Member State level, including sustained decreases in domestic prices, may be sufficient to demonstrate prima facie evidence of serious injury and may warrant the initiation of an investigation.

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Article 7

Conduct of investigation

1. Following the publication of the notice of initiation in accordance with Article 5 (6) and (7), the Commission shall initiate an investigation.

2. The Commission may request Member States to supply information, and Member States shall take all necessary steps to give effect to any such requests. If the requested information is of general interest and is not confidential within the meaning of Article 13, it shall be added to the non-confidential file as provided for in paragraph 9 of this Article.

3. Where possible, the investigation shall be concluded within six months from the date on which the notice of initiation is published in the Official Journal of the European Union. That time limit may be extended by a further period of three months in exceptional circumstances, such as the involvement of an unusually high number of interested parties or complex market situations. The Commission shall notify all interested parties of any such extensions and explain the reasons therefor. Where an investigation concerns sensitive products, the Commission shall conclude it as soon as possible, with the aim of taking a final decision within four months from the date on which the notice of initiation is published in the Official Journal of the European Union.

4. The Commission shall seek all information that it considers necessary to determine the conditions set out in Article 3(1) and shall, where appropriate, verify that information.

5. The Commission shall evaluate all relevant ***economic indicators and*** factors of an objective and quantifiable nature that affect the situation of the Union industry, in particular the rate and amount of the increase in imports of the product concerned in absolute and relative terms, the share of the domestic market taken by the increased imports, and changes regarding the Union industry with respect to the level of sales, ***including prices,*** production, productivity, capacity utilisation, profits and losses, and employment. This list is not exhaustive, and the Commission may take other relevant factors into consideration for its determination of the existence of serious injury or threat of serious injury, such as stocks, ~~prices,~~ return of capital employed, cash flow, the level of market shares, and other factors which are causing or may have caused serious injury, or threaten to cause serious injury to the Union industry.

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6. Interested parties who have submitted information pursuant to point (d) of Article 5(7) and representatives of the country concerned may, upon written request, inspect all information obtained by the Commission in connection with the investigation, other than internal documents prepared by the Union authorities or authorities of the Member States, provided that such information is relevant to the presentation of their case, is not confidential within the meaning of Article 13, and is used by the Commission in the investigation. Interested parties may also communicate their views on such information. Where there is sufficient prima facie evidence in support of those views, the Commission shall take them into consideration.

7. The Commission shall ensure that all data and statistics which are used for the investigation are representative, available, comprehensible, transparent and verifiable.

8. As soon as the necessary technical framework is in place, the Commission shall ensure password-protected online access to the non-confidential file (the 'online platform'), which it shall manage and through which all information which is relevant and is not confidential within the meaning of Article 13 shall be disseminated. Interested parties, Member States and the European Parliament shall be granted access to the online platform.

9. The Commission shall hear interested parties, in particular where they have made a written application within the period laid down in the notice of initiation published in the Official Journal of the European Union demonstrating that they are likely to be affected by the outcome of the investigation and that there are special reasons for them to be heard orally. The Commission shall hear interested parties on further occasions if there are special reasons therefore.

10. The Commission shall facilitate access to the investigation for diverse and fragmented industry sectors, which are largely composed of small and medium-sized enterprises (SMEs), through a dedicated SME Helpdesk, for example by raising awareness, by providing general information and explanations on procedures and on how to submit a request, by releasing standard questionnaires in all official languages of the Union and by replying to general, non-case-specific queries. The SME Helpdesk shall make available standard forms for statistics to be submitted for standing purposes and questionnaires.

11. Where information is not supplied within the time limits set by the Commission, or where the investigation is significantly impeded, the Commission may reach a decision on the

basis of the available facts. Where the Commission finds that any interested party or any third party has supplied it with false or misleading information, it shall disregard that information and may make use of the facts available.

12. The Commission shall have in place the office of the Hearing Officer whose powers and responsibilities are set out in a mandate adopted by the Commission and who shall safeguard the effective exercise of the procedural rights of the interested parties.

13. The Commission shall notify the country concerned in writing of the initiation of an investigation.

Article 8

Prior surveillance measures

1. The Commission may adopt prior surveillance measures with regard to imports of a product from a country concerned where the trend of imports of that product is such that it could lead to one of the situations referred to in Articles 3, 5 and 6. Those prior surveillance measures shall be adopted by means of implementing acts in accordance with the advisory procedure referred to in Article 18(2).

2. Prior surveillance measures shall be valid for a limited period. Unless otherwise provided, they shall cease to be valid at the end of the second six-month period following the first six months after the introduction of those measures.

Article 9

Imposition of provisional safeguard measures

1. The Commission shall adopt provisional safeguard measures in critical circumstances where a delay is likely to cause damage which would be difficult to repair, making immediate action necessary, pursuant to a preliminary determination by the Commission on the basis of the factors referred to in Article 7(5) that there is sufficient prima facie evidence that a product originating in the country concerned is imported:

   (a) in such increased quantities, in absolute terms or relative to Union production; and

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(b) under such conditions, as to cause or threaten to cause serious injury to the Union industry; and

(c) the increase of imports is the result of the reduction or the elimination of the customs duties on that product.

2. Those provisional safeguard measures shall be adopted by means of implementing acts in accordance with the advisory procedure referred to in Article 18(2).

3. In case of sensitive products, provisional safeguard measures shall be adopted in accordance with the procedure referred to in Article 18(4) without delay and in any event within a maximum of 21 days from the initiation of the investigation to avert damage to ***the*** Union industry which would be difficult to repair, including where such damage may be geographically concentrated in one or several Member States.

4. On duly justified imperative grounds of urgency, where a Member State requests immediate intervention by the Commission, and where the conditions set out in paragraph 1 of this Article are met, the Commission shall adopt immediately applicable implementing acts in accordance with the procedure referred to in Article 18(4). The Commission shall take a decision within five working days of receiving the request.

5. Provisional safeguard measures shall not apply for more than 200 calendar days.

6. Where the provisional safeguard measures are repealed because the investigation reveals that the conditions set out in Article 3(1) are not met, any customs duty collected as a result of those provisional safeguard measures shall be refunded promptly.

7. Provisional safeguard measures shall apply to every product which is put into free circulation after the date of entry into force of those measures. However, such measures shall not prevent the release into free circulation of products already on their way to the Union, where the destination of such products cannot be changed.

8. In case the Commission determines that a provisional safeguard measure shall apply to MERCOSUR as a sole entity, Paraguay shall be exempted from the application of the measure, unless the result of an investigation demonstrates that the existence of serious injury or the threat of serious injury is also being caused by imports of products from Paraguay under preferential terms.

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Article 10

Termination of investigations and proceedings without measures

1. Where an investigation leads to the conclusion that the conditions set out in Article 3(1) are not met, the Commission shall publish a decision terminating the investigation and proceedings in accordance with the examination procedure referred to in Article 18(3).

2. The Commission shall make public a report setting out its findings and reasoned conclusions reached on all relevant issues of fact and law, with due regard to the protection of confidential information within the meaning of Article 13.

Article 11

Imposition of definitive safeguard measures

1. Where an investigation leads to the conclusion that the conditions set out in Article 3(1) are met, the Commission may adopt definitive safeguard measures in accordance with the examination procedure referred to in Article 18(3).

2. The Commission shall make public a report containing a summary of the material facts and considerations relevant to the determination, with due regard to the protection of confidential information within the meaning of Article 13.

3. The Commission shall not apply, extend or maintain in force a bilateral safeguard measure beyond the expiration of the transition period.

4. In case the Commission determines that a measure shall apply to MERCOSUR as a sole entity, Paraguay shall be exempted from the application of the measure, unless the result of an investigation demonstrates that the existence of serious injury or the threat of serious injury is also being caused by imports of products from Paraguay under preferential terms.

Article 12

Duration and review of safeguard measures

1. A safeguard measure shall remain in force only for such period of time as may be necessary to prevent or remedy the serious injury to Union industry and to facilitate

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adjustment. That period shall not exceed two years, unless it is extended under paragraph 2.

2. The initial duration of a safeguard measure, as referred to in paragraph 1, may be extended by up to two years, provided that the safeguard measure continues to be necessary to prevent or remedy serious injury to Union industry and that there is evidence that the Union industry is adjusting. In case of sensitive products, a safeguard measure shall be extended by up to two years, provided that it continues to be necessary to prevent or remedy serious injury to Union industry.

3. No safeguard measure shall be applied again to the import of a product under Annex 2-A which has been subject to such a measure, unless a period of time equal to half of the total duration of the previous safeguard measure has elapsed.

4. Any Member State, any natural or legal person that is acting on behalf of the Union industry, or any association not having legal personality that is acting on behalf of the Union industry, may request an extension as referred to in paragraph 2 of this Article. In such case, before deciding on the extension, the Commission shall conduct a review to investigate whether the conditions laid down in paragraph 2 of this Article are met, having regard to the factors referred to in Article 7(5). The Commission may initiate such review on its own initiative if there is sufficient prima facie evidence that the conditions laid down in paragraph 2 of this Article have been met. The safeguard measure shall remain in force pending the outcome of that review.

5. The notice of initiation of the review referred to in paragraph 4 of this Article shall be published in accordance with Article 5 (6) and (7). The review shall be conducted in accordance with Article 7.

6. Any decision regarding an extension pursuant to paragraph 2 of this Article shall be made in accordance with Articles 10 and 11.

7. The total duration of a safeguard measure shall not exceed four years, including the period of application of any provisional safeguard measure, the initial period of application and any extension thereof.

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Article 13

Confidentiality

1. Information received pursuant to this Regulation shall be used only for the purpose for which it was requested.

2. Information of a confidential nature and information provided on a confidential basis received pursuant to this Regulation shall not be disclosed without the express consent of the supplier of such information.

3. Each request for confidentiality shall state the reasons why the information should be confidential. Interested parties that provide confidential information shall be required to provide non-confidential summaries thereof. Those summaries shall be sufficiently detailed to permit a reasonable understanding of the substance of the confidential information. In exceptional circumstances, such interested parties may indicate that it is not possible to summarise the information. In such cases, the interested party shall provide a statement of the reasons why a summary is not possible. However, if it appears that a request for confidentiality is unjustified and if the supplier of the information wishes neither to make it public nor to authorise its disclosure in general terms or in the form of a summary, the information concerned may be disregarded.

4. If information regarding production, production capacity, employment, wages, volume and value of domestic sales or average price is presented on a confidential basis, the Commission shall ensure that meaningful non-confidential summaries disclosing at least aggregated data or, in cases in which the disclosure of aggregated data would endanger the confidentiality of the company's data, indexes for each period of 12 months under investigation are submitted, so as to ensure the appropriate right of defence of the interested parties. In this regard, requests for confidentiality should be considered in situations in which particular market or domestic industry structures so justify it. This provision does not prevent the presentation of more detailed non-confidential summaries.

5. Requests for confidentiality shall not be warranted in respect of information regarding basic technical and quality standards or uses of the product concerned. Requests for confidentiality in respect of information regarding the identity of the applicants and other known manufacturing companies not part of the petition shall be warranted only in exceptional circumstances, which shall be duly justified by the Commission. In this regard,

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mere allegations shall not suffice for justifying confidentiality requests. If the identity of the applicants cannot be disclosed, the Commission shall disclose the total number of producers included in the domestic industry and the proportion of the production that the applicants represent in relation to the total production of the domestic industry.

6. Information shall in any case be considered to be confidential if its disclosure is likely to have a significantly adverse effect upon the supplier or source of that information.

7. Paragraphs 1 to 6 shall not preclude reference by the Union authorities to general information, and in particular to the reasons for which decisions were taken pursuant to this Regulation. The Union authorities shall, however, take into account the legitimate interest of natural and legal persons concerned that their business secrets should not be disclosed.

Article 14

Report

1. The Commission shall submit an annual report to the European Parliament and to the Council on the application, implementation and fulfilment of the obligations in this Regulation.

2. The report shall include, inter alia, information on the application of any provisional and definitive safeguard measures, any prior surveillance measures, any regional surveillance and safeguard measures, the termination of any investigations or proceedings without measures.

3. The report shall set out a summary of the statistics and the evolution of trade with each country for which the safeguard measure is in place.

4. The European Parliament may, within two months of submission of the Commission's report, invite the Commission to a meeting of its committee responsible to present and explain any issues related to the implementation of this Regulation.

5. No later than three months after submitting its report to the European Parliament and to the Council, the Commission shall make it public.

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Article 15

Outermost Regions of the European Union

1. If a product originating in the country concerned is imported under preferential terms into the territory of one or several of the Union's outermost regions in such increased quantities and under such conditions as to cause or threaten to cause serious deterioration in the economic situation of the Union's outermost region(s), the Commission may exceptionally adopt safeguard measures limited to the territory of the region(s) concerned, unless a mutually satisfactory solution is reached.

2. Without prejudice to paragraph 1, other rules laid down in this Regulation applicable to safeguard measures also apply to any safeguard measure adopted under this Article.

3. For the purposes of paragraph 1, serious deterioration means major difficulties in a sector of the economy producing like or directly competitive products. The determination of serious deterioration shall be based on objective factors, including the following elements:

   (a) the increase in the volume of imports in absolute or relative terms to domestic production and to imports from other countries; and

   (b) the effect of such imports on the situation of the relevant industry or the economic sector concerned, including on the level of sales, production, financial situation and employment.

Article 15a

Anti-circumvention measures

If the Commission identifies circumvention of safeguard measures through changes in trade routes, including imports from Parties exempted from the safeguard measures, it will inform the competent authorities of the Member States in order to strengthen customs cooperation with Mercosur countries in verifying compliance with the rules of origin and ensuring their full respect.

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Article 16

Delegated acts

The Commission is empowered to adopt delegated acts in accordance with Article 16 in order to amend the Annex as regards the list of sensitive products.

Article 17

Exercise of the delegation

1. The power to adopt delegated acts is conferred on the Commission subject to the conditions laid down in this Article.

2. The power to adopt delegated acts referred to in Article 16 shall be conferred on the Commission for a period of 18 years from the date of entry into force of the Agreement.

3. The delegation of power referred to in Article 16 may be revoked at any time by the European Parliament or by the Council. A decision to revoke shall put an end to the delegation of the power specified in that decision. It shall take effect the day following the publication of the decision in the Official Journal of the European Union or at a later date specified therein. It shall not affect the validity of any delegated acts already in force.

4. Before adopting a delegated act, the Commission shall consult experts designated by each Member State in accordance with the principles laid down in the Interinstitutional Agreement of 13 April 2016 on Better Law-Making.

5. As soon as it adopts a delegated act, the Commission shall notify it simultaneously to the European Parliament and to the Council.

6. A delegated act adopted pursuant to Article 16 shall enter into force only if no objection has been expressed either by the European Parliament or the Council within a period of two months of notification of that act to the European Parliament and the Council or if, before the expiry of that period, the European Parliament and the Council have both informed the Commission that they will not object. That period shall be extended by two months at the initiative of the European Parliament or of the Council.

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Article 18

Committee procedure

1. The Commission shall be assisted by the committee established by Article 3(1) of Regulation (EU) 2015/478 of the European Parliament and of the Council. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

2. Where reference is made to this paragraph, Article 4 of Regulation (EU) No 182/2011 shall apply.

3. Where reference is made to this paragraph, Article 5 of Regulation (EU) No 182/2011 shall apply.

4. Where reference is made to this paragraph, Article 8 of Regulation (EU) No 182/2011 shall apply in conjunction with Article 4 thereof.

Article 19

Entry into force

This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Article 20

Application of this Regulation to the EU-Mercosur Partnership Agreement and the EU-Mercosur Interim Trade Agreement

1. This Regulation shall apply to the ITA from the date of its entry into force until the date of entry into force of the EMPA. Once the EMPA enters into force, and the ITA will cease to produce legal effects, this Regulation shall apply to the EMPA.

2. The relationship between the ITA and the EMPA is regulated by Article 3.2 paragraphs (3) to (8) of the EMPA.

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Done at Brussels,

For the European Parliament
The President

For the Council
The President

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ANNEX

SENSITIVE PRODUCTS

Following products subject to tariff rate quotas of the European Union according to Section B of the Annex on Tariff Elimination Schedule of the Agreement:

1. Fresh beef
2. High-quality fresh, chilled and frozen meat of bovine animals
3. Frozen beef, including for processing
4. Fresh and chilled, frozen and prepared pigmeat
5. Boneless poultry meat, including poultry preparations
6. Bone-in poultry meat
7. Milk powders
8. Cheese
9. Infant formula
10. Maize and sorghum
11. Rice
12. Sugar for refining
13. Other sugars
14. Eggs
15. Egg albumins
16. Honey
17. Rum and other spirits obtained by distilling fermented sugar-cane products
18. Sweetcorn

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19. Maize starch and manioc starch

20. Starch derivatives

21. Ethanol

22. Garlic

23. Biodiesel

23a. Citrus: oranges, lemons and mandarines

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ANNEX II

European Commission's statement on production standards applied to imported agri-food products and SPS controls

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In the Vision for Agriculture and Food, the Commission announced its plans to pursue a stronger alignment of production standards applied to imported products, notably on animal welfare and pesticides.

On pesticides, the Vision includes the principle that the most hazardous pesticides banned in the EU for health and environmental reasons should not be allowed back to the EU through imported products thus aiming to avoid a competitive disadvantage for EU farmers and the agri-food sector while responding to consumers' expectations. To move this forward, the Commission has launched a study on 25 November to prepare an impact assessment that will consider the impacts of this approach. In light of the results, and, if appropriate the Commission will propose amendments to the applicable legal framework. The preliminary study is expected to be concluded by summer 2026, and the next steps of the impact assessment will follow. While the EU's existing legislation already protects consumers and ensures all food placed on the market meets our high health and safety standards, the Commission remains committed to pursue closer alignment of production standards that apply to imported products, ensuring a level playing field for our farmers and producers and maintaining consumer protection.

In the meantime, the Commission has proposed under the Food and Safety Simplification Package proposal of 16 December to amend the current legislation to provide that, for substances that are not approved in the Union and that have certain particularly hazardous properties, Maximum Residue Levels (MRLs) may be set at zero if considered appropriate following the outcome of an impact assessment.

On animal welfare, the Commission has concluded on 17 December a public consultation on the revision of EU legislation for on-farm animal welfare for certain animals, including on whether and to what extent equivalent animal welfare standards should apply to imports of animals and animal products. Following the impact assessment, the Commission will proceed with relevant proposals.

Regarding import controls, the Commission announced on 9 December plans to step up and improve the audits carried out directly on the ground in all third countries, including food imports coming from Mercosur countries. The Commission will increase its export related audits in non-EU countries by 50% over the next 2 years, starting from 1 January 2026. The Commission will also step up the monitoring of non-compliant commodities and countries and adapt the frequency of checks to those accordingly. Additionally, the Commission will strengthen the level of controls within the EU, namely at the main entry points. In this regard, the Commission will perform a higher number of checks in Member States, to ensure that controls at the borders comply fully with EU standards, providing support Member States to properly carry out these checks. The Commission will set up a dedicated EU Task Force to make import controls more efficient, which will focus in particular on pesticide residues, food and feed safety and animal welfare and will consider coordinated EU monitoring action on imported products.