RECORD OF UNDERSTANDING

ON TRADE IN WINE PRODUCTS RELATING TO CHAPTER 2

(TRADE IN GOODS) OF THE FREE TRADE AGREEMENT

BETWEEN THE EFTA STATES AND MERCOSUR

Iceland, the Principality of Liechtenstein, the Kingdom of Norway and the Swiss Confederation (EFTA States),

and

The Common Market of the South (MERCOSUR) and its State Parties, signatories of the Free Trade Agreement between the EFTA States and MERCOSUR, the Argentine Republic, the Federative Republic of Brazil, the Republic of Paraguay and the Oriental Republic of Uruguay (MERCOSUR States),

hereinafter referred to as the "Parties",1

HAVE AGREED, in pursuit of the above, to conclude the following Record of Understanding:

- 1. The EFTA States shall allow the use of the wine terms listed in Section A in relation to wine products marketed in the EFTA States originating in a MERCOSUR State, as defined in their respective domestic laws and regulations.
- 2. MERCOSUR States shall allow the use of the wine terms listed in Section B, in relation to wine products marketed in the MERCOSUR States originating in an EFTA State, as defined in their respective domestic laws and regulations.
- 3. A State Party may notify the other State Parties of an application for the inclusion of additional wine terms in the respective section of this Record of Understanding. Such a notification shall include a technical dossier including the wine terms and the legislative reference. The other State Parties shall inform the notifying State Party within six months from the receipt of the notification of the result of the examination of the application.
- 4. If, based on the results of the examination, the inclusion of the additional term is accepted, the Sub-Committee on Trade in Goods shall, in accordance with Annex VII (Mandate of The Sub-Committee on Trade in Goods) of the Agreement, include it in Section A or B, as appropriate, of this Record of Understanding.
- 5. This Record of Understanding constitutes an integral part of Chapter 2 (Trade in Goods) of the Agreement.

For the purposes of this Record of Understanding, "State Party" means an EFTA State or a MERCOSUR State.

SECTION A

MERCOSUR:
ARGENTINA:
Crianza ² , Fino ³ , Gran Reserva ⁴ , Naranjo, Reserva/Reserve ⁵ , Vino Dulce Natural ⁶ , Vino Generoso ⁷
BRAZIL:
Gran Reserva ⁴ , Nobre ⁸ , Reserva ⁵ , Reservado
PARAGUAY:
URUGUAY:
Crianza ² , Fino ³ , Gran Reserva ⁴ , Leve ⁹ , Liviano, Naranjo, Reserva/Reserve ⁵ , Vino Dulce Natural ⁶
SECTION B
EFTA:
ICELAND:
LIECHTENSTEIN:
NORWAY:
SWITZERLAND:

The use of the term is allowed for wines which are covered by a Geographical Indication.

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The use of the term is allowed for wines which are covered by a Geographical Indication and have been aged in barrel prior to bottling for at least 18 months (for red wines) and 12 months (for white and rose wines).

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