

The background of the slide is a collage of the national flags of Mexico, the United States, and Canada. The Mexican flag is on the left, the US flag is in the center, and the Canadian flag is on the right. A semi-transparent gold rectangle is overlaid on the US flag, containing the text 'USMCA' and '2021'.

USMCA

2021



Index

Mexico as a destination for investments

Global Economic Impulse, economic activities from SRE

T-MEC as an economic promotion tool for Mexico

24 years of the entry into force of NAFTA

Need for modernization

New disciplines in T-MEC

Chapter 2. National Treatment and Market Access for Goods

Chapter 3. Agriculture

Chapter 4. Rules of Origin

Alternative staging regime

Chapter 8. Energy. Direct property ownership of Mexico over hydrocarbons

Chapter 12. Sectoral Annexes

Chapter 17. Financial Services

Chapter 18. Telecommunications

Chapter 20. Intellectual Property

Chapter 21. Competition Policy

Chapter 23. Labor

Chapter 24. Environment

Chapter 25. Small and Medium-Sized Enterprises

Chapter 27. Anticorruption

Chapter 28. Good Regulatory Practices

Chapter 33. Macroeconomic Policies and exchange rate

Future of the Treaty



Mexico as a destination for investments



Investment Protection.

Reciprocal Investment Promotion and Protection Agreements (RIPPA's) are part of the strategy to grant Mexican and foreign investors the regulatory framework to strengthen protection to foreign investment in Mexico.

Strategic Location.

Mexico's proximity to one of the main purchasing centers worldwide is one of its biggest advantages.

Demographic bonus.

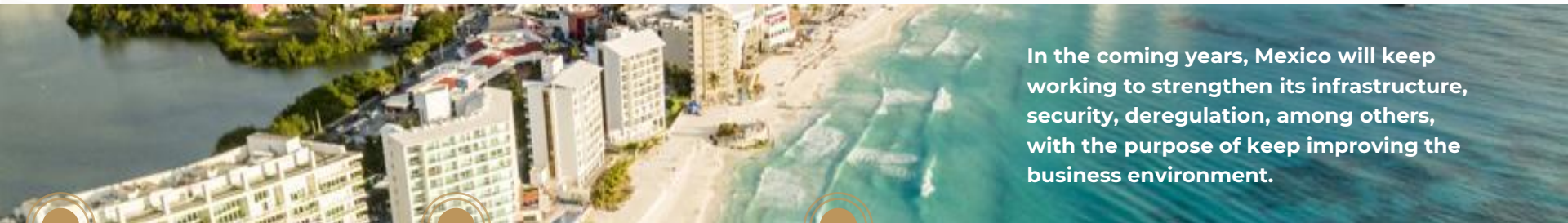
Mexico has a total population of 124 million people (INEGI, 2017) and 54.7 million people in the economically active population range.

Trained personnel.

Annually, 125,000 students of engineering, manufacturing and construction programs graduated from Mexican institutions. From UNESCO's 2015 data, in Mexico there are 40% more graduates in manufacturing and construction engineering than in the United States, 61% more than in India and twice as many as in Brazil.



Mexico as a destination for investments



In the coming years, Mexico will keep working to strengthen its infrastructure, security, deregulation, among others, with the purpose of keep improving the business environment.

Infrastructure and connectivity.

Mexico has 76 airports, 117 maritime ports, 27.000 kms of railways, 393.000 kms of roads, 3.000 kms of borderline with the United States and 54 crossing points in the northern border.

Natural resources.

Mexico has an important variety of natural resources that favors the development of multiple productive activities such as biotechnology, renewable energy generation, and mining. Mexico is the 1° producer of silver, 7° producer of copper and 12° producer of oil worldwide.

Macroeconomic stability.

Mexico has a transparent credit system. Mexico's public debt is 58.2% of its GDP, which indicates a significant healthier solvency compared to countries like Brazil, Spain and the United States.



Global Economic Impulse, economic activities from SRE

The Economic Global Impulse area of the Undersecretary of Multilateral Affairs and Human Rights has the following objectives with the purpose of strengthening the coordination with the Mexican Embassies abroad and the international economic actors interested in investing or doing business with Mexico:

1

Coordinate the activities of economic diplomacy with the Mexican Embassies abroad and actors from the public and private sector.

2

Generate synergies and cooperation frames between the relevant actors of the strategic economic sectors (mobility, aerospace, life sciences, agro-industry, digital industries and infrastructure).

3

Set communication and direct collaboration channels with the Embassies and international and regional actors, business chambers, local governments, regional institutions, education institutions, enterprises, etc.

4

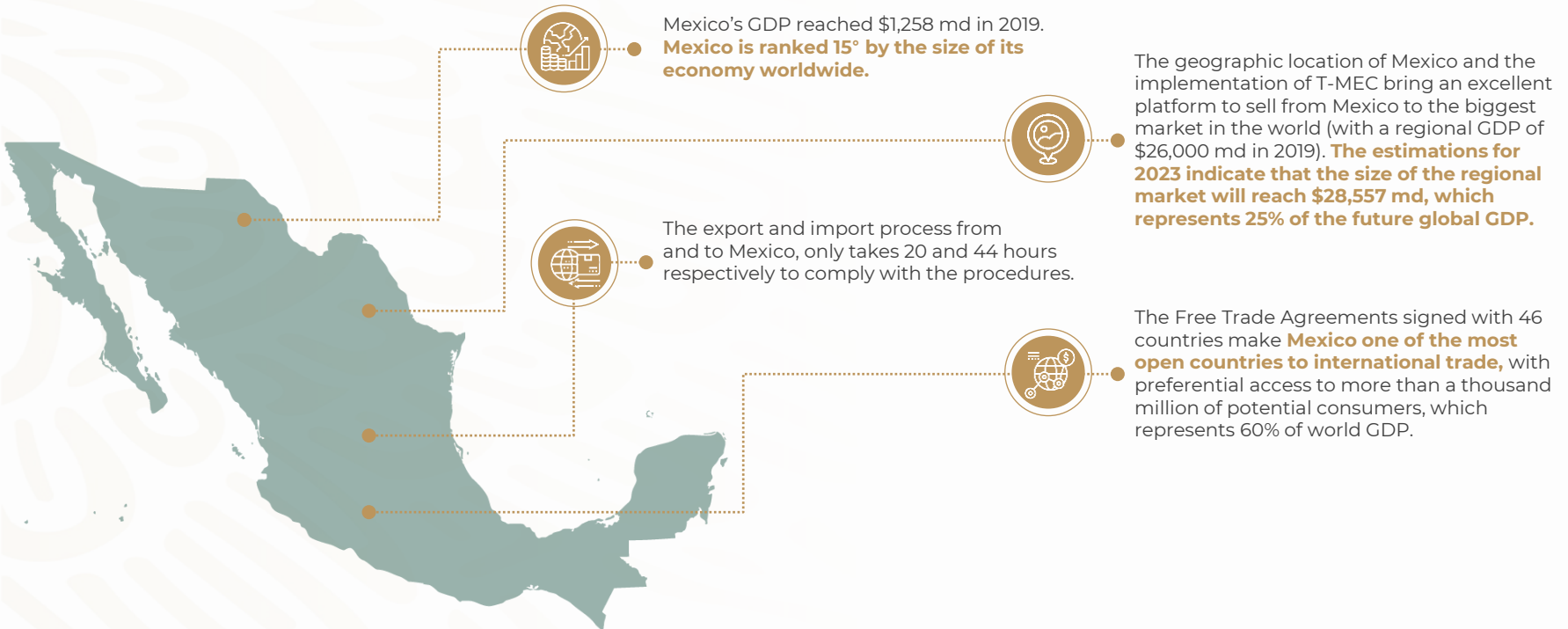
Design and implement new investment attraction schemes.

5

Promote priority projects and provide the Embassies with information and informative material.



T-MEC as an economic promotion tool for Mexico





24 years of the entry into force of NAFTA

The North American Free Trade Agreement (NAFTA)

entered into force on January 1st, 1994 and it constituted a key tool for the modernization and economic growth.

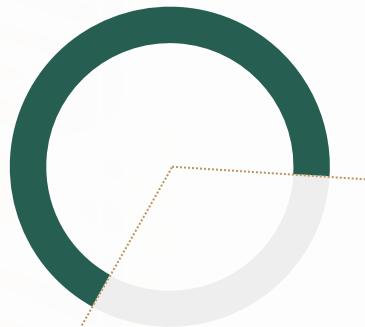
NAFTA created one of the biggest and most important free trade areas in the world. The NAFTA region is home to 7% of the world population, generates 28% of global GDP and is responsible for 16% of global trade.

With NAFTA, they were created production chains that are fundamental for the current competitiveness of North America in the manufacturing and agri-food sectors.

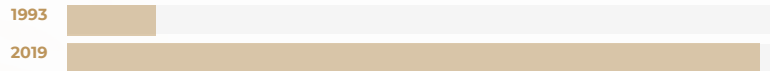
NAFTA boosted the competitiveness of the Mexican export sector, turning it into the most dynamic of the Mexican economy. Also, it promoted the development of some regions of the country, it detonated the creation of jobs and the attraction of investments mainly in the manufacture sector.

NAFTA promoted the strengthening of the state of law, creating certainty for foreign trade operations and investments.

68% of Mexico's total trade is made with the United States and Canada.



Mexico's trade exchange grew from **117 md in 1993 to 915 md in 2019.**





Need for modernization

Despite the positive balance of NAFTA, during the first 24 years, the instrument had minor adjustments that did not responded to the changes in the economy and foreign trade, such as the increase of competition among regions, the growing participation of emerging markets and the development of information and communication technologies.

For Mexico, it was vital to get involved in the NAFTA modernization process in order to assure:

1

Access to the North American market.

2

Rules of origin that benefited the country and promoted investments.

3

Modernization of customs procedures.

4

Equivalence in the Phyto-sanitary and zoo-sanitary norms.

5

Greater integration of the labor markets.

6

Intellectual property protection for Mexican creators.

7

Consolidation of the market opening of services and investment.

8

Enhancement to SME's.

9

Definition of an efficient, unbiased and appropriate dispute settlement system.

10

Transparency and anti-corruption disciplines.



New disciplines in T-MEC

The negotiation of the modernization of NAFTA resulted in T-MEC, which entered into force on July 1st, 2020.

34	Chapters	There are 10 new chapters:
13	Sectoral annexes	(7) Customs and Trade Facilitation (12) Sectoral Annexes
8	Side letters	(19) Digital Trade (23) Labor (24) Environment (25) Small and Medium-Sized Enterprises, (26) Competitiveness (27) Anticorruption (28) Good Regulatory Practices (33) Macroeconomic Policies

These new chapters assure **a more inclusive trade and strengthen the dispute settlement mechanisms**. Also, the modernization of the Agreement promotes the region's competitiveness, incentives development and facilitates trade.



**With the boost to the productive integration in North America,
Mexico is becoming more attractive for the investment project attraction.**



Chapter 2: National Treatment and Market Access for Goods



Free trade of ordinary goods is maintained, the application of export taxes and the enforcement of performance requirements for the exemption of custom tariffs is banned.



Inclusion of new disciplines on import and export license matters that set notification commitments and transparency.



Inclusion of new disciplines to regulate trade of remanufactured goods in order to avoid restrictions imposed to used goods.



The functions of the Committee on Trade in Goods were strengthened to assure the correct functioning of this chapter and as a consultation forum between the Parts to solve matters regarding this chapter.

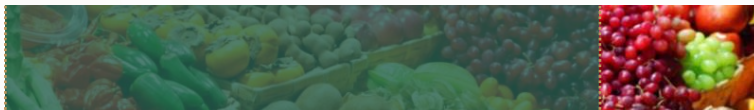


With this chapter, Mexico will be able to maintain its free tariff exports, limit the imposition of import and export restrictions and assure greater certainty and transparency in the enforcement of non-tariff measures.



Chapter 3: Agriculture

In 2018, Mexico's trade in agri-food products reached \$64.5 md



78.5% of the total trade in agriculture products
\$50.7 md where with the North American partners

The Mexican producers have focused on the products that are more competitive in an international level (beer, tomatoes, avocado, tequila, berries, meat, etc.)



The Agriculture chapter maintains the free tariff treatment to ordinary agriculture products, it reaffirms the commitment to eliminate the subsidies to agriculture exports and it determines collaboration areas and consultations in topics such as export competition, internal supports and other measures.



It establishes an Agriculture Committee to follow up on the implementation of the assumed commitments that includes a section with dispositions that assure greater transparency and cooperation in certain activities related with agriculture biotechnology.



With this chapter, Mexico confirms the agreed dispositions in international forums that establishes the elimination of export subsidies and determines clear and transparent mechanisms that assures cooperation, communication and collaboration between the Parties.



Chapter 4. Rules of Origin

Chapter 4 establishes the criteria that define under which conditions an **exported good qualifies as originary and is susceptible to access to preferential tariff treatment**. The original provisions were updated to make them compatible with more modern disciplines and to reflect the supply needs for the development of the regional production platform.



New provisions on the following topics:

De Minimis: Considering that global value chains have become an essential characteristic of our productive reality, in order to provide the necessary balance that companies require to access a global supply of inputs, and promote the use of components of the region, this provision was updated to increase the current percentage to 10%.



Aquaculture: The article on fully obtained assets was updated to recognize that fish obtained from aquaculture in the region are considered originary.



Chapter 4. Rules of Origin



● **Sets of goods, kits or composite goods:** It allows to incorporate non-originary items up to a certain percentage of the value of the set, considering that presenting merchandise in kits or composites is an increasingly common marketing strategy



● **Transit and transshipment:** The list of operations allowed in case of transit through third countries, such as labeling or marking, was expanded.



● **Remanufactured goods:** New business models based on recycling are recognized, with the purpose of facilitating business opportunities in an environmentally friendly industry, a specific provision on remanufactured goods is incorporated, with the purpose of recognizing the characteristic of originary from the materials that were recovered and brought under disassembly for later remanufacturing.



Also, the rules of origin were updated in specific sectors such as: automotive, chemical, steel, glass, electrical manufacturing and textiles.





Chapter 4, Appendix 4B, Article 8. Alternative Staging Regime (ASR)



The Alternative Staging Regime (ASR) is applicable exclusively to the automotive sector and its objective is to allow companies that manufacture cars and light trucks to comply with the new rule of origin contemplated in the T-MEC.

1



The new rule of origin establishes that the value of regional content (from the United States, Mexico or Canada) in the manufacture of vehicles will go from 62.5% to 75%, the ASR allows manufacturers to have a minimum term of 5 years or until January 1, 2025 to comply with the requirement.

2



Manufacturers may request this regime for 10% of their total production, and they have the possibility of increasing this percentage by presenting a detailed plan that justifies and supports the proposal.

3



For heavy trucks, the regime is expected to extend to 7 years, or until January 1, 2027.

4



The application of the regime may be modified by consultation and exchange of information between the Parties.

5



Chapter 8. Recognition of the direct, inalienable and imprescriptible ownership of the United Mexican States of hydrocarbons of the T-MEC



It guarantees respect for Mexico's sovereignty over oil and other hydrocarbons available in its territory.



The United States and Canada recognize the sovereign right of our country to regulate and modify its laws, including the Constitution.



With this, Mexico is in condition to adopt or maintain measures in sectors, subsectors or activities that are not reserved in the Annexes of Cross-Border Trade in Services, Investment and State Commercial Companies.



Legal certainty is provided, and the commitments assumed by Mexico with service providers, exporters, importers and investors that participate in the sector are respected.



Chapter 12 Sectoral Annexes

New elements of the T-MEC that contain disciplines based on best regulatory practices applicable to specific productive sectors, to create a homogeneous regulation in North America. It seeks to provide certainty to economic actors and facilitate trade by reducing or eliminating technical barriers.

Pharmaceuticals, cosmetic products, medical devices and chemical substances



- It aims to **simplify the commercialization** of this products between the Parties by:
- Avoid **duplicity** of regulatory requirements.
- **Collaboration between authorities** to ensure **regulatory compatibility** and **non-discriminatory treatment**.
- **Homologation of processes** for the granting of **sanitary registers**.
- **Exchange of information**.

Information and communication technology



- Encourages trade through **cooperation and regulatory alignment** related to products from the ICT sector.
- Implements the **APEC Mutual Recognition Arrangements (MRA)**, for the Conformity Assessment Procedures of Telecommunication Equipment and the Equivalence of Technical Requirements.
- Eases administrative processes. Conformity assessment bodies recognized by the Parties may carry out the tests required in the **conformity assessment procedures (PEC)** of terminal equipment.
- Encourages the acceptance of the **supplier's declaration of conformity** regarding compliance with electromagnetic compatibility of ICT products



Chapter 12 Sectoral Annexes

Distilled beverages, wines, beer and other alcoholic beverages



Facilitates the commercialization of alcoholic beverages by establishing disciplines regarding the distribution or sale of these products in the territory of the Parties.

- a) **Internal sale and distribution** of alcoholic beverages.
- b) **Distinctive products** (Goods whose classification depends on their geographical origin) The NAFTA commitments are maintained:

Mexico and Canada recognize as originary from the United States: Tennessee Bourbon Whiskey. Mexico and the United States recognize as Canadian: Canadian Whiskey. The United States and Canada recognize as Mexican: Tequila and Mezcal.

- c) Disciplines applicable to the preparation, adoption and application of **technical regulations, standards and conformity assessment procedures**.

- d) Other provisions (includes disciplines on **Sanitary and Phytosanitary Measures**, as well as the creation of a specific Committee).

Patented formulas for prepackaged foods and food additives



Protects the confidentiality of the information on formulas of these products originating in Mexico and in the territory of the other Parties.

Supports the **exchange of information** between the Parties, considering the necessary mechanisms to **protect their confidentiality**.



Chapter 12 Sectoral Annexes

Legal framework according to the **new needs** of the sector, to regulate **cross-border provision** of financial services between the Parties.

National Treatment Clauses and **Most Favored Nation Treatment** that eliminates disadvantage against national, regional or third-country competitors.

It does not require that the servers must be situated in one of the territories of the member countries as a condition for doing business in that territory.



Financial Services Committee to supervise the implementation of the Chapter.

Consultation mechanism to mediate matters that affect the financial services of any of the Parties.

Financial service: insurance services and banking services such as loans; transfers; guarantees and commitments; commercial exchange; financial instruments; asset management; foreign exchange; supply and transfer of financial information and processing of financial data, among others.



Chapter 18 Telecommunications

1

It reaffirms the benefits resulting from the 2013 Mexican Constitutional Reform and the Federal Telecommunications and Broadcasting Law.

2

It is expected to attract a larger number of operators to the Mexican market, since it gives legal certainty to the entry of new operators and it will establish the same rules for all operators in the North American region.

3

It will strengthen the Mexican telecommunications market, enabling operators to offer higher quality services, also it will generate greater competition for the common benefit.

4

It will protect the user's rights, promote digital skills and contribute substantially to reducing the technology gap.

5

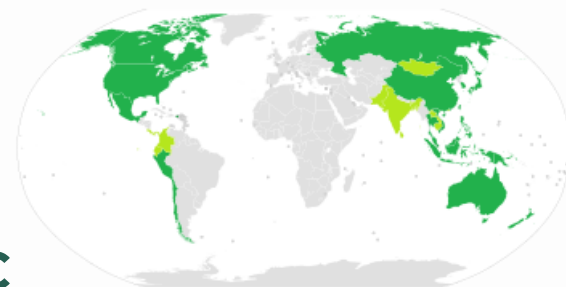
It was agreed to update some disciplines in the field of telecommunications such as: definitions, scope of application, access and use, measures related to standardization, obligations related to providers of public telecommunications services, treatment of Important suppliers of public telecommunications services, competitive safeguards, interconnection with important suppliers, supply and pricing of leased circuits, submarine cabling systems, access to poles, ducts, conduits and rights-of-way, among others.



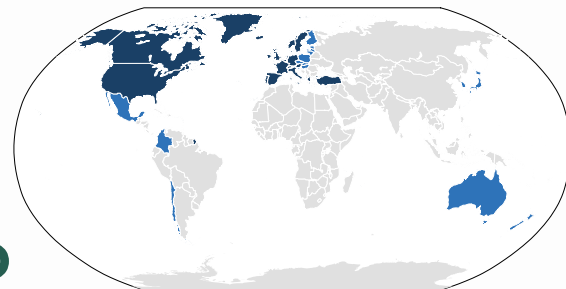


Chapter 19 Digital Commerce

- It considers the principles and guidelines of international organizations such as the Asia-Pacific Economic Cooperation Forum (APEC) and the Organization for Economic Cooperation and Development (OECD).
- It foresees the free flow of information to motivate commercial operations by electronic means and avoids the imposition of barriers to information flows for commercial purposes.
- It does not require that the servers to locate in one of the territories of the member countries as a condition to carry out commercial activities in that territory.
- Avoid transferring of the source code contained in a computer program as a condition of conducting business.
- It boosts the growth of interactive computing services. This allows to protect intellectual property.
- It facilitates the access and use of open public data; it also supports transparency of the public sector by releasing information that could be of common use.



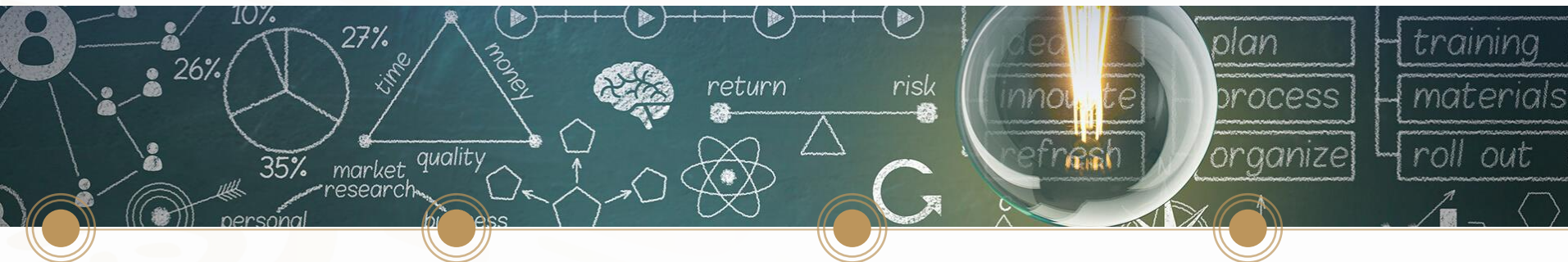
APEC



OECD



Chapter 20 Intellectual Property



It gives freedom to the Parties to implement obligations in the matter according to their internal legal order.

It does not force the creation of new specific systems.

It gives most favored nation treatment to rights holders..

The region offers guarantees so that the inventor can have the best conditions for the development and protection of their creations.

- Among the protection rights there are: trademarks, industrial designs, copyright, related rights and technological protection measures.
- T-MEC establishes civil and criminal enforcement and penalties against conducts that avoids a technological protection measure. With this, it offers greater protection to creations that are marketed in technological formats.
- Provides civil and administrative procedures for unauthorized and willful misappropriation of a trade secret.
- Some additional areas of intellectual property protection are related to industrial secrets, encrypted cable and satellite signals, misappropriation of property rights, use of software in government, limitation of responsibility of internet service providers, **patents** and **geographic indications**..



Chapter 21 Competition policy

It was proposed to include this chapter in order to jointly move on in economic matters actions, providing the region with greater competitiveness and supporting the governments of the signatory countries to face the economic challenges of the 21st century, such as:

Greater participation

in international trade in other regions of the world, such as the Pacific,.

Development

of regions within North America such as southeast Mexico and,

Strengthening

of regional institutions that allow consolidating competitiveness.

Objectives:

- Promote economic growth, prosperity and competitiveness of North American countries;
- Establish a forum to discuss, coordinate and develop actions aimed to promote cooperation for regional competitiveness.
- Implementation of competition laws in North American countries through which competition and free competition will be monitored, promoted and ensured in the region's markets.

It also foresees the establishment of a **North American Competitiveness Committee**, which will be conformed by government representatives from each Party. **Its purpose is to discuss and carry out cooperation activities in support of an economic environment that encourages production, facilitates trade and investment, promotes the movement of goods and services, responds to market changes and emerging technologies and promotes greater economic integration** between the three countries.



Chapter 23 Labor

It ensures the implementation of internationally recognized labor rights, as well as promoting transparency and the involvement of civil society in the application of labor legislation.

Main provisions

- 1 Acceptable conditions of minimum wages, working hours, safety and health in employment.
- 2 Commitment against imports produced with forced labor and child labor.
- 3 Combat violence against workers in the exercise of their rights.
- 4 Protection of migrant workers and discrimination in sex-based employment.
- 5 Incorporation of a public communications mechanism.
- 6 Commitment to ensure, in the Mexican law, the implementation of the right to freedom of association and the right to collective negotiation.
- 7 Subject to the same dispute settlement mechanism referred in the North American Labor Cooperation Agreement (ACLAN).

Labor Value Content for Chapter 4 Automotive Rule of Origin

This deal uses trade rules to drive higher wages by requiring that a certain percent (**40%** for **passenger vehicles**; **45%**, for **light trucks/pick ups**) of auto content be made by workers earning at least \$16 per hour.

25% for passenger vehicles; 30% for pick ups, consisting of at least 15% of **high-wage material and manufacturing expenditures (R&D)**, no more than 10% of **high-wage technology expenditures**, and no more than 5% of **high-wage assembly expenditures**.



Advantages of new working conditions

- Mexico is committed to respect the **labor rights** recognized by the International Labor Organization (ILO), such as the prohibition of **child labor**.
- The Treaty foresees the establishment of two **Rapid Response Labor Mechanisms**, which will serve to resolve cases related to the denial of rights in matters of **freedom of association**, negotiation of **collective agreements** and the **imposition of trade sanctions** depending on the level of the failure.
- To achieve the implementation of working conditions, the Ministry of Economy, Ministry of Labor and Social Security and the Business Coordination Council (CCE), established a **self-assessment mechanism** for companies to know their employment situation and a **working group** to respond appropriately to any application in labor matters.
- The new working conditions are supported by the **Labor Reform**, effective since May 1st, 2019. which is based on:

1

A change in the model of **labor justice** that will give priority to **labor conciliation** and **dialogue** and will count on independence, which will allow **shorter and more agile processes** for conflict resolution.

2

Ensure **union democracy** and **genuine collective negotiation**, enabling democratic election of union leaders.

Other advantages of Art. 23 are:

Right of workers to organize, create and join the union of their choice..

Banning acts of employer or governmental interference in union activities..

Obligation of unions to hold their members accountable for the administration of union heritage..

Guarantee of personal, free, direct and secret vote to workers for the election of union leaders.

Obligation of unions to adapt their statutes to the new rules of union democracy, accountability and gender equity..

Workers will have access to a rapid response employment mechanism.



Chapter 24 Environment

It promotes environmental protection through disciplines of a Free Trade Agreement. This chapter recognizes the results of the 1993 North American Agreement on Environmental Cooperation (NAAEC), and takes up its objectives, including:



Recognition of trade's contribution to sustainable development.



Promotion of mutual support between trade and environmental policies and practices.



Promotion of high levels of environmental protection in the region.



Effective compliance with the environmental legislation of each Party.

It also provides for the maintenance of regional cooperation through a new Environmental Cooperation Agreement (ECA) that maintains the institutional structure of the Commission for Environmental Cooperation (CEC) and the "Requests on the Effective Implementation of Environmental Legislation" Process.

New provisions

- Trade and investment shall not be promoted through the weakening of environmental legislation.
- Recognition of the importance of multilateral environmental agreements.
- Protection of the ozone layer.
- Combat pollution of the marine environment by ships.
- Combat trafficking in wildlife species.



Chapter 24 Environment

Provisions to ensure the sustainable management of fish companies, including for the first time, the prohibition of the practice of shark finning and hunting large whales for commercial purposes.

It also contains provisions related to a recognition of the importance of sustainable use and biodiversity conservation.





Chapter 25 SMEs

Offers SMEs new opportunities for expansion and participation in international markets, given their fundamental role in maintaining the dynamism and trade competitiveness of T-MEC member countries, emphasizing the role of the private sector in cooperation in this area.

Main provisions



● **SME Committee.** It will identify areas of opportunity, methods to promote cooperation, analyze best practices, assist exporting SMEs, develop and promote seminars, among others. It will also convene a Trilateral Dialogue on SMEs in order to exchange points of view.



● **Constant exchange of information.** The Parties are required to maintain a publicly accessible website with information on the entire text of the Treaty.



● **It recognizes the existence of provisions in other chapters of the T-MEC** that seek to improve cooperation between the Parties on SMEs.



● **Neither Party shall resort to the dispute settlement** provided for in Chapter 31 of the Agreement.





Chapter 27 Anticorruption

It combats practices and acts of corruption that may affect trade and investment flows between the Parties through the implementation of measures to prevent and fight bribery and corruption on any matter covered by the T-MEC. The Chapter defines acts of corruption and establishes the actions that governments will have to implement to prevent public officials from performing such conduct.

Main provisions

Adopt or maintain laws to penalize the offer or request for benefits to a public official, as well as other acts of corruption affecting international trade or investment.

Encourage companies to prohibit facilitation payments and to take steps to raise awareness among public officials to not accept such payments.

Strengthen cooperation and coordination between authorities.



Take or maintain measures to train public officials in vulnerable to corruption positions; promote transparency in the exercise of the public service; identify and manage conflicts of interest; provide estate statements; report acts of corruption.

Encourage companies to adopt compliance programs to identify and combat corruption within their structures.

Take or maintain measures to protect whistleblowers' anonymity.

Subject to the dispute settlement mechanism.



Chapter 28. Good regulatory practices

- Promotes trade facilitation and the optimization of Treaty benefits through mechanisms such as transparency, accountability, analysis and information collection, bureaucratic efficiency, bilateral or trilateral regulatory cooperation and technical consultancy.
- In order to improve regulatory quality mechanisms and have adequate technical support, the Treaty foresees the existence of three figures for consultation, advice and review:
 - In an exercise of transparency and accountability, regulatory practices include the publishing of an annual plan on possible changes in regulations to be previously consulted, reviewed and analyzed in minimum timeframes by the relevant regulatory authorities and between the Parties, anticipating economic, social, environmental and safety impacts.
 - The final publication of the regulatory provision will have to be on the website, available to the public, in simple and clear language and with reliable technical and methodological supports.

Central Regulatory Coordination Body, whose functions are the advice, coordination and review of regulations, and their attributions are defined in accordance with the legal order of each Party.

Committee on Good Regulatory Practices, which consists of government representatives of each Party and has the functions of monitoring the operation of regulations and being a means of exchanging information, consultation and considerations between the Parties.

Expert Advisory Groups, which at the request of regulatory authorities will be trained by specialists who provide technical and scientific advice and recommendations in the development of regulations.



Chapter 33. Macroeconomic policies and exchange rate



The main objective of this chapter is to maintain macroeconomic stability and a market-determined exchange rate that will enable sustained economic growth, healthy finance and trust between the Parties.

1



The establishment of the Macroeconomic Committee, conformed by representatives of each Party, is envisaged and will meet annually to analyze the state of members' macroeconomic and exchanger policies, review transparency mechanisms and suggest amendments.

4



The obligations of the Parties are, within the economic and financial framework of the International Monetary Fund, to maintain the market-determined exchange rate regime, to avoid devaluation or intervention in the foreign exchange market and to ensure transparency and accountability of the macroeconomic situation.

2



On transparency, each Party shall publish monthly data on its foreign exchange reserves and interventions, and every three months its balance-of-payments portfolio capital flows and a report of its exports and imports.

3



As a mechanism for consultation and dispute settlement, representatives of each Party may request bilateral meetings to review and discuss any consideration of macroeconomic policy, with the possible participation and supervision of the International Monetary Fund.

5



Future of the T-MEC

Chapter 34 contains the final provisions on the administration of the instrument.



It highlights the revision clause, which states that **the T-MEC will be valid for 16 years, with the possibility of extending.** To this end, from the sixth year of the entry into force of the Treaty, a revision of the T-MEC by the Free Trade Commission will be carried out.



If, as a result of the review process, **the heads of government of each Party express in writing their intention to extend the Treaty, the validity of the Treaty shall be extended by another 16 years automatically.**



Otherwise, **annual reviews will be carried out, from the sixth year and until the T-MEC (16 years) is valid.** During this period, the Parties may at any time confirm their intention to extend the validity of the Treaty for another 16 years.

