



EUROPEAN  
COMMISSION

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2023/0260 (NLE)

Proposal for a

## **COUNCIL DECISION**

**on the conclusion, on behalf of the European Union, of the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, 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 authorising the conclusion of the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part (hereinafter referred to as 'the 'AFA').

Politically, the AFA with the Republic of Chile ('Chile') marks an important step towards strengthening the European Union's role in South America, based on shared universal values such as democracy and human rights. It paves the way for enhancing political, regional and global cooperation between two like-minded partners. The implementation of the AFA will entail practical benefits for both sides, forming a basis for the promotion of the European Union's broader political interests.

Relations between the European Union ('EU') and Chile are currently based on the Association Agreement (hereinafter 'the Association Agreement') between the European Community and its Member States, of the one part, and Chile, of the other part, which entered into force on 1 March 2005 (with provisional application as from 1 February 2003)<sup>1</sup>.

Since the current Association Agreement was signed 20 years ago, the world has changed substantially. The AFA responds to these changes and addresses new global challenges. The update of the Association Agreement comes at a time when Chile and EU societies and economies are facing unprecedented global challenges as a result of the Russian invasion of Ukraine. The repercussions of the war, including global inflation, supply chain disruptions and the energy crisis, have brought to light the urgent need to strengthen mutually beneficial ties with key like-minded allies to accelerate the energy transition, reinforce strategic supply chains and diversify sources of supply.

In 2006, the European Commission adopted a 'Global Europe' strategy, modernising its agenda for EU trade policy and seeking deeper trade Agreements. The EU has concluded Agreements with other countries in the region (Trade Agreement with Colombia, Ecuador and Peru, Association Agreement with Central America) and beyond, inter alia with Canada, Japan, New Zealand, Singapore and Vietnam.

Chile has signed 26 FTA with 64 countries, including with the US (2004), China (2006) and Japan (2007). Chile also joined the Pacific Alliance and the Trans-Pacific Partnership (now Comprehensive and Progressive Agreement for Trans-Pacific Partnership).

The above mentioned international agreements go well beyond the ambition and scope of the existing EU-Chile Association Agreement in most areas. As a result, both Parties expressed interest in the modernisation of the Association Agreement to further improve their political and economic relations, deepen cooperation and trade.

During a meeting in the margins of the EU-CELAC Summit held in Santiago on 26-27 January 2013, leaders from the EU and Chile agreed to explore options to modernise the Association Agreement, 10 years after its coming into force. In April 2015, the 6<sup>th</sup> EU-Chile Association Council endorsed the establishment of the joint working group ('the Group') on the modernisation of the Association Agreement. The aim of the Group was to conduct a scoping exercise by assessing the level of ambition of the perspective negotiations to modernise the Association Agreement in all areas. The Group created two subgroups, one responsible for political and cooperation and the other for trade. The subgroups concluded

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<sup>1</sup> *OJ L 26, 31.1.2003.*

their work on the occasion of the 14<sup>th</sup> EU-Chile Association Committee that was held on 31 January 2017.

On 13 November 2017, the Council adopted a Decision authorising the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations for a modernised agreement with Chile to replace the Association Agreement<sup>2</sup>.

The negotiations were formally launched on 16 November 2017. 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 European Parliament has been informed about the outcome of the negotiations.

The EU and Chile reached the political conclusion of the negotiations on 9 December 2022 in Brussels. The modernisation of the existing EU-Chile Association Agreement revolves around two legal instruments:

1. the AFA annexed to this proposal, which includes a) the Political and Cooperation pillar and b) the Trade and Investment pillar (inclusive of investment protection provisions); and
2. an Interim Agreement on Trade between the European Union and Republic of Chile (ITA) covering trade and investment liberalisation. The ITA will cease to apply when the AFA enters into force.

The AFA covers the EU's standard clauses on human rights, International Criminal Court (ICC), Weapons of Mass Destructions (WMD), Small Arms and Light Weapons (SALW) and counter-terrorism. It also encompasses cooperation in areas such as health, environment, climate change, ocean governance, energy, tax, education and culture, labour, employment and social affairs, science and technology, and transport. The AFA further addresses legal cooperation, rule of law, money laundering and terrorist financing, organised crime and corruption. The Trade part of the AFA broadens the scope of the current bilateral trade framework and adjusts it to the new political and economic global challenges, to the new reality of the EU-Chile partnership and to the level of ambition of recently concluded trade agreements and negotiations conducted by the EU and Chile.

The Agreement sets up an institutional framework composed of the Joint Council, Joint Committee and Sub-Committees and other bodies to assist the Joint Council. The Agreement provides for a mechanism to address failure by one of the Parties to fulfil obligations assumed under the AFA.

The ITA is being proposed for signature and conclusion in parallel with the AFA. Once concluded, the ITA will enter into force and will remain in force until the entry into force of the AFA. The present proposal concerns the legal instrument concluding the AFA.

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

The AFA 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, Latin America and the Caribbean: joining forces for a common future, adopted on 17 April 2019. It also fits the EU Commission Work Programme 2023 (A stronger Europe in the world).

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<sup>2</sup> JOIN/2017/019 final

In addition, the Trade and Investment Part of the AFA is fully in line with the “Trade for All” strategy of October 2015 by anchoring trade and investment policy in 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.

The AFA provides a modernised comprehensive legal framework for EU-Chile relations and replaces the current Association Agreement, including any subsequent decision by its institutional bodies. Over the years, the EU and Chile have concluded several bilateral sectoral agreements, including the Agreement on Trade in Wines and the Agreement on Trade in Spirits and Aromatised Drinks (hereinafter ‘the Wines and Spirits Agreements’) on the mutual recognition and protection of designations for wines and spirit drinks signed in Brussels. The Wines and Spirits Agreements, previously annexed to the Association Agreement<sup>3</sup>, are incorporated in the AFA.

- **Consistency with other Union policies**

The AFA 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 GMOs, environmental protection or consumer protection.

The implementation of the AFA will help the EU to reach its Green Deal targets, it will advance fair and inclusive green and digital transitions, including contributing to the roll out of the Global Gateway strategy, as it includes a chapter on Trade and Sustainable Development, which links the AFA to the EU’s overall objectives of sustainable development and specific objectives in the areas of labour, environment, and climate change.

Furthermore, Joint Statements on the Provisions on Trade and Sustainable Development are attached to the AFA and to the ITA, and foresee that the Parties will, upon the entry into force of the ITA, initiate a formal review process of its trade and sustainable development aspects in order to consider the incorporation, as appropriate, of additional provisions that may be deemed relevant by either Party at that time, including in the context of their respective domestic policy developments and their recent international treaty practice. Such additional provisions may relate, in particular, to further enhancing the enforcement mechanism of the Trade and Sustainable Development chapter, including the possibility to apply a compliance phase, and adequate countermeasures as a last resort. Without prejudice to the outcome of the review, the Parties will also consider the possibility of including the Paris Agreement on Climate Change as an essential element of the Agreements in the future.

Furthermore, the AFA fully safeguards public services and ensures that governments’ right to regulate in the public interest is fully preserved by the AFA and constitutes a basic underlying principle to it.

Cooperation in Research and Innovation is in accordance with the Agreement for scientific and technological cooperation between the European Community and the Republic of Chile, signed in September 2002 and entered into force in January 2007.

## **2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

### **Substantive legal basis**

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<sup>3</sup> The Agreements were amended in 2005, 2006, 2009 and lastly in 2022 (OJ C287/19 of 28 July 2022).

The substantive legal basis for a decision under Article 218(6) TFEU depends primarily on the objective and content of the Agreement. According to the case-law, if examination of an EU measure reveals that it pursues two purposes or that it comprises two components and if one of these is identifiable as the main or predominant purpose or component, whereas the other is merely incidental, the measure must be founded on a single legal basis, namely that required by the main or predominant purpose or component.

Exceptionally, if it is established, on the other hand, that the measure simultaneously pursues a number of objectives, or has several components, which are inextricably linked without one being incidental to the other, so that various provisions of the Treaty are applicable, the measure must be founded on the various corresponding legal bases (see, to that effect, judgments of 10 January 2006, *Commission v Parliament and Council*, C-178/03, EU:C:2006:4, paragraphs 42 and 43; of 11 June 2014, *Commission v Council*, C-377/12, EU:C:2014:1903, paragraph 34; of 14 June 2016, *Parliament v Council*, C-263/14, EU:C:2016:435, paragraph 44; and of 4 September 2018, *Commission v Council (Kazakhstan)*, C-244/17, ECLI:EU:C:2018:662, paragraph 40).

In this particular case, the AFA pursues two main objectives and has two main components which fall within the scope of the common commercial policy, transport, 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), 207 and 212<sup>4</sup> of the Treaty on the Functioning of the European Union (TFEU).

### **Procedural legal basis**

Article 218(6)(a)(iii) TFEU provides that, where an agreement establishes a specific institutional framework by organising cooperation procedures, the Council shall adopt a decision concluding the agreement after obtaining consent of the European Parliament.

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 economic, financial and technical cooperation with third countries, the voting rule for this particular case is therefore qualified majority.

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<sup>4</sup> Chile is not a recipient of Official Development Aid in accordance with the criteria set out by the Development Assistance Committee of the OECD for the period of 2022 and 2023.

- **Subsidiarity (for non-exclusive competence)**

On 13 November 2017, the Council adopted a Decision authorising the European Commission and the High Representative of the Union for Foreign Affairs and Security Policy to open negotiations for a modernised agreement with Chile to replace the Association Agreement.

Those parts of the AFA 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 Chile, 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 national level.

- **Proportionality**

This initiative pursues directly the objectives of the Union's external action and contributes to the political priority of 'EU as a stronger global actor'. It is in line with the EU Global Strategy's orientations to engage with other Countries and to revamp our external partnerships in a responsible way, in order to attain the EU's external priorities. It contributes to the EU's objectives concerning trade and economic and technical cooperation with third countries.

**Negotiations for the AFA with Chile 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 is in accordance with Article 218 (6) (a) TFEU, which envisages the adoption by the Council of a decision concluding an international agreement after the consent of the European Parliament. 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**

- **Ex-post evaluations/fitness checks of existing legislation**

An "Evaluation of the Economic Impact of the Trade Pillar of the EU-Chile Association Agreement" was commissioned by the Commission and completed in March 2012. An "Ex-ante Study of a Possible Modernisation of the EU-Chile Association Agreement" looking at options for modernisation was commissioned by the Commission and completed in February 2017.

These assessments demonstrated that, while the coverage of the existing trade pillar was comprehensive at the time, there was scope for further improvements of the rules and achieving further market access. It also concluded that it was necessary to update the Association Agreement to the evolution of the global trade landscape.

Furthermore, a "Sustainability Impact Assessment in Support of the Negotiations for the Modernisation of the Trade Part of the Association Agreement with Chile" was commissioned by the Commission and completed in May 2019.

- **Stakeholder consultations**

The contractors for the undertaken external studies organised numerous consultation and outreach activities, including: dedicated websites for documents and activities linked to the studies; online surveys of stakeholders; and individual interviews.

In the context of the Impact Assessment, DG Trade consulted interested stakeholders, including businesses, civil society stakeholders, NGOs, trade unions as well as trade associations, chambers of commerce and other private interests, on the modernisation. These consultations with stakeholders involved different consultation activities including open public on-line consultation.

These external studies, and the consultations held in the context of their preparation, provided the Commission with input that has been of great value in the negotiations of the AFA.

During the negotiations, meetings to debrief civil society organisations on the status of the negotiations and to exchange views on the modernisation were also organised.

Negotiations were carried out in consultation with the Council's Working Party on Latin America and the Caribbean on the political and cooperation aspects of this Agreement, and in consultation with the Trade Policy Committee on the trade aspects of this Agreement, as the special committee designated by the Council in accordance with Article 218(4) TFEU. The European Parliament and the European Economic and Social committee were also regularly informed through the Committee on International Trade (INTA), notably its Monitoring Group on Chile, and the Committee on Foreign Affairs. The texts progressively resulting from the negotiations were circulated throughout the process to both institutions.

- **Collection and use of expertise**

The “*Ex-post evaluation of the implementation of the EU-Chile Free Trade Agreement*” was carried out by the external contractor “ITAQA SARL”.

The “*Ex ante Study of a Possible Modernisation of the EU-Chile Association Agreement*” was carried out by the external contractor “Ecorys-Case”.

The “*Sustainability Impact Assessment (SIA) in support of the negotiations for the modernisation of the trade pillar of the Association Agreement with Chile*” was carried out by the external contractor “BKP Development Research & Consulting”<sup>5</sup>.

- **Impact assessment**

The proposal was supported by an Impact Assessment published in May 2017<sup>6</sup> which received a positive opinion (SWD/2017/0173 final).

The Impact Assessment concluded that a comprehensive negotiation would deliver positive benefits for both the EU and Chile. Such benefits included increases in GDP, welfare and exports, employment, wages (for both less skilled and more skilled employees), competitiveness and an improved position for both the EU and Chile in respect of other global competitors. The inclusion of provisions on sustainable development would also have a positive impact on the promotion and respect of human rights as well as the effective implementation of International Labour Organisation (ILO) core labour standards.

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<sup>5</sup> [https://policy.trade.ec.europa.eu/analysis-and-assessment/sustainability-impact-assessments\\_en#chile](https://policy.trade.ec.europa.eu/analysis-and-assessment/sustainability-impact-assessments_en#chile)

<sup>6</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:52017SC0173>

Furthermore, the Sustainability Impact Assessment (SIA) carried out during the negotiation provides a comprehensive assessment of the potential economic, social and environmental impacts of increased trade liberalisation under the AFA in the EU and Chile. The SIA also analyses the potential impacts of the modernisation on Human Rights and on the manufacturing, agriculture and services sectors.

The EU and Chile have reached an ambitious agreement in line with most recent trade agreements such as CETA, Japan and New Zealand. The Agreement will open new opportunities for trade and investment in both markets and support jobs in the EU.

The AFA will *inter alia* remove most of the customs duties, extend access to public contracts, open up services' market, offer predictable conditions for investors and, help prevent illegal copying of EU innovations and traditional products. The AFA also contains all the guarantees to make sure that the economic gains do not come at the expense of fundamental rights, social standards, governments' right to regulate, environment protection or consumers' health and safety.

- **Regulatory fitness and simplification**

The AFA 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. 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, investment protection, better access to procurement tender procedures, as well as a special chapter to enable SMEs to maximize the benefits from the Agreement.

- **Fundamental rights**

The proposal does not affect the protection of fundamental rights in the Union.

#### **4. BUDGETARY IMPLICATIONS**

The trade part of a modernised Agreement will have a limited negative impact on the EU budget in the form of elimination of customs duties due to tariff liberalisation. Indirect positive impacts are expected in terms of increases in resources linked to value added tax and gross national income.

#### **5. OTHER ELEMENTS**

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

The AFA includes institutional provisions that establish joint bodies to continuously monitor its implementation, operation and impact.

The institutional structure is composed of a Joint Council and a Joint Committee and a Sub-Committee for development and international cooperation, established by the agreement. Further Sub-Committees or other bodies may be established by the Joint Council or Joint Committee to address specific tasks or subject matters. The Joint Committee will assist the Joint Council in the performance of its function and supervise the work of all Sub-Committees and other bodies established under the AFA.

The institutional provisions of the Trade and Investment Part of the AFA establish the specific functions and tasks of the Joint Council and Joint Committee which will continuously monitor the implementation and application of the AFA. When discussing trade and investment matters, the Joint Council and the Joint Committee will meet in trade configuration.

- **Explanatory documents (for directives)**

Not applicable.

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

The AFA broadens the scope of the current bilateral framework and adjusts it to the new political and economic global challenges, to the new reality of the EU-Chile partnership and to the level of ambition of recently concluded agreements and negotiations conducted by the EU and Chile.

The AFA creates a coherent, comprehensive, up-to-date legally binding framework for the EU's relations with Chile. It undertakes to establish a strengthened partnership, reinforce political dialogue and deepen and enhance cooperation on issues of mutual interest. At the same time, the AFA will foster trade and investment by contributing to the expansion and diversification of economic and trade relations.

The AFA also includes a civil society consultation mechanism extended to the whole Agreement to allow the civil society on both sides to be heard on all the provisions in the Agreement.

The AFA is divided in four parts. Objectives and the general principles of the Agreement are outlined in Part I (General Principles and Objectives). Respect for democratic principles, human rights and fundamental freedoms and for the principle of the rule of law as well as the non-proliferation of weapons of mass destruction clause constitute essential elements of the Agreement.

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

- Political Dialogue, Foreign policy, International Peace and Security, Governance and Human Rights
- Justice, Freedom and Security
- Sustainable Development
- Economic, Social and Cultural Partnership
- Other areas (macroeconomic policies, tax matters, consumer policy, public health, sport and physical activity)
- Modernisation of the State, and the Public Service, Decentralisation, Regional Policy and Inter-Institutional Cooperation

Emphasis is put on a wide range of crucial issues, including environmental protection, climate change, sustainable energy, ocean governance, 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, ocean governance and on issues of global democratic governance and human rights, international migration, peace and security.

Part II contains also provisions to deepen the dialogue and cooperation on anti-corruption matters. The Agreement contains a Protocol that includes provisions to combat and prevent corruption in trade and investment.

The objectives of the provisions of this Protocol are to prevent corruption in trade and investment through different measures, notably by promoting integrity in the private and public sector, enhancing internal controls, external auditing and financial reporting as well as to strengthen the fight against corruption already pursued through international conventions, in particular the United Nations Convention against corruption (UNCAC).

In this regard, the Parties reiterate their commitment to make corruption a criminal offence for government officials and to consider as well making corruption an offence for businesses. The two sides have agreed to certain disciplines to tackle money laundering.

The Protocol also promotes the active participation of civil society in the prevention and fight against corruption. It also foresees a consultation mechanism in case of disagreement on the interpretation or implementation of the anti-corruption provisions.

In Part III (Trade and Trade related matters), the main policy objective pursued by the EU and Chile is to adjust the Association Agreement to the new realities and set a new framework for their bilateral trade and investment relations in line with the latest generation of trade agreements concluded or being negotiated by Chile or the EU, respectively.

In line with the objectives set by the negotiating directives, Part III of the AFA will offer:

- Improved market access for agricultural and fisheries exports and improved rules
- Simplified Rules of Origin
- Modernised and simplified border procedures
- Ensuring fair trade and business conditions
- Ensuring sustainability
- Focusing on the needs of smaller businesses
- Opportunities for service suppliers and rules for digital trade
- Encouraging investment
- Access to Chilean public tenders
- Setting better protection for innovation and creative works
- Ensuring safe and sustainable trade in agri-food products
- Ensuring that technical regulations, standards, and conformity assessment procedures are non-discriminatory and do not create unnecessary obstacles to trade
- Transparency and Good Regulatory Practices
- Modern Procedures on Dispute settlement

**Part IV (General Institutional Framework)** contains the general, institutional and final provisions. The agreement sets up an institutional framework composed of a Joint Council, a Joint Committee and a number of Sub-Committees. It sets out structures for engaging in dialogues with civil society. It introduces a procedure for addressing cases of failure by a party to fulfil its obligations under the Agreement.

The Agreement provides the possibility to be provisionally applied in full or in part. It is concluded for an indefinite period of time and replaces the Association Agreement and the Interim Agreement on Trade.

Proposal for a

## **COUNCIL DECISION**

**on the conclusion, on behalf of the European Union, of the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, 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), 207 and 212, in conjunction with Article 218(6)(a) thereof,

Having regard to the proposal from the European Commission,

Having regard to the consent of the European Parliament<sup>7</sup>,

Whereas:

- (1) In accordance with Council Decision No [XX]<sup>8</sup>, the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part ('the Agreement') was signed on [XX XXX 2023], subject to the conclusion of the Agreement at a later date. On the same day, the European Union and Chile also endorsed the Joint Statement on the Provisions on Trade and Sustainable Development contained in the Advanced Framework Agreement between the European Union and its Member States, of the one part, and the Republic of Chile, of the other part ('Joint Statement').
- (2) The Agreement and the Joint Statement should be approved on behalf of the Union.
- (3) Pursuant to Article 218(7) of the Treaty on the Functioning of the European Union, it is appropriate to authorise the Commission to approve on the Union's behalf the position to be taken on certain modifications to the Agreement that are to be adopted by a simplified procedure pursuant to Articles 28.20 and 41.7(14) of the Agreement, and by a body set up by the Agreement pursuant to Article 32.34 and subparagraph (a)(x) of Article 8.5(1) of the Agreement.
- (4) The Agreement, in accordance with its Article 41.10, does not, 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 Agreement is hereby approved on behalf of the Union.
2. The Joint Statement is hereby approved on behalf of the Union.
3. The texts of the Agreement and of the Joint Statement are attached to this Decision.

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<sup>7</sup>

OJ C , , p. .

<sup>8</sup>

[Reference to be inserted]

## *Article 2*

For the purposes of Article 28.20 of the Agreement, the modifications or rectifications as regards Annex 28-A and 28-B to the Agreement shall be approved by the Commission on behalf of the Union.

## *Article 3*

For the purposes of Article 32.34 and subparagraph (a)(x) of Article 8.5(1) of the Agreement, the amendment of Annex 32-C of the Agreement shall be approved by the Commission on behalf of the Union.

## *Article 4*

For the purposes of Article 41.7(14) of the Agreement, the amendment of the appendices to the Agreement on Trade in Wines in Annex V to the Association Agreement signed by the European Communities and its Member States, of the one part, and the Republic of Chile, of the other part, on 18 November 2002 (the 'Association Agreement'), as incorporated into the Agreement, shall be approved by the Commission on behalf of the Union.

For the purposes of Article 41.7(14) of the Agreement, the amendment of the appendices to the Agreement on Spirit Drinks and Aromatised Drinks in Annex VI to the Association Agreement, as incorporated into the Agreement, shall be approved by the Commission on behalf of the Union.

## *Article 5*

The Commission is hereby authorised to designate the person(s) empowered to proceed, on behalf of the Union, to the notification provided for in Article 41.5, paragraph 1, of Chapter 41 of the Agreement, in order to express the consent of the Union to be bound by the Agreement.

## *Article 6*

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

Done at Brussels,

*For the Council*  
*The President*