Disclaimer: In view of the Commission's transparency policy, the Commission is publishing the texts of the Trade Part of the Agreement following the agreement in principle announced on 21 April 2018.

The texts are published for information purposes only and may undergo further modifications including as a result of the process of legal revision. The texts are still under negotiations and not finalised. However, in view of the growing public interest in the negotiations, the texts are published at this stage of the negotiations for information purposes. These texts are without prejudice to the final outcome of the agreement between the EU and Mexico.

The texts will be final upon signature. The agreement will become binding on the Parties under international law only after completion by each Party of its internal legal procedures necessary for the entry into force of the Agreement (or its provisional application).

[CHAPTER XX]

DISPUTE SETTLEMENT

SECTION 1

OBJECTIVE AND SCOPE

Article X.1 Objective

The objective of this Chapter is to establish an effective and efficient mechanism for avoiding and settling any dispute between the Parties concerning the interpretation and application of Part [X] (Trade) of this Agreement with a view to reaching, where possible, a mutually agreed solution.

Article X.2 Scope

Unless otherwise provided in Part [X] (Trade) of this Agreement, this Chapter shall apply with respect to any dispute between the Parties concerning the interpretation or application of the provisions of Part [X] (Trade) of this Agreement (hereinafter referred to as "covered provisions),

when a Party considers that a measure¹ of the other Party is inconsistent with an obligation of Part [X] (Trade) of this Agreement.

Article X. 3

Choice of Forum

- 1. When a dispute arises regarding a particular measure in alleged breach of an obligation under this Agreement and a substantially equivalent² obligation under another international agreement to which both Parties are party, including the WTO Agreement, the Party seeking redress shall select the forum in which to settle the dispute.
- 2. Once a Party has selected the forum and initiated dispute settlement procedures under this Section or under another international agreement, the Party shall not initiate dispute settlement procedures in another forum with respect to the particular measure referred to in paragraph 1, unless the forum selected first fails to make findings for procedural or jurisdictional reasons.
- 3. For the purposes of this Article,
 - (a) dispute settlement procedures under this Section are deemed to be initiated by a Party's request for the establishment of a panel under Article [X.4] (Initiation of Panel Procedures);
 - (b) dispute settlement procedures under the WTO Agreement are deemed to be initiated by a Party's request for the establishment of a panel under Article 6 of the Understanding on Rules and Procedures Governing the Settlement of Disputes of the WTO;
 - (c) dispute settlement procedures under any other agreement are deemed to be initiated in accordance with the relevant provisions of that agreement.
- 4. Without prejudice to paragraph 2, nothing in this Agreement shall preclude a Party from suspending obligations authorised by the Dispute Settlement Body of the WTO or authorised under the dispute settlement procedures of another international agreement to which the disputing Parties are party. The WTO Agreement or any other international agreement between the Parties shall not be invoked to preclude a Party from suspending obligations under this Section.

SECTION 2

CONSULTATIONS

¹ For greater certainty, any act or omission attributable to a Party can be a measure of that Party for purposes of this Chapter. A Party's proposed measure may be the subject of consultations under Article X.3. A panel shall not be established to review a proposed measure.

² Negotiatiors note: to review the term to ensure consistency with the terminology.

Article X.3 BIS Consultations

- 1. The Parties shall endeavour to resolve any dispute referred to in Article [X.2] (Scope) by entering into consultations in good faith with the aim of reaching a mutually agreed solution.
- 2. A Party shall seek consultations by means of a written request delivered to the other Party identifying the measure at issue and the covered provisions that it considers applicable.
- 3. The Party to which the request for consultations is made shall reply to the request promptly, but no later than 10 days after the date of its receipt. Consultations shall be held within 30 days of the date of receipt of the request and take place, unless the Parties agree otherwise, in the territory of the Party to which the request is made. The consultations shall be deemed concluded within 30 days of the date of receipt of the request, unless the Parties agree to continue consultations.
- 4. Consultations on matters of urgency, including those regarding perishable goods, shall be held within 15 days of the date of receipt of the request. The consultations shall be deemed concluded within those 15 days unless the Parties agree to continue consultations.
- 5. During consultations each Party shall provide sufficient factual information so as to allow a complete examination of the manner in which the measure at issue could affect the application of Part [X] (Trade) of this Agreement. Each Party shall endeavour to ensure the participation of personnel of their competent governmental authorities who have expertise in the matter subject to the consultations.
- 6. Consultations, and in particular positions taken by the Parties during consultations, shall be confidential, and without prejudice to the rights of either Party in any further proceedings. The Parties shall protect any confidential information exchanged in the course of consultations as requested by the Party providing the information.
- 7. If the Party to which the request is made does not respond to the request for consultations within 10 days of the date of its receipt, or if consultations are not held within the timeframes laid down in paragraph 3 or in paragraph 4 respectively, or if the Parties agree not to have consultations, or if consultations have been concluded and no mutually agreed solution has been reached, the Party that sought consultations may have recourse to Article [X.4] (Initiation of Panel Procedures).

SECTION 3

PANEL PROCEDURES

Without Prejudice

Article X.4 Establishment of a Panel

- 1. If the Parties fail to resolve the dispute through recourse to consultations as provided for in Article [X.3] (Consultations), the Party that sought consultations may request the establishment of a panel.
- 2. The request for the establishment of a panel shall be made by means of a written request delivered to the other Party. The complaining Party shall identify the measure at issue in its request, and explain how that measure constitutes a breach of the covered provisions in a manner sufficient to present the legal basis for the complaint clearly.
- 3. A panel shall be established upon delivery of the request.

Article X.5 Composition of a Panel

- 1. A panel shall be composed of three panellists.
- 2. Within [X] days from the date of receipt of the written request for the establishment of a panel by the Party complained against, the Party shall consult with a view to agree on the composition of the panel. For that purpose, each Party shall, within [X] days of the date of receipt of the written request under Article [X] ("Establishment of a Panel") designate a panellist, who may be a national of that Party, and propose to the other Party up to three candidates to serve as chairperson. The Parties shall endeavor to agree on the chairperson from among the chairperson candidates within [X] days of the date of receipt of the written request under Article [X] (Establishment of a Panel). A panelist designated by a Party may be objected by the other Party if it considers that such individual does not comply with the requirements set out in Article [X.7] ("Requirements for Panellists").
- 3. If the Parties fail to agree on the composition of the Panel with the time period set out in paragraph [2], the Parties shall apply the procedures set out in the following paragraphs to compose a panel.
- 4. Each Party shall, within [X] days of the expiry of the time period set out in paragraph 2 appoint a panelist from its sub-list set out in accordance with Article X.6 [X].
- 5. If the complaining Party fails to appoint its panelist within the period specified in paragraph 4, the dispute settlement proceedings shall lapse at the end of that period.
- 6. If the responding Party fails to appoint its panellist within the period specified in paragraph 4, the complaining Party may request an appointing authority listed under the Rules of Procedure (Annex) to select the panellist by lot. The appointing authority shall select the panellist from the sub-list of the responding Party established under Article XX, within [X] days of the receipt of the request of the complaining Party,
- 7. If the disputing Parties fail to agree on the chairperson within the time period established in paragraph 1, the complaining Party, and in case of procedures under XXX [level of suspension] any of the disputing Parties, may request an appointing authority to select by

lot the chairperson of the panel from the sub-list of chairpersons established under Article XX, within [X] days from the expiry of that time period. The appointing authority shall select the chairperson within [X] days of the receipt of the request of a disputing Party.

- 8. For the purpose of paragraphs 6 and 7, the appointing authorities listed in the Rules of Procedures in Annex XX shall serve as an appointing authority for the composition of the panel under this Chapter. The appointing authority shall select the panellist in accordance with the provisions of this Chapter and the Rules of Procedure.
- xx. If any of the lists provided for in Article X.6 (Lists of Panellists) have not been adopted by the Joint Committee, the panelists or chairperson shall be appointed from the individuals who have been designated and notified (in writing) to the other Party by a Party or both Parties.

Article X.6

Lists of Panellists

- 1. The Joint Committee shall, no later than six months after the date of entry into force of this Agreement, adopt a list of at least 15 individuals who are willing and able to serve as panellists. The list shall be composed of three sub-lists:
 - (a) one sub-list of individuals of the European Union;
 - (b) one sub-list of individuals of Mexico; and
 - (c) one sub-list of individuals who shall serve as chairperson to the panel.
- 2. Each sub-list shall include at least five individuals. The sub-list of chairpersons shall not contain individuals that are nationals of either Party.
- 5. The Joint Committee may adopt additional lists of individuals with expertise in specific sectors covered by this Agreement. Subject to the agreement of the Parties, such additional lists shall be used to compose the panel in accordance with the procedure set out in Article X.5 (Establishment of the Panel).

Article X.7 Requirements for Panellists

1. Each panellist shall:

- (a) have demonstrated expertise in law, international trade, and in other matters covered by this Agreement (which could include expertise in the resolution of disputes arising other international trade agreements);
- (b) be independent of, and not be affiliated with or take instructions from, either Party;
- (c) serve in their individual capacities and not take instructions from any organisation or government with regard to matters related to the dispute; and
- (d) comply with Annex [XX] (Code of Conduct for Panellists and Mediators).
- 2. The chairperson shall also have experience in dispute settlement procedures.
- 3. In view of the subject-matter of a particular dispute, the Parties may agree to derogate from the requirements listed in subparagraph 1(a).

Article X.8 Functions of the Panel

The panel:

- (a) shall make an objective assessment of the matter before it, including an objective assessment of the facts of the case and the applicability of and conformity with the covered provisions;
- (b) shall set out, in its decisions and reports, the findings of facts, the applicability of the covered provisions and the basic rationale behind any findings and conclusions that it makes and recommendations, if the parties have jointly requested them; and
- (c) should consult regularly with the Parties and provide adequate opportunities for the development of a mutually agreed solution.

Article X.9

Terms of Reference

1. Unless the Parties agree otherwise within five days after the date of appointment of the last panellist, the terms of reference of the panel shall be:

"to examine, in the light of the relevant provisions of Part [X] (Trade) of this Agreement cited by the Parties, the matter referred to in the request for the establishment of the panel, to make findings on the conformity of the measure at issue with the provisions of Part [X] (Trade) of this Agreement referred to in Article [X.2] (Scope); to make recommendations, if the parties have jointly requested them; and to deliver a report in accordance with Articles [X.11] (Interim Report) and [X.12] (Panel Report)."

2. If the Parties agree on other terms of reference, they shall notify the agreed terms of reference to the panel within the time period set out in paragraph 1.

Article X.10 Decision on Urgency

- 1. If a Party so requests no later than [5] days from the date of the request of establishment of the panel, the panel shall decide, within 10 days of the appointment of the last panellist, whether the case concerns matters of urgency. The other Party shall have the opportunity to comment on the request within [5] days of the date of the delivery of such request.
- 2. In cases of urgency, the applicable time periods set out in Section 3 (Dispute Settlement Procedures) in this Chapter shall be half the time prescribed therein, except the periods for the establishment of the panel in Article [X.5] (Establishment of a Panel) and for agreeing on the terms of reference of the panel in Article [X. 9] (Terms of Reference).

Article X.11 Interim Report

- 1. The panel shall deliver an interim report to the Parties within 90 days after the date of the appointment of the last panellist. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to deliver its interim report. The panel shall, under no circumstances, deliver its interim report later than 120 days after the date of the appointment of the last panellist.
- 2. Each Party may deliver to the panel a written request to review precise aspects of the interim report within 10 days of its receipt. A Party may comment on the other's Party's request within 6 days of the delivery of the request.

Article X.12 Final Report

- 1. The panel shall deliver its final report to the Parties within 120 days of the date of establishment of the panel. When the panel considers that this deadline cannot be met, the chairperson of the panel shall notify the Parties in writing, stating the reasons for the delay and the date on which the panel plans to deliver its final report. The panel shall, under no circumstances, deliver its final report later than 150 days after the date of establishment of the panel.
- 2. The final report shall include a discussion of any written request by the Parties on the interim report and clearly address the comments of the Parties. After considering any comments by the Parties on the interim report, the panel may modify its report and make any further examination it considers appropriate.
- 3. The ruling of the panel in the final report shall be final and binding on the Parties.

Article X.13 Compliance Measures

- 1. The Parties recognise the importance of prompt compliance with the findings and conclusions of the panel in the final report in order to ensure the effective resolution of the dispute. The Party complained against shall take any measure necessary to comply promptly with the findings and conclusions in the final report in order to bring itself in compliance with the covered provisions.
- 2. The Party complained against shall, no later than 30 days after receipt of the final report, deliver a notification to the complaining Party of the measures which it has taken, or which it envisages to take, to comply.
- 3. Unless the Parties reach a mutually agreed solution pursuant to X.32 ("mutually agreed solution"), the resolution of the dispute shall be the removal of a measure not conforming with this Agreement.

Article X.14

Reasonable Period of Time

- 1. If immediate compliance is not possible, the Party complained against shall, no later than 30 days after receipt of the final report, deliver a notification to the complaining Party of the length of the reasonable period of time it will require for compliance. The Parties shall endeavour to agree on the length of the reasonable period of time to comply with the final report. The reasonable period of time should not exceed 15 months from the presentation of the final report under Article 12.
- 2. If the Parties have not agreed on the length of the reasonable period of time, the complaining Party may, at the earliest 20 days after the receipt of the notification in paragraph 1, request in writing the original panel to determine the length of the reasonable period of time. The panel shall deliver its decision to the Parties within 20 days of the date of receipt of the request.
- 3. The Party complained against shall deliver a written notification of its progress in complying with the final report to the complaining Party at least one month before the expiry of the reasonable period of time.
- 4. The Parties may agree to extend the reasonable period of time.

Article X.15

Compliance Review

1. The Party complained against shall, no later than at the date of expiry of the reasonable period of time, deliver a notification to the complaining Party of any measure that it has taken to comply with the final report.

2. When the Parties disagree on the existence or the consistency with the covered provisions of any measure taken to comply, the complaining Party may deliver a request, in writing, the original panel to decide on the matter. The request shall identify any measure at issue and explain how that measure constitutes a breach of the covered provisions in a manner sufficient to present the legal basis for the complaint clearly. The panel shall deliver its decision to the Parties within [X] days of the date of receipt of the request.

Article X.16

Temporary Remedies

- 1. The Party complained against shall, upon request by and after consultations with the complaining Party, present an offer for temporary compensation if:
 - (a) the Party complained against delivers a notification to the complaining Party that it is not possible to comply with the final report; or
 - (b) the Party complained against fails to deliver a notification of any measure taken to comply within the deadline referred to in Article [X.13] (Compliance Measures) or by the date of expiry of the reasonable period of time; or
 - (c) the panel finds that no measure taken to comply exists or that the measure taken to comply is inconsistent with the covered provisions.
- 2. Under any of the conditions referred to in subparagraphs 1(a) to (c), the complaining Party may deliver a written notification to the Party complained against that it intends to suspend the application of obligations under the covered provisions if:
 - (a) the complaining Party decides not to make a request under paragraph 1; or
 - (b) when a request under paragraph 1 is made, the Parties do not agree on the temporary compensation within [X] days after (i) the date of the notification of the Party complained against that it is not possible to comply with the final report, (ii) the expiry of the reasonable period of time or (iii) the delivery of the panel decision under Article [X.15] (Compliance Review).
- 3. The notification shall specify the level of intended suspension of obligations. In considering what benefits to suspend, the complaining Party should first seek to suspend benefits in the same sector or sectors as that affected by the measure that the panel has found to be inconsistent with this Agreement or cause nullification or impairment. The suspension of concessions or other obligations may be applied to other sectors covered by this Chapter than the one or ones in which the panel has found nullification or impairment, in particular if the complaining Party is of the view that such suspension in the other sector is practicable or effective in inducing compliance.
- 5. The complaining Party may suspend the obligations [15] days after the date of delivery of the notification referred to in paragraph 2, unless the Party complained against made a request under paragraph 5.

- 6. The level of the suspension of concessions or other obligations shall not exceed the level equivalent to the nullification or impairment caused by the violation[³].
- 7. If the Party complained against considers that the notified level of suspension of concessions or other obligations exceeds the level equivalent to the nullification or impairment caused by the violation, it may deliver a written request to the original panel before the expiry of the [15] day period set out in paragraph 5 to decide on the matter. The panel shall determine the level of benefits it considers to be of equivalent effect and shall deliver its decision to the Parties within [30] days of the date of the request. Obligations shall not be suspended until the panel has delivered its decision. The suspension of obligations shall be consistent with this decision.
- 8. The suspension of obligations or the compensation referred to in this Article shall be temporary and shall not be applied after:
 - (a) the Parties have reached a mutually agreed solution pursuant to Article [X.32] (Mutually Agreed Solutions)
 - (b) the Parties have agreed that the measure taken to comply brings the Party complained against into conformity with the covered provisions; or
 - (c) any measure taken to comply which the panel has found to be inconsistent with the covered provisions has been withdrawn or amended so as to bring the Party complained against into conformity with those provisions.

Review of any measure taken to comply after the adoption of temporary remedies

- 1. The Party complained against shall deliver a notification to the complaining Party of any measure it has taken to comply following the suspension of obligations or following the application of temporary compensation, as the case may be. With the exception of cases under paragraph 2, the complaining Party shall terminate the suspension of obligations within 30 days from the receipt of the notification. In cases where compensation has been applied, and with the exception of cases under paragraph 2, the Party complained against may terminate the application of such compensation within 30 days from receipt of its notification that it has complied.
- 2. If the Parties do not reach an agreement on whether the notified measure brings the Party complained against into conformity with the covered provisions within 30 days of the date of receipt of the notification, the complaining Party shall deliver a written request to the original panel to decide on the matter. The panel shall deliver its decision to the Parties within [60] days of the date of the receipt of the request. If the panel finds that the measure taken to comply is in conformity with the covered provisions, the suspension of

³ (negotiator's note – move this paragraph to paragraph 3 above)

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- obligations or compensation, as the case may be, shall be terminated. When relevant, the complaining Party shall adjust the level of suspension of obligations or of compensation in light of the panel decision.
- 3. If the Party complained against considers that the level of suspension implemented by the complaining Party exceeds the level equivalent to the nullification or impairment caused by the violation, it may deliver a written request to the original panel to decide on the matter.

Article X.18 Replacement of Panellists

If during dispute settlement procedures, a panellist is unable to participate, withdraws or needs to be replaced because he or she does not comply with the requirements of Annex [XX] (Code of Conduct for Panellists and Mediators), a new panellist shall be selected in accordance with Article [X.5] (Establishment of Panels) and Annex [X] (Rules of Procedure). The time period for the delivery of the report or decision shall be extended for the time necessary for the appointment of the new panellist.

Article X.19 Rules of Procedure

- 1. Panel procedures (Section 3) shall be governed by this Chapter and Annex [X] (Rules of Procedure).
- 2. The Rules of Procedure shall ensure in particular that:
 - (a) disputing Parties have the right to at least one hearing before the panel at which each may present views orally;
 - (b) each disputing Party has an opportunity to provide an initial [MX: and a rebuttal] written submission;
 - (c) subject to the protection of confidential information, each disputing Party shall make available to the public its written submissions, written version of an oral statement and written responses to a request or question from the panel, if any, as soon as possible after those documents are filed and no later than the date of delivery of the final report;
 - (d) the panel and the Parties shall treat as confidential any information submitted by a Party to the panel.
- 2. Any hearing of the panel shall be open to the public, unless otherwise agreed by the Parties.

Article X.20 **Suspension and Termination**

- 1. At the request of both Parties, the panel shall suspend its work at any time for a period agreed by the Parties and not exceeding 12 consecutive months. The panel shall resume its work before the end of the suspension period at the written request of both Parties, or on the last day of the suspension period at the written request of either Party. The requesting Party shall deliver a notification to the other Party accordingly.
- 2. If a Party does not request the resumption of the panel's work at the expiry of the suspension period, the authority of the panel shall lapse and the dispute settlement procedure shall be terminated (without prejudice to the Party's right to initiate a new proceeding on the same matter).
- 3. In the event of a suspension of the work of the panel, the relevant time periods under this Section shall be extended by the same period of time for which the work of the panel was suspended.

Article X.21 Receipt of Information

- 1. At the request of a Party, or upon its own initiative, the panel may seek, from the Parties, relevant information it considers necessary and appropriate. The Parties shall respond promptly and fully to any request by the panel for such information.
- 2. Upon the request of a Party or its own initiative, the panel may seek any information it deems appropriate from any source. The panel also has the right to seek the opinion or technical advice from experts, as it deems appropriate, and subject to any terms and conditions agreed by the Parties, where applicable.
- 3. The panel shall consider *amicus curiae* submissions from natural persons of a Party or legal persons established in a Party in accordance with Annex [X] (Rules of Procedure).
- 4. Any information obtained by the panel under this Article shall be disclosed to the Parties and the Parties may provide comments on that information.

Article X.22 Rules of Interpretation

- 1. The panel shall interpret the covered provisions in accordance with customary rules of interpretation of public international law, including those codified in the 1969 Vienna Convention on the Law of Treaties. The panel shall also take into account relevant interpretations in reports of WTO panels and the Appellate Body adopted by the Dispute Settlement Body of the WTO.
- 2. Reports and decisions of the panel cannot add to or diminish the rights and obligations of the Parties under this Agreement.

Reports and Decisions of the Panel

- 1. The deliberations of the panel shall be kept confidential. The panel shall make every effort to draft reports and take decisions by consensus. If this is not possible, the panel shall decide the matter by majority vote. In no case shall separate opinions of arbitrators be disclosed.
- 2. The decisions and reports of the panel shall be accepted unconditionally by the Parties. They shall not create any rights or obligations with respect to natural or legal persons.
- 3. Each Party shall make the reports and decisions of the panel publicly available as soon as possible after the date of delivery to the Parties, subject to the protection of confidential information.

SECTION 4

MEDIATION MECHANISM

Article X.25

Objective

The objective of the mediation mechanism is to facilitate the finding of a mutually agreed solution through a comprehensive and expeditious procedure with the assistance of a mediator.

Article X.27

Initiation of the Mediation Procedure

- 1. A Party may at any time request to the other Party, in writing, to enter into a mediation procedure with respect to any measure of that Party adversely affecting trade or investment between the Parties. Consultations are not required before initiating the mediation procedure.
- 2. The request shall be sufficiently detailed to present the concerns of the requesting Party clearly and shall:
 - (a) identify the specific measure at issue;
 - (b) provide a statement of the adverse effects that the requesting Party considers the measure has, or will have, on trade or investment between the Parties; and
 - (c) explain how the requesting Party considers that those effects are linked to the measure.

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3. The mediation procedure may only be initiated by mutual agreement of the Parties. The Party to which the request is made shall give sympathetic consideration to the request and deliver its written acceptance or rejection to the requesting Party within 10 days of its receipt. Otherwise the request shall be regarded as rejected.

Article X.28 Selection of the Mediator

- 1. The Parties shall endeavour to agree on a mediator, if possible, no later than [15] days after the receipt of the acceptance of the request.
- 2.In the event that the Parties are unable to agree on the mediator within the time period laid down in paragraph 1, either Party may request the Appointing Authority listed in the Rules of Procedure in Annex [XX] to select the mediator by lot, within five days from the request, from the sub-list of chairpersons established under Article [X.6] (Lists of Panellists).
- 3. If the sub-list of chairpersons referred to in Article [X.6] (Lists of Panellists) has not been adopted by the Joint Committee at the time a request is made pursuant to Article [X.27] (Initiation of the Mediation Procedure), the mediator shall be drawn by lot from the individuals designated by one or both of the Parties for that sub-list, as the case may be.
- 4. A mediator shall not be a national of either Party or employed by either Party, unless the Parties agree otherwise.
- 5. A mediator shall comply with Annex [XX] (Code of Conduct for Panellists and Mediators).

Article X.29

Rules of the Mediation Procedure

- 1. Within 10 days of the appointment of the mediator, the Party which invoked the mediation procedure shall deliver to the mediator and to the other Party a detailed written description of its concerns, in particular of the operation of the measure at issue and its possible adverse effects on trade or investment. Within 20 days of the receipt of this description, the other Party may deliver written comments on this description.
- 2. The mediator shall assist the Parties in a transparent manner in bringing clarity to the measure concerned and its possible adverse effects on trade or investment. In particular, the mediator may organise meetings between the Parties, consult the Parties jointly or individually, seek the assistance of, or consult with, relevant experts and stakeholders and provide any additional support requested by the Parties. The mediator shall consult with the Parties before seeking the assistance of, or consulting with, relevant experts and stakeholders.
- 3. The mediator may offer advice and propose a solution for the consideration of the Parties. The Parties may accept or reject the proposed solution, or agree on a different solution.

The mediator shall not advise or comment on the consistency of the measure at issue with this Agreement.

- 4. The mediation procedure shall take place in the territory of the Party to which the request was addressed, or by mutual agreement in any other location or by any other means.
- 5. The Parties shall endeavour to reach a mutually agreed solution within 60 days of the appointment of the mediator. Pending a final agreement, the Parties may consider possible interim solutions, particularly if the measure relates to perishable goods.
- 6. Upon request of either Party, the mediator shall deliver a draft factual report to the Parties, providing:
 - (a) a brief summary of the measure at issue;
 - (b) the procedures followed; and
 - (c) any mutually agreed solution reached, including any possible interim solutions.
- 7. The mediator shall allow the Parties 15 days to comment on the draft report. After considering the comments of the Parties received, the mediator shall, within [15] days, deliver a final factual report to the Parties. The factual report shall not include any interpretation of this Agreement.
- 8. The procedure shall be terminated:
 - (a) by the adoption of a mutually agreed solution by the Parties, on the date of the adoption thereof;
 - (b) by mutual agreement of the Parties at any stage of the procedure, on the date of that agreement;
 - (c) by a written declaration of the mediator, after consultation with the Parties, that further efforts at mediation would be to no avail, on the date of that declaration; or
 - (d) by a written declaration of a Party after exploring mutually agreed solutions under the mediation procedure and after having considered any advice and proposed solutions by the mediator, on the date of that declaration.

Article X.30

Confidentiality

Unless the Parties agree otherwise, all steps of the mediation procedure, including any advice or proposed solution, are confidential. Any Party may disclose to the public the fact that mediation is taking place.

Relationship to Dispute Settlement Procedures

- 1. The mediation procedure is without prejudice to the Parties' rights and obligations under Sections 2 and 3 or under dispute settlement procedures under any other agreement. For greater certainty, a mediation procedure may be initiated or continue while panel procedures are in progress.
- 2. A Party shall not rely on, or introduce as evidence, in other dispute settlement procedures under this Agreement or any other agreement, nor shall a panel take into consideration:
 - (a) positions taken by the other Party in the course of the mediation procedure or information exclusively gathered under paragraph 2 of Article [X.29] (Rules of the Mediation Procedure);
 - (b) the fact that the other Party has indicated its willingness to accept a solution to the measure subject to mediation; or
 - (c) advice given or proposals made by the mediator.
- 3. Unless the Parties agree otherwise, a mediator shall not serve as a member of a panel in dispute settlement procedures under this Agreement or under any other agreement involving the same matter for which he or she has been a mediator.

SECTION 5

COMMON PROVISIONS

Article X.32

Request for Information

- 1. Before a request for consultations or mediation is made pursuant to Article XX (Consultation) and XX (Mediation) respectively, a Party may request information regarding a measure adversely affecting trade or investment between the Parties. The Party to which such request is made shall, within 20 days of receipt of the request, deliver a written response containing its comments on the requested information.
- 2. A Party is normally expected to avail itself of this provision before the initiation of the mediation procedure and of the other relevant cooperation or consultations provisions in this Agreement.

Article X.32

Mutually Agreed Solution

1. The Parties may reach a mutually agreed solution at any time with respect to any dispute referred to in Article [X.2] (Scope).

- 2. If a mutually agreed solution is reached during the panel or mediation procedure, or during any other alternative means of dispute resolution agreed by the Parties (including procedures involving goods offices or conciliation), the Parties shall jointly notify that solution to the chairperson of the panel or the mediator, respectively. Upon such notification, the panel or the mediation procedure shall be terminated.
- 3. Each Party shall take measures necessary to implement the mutually agreed solution within the agreed time period.
- 4. No later than at the expiry of the agreed time period the implementing Party shall inform the other Party, in writing, of any measure that it has taken to implement the mutually agreed solution.

Time Periods

- 1. All time periods laid down in this Chapter shall be counted in calendar days from the day following the act to which they refer.
- 2. Any time period referred to in this Chapter may be modified by mutual agreement of the Parties.
- 3. Under Section 3, the panel may at any time propose to the Parties to modify any time period referred to in this Chapter, stating the reasons for the proposal.

Article X.34

Costs

- 1. Each Party shall bear its own expenses derived from the participation in the panel or mediation procedure.
- 2. The Parties shall share jointly and equally the expenses derived from organisational matters, including the remuneration and expenses of the panellists and of the mediator. The remuneration of the panellists and of the mediator shall be in accordance with that foreseen for a chairperson of an arbitration Panel in accordance with Annex [X] (Rules of Procedure).

Article X. X

Administration of the dispute settlement procedure

1. Each Party shall:

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(a) designate an office which shall be responsible for the administration of the dispute

settlement procedure under this Chapter; and

notify the other Party in writing of the office's location and contact information within 3 (b)

months of the entry into force of this Agreement.

2. The Parties shall be responsible for:

(a) the operation and costs of its respective designated office; and

(b) the expenses derived from organisational matters, including the remuneration and

expenses of the panellists and of the mediator in accordance with Article X.X (Costs) and

Rule X of Annex [X] ("Rules of Procedure").

Notwithstanding paragraph 1, the Parties may agree to jointly entrust an external body 3.

with providing support for certain administrative tasks for the dispute settlement

procedure under this Chapter.

Article X.

[Private Rights]

A Party shall not provide for a right of action under its domestic law against the other Party on

the ground that a measure of the other Party is inconsistent with this Agreement.

Article X.35

Annexes

The [Association Committee in Trade configuration] may modify the Annexes [X] (Rules of

Procedure) and [XX] (Code of Conduct for Panellists and Mediators).

ANNEXES

Annex [X]: Rules of Procedure

Annex [XX]: Code of Conduct for Panellists and Mediators

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Modernisation of the Trade part of the EU-Mexico Global Agreemen
Without Prejudice