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News Free Trade Agreements

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What to expect in the next 30 minutes

- FTA EFTA – India: Entered into force
- FTA EFTA – Mercosur: signed, what's in?
- Revised PEM Convention – what happens on 1 January 2026?
- Q & A session



India



- FTA entered into force on 1 October 2025
- Rules of origin based on the European model
- Declarations of origin from approved exporters must be digitally signed
- A recognised provider must be used for the signature ([Electronic signature \(admin.ch\)](#))
- Normal exporters use EUR.1, additional information regarding origin criteria and tariff number (same as CH-China)



India



- List rules somewhat more restrictive than usual and very detailed, often at level 4
- Verification procedures more detailed than usual, no disclosure of trade secrets
- Observer status possible within a narrowly defined framework, may be refused on grounds of trade secrets
- Suspension of preferential treatment under detailed circumstances in case of misuse in the past



Mercosur



- Signed 16 September 2025 in Rio de Janeiro
- Approval by both chambers
- Possible referendum
- Earliest entry into force autumn/winter 2027





Swiss exports to Mercosur



Large market with growth potential, 260 million population



(Very) high tariff protection (peak tariffs up to 35%)



Diversification needed

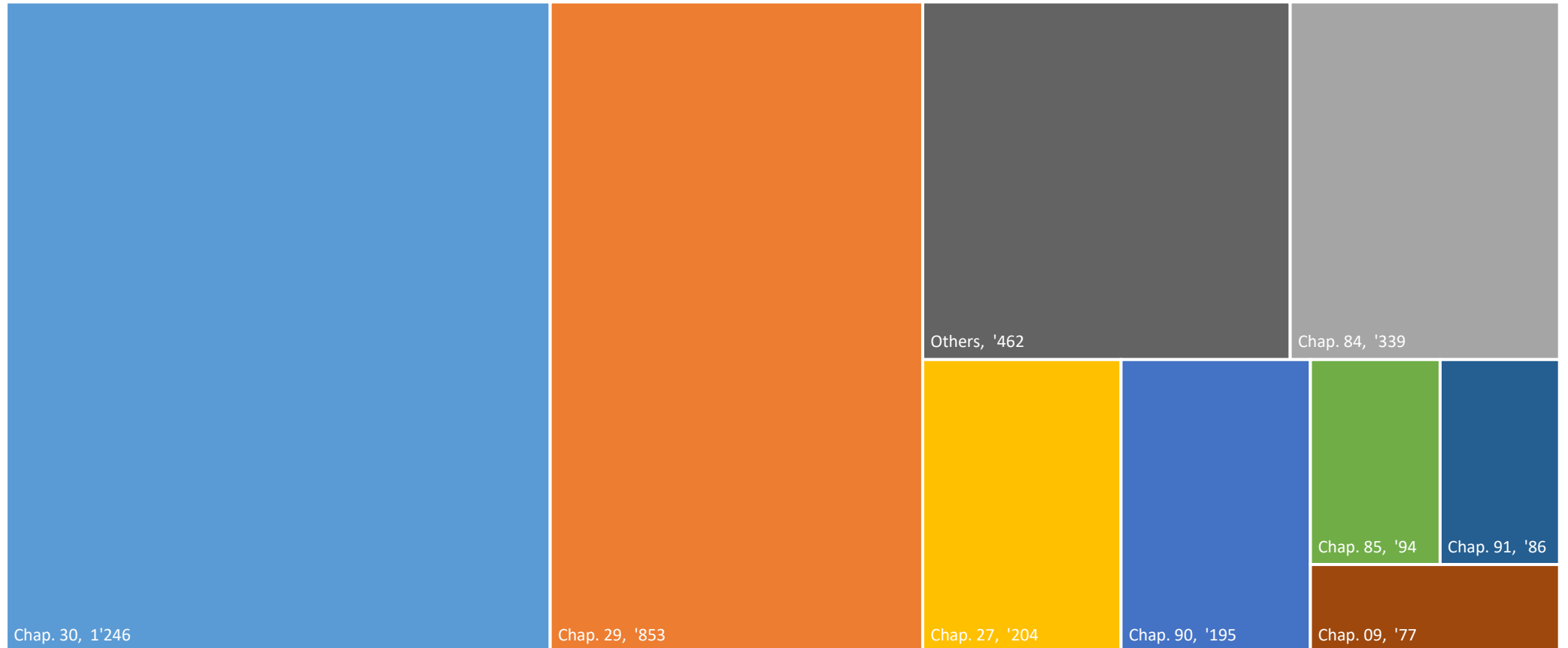




Swiss exports to Mercosur



MCS Imports from CH (2022-24), in Million USD





Mercosur – Rules of Origin



- So-called extended cumulation with materials of EU origin possible under specific conditions:
 - **PSR** EFTA-Mercosur and EU-Mercosur are **identical or equivalent for the materials used**
 - CTSH and/or value added greater than value of EU materials
 - Details see [Appendix 5](#)
- Product-specific rules similar to PEM rules
- EFTA exporters complete the origin declaration as the only proof of origin
- Splitting up consignments in third countries is possible
- Traditional verification system



Revision of the PEM Convention

- FTA **with** dynamic link to PEM Convention: from 1 January 2026, only the revised PEM rules will apply
- FTA **without** dynamic link to PEM Convention: only the old PEM rules will continue to apply
- NO permeability for input materials imported after 1 January 2026



Revision of the PEM Convention

Zone 1: FTAs with dynamic links:

The following FTAs already contain a dynamic link to the PEM Convention:

- Switzerland – EU
- EFTA Convention
- EFTA – Albania
- EFTA – Bosnia and Herzegovina
- EFTA – Georgia
- EFTA – Moldova
- EFTA – Montenegro
- EFTA – North Macedonia
- EFTA – Serbia
- EFTA – Turkey



Revision of the PEM Agreement

Zone 2: FTAs without dynamic reference

The following FTAs do not currently contain a dynamic reference to the PEM Convention, but origin protocols containing the old rules of origin of the PEM Convention:

- Switzerland – Faroe Islands
- EFTA – Egypt
- EFTA – Israel
- EFTA – Jordan
- EFTA – Lebanon
- EFTA – Morocco
- EFTA – Palestine
- EFTA – Tunisia
- EFTA – Ukraine



Important changes as of 1 January 2026

- Diagonal cumulation within each zone still possible
- BUT NO diagonal cumulation between zones 1 and 2!
 - E.g. EU materials cannot be cumulated when final export to Morocco or *vice versa*
- NO permeability for input materials imported after 1 January 2026
- Permeability for input materials originating under old PEM rules imported BEFORE 1 January 2026 possible for a maximum of 3 years after import
- "REVISED RULES" on proof of origin no longer needed under trade within zone 1

