

On 9 January 2026, a qualified majority of EU Member States authorised the signature of an EU-Mercosur Partnership Agreement (EMPA), as well as of a more limited EU-Mercosur Interim Trade Agreement (iTA).

The signature of the agreements on 17 January will culminate the bilateral phase of the adoption of the trade agreement. It also starts their ratification procedures, which could prove complex.

The iTA and the EMPA: Different Types of EU Agreements

The iTA and the EMPA differ in scope. The iTA is limited to trade and investment liberalisation (e.g. tariff reduction and elimination), which are EU exclusive competences. The EMPA adds a political and cooperation pillar. It thus extends beyond the EU's exclusive competences and covers matters reserved to the EU's Member States (as a so-called "mixed agreement"). It follows that the iTA and EMPA will follow different ratification procedures within the EU. The iTA is intended to be ratified more quickly. It will liberalise trade and apply for as long as the EMPA has not have entered into force.

The iTA's Ratification in the EU: Trouble at the Parliament?

To enter into force, the iTA will only require the approval of the European Parliament (EP) by simple majority, and of the Council of the EU (the Council) by qualified majority (i.e. 55% of Member States representing 65% of the EU's population).

As the Member States have already cleared the agreement for signature by qualified majority, obtaining the Council's approval is expected to be straightforward. On the contrary, the political salience of the agreement could make obtaining the EP's approval more challenging. EP votes could vary along national lines as much as along political lines.

The EMPA's Ratification: A Long Road Ahead

As a mixed agreement, the EMPA will have to be individually approved by each of the EU's 27 Member States before entering into force. In most cases, this will mean gaining the approval of Member States' national parliaments. Nevertheless, in certain cases, Member States' regions will also have to approve the agreement.

The complexity of gaining the approval of more than 27 national and sub-national level legislatures has led to significant delays in the EU's ratification of mixed agreements in the past. For example, the 2017 EU-Canada Economic and Trade Agreement (CETA) is still pending final ratification in the EU, as only 17 out of 27 EU Member States have completed their national ratification process. The EU's full ratification of the EMPA could potentially face similar delays.

Possible Legal Challenges in the EU

Individual EP Members, as well as EU Member States, have indicated that they may challenge the EU-Mercosur agreements before the Court of Justice of the EU. Depending on the legal basis chosen, as well as the arguments put forward, a legal challenge could result in the suspension of the EU ratification procedure.

Ratification in the Mercosur

Beyond the EU, the agreements must be ratified on the other side of the Atlantic as well. As per Mercosur's rules, its five full members (Argentina, Bolivia, Brazil, Paraguay and Uruguay) must all individually ratify the iTA and the EMPA for their entry into force. While political controversy surrounding the agreement appears more limited than in Europe so far, delays can also not be excluded.

How We Can Help

If approved, the EU-Mercosur agreements are likely to have important consequences for economic and political relations between the two blocs, for example through substantial trade liberalisation. Nevertheless, the road to implementation may still prove tortuous.

Squire Patton Boggs' Public Policy and International Trade team stand ready to advise on any aspects of the EU-Mercosur agreements, and their implementation, to help clients seize the opportunities they should unlock.

Contacts



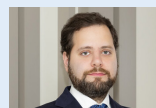
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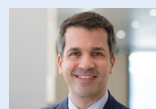
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