PROPOSED TEXT ON WINE AND DISTILLED SPIRITS FOR RCEP

1. Application
   1. This Annex shall apply to wine and distilled spirits.

2. Objectives
   1. The objective of this Annex is to facilitate trade in wine and spirits drinks between the Parties, to improve cooperation in the development and enhance the transparency of regulations affecting such trade.

3. Definitions
   For the purposes of this Annex:

   1. container means any bottle, barrel, cask or other closed receptacle, irrespective of size or of the material from which it is made, used for the retail sale of wine or distilled spirits;

   2. distilled spirits means a potable alcoholic distillate, including spirits of wine, whiskey, rum, brandy, gin, tequila, mezcal and all dilutions or mixtures of those spirits
      (a) having a minimum alcoholic strength of 15 % vol.;
      (b) having been produced:
         (i) either directly:
             – by the distillation, with or without added flavourings, of naturally fermented products, and/or
             – by the maceration or similar processing of plant materials in ethyl alcohol of agricultural origin and/or distillates of agricultural origin, and/or spirit drinks within the meaning of this Chapter, and/or
             – by the addition of flavourings, sugars or other sweetening products listed in the Protocol/Attachment and/or other agricultural products and/or foodstuffs to ethyl alcohol of agricultural origin and/or to distillates of agricultural origin and/or to spirit drinks, within the meaning of this Chapter,
         (ii) or by the mixture of a spirit drink with one or more:
             – other spirit drinks, and/or
             – ethyl alcohol of agricultural origin or distillates of agricultural origin, and/or
             – other alcoholic or non-alcoholic beverages

   3. label means any brand, mark, pictorial or other descriptive matter that is written, printed, stencilled, marked, embossed or impressed on, or firmly affixed to the primary container of wine or distilled spirits;
4. oenological practices means winemaking materials, processes, treatments and techniques, but does not include labelling, bottling or packaging for final sale;

5. single field of vision means any part of the surface of a primary container, excluding its base and cap, that can be seen without having to turn the container;

6. supplier means a producer, importer, exporter, bottler or wholesaler; and

7. wine means a beverage that is produced by the complete or partial alcoholic fermentation exclusively of fresh grapes, grape must, or products derived from fresh grapes in accordance with oenological practices that the country in which the wine is produced authorises under its laws and regulations, which

   (a) contains an actual alcohol content of not less than 7 percent (7 %) and not more than 22 percent (22 %) by volume; and
   (b) contains no artificial coloring, flavoring or added water beyond technical necessity.

4. General
   1. Each Party shall make information about its laws and regulations concerning wine and distilled spirits publicly available.

   2. A Party may require a supplier to ensure that any statement required by that Party to be placed on a wine or distilled spirits label is:
      a. clear, specific, truthful, accurate and not misleading to the consumer; and
      b. legible to the consumer; and that such labels be firmly affixed.

   3. If a Party requires a supplier to indicate information on a distilled spirits label, the Party shall permit the supplier to indicate that information on a supplementary label that is affixed to the distilled spirits container. Each Party shall permit a supplier to affix the supplementary label on the container of the imported distilled spirits after importation but prior to offering the product for sale in the Party's territory, and may require that the supplier affix the supplementary label prior to release from customs. For greater certainty, a Party may require that the information indicated on a supplementary label meet the requirements in paragraph 4.2.

5. Labelling
   1. If a Party requires a wine label to indicate information other than:
      a. product name;
      b. country of origin;
      c. net contents; or
      d. alcohol content,

      it shall permit the supplier to indicate the information on a supplementary label affixed to the wine container. A Party shall permit the supplier to affix the supplementary label on the container of the imported wine after importation but prior to offering the product for sale in the Party's territory, and may require that the supplier affix the supplementary label prior to release from customs. For greater certainty, a Party may require that information on a supplementary label meet the requirements set out in paragraph 4.2.
2. Each Party shall permit the alcoholic content by volume indicated on a wine or distilled spirits label to be expressed by alcohol by volume for example “x% vol”, “alc x% vol”, “x% alc/vol” and other internationally accepted variations. This is to be indicated in percentage terms to a whole number and if decimal point is required, to a maximum of one decimal point, for example 12.1%.

3. Spirits shall not be subject to allergen labelling with regard to allergens which have been used in the manufacture and preparation of the spirit and are not present in the final product.

4. Each Party shall permit suppliers to use the term “wine” as a product name. A Party may require a supplier to indicate additional information on a wine label concerning the type, category, class or classification of the wine.

5. Each Party shall provide that, subject to subparagraph 5(1), wine may be labelled with optional particulars or additional information in accordance with the OIV’s International Standard for Labelling Wines and International Standard for Labelling Spirituous Beverages of Vitivinicultural Origin.

6. With respect to wine labels, each Party shall permit the information set out in subparagraphs 51(a) through (d) to be presented in a single field of vision for a container of wine. If this information is presented in a single field of vision, then the Party’s requirements with respect to placement of this information are satisfied. A Party shall accept any of the information that appears outside a single field of vision if that information satisfies that Party’s laws, regulations and requirements.

7. No Party shall require any of the following dates or their equivalent to appear on the container, label, or packaging of a wine or spirit:
   a. date of packaging;
   b. date of bottling;
   c. date of production or manufacture;
   d. date of expiration, use by date, use or consume by date, expire by date;
   e. date of minimum durability best-by-date, best quality before date; or
   f. sell-by-date.

8. A Party may require the display of a date of minimum durability on account of the addition of perishable ingredients or on account of a durability considered by the producer of less or equal to twelve months.

9. If a Party has more than one official language, it may require that information on a wine or distilled spirits label appear in equal prominence in each official language.

10. No Party shall require translations of trademarks, brand names, traditional terms or geographical indications to appear on wines and spirit containers, labels, or packaging.

11. Each Party shall permit mandatory information, including translations, to be displayed on a supplementary label affixed to a wine and spirit container. Supplementary labels may be affixed to an imported wines or spirits container after importation but prior to offering the product for sale in the Party’s territory, provided that the mandatory information of the original label is fully and accurately reflected.
12. The use of identification lot codes shall be permitted and, when present, preserved from deletion.

13. No Party shall apply a measure to wines and spirits that were marketed in the Party's territory prior to the date on which the measure entered into force, except under exceptional circumstances.

14. Product which, at the date of entry into force, has been produced, described and presented in accordance with the internal laws and regulations of the Parties and their bilateral obligations to each other, but in a manner prohibited by the provisions in this Annex may be marketed under the following conditions:
   a. (i) by wholesalers or producers, for a period of 3 years;
   b. (ii) by retailers, until stocks are exhausted

15. Use of drawings, figures, illustrations and claims or legends shall be permitted on bottles. They shall not replace mandatory labelling information and shall not mislead the consumer as to the real characteristics and composition of the wines and spirit.

16. Wine and spirits shall not be subject to allergen labelling with regard to allergens which have been used in the manufacture and preparation of the product and are not present in the final product.

17. No Party shall require a supplier to disclose an oenological practice on a wine label or container except to meet a legitimate human health or safety objective with respect to the relevant oenological practice.

18. Lot identification codes on wine and spirits containers

   a. Each Party shall permit a producer to place a lot identification code on a wine or distilled spirits container, if the code is clear, specific, truthful, accurate and not misleading, and provided that other lot codes are not covered up.

   b. Each Party shall permit the producer to determine:
      i. where to place the lot identification code on the container, provided that the code does not cover up essential information printed on the label; and
      ii. the specific font size, readable phrasing and formatting for the code provided that the lot identification code is legible by physical or electronic means.

   c. A Party shall impose penalties for the removal or deliberate defacement of any lot identification code provided by the producer and placed on the container. Tampering with or removal of lot indications shall be prohibited and subject to sanctions. The sale of containers whose lot indications have either been tampered with or erased shall not be permitted.

6. Technical regulations or standards

1. Each Party shall endeavour to base its quality and identity requirements for any specific type, category, class or classification of distilled spirits solely on minimum ethyl alcohol content and the raw materials, added ingredients and production procedures used to produce that specific type, category, class or classification of distilled spirits.
2. Each Party shall authorize the importation and marketing in its territory for direct human consumption of all wine and distilled spirits originating in the other Party and produced in accordance with:
   (a) one or more of the oenological practices or processes listed in paragraph X of the Protocol/Attachment; and
   (b) additives commonly used in wine and distilled spirits production listed in paragraph X of the Protocol/Attachment and/or in accordance with OIV’s International Oenological Codex and International Oenological Code of Practices.

3. Unless problems of human health or safety arise or threaten to arise for a Party, a Party shall not, except under exceptional circumstances, apply any final technical regulation, standard or conformity assessment procedure to wine or distilled spirits that have been placed on the market in the Party’s territory before the date on which the technical regulation, standard or conformity assessment procedure enters into force, provided that the products are sold within a period of time after the date the technical regulation, standard or conformity assessment procedure enters into force, stipulated by the authority responsible for that technical regulation, standard or conformity assessment procedure.

4. Each Party shall not, except where problems of human health and safety arise or threaten to arise, prevent imports of wine or distilled spirits from other Party solely due to the absence of existing technical regulation or standard as for any specific type, category, class or classification of wine or distilled spirits, provided that they are covered as “wine” or “spirits drinks” as per subparagraph 3(2) and 3(7).

7. Certification

1. No Party shall require imported wine or distilled spirits to be certified by an official certification body of the Party in whose territory the wine or distilled spirits were produced or by a certification body recognised by the Party in whose territory the wine or distilled spirits were produced regarding:
   a) vintage, varietal and regional claims for wine; or
   b) raw materials and production processes for distilled spirits,

   except that the Party may require that wine or distilled spirits be certified regarding (a) or (b) if the Party in whose territory the wine or distilled spirits were produced requires that certification, that wine be certified regarding (a) if the Party has a reasonable and legitimate concern about a vintage, varietal or regional claim for wine, or that distilled spirits be certified regarding (b) if certification is necessary to verify claims such as age, origin or standards of identity.

2. If a Party deems that certification of wine is necessary to protect human health or safety or to achieve other legitimate objectives, that Party shall consider the Codex Alimentarius Guidelines for Design, Production, Issuance and Use of Generic Official Certificates (CAC/GL 38-2001), in particular the use of the generic model official certificate, as amended from time-to-time, concerning official and officially recognised certificates.

3. A Party shall normally permit a wine or distilled spirits supplier to submit any required certification, test result or sample only with the initial shipment of a particular brand, producer and lot. If a Party requires a supplier to submit a sample of the product for the Party’s procedure to assess conformity with its technical regulation or standard, it shall not require a sample quantity larger than the minimum quantity necessary to complete the relevant conformity assessment procedure. Nothing
in this provision precludes a Party from undertaking verification of test results or certification, for example, where the Party has information that a particular product may be non-compliant.

4. The Parties may apply national regulations, in order to identify adulterated or contaminated products, after the final importation.

5. The Parties agree that in case of a dispute, the methods of analysis recognized as reference methods are those complying with the standards recommended by International Organizations such as the International Organization for Standardization (ISO), but in case those methods does not exist, the parties will recognized the methods of the OIV.

6. The Parties reserve the right to introduce temporary additional import certification requirements for wines and spirits imported from the other Party in response to legitimate public policy concerns, such as health or consumer protection or in order to act against fraud. In this case, the other Party shall be given adequate information in sufficient time to permit the fulfilment of the additional requirements.

7. The Parties agree that such requirements shall not extend beyond the period of time necessary to respond to the particular public policy concern in response to which they were introduced.

8. Cooperation and Committee on trade in wines and spirits drinks

1. Each Party shall notify the other Party in a timely manner of proposed amendments to its regulations as to labelling, definition and standard, certification and other measures affecting wine and spirits trade, and allow for a reasonable period of time for the other Party to comment.

2. The Parties agree to set up a Committee on trade in wines and spirits drinks, herein referred to as “the Committee”, with the purpose of monitoring the implementation of this Annex, intensifying their cooperation, exchanging information, notably product specifications, and improving their dialogue. The Committee shall endeavor to meet at least once per year.

3. The Parties shall through the Committee maintain contact on all matters relating to the implementation and the functioning of this Annex. In particular, the Parties shall ensure timely notification to each other of amendments to laws and regulations on matters covered by this Annex that have an impact on products traded between them.

4. The Committee shall see to the proper functioning of this Annex and may make recommendations and adopt decisions by consensus.

5. Each Party shall endeavour to assess other Parties’ laws, regulations and requirements in respect of oenological practices, with the aim of reaching agreements that provide for the Parties’ acceptance of each other’s mechanisms for regulating oenological practices, if appropriate.

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