

CHAPTER 16

MICRO, SMALL AND MEDIUM-SIZED ENTERPRISES

ARTICLE 16.1

General principles

1. Recognising that micro, small and medium-sized enterprises and entrepreneurs (hereinafter referred to as "MSMEs" in this Chapter) contribute significantly to development, economic growth, employment, and innovation, and further recognising the existing robust dialogue amongst the Parties on ways to increase MSMEs' participation in trade and cooperation on MSMEs, the Parties seek to continue supporting the growth and development of MSMEs by enhancing the ability of MSMEs to participate in and benefit from the opportunities created by this Agreement.
2. The Parties acknowledge the importance of promoting an environment that facilitates and supports the development, growth and competitiveness of MSMEs, recognising their participation in domestic markets as well as in international trade, and their contribution in achieving inclusive economic growth, sustainable development and enhanced productivity.
3. Recognising the fundamental role of MSMEs in maintaining dynamism and enhancing the competitiveness of the economies of the respective Parties, the Parties shall promote cooperation on MSMEs with the purpose of contributing to the expansion, diversification and deepening of economic and commercial ties between the Parties, strengthening productive sectors, and promoting the growth of and job creation by MSMEs.
4. The Parties also acknowledge that improving MSMEs' competitiveness and productivity may further enhance MSMEs' ability to benefit from trade and investment opportunities that arise under this Agreement.

5. The Parties also recognise the importance of innovation for MSMEs' competitiveness and productivity, and the importance of enhanced access to information, financing and networking in facilitating the innovation process.

ARTICLE 16.2

Information sharing

1. Each State Party shall establish or maintain its own publicly accessible website containing information regarding this Agreement, including:
 - (a) the text of this Agreement, including all Annexes and Appendices;
 - (b) a summary of this Agreement; and
 - (c) information designed for MSMEs that contains:
 - (i) a description of the provisions of this Agreement that the State Party considers relevant to MSMEs; and
 - (ii) any additional information that the State Party considers useful for MSMEs interested in benefitting from the opportunities provided by this Agreement.
2. Each State Party shall include, in its website, links to:
 - (a) the equivalent websites of the other State Parties; and
 - (b) the websites of its government agencies and other appropriate entities that provide information which the State Party considers useful to any person interested in trading, investing or doing business in that State Party's territory.
3. Subject to each State Party's laws and regulations, the information described in subparagraph (b) of paragraph 2 may include:

- (a) customs regulations and procedures;
- (b) regulations and procedures concerning intellectual property rights;
- (c) technical regulations, standards, and sanitary and phytosanitary measures relating to importation and exportation;
- (d) foreign investment regulations;
- (e) business registration procedures;
- (f) trade promotion programmes;
- (g) start-ups promotion programmes;
- (h) MSMEs financing programmes, including export financing services and venture capital;
- (i) employment regulations;
- (j) taxation information; and
- (k) statistics of economic relevance and other macro data of interest about the MSMEs sector.

4. Each State Party shall make its best efforts to ensure that the information mentioned in paragraphs 1, 2 and 3 is progressively uploaded and made accessible within three years after this Agreement enters into force. Each State Party shall regularly review the information and links on the website referred to in this Article to ensure that the information and links are up-to-date and accurate.

5. Each State Party shall ensure that the information mentioned in paragraphs 1, 2 and 3 is presented in a manner that is easily understandable and accessible for MSMEs. Where

possible, each State Party shall endeavour to make the information available in more than one official language of the State Parties.

ARTICLE 16.3

Contact points on MSMEs

1. Each State Party shall designate and notify the other State Parties of its contact point on MSMEs, to facilitate communication between the State Parties on any matter covered by this Chapter.
2. The contact points shall:
 - (a) promote and coordinate the activities agreed upon in this Chapter;
 - (b) periodically evaluate the progress and the general functioning of the provisions of this Chapter and make recommendations, as appropriate;
 - (c) exchange information to assist in monitoring the implementation of this Agreement as it relates to MSMEs;
 - (d) recommend additional information that a State Party may include on its website referred to in Article 16.2 (Information sharing);
 - (e) review and coordinate the contact points' work programme with those of the Joint Committee, subcommittees, working groups and other bodies established under this Agreement, as well as those of other relevant international bodies, in order not to duplicate those work programmes and to identify appropriate opportunities for cooperation to improve the ability of MSMEs to engage in trade and investment opportunities provided by this Agreement; and
 - (f) consider any other matter pertaining to MSMEs as the contact points may decide, including any issues raised by MSMEs regarding their ability to benefit from this

Agreement.

3. The contact points shall meet, in person or by any other technological means available, within one year of the date of entry into force of this Agreement, and thereafter as frequently as necessary.
4. The contact points may seek to collaborate with appropriate experts and international donor organisations in carrying out its programmes and activities.

ARTICLE 16.4

Cooperation on MSMEs

1. The Parties recognise the importance of promoting cooperation on MSMEs activities between the Parties to support the objectives of this Chapter.
2. The Parties also recognise the importance of involving the private sector and other relevant agencies in the development of these activities.
3. The Parties shall endeavour to promote cooperation especially, but not only, in the following areas of interest:
 - (a) policies and programmes to develop entrepreneurial capital, promote entrepreneurial culture and foster the development of dynamic MSMEs with high-growth potential;
 - (b) clusters in strategic sectors to increase competitiveness and productivity of MSMEs;
 - (c) local, regional and global value chains to enhance productive integration in sectors of interest;
 - (d) regulatory frameworks to facilitate entrepreneurship and MSMEs' development and innovation;

- (e) platforms, programmes, MSMEs websites, communication and technology (ICT) instruments to facilitate MSMEs' access to international markets and to relevant information;
- (f) internationalisation of MSMEs;
- (g) promotion of women's participation and entrepreneurship in MSMEs to enhance their contribution to the economy and trade;
- (h) policies and programmes that promote the digital transformation of MSMEs, the digital economy, and Industry 4.0; and
- (i) policies and programmes that promote access to capital, credit and reciprocal guarantees for MSMEs.

4. The Parties shall endeavour to cooperate especially, but not only, in the following ways:

- (a) facilitating the exchange of information on best public policy practices, successful experiences, and relevant information and know-how in supporting and assisting MSMEs, such as the development and implementation of pre-incubation, incubation, accelerators, and MSMEs support centres.
- (b) providing technical assistance, training, capacity building activities or any other mechanism for MSMEs to increase MSMEs' trade and investment opportunities;
- (c) participating in joint programmes and pilot actions for MSMEs;
- (d) promoting the organisation and joint execution of seminars, conferences, symposiums, business roundtables, or any other related activity to explore business, industrial and technical opportunities for MSMEs;
- (e) developing new strategic partnerships and contacts between economic operators, and encouraging joint ventures and networks amongst MSMEs;

- (f) facilitating MSMEs' access to financing mechanisms, developing innovative financing mechanisms for MSMEs, and providing up-to-date information to MSMEs about financing instruments available to them;
- (g) supporting investment by MSMEs and transfer of know-how and technology to MSMEs;

5. The Parties recognise that in addition to the provisions in this Article, there are other provisions in the Agreement that seek to enhance cooperation between the Parties on issues concerning MSMEs or issues of particular benefit to MSMEs.

ARTICLE 16.5

Consultations

The Parties shall make their best efforts to resolve any matter that may arise regarding the interpretation and application of this Chapter through dialogue, consultations and cooperation.

ARTICLE 16.6

Non-application of dispute settlement

The Parties shall not have recourse to dispute settlement under Chapter 18 (Dispute Settlement) for any matter arising under this Chapter.