

CHAPTER 12

MICRO, SMALL, AND MEDIUM ENTERPRISES

Article 12.1: Objectives

1. The Parties recognise that micro, small, and medium enterprises contribute significantly to economic growth, employment, and innovation, and therefore seek to promote information sharing and cooperation in increasing the ability of micro, small, and medium enterprises to utilise and benefit from the opportunities created by this Agreement.
2. This Chapter seeks to promote cooperation among the Parties to facilitate participation of micro, small, and medium enterprises in international trade and in addressing trade-related issues.
3. The Parties seek to create an enabling environment for micro, small, and medium enterprises to help them integrate and participate in the global market and global value chains, and improve their productivity, competitiveness, and sustainability.
4. The Parties acknowledge that various other Chapters under this Agreement also contain provisions that contribute to the objectives stated in this Article.

Article 12.2: Information Sharing

1. Each Party shall promote the sharing and exchange of information that is related to this Agreement and relevant to micro, small, and medium enterprises, including through the establishment and maintenance of a publicly accessible information platform, to share knowledge, experiences, and best practices among the Parties.
2. The information to be made publicly accessible on the platform referred to in paragraph 1 shall include:
 - (a) the full text of this Agreement;
 - (b) information on its trade and investment-related laws and regulations that each Party considers relevant to micro, small, and medium enterprises; and

- (c) additional business-related information that each Party considers useful for micro, small, and medium enterprises interested in benefitting from the opportunities provided by this Agreement.
3. Each Party shall take reasonable steps to ensure that information referred to in paragraph 2 is accurate and up to date.

Article 12.3: Cooperation

1. The Parties shall strengthen their cooperation under this Chapter through sharing and exchanging information on best practices. Such cooperation may include:
- (a) encouraging efficient and effective implementation of facilitative and transparent trade rules and regulations;
 - (b) improving micro, small, and medium enterprises' access to markets and participation in global value chains, including by promoting and facilitating partnerships among businesses;
 - (c) promoting the use of electronic commerce by micro, small, and medium enterprises;
 - (d) exploring opportunities for exchanges of experiences among Parties' entrepreneurial programmes;
 - (e) promoting the formalisation of micro, small, and medium enterprises, including by exchanging regulatory practices on business registration;
 - (f) encouraging innovation and use of technology, including by supporting micro, small, and medium enterprises' digital transformation and innovative start-ups;
 - (g) promoting awareness, understanding, and effective use of the relevant intellectual property regimes among micro, small, and medium enterprises;
 - (h) promoting good regulatory practices and building capacity in formulating and implementing regulations, policies, and programmes that contribute to the development of micro, small, and medium enterprises;

- (i) helping micro, small, and medium enterprises develop or improve capabilities in sustainability, and encouraging a low carbon and sustainable environment for micro, small, and medium enterprises in the region;
 - (j) providing information on promoting access to finance throughout micro, small, and medium enterprises' various stages of growth;
 - (k) supporting micro, small, and medium enterprises to capture opportunities in new and emerging areas;
 - (l) strengthening human resources and development capabilities of micro, small, and medium enterprises;
 - (m) enhancing the capability and competitiveness of micro, small, and medium enterprises including through innovation and specialisation; and
 - (n) enhancing micro, small, and medium enterprises' knowledge of, and capacity to utilise, free trade agreements.
2. Cooperation activities undertaken under this Chapter are subject to the availability of resources and the terms and conditions as may be agreed between the Parties.

Article 12.4: Contact Points

Each Party shall, within 30 days of the date of entry into force of the CAFTA 3.0 Upgrade Protocol for that Party, notify the other Parties of its contact point for this Chapter. Each Party shall promptly notify the other Parties of any change to the contact point.

Article 12.5: Committee on Micro, Small, and Medium Enterprises

1. The Parties hereby establish a Committee on Micro, Small, and Medium Enterprises, consisting of government officials of the Parties.
2. The functions of the Committee on Micro, Small, and Medium Enterprises shall be to:

- (a) identify ways to assist micro, small, and medium enterprises to take advantage of the commercial opportunities under this Agreement. This may include sharing and exchanging information on seminars, workshops, fairs or other activities and platforms, such as export counseling, undertaken by the Parties to inform micro, small, and medium enterprises of the benefits available to them under this Agreement;
 - (b) consider any other matters pertaining to micro, small, and medium enterprises as appropriate and as may be agreed by Parties, including any issues raised by micro, small, and medium enterprises regarding their ability to benefit from this Agreement;
 - (c) report to the CAFTA-JC as required and make recommendations as appropriate; and
 - (d) shall endeavour to carry out cooperation on the matters listed in Article 12.3 (Cooperation) and in other areas as may be agreed by the Parties.
3. The Parties shall coordinate the Committee on Micro, Small, and Medium Enterprises' work programme with other relevant bodies established under this Agreement and shall submit a report of any activities undertaken to the CAFTA-JC as appropriate.
 4. The Committee on Micro, Small, and Medium Enterprises may collaborate with appropriate experts, international organisations and the private sector in carrying out its programmes and activities, including consultation and dialogue with micro, small, and medium enterprises as may be agreed by the Parties.
 5. The Committee on Micro, Small, and Medium Enterprises shall meet within one year of the date of entry into force of the CAFTA 3.0 Upgrade Protocol for all Parties, and thereafter as may be determined by the Parties.

Article 12.6: Non-Application of Dispute Settlement

1. The Agreement on Dispute Settlement Mechanism, as reaffirmed in Chapter 14 (Dispute Settlement), shall not apply to any matter arising under this Chapter.

2. Any dispute concerning the interpretation, implementation, or application of this Chapter shall be settled amicably by the Parties.

Article 12.7: General Exceptions

Article XX of GATT 1994 and Article XIV of GATS are incorporated into and made part of this Chapter, *mutatis mutandis*.^{1, 2}

Article 12.8: Security Exceptions

Nothing in this Chapter shall be construed:

- (a) to require any Party to furnish any information the disclosure of which it considers contrary to its essential security interests;
- (b) to prevent any Party from taking any action which it considers necessary for the protection of its essential security interests, including but not limited to:
 - (i) action relating to fissionable materials or the materials from which they are derived;
 - (ii) action relating to the traffic in arms, ammunition and implements of war and to such traffic in other goods and materials as is carried on directly or indirectly for the purpose of supplying a military establishment;
 - (iii) action taken so as to protect critical communications infrastructure from deliberate attempts intended to disable or degrade such infrastructure;

¹ The Parties understand that the measures referred to in subparagraph (b) of Article XX of GATT 1994 include environmental measures necessary to protect human, animal or plant life or health, and that subparagraph (g) of Article XX of GATT 1994 applies to measures relating to the conservation of living and non-living exhaustible natural resources.

² The Parties understand that the measures referred to in subparagraph (b) of Article XIV of GATS include environmental measures necessary to protect human, animal or plant life or health.

- (iv) action taken in time of war or other emergency in domestic or international relations; or
- (c) to prevent any Party from taking any action in pursuance of its obligations under the United Nations Charter for the maintenance of international peace and security.