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Brazil Brings Mercosur-EU Trade Deal Into Force

The provisional accord opens tariff cuts on wine, spirits and other goods after Brazil completed its domestic approval process

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Brazil has formally brought into force the provisional trade agreement between Mercosur and the European Union, a move that could reshape wine and spirits trade across one of the world’s largest commercial blocs.

The Brazilian government published Decree No. 12.953/2026 in the Official Gazette on April 28, and the measure took effect on May 1. With that step, Brazil completed its domestic legal process for applying the interim accord, after Congress approved it in March. The agreement now applies provisionally in Brazil, removing one of the last legal

uncertainties over whether the treaty could be used in practice.

For wine exporters, the change matters because the agreement begins to cut or eliminate tariffs on a wide range of European goods entering Mercosur markets, including wine, distilled spirits and olive oil. In Brazil, some white wines from European regions are among the products that will no longer face import duties under the first phase of the deal. The tariff relief is not uniform, however, and reductions will unfold over time according to product-specific schedules.

The accord covers 31 countries and about 720 million people, with a combined gross domestic product above $22 trillion. Officials in Brasília have described it as one of the largest free-trade areas in the world. Márcio Elias Rosa, Brazil's minister of development, industry and foreign trade, said the agreement would take effect on May 1 on a provisional basis and that there would be no practical obstacle to its use.

The Brazilian customs system has already been adjusted to handle the new rules. Importers can request tariff preferences through the single import declaration system known as Duimp on the Portal Único Siscomex. To do so, they must cite the agreement in the legal basis field and keep the exporter's proof of origin on file for at least three years. The system also supports older import procedures still used for some transactions.

Brazil also issued two separate foreign trade ordinances to regulate tariff-rate quotas under the deal. Those quotas apply to selected products moving in both directions between Mercosur and Europe. On imports into Brazil, goods such as vehicles, dairy products, garlic, tomatoes and chocolates will be handled through registration order in Siscomex with licensing tied to Duimp within 60 days. On exports from Brazil, products including beef, sugar, ethanol, rice, corn, honey and cachaça will be allocated through a first-in, first-out system.

The European side has taken a different legal route. Brussels split the broader pact into two instruments: a political cooperation agreement and an interim trade agreement focused on commerce. That division allowed trade provisions to begin provisionally before all European ratification steps are complete. The interim trade agreement started applying on May 1 after a decision by the Council of the European Union. The

wider partnership agreement still needs approval by all member states and remains subject to review by the Court of Justice of the European Union.

The tariff cuts will not arrive all at once. The agreement uses phased liberalization schedules that vary by product and direction of trade. In some cases duties disappear immediately; in others they fall over periods that can stretch to 4, 7, 8, 10, 12 or 15 years, and in some automotive lines even longer.

For European exporters, that means immediate gains in selected categories. The European Union will remove tariffs on more than 5,000 products at once under the provisional arrangement, roughly half of its tariff universe. Among the goods expected to benefit are automobiles, pharmaceuticals, wine, spirits and olive oil.

For Mercosur exporters selling into Europe, access will also improve over time. The bloc is expected to reduce tariffs on about 10,000 European products over as long as 15 years, while the European Union will eliminate duties on roughly 95% of Mercosur exports within up to 12 years.

Agricultural trade remains tightly managed through quotas. Under the deal’s current framework, tariff-free access for beef is capped at 99,000 metric tons a year, pork at 25,000 metric tons and poultry at 180,000 metric tons. Once those limits are reached, normal import duties still apply.

Brazilian officials have also put in place a separate decree governing bilateral safeguards. That mechanism can be used if imports benefiting from preferential tariffs cause serious harm or threaten serious harm to domestic industry.

For wine companies and importers in particular, the practical challenge now is compliance. Businesses must classify products correctly under Brazil’s tariff nomenclature, follow product-specific rules of origin and prepare documentation for origin self-certification where required. They also need to watch how customs systems interpret the new rules as implementation continues.

The provisional nature of the accord means companies cannot treat it as fully settled law across both blocs yet. In practice, that leaves room for changes in timing and enforcement as Brazilian agencies and European institutions continue to work through

remaining steps.