

# Regional Convention on pan-Euro-Mediterranean preferential rules of origin (PEM Convention): Transitional provisions were adopted on 12/12/2024

## Information note for the attention of the business community

Date: 16 December 2024

### 1. Entry into force of the revised PEM Convention

The revised PEM Convention will enter into force as planned on 1 January 2025 and replace the [transitional rules](#). The revised PEM Convention will automatically enter into force for all free trade agreements (FTA) that contain a so-called "dynamic reference" to the PEM Convention.

### 2. Transitional provisions

On 12 December 2024, the Joint Committee of the PEM Convention adopted the transitional provisions mentioned in the information note of 25 October 2024. They will apply from 1 January 2025 within the framework of the revised PEM Convention, i.e. in FTAs that contain a dynamic reference to the PEM Convention, provided that the parties have ratified these transitional provisions:

- The rules of origin of the old PEM Convention can continue to be applied in parallel with the rules of origin of the revised PEM Convention until 31 December 2025. This gives the contracting parties more time to adapt their FTAs accordingly.
- In order to simplify the application of the revised rules of origin, the revised PEM Convention introduces the permeability that already applies at national level from the old rules to the transitional rules<sup>1</sup>, now also across borders from the old to the revised rules (in the agricultural sector only for goods of HS Chapters 1 and 3 and processed fishery products of HS Chapter 16). Exporters who already apply the revised rules of origin can therefore cumulate even if their suppliers still apply the old rules of origin. Cumulation in the other direction (i.e. if the supplier applies the revised rules and the exporters still apply the old rules) is not possible.
- In order to be able to differentiate in connection with permeability whether a material has obtained origin on the basis of the old or the revised rules, exporters who apply the revised rules must mark the proof of origin accordingly with "REVISED RULES" until 31 December 2025 (exclusively in English, in section 7 of the movement certificate EUR.1 or at the end of the text of the origin declaration).
- Proofs of origin issued before 1 January 2025 and submitted after this date within their period of validity for goods that are either in transit or under a special procedure under customs supervision on 1 January 2025 will be accepted.

The text sections marked in yellow in the [circular on the entry into force of the revised PEM Convention](#) will therefore definitely apply from 1 January 2025.

The Joint Committee of the PEM Convention has also adopted a second decision containing provisions regarding electronically issued movement certificates EUR.1.

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<sup>1</sup> For details on permeability, see [here](#), section 3.3.3.

### 3. Different situations to be considered depending on the partner

#### What will change?

##### a. From 1.1.2025 to 31.12.2025:

As today, two sets of rules (i.e. the old and the revised rules of the PEM Convention (today's transitional rules)) will apply within the PEM zone. In trade, the situation will have to be taken into account depending on the partner or FTA:

##### 1. FTA with dynamic reference and transitional provisions:

- a. Optional application of the old or revised rules
- b. Diagonal cumulation possible under the revised rules
- c. Diagonal cumulation possible under the old rules
- d. Permeability from old to revised rules

This includes the following FTAs of Switzerland/EFTA as of 1 January 2025:

CH - EU	EFTA - Bosnia and Herzegovina*	EFTA - North Macedonia
EFTA Convention	EFTA - Georgia*	EFTA - Turkey
EFTA - Albania*	EFTA - Montenegro*	

##### 2. FTA with dynamic reference but without transitional provisions:

- a. Application of the revised rules
- b. Diagonal cumulation is possible under the revised rules

This includes the **EFTA-Serbia FTA** from 1 January 2025, as Serbia will only be able to ratify the transitional provisions after this date.

##### 3. FTA without dynamic reference and without transitional provisions:

- a. Application of the old rules
- b. Diagonal cumulation is possible under the old rules

This includes the following FTAs of Switzerland/EFTA as of 1 January 2025:

CH - Faroe Islands	EFTA - Jordan	EFTA - PLO
EFTA - Egypt	EFTA - Lebanon	EFTA - Tunisia
EFTA - Israel	EFTA - Morocco	EFTA - Ukraine

\* These FTAs will generally fall into category 1. However, it is still unclear whether the relevant FTA partners will be able to ratify the revised PEM Convention and the transitional provisions by 31 December 2024 or apply them provisionally from 1 January 2025. If these parties are unable to ratify or provisionally apply both in time, only the old PEM rules would apply under the FTAs with the relevant parties even after 1 January 2025 (see category 3). If only the revised PEM Convention can be ratified, but the transitional provisions cannot be ratified or be applied provisionally, only the revised rules without the transitional provisions would apply from 1 January 2025 (see category 2). The FOCBS will provide information accordingly as soon as it is clear whether these parties will be able to finalise their ratification processes this year.

The [matrix](#) will also show which situation applies under which FTA. The matrix will be updated on an ongoing basis.

**b. From 1 January 2026:**

**From 1 January 2026, only the revised rules will apply.** If some contracting parties have not yet included the dynamic reference to the PEM Convention in their FTAs by this date, diagonal cumulation with these partners would no longer be possible.

The following persons are available to provide information:

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