

APPENDIX 2 TO ANNEX XI

BRAZIL – LIST OF MFN EXEMPTIONS

<b>Sector or sub-sector</b>	<b>Description of measure indicating its inconsistency with Article 8.3 (Most-Favoured-Nation Treatment)</b>	<b>Countries to which the measure applies</b>	<b>Intended duration</b>	<b>Conditions creating the need for the exemption</b>
<b>Audiovisual/ motion picture and video tape production</b>	Measures which define norms for co-production of motion pictures with foreign countries and grant national treatment to motion pictures co-produced with foreign countries which maintain a co-production agreement with Brazil. Motion pictures co-produced outside the scope of such agreements are not entitled to national treatment.	All countries	Indefinite	These agreements aim at the promotion of cultural exchange and the establishment of mechanisms to facilitate access to financial resources
<b>Land transport (cross-border supply)</b>	Brazil reserves the right to adopt or maintain national treatment measures with respect to international cargo transportation and passengers for authorised suppliers of the signatory countries of ATIT (Agreement on International Land Transport).	Signatories are Argentina, Bolivia, Chile, Paraguay, Peru and Uruguay	Indefinite	Facilitate transport among neighbouring countries within the “Southern Cone” region on the basis of reciprocity treatment for service suppliers

Sector or sub-sector	Description of measure indicating its inconsistency with Article 8.3 (Most-Favoured-Nation Treatment)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
<b>Maritime transport Ocean shipping (cargo)</b>	Subject to the commitments scheduled in Appendix 2 to Annex X (Schedule of Specific Commitments) for Maritime Transport Services (passenger, CPC 7211, and freight, CPC 7212, less cabotage <sup>1</sup> transport services), Brazil reserves the right to adopt or maintain measures relating to cargo sharing and cargo reservation on a reciprocity basis with countries with which it concludes bilateral maritime transport agreements.	All countries	Indefinite	Ensure effective participation of the Brazilian flag in the Brazilian liner cargo trade
<b>All</b>	Brazil reserves the right to adopt or maintain preferential treatment in terms of market access and national treatment with respect to MERCOSUR States.	MERCOSUR States	Indefinite	Secure deeper integration processes with neighbouring countries

<sup>1</sup> Without prejudice to the scope of activities which may be considered as cabotage under the relevant domestic laws and regulations, this schedule does not include national cabotage transport, which is assumed to cover transportation of passengers or goods between a port or point located in Brazil and another port or point located in Brazil, including on its continental shelf as provided in the UN Convention on the Law of the Sea, and traffic originating and terminating in the same port or point located in Brazil

Sector or sub-sector	Description of measure indicating its inconsistency with Article 8.3 (Most-Favoured-Nation Treatment)	Countries to which the measure applies	Intended duration	Conditions creating the need for the exemption
<b>Telecommunication services supplied for distribution of radio or television programming for direct reception by service consumers.</b>	Measures or international agreements allowing for market access on a reciprocity basis or providing for differential treatment to specific countries.	All countries	Indefinite	Ensure effective market access for Brazilian suppliers in all markets.