

Annex 1401.1
Annex 1401.1-1
Central Level Entities

Schedule of Canada

Thresholds \$ Cdn 76,500 - Goods covered in Annex 1401.1-3

 \$ Cdn 76,500 - Services covered in Annex 1401.1-4

 5,000,000 SDR's - Construction Services covered in Annex1401.1-5

- 1.# Atlantic Canada Opportunities Agency
- 2.# Canada Border Services Agency
- 3.# Canada Employment Insurance Commission
- 4.# Canada Industrial Relations Board
- 5.# Canada Revenue Agency
- 6.# Canada School of Public Service
- 7.# Canadian Centre for Occupational Health and Safety Board
- 8.# Canadian Food Inspection Agency
- 9.# Canadian Human Rights Commission
- 10.# Canadian Institutes of Health Research
- 11.# Canadian Intergovernmental Conference Secretariat
- 12.# Canadian International Development Agency (on its own account)
- 13.# Canadian International Trade Tribunal
- 14.# Canadian Nuclear Safety Commission
- 15.# Canadian Radio-television and Telecommunications Commission
- 16.# Canadian Transportation Accident Investigation and Safety Board
- 17.# Canadian Transportation Agency
- 18.# Copyright Board
- 19.# Correctional Service of Canada
- 20.# Courts Administration Service

- 21.# Department of Agriculture and Agri-Food
- 22.# Department of Canadian Heritage
- 23.# Department of Citizenship and Immigration
- 24.# Department of Finance
- 25.# Department of Fisheries and Oceans
- 26.# Department of Foreign Affairs and International Trade
- 27.# Department of Health
- 28.# Department of Human Resources and Social Development
- 29.# Department of Indian Affairs and Northern Development
- 30.# Department of Industry
- 31.# Department of Justice
- 32.# Department of National Defence
- 33.# Department of Natural Resources
- 34.# Department of Public Safety and Emergency Preparedness
- 35.# Department of Public Works and Government Services (on its own account)
- 36.# Department of the Environment
- 37.# Department of Transport
- 38.# Department of Veterans Affairs
- 39.# Department of Western Economic Diversification
- 40.# Director of Soldier Settlement
- 41.# Director, The Veterans' Land Act
- 42.# Economic Development Agency of Canada for the Regions of Quebec
- 43.# Hazardous Materials Information Review Commission
- 44.# Immigration and Refugee Board
- 45.# Library and Archives Canada
- 46.# Municipal Development and Loan Board
- 47.# National Battlefields Commission
- 48.# National Energy Board
- 49.# National Farm Products Council
- 50.# National Parole Board
- 51.# National Research Council of Canada
- 52.# Natural Sciences and Engineering Research Council of Canada
- 53.# Northern Pipeline Agency
- 54.# Office of the Auditor General

- 55.# Office of the Chief Electoral Officer
- 56.# Office of the Commissioner for Federal Judicial Affairs
- 57.# Office of the Commissioner of Official Languages
- 58.# Office of the Coordinator, Status of Women
- 59.# Office of the Governor General's Secretary
- 60.# Office of the Superintendent of Financial Institutions
- 61.# Offices of the Information and Privacy Commissioners of Canada
- 62.# Parks Canada Agency
- 63.# Patented Medicine Prices Review Board
- 64.# Privy Council Office
- 65.# Public Health Agency of Canada
- 66.# Public Service Commission
- 67.# Public Service Human Resources Management Agency of Canada
- 68.# Public Service Labour Relations Board
- 69.# Registry of the Competition Tribunal
- 70.# Royal Canadian Mounted Police
- 71.# Royal Canadian Mounted Police External Review Committee
- 72.# Royal Canadian Mounted Police Public Complaints Commission
- 73.# Social Sciences and Humanities Research Council
- 74.# Statistics Canada
- 75.# Statute Revision Commission
- 76.# Supreme Court of Canada
- 77.# Transportation Appeal Tribunal of Canada
- 78.# Treasury Board Secretariat

Note to Annex 1401.1-1

The General Notes in Annex 1401.1-6 apply to this Annex.

Schedule of Peru

Thresholds Nuevo Soles 220,770 - Goods covered in Annex 1401.1-3.
Nuevo Soles 220,770 - Services covered in Annex 1401.1-4.
5,000,000 SDR's - Construction Services covered in Annex
1401.1-5

Unless otherwise specified herein, this Chapter covers all agencies subordinate to the entities listed in Peru's Schedule.

1. Asamblea Nacional de Rectores
2. Banco Central de Reserva del Perú
3. Congreso de la República
4. Consejo Nacional de la Magistratura
5. Contraloría General de la República
6. Defensoría del Pueblo
7. Jurado Nacional de Elecciones
8. Ministerio de Agricultura
9. Ministerio de Comercio Exterior y Turismo
10. Ministerio de Defensa (Note 1)
11. Ministerio de Economía y Finanzas (Note 2)
12. Ministerio de Educación
13. Ministerio de Energía y Minas
14. Ministerio de Justicia (Note 3)
15. Ministerio de la Mujer y Desarrollo Social
16. Ministerio de la Producción
17. Ministerio de Relaciones Exteriores
18. Ministerio de Salud
19. Ministerio de Trabajo y Promoción del Empleo
20. Ministerio de Transportes y Comunicaciones
21. Ministerio de Vivienda, Construcción y Saneamiento
22. Ministerio del Interior (Note 1)
23. Ministerio Público
24. Oficina Nacional de Procesos Electorales

25. Poder Judicial
26. Presidencia del Consejo de Ministros
27. Registro Nacional de Identificación y Estado Civil
28. Seguro Social de Salud (ESSALUD) (Note 4)
29. Superintendencia de Banca y Seguros
30. Tribunal Constitucional
31. Universidad Nacional del Altiplano
32. Universidad del Centro del Perú
33. Universidad Mayor de San Marcos
34. Universidad Nacional Agraria de la Molina
35. Universidad Nacional Agraria de la Selva
36. Universidad Nacional Amazónica de Madre de Dios
37. Universidad Nacional Daniel Alcides Carrión
38. Universidad Nacional de Cajamarca
39. Universidad Nacional de Educación Enrique Guzman Valle
40. Universidad Nacional de Huancavelica
41. Universidad Nacional de Ingeniería
42. Universidad Nacional de la Amazonía Peruana
43. Universidad Nacional de Piura
44. Universidad Nacional de San Agustín
45. Universidad Nacional de Trujillo
46. Universidad Nacional de Tumbes
47. Universidad Nacional de Ucayali
48. Universidad Nacional del Callao
49. Universidad Nacional del Santa
50. Universidad Nacional Federico Villareal
51. Universidad Nacional Hermilio Valdizán
52. Universidad Nacional Jorge Basadre Grohmann
53. Universidad Nacional José F. Sanchez Carrión
54. Universidad Nacional Micaela Bastidas de Apurimac
55. Universidad Nacional San Antonio de Abad del Cusco
56. Universidad Nacional San Cristobal de Huamanga
57. Universidad Nacional San Martín
58. Universidad Nacional San Luis Gonzaga de Ica
59. Universidad Nacional Santiago Antunez de Mayolo

- 60. Universidad Nacional Toribio Rodriguez de Mendoza
- 61. Universidad Pedro Ruiz Gallo

Notes to Schedule of Peru

1.# Ministerio de Defensa and Ministerio del Interior: This Chapter does not cover the procurement of clothing/apparel (HS 6205) and footwear (HS 64011000) by the Army, Navy, Air Force or National Police of Peru.

2.# Ministerio de Economía y Finanzas: This Chapter does not cover procurement by the Agency for the Promotion of Private Investment (PROINVERSION) of technical, legal, financial, economic, or similar consulting services, which are necessary to promote private investment through the granting of concessions or other means such as capital increase, joint ventures, service, leasing and management contracts.

3.# Ministerio de Justicia: This Chapter does not cover procurement by the Comisión de Formalización de la Propiedad Informal (COFOPRI).

4.# Seguro Social de Salud (ESSALUD): This Chapter does not cover the procurement of sheets (HS 6301) and blankets (HS 6302).

Schedule of Peru

Thresholds Nuevo Soles 1,103,800 - Goods covered in Annex 1401.1-3
Nuevo Soles 1,103,800 - Services covered in Annex 1401.1-4
Nuevo Soles 35,325,000 - Construction Services covered in
Annex 1401.1-5

1. Agro Banco
2. Banco de la Nación
3. Banco de Materiales
4. Compañía de Negociaciones Mobiliarias e Inmobiliarias S.A.
5. Corporación Financiera de Desarrollo S.A.
6. Corporación Peruana de Aeropuertos y Aviación Civil S.A. (CORPAC)
7. Electricidad del Perú S.A. (ELECTROPERU)
8. Empresa Eléctrica del Sur S.A.
9. Empresa de Administración de Infraestructura Eléctrica S.A.
10. Empresa de Generación Eléctrica de Machupicchu
11. Empresa Nacional de la Coca S.A. (ENACO)
12. Empresa Nacional de Puertos S.A. (ENAPU)
13. Empresa Peruana de Servicios Editoriales
14. Empresa Regional de Servicios Públicos de Electricidad del Oriente
15. Empresa Regional de Servicios Públicos de Electricidad del Sur Este S.A.
16. Inmobiliaria Milenia S.A. (INMISA)
17. PERUPETRO
18. Servicio de Agua Potable y Alcantarillado de Lima (SEDAPAL)
19. Servicio Industrial de la Marina (SIMA)
20. Servicios Postales del Perú S.A
21. Sociedad Eléctrica del Sur Oeste

Note to Schedule of Peru

Unless otherwise specified herein, this Chapter covers only the entities listed in this Annex.

Annex 1401.1-3

Goods

Schedule of Canada

Section A - General Provisions

1. All goods are covered subject to paragraph 2.
2. For procurement by the Department of National Defence, the Royal Canadian Mounted Police, and the Canadian Coast Guard, the Chapter covers only the goods listed in Section B subject to paragraph 1 of Article 1402.

Section B - List of Certain Goods

(Numbers refer to the Federal Supply Classification document dated May 2005 which can be found at: <http://www.dlis.dla.mil/forms/forms.asp>)

22. Railway equipment
23. Motor vehicles, trailers and cycles (except buses in 2310 and military trucks and trailers in 2320 and 2330 and tracked combat, assault and tactical vehicles in 2350 and wheeled combat, assault and tactical vehicles in 2355 formerly classified in 2320)
24. Tractors
25. Vehicular equipment components
26. Tires and tubes
29. Engine accessories
30. Mechanical power transmission equipment
32. Woodworking machinery and equipment
34. Metal working machinery
35. Service and trade equipment
36. Special industry machinery
37. Agricultural machinery and equipment
38. Construction, mining, excavating and highway maintenance equipment
39. Materials handling equipment
40. Rope, cable, chain and fittings
41. Refrigeration and air conditioning equipment
42. Fire fighting, rescue and safety equipment (except 4220: Marine lifesaving and diving equipment; and 4230: Decontaminating and impregnating equipment)
43. Pumps and compressors
44. Furnace, steam plant, drying equipment and nuclear reactors
45. Plumbing, heating and sanitation equipment
46. Water purification and sewage treatment equipment
47. Pipe, tubing, hose and fittings

48. Valves
49. Maintenance and repair shop equipment
52. Measuring tools
53. Hardware and abrasives
54. Prefabricated structures and scaffolding
55. Lumber, millwork, plywood and veneer
56. Construction and building materials
61. Electric wire and power and distribution equipment
62. Lighting fixtures and lamps
63. Alarm and signal systems
65. Medical, dental and veterinary equipment and supplies
66. Instruments and laboratory equipment (except 6615: Automatic pilot mechanisms and airborne Gyro components; and 6665: Hazard detecting instruments and apparatus)
67. Photographic equipment
68. Chemicals and chemical products
69. Training aids and devices
70. General purpose automatic data processing equipment, software, supplies and support equipment (except 7010: Automatic Data Processing Equipment (ADPE) configurations)
71. Furniture
72. Household and commercial furnishings and appliances
73. Food preparation and serving equipment
74. Office machines, text processing system and visible record equipment
75. Office supplies and devices
76. Books, maps and other publications (except 7650: drawings and specifications)
77. Musical instruments, phonographs and home-type radios
78. Recreational and athletic equipment
79. Cleaning equipment and supplies
80. Brushes, paints, sealers and adhesives
81. Containers, packaging and packing supplies
85. Toiletries
87. Agricultural supplies

- 88. Live animals
- 91. Fuels, lubricants, oils and waxes
- 93. Non-metallic fabricated materials
- 94. Non-metallic crude materials
- 96. Ores, minerals and their primary products
- 99. Miscellaneous

Note to Annex 1401.1-3

The General Notes in Annex 1401.1-6 apply to this Annex.

Schedule of Peru

This Chapter covers all goods procured by the entities listed in Annex 1401.1-1 and Annex 1401.1-2, subject to the Notes to the respective Annexes, the General Notes and Annex 1401.1-7.

Annex 1401.1-4
Services

Schedule of Canada

Section A - General Provisions

1. The Chapter covers procurement of all services that are procured by the entities in Annex 1401.1-1 and Annex 1401.1-2, subject to paragraph 3 and Section B of this Annex.

2. Services are identified in accordance with the Common Classification System, which may be found at: <http://www.sice.oas.org/trade/nafta/chap-105.asp>

3. Annex 1401.1-5 applies to contracts for construction services.

Section B - Excluded Coverage
Services Exclusions by Major Service Category

Part I

The Chapter does not cover the following services by entities listed in Annex 1401.1-1 and Annex 1401.1-2:

A. Research and Development

All classes

B. Special Studies and Analysis - not R&D

B002 Animal and Fisheries Studies

B003 Grazing and Range Studies

B400 Aeronautic/Space Studies

B503 Medical and Health Studies

B507 Legal Studies (Except Advisory Services on Foreign Law)

C. Architecture and Engineering Services

C112 Airfield, Communication and Missile Facilities

C216 Marine Architect and Engineering Services

D. Information Processing and Related Telecommunications Services

D304 ADP Telecommunications and Transmission Services, except those classified as “enhanced or value-added services.” Enhanced or value added services means those telecommunications services employing computer processing applications that:

- (a) act on the format, content, code, protocol or similar aspects of a customer’s transmitted information;
- (b) provide a customer with additional, different or restructured information, or
- (c) involve customer interaction with stored information.

For purposes of this provision, the procurement of “ADP Telecommunications and Transmission services” does not include the ownership or furnishing of facilities for the transmission of voice or data services. This provision only extends to providers of enhanced or value-added services whose underlying telecommunications transmission facilities are leased from providers of public telecommunications transport networks.

D305 ADP Teleprocessing and Timesharing Services

D309 Information and Data Broadcasting or Data Distribution Services (except enhanced/value added facsimile services, including store and forward, store and retrieve; Code and protocol conversion)

D316 Telecommunications Network Management Services (except enhanced/value added Electronic Data Interchange (EDI) Services)

D317 Automated News Services, Data Services, or Other Information Services. Buying data (the electronic equivalent of books, periodicals, newspapers, etc.) (except enhanced/value added electronic mail services;

telecommunications - voice messaging; information retrieval services,
database and automated news services)

D399 Other ADP and Telecommunications Services – (except enhanced/value
added CD-ROM services and micrographic services)

F. Natural Resources and Conservation Services

F004 Land Treatment Practices Services (plowing/clearing, etc)

F005 Range Seeding Services (ground equipment)

F006 Crop Services inc. Seed Collection/Production Services

F011 Pesticides/Insecticides Support Services (except forestry and logging)

F021 Veterinary/Animal Care Services (inc. livestock services)

F029 Other Animal Care/Control Services

F030 Fisheries Resources Management Services

F031 Fish Hatchery Services

F050 Recreation Site Maintenance Services (non-construction)

F059 Other Natural Resource and Conservation Services

G. Health and Social Services

All classes

H. Quality Control, Testing and Inspection and Technical Representative Services

Services for the departments and functions listed in Annex 1401.1-6 - General Notes, Note 1 (e) to this schedule respecting FSC 36 - (Special Industry Machinery), FSC 70 - (Automatic Data Processing Equipment, software supplies and support equipment) and FSC 74 - (Office machines, text processing systems and visible record equipment)

FSC 58 (Communications, Detection, and Coherent Radiation Equipment)

Services with reference to transportation equipment

J. Maintenance, Repair, Modification, Rebuilding and Installation of Equipment

Services for the departments and functions listed in Annex 1401.1-6 - General Notes, Note 1 (e) to this schedule respecting FSC 36 - (Special Industry Machinery), FSC 70 - (Automatic Data Processing Equipment, software supplies and support equipment) and FSC 74 - (Office machines, text processing systems and visible record equipment)

FSC 58 (Communications, Detection, and Coherent Radiation Equipment)

Services with reference to transportation equipment

J019 Maintenance, Repair, Modification, Rebuilding and Installation of Equipment related to Ships

J998 Non-nuclear Ship Repair

K. Custodial Operations and Related Services

K0 Personal Care Services

K105 Guard Services

K109 Surveillance Services

K115 Preparation and Disposal of Excess and Surplus Property

L. Financial and Related Services

All classes

M. Operation of Government Owned Facilities

All facilities operated by:

The Department of National Defence

The Department of Transport

The Department of Natural Resources

and for all Departments: M180 and M140

R. Professional, Administrative and Management Support Services

R003 Legal Services (Except Advisory Services on Foreign Law)

R004 Certifications and accreditations for products and institutions other than Educational Institutions

R007 Systems Engineering Services^{*}

R012 Patent and Trade Mark Services

R101 Expert Witness

R102 Weather Reporting/Observation Services

R104 Transcription Services

R106 Post Office Services

R109 Translation and Interpreting Services (inc. sign language)

R114 Logistics Support Services[†]

R116 Court Reporting Services

R117 Paper Shredding Services

R201 Civilian Personnel Recruitment (inc. Services of Employment Agencies)

S. Utilities

All classes

T. Communications, Photographic, Mapping, Printing and Publications Services

All classes

^{*} with reference to transportation systems

[†] with respect to transportation and defence

U. Education and Training Services

U010 Certifications and accreditations for Educational Institutions

V. Transportation, Travel and Relocation Services

All classes (except V503 Travel Agent Services (not including Tour Guides))

W. Lease or Rental of Equipment

Services for the departments and functions listed in Annex 1401.1-6 -
General Notes, Note 1 (e) to this schedule respecting FSC 36 - (Special Industry Machinery), FSC 70 - (Automatic Data Processing Equipment, software supplies and support equipment) and FSC 74 - (Office machines, text processing systems and visible record equipment)

FSC 58 (Communications, Detection, and Coherent Radiation Equipment)

Services with reference to transportation equipment

Part II

The Chapter does not cover procurement of the following services by entities listed in Annex 1401.1-2:

D. Information Processing and Related Telecommunications Services

D309 Information and Data Broadcasting or Data Distribution Services

D316 Telecommunications Network Management Services

D317 Automated News Service, Data Services, or Other Information Services.

Buying data, the electronic equivalent of books, periodicals, newspapers, etc.

D399 Other ADP and Telecommunications Services

F. Natural Resources and Conservation Services

F007 Seedling Production/Transplanting Services

F010 Other Range/Forest Improvements Services

R. Professional, Administrative and Management Support Services

R113 Data Collection Services

Notes to Annex 1401.1-4:

1. All services, with reference to those goods purchased by the Department of National Defence, the Royal Canadian Mounted Police and the Canadian Coast Guard which are not identified as subject to coverage by this chapter (Annex 1401.1-3), will be exempt from the disciplines of the Chapter.

2. All services purchased in support of military forces located overseas will be exempt from coverage by this chapter.

3. The General Notes in Annex 1401.1-6 apply to this Annex.

Schedule of Peru

This Chapter covers all services procured by the entities listed in Annex 1401.1-1 and Annex 1401.1-2, subject to the Notes to the respective Annexes, the General Notes, Annex 1401.1-7 and the Notes to this Annex except for the services excluded below.

This Chapter covers all services except the following services, as elaborated in the Central Product Classification Version 1.1. (For complete listing of Central Product Classification Version 1.1, see <http://unstats.un.org/unsd/cr/registry/regcst.asp?Cl=3>):

CPC 8221 Accounting and auditing services

CPC 8321 Architectural services

CPC 8334 Engineering and design services

CPC 8335 Engineering services during construction and installation phase

CPC 82191 Arbitration and Conciliating Services

Annex 1401.1-5
Construction Services

Schedule of Canada

Section A - General Provisions

1. This Chapter covers all construction services set out in the Common Classification System, except those listed in Section B that are procured by the entities listed in Annex 1401.1-1 and Annex 1401.1-2.

2. The Common Classification System can be found at:
<http://www.sice.oas.org/trade/nafta/chap-106.asp#An1001.1b-3>

Section B - Excluded Coverage
Services Exclusions by Major Service Category

The following services contracts are excluded:

1. Dredging
2. Construction contracts tendered by or on behalf of the Department of Transport
3. For CPC 5115 mining of oil and gas which is classified under CCS F042.

Note to Annex 1401.1-5

The General Notes in Annex 1401.1-6 apply to this Annex.

Schedule of Peru

This Chapter covers all construction services procured by the entities listed in Annex 1401.1-1 and Annex 1401.1-2, subject to the Notes to the respective Annexes, the General Notes, Annex 1401.1-7 and the Notes to this Annex.

Annex 1401.1-6

General Notes

Schedule of Canada

1. This Chapter does not cover procurements in respect of:
 - (a) shipbuilding and repair;
 - (b) urban rail and urban transportation equipment, systems, components and materials incorporated therein as well as all project related materials of iron or steel;
 - (c) contracts respecting FSC 58 (communications, detection and coherent radiation equipment);
 - (d) set-asides for small and minority businesses;
 - (e)
 - (i) the Department of Transport,
 - (ii) the Department of Fisheries and Oceans,
 - (iii) the Canadian Food Inspection Agency in respect of the administration and enforcement of the *Fish Inspection Act*,
 - (iv) the Department of Canadian Heritage in respect of those functions that were formerly the responsibility of the Department of Communications,

(v) the Department of Industry in respect of telecommunications, except in relation to (a) the planning and coordination of telecommunication services for departments, boards and agencies of the Government of Canada, and (b) broadcasting, other than in relation to spectrum management and the technical aspects of broadcasting, and

(vi) the Department of Public Works and Government Services in respect of the Government Telecommunications Agency,

respecting Federal Supply Classification (FSC) 70 (automatic data processing equipment, software supplies and support equipment), FSC 74 (office machines, text processing systems and visible record equipment) and FSC 36 (special industry machinery); and

(f) agricultural products made in furtherance of agricultural support programs or human feeding programs.

2. This Chapter does not cover procurement of transportation services that form a part of, or are incidental to, a procurement contract.

3. Pursuant to Article 1402 (Security and General Exceptions), national security exceptions include oil purchases related to any strategic reserve requirements.

4. National security exceptions include procurements made in support of safeguarding nuclear materials or technology.

5. The procurement process is the process that begins after an entity has decided on its requirement and continues through to and including contract award.

Schedule of Peru

1. This Chapter does not cover procurement programs on behalf of small and micro-sized companies.
2. This Chapter does not cover procurement of goods for food assistance programs.
3. This Chapter does not cover the acquisition of weavings and clothing made with alpaca and llama fibers.
4. This Chapter does not cover procurement by the Embassies, Consulates and other missions of the foreign service of Peru, exclusively for their operation and management.

Annex 1401.1-7

Threshold Adjustment Formulas

1. The thresholds shall be adjusted at two-year intervals with each adjustment taking effect on January 1, beginning on January 1, 2010.

2.# The thresholds for:

(a)# goods and services procured by entities listed in Annex 1401.1-1 (Central Level Entities) and

(b)# goods, services and construction services procured by entities listed in Annex 1401.1-2 (Other Covered Entities).

shall be adjusted in accordance with Annex 1001.1c of the *North American Free Trade Agreement between the Government of Canada, the Government of the United Mexican States and the Government of the United States of America*, done at Mexico, Ottawa and Washington on 17 December 1992 (“North American Free Trade Agreement”). Canada shall notify Peru in writing of the adjusted threshold values in U.S. dollars in December of the year before the adjusted thresholds take effect. Peru shall convert the notified threshold values into Nuevo Soles based on the official conversion rate of the Banco Central de Reserva of Peru (BCR), using the average of the daily values of its currency in terms of the U.S. dollar over the two year-period ending September 30 of the year in which Canada notifies the adjusted threshold.

3. Thresholds expressed in SDRs in Annex 1401.1 shall be adjusted in accordance with the formula in the *WTO Agreement on Government Procurement*, GPA/1, Annex 3. Canada shall notify Peru in writing of the adjusted threshold values in Canadian dollars in December of the year before the adjusted thresholds take effect. Peru shall convert the notified threshold values into Nuevo Soles based on the official conversion rate of the Superintendencia de Banca y Seguros using the average of the daily values of its currency in terms of the Canadian dollar, over the two year period ending September 30 of the year in which Canada notifies the adjusted threshold.

4. Peru shall promptly notify Canada in writing of the value in its currency of the adjusted thresholds.

5. Where a major change in a national currency of either Party during a year creates a significant problem with regard to the application of the Chapter, the Parties shall consult as to whether an interim adjustment is appropriate.

6. In the event that:

(a)# Canada withdraws from the *WTO Agreement on Government Procurement* pursuant to Article XXIV of that Agreement, or the North American Free Trade Agreement pursuant to Article 2205 of that Agreement;

(b)# The *WTO Agreement on Government Procurement* or the North American Free Trade Agreement are terminated; or

(c)# A threshold adjustment formula referenced in paragraphs 1, 2, and 3 is altered;

the Committee on Procurement shall agree on a suitable alternate threshold adjustment formula.

Annex 1401.1-8
Transitional Thresholds for Goods and Services
Procured by Central Level Entities of Peru

Transitional Thresholds

1. For a transitional period of three years from the date of entry into force of this Agreement, Peru shall apply a threshold of SDR 95,000 for goods and services procured by entities listed in Annex 1401.1-1 (Central Level Entities).

Domestic Currency Adjustment

2. Peru shall adjust the transitional threshold value of this Annex in accordance with Annex 1401.1-7, paragraph 3.

Adoption of Permanent Thresholds

3. At the end of the transitional period, Peru may adopt the thresholds for goods and services procured by entities listed in Annex 1401.1-1 (Central Level Entities).

4. In the event that Peru is not able to adopt the thresholds for goods and services procured by entities listed in Annex 1401.1-1 (Central Level Entities):

(a)# Peru shall notify Canada no later than three months prior to the end of the transitional period; and

(b)# Parties shall adopt the threshold listed in paragraph 1 of this Annex.

5. The new thresholds adopted in paragraph 4(b) shall replace the thresholds for goods and services for Canada and Peru procured by entities in Annex 1401.1-1 (Central Level Entities), and the new adopted threshold values shall be adjusted in accordance with Annex 1401.1-7 (3).