

CHAPTER 12

GOVERNMENT PROCUREMENT

ARTICLE 12.1 GENERAL

1. The Parties reaffirm their rights and obligations under the *WTO Agreement on Government Procurement*, as amended by the *Decision on the Outcomes of the Negotiations Under Article XXIV:7 of the Agreement on Government Procurement*, made on 30 March 2012 (hereinafter referred to as “GPA”), and their interest in further expanding bilateral trading opportunities in each Party’s government procurement market.
2. The Parties recognise their shared interest in promoting international liberalisation of government procurement markets in the context of the rules-based international trading system. The Parties shall continue to cooperate in the review under Article XXII:6-10 of the GPA and on procurement matters in the APEC and other appropriate international fora.
3. Nothing in this Chapter shall be construed to derogate from either Party’s rights or obligations under the GPA.
4. In accordance with Article IV:7 of the GPA, the provisions of this Chapter do not affect the rights and obligations provided for in Chapter 3 (Trade in Goods), Chapter 8 (Cross-Border Trade in Services), and Chapter 9 (Investment).

ARTICLE 12.2 INCORPORATION OF GPA PROVISIONS

1. The Parties shall apply the provisions of Articles I:(a), (c), (e)-(u), II-III, IV:1(a), 2-7, VI:1-2(b), 3, VII-XV, XVI:1-3, XVII-XVIII, the Agreement Notes, and Appendices II-IV of the GPA to all covered procurement. To that end, these GPA Articles, Notes and Appendices are incorporated into and made part of this Chapter, *mutatis mutandis*.
2. For the purposes of the incorporation of the GPA under paragraph 1, the term:
 - (a) **Agreement** in the GPA means Chapter;
 - (b) **Appendix I** in the GPA means Annex 12A;
 - (c) **Appendix II, III or IV** in GPA means Annex 12B;
 - (d) **Annex 1** in the GPA means Schedule A of Annex 12A;
 - (e) **Annex 2** in the GPA means Schedule B of Annex 12A;
 - (f) **Annex 3** in the GPA means Schedule C of Annex 12A;
 - (g) **Annex 4** in the GPA means Schedule D of Annex 12A;
 - (h) **Annex 5** in the GPA means Schedule E of Annex 12A;

- (i) **Annex 6** in the GPA means Schedule F of Annex 12A;
- (j) **Annex 7** in the GPA means Schedule G of Annex 12A;
- (k) **any other Party, any Party, Committee or another Party** means the other Party; and
- (l) **one of the WTO languages** in Article VII:3 means the English language.

3. If the GPA is amended or is superseded by another agreement, the Parties shall amend this Chapter, as appropriate, after consultations.

ARTICLE 12.3 MODIFICATIONS AND RECTIFICATIONS TO COVERAGE

1. Where a Party proposes to make minor amendments, rectifications or other modifications of a purely formal or minor nature to its Schedules to Annex 12A, it shall notify the other Party. Such amendments, rectifications or modifications shall become effective thirty (30) days from the date of notification. The other Party shall not be entitled to compensatory adjustments.

2. Where a Party proposes to make a modification to its Schedules to Annex 12A when the business or commercial operations or functions of any of its entities or part thereof is constituted or established as an enterprise with a legal entity separate and distinct from the government of a Party, regardless of whether or not the government holds any shares or interest in such a legal entity, it shall notify the other Party. The proposed removal of such entity or modification shall become effective thirty (30) days from the date of notification. The other Party shall not be entitled to compensatory adjustments.

3. Where a Party proposes to make a modification for reasons other than those stated in paragraphs 1 and 2, it shall notify the other Party and provide appropriate compensatory adjustments in order to maintain a level of coverage comparable to that existing prior to the modification. The proposed modification shall become effective thirty (30) days from the date of notification.

ARTICLE 12.4 CONTACT POINTS

Each Party shall designate a contact point as specified in Annex 12C to facilitate communications between the Parties on any matter covered by this Chapter.