ANNEX 2

Sub-Central entities

Supplies
Thresholds: SDR 200,000

Services
Specified in Annex 5
Thresholds: SDR 200,000

Works
Specified in Annex 6
Thresholds: SDR 5,000,000

1.	ALL REGIONAL OR LOCAL CONTRACTING AUTHORITIES

All contracting authorities of the administrative units as defined by Regulation 1059/2003 – NUTS Regulation.[1]

For the purposes of the Agreement, "Regional contracting authorities" shall be understood as contracting authorities of the administrative units falling under NUTS 1 and 2, as referred to by Regulation 1059/2003 – NUTS Regulation.

For the purposes of the Agreement, "Local contracting authorities" shall be understood as contracting authorities of the administrative units falling under NUTS 3 and smaller administrative units, as referred to by Regulation 1059/2003 – NUTS Regulation.

2.	ALL CONTRACTING AUTHORITIES WHICH ARE BODIES GOVERNED BY PUBLIC LAW AS DEFINED BY EU PROCUREMENT DIRECTIVE

A "body governed by public law" means any body:

- established for the specific purpose of meeting needs in the general interest, not having an industrial or commercial character, and

- having legal personality, and

- financed, for the most part, by the State, or regional or local authorities, or other bodies governed by public law, or subject to management supervision by those bodies, orhaving an administrative, managerial or supervisory board; more than half of whose members are appointed by the State, regional or local authorities or by other bodies governed by public law.

An indicative list of contracting authorities which are bodies governed by public law is attached.

[1] Regulation (EC) No 1059/2003 of the European Parliament and of the Council of 26 May 2003 on the establishment of a common classification of territorial units for statistics (**NUTS**) OJ L154 21.06.2003 as last amended by Regulation (EC) N° 1137/2008.

Notes to Annex 2

1. The following shall not be considered as covered procurement:

   - procurement by procuring entities covered under this Annex in regard of suppliers, services and service providers from the United States;

   - procurement by procuring entities covered under this Annex of air traffic control equipment in regard of suppliers and service providers from the United States;

   - procurement by cities-regions listed under NUTS 1 and NUTS 2 in the Regulation 1059/2003 (as amended - NUTS Regulation), local procuring entitiesand bodies governed by public law covered under this Annex in regard of goods, services, suppliers and service providers from Canada;

   - procurement by procuring entities covered under this Annex of good or service components of procurement which are not themselves covered by this Agreement in regard of suppliers and service providers from the United States and Canada;

   - procurement between 200,000 SDR and 355,000 SDR by procuring entities covered under this Annex of goods and services for suppliers and service providers from Canada;

until such time as the EU has accepted that the Parties concerned provide satisfactory reciprocal acess to EU goods, suppliers, services and service providers to their own procurement markets.

2. The provisions of Article XVIII shall not apply to suppliers and service providers of Japan, Korea and the US in contesting the award of contracts to a supplier or service provider of Parties other than those mentioned, which are small or medium sized enterprises under the relevant provisions of EU law, until such time as the EU accepts that they no longer operate discriminatory measures in favour of certain domestic small and minority businesses.

3. The provisions of Article XVIII shall not apply to Japan and Korea in contesting the award of contracts by entities listed under Annex 2 paragraph 2, until such time as the EU accepts that they have completed coverage of sub-central entities.

4. The provisions of Article XVIII shall not apply to Japan and Korea in contesting that award of contracts by EU entities, whose value is less than the threshold applied for the same category of contracts awarded by these Parties.