ANNEX 7

General Notes

1. Where another Party applies a threshold that is higher than that applied by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu, this Agreement applies only to those procurements above the higher threshold for that particular Party for the relevant procurement. (This Note does not apply to suppliers of the United States and Israel in procurement of goods, services and construction services by entities listed in Annex 2.)

2. Until such time as the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu has accepted that the Parties concerned provide access for the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu suppliers and service providers to their own markets, the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu shall not extend the benefits of this Agreement to suppliers and service providers of the Parties concerned. A service listed in Annex 5 or construction service in Annex 6 is covered with respect to a particular Party only to the extent that such Party has provided reciprocal access to that service.

3. This Agreement does not cover procurement made by a covered entity on behalf of a non-covered entity.

4. Where a contract to be awarded by an entity is not covered by this Agreement, this Agreement shall not be construed to cover any goods or service component of that contract.

5. This Agreement does not cover procurement:

- for the acquisition or rental of land, existing buildings, other immovable property or concerning rights thereon;
- for the acquisition, development, production or co-production of programme materials by broadcasters and procurement for broadcasting time;
- procurement of employment.

6. This Agreement does not cover:

- contracts awarded under an international agreement and intended for the joint implementation or exploitation of a project;
- contracts awarded under the particular procedure of an international organization;
- procurement made with a view to resale or to using in the production of supplies or services for sale;
- procurement of agricultural products made in furtherance of agricultural support programmes and human feeding programmes;
- procurement of the following goods and services (including construction) relating to the electricity and transport projects.

Exclusions regarding electricity (goods)

HS 8402	Steam or other vapour generating boilers
HS 8404	Auxiliary plant for use with boilers
HS 8410	Hydraulic turbines, water wheels, and regulators
HS 8501	Electric motors and generators
HS 8502	Electric generating sets
HS 8504	Electrical transformers and converters
HS 8532	Power capacitors
HS 8535	Electrical switches, breakers, switch-gears (for a voltage exceeding 1,000 volts)
HS 8536	Electrical switches, breakers, switch-gears (for a voltage not exceeding 1,000 volts)
HS 8537	Switch boards, controller panels
HS 8544	Power cables (including optical fibre cables)
HS 9028	Electricity supply meter

- Notwithstanding the above, this Agreement covers procurement of HS codes 8402, 8404, 8410, 8501 (electric motors with capacity of 22 megawatts or greater, electric generators with capacity of 50 megawatts or greater), 850164, 8502, 8504 (electrical transformers and static converters, with capacity of 1 to 600 megawatts), and 8544 (cable related to telecommunications applications) for the goods and suppliers of the United States; the European Union; Japan; Switzerland; Canada; Norway; Iceland; Hong Kong, China; Singapore; and Israel.

- Notwithstanding the above, this Agreement covers procurement of HS codes 8402, 8404, 8410, 850164 and 8502 for the goods and suppliers of Korea.

Exclusions regarding electricity (services and constructions)

CPC 51340	Power transmission line construction work
CPC 51360	Power plant and substation construction work
CPC 51649	Power transmission and distribution automation system construction work
CPC 52262	Power plant construction engineering work
CPC 86724	Power transmission, distribution and substation engineering design services
CPC 86725	Power plant engineering design services
CPC 86726	Power transmission and distribution automation system engineering design services
CPC 86739	Integrated engineering services for power transmission and distribution turnkey projects

- Notwithstanding the above, this Agreement covers procurement of CPC codes 51340, 51360 and 51649 for the service providers of Korea; the European Union; Japan; the United States; Switzerland; Canada; Norway; Iceland; Hong Kong, China; Singapore; and Israel.

- Notwithstanding the above, this Agreement covers procurement of CPC code 52262 for the service providers of Korea; the European Union; the United States; Switzerland; Canada; Norway; Iceland; Hong Kong, China; Singapore; and Israel.