Section 8
Value of Thresholds

1. The value of the thresholds set out in Sections 1 through 3 shall be adjusted at two-year intervals with each adjustment taking effect in January, beginning January 2016.

2. Australia shall calculate and convert the value of the thresholds into Australian Dollars using the conversion rates published by the International Monetary Fund in its monthly "International Financial Statistics". Except where paragraph 3 applies, the conversion rates will be the average of the daily values of the Australian Dollar in terms of the Special Drawing Rights (SDR) over the two-year period preceding 1 October or 1 November of the year before the thresholds are to take effect.

3. In respect of thresholds for sub-central entities, Australia may set its thresholds to align with thresholds that apply to equivalent categories of procurement listed in Section 2 of Annex 15-A of the Australia-United States Free Trade Agreement, expressed in Australian Dollars.

4. Calculations for thresholds covered by this Part may be rounded to the nearest thousand Australian Dollars.

5. Australia shall notify Japan of the applicable value of thresholds in Australian Dollars and the period of its validity upon the entry into force of this Agreement and shall thereafter notify the value of the newly calculated thresholds in Australian Dollars in a timely manner.

6. The Parties shall consult if a major change in a national currency relative to the SDR or to the national currency of the other Party were to create a significant problem with regard to the application of Chapter 17 (Government Procurement).

PART 2
LIST OF JAPAN

Section 1
Central Government Entities

1. Goods

(a) threshold: 100,000 SDR

(b) procuring entities: all entities covered by the Accounts Law (Law No. 35 of 1947) as follows:

House of Representatives
House of Councillors
Supreme Court
Board of Audit
Cabinet
Reconstruction Agency
National Personnel Authority
Cabinet Office
Imperial Household Agency
National Public Safety Commission (National Police Agency)
Financial Services Agency
Consumer Affairs Agency
Ministry of Internal Affairs and Communications
Ministry of Justice
Ministry of Foreign Affairs
Ministry of Finance
Ministry of Education, Culture, Sports, Science and Technology
Ministry of Health, Labour and Welfare
Ministry of Agriculture, Forestry and Fisheries
Ministry of Economy, Trade and Industry
Ministry of Land, Infrastructure, Transport and Tourism
Ministry of Environment
Ministry of Defense

2. Services

(a) threshold:

(i) construction services: 4,500,000 SDR