2. This Chapter does not apply to subsidies granted to enterprises entrusted by the government with the provision of services to the general public for public policy objectives. Such exceptions from the rules on subsidies shall be transparent and shall not go beyond their targeted public policy objectives.

3. This Chapter does not apply to subsidies granted to compensate the damage caused by natural disasters or other exceptional occurrences.

4. Articles 12.5 and 12.6 do not apply to subsidies, the cumulative amounts or budgets of which are less than 450,000 special drawing rights (hereinafter referred to as "SDR") per beneficiary for a period of three consecutive years.

5. Articles 12.6 and 12.7 do not apply to subsidies related to trade in goods covered by Annex 1 to the Agreement on Agriculture and subsidies related to trade in fish and fish products.

6. Article 12.7 does not apply to subsidies granted temporarily to respond to a national or global economic emergency[1]. Such subsidies shall be targeted, economical, effective and efficient in order to remedy the identified temporary national or global economic emergency.

[1] For greater certainty, an emergency shall be understood as one that affects the whole economy of a Party. For the European Union, the whole economy of a Party means the whole economy of the European Union or at least of one of the Member States of the European Union.

7. This Chapter does not apply to audio-visual services.

8. Article 12.7 does not apply to subsidies granted by sub-central levels of government of each Party. In fulfilling its obligations under this Chapter, each Party shall take such reasonable measures as may be available to it to ensure the observance of the provisions of this Chapter by sub-central levels of government of that Party.

ARTICLE 12.4

Relation to the WTO Agreement

Nothing in this Chapter shall affect the rights and obligations of either Party under the SCM Agreement, Article XVI of GATT 1994 and Article XV of GATS.