ARTICLE 12.3

Scope

1. This Chapter applies to specific subsidies to the extent they are related to economic activities[1].

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[2]. Such subsidies shall be targeted, economical, effective and efficient in order to remedy the identified temporary national or global economic emergency.

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

[1] For greater certainty, education provided under the domestic educational system of each Party shall be considered as a non-economic activity.

[2] For greater certainty, an economic emergency shall be understood as one that affects the whole economy of a Party.

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.

ARTICLE 12.5

Notification

1. Each Party shall notify in English the other Party of the legal basis, form, amount or budget and, where possible, the name of the recipient of any specific subsidy granted or maintained[1] by the notifying Party, every two years from the date of entry into force of this Agreement. However, the first notification shall be made no later than three years after the date of entry into force of this Agreement.

2. If a Party makes publicly available on an official website the information specified in paragraph 1, the notification pursuant to paragraph 1 shall be deemed to have been made. If a Party notifies subsidies pursuant to Article 25.2 of the SCM Agreement, the Party shall be considered to have met the requirement of paragraph 1 with respect to such subsidies.

[1] For the purposes of this paragraph, in the case of subsidies which have previously been notified, the information provided in updated notifications may be limited to indicating any modifications, or the absence thereof, from the previous notification.