

**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:

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

6. This Agreement does not cover:

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

**6.5.1. EXCLUSIONS REGARDING ELECTRICITY (GOODS)**

<b>HS Reference No.</b>	<b>Description</b>
a. 8402	Steam or other vapour generating boilers;
b. 8404	Auxiliary plant for use with boilers;

HS Reference No.	Description
c. 8410	Hydraulic turbines, water wheels, and regulators;
d. 8501	Electric motors and generators;
e. 8502	Electric generating sets;
f. 8504	Electrical transformers and converters;
g. 8532	Power capacitors;
h. 8535	Electrical switches, breakers, switch-gears (for a voltage exceeding 1,000 volts);
i. 8536	Electrical switches, breakers, switch-gears (for a voltage not exceeding 1,000 volts);
j. 8537	Switch boards, controller panels;
k. 8544	Power cables (including optical fibre cables);
l. 9028	Electricity supply meter.
6.5.1.1.	Notwithstanding the above, this Agreement covers procurement of HS Reference Nos. 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; the United Kingdom; Japan; Switzerland; Canada; Norway; Iceland; Hong Kong, China; Singapore and Israel.
6.5.1.2.	Notwithstanding the above, this Agreement covers procurement of HS Reference Nos. 8402, 8404, 8410, 850164 and 8502 for the goods and suppliers of Korea.

#### 6.5.2. EXCLUSIONS REGARDING ELECTRICITY (SERVICES AND CONSTRUCTIONS)

Description	CPC Prov. Reference No.
a. Power transmission line construction work	51340
b. Power plant and substation construction work	51360
c. Power transmission and distribution automation system construction work	51649
d. Power plant construction engineering work	52262
e. Power transmission, distribution and substation engineering design services	86724
f. Power plant engineering design services	86725
g. Power transmission and distribution automation system engineering design services	86726
h. Integrated engineering services for power transmission and distribution turnkey projects	86739

- 6.5.2.1. Notwithstanding the above, this Agreement covers procurement of CPC Prov. Reference Nos. 51340, 51360 and 51649 for the service providers of Korea; the European Union; the United Kingdom; Japan; the United States; Switzerland; Canada; Norway; Iceland; Hong Kong, China; Singapore and Israel.
- 6.5.2.2. Notwithstanding the above, this Agreement covers procurement of CPC Prov. Reference No. 52262 for the service providers of Korea; the European Union; the United Kingdom; the United States; Switzerland; Canada; Norway; Iceland; Hong Kong, China; Singapore and Israel.
- 6.5.2.3. Notwithstanding the above, this Agreement covers procurement of CPC Prov. Reference Nos. 86724, 86725, 86726 and 86739 for the services providers of the United States; Canada; Korea; the European Union; the United Kingdom; Japan; Switzerland; Norway; Iceland; Hong Kong, China; Singapore and Israel.

### 6.5.3. EXCLUSIONS REGARDING TRANSPORT

HS Reference No.	Description
a. 8601	Rail locomotives, powered from an external source of electricity or by electric accumulators;
b. 8603	Self-propelled railway or trainway, coaches, vans and trucks, other than those of heading;
c. 8605	Railway or trainway passenger coaches, not self-propelled, luggage van, post office coaches and other special purpose railway or trainway coaches, not self-propelled;
d. 8607	Parts of railway or trainway locomotives or rolling stock;
e. 8608	Railway or trainway track fixtures and fittings, mechanical (including electro-mechanical) signalling, safety or traffic control equipment for railways, roads, inland waterways, parking facility, port installations or airfields, parts of the foregoing.
6.5.3.1.	Notwithstanding the above, this Agreement covers procurement of HS Reference No. 8608 for the goods and suppliers of the United States; Canada; the European Union; the United Kingdom; Japan; Switzerland; Norway; Iceland; Hong Kong, China; Singapore and Israel.
6.5.3.2.	Notwithstanding the above, this Agreement covers procurement of HS Reference Nos. 8601, 8603, 8605 and 8607 for the goods and suppliers of Canada; the European Union; the United Kingdom; Japan; Norway; Iceland; Hong Kong, China; Singapore and Israel. For a period of 10 years from the date of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's accession to the WTO, up to 50 per cent of the procurement amount can be used by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu for offset purposes.

7. Procurement in terms of the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's coverage does not cover non-contractual agreements or any form of government assistance, including, but not limited to, cooperative agreements, grants, loans, guarantees, fiscal incentives, and governmental provision of goods and services to persons or governmental authorities not specifically covered under the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu's Annexes to this Agreement.

8. The provision of services, including construction services, in the context of procurement procedures according to this Agreement is subject to the conditions and qualifications for market access and national treatment as will be required by the Separate Customs Territory of Taiwan, Penghu, Kinmen and Matsu in conformity with commitments under GATS.

9. This Agreement does not cover procurements in respect of national security exceptions including procurements made in support of safeguarding nuclear materials, radwaste management, or technology.