

ARTICLE X

Amendments to Chapter *Kbis* (Government Procurement)

Annex *Kbis*-01.1-7 of the CCFTA is deleted and replaced with the following:

“ANNEX *Kbis*-01.1-7

Threshold Adjustment Formulas

1. The thresholds referred to in Annexes *Kbis*-01.1-1 and *Kbis*-01.1-2 shall be adjusted at two-year intervals with each adjustment taking effect on January 1, beginning January 1, 2008.
2. For Canada:
 - (a) the thresholds referred to in Annex *Kbis*-01.1-1, except the threshold for construction services, shall be the adjusted thresholds of the thresholds listed in Article 1001.1(c)(i) of the North American Free Trade Agreement (NAFTA) for goods and services procured by federal government entities, converted into Canada's national currency according to that agreement;
 - (b) the threshold for construction services referred to in Annex *Kbis*-01.1-1 shall be the threshold for construction services listed in Canada's Appendix 1, Annex 1 of the *WTO Agreement on Government Procurement*, done at Marrakesh on 15 April 1994, converted into Canada's national currency according to the *WTO Agreement on Government Procurement*, GPA/1, Annex 3;
 - (c) the thresholds referred to in Annex *Kbis*-01.1-2 shall be the adjusted thresholds of the thresholds listed in Article 1001.1(c)(ii) of the NAFTA for goods, services and construction services procured by government enterprises, converted into Canada's national currency according to that agreement.
3. For Chile:
 - (a) the thresholds referred to in Annex *Kbis*-01.1-1 shall be the adjusted thresholds of the thresholds listed in Annex 9.1, Section A, of the *Chile-United States Free Trade Agreement*, done at Miami, on 6 June 2003, for goods, services and construction services procured by the Central Level of Government Entities, converted into Chile's national currency according to that agreement;
 - (b) the thresholds referred to in Annex *Kbis*-01.1-2, except the threshold for construction services, shall be the adjusted thresholds of the thresholds listed in Section C of the *Chile-United States Free Trade Agreement*, for goods and services procured by Other Covered Entities, converted into Chile's national currency according to that agreement;