

Annex 10-7

Threshold Adjustment Formula

1. The thresholds expressed in Ukraine's national currency shall be adjusted at two-year intervals with each adjustment taking effect on January 1, beginning on January 1, 2018.
2. Ukraine shall calculate and convert the value of the thresholds into its own national currency using the conversion rate of its National Bank. The conversion rate will be the average of the daily values of the national currency in terms of the SDR over the two-year period preceding 1 October or 1 November of the year prior to the thresholds becoming effective.
3. Ukraine shall notify Canada in writing of Ukraine's adjusted thresholds converted into its national currency by January 15 of the year in which the adjusted thresholds take effect.
4. If, during any year, a major change in the applicable currency of either Party creates a significant problem with regard to the application of this Chapter, the Parties shall consult to determine whether an interim adjustment is appropriate.
5. The Parties shall agree on a suitable alternative threshold adjustment formula if:
 - (a) Canada withdraws from the *Annex to the WTO Protocol Amending the GPA* ("Revised GPA") pursuant to Article XXII of that Agreement; or
 - (b) the *Revised GPA* ceases to exist; or
 - (c) the threshold adjustment formula referenced in paragraph 2 is altered.