

APPENDIX 7

NEW CHAPTER 20 (GOVERNMENT PROCUREMENT)

CHAPTER 20

GOVERNMENT PROCUREMENT

Article 1 Objectives

The objectives of this Chapter are to recognize the importance of promoting the transparency of domestic laws, regulations and procedures and to establish a framework to enhance cooperation between the Parties on government procurement matters.

Article 2 Scope

This Chapter shall apply to domestic laws, regulations and procedures regarding government procurement implemented by central government entities, as defined by each Party for the purposes of this Chapter.

Article 3 Principles

The Parties recognize the role of government procurement in furthering the economic integration between the Parties so as to promote growth and employment. To this end, each Party shall conduct their government procurement in accordance with the following principles:

- (a) openness;
- (b) transparency;
- (c) fair competition;
- (d) impartiality; and
- (e) good faith,

as defined by each Party.

Article 4 Transparency

1. Each Party shall:
 - (a) make publicly available its domestic laws and regulations; and

- (b) endeavour to make publicly available its procedures, regarding government procurement, which may include information on where tender opportunities are published.

2. Where information referred to in paragraph 1 is publically available by electronic means, each Party shall specify the location in Annex 18.

3. Each Party shall designate one or more contact points to facilitate communications between the Parties on any matter covered by this Chapter, and shall provide details of such contact points to the other Party. The Parties shall notify each other promptly of any amendments to the details of their contact points.

Article 5 Integrity

The Parties recognize the importance of conducting government procurement with integrity to prevent corruption. To this end, the Parties shall have domestic laws, regulations, policies or procedures that address issues that impact on the integrity of government procurement.

Article 6 Cooperation

The Parties agree on the importance of cooperation to enhance the mutual understanding of their respective government procurement laws, regulations and international agreements that may affect their procurement markets. Accordingly, the Parties may cooperate, consult and exchange information on such matters.

Article 7 Review

The Parties agree to commence negotiations on government procurement including market access as soon as possible following:

- (a) the completion of negotiations on the accession of China to the *Agreement on Government Procurement as amended by the 2012 Protocol amending the Agreement on Government Procurement*, which is part of the WTO Agreement; or
- (b) in the event that China agrees market access commitments in relation to government procurement with a non-Party.

Article 8 Non-Application of Dispute Settlement

Neither Party shall have recourse to dispute settlement under Chapter 16 (Dispute Settlement) for any matters arising under this Chapter.