ANNEX X

THRESHOLDS

(referred to in Article 25)

PART A

THRESHOLDS APPLICABLE TO MEXICO

1. The thresholds for procurement, by entities listed under Section 1 of Annex VLA (Federal Government entities) are:

   — USD 100 000 for goods or services specified in Annexes VII, VIII, or any combination thereof, and
   — USD 6 500 000 for construction services specified in Annex IX.

2. The thresholds for procurements by entities listed under Section 2 of Annex VLA (Government enterprises) are:

   — USD 250 000 for goods or services specified in Annexes VII, VIII, or any combination thereof, and
   — USD 8 000 000 for construction services specified in Annex IX.

3. However, in order to provide equivalence to the current value of the thresholds applied in the context of the North American Free Trade Agreement (NAFTA), Mexico shall, from the entry into force of this Decision, apply the actual NAFTA thresholds instead of those mentioned in points 1 and 2.

PART B

THRESHOLDS APPLICABLE TO THE COMMUNITY

1. The thresholds for procurements by entities listed under Section 1 of Annex VLB (Central Government entities) are:

   — SDR 130 000 for supplies,
   — SDR 130 000 for services specified in Annex VIII, and
   — SDR 5 000 000 for works specified in Annex IX.

2. The thresholds for procurement by entities listed under Section 2 of Annex VLB are:

   — SDR 400 000 for supplies,
   — SDR 400 000 for services specified in Annex VIII, and
   — SDR 5 000 000 for works specified in Annex IX.

PART C

GENERAL NOTES

1. Mexico shall calculate and convert the value of the thresholds into pesos using the the conversion rate of the Banco de Mexico. Its conversion rate shall be the existing value of the Mexican peso in terms of the US dollar as of 1 December and 1 June of each year, or the first working day thereafter. The conversion rate as of 1 December shall apply from 1 January to 30 June of the following year, and the conversion rate as of 1 June shall apply from 1 July to 31 December of that year.
2. The Community shall calculate and convert the value of the thresholds into euros using the conversion rate of the European Central Bank. Its conversion rate shall be the existing value of the euro in terms of SDRs as of 1 December and 1 June of each year, or the first working day thereafter. The conversion rate as of 1 December shall apply from 1 January to 30 June of the following year, and the conversion rate as of 1 June shall apply from 1 July to 31 December of that year.

3. Mexico and the Community shall notify each other of the value, in their respective currencies, of the newly calculated thresholds no later than one month before the respective thresholds take effect.