



MINISTER OF INDUSTRY AND PRIMARY RESOURCES
BRUNEI DARUSSALAM

KPSU/IRTD/P/18

23rd May 2005

Honourable Jim Sutton
Minister for Trade Negotiations
Parliament Building
Wellington
New Zealand

Your Excellency

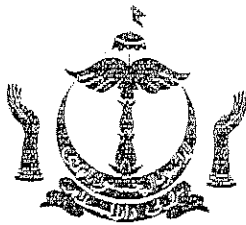
On behalf of the Government of Brunei Darussalam, I would like to express our sincere gratitude for the invitation extended to Brunei Darussalam to join and become a party to the Trans-Pacific Strategic Economic Partnership (referred to as the Agreement).

I have been informed that negotiations towards finalising the Agreement have been completed and that certain flexibilities have been given to Brunei Darussalam as a pre condition to joining this Strategic Economic Partnership. I believe that these flexibilities have been agreed upon by Chile, New Zealand and Singapore (hereafter "the parties") and would like to reiterate them as follows:

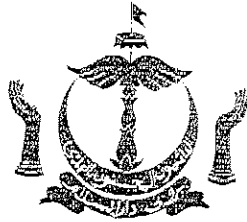
- Brunei Darussalam's Schedule under Chapter 3 of Trade in Goods will be completed and agreed upon by the parties before the Agreement is opened for signature. Upon completion of such schedule Brunei Darussalam will become a signatory to the Agreement;

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- Upon signature, the Agreement shall apply provisionally to Brunei Darussalam after it submits to the parties an instrument confirming such provisional application. The Agreement however shall not initially be applicable in respect of Chapter 11 - Government Procurement and Chapter 12 - Trade in Services whereby the provisions below explains the conditions applicable to these two Chapters;
- All the parties agree that Brunei Darussalam shall have two years, after entry into force of the Agreement, to prepare, negotiate and finalise its Schedule to Annex 11.A of Chapter 11 - Government Procurement and Annex III and Annex IV of Chapter 12 - Trade in Services. Upon completion and agreement by all the parties of its Annexes for both Chapters, Brunei Darussalam shall within two months submit its Instrument of Ratification, Approval or Acceptance to the Agreement;
- It was further agreed by all the parties that Brunei Darussalam shall exclude the Mini Tender Board, which has a procurement value limited to B\$250,000.00 or less, from the Government Procurement Chapter of the Agreement. As such this limit or value shall therefore be maintained and be included as a qualification in its Schedule to Annex 11.A of the Government Procurement Chapter; and
- Brunei Darussalam, owing to its small economy, shall within its capacity endeavor to adhere to the applicable provisions of Chapter 9 - Competition Policy of the Agreement and affirms its commitment to adhere to the APEC Principles to Enhance Competition and Regulatory Framework. To this end Brunei Darussalam shall continue to inform the Parties



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of any development and changes to its policies on competition and further acknowledge that establishment of a competition law and a competition authority shall constitute application of the provision of the Competition Chapter to Brunei Darussalam.

I hope that the provisions I have highlighted above represent not only the understanding but also the agreement on the part of Chile, New Zealand and Singapore of the conditions in which Brunei Darussalam shall become a signatory to the Agreement. I look forward to your confirmatory response and thereafter such conditions shall be incorporated into the text of the Agreement.

Yours sincerely

A handwritten signature in black ink, consisting of a long horizontal line with a small flourish at the end.

**PEHIN ABDUL RAHMAN TAIB
MINISTER OF INDUSTRY AND PRIMARY RESOURCES
BRUNEI DARUSSALAM**