



THE HON STEVEN CIOBO MP

Minister for Trade, Tourism and Investment

12 February 2018

The Honourable Mr. Eduardo Ferreyros Küppers
Minister of Foreign Trade and Tourism
Peru

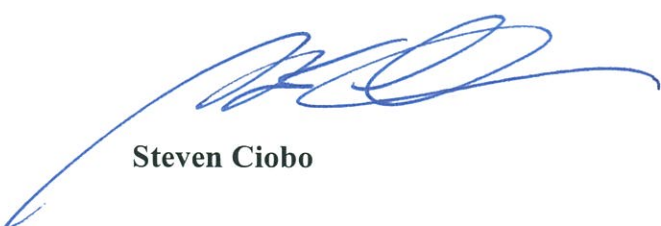
Dear Minister

In connection with the signing on this date of the *Peru-Australia Free Trade Agreement* (PAFTA), I have the honour to confirm the following understanding reached between the Government of Australia and the Government of Peru during the course of the negotiation of Chapter Eight (Investment), Chapter Nine (Cross-Border Trade in Services) and Chapter Ten (Financial Services):

In the interests of greater transparency, this is to notify the Government of Peru that upon the entry into force of PAFTA, the Government of Australia will initiate a review of the existing non-conforming measures at the regional level of government in relation to Annex I - Investment and Cross-Border Trade in Services and Annex III - Financial Services of PAFTA. The Government of Australia will inform the Government of Peru of the results of this review, including a list of individual non-conforming measures at the regional level of government, within 12 months of the date of entry into force of PAFTA.

I look forward to your letter in reply confirming that your Government shares this understanding.

Yours sincerely



Steven Ciobo

12 February 2018

The Honourable Mr. Steven Ciobo
Minister for Trade, Tourism, and Investment
Australia

Dear Minister,

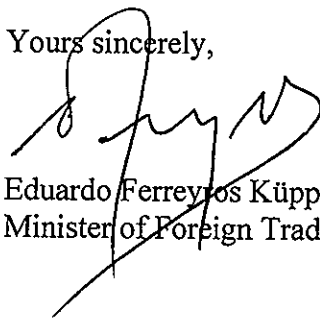
I have the honour to acknowledge receipt of your Note of 12 February 2018, which reads as follows:

“In connection with the signing on this date of the *Peru-Australia Free Trade Agreement* (PAFTA), I have the honour to confirm the following understanding reached between the Government of Australia and the Government of Peru during the course of the negotiation of Chapter Eight (Investment), Chapter Nine (Cross-Border Trade in Services) and Chapter Ten (Financial Services):

In the interests of greater transparency, this is to notify the Government of Peru that upon the entry into force of PAFTA, the Government of Australia will initiate a review of the existing non-conforming measures at the regional level of government in relation to Annex I - Investment and Cross-Border Trade in Services and Annex III - Financial Services of PAFTA. The Government of Australia will inform the Government of Peru of the results of this review, including a list of individual non-conforming measures at the regional level of government, within 12 months of the date of entry into force of PAFTA.”

I have the further honour to confirm that the above reflects the agreement reached between the Government of Peru and the Government of Australia during the course of negotiations on PAFTA, and your Note and this Note of confirmation in reply, both equally authentic in the Spanish and English languages, shall constitute an agreement between the Government of Peru and the Government of Australia.

Yours sincerely,



Eduardo Ferreyros Küppers
Minister of Foreign Trade and Tourism