



Ukraine No. 3 (2023)

Agreement

No.2 in the form of an Exchange of Letters between the United Kingdom of Great Britain and Northern Ireland and Ukraine amending the Political, Free Trade and Strategic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland and Ukraine

Kyiv, 18 August 2022

[The Agreement is not in force]

*Presented to Parliament
by the Secretary of State for Foreign, Commonwealth and Development Affairs
by Command of His Majesty
May 2023*



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**AGREEMENT No.2 IN THE FORM OF AN EXCHANGE OF LETTERS
BETWEEN THE UNITED KINGDOM OF GREAT BRITAIN AND
NORTHERN IRELAND AND UKRAINE AMENDING THE
POLITICAL, FREE TRADE AND STRATEGIC PARTNERSHIP
AGREEMENT BETWEEN THE UNITED KINGDOM OF GREAT
BRITAIN AND NORTHERN IRELAND AND UKRAINE**

Letter No. 1

British Embassy Kyiv to the Ministry of Economy, Ukraine

*Kyiv
18 August 2022*

Your Excellency,

I have the honour to refer to the Political, Free Trade and Strategic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland and Ukraine, done at London on 8 October 2020 (“the Agreement”), and to the recent discussions which have taken place between the United Kingdom of Great Britain and Northern Ireland and Ukraine concerning the amendment of certain provisions of the Agreement.

Consistent with these recent discussions, I have the honour to propose on behalf of the United Kingdom of Great Britain and Northern Ireland that the Agreement be amended as follows:

1. Article 141(3) of the Agreement shall be replaced with the following:

“This Chapter shall apply to contracts above value thresholds set out in Annex XVI-C:

The calculation of the estimated value of a public contract shall be based on the total amount payable.

When applying the thresholds in Section A of Annex XVI-C, both Parties shall convert these values into their own national currency (hereinafter referred to as “national currency values”), using the methodology laid out in Annex 3 of the “Decisions on Procedural Matters under the Agreement on Government Procurement (1994)” (GPA/1). These national currency values shall be revised every two years, beginning on 1 January 2022. Each Party shall notify the other Party of the revised national currency values that are to apply for each two-year period in advance of that period commencing.

When applying the thresholds in Section B of Annex XVI-C, Ukraine shall calculate and convert these values into its own national currency, using the exchange rate of the National Bank of Ukraine.”

2. The following shall be inserted after Article 141(3) of the Agreement and shall constitute a new Article 141(4) of the agreement:

“4. This Chapter shall not apply to the procurement of publicly-funded clinical healthcare services. Clinical healthcare services shall include the following services:

- (a) Human health services (CPC 931);
- (b) Administrative healthcare services (CPC 91122); and
- (c) Supply services of nursing personnel and supply services of medical personnel (CPC 87206 and CPC 87209).

CPC means the Central Products Classification as set out in the Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC prov, 1991.”.

3. Annex XVI-C of the Agreement shall be replaced with the following:

“ANNEX XVI-C
ANNEX XVI-C to Chapter 8
THRESHOLDS
(Article 141(3))

The value thresholds mentioned in Article 141(3) shall be for both Parties:

Section A

- (a) SDR 130 000 for public supply and service contracts awards by central government authorities and design contests awarded by such authorities;
- (b) SDR 200 000 in the case of public supply and public services contracts not covered by point a);
- (c) SDR 5 000 000 in the case of public works contracts;
- (d) SDR 5 000 000 in the case of works contracts in the utilities sector;
- (e) SDR 5 000 000 in the case of concessions;

- (f) SDR 400 000 in the case of supply and service contracts in the utilities sector.

Section B

- (g) GBP 665 000 for public service contracts for social and other specific services;
- (h) GBP 885 000 service contracts for social and other specific services in the utilities sector.”

If the foregoing proposals are acceptable to Ukraine, I have the honour to propose that this Letter and your reply in the affirmative, signed in duplicate in both the English and Ukrainian languages, both language versions being equally authentic, shall together constitute Agreement No.2 in the form of an exchange of letters between the United Kingdom of Great Britain and Northern Ireland and Ukraine amending the Political, Free Trade and Strategic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland and Ukraine (“Agreement No. 2”), which shall enter into force on the date of the receipt of the last of the written notifications concerning the completion by the Parties of their internal procedures required for the Agreement No. 2 to enter into force.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

Letter No. 2

Ministry of Economy, Ukraine to the British Embassy Kyiv

*Kyiv
August 2022*

Your Excellency,

I have the honour to acknowledge receipt of Your Letter from 18 August 2022 concerning the Political, Free Trade and Strategic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland and Ukraine, done at London on 8 October 2020 (“the Agreement”), the text of which is given below:

“Your Excellency,

I have the honour to refer to the Political, Free Trade and Strategic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland and Ukraine, done at London on 8 October 2020 (“the Agreement”), and to the recent discussions which have taken place between

the United Kingdom of Great Britain and Northern Ireland and Ukraine concerning the amendment of certain provisions of the Agreement.

Consistent with these recent discussions, I have the honour to propose on behalf of the United Kingdom of Great Britain and Northern Ireland that the Agreement be amended as follows:

1. Article 141(3) of the Agreement shall be replaced with the following:

“This Chapter shall apply to contracts above value thresholds set out in Annex XVI-C:

The calculation of the estimated value of a public contract shall be based on the total amount payable.

When applying the thresholds in Section A of Annex XVI-C, both Parties shall convert these values into their own national currency (hereinafter referred to as “national currency values”), using the methodology laid out in Annex 3 of the “Decisions on Procedural Matters under the Agreement on Government Procurement (1994)” (GPA/1). These national currency values shall be revised every two years, beginning on 1 January 2022. Each Party shall notify the other Party of the revised national currency values that are to apply for each two-year period in advance of that period commencing.

When applying the thresholds in Section B of Annex XVI-C, Ukraine shall calculate and convert these values into its own national currency, using the exchange rate of the National Bank of Ukraine.”

2. The following shall be inserted after Article 141(3) of the Agreement and shall constitute a new Article 141(4) of the agreement:

“4. This Chapter shall not apply to the procurement of publicly-funded clinical healthcare services. Clinical healthcare services shall include the following services:

- (a) Human health services (CPC 931);
- (b) Administrative healthcare services (CPC 91122); and
- (c) Supply services of nursing personnel and supply services of medical personnel (CPC 87206 and CPC 87209).

CPC means the Central Products Classification as set out in the Statistical Office of the United Nations, Statistical Papers, Series M, N° 77, CPC prov, 1991.”

3. Annex XVI-C of the Agreement shall be replaced with the following:

“ANNEX XVI-C
ANNEX XVI-C to Chapter 8
THRESHOLDS
(Article 141(3))

The value thresholds mentioned in Article 141(3) shall be for both Parties:

Section A

- (a) SDR 130 000 for public supply and service contracts awards by central government authorities and design contests awarded by such authorities;
- (b) SDR 200 000 in the case of public supply and public services contracts not covered by point (
- (c) SDR 5 000 000 in the case of public works contracts;
- (d) SDR 5 000 000 in the case of works contracts in the utilities sector;
- (e) SDR 5 000 000 in the case of concessions;
- (f) SDR 400 000 in the case of supply and service contracts in the utilities sector.

Section B

- (g) GBP 665 000 for public service contracts for social and other specific services;
- (h) GBP 885 000 service contracts for social and other specific services in the utilities sector.”

If the foregoing proposals are acceptable to Ukraine, I have the honour to propose that this Letter and your reply in the affirmative, signed in duplicate in both the English and Ukrainian languages, both language versions being equally authentic, shall together constitute Agreement No.2 in the form of an exchange of letters between the United Kingdom of Great Britain and Northern Ireland and Ukraine amending the Political, Free Trade and Strategic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland and Ukraine (“Agreement No. 2”),

which shall enter into force on the date of the receipt of the last of the written notifications concerning the completion by the Parties of their internal procedures required for the Agreement No. 2 to enter into force.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration. “

I have the honour to confirm that the aforementioned proposals are acceptable to Ukraine, and Your Letter and this Letter of reply, signed in duplicate in both the English and Ukrainian languages, both language versions being equally authentic, shall together constitute Agreement No.2 in the form of an exchange of letters between the United Kingdom of Great Britain and Northern Ireland and Ukraine amending the Political, Free Trade and Strategic Partnership Agreement between Ukraine and the United Kingdom of Great Britain and Northern Ireland (“Agreement No. 2”), which shall enter into force on the date of the receipt of the last written notification concerning the completion by the Parties of their internal procedures required for Agreement No.2 to enter into force.

I avail myself of this opportunity to renew to Your Excellency the assurances of my highest consideration.

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