

THRESHOLDS ADJUSTMENT FORMULA

For the European Union:

- (a) the threshold shall be adjusted at intervals of 2 (two) years with each adjustment taking effect on 1 January;
- (b) the calculation of the values of thresholds shall be based on the average of the daily values of the special drawing rights (hereinafter referred to as "SDRs") to Euro exchange rate over the 24 (twenty-four) months terminating on 31 August preceding the revision with effect as of 1 January. The value of the thresholds thus revised shall, if necessary, be rounded down to the nearest thousand Euros. The data source for the exchange rate is the International Monetary Fund (hereinafter referred to as "IMF"); and
- (c) the value of the newly calculated thresholds shall be made publicly available by the European Union before the respective thresholds take effect.

For Signatory MERCOSUR States:

- (a) each Signatory MERCOSUR State shall calculate and convert the value of the thresholds into its national currency, using the conversion rates of the IMF. The conversion rates shall be the average of the values of their respective national currencies in terms of the SDR published by the IMF in its monthly "International Financial Statistics", over the period of 2 (two) years preceding 1 October of the year prior to the thresholds becoming effective. The converted thresholds shall apply as of 1 January of the following year and shall be fixed for 1 (one) year; and

- (b) the value of the newly calculated thresholds shall be made publicly available by each of the Signatory MERCOSUR States, in its national currency, before the respective thresholds take effect.

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