

ANNEX III

SCHEDULE OF AUSTRALIA

HEADNOTES

1. Commitments under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and the Schedule below.

2. To clarify Australia's commitment with respect to Article 11.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws of Australia are subject to non-discriminatory limitations on juridical form.¹

3. Article 11.10.1(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to Article 11.5(b) (Market Access for Financial Institutions).

4. **Description** sets out the non-conforming measure for which the entry is made.

5. For Section A of this Schedule, in accordance with Article 11.10.1 (Non-Conforming Measures), the Articles specified in the **Obligations Concerned** element of an entry shall not apply to the non-conforming measures identified in the **Description** element of that entry.

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for authorised depository institutions in Australia. This headnote is not itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Banking Act 1959</i> (Cth) <i>Payment Systems (Regulation) Act 1998</i> (Cth)
Description:	A branch of a foreign bank that is authorised as a deposit taking institution in Australia (foreign ADI) is not permitted to accept initial deposits (and other funds) from individuals and non-corporate institutions of less than \$A250,000. A representative office of a foreign bank is not permitted to undertake any banking business, including advertising for deposits, in Australia. Such a representative office is only permitted to act as a liaison point.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Corporations Act 2001 (Cth)</i> <i>Corporations Regulations 2001 (Cth)</i>
Description:	At least one director of a private company must be ordinarily resident in Australia. At least two directors of a public company must be ordinarily resident in Australia.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Regional
Measures:	All existing non-conforming measures at the regional level of government.
Description:	All existing non-conforming measures at the regional level of government.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Commonwealth Banks Act 1959</i> (Cth)
Description:	Liabilities of the Commonwealth Bank, previously Commonwealth Government-owned, are covered by transitional guarantee arrangements.

Sector:	Financial Services
Sub-Sector:	Life insurance services
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Life Insurance Act 1995</i> (Cth)
Description:	Approval of non-resident life insurers is restricted to subsidiaries incorporated under Australian law.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central and regional
Description:	Australia reserves the right to adopt or maintain any measure with respect to the guarantee by government of government-owned entities whose operations include the provision of financial services, including guarantees related to the privatisation of such entities.

ANNEX III

SCHEDULE OF BRUNEI DARUSSALAM

HEADNOTES

1. Commitments under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and the Schedule below.
2. To clarify Brunei Darussalam's commitment with respect to Article 11.5(b) (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws, regulations and guidelines of Brunei Darussalam are subject to non-discriminatory limitations on juridical form.¹
3. All financial institutions offering Islamic financial products and services shall be subject to the Syariah requirements as determined by the laws of Brunei Darussalam and any supervisory bodies for the control of the administration and business dealings of financial institutions concerning Islamic products and any matters connected thereto.
4. **Description** sets out the non-conforming measure for which the entry is made.
5. For entries in Section A, in accordance with Article 11.10.1(a) (Non-Conforming Measures), the Articles specified in the **Obligations Concerned** element of an entry shall not apply to the non-conforming measures identified in the **Description** element of that entry.
6. For entries in Section B, in accordance with Article 11.10.2 (Non-Conforming Measures), the Articles specified in the **Obligations Concerned** element of an entry shall not apply to the sectors, subsectors and activities identified in the **Description** element of that entry.
7. Brunei Darussalam reserves the right to require a foreign bank branch that is systemically important to be a locally incorporated bank in Brunei Darussalam, subject to the following prerequisites:
 - (a) such measure is imposed in a reasonable, objective and impartial manner;
 - (b) Brunei Darussalam shall take in due consideration the quality of home regulation and supervision over the bank, degree of protection accorded to depositors in the home country with respect to depositors in Brunei Darussalam, and the amount of assets held in Brunei Darussalam;

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for depository financial institutions in Brunei Darussalam. This headnote is not in itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.

- (c) prior to the imposition of the requirement, the bank and the Party where the bank originates from shall be notified at least six months in advance of Brunei Darussalam's intention to locally incorporate the bank;
- (d) Brunei Darussalam shall engage the Party concerned in consultations regarding the requirement and provide due consideration to the views expressed by the Party concerned in this regard; and
- (e) provide considerable duration for the bank to comply with the requirement.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Finance companies
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Finance Companies Act</i> (Chapter 89)
Description:	A finance company must be established as a company incorporated in Brunei Darussalam.

Sector:	Financial Services
Sub-Sector:	Money-changing and remittance businesses
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Money-Changing and Remittance Businesses Act</i> (Chapter 174)
Description:	Only Bruneian citizens are allowed to carry on money-changing and money remittance businesses. There is a limit to the number of licences awarded for these businesses.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Motor Vehicles Insurance (Third Party Risks) Act</i> (Chapter 90) <i>Workmen's Compensation Act</i> (Chapter 74)
Description:	Compulsory insurance of motor third party liability and workmen's compensation can only be purchased directly or through an intermediary from licensed insurance companies or takaful operators in Brunei Darussalam.

Sector:	Financial Services
Sub-Sector:	Insurance intermediaries
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Insurance Order, 2006</i> <i>Takaful Order, 2008</i> <i>Companies Act</i> (Chapter 39) <i>Business Names Act</i> (Chapter 92)
Description:	1. <u>Insurance agents</u> Only Brunei nationals are allowed to be registered as an insurance agent in Brunei Darussalam. 2. <u>Insurance brokers</u> Insurance brokers must be established as a company incorporated in Brunei Darussalam.

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Banking Order, 2006</i> <i>Islamic Banking Order, 2008</i> <i>Outsourcing Guidelines</i>
Description:	Any outsourcing activities by licensed banks in Brunei Darussalam are subject to approval by Autoriti Monetari Brunei Darussalam with the following conditions: (a) the outsourced activities are not related to credit assessment, processing, administration or any related core banking activities; and (b) the outsourcing activities will not affect financial institutions' human capital and do not involve any retrenchment of local employees.

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Banking Order, 2006</i> <i>Islamic Banking Order, 2008</i>
Description:	Autoriti Monetari Brunei Darussalam has absolute discretion not to grant a licence to a bank if it is satisfied that: (a) the bank is closely linked to any person who is subject to any laws of any jurisdiction outside Brunei Darussalam or administrative provisions that would prevent the effective exercise by the Autoriti Monetari Brunei Darussalam of its supervisory functions in relation to the bank; or (b) 50 per cent or more of its capital issued and paid-up is owned by or on behalf of a foreign government, or that all or a majority of the persons having the direction, control or management of the bank are appointed by or on behalf of any such government or agency.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Syariah Financial Supervisory Order, 2006</i> <i>Islamic Banking Order, 2008</i>
Description:	Financial institutions providing Islamic finance services are required to include Brunei nationals on their Syariah Advisory Board.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	Capital market Clearing and settlement services
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Services (Article 11.5) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Description:	Brunei Darussalam reserves the right to limit the establishment or operation of the following: (a) clearing and settlement services; (b) central securities depository; (c) trade repository; (d) trading facilities; (e) credit rating agencies; (f) exchanges; or (g) securities and futures market. For greater certainty, this reservation does not apply to financial institutions participating in, or seeking to participate in, any such exchange or securities market.
Existing Measures:	<i>Autoriti Monetari Brunei Darussalam Order, 2010</i> <i>Securities Markets Order, 2013</i>

Payment and Settlement Systems (Oversight) Order, 2015

Sector:	Financial Services
Sub-Sector:	Credit reporting services
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Brunei Darussalam reserves the right to adopt or maintain any measure relating to the establishment and operation of credit reporting services.
Existing Measures:	<i>Autoriti Monetari Brunei Darussalam Order, 2010</i> <i>Banking Order, 2006</i> <i>Islamic Banking Order, 2008</i>

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Brunei Darussalam reserves the right to provide advantages to locally incorporated banks that are not available to licensed foreign bank branches such as, and not limited to, the following: (a) number of branch locations; and (b) types of banking business² offered.
Existing Measures:	<i>Banking Order, 2006</i> <i>Islamic Banking Order, 2008</i>

² “Banking business” is as defined under Section 2, *Banking Order, 2006* and Section 2, *Islamic Banking Order, 2008*.

Sector:	Financial Services
Sub-sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	(a) Brunei Darussalam reserves the right to provide subsidies or grant advantages not limited to the following: (i) to government-owned or government-controlled entities for legitimate national economic development objectives; and (ii) to Islamic financial institutions carrying out Islamic banking, takaful or retakaful, and Islamic capital markets, for the purpose of Islamic finance development. (b) With respect to the Small and Medium Enterprises Financing Programme, Brunei Darussalam reserves the right to provide preferences to local financial institutions which may not be opened to foreign financial institutions.
Existing Measures:	-

ANNEX III

SCHEDULE OF CANADA

INTRODUCTORY NOTES

1. For Canada, in the interpretation of a reservation in Section A, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Chapter against which the reservation is taken. To the extent that:

- (a) the **Measures** element is qualified by a specific reference in the **Description** element, the **Measures** element as so qualified shall prevail over all other elements; and
- (b) the **Measures** element is not so qualified, the **Measures** element shall prevail over all other elements, unless any discrepancy between the **Measures** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measures** element should prevail, in which case the other elements shall prevail to the extent of that discrepancy.

2. For Canada, in the interpretation of a reservation in Section B, all elements of the reservation shall be considered. The **Description** element shall prevail over all other elements.

HEADNOTES

1. Commitments under this Agreement, in the subsectors listed in this Schedule, are undertaken subject to the limitations and conditions set forth in these headnotes and in the Schedule below.
2. To clarify Canada's commitment with respect to Article 11.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws of Canada are subject to non-discriminatory limitations on juridical form.¹
3. Article 11.10.1(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to Article 11.5(b) (Market Access for Financial Institutions).
4. For greater certainty, limitations on the participation of foreign capital in terms of maximum percentage limits on foreign shareholding or the total value of individual or aggregate foreign investment should not be considered a limitation to Article 11.5 (Market Access for Financial Institutions).

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for financial institutions in Canada. This headnote is not itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Bank Act</i> s. 159, 749 <i>Insurance Companies Act</i> s. 167, 796 <i>Trust and Loan Companies Act</i> s. 163 Foreign Institutions Subject to the Canadian Residency Requirements Regulations (Insurance Companies) Foreign Institutions Subject to the Canadian Residency Requirements Regulations (Trust and Loan Companies) <i>Cooperative Credit Association Act</i> s. 169
Description:	A minimum of one-half of the directors of a federally-regulated financial institution that is a subsidiary of a foreign institution and a majority of the directors of any other federally-regulated financial institution must be either Canadian citizens ordinarily resident in Canada or permanent residents ordinarily resident in Canada.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Bank Act</i> s. 524
Description:	In order to establish a bank branch, a foreign bank must be a bank in the jurisdiction under whose laws it is incorporated.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Bank Act</i> s. 520, 524, 540, 545 Sales or Trades (Authorized Foreign Banks) Regulations
Description:	A foreign bank must establish a subsidiary as a condition for accepting retail deposits. Foreign lending branches may not accept deposits.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Trust and Loan Companies Act</i> <i>Bank Act</i> <i>Cooperative Credit Associations Act</i> <i>Insurance Companies Act</i>
Description:	Federal laws do not permit a trust and loan company, credit union or fraternal benefit society in Canada to be established through branches of corporations organised under a foreign country's law.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Bank Act</i> s. 510, 522.16, 524 <i>Insurance Companies Act</i> s. 574, 581
Description:	A bank branch must be established directly under the authorised foreign bank incorporated in the jurisdiction where the authorised foreign bank principally carries on business. A foreign entity authorised to insure, in Canada, risks must be established directly under the foreign insurance company incorporated in the jurisdiction where the foreign insurance company, either directly or through a subsidiary, principally carries on business.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Bank Act</i> s. 520, 540, 545 <i>Bank Act</i> sch. I, II <i>Canadian Deposit Insurance Corporation Act</i> s. 2, 8, 17
Description:	Full service foreign bank branches and lending foreign bank branches are prohibited from becoming member institutions of the Canadian Deposit Insurance Corporation.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Canadian Payments Act</i> s. 2, 4 <i>Bank Act</i> s. 524, 540
Description:	Lending branches of foreign banks are prohibited from being members of the Canadian Payments Association.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Cross-Border Trade (Article 11.6) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Regional
Measures:	-
Description:	All existing non-conforming measures of all provinces and territories.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Regional
Description:	Canada reserves the right to adopt or maintain any measure that is not inconsistent with Canada's obligations under Article XVI of GATS.
Existing Measures:	-

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	With regard to the Canada Mortgage and Housing Corporation and its subsidiaries, Canada reserves the right to adopt or maintain any measure that grants advantages to that entity or any new, reorganised or transferee entity having similar functions and objectives with respect to housing finance.
Existing Measures:	-

ANNEX III

SCHEDULE OF CHILE

HEADNOTES

1. Commitments in the financial services sector under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and the Schedule below.
2. Juridical persons supplying financial services and constituted under the laws of Chile are subject to non-discriminatory limitations on juridical form. For example, partnerships (*sociedades de personas*) are generally not acceptable juridical forms for financial institutions in Chile. This headnote is not in and of itself intended to affect or otherwise limit a choice by a financial institution of the other Party between branches and subsidiaries.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Banking and other financial services
Obligations Concerned:	National Treatment (Article 11.3) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Ley N° 18.045</i> , Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i> , Titles VI and VII, Articles 24, 26 and 27
Description:	The directors, administrators, managers or legal representatives of legal entities or natural persons performing the activities of stockbroker and securities agent, must be Chileans or foreigners with a permanent residence permit.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Ley N° 18.657</i>, Official Gazette of September 29, 1987, <i>Ley de Fondos de Inversión de Capital Extranjero</i>, Titles I and II, Articles 12, 14 and 18 <i>Ley N° 18.046</i>, Official Gazette of October 22, 1981, <i>Ley de Sociedades Anónimas</i>, Title XIII, Articles 126 to 132 <i>Ley N° 18.045</i>, Official Gazette of October 22, 1981, <i>Ley de Mercado de Valores</i>, Title XXVII, Articles 220 to 238
Description:	The capital of a foreign capital investment fund (<i>FICE</i>) may not be remitted abroad until five years from the date in which the contribution was made, or three years in the specific case of venture capital foreign investment funds.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title I, Article 16
Description:	Reinsurance brokerage can be performed by foreign reinsurance brokers. These brokers shall be juridical persons, demonstrate that the entity is legally organised in its country of origin and authorised to intermediate risks ceded from abroad, and provide the date that such authorisation was granted. Such entities shall designate a representative in Chile to represent them with broad powers. The representative may be subject to summons and must have residence in Chile.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Decreto con Fuerza de Ley 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title III, Articles 58, 62 <i>Decreto Supremo N° 863 de 1989 del Ministerio de Hacienda</i> , Official Gazette of April 5, 1990, <i>Reglamento de los Auxiliares del Comercio de Seguros</i> , Title I, Article 2, letter (c)
Description:	Administrators and legal representatives of legal entities and natural persons performing the activity of claim settlement and insurance brokerage must be Chileans or foreigners with a permanent residence permit.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title I, Article 20
Description:	In the case of the types of insurance covered in <i>Decreto Ley 3.500</i> , involving the cession of reinsurance to foreign reinsurers, the deduction for reinsurance cannot exceed 40 per cent of the total of the technical reserves associated with those types of insurance or a higher percentage if set by the Superintendence of Securities and Insurance (<i>Superintendencia de Valores y Seguros</i>).

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Decreto con Fuerza de Ley N° 251</i> , Diario Oficial, Mayo 22, 1931, <i>Ley de Seguros</i> , Title I
Description:	The reinsurance activity may be provided by foreign entities classified, according to risk rating agencies of international well-known reputation as indicated by the Superintendence of Securities and Insurance (<i>Superintendencia de Valores y Seguros</i>), at least in the risk category BBB or other equivalent to it. These entities shall have a representative in Chile who will represent them with broad powers. The representative may be subject to summons. Notwithstanding the aforementioned, the designation of a representative will not be necessary if a reinsurer broker, registered on the records of the Superintendence, carries out the reinsurance operation. For all purposes, especially for those relating to the application and performance in the country of the reinsurance contract, this broker shall be considered the legal representative of the reinsurers.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	The purchase of financial services, by persons located in the territory of Chile and its nationals wherever located, from financial services suppliers of another Party shall be subject to the exchange rate regulations adopted or maintained by the <i>Banco Central de Chile</i> in accordance with its Organic Law (<i>Ley 18.840</i>).
Existing Measures:	<i>Ley 18.840</i> , Official Gazette of October 10, 1989, <i>Ley Orgánica Constitucional del Banco Central de Chile</i> , Title III

Sector:	Financial Services
Sub-Sector:	Banking and other financial services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	Chile may grant advantages or exclusive rights to <i>Banco del Estado de Chile</i> , a Chilean state-owned bank, including but not limited to the following: the management of the Chilean government financial resources is made only through deposits in the <i>Cuenta Única Fiscal</i> and in its subsidiary accounts, all of which must be kept at <i>Banco del Estado de Chile</i> .
Existing Measures:	<i>Decreto Ley N° 2.079</i> , Official Gazette of January 18, 1978, <i>Ley Orgánica del Banco del Estado de Chile</i> <i>Decreto Ley N° 1.263</i> , Official Gazette of November 28, 1975, <i>Decreto Ley Orgánico de Administración Financiera del Estado</i> , Article 6

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	All types of insurance that Chilean law makes or may make compulsory, and all insurance related to social security, cannot be contracted outside Chile. This reservation shall not apply to the types of insurance included in Chile's commitments listed in Annex 11-A (Cross-Border Trade), paragraph 1(a).
Existing Measures:	<i>Decreto con Fuerza de Ley N° 251</i> , Official Gazette of May 22, 1931, <i>Ley de Seguros</i> , Title I, Article 4

Sector:	Financial Services
Sub-Sector:	Social services
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	Chile reserves the right to adopt or maintain any measure with respect to the provision of public law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for reasons of public interest: income security or insurance, social security or insurance, social welfare, public education, public training, health care and child care.
Existing Measures:	

Sector: Financial Services

Sub-Sector: All

Obligations Concerned: Market Access for Financial Institutions (Article 11.5)

Level of Government: Central

Description: Chile reserves the right to adopt or maintain any measure with respect to Article 11.5 (Market Access for Financial Institutions), except for the following sectors, subsectors and financial services defined in accordance with the relevant Chilean legislation and subject to the terms, limitations and conditions specified below:

All subsectors	
1. The Chilean financial services sector is partially compartmentalised, that is to say the institutions, domestic and foreign, authorised to operate as banks may not participate directly in the insurance and securities business and <i>vice versa</i>. However, subject to authorisation from the Superintendence of Banks and Financial Institutions (<i>Superintendencia de Bancos e Instituciones Financieras, SBIF</i>), domestic and foreign banks operating in Chile may set up subsidiaries, to supply other financial services in addition to their main line of business. 2. Chile reserves the right to adopt measures to regulate financial conglomerates, including the entities forming part of it. 3. The term “CPC” means the Provisional Central Product Classification (Statistical paper Series M, No. 77, Department of International Economic and Social Affairs, Statistical Office of the United Nations, New York (1991)).	
Subsector	Limitation on Market Access
1. Banking Services:	
(a) Core banking services and bank operations: acceptance of deposits (includes only current bank accounts (<i>cuentas corrientes bancarias</i>), sight	Foreign banking institutions must be banking companies (<i>sociedades bancarias</i>) legally constituted in their country of origin and must put up the capital required by Chilean law. Foreign banking institutions may only operate:

deposits, time deposits, savings accounts, financial instruments with repurchase agreements, and warranty deposits or surety bonds); • credit granting (includes only ordinary loans, consumer credit, loans in letters of credit, mortgage loans, mortgage loans in letters of credit, purchase of financial instruments with resale agreements, credit for issue of bank surety bonds or other types of financing, issue and negotiation of letters of credit for imports and exports, issue and confirmation of stand-by letters of credit); • purchase of publicly-offered securities (includes only purchase of bonds, purchase of letters of credit, subscription and placement as agents of shares, bonds and letters of credit (underwriting)); • issue and operation of credit cards (CPC 81133) (includes only credit cards issued in Chile); • issue and operation of debit cards; • travellers' cheques; • transfer of funds (bank drafts); • discounting or acquisition of bills of exchange and promissory notes; • endorsement and guarantee of third party liabilities in Chilean currency and foreign currency; • securities custody; • exchange market operations carried out according to the regulations issued or to be issued by the Central Bank of Chile; • operations with derivatives authorised or to be authorised by the Central Bank of Chile (includes only forwards and swaps of currency and interest rate); and • acceptance and execution of fiduciary operations.	(a) through shareholdings in Chilean banks established as corporations in Chile; (b) by becoming established as a corporation in Chile; (c) as branches of foreign corporations, in which case the legal personality in the country of origin is recognised. For the purposes of foreign bank branch operations in Chile, the capital effectively invested in Chile is considered, and not that of the main office. The increases of capital or reserves that do not come from capitalisation of other reserves, will have the same treatment as the initial capital and reserves. In the transactions between a branch and its main office abroad, both will be considered as independent entities. No national or foreign, natural or legal, person may acquire directly or through third parties shares in a bank which, alone or added to the shares such a person already possesses, represent more than 10 per cent of the bank's capital without having first obtained the authorisation of the SBIF. In addition, the partners or shareholders of a financial institution may not transfer a percentage of rights or shares in their company in excess of 10 per cent without having obtained authorisation from the SBIF.
(b) Complementary banking services.	The supply of financial services that complement core

	banking services may be provided directly by these institutions, with prior authorisation from the SBIF, or through subsidiaries which the SBIF shall determine.
(i) Financial leasing (CPC 81120) (includes only leasing contracts for goods acquired at the client's request, <i>i.e.</i> they cannot acquire goods in order to stock them and offer them for leasing). (ii) Factoring.	Financial leasing and factoring services are regarded as complementary banking services and, consequently, the SBIF is empowered to extend or restrict the operation of the services which these institutions may offer, and these institutions may only offer the services expressly authorised by the SBIF.
(iii) Advisory and other auxiliary financial services (CPC 8133) (includes only services indicated in the banking sector in this schedule).	None.
(iv) Management of funds of third parties performed by a General Management Fund (<i>Administradora General de Fondos</i>) (in no circumstances does this include management of pension funds and voluntary pension savings plans (<i>Planes de Ahorro Previsional Voluntario</i>))	The management of funds of third parties can only be offered through subsidiaries as established in the <i>General Banking Act</i> and with prior authorisation of both the SBIF and the Superintendence of Securities and Insurance (<i>Superintendencia de Valores y Seguros, SVS</i>).
(v) Securitisation (vi) Intermediation of publicly offered securities (CPC 81321).	Banks can provide securitisation services through subsidiaries as established in the <i>General Banking Act</i>. In order to provide these services, bank subsidiaries must comply with the securities laws and the norms issued by the SVS. Prior authorisation from both the SVS and the SBIF is required. Banks can provide the services of intermediation of publicly offered securities through subsidiaries as established in the <i>General Banking Act</i>, either as securities agents or as stockbrokers. Except for the requirement to enrol in the relevant register of the SVS, in order to provide these services bank subsidiaries must comply with the securities laws and the norms issued by the SVS. Prior authorisation from both the SVS and the SBIF is required.
(c) Representative offices of foreign banks.	The SBIF may authorise foreign banks to maintain representative offices acting as business agents for their main offices, and shall exercise upon them the same inspection authority granted upon the Superintendent by the <i>Ley General de Bancos</i> with

	respect to banking enterprises. The authorisation given by the SBIF to representative offices is subject to revocation if its maintenance is found to be inconvenient, as expressed in the <i>Ley General de Bancos</i>. This is not intended to limit any remedies that the investor affected by the revocation of the authorisation may have under Chilean law to challenge the measure.
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2. Insurance and Insurance-Related Services:	
1. In Chile, the insurance business is divided into two groups: the first group comprises companies that insure goods or property (<i>patrimonio</i>) against the risk of loss or damage, while the second comprises those that cover personal risks or guarantee, within or at the end of a certain term, a capital sum, a paid-up policy or an income for the insured or his/her beneficiaries. The same insurance company may not be constituted in such a way as to cover both categories of risk. 2. Credit insurance companies, even though classified in the first group, must be established as legal entities with the sole purpose of covering this type of risk, <i>i.e.</i> loss of or damage to the goods or property (<i>patrimonio</i>) of the insured as a result of the non-payment of a money debt or loan, being also permitted to cover guarantee and fidelity risks.	
Subsector	Limitation on Market Access
<u>Insurance:</u> Sale of direct life insurance (does not include insurance related to the social security system) (CPC 81211), and sale of direct general insurance (CPC 8129, except for CPC 81299) (excluding the social security health institutions (<i>Instituciones de Salud Previsional, ISAPRES</i>)) <i>i.e.</i> legal persons set up for the purpose of providing health benefits to persons who opt to become members and financed through the statutory contribution of a percentage of taxable income fixed by law or a higher amount, as the case may be. It also excludes the National Health Fund (<i>Fondo Nacional de Salud, FONASA</i>), a public agency financed by the government and the statutory contribution of a percentage of taxable income fixed by law, which is jointly responsible for paying benefits under the optional health scheme which persons not members of an ISAPRE may join. (Does not include sale of insurance for international maritime shipping, international commercial aviation and space launching and freight (including satellites))	Insurance services can be provided only by insurance companies established in Chile as corporations or as branches of foreign corporations with the sole purpose of developing this line of business, either direct life insurance or direct general insurance. In the case of general credit insurance (CPC 81296), they must be established as corporations or branches with the sole purpose of covering this type of risk. Insurance corporations can be legally constituted only in accordance with the provisions of the law on corporations. For the purposes of foreign insurance branch operations in Chile, the capital and reserves (<i>patrimonio</i>) effectively invested in Chile is considered, and not that of the main office. Such capital and reserves (<i>patrimonio</i>) must be effectively transferred and converted into domestic currency in conformity with any of the systems authorised by law or by the <i>Banco Central de Chile</i>. The increases in capital that do not come from the capitalisation of reserves will have the same treatment as the initial capital. In transactions between a branch and its main office or other related companies abroad, they will be considered as independent entities.

and goods in international transit).	Insurance may be issued directly or through insurance brokers who, to engage in that activity, must be enrolled in the Register maintained by the SVS, and must satisfy the requirements of the law.
Sale of insurance for international maritime shipping, international commercial aviation and space launching and freight (including satellites) and goods in international transit. (Includes goods transported, the vehicle transporting the goods and any civil responsibility deriving therefrom. Does not include national transport (cabotage)).	Insurance services may be offered by insurance corporations constituted in Chile and which have the sole purpose of developing the business of direct general insurance.
Insurance brokers. (Excludes insurance for international maritime shipping, international commercial aviation and space launching and freight (including satellites) and goods in international transit).	Must be enrolled in the Register maintained by the SVS and fulfil the requirements established by the SVS. Only legal persons legally constituted in Chile for this specific purpose may provide this service.
Brokers of insurance for international maritime shipping, international commercial aviation and space launching and freight (including satellites) and goods in international transit. (Includes the goods being transported, the vehicle transporting the goods and any civil responsibility deriving therefrom. Does not include national transport (cabotage)).	Must be enrolled in the Register maintained by the SVS and fulfil the requirements established by the SVS. Only legal persons legally constituted in Chile for this specific purpose may provide this service.
Reinsurance and retrocession (includes reinsurance brokers).	Reinsurance services are provided by reinsurance corporations and branches established in Chile in accordance with the provisions of the law on corporations and authorised by the SVS. Insurance corporations may also provide reinsurance services as a complement to their insurance business if their articles of association so allow. Reinsurance services may also be provided by foreign reinsurers and foreign reinsurance brokers enrolled in the Register maintained by the SVS.
Claim settlement services.	Claim settlement services may be offered directly by

	insurance companies established in Chile or by legal persons constituted in Chile and registered with the SVS.
Auxiliary insurance services. (Includes only consultancy, actuarial services and risk assessment).	Auxiliary insurance services may only be provided by legal persons constituted in Chile and registered with the SVS.

3. Securities Services:	
1. Publicly offered securities may be traded by legal persons established under Chilean law, whose sole purpose is securities brokerage, either as members of a stock exchange (stockbrokers) or outside the stock exchange (securities agents). However, only stockbrokers may trade shares or their derivatives (subscription options) on the stock exchange. Non-share securities may be traded by stockbrokers or securities agents registered with the SVS. 2. Publicly offered securities risk rating services are provided by rating agencies established for the sole purpose of rating publicly offered securities, and they must be enrolled in the Register of Risk Rating Agencies (<i>Registro de Entidades Clasificadoras de Riesgo</i>) maintained by the SVS. 3. Securities custody consists of the physical safe-keeping of securities' certificates and may be undertaken by securities intermediaries (stockbrokers and securities agents) as an activity complementary to their sole purpose. It may also be undertaken by entities that provide depository and custodial services for securities which should be established as special purpose corporations (<i>sociedades anónimas especiales</i>) with the sole purpose of receiving in deposit publicly offered securities from entities authorised by law and to facilitate operations for the transfer of such securities (centralised securities depositories, <i>depósitos centralizados de valores</i>). 4. Financial advisory services, which involve giving financial advice on financing alternatives, investment appraisal, investment possibilities and debt rescheduling strategies may be undertaken by securities intermediaries (stockbrokers and securities agents) as an activity complementary to their sole purpose.	
Subsector	Limitation on Market Access
Stock exchanges.	Stock exchanges must be established as special purpose corporations (<i>sociedades anónimas especiales</i>) under Chilean law.
Intermediation of publicly offered securities, except shares (CPC 81321). Subscription and placement as agents (underwriting).	Brokerage activities must be supplied through a legal person established in Chile and require prior enrolment in the Register of stockbrokers and securities agents kept by the SVS.
- Intermediation of publicly offered shares of corporations (CPC 81321) (includes subscription and placement as agents, underwriting). - Operations in stock exchange derivatives authorised by the Superintendence of Securities and Insurance (<i>Superintendencia de</i>	In order to trade on the stock exchange, intermediaries (stockbrokers) must be constituted as a legal person in Chile. They must acquire a share in the respective stock exchange and be accepted as members of this exchange. Prior enrolment in the Register of stockbrokers and securities agents maintained by the SVS is required for brokerage activities. In addition to the legal requirement concerning capital and reserves (<i>patrimonio</i>), the SVS may impose more

<i>Valores y Seguros</i>) (includes only dollar and interest rate futures, and options on shares. Shares must fulfill the requirements established by the respective clearing house, <i>cámara de compensación</i>).	stringent non-discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated, and the category of intermediaries to which they apply.
Trading in metals on the stock exchange (includes only gold and silver).	Trading in gold and silver may be carried out by stockbrokers on their own account and for third parties in the stock exchange in accordance with stock exchange regulations. In order to trade on the stock exchange, intermediaries (stockbrokers) must be constituted as legal persons in Chile. They must acquire a share in their respective stock exchange and be accepted as members of this exchange. Prior enrolment in the Register of stockbrokers and securities agents maintained by the SVS is required for brokerage activities. In addition to the legal requirement concerning capital and reserves (<i>patrimonio</i>), the SVS may impose more stringent non-discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated and the category of intermediaries to which they apply.
Securities risk rating (relates solely to rating or giving an opinion on publicly offered securities).	They must be established in Chile as a partnership (<i>sociedad de personas</i>). One of the specific requirements to be fulfilled is that not less than 60 per cent of the company's capital must be held by the principal partners (natural or legal persons in this line of business holding a minimum of five per cent of the membership rights in the rating agency).
Securities custody undertaken by securities intermediaries (CPC 81319) (does not include the services offered by suppliers who combine custody, securities clearance and settlement (securities depositories, <i>depósitos de valores</i>)).	For securities custody, intermediaries (stockbrokers and agents) must be constituted in Chile as a legal person. In addition to the legal requirement concerning capital and reserves (<i>patrimonio</i>), the SVS may impose more stringent non-discriminatory requirements regarding economic solvency on intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated and the category of intermediaries to which they apply.
Custody undertaken by entities for the deposit and custody of securities.	Securities deposit and custody entities must be constituted in Chile as corporations set up for that sole

	purpose.
Financial advisory services supplied by securities intermediaries (CPC 81332).	Financial advisory services supplied by securities intermediaries established as legal persons in Chile require prior enrolment in the Register of stockbrokers and securities agents maintained by the SVS. In addition to the legal requirement concerning capital and reserves (<i>patrimonio</i>), the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on the intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated and the category of intermediaries to which they apply.
Financial portfolio management supplied by security intermediaries (this does not under any circumstances include a General Management Fund (<i>Administradora General de Fondos</i>)).	Financial portfolio management services supplied by securities intermediaries established as legal persons in Chile require prior enrolment in the Register of stockbrokers and securities agents maintained by the SVS. In addition to the legal requirement concerning capital and reserves (<i>patrimonio</i>), the SVS may impose more stringent non-discriminatory provisions regarding economic solvency on the intermediaries, taking into account the nature of their operations, the amounts involved, the type of instrument negotiated and the category of intermediaries to which they apply.
Management of funds of third parties performed by a General Management Fund (<i>Administradora General de Fondos</i>) (in no circumstances does this include management of pension funds and voluntary pension savings plans (<i>Planes de Ahorro Previsional Voluntario</i>)).	The fund management service may be carried out by corporations set up for that sole purpose, constituted in Chile, with authorisation from the SVS.
Service of clearing houses for derivatives (contracts for futures and options on securities).	Clearing houses for futures contracts and options on securities must be established in Chile as corporations for that sole purpose and with an authorisation from the SVS. They may only be constituted by stock exchanges and their stockbrokers.
Cattle and agricultural commodities exchanges. Service of clearing houses of futures and options on cattle and agricultural commodities.	Entities must be established as special purpose corporations (<i>sociedades anónimas especiales</i>) under Chilean law.

Cattle and agricultural commodities brokerage.	The activity of cattle and agricultural commodities broker must be performed by legal entities established under Chilean law.
General deposit warehouses (warrants) (corresponds to merchandise warehousing services accompanied by the issue of a deposit certificate and a chattel mortgage receipt (<i>vale de prenda</i>)).	Provision of warrant services may be carried out only by legal persons duly constituted in Chile who have the supply of warrant services as their sole purpose.
Securities issue and registration services (CPC 81322) (does not include deposit and custody of securities services).	None.

4. Other Financial Services:	
Subsector	Limitation on Market Access
Provision and transfer of financial information and financial data processing and related software by suppliers of other financial services.	None.
Exchange market operations carried out according to the regulations issued or to be issued by the Central Bank of Chile.	Only banks, juridical persons, stockbrokers and securities agents, all of which must be established in Chile as legal entities, can operate in the Formal Exchange Market. Juridical persons, stockbrokers and securities agents require prior authorisation from the <i>Banco Central de Chile</i> to operate in the Formal Exchange Market.
Management of mortgage loans as established in <i>Decreto con Fuerza de Ley N° 251, Ley de Seguros, Title V</i> .	Mortgage loans management agencies must be established as corporations (<i>sociedades anónimas</i>) under Chilean law. For greater certainty, according to <i>Decreto con Fuerza de Ley N° 251, Ley de Seguros, Title V, Article 88</i> .

ANNEX III

EXPLANATORY NOTES

1. The Schedule of a Party to this Annex sets out:
 - (a) headnotes or introductory notes that limit or clarify the commitments of a Party with respect to the obligations described in paragraphs 1(b) and 1(c);
 - (b) in Section A, pursuant to Article 11.10.1 (Non-Conforming Measures), a Party's existing measures that are not subject to some or all of the obligations imposed by:
 - (i) Article 11.3 (National Treatment);
 - (ii) Article 11.4 (Most-Favoured-Nation Treatment);
 - (iii) Article 11.5 (Market Access for Financial Institutions);
 - (iv) Article 11.6 (Cross-Border Trade); or
 - (v) Article 11.9 (Senior Management and Boards of Directors); and
 - (c) in Section B, pursuant to Article 11.10.2 (Non-Conforming Measures), the specific sectors, subsectors or activities for which a Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
 - (i) Article 11.3 (National Treatment);
 - (ii) Article 11.4 (Most-Favoured-Nation Treatment);
 - (iii) Article 11.5 (Market Access for Financial Institutions);
 - (iv) Article 11.6 (Cross-Border Trade); or
 - (v) Article 11.9 (Senior Management and Boards of Directors).
2. Each Schedule entry in Section A sets out the following elements:
 - (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Sub-Sector**, where referenced, refers to the specific subsector for which the entry is made;

- (c) **Obligations Concerned** specifies the obligations referred to in paragraph 1(b) that, pursuant to Article 11.10.1(a) (Non-Conforming Measures), do not apply to the listed measures as indicated in the headnote or introductory note for each Party's Schedule;
 - (d) **Level of Government** indicates the level of government maintaining the listed measures;
 - (e) **Measures** identifies the laws, regulations or other measures for which the entry is made. A measure cited in the **Measures** element:
 - (i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement; and
 - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
 - (f) **Description**, as indicated in the headnote or introductory note for each Party's Schedule, either sets out the non-conforming measure or provides a general non-binding description of the measure for which the entry is made.
3. Each Schedule entry in Section B sets out the following elements:
- (a) **Sector** refers to the sector for which the entry is made;
 - (b) **Sub-Sector**, where referenced, refers to the specific subsector for which the entry is made;
 - (c) **Obligations Concerned** specifies the obligations referred to in paragraph 1(c) that, pursuant to Article 11.10.2 (Non-Conforming Measures), do not apply to the sectors, subsectors or activities listed in the entry;
 - (d) **Level of Government** indicates the level of government maintaining the listed measures;
 - (e) **Description** sets out the scope or nature of the sectors, subsectors or activities covered by the entry to which the reservation applies; and
 - (f) **Existing Measures** identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, subsectors or activities covered by the entry.
4. Parties recognise that measures falling under exceptions applicable to this Chapter, such as those in Article 11.11 (Exceptions), need not be scheduled. Nevertheless, some Parties have listed measures that may fall within applicable exceptions. For greater certainty,

the listing of a measure in a Party's Schedule to Annex III is without prejudice to whether that measure or any other measure:

- (a) adopted or maintained by the Party; or
- (b) adopted or maintained by any other Party;

is covered by exceptions such as those in Article 11.11 (Exceptions).

ANNEX III

SCHEDULE OF JAPAN

HEADNOTES

1. Commitments under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and the Schedule below.
2. In the interpretation of a reservation in Section A, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Chapter against which the reservation is taken, and the **Measures** element shall prevail over all the other elements.
3. In the interpretation of a reservation in Section B, all elements of the reservation shall be considered. The **Description** element shall prevail over all the other elements.
4. To clarify Japan's commitment with respect to Article 11.5 (Market Access for Financial Institutions), enterprises supplying financial services are subject to non-discriminatory limitations on juridical form.
5.
 - (a) For greater certainty, for prudential reasons within the context of Article 11.11 (Exceptions), Japan shall not be prevented from applying non-discriminatory limitations concerning admission to the market of new financial services which shall be consistent with a regulatory framework aimed at achieving such prudential objectives. In this context, securities firms are allowed to deal in securities defined in the relevant laws of Japan, and banks are not allowed to deal in those securities unless allowed in accordance with those laws.
 - (b) For Japan, services supplied in the territory of a Party to a service consumer in another Party without any active marketing from the service supplier are considered as services supplied under subparagraph (b) of the definition of "cross-border supply of financial services" in Article 11.1 (Definitions).
6. For the purposes of this Annex, **JSIC** means Japan Standard Industrial Classification set out by the Ministry of Internal Affairs and Communications, and revised on November 6, 2007.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance and insurance-related services)
Industry Classification:	JSIC 622 Banks, except central bank JSIC 631 Financial institutions for small-businesses
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Deposit Insurance Law</i> (Law No. 34 of 1971), Article 2
Description:	The deposit insurance system does not cover deposits taken by branches of foreign banks.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Industry Classification:	JSIC 672 Non-life insurance institutions JSIC 6742 Non-life insurance agents and brokers
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Insurance Business Law</i> (Law No.105 of 1995), Articles 185, 186, 275, 276, 277, 286 and 287 <i>Cabinet Order for Enforcement of Insurance Business Law</i> (Cabinet Order No. 425 of 1995), Articles 19 and 39.2 <i>Ministerial Ordinance for Enforcement of Insurance Business Law</i> (Ministerial Ordinance of the Ministry of Finance No. 5 of 1996), Articles 116 and 212.6
Description:	Commercial presence is in principle required for insurance contracts on the following items and any liability arising therefrom: (a) goods being transported within Japan; and (b) ships of Japanese registration which are not used for international maritime transport.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Industry Classification:	-
Obligations Concerned:	National Treatment (Article 11.3) Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	Japan reserves the right to adopt or maintain any measure with respect to cross-border supply of or trade in financial services as defined in subparagraph (b) of the definition of “cross-border supply of financial services” in Article 11.1 (Definitions) for insurance and insurance-related services, other than the following services, whether supplied by a cross-border financial service supplier of another Party established in that Party as a principal, through an intermediary or as an intermediary: (a) insurance of risks relating to: (i) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods and any liability arising therefrom; and (ii) goods in international transit; and (b) reinsurance, retrocession and the services

auxiliary to insurance as referred to in subparagraph (d) of the definition of “financial service” in Article 11.1 (Definitions).

Note: Insurance intermediation services may be supplied only for insurance contracts allowed to be supplied in Japan.

Existing Measures:

Insurance Business Law (Law No. 105 of 1995), Articles 185, 186, 275, 276, 277, 286 and 287

Cabinet Order for Enforcement of Insurance Business Law (Cabinet Order No. 425 of 1995), Articles 19 and 39.2

Ministerial Ordinance for Enforcement of Insurance Business Law (Ministerial Ordinance of the Ministry of Finance No. 5 of 1996), Articles 116 and 212.6

ANNEX III

SCHEDULE OF MALAYSIA

HEADNOTES

1. Commitments under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and the Schedule below.
2. For greater certainty, all financial institutions offering Islamic financial products and services will be subject to the Shariah requirements as determined by financial services regulators in Malaysia. Shariah requirements may be measures for the purposes of Article 11.11.1 (Exceptions).
3. To clarify Malaysia's commitments with respect to Article 11.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws, regulations and guidelines of Malaysia, are subject to non-discriminatory limitations on juridical form.¹
4. For entries in:
 - (a) Section A, all elements of the entry shall be considered in their totality for the purpose of its interpretation. Where there is any discrepancy between the **Measures** element and the **Description** element of that entry, the **Description** element shall prevail to the extent of that discrepancy.
 - (b) Section B, in accordance with Article 11.10.2 (Non-Conforming Measures), the Articles specified in the **Obligations Concerned** element of an entry shall not apply to the sectors, subsectors, and activities identified in the **Description** element of that entry.

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for depository financial institutions in Malaysia. This headnote is not itself intended to affect, or otherwise limit, the choice of a financial institution of the other Party between setting up as a branch or subsidiary.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i> <i>Money Services Business Act 2011</i> Guidelines on International Islamic Bank Guidelines on Establishment of International Takaful Operator Guideline on Electronic Money Guidelines on Application for Registration and Operation of Retakaful Operator BNM Press Statement (Ref. 06/10/10) dated 25 June 2010 Requirements for Operating Remittance Service Credit Card Guidelines <i>Capital Markets and Services Act 2007</i> Licensing Handbook
Description:	Financial institutions supplying financial services in the territory of Malaysia must be constituted as locally-incorporated companies under the laws of Malaysia. This requirement is not applicable to persons solely carrying out: (a) reinsurance or retakaful business; (b) Islamic banking business in international currencies other than ringgit; (c) takaful business in international currencies other than ringgit; and

- (d) maritime and aviation loss adjusting business.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Most-Favoured-Nation Treatment (Article 11.4) Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i> Guidelines on Outsourcing of Banking Operations Guidelines on Outsourcing of Islamic Banking Operations Guidelines on Outsourcing for Insurers Guidelines on Outsourcing for Takaful Operators
Description:	Approval for licensed banking institutions and insurance companies or takaful operators in Malaysia to outsource any of their activities abroad is subject to reciprocal treatment ² by the applicant's home country.

² A licensed foreign financial institution from any country that allows Malaysian-owned financial institutions operating in its country to outsource their activities abroad (under the same conditions as the country allows a domestic financial institution) will be allowed to outsource their activities abroad, subject to complying with other relevant requirements established by Bank Negara Malaysia. If such country has entered into a Free Trade Agreement with Malaysia and the country has undertaken an obligation to provide national treatment in relation to outsourcing by financial institutions, that fact shall be a positive factor in the consideration of such financial institution's application to outsource abroad.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	Section 122 of the <i>Companies Act 1965</i>
Description:	At least two directors of a company incorporated in Malaysia must be ordinarily resident or have principal residence within Malaysia.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i>
Description:	The carrying on of a licensed business or an approved business regulated by Bank Negara Malaysia (the Bank) requires a licence by the Minister of Finance or an approval by the Bank, respectively. A licence or an approval will not be granted unless the Minister of Finance or the Bank determines that the application for licence or approval will be in the best interest of Malaysia. In making a determination, the Minister and the Bank will have regard to: (a) the effect of the investment on the level and nature of economic activity in Malaysia, including the effect on productivity, efficiency and quality of financial services; (b) the contribution towards enhancing international trade and investment linkages between Malaysia and other countries; (c) the effect of the investment on the stability of the financial system, including on conduct and behaviours that could pose a risk to the financial system; or (d) the degree and significance of participation of Malaysians in the financial sector.³

³ The key considerations will be that control of a significant share of domestically-owned financial institutions remains with Malaysians and that Malaysians continue to have an economically meaningful share of the financial sector.

In accordance with Article 11.13 (Transparency and Administration of Certain Measures):

- (i) the Bank shall make an administrative decision on a complete⁴ application within 120 days, and shall promptly notify the applicant of the decision; and
- (ii) on the request of an unsuccessful applicant, the Bank shall, to the extent practicable, provide to the applicant the reasons as to why the application was not in the best interest of Malaysia.

⁴ An application shall not be considered complete until all relevant hearings are held and all necessary information received. Where it is not practicable for a decision to be made within 120 days, the Bank shall notify the applicant without undue delay and shall endeavour to make the decision within a reasonable time thereafter.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i>
Description:	1. No natural person shall hold more than 10 per cent of shares or interest in shares of a licensed commercial bank, investment bank, Islamic bank, licensed insurance company or takaful operator (“maximum permissible holdings”). 2. The: (a) acquisition of shares or interest-in-shares of a licensed commercial bank, investment bank, Islamic bank, licensed insurance company or takaful operator⁵; and (b) exemption from the maximum permissible holdings in a licensed commercial bank, investment bank, Islamic bank, licensed insurance company or takaful operator, requires approval by the Minister of Finance or Bank Negara Malaysia (the Bank), as the case may be. Approval will not be granted unless the Minister of Finance or the Bank, as the case may be, determines that the application will be in the best interest of Malaysia. In making a determination, the Minister of Finance and the Bank will have regard to:

⁵ For greater certainty, approval is only required for acquisition of shares or interest in shares resulting in holding of shares or interest in shares of, or exceeding:

- (i) a multiple of five per cent; or
- (ii) percentage holding for a mandatory offer under the Malaysia Code of Take-Overs and Mergers.

- (i) the effect of the investment on the level and nature of economic activity in Malaysia, including the effect on productivity, efficiency and quality of financial services;
- (ii) the contribution towards enhancing international trade and investment linkages between Malaysia and other countries;
- (iii) the effect of the investment on the stability of the financial system, including on conduct and behaviours that could pose a risk to the financial system; or
- (iv) the degree and significance of participation of Malaysians in the financial sector.⁶

3. In accordance with Article 11.13 (Transparency and Administration of Certain Measures):

- (a) the Bank shall make a decision on a complete⁷ application within 120 days, and shall promptly notify the applicant of the decision; and
- (b) on the request of an unsuccessful applicant, the Bank shall, to the extent practicable, provide to the applicant the reasons as to why the application was not in the best interest of Malaysia.

⁶ The key considerations will be that control of a significant share of domestically-owned financial institutions remains with Malaysians and that Malaysians continue to have an economically meaningful share of the financial sector.

⁷ An application shall not be considered complete until all relevant hearings are held and all necessary information received. Where it is not practicable for a decision to be made within 120 days, the Bank shall notify the applicant without undue delay and shall endeavour to make the decision within a reasonable time thereafter.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i> Press statement Ref No: 08/11/06 dated 17 August 2011 Circular on Establishment of New Branches by Locally-Incorporated Foreign Banks
Description:	1. In relation to the establishment, closure and relocation of offices⁸ by locally incorporated foreign banks in Malaysia, the following restrictions are applicable: (a) with effect from 29 December 2005, locally incorporated foreign banks may only establish up to eight new physical branches subject to a distribution ratio of 1(market centre): 2(semi-urban): 1(non-urban). However: (i) locally incorporated foreign banks are permitted to retain the number of branches established as at 29 December 2005; (ii) the distribution ratio is not applicable if the locally incorporated foreign bank has less than eight physical branches as of 17 August 2011. (b) locally incorporated foreign banks may not establish new off-premise electronic terminals.

⁸ Under section 2(1) of the *Financial Services Act 2013*, “office” refers to a place where or at which any business of any person is carried out, including the head office in Malaysia, or any other office, a branch, an agency, a mobile place of business, a place of business set up and maintained for a limited period only, or an electronic terminal.

2. Notwithstanding paragraph 1, locally incorporated foreign banks from other Parties may establish:

- (a) an additional eight new physical branches based on a distribution ratio of 1(market centre): 2(semi-urban): 1(non-urban); and
- (b) new off-premise automated teller machines, subject to reciprocal treatment⁹ from the licensed foreign bank's home country.

3. In relation to the establishment and relocation of offices by locally incorporated foreign Islamic banks in Malaysia, the establishment of physical branches by locally incorporated foreign Islamic banks is subject to a distribution ratio of 1(market centre): 1(non-market centre).

⁹ All Malaysian banks in the relevant Party are accorded, at minimum, the same flexibility to establish additional physical branches and new off-premise automated teller machines accorded by Malaysia under this entry.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i>
Description:	Approval for purchase of insurance or takaful cover for property and liability risks from insurance companies or takaful operators abroad is only granted if such insurance or takaful coverage is not available from licensed insurance companies or takaful operators. For the purposes of this entry: “liability” means liability of a person resident in Malaysia to a third party; and “property” means movable or immovable property located in Malaysia, including any ship or aircraft registered in Malaysia. This limitation is not applicable for direct insurance of risks relating to: (a) maritime shipping and commercial aviation and space launching and freight (including satellites), with such insurance to cover any or all of the following: the goods being transported, the vehicle transporting the goods, and any liability arising therefrom; (b) goods in international transit; (c) product liability; and (d) directors’ and officers’ liability five years after the date of entry into force of this Agreement.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i> Guidelines on General Reinsurance Arrangements Guidelines on Takaful Operational Framework
Description:	All licensed general insurance companies and takaful operators in Malaysia must first accord priority to insurance or reinsurance companies and takaful or retakaful operators licensed in Malaysia, followed by those in Labuan, before obtaining reinsurance or retakaful cover from insurance or reinsurance companies and takaful or retakaful operators abroad.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3) Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Income Tax Act 1967</i>
Description:	Annuity incomes received by policyholders of annuity policies underwritten by domestic-owned life insurers or family takaful operators operating in the territory of Malaysia are exempted from tax.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	Circular on Voluntary Cessions to Malaysian Reinsurance Berhad
Description:	All licensed general insurance companies operating in Malaysia are required to reinsure 2.5 per cent for all insurance classes with Malaysian Reinsurance Berhad. In addition, if a licensed general insurance company reinsures a further portion of its underwritten business beyond the percentage specified above, 15 per cent of the remaining portion of business to be reinsured must be reinsured with Malaysian Reinsurance Berhad.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	-
Description:	Malaysia reserves the right to adopt or maintain any measures in relation to the development of the pension system in Malaysia. Such measures will cease to be applicable three years after the date of entry into force of this Agreement.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Capital Markets and Services Act 2007</i> Licensing Handbook
Description:	Only Malaysian nationals are allowed to provide financial planning services through a sole-proprietorship or partnership.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Capital Markets and Services Act 2007</i> Licensing Handbook
Description:	<u>Limitation on foreign shareholding in the capital market</u> The permissible composition of foreign shareholding in a credit rating agency is limited to 49 per cent. However, this limitation will not be applicable after 31 December 2016. <u>Limitation on individual shareholding in a stockbroking company</u> Foreign investors are only allowed to own shares in a stockbroking company as corporations. In contrast, Malaysians are allowed to hold shares in a stockbroking company either as individuals or corporations. Malaysians wishing to own shares as individuals are only allowed to hold up to a maximum of 10 per cent of the total paid-up capital of a stockbroking company.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Capital Markets and Services Act 2007</i> Licensing Handbook
Description:	A special scheme broker ¹⁰ is only allowed to carry out the range of activities as stipulated in Appendix 1 of the Licensing Handbook. Branching is not allowed for a special scheme broker.

¹⁰ “Special scheme broker” means a foreign stockbroking company established pursuant to the Application for Establishment of Foreign Stockbroking Companies under the Special Scheme and Application for Establishment of A New Stockbroking Company.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Capital Markets and Services Act 2007</i> Licensing Handbook
Description:	Any person wishing to undertake capital market activities¹¹ requires authorisation by the Securities Commission Malaysia. Authorisation¹² will not be granted unless the application is determined to be in the best interest of Malaysia. In making a determination, the Securities Commission Malaysia will give regard to any one or more of the following: (a) the area of specialisation and level of expertise that can be offered to the capital market including its effect on the productivity, transference of skills, and efficiency and quality of capital market services; (b) the risk posed on the systemic stability of the capital market including activities and conduct that will likely impact the orderly functioning of the capital market; (c) contribution towards attracting investments, enhancing market linkages and promoting vibrancy in the capital market; (d) ability in developing strategic or nascent sectors in the capital market; or

¹¹ “Capital market activity” means any type of regulated activity or capital market services as defined under the *Capital Markets and Services Act 2007*.

¹² Authorisation includes grant of a licence, registration or approval, as the case may be.

- (e) the degree and significance of participation of Malaysians in the capital market¹³.

In accordance with Article 11.13 (Transparency and Administration of Certain Measures):

- (i) the Securities Commission Malaysia shall, to the extent practicable make an administrative determination on a complete¹⁴ application within 120 days, and shall promptly notify the applicant of the decision; and
- (ii) on the request of an unsuccessful applicant, the Securities Commission Malaysia shall, to the extent practicable, provide to the applicant reasons as to why the application was not in the best interest of Malaysia.

¹³ The key considerations will be that the control of a significant share of capital market activities including intermediation activities remains with Malaysians, and that Malaysians continue to have an economically meaningful participation in the capital market sector.

¹⁴ An application shall not be considered complete until all relevant hearings are held and all necessary information received. Where it is not practicable for a decision to be made within 120 days, the Securities Commission Malaysia shall notify the applicant without undue delay and shall endeavour to make the decision within a reasonable time thereafter.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Most-Favoured-Nation Treatment (Article 11.4) Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	Malaysia reserves the right to adopt or maintain any measures related to the non-internationalisation of ringgit which include: (a) the requirement for international settlement to be made in foreign currency; (b) limitation on the access to ringgit financing by non-residents for use outside Malaysia; and (c) limitation on the use of ringgit in Malaysia by non-residents.
Existing Measures:	<i>Central Bank of Malaysia Act 2009</i> <i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i> Notices on Foreign Exchange Administration Rules

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	The purchase of a financial service by a resident from a financial service supplier abroad shall be subject to the requirements, restrictions and conditions imposed under the Notices on Foreign Exchange Administration Rules.
Existing Measures:	<i>Central Bank of Malaysia Act 2009</i> <i>Financial Services Act 2013</i> <i>Islamic Financial Services Act 2013</i> Notices on Foreign Exchange Administration Rules

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	Malaysia may grant advantages to one or more development financial institutions¹⁵, including but not limited to: (a) <i>Bank Pembangunan Malaysia Berhad;</i> (b) <i>Bank Perusahaan Kecil dan Sederhana Malaysia Berhad;</i> (c) Export-Import Bank of Malaysia Berhad; (d) <i>Bank Kerjasama Rakyat Malaysia;</i> (e) <i>Bank Simpanan Nasional;</i> (f) <i>Bank Pertanian Malaysia Berhad;</i> (g) Malaysian Industrial Development Finance Berhad; (h) Credit Guarantee Corporation Berhad; (i) <i>Lembaga Tabung Haji;</i> (j) Sabah Development Bank Berhad; (k) Sabah Credit Corporation; (l) Borneo Development Corporation (Sabah) Sdn. Bhd.;

¹⁵ “Development financial institution” means an institution which carries on any activity, whether for profit or otherwise, with or without any Government funding, with the purpose of promoting development in the financial, industrial, agricultural, commercial or other economic sector, including the provision of capital or other credit facility; and for the purposes of this definition, “development” includes the commencement of any new industrial, agricultural, commercial or other economic venture or the expansion or improvement of any such existing venture.

- (m) Borneo Development Corporation (Sarawak) Sdn. Bhd.;
- (n) *Danajamin Nasional Berhad*; and
- (o) *Cagamas Berhad*.

Existing Measures: -

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	The establishment or operation of the following: (a) securities and derivatives markets (as approved exchanges, exempt exchanges or recognised markets); (b) clearing facility; and (c) central depository, is subject to the written approval, including the imposition of terms and conditions for approval, either from the Minister of Finance on the recommendation of the Securities Commission Malaysia, or from the Securities Commission Malaysia, where applicable. For greater certainty, this measure will not affect the participation of financial institutions in any such markets, clearing facility or central depository. Written approval from the Minister of Finance is required before a person (alone or acting in concert with other persons) can acquire voting shares of an exchange holding company of five per cent or more of the aggregate of the nominal amount of all the voting shares in the exchange holding company. Written approval from the Minister of Finance is required before an exchange holding company can reduce its shareholding in a stock exchange, a derivatives exchange, an approved clearing house or a central depository, to a level below 75 per cent, or such other percentage as may be specified from time to time by the Minister of Finance of the total issued and paid-up capital in the stock exchange, derivatives exchange, approved clearing house or central depository.

Existing Measures:

Capital Markets and Services Act 2007

Securities Industry (Central Depositories) Act 1991

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Malaysia reserves the right to provide subsidies or grant advantages to financial institutions that are integral for the orderly functioning and development of the capital market. This includes subsidies and advantages granted in connection with: (a) the supply of any financial service involving what Malaysia deems to be strategically important institutions, including: (i) exchanges; (ii) central depositories; (iii) repositories; (iv) clearing and settlement facilities; and (v) market operators; and (b) the supply of any financial service, which Malaysia deems necessary: (i) for the development of local micro, small and medium enterprises; or (ii) to facilitate or enable the supply of any service to Malaysian enterprises that is not being supplied in Malaysia or that is not being supplied efficiently.
Existing Measures:	-

ANNEX III

SCHEDULE OF MEXICO

HEADNOTES

1. Commitments in Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and in the Schedule below.
2. The listing of a reservation in Section A or B does not mean that it cannot otherwise be justified as a measure adopted or maintained for prudential reasons pursuant to Article 11.11.1 (Exceptions).
3. With respect to Article 11.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws of Mexico are subject to non-discriminatory limitations on juridical form.
4. Article 11.10.1(c) (Non-Conforming Measures) shall not apply to those non-conforming measures relating to Article 11.5(b) (Market Access for Financial Institutions).
5. For greater certainty, “limitations on the participation of foreign capital in terms of maximum percentage limit on foreign shareholding or the total value of individual or aggregate foreign investment” should not be considered a limitation to Article 11.5 (Market Access for Financial Institutions).
6. **Description** provides a general non-binding description of the measure for which the entry is made.
7. In the interpretation of a reservation in Section A, all elements of the entry shall be considered. The **Measures** element shall prevail over all other elements.
8. In the interpretation of a reservation in Section B, all elements of the entry shall be considered. The **Description** element shall prevail over all other elements.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	Credit Unions Law (<i>Ley de Uniones de Crédito</i>), Article 21
Description:	Participation by any individual or legal entity, whether direct or indirect, in the equity of a credit union shall not exceed 15 per cent, unless authorised by the National Commission on Banking and Securities (<i>Comisión Nacional Bancaria y Valores</i>) (CNBV). Notwithstanding the above paragraph, any foreign individual or legal entity, as well as foreign entities without legal capacity, may hold up to 15 per cent of the equity of a credit union, indirectly, through a Mexican legal entity.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	Law to Regulate Financial Groups (<i>Ley para Regular las Agrupaciones Financieras</i>), Articles 68, 70, 72 and 74 Credit Institutions Law (<i>Ley de Instituciones de Crédito</i>), Articles 45-A section I, 45-B, 45-E, 45-G and 45-I Securities Market Law (<i>Ley del Mercado de Valores</i>), Articles 2, section VIII, 160, 161, 163 and 165 Insurance and Bonding Companies Law (<i>Ley de Instituciones de Seguros y Fianzas</i>), Articles 2, section XI, 74, 75, 78 and 79 Law of Credit Organisations and Auxiliary Activities (<i>Ley General de Organizaciones y Actividades Auxiliares del Crédito</i>), Articles 45 Bis 1, section I, 45 Bis 2, 45 Bis 3, 45 Bis 5 and 45 Bis 7 Investment Funds Law (<i>Ley de Fondos de Inversión</i>), Articles 62, section I, 63, 64 and 66 Retirement Savings System Law (<i>Ley de los Sistemas de Ahorro para el Retiro</i>), Article 21 Rules for the Establishment of Foreign Financial Institution Subsidiary Companies (<i>Reglas para el Establecimiento de Filiales de Instituciones Financieras del Exterior</i>), Rules Eighth and Ninth
Description:	In order to invest in the equity of a Mexican subsidiary of a financial groups holding company, a commercial bank, a securities firm, a bonding company, an insurance company, a foreign exchange firm, a general deposit warehouse, a managing company of investment funds, an investment fund stock distribution company, and a retirement funds management company, a financial institution of another Party must: (a) directly or indirectly, perform in the territory

of that other Party, in accordance with the applicable law, the same type of operations that the subsidiary in question is allowed to perform in Mexico;

- (b) be incorporated in a country with which Mexico has entered into an international treaty or agreement that allows the establishment of subsidiaries in Mexico, and
- (c) obtain prior authorisation of the Mexican financial authorities and comply with the requirements set out in the respective law.

The financial institutions of another Party must own at least 51 per cent of the subsidiary's equity.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	Law to Regulate Financial Groups (<i>Ley para Regular las Agrupaciones Financieras</i>), Article 67, sections I and II Credit Institutions Law (<i>Ley de Instituciones de Crédito</i>), Article 45-A, sections I and II Securities Market Law (<i>Ley del Mercado de Valores</i>), Article 2, sections VIII and XIII Insurance and Bonding Companies Law (<i>Ley de Instituciones de Seguros y Fianzas</i>), Article 2, sections XI and XVIII Law of Credit Organisations and Auxiliary Activities (<i>Ley General de Organizaciones y Actividades Auxiliares del Crédito</i>), Article 45 Bis 1, sections I and II Investment Funds Law (<i>Ley de Fondos de Inversión</i>), Article 62, sections I and II Retirement Savings Systems Law (<i>Ley de los Sistemas de Ahorro para el Retiro</i>), Article 21
Description:	Branches of financial institutions of another Party are not permitted in Mexican territory. ¹

¹ For clarification purposes, this should not be considered as a departure from Mexico's position in other international agreements it has entered into.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	Law to Regulate Financial Groups (<i>Ley para Regular las Agrupaciones Financieras</i>), Article 24 Credit Institutions Law (<i>Ley de Instituciones de Crédito</i>), Article 13 Securities Market Law (<i>Ley del Mercado de Valores</i>), Articles 117 and 237 Law to Regulate Credit Information Corporations (<i>Ley para Regular las Sociedades de Información Crediticia</i>), Article 8 Insurance and Bonding Companies Law (<i>Ley de Instituciones de Seguros y Fianzas</i>), Article 50, section I Retirement Saving System Law (<i>Ley de los Sistemas de Ahorro para el Retiro</i>), Article 21 Law of Credit Organisations and Auxiliary Activities (<i>Ley General de Organizaciones y Actividades Auxiliares de Crédito</i>), Article 8, section III Investment Funds Law (<i>Ley de Fondos de Inversión</i>), Article 37 Credit Unions Law (<i>Ley de Uniones de Crédito</i>), Article 21
Description:	Foreign governments are not allowed to participate in the equity of Mexican financial groups holding companies, commercial banks, securities firms, stock exchange, credit information corporations, bonding companies, insurance companies, retirement funds management companies, foreign exchange firms, auxiliary credit organisations, general deposit warehouses, managing companies of investment funds, investment fund stock distribution companies, investment fund stock value assessment companies or credit unions, except: 1. When they do it as a temporary prudential measure, such as support or bailouts. Financial entities in this scenario will submit to the

corresponding financial authority the information and documents that prove they fall within this exception.

2. When said participation implies control² over such financial institutions, and is carried out through official legal entities, such as funds and development governmental entities, prior discretionary authorisation by the corresponding financial authority, which has to determine that such legal entities:

- (a) do not exercise governmental functions; and
- (b) their managing boards are independent from the respective foreign government.

3. When the participation is indirect and does not involve the control of the financial institutions.

² The term “control” is defined in each corresponding Act.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	Credit Institutions Law (<i>Ley de Instituciones de Crédito</i>), Articles 23, 24, 45-K and 45-L Securities Market Law (<i>Ley del Mercado de Valores</i>), Articles 124, 128, 131 and 168 Law to Regulate Financial Groups (<i>Ley para Regular las Agrupaciones Financieras</i>), Articles 35, 60 and 77 Popular Savings and Credit Law (<i>Ley de Ahorro y Crédito Popular</i>), Articles 21 and 23 Credit Unions Law (<i>Ley de Uniones de Crédito</i>), Article 26 Law of Credit Organisations and Auxiliary Activities (<i>Ley General de Organizaciones y Actividades Auxiliares del Crédito</i>), Articles 8, section X, 8 Bis 1, 8 Bis 3, 45 Bis 11, 45 Bis 12 and 45 Bis 13 Law to Regulate the Activities of Savings and Loans Cooperative Companies (<i>Ley para Regular las Actividades de las Sociedades Cooperativas de Ahorro y Préstamo</i>), Article 5, section I Cooperative Companies General Law (<i>Ley General de Sociedades Cooperativas</i>), Article 7 Insurance and Bonding Companies Law (<i>Ley de Instituciones de Seguros y Fianzas</i>), Articles 56, 58, 60 and 82 Investment Funds Law (<i>Ley de Fondos de Inversión</i>), Article 73 Retirement Savings Systems Law (<i>Ley de los Sistemas de Ahorro para el Retiro</i>), Articles 50, section V and 66 Bis, section I Rules for the Establishment of Foreign Financial Institution Subsidiary Companies (<i>Reglas para el Establecimiento de Filiales de Instituciones Financieras del Exterior</i>), Rule Tenth Rules Applicable to Clearing Houses for Card Payments (<i>Reglas Aplicables a las Cámaras de Compensación para Pagos con Tarjetas</i>), Rule Second

Description:

The majority of the members of the board of directors of commercial banks, securities firms, financial groups holding companies, popular financial companies, credit unions, general deposit warehouses, foreign exchange firms, bonding companies, insurance companies, retirement funds management companies, subsidiary managing companies of investment funds, subsidiary investment fund stock distribution companies and clearing houses for card payments, must be Mexican or reside in Mexican territory.

Directors and managers of savings and loans cooperative companies must be Mexican.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	Securities Market Law (<i>Ley del Mercado de Valores</i>), Article 167
Description:	If a subsidiary securities firm acquires a Mexican securities firm, both financial institutions must merge.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	Retirement Savings Systems Law (<i>Ley de los Sistemas de Ahorro para el Retiro</i>), Article 26
Description:	Retirement funds management companies may not own more than 20 per cent share of the retirement savings systems market³. The National Retirement Savings System Commission may authorise a limit beyond 20 per cent, provided that this does not constitute prejudice to the interests of workers.

³ The term “market” refers to the total amount of individual retirement accounts.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	Securities Market Law (<i>Ley del Mercado de Valores</i>), Article 234
Description:	In order to be organised as a stock exchange, it is required to obtain prior concession from the Federal Government, which may be granted at the discretion of the financial authorities. The granting of such concessions will be subject to considerations regarding the market's development.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	Insurance and Bonding Companies Law (<i>Ley de Instituciones de Seguros y Fianzas</i>), Articles 20, 21, 22, 23 and 24
Description:	1. It is forbidden to contract with entities of another Party: (a) insurance of persons: (i) when the contracting holder is a natural person and is in Mexico when the contract is entered into; or (ii) when the contracting holder is a legal person, if the insured resides in Mexican territory; (b) insurance of maritime or aircraft hulls, as well as any kind of vehicle, for risks inherent to the maritime and transportation industries, as long as those maritime and aircraft hulls and vehicles have Mexican plates or belong to persons domiciled in Mexico; (c) credit insurance, housing credit insurance and insurance of financial guarantee, when the insured is subject to Mexican law. Regarding insurance of financial guarantee, the prohibition will not apply when the securities, or documents matter of the insurance participate in foreign markets exclusively; (d) insurance against liability, derived from events

that may take place in Mexico; and

- (e) insurance against all the other industries for risks that may take place in Mexican territory. Insurance acquired by non-residents in Mexican territory outside of Mexico for their persons or vehicles to cover risks during their eventual entries will not be considered as such.

2. In the following cases, the National Insurance and Bonding Commission (*Comisión Nacional de Seguros y Fianzas*) (*CNSF*), may make an exception from paragraph 1:

- (a) to the companies of another Party that, with prior authorisation of the National Insurance and Bonding Commission (*Comisión Nacional de Seguros y Fianzas*), and complying with the requirements established by it, enter into insurance contracts in Mexico to cover risks that may only take place in the foreign country where they are authorised to provide insurance services;
- (b) to the person that proves that none of the insurance companies authorised to operate in the country, either is able or deems convenient to enter into a given insurance operation proposed to it. In this case, a specific authorisation will be granted so that the insurance may be contracted with an entity of another Party, either directly or through a Mexican insurance company.

3. The brokerage of insurance, agency of insurance and auxiliary services for the operations listed in paragraph 1 is forbidden.

4. The contracts entered into that contravene the aforementioned provisions will not have any legal effect.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	Insurance and Bonding Companies Law (<i>Ley de Instituciones de Seguros y Fianzas</i>), Articles 34 and 35
Description:	1. It is forbidden to contract with foreign companies bonds to guarantee acts of persons that must comply with obligations in Mexican territory, except for rebonding or when the bonds are received by Mexican bonding institutions as counterguarantee. 2. Notwithstanding the prohibition in paragraph 1, if none of the financial institutions authorised to operate in Mexico can or deems it convenient to undertake a bonding operation proposed to it, the National Insurance and Bonding Commission (<i>Comisión Nacional de Seguros y Fianzas</i>) (<i>CNSF</i>) once the above-mentioned circumstances have been proved to it, will grant a specific authorisation so that the individual proposing it may contract the bond directly with a foreign company, either directly or through a financial institution of Mexico. 3. The brokerage of the operations described in paragraph 1 is forbidden. 4. The contracts entered into that contravene the aforementioned provisions will not have any legal effect.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	Insurance and Bonding Companies Law (<i>Ley de Instituciones de Seguros y Fianzas</i>), Article 337, section X Regulation of Insurance and Bonding Agents (<i>Reglamento de Agentes de Seguros y de Fianzas</i>), Article 12, section V, subparagraph (b) Rules for the authorisation and operation of reinsurance brokers (<i>Reglas para la autorización y operación de intermediarios de reaseguros</i>), Rule Fourth
Description:	Governments or official foreign entities may not participate in mutual insurance companies, the equity of insurance and bonding agencies, or the equity of reinsurance brokers, either directly or indirectly. Foreign financial entities may not participate in insurance or bonding agencies, or mutual insurance companies. Groups of foreign individuals or legal entities, regardless of the form they adopt, may not participate in the equity of mutual insurance companies, either directly or indirectly. For clarification purposes, foreign individuals may participate in mutual insurance companies as long as they do so individually and not as part of a group or entity.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Description:	Mexico, when selling or disposing of its equity interest in, or the assets of, an existing state enterprise or an existing governmental entity, may prohibit or impose limitations on the ownership of such interest or assets, and on the ability of owners of such interest or assets to control any resulting enterprise, by investors of Mexico of another Party or of a non-Party or their investments. Additionally, Mexico may impose limitations on the supply of the services related to such investments. With respect to such a sale or other disposition, Mexico may adopt or maintain any measure relating to the nationality of individuals appointed to senior management positions or members of the board of directors. For the purposes of this reservation: (a) any measure maintained or adopted after the date of entry into force of this Agreement that, at the time of sale or other disposition, prohibits or imposes limitations on the ownership of equity interest or assets or imposes nationality requirements described in this reservation shall be deemed to be an existing measure; and (b) “state enterprise” means an enterprise owned

or controlled through ownership interest by Mexico and includes an enterprise established after the date of entry into force of this Agreement solely for the purposes of selling or disposing of equity interest in, or the assets of, an existing state enterprise or governmental entity.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	Mexico reserves the right to adopt or maintain measures that grant exclusive rights to development banks, decentralised entities or public funds for the economic development already established at the time that this Agreement comes into force, as well as any new, reorganised or transferee development bank, decentralised entity or public fund for the economic development with similar functions and objectives with respect to development banking. The institutions of development banking include: (a) National Financial Institution, S.N.C. (<i>Nacional Financiera, S.N.C.</i>); (b) National Bank of Public Works and Services, S.N.C. (<i>Banco Nacional de Obras y Servicios Públicos, S.N.C.</i>); (c) National Bank of Foreign Trade, S.N.C. (<i>Banco Nacional del Comercio Exterior, S.N.C.</i>); (d) Federal Mortgage Corporation, S.N.C. (<i>Sociedad Hipotecaria Federal, S.N.C.</i>); (e) National Savings and Financial Services Bank, S.N.C. (<i>Banco del Ahorro Nacional y Servicios Financieros, S.N.C.</i>); (f) National Bank of the Army, Air Force and Navy, S.N.C. (<i>Banco Nacional del Ejército, Fuerza Aérea y Armada, S.N.C.</i>), or their respective successors.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	Mexico reserves the right to adopt or maintain measures that grant advantages or exclusive rights to the national insurance institutions, national bonding institutions, a national pension fund or national auxiliary organisations of credit in existence at the date of entry into force of this Agreement, as well as any new, reorganised or transferee national insurance institution, national bonding institution, a national pension fund or national auxiliary organisation of credit with similar functions and objectives with respect to public policy purposes.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Mexico reserves the right to adopt or maintain any measure in relation to any financial service that is supplied by a covered investment as defined in Article 9.1 (Definitions) that is not a covered investment in a financial institution as defined in Article 11.1 (Definitions), in order to regulate such entity as a financial institution.

ANNEX III

SCHEDULE OF NEW ZEALAND

HEADNOTES

1. Commitments under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in the explanatory notes to Annex III, these headnotes and the Schedule below.
2. For entries in Section A, **Description** sets out the non-conforming measure for which the entry is made.
3. For entries in Section A, all elements of the entry shall be considered in their totality for the purposes of its interpretation.
4. For entries in Section B, where an inconsistency arises in relation to the interpretation of an entry, the **Description** element of the entry shall prevail to the extent of the inconsistency.
5. In accordance with Article 11.10 (Non-Conforming Measures), the Articles specified in the **Obligations Concerned** element of an entry do not apply to measures identified in the **Description** element of that entry.
6. To clarify New Zealand's commitment with respect to Article 11.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws of New Zealand are subject to non-discriminatory limitations on juridical form.¹
7. Article 11.10(1)(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to paragraph (b) of Article 11.5 (Market Access for Financial Institutions).
8. For transparency purposes and in accordance with Article 11.10.3 (Non-Conforming Measures), non-conforming measures set out in New Zealand's Schedules to Annex I and Annex II as not subject to Article 9.4 (National Treatment), Article 9.5 (Most-Favoured-Nation Treatment), Article 9.11 (Senior Management and Boards of Directors), Article 10.3 (National Treatment) or Article 10.4 (Most-Favoured-Nation Treatment) or, including those entries that apply to all sectors or financial services, shall be treated as non-conforming measures not subject to Article 11.3 (National Treatment), Article 11.4 (Most-Favoured-Nation Treatment) or Article 11.9 (Senior Management and Boards of Directors), to the extent that the measure, sector, subsector or activity set out in the entry is covered by Chapter 11 (Financial Services).

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for authorised depository institutions in New Zealand. This headnote is not in itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.

9. For greater certainty, the measures that New Zealand may take in accordance with Article 11.11.1 (Exceptions), provided they meet the requirements of that Article, include those governing:

- (a) licensing, registration or authorisation as a financial institution or cross-border financial service supplier, and corresponding requirements;
- (b) juridical form, including legal incorporation requirements for systemically important financial institutions and limitations on deposit-taking activities of branches of overseas banks, and corresponding requirements;
- (c) requirements pertaining to directors and senior management of a financial institution or cross-border financial service supplier;
- (d) capital, related party exposures, liquidity, disclosure and other risk management requirements;
- (e) payment, clearance and settlement systems (including securities systems);
- (f) anti-money laundering and countering financing of terrorism; and
- (g) distress or failure of a financial institution or cross-border financial service supplier.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Commodity Levies Act 1990</i> <i>Commodity Levies Amendment Act 1995</i> <i>Kiwifruit Industry Restructuring Act 1999</i> and regulations
Description:	The provision of crop insurance for wheat can be restricted in accordance with the <i>Commodity Levies Amendment Act 1995</i> (CLA). Section 4 of the CLA provides for the use of funds derived under a mandatory commodity levy on wheat growers to be used for the purpose of funding a scheme insuring wheat crops against damage or loss. The provision of insurance intermediation services related to the export of kiwifruit can be restricted in accordance with the <i>Kiwifruit Industry Restructuring Act 1999</i> and regulations relating to the export marketing of kiwifruit.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Kiwisaver Act 2006</i>
Description:	At least one director of a corporate trustee and one director of a fund manager of a registered Kiwisaver scheme must be a New Zealand resident.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6) Senior Management and Boards of Directors (Article 11.9)
Description:	New Zealand reserves the right to adopt or maintain any measure with respect to the supply of: (a) compulsory social insurance for personal injury caused by accident, work related gradual process disease and infection, and treatment injury; and (b) disaster insurance for residential property for replacement cover up to a defined statutory maximum.
Existing Measures:	<i>Accident Compensation Act 2001</i> <i>Earthquake Commission Act 1993</i>

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Description:	New Zealand reserves the right to adopt or maintain any measure with respect to the establishment or operation of exchanges, securities markets or futures markets. For greater certainty, this reservation does not apply to financial institutions participating in, or seeking to participate in, any such exchange, securities market or futures market.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5) Senior Management and Boards of Directors (Article 11.9)
Description:	New Zealand reserves the right to adopt or maintain any measure with respect to the establishment or operation of any unit trust, market or other facility established for the trade in, or allotment or management of, securities in the co-operative dairy company arising from the amalgamation authorised under the <i>Dairy Industry Restructuring Act 2001</i> , or any successor body.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6)
Description:	New Zealand reserves the right to adopt or maintain any measure with respect to insurance and insurance-related services for industry marketing boards established for products under the following CPC codes: (a) 01, except 01110 and 01340 (products of agriculture, horticulture and market gardening, except wheat and kiwifruit); (b) 02 (live animals and animal products); (c) 211, except 21111, 21112, 21115, 21116 and 21119 (meat and meat products, except beef, sheep meat, poultry and offal); (d) 213-216 (prepared and preserved vegetables, fruit juices and vegetable juices, prepared and preserved fruit and nuts, animal and vegetable oils and fats); (e) 22 (dairy); (f) 2399 (other food products); and (g) 261, except for 2613, 2614, 2615, 02961, 02962 and 02963 (natural textile fibres prepared for spinning, excluding wool).
Existing Measures:	<i>Commodity Levies Act 1990</i>

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Description:	New Zealand reserves the right to adopt or maintain any measure that requires all companies to have one or more directors, of whom at least one must: (a) live in New Zealand; or (b) live in an “enforcement country”² and be a director of a company that is registered (except as the equivalent of an overseas company) in that enforcement country.

² “Enforcement country” means a country that has an agreement with New Zealand that allows for the recognition and enforcement in that country of New Zealand judgments imposing regulatory regime criminal fines.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6)
Description:	New Zealand reserves the right to adopt or maintain any measure with respect to: (a) the provision of public law enforcement and correctional services; and (b) the following, to the extent that they are social services established for a public purpose: (i) child care; (ii) health; (iii) income security and insurance; (iv) public education; (v) public housing; (vi) public training; (vii) public transport; (viii) public utilities; (ix) social security and insurance; and (x) social welfare.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3)
Description:	New Zealand reserves the right to adopt or maintain any measure that provides a subsidy or grant to any entities that are controlled, or wholly or partially owned, by the government and that may conduct financial operations, including measures taken in relation to the privatisation of such entities.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4)
Description:	New Zealand reserves the right to adopt or maintain any measure that provides a subsidy or grant to any entity that is systemically important to the infrastructure of the financial market, including: (a) exchanges; (b) clearing and settlement facilities; and (c) market operators.

ANNEX III

SCHEDULE OF PERU

HEADNOTES

1. Commitments under Chapter 11 (Financial Services), in the sector and sub-sectors listed in this Schedule, are undertaken subject to the limitations and conditions set forth in these headnotes and in the Schedule below.
2. To clarify the commitment of Peru with respect to Article 11.5 (Market Access for Financial Institutions), juridical persons supplying financial services constituted under the laws of Peru are subject to non-discriminatory limitations on juridical form.¹
3. Article 11.10.1(c) (Non-Conforming Measures) shall not apply to those non-conforming measures relating to Article 11.5(b) (Market Access for Financial Institutions).
4. In case of Section A, **Description** provides a general non-binding description of the measure for which the entry is made.

¹ For example, limited liability partnerships and sole proprietorships with limited liability are generally not acceptable juridical forms for financial institutions in Peru. This headnote does not affect, or otherwise limit, a choice by an investor of the other Party between branches and subsidiaries.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligation Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (<i>Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros</i>), Law N° 26702 and its amendments
Description:	A financial institution of the other Party providing banking services and established in Peru through a branch must assign to its branch certain capital, which must be located in Peru. In addition to measures that Peru may impose consistent with Article 11.11.1 (Exceptions) the operations of the branch are limited by its capital located in Peru.

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligation Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (<i>Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros</i>), Law N° 26702 and its amendments
Description:	A financial institution of the other Party providing insurance or insurance-related services and established in Peru through a branch must assign to its branch certain capital, which must be located in Peru. In addition to measures that Peru may impose consistent with Article 11.11.1 (Exceptions) the operations of the branch are limited by its capital located in Peru.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligation Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	Securities Market Law (<i>Ley del Mercado de Valores</i>), approved by Legislative Decree N° 861 and its amendments, articles 280, 333, 337 and Seventeenth Final Provision General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (<i>Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros</i>), Law N° 26702 and its amendments, articles 136 and 296
Description:	Financial institutions constituted under the laws of Peru and debt securities offered in a primary or secondary public offering in the territory of Peru must be rated by credit rating companies constituted under the laws of Peru. They may also be rated by other credit rating agencies, but only in addition to the mandatory rating.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligation Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (<i>Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros</i>), Law N° 26702 and its amendments Law Establishing the Banco Agropecuario (<i>Ley de Creación del Banco Agropecuario</i>), Law N° 27603 and its amendments Law Establishing the Corporación Financiera de Desarrollo (COFIDE) (<i>Ley de Creación de la Corporación Financiera de Desarrollo (COFIDE)</i>), Law Decree N° 206 and its amendments and Law N° 25382 Law Establishing the Banco de la Nación (<i>Ley de Creación del Banco de la Nación</i>), Law N° 16000 and its amendments Law N° 28579, (<i>Ley de Conversión del Fondo Hipotecario de la Vivienda - Fondo MIVIVIENDA a Fondo MIVIVIENDA S.A.</i>) and its amendments Law N° 10769 (<i>Creando la Caja Municipal de Crédito Popular de Lima</i>) and its amendments Supreme Decree N° 157-90-EF (<i>Norma Funcionamiento en el País de las Cajas Municipales de Ahorro y Crédito</i>) and its amendments Supreme Decree N° 07-94-EF (<i>Aprueban el Estatuto del Banco de la Nación</i>) and its amendments
Description:	Peru may grant advantages or exclusive rights, without limitation, to one or more of the following financial entities, as long as they are partially or fully owned by the State: <i>Corporación Financiera de Desarrollo (COFIDE)</i>, <i>Banco de la Nación</i>, <i>Banco Agropecuario</i>, <i>Fondo Mivivienda</i>, <i>Cajas Municipales de Ahorro y Crédito</i>, and the <i>Caja Municipal de Crédito Popular</i>.

Examples of such advantages are the following:²

The *Banco de la Nación* and *Banco Agropecuario* are not required to diversify their risk; and

The *Cajas Municipales de Ahorro y Crédito* may directly sell collateral they repossess in cases of loan default, in accordance with pre-established procedures.

² For greater certainty, and notwithstanding the location of this entry within Section A of this Schedule, the Parties understand that the advantages or exclusive right that Peru may grant to the specified entities are not limited only to the cited examples.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding insurance)
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	Securities Market Law (<i>Ley del Mercado de Valores</i>), approved by Legislative Decree N° 861 and its amendments, articles 130, 167, 185, 204, 223, 259, 269, 270, 302, 324, 354 and Seventeenth Final Provision Legislative Decree N° 862, Law of the Investment Funds and their Management Corporations (<i>Ley de Fondos de Inversión y sus Sociedades Administradoras</i>) and its amendments; article 12 Law N° 26361, Law on Commodities Exchange (<i>Ley sobre Bolsas de Productos</i>) and its amendments, articles 2, 9 and 15 Law Decree N° 22014 (<i>Empresas Administradoras de Fondos Colectivos se constituirán como Sociedades Anónimas</i>), article 1 Consolidated Text of the Law of Private Pension Funds (<i>Texto Único Ordenado de la Ley del Sistema Privado de Administración de Fondos de Pensiones</i>), approved by Supreme Decree N° 054-97-EF, article 13; and the Regulation of the Consolidated Text of the Law of Private Pension Funds (<i>Reglamento del Texto Único Ordenado de la Ley del Sistema Privado de Administración de Fondos de Pensiones</i>), approved by Supreme Decree N° 004-98-EF, article 18
Description:	Financial institutions established in Peru to supply financial services in the securities or commodities markets or financial services related to asset management, including pension fund managers, must be constituted under the laws of Peru. Therefore, financial institutions of another Party established in Peru to supply these financial services may not be established as branches or agencies.

Sector:	Financial Services
Sub-Sector:	All
Obligation Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (<i>Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros</i>), Law N° 26702 and its amendments
Description:	Creditors domiciled in Peru have legal preference with regard to the assets located in Peru of a branch of a foreign financial institution, in case of liquidation of the financial institution or its branch in Peru.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	Insurance and insurance-related services
Obligation Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	Peru reserves the right to adopt or maintain measures that restrict the acquisition of obligatory insurance outside of Peru, or that require that obligatory insurance be purchased from suppliers established in Peru, such as “Compulsory Car Insurance” (<i>Seguro Obligatorio de Accidentes de Transito - SOAT</i>) and “Hazardous Work Supplementary Insurance” (<i>Seguro Complementario de Trabajo en Riesgo</i>). These restrictions shall not apply to any insurance committed by Peru under Annex 11-A (Cross-Border Trade).
Existing Measures:	Law N° 27181, General Law of Land Transport and Traffic (<i>Ley General de Transporte y Tránsito Terrestre</i>) and its Regulation approved by Supreme Decree 024-2002-MTC Law N° 26790, Law on the Modernization of the Social Security in Health (<i>Ley de la Modernización de la Seguridad Social en Salud</i>), and its Regulation approved by Supreme Decree N° 03-98-SA

Sector:	Financial Services
Sub-Sector:	Social services
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6)
Description:	Peru reserves the right to adopt or maintain any measure with respect to the provision of law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security and insurance, social security, social welfare, public education, public training, health and childcare.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Most-Favoured-Nation Treatment (Article 11.4) Cross-Border Trade (Article 11.6)
Description:	Peru reserves the right to adopt or maintain any measure based on reciprocal treatment, with respect to the services covered by Annex 11-A (Cross-Border Trade).

ANNEX III

SCHEDULE OF SINGAPORE

HEADNOTES

1. Commitments under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and the Schedule below.
2. To clarify Singapore's commitment with respect to Article 11.5(b) (Market Access for Financial Institutions), juridical persons supplying financial services are subject to non-discriminatory limitations on juridical form.¹
3.
 - (a) Singapore reserves the right to require a foreign bank that is systemically important to incorporate within Singapore, provided that such a requirement is applied in a reasonable, objective and impartial manner. Before imposing such a requirement, Singapore will take into account such factors as the quality of home country regulation and supervision over the bank, degree of protection accorded to depositors in the home country *vis-à-vis* depositors in Singapore, and the amount of assets held or situated in Singapore.
 - (b) Singapore shall not impose the requirement described in subparagraph (a) with respect to a foreign bank of another Party, unless it:
 - (i) notifies the bank and the other Party of its intent at least six months before imposing the requirement;
 - (ii) consults with the other Party concerning the requirement and gives due consideration to the views expressed by the other Party in this respect; and
 - (iii) allows the bank a reasonable time to comply with the requirement.
4. **Description** sets out the non-conforming measure for which the entry is made.
5. For entries in Section A, in accordance with Article 11.10.1(a) (Non-Conforming Measures), the Articles specified in the **Obligations Concerned** element of an entry shall not apply to the non-conforming measures identified in the **Description** element of that entry.
6. For entries in Section B, in accordance with Article 11.10.2 (Non-Conforming Measures), the Articles specified in the **Obligations Concerned** element of an entry shall not

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for depository financial institutions in Singapore. This headnote is not itself intended to affect, or otherwise limit, a choice by a financial institution of the other Party between branches or subsidiaries.

apply to the sectors, subsectors and activities identified in the **Description** element of that entry.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Banking Act</i> , Cap. 19 Guidelines for Operation of Wholesale Banks Guidelines for Operation of Offshore Banks
Description:	No new full bank licences will be granted to foreign banks. No foreign bank can have more than one place of business, establish off-premise ATMs, establish ATM networking or provide debit services through an Electronic Funds Transfer at Point of Sale (EFTPOS) network. <u>Wholesale Banks</u> Wholesale banks are not permitted to: (a) accept Singapore dollar fixed deposits of less than S\$250,000; (b) offer savings accounts; (c) operate interest-bearing Singapore dollar current accounts for natural persons who are Singapore residents; or (d) issue Singapore dollar bonds and negotiable certificates of deposit, unless the requirements

pertaining to minimum maturity period, minimum denomination or class of investors contained in the Guidelines for Operation of Wholesale Banks issued by the Monetary Authority of Singapore or its successor body are complied with.

Offshore banks

Offshore banks are not permitted to:

- (a) provide credit facilities to non-bank residents of Singapore in Singapore dollars exceeding a total of S\$500 million at any one time;
- (b) offer savings account;
- (c) accept any fixed or other interest-bearing deposits in Singapore dollars from non-bank residents of Singapore;
- (d) operate current accounts for non-bank residents unless the accounts are offered:
 - (i) in connection with credit facilities granted to, or other business dealings with the customer; or
 - (ii) to customers of the bank's head office;
- (e) operate interest-bearing Singapore dollar current accounts for natural persons who are Singapore residents;
- (f) accept Singapore dollar fixed deposits of less than S\$250,000 from non-bank non-residents; or
- (g) issue Singapore dollar bonds and negotiable certificates of deposit, unless the requirements pertaining to minimum maturity period, minimum denomination or class of investors contained in the Guidelines for Operation of Offshore Banks issued by the Monetary Authority of Singapore or its successor body are complied with.

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Finance Companies Act, Cap. 108</i>
Description:	No new finance company licences will be granted. Finance companies may only establish as Singapore-incorporated companies. Finance companies are not permitted to establish off-premise ATMs, ATM networking, or allow their accounts to be debited through an Electronic Funds Transfer at Point of Sale (EFTPOS).

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Banking Act</i> , Cap. 19 <i>Monetary Authority of Singapore Act</i> , Cap. 186 Guidelines for Operation of Merchant Banks
Description:	No merchant bank may establish more than one customer service location.

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Banking Act</i> , Cap. 19 <i>Central Provident Fund Act</i> , Cap. 36
Description:	Only foreign banks with Qualifying Full Bank privileges and local banks may apply to provide Supplementary Retirement Scheme accounts and Central Provident Fund Investment Scheme accounts. Only foreign banks with Qualifying Full Bank privileges and local banks may apply to accept fixed deposits under the Central Provident Fund Investment Scheme and Minimum Sum Scheme.

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Banking Act</i> , Cap. 19 <i>Monetary Authority of Singapore Act</i> , Cap. 186
Description:	No foreign person shall, acting alone or in concert with other persons, assume control of any Singapore-incorporated bank or its financial holding company which is regulated by the Monetary Authority of Singapore (other than a Singapore-incorporated bank or financial holding company that is controlled by a financial institution of another Party). Approval from the Minister is required before a person, either alone or together with associated persons, is allowed to acquire indirect control over and shareholdings or voting control of or exceeding five per cent, 12 per cent or 20 per cent in a Singapore-incorporated bank or a financial holding company, and before a Singapore-incorporated bank or a financial holding company is merged or taken over by any other body. In approving applications to exceed the threshold limits, the Minister may impose conditions that are considered necessary to prevent undue control, protect public interests, and ensure the integrity of the financial system. A foreign person is a person that is: (a) in the case of a natural person, not a citizen of Singapore; and (b) in the case of a corporation, not controlled by citizens of Singapore.

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Banking Act</i> , Cap. 19, MAS Notice No. 622 Banking (Corporate Governance) Regulations
Description:	A majority of the directors of a bank incorporated in Singapore must be either Singapore citizens or Singapore permanent residents.

Sector:	Financial Services
Sub-Sector:	Settlement and clearing services for financial assets
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Banking Act</i> , Cap. 19
Description:	Only the clearing house established under the Banking Act may provide clearing services for cheques and other credit instruments which are drawn on a bank in Singapore (whether payable in Singapore dollars or other currency), and services for interbank GIRO transfers.

Sector:	Financial Services
Sub-Sector:	
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Securities and Futures Act, Cap. 289</i>
Description:	The establishment or operation of securities and futures markets as approved exchanges, recognised market operators or exempt market operators, is subject to the authorisation, including the imposition of conditions for authorisation, by the Monetary Authority of Singapore or its successor body. In authorising such markets or in imposing conditions on the operations of such markets, Singapore may take into account factors including, but not limited to, market structure, fragmentation of liquidity, range of products offered and the type of investors targeted.

Sector:	Financial Services
Sub-Sector:	Asset management
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	Admission Criteria, Guidelines and Application Forms for Fund Management and Insurance Companies included under Central Provident Fund Investment Scheme (CPFIS)
Description:	In considering the admission of Fund Management Companies (FMCs) under the CPFIS, the Central Provident Fund Board or its successor body takes into consideration the following factors: (a) whether the FMC has a minimum one-year track record as a capital markets services licence holder under the <i>Securities and Futures Act</i>, Cap. 289, in the fund management industry in Singapore while the group as a whole has a minimum three-year track record in fund management; (b) whether the FMC manages at least S\$500 million worth of funds in Singapore; and (c) whether the FMC has a minimum of three fund managers, one of whom must have at least five years of fund management experience. For the purpose of this reservation, the definition of “fund manager” shall include portfolio managers, research analysts and traders.

Sector:	Financial Services
Sub-Sector:	Participation in all kinds of securities, including underwriting and placement as agent and provision of service related to such issues
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Banking Act, Cap. 19</i>
Description:	Banks' and merchant banks' membership on any securities exchange or futures exchange established in Singapore must be held through subsidiaries incorporated in Singapore.

Sector:	Financial Services
Sub-Sector:	Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, custodial, depository and trust services
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Companies Act</i> , Cap. 50
Description:	Only the Central Depository Pte Ltd or its successor body is authorised to provide custodial services for book-entry securities.

Sector:	Financial Services
Sub-Sector:	Payment and non-money transmission services
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Money-Changing and Remittance Businesses Act, Cap. 187</i>
Description:	Remittance shops and money-changing businesses, except where the remittance or money-changing business is conducted by banks, merchant banks and finance companies, must be majority-owned by Singapore citizens, <i>i.e.</i> , ownership of more than 50 per cent shareholding.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	Admission Criteria, Guidelines and Application Forms for Fund Management and Insurance Companies included under Central Provident Fund Investment Scheme (CPFIS)
Description:	In considering the admission of insurers under the CPFIS, the Board takes into consideration the following factors: (a) whether the insurer is registered under the <i>Insurance Act</i> to carry on life insurance business; (b) whether the insurer has a minimum one-year track record as a registered insurer in Singapore; (c) whether the insurer employs a minimum of three fund management staff, one of whom have at least five years of fund management experience. The other two may only have two years of fund management experience if he or she: (i) is a fully qualified Chartered Financial Analyst (CFA); (ii) is an Associate of the Society of Actuaries; (iii) holds a Certificate in Finance and Investments from the Institute of Actuaries; or (iv) holds an equivalent qualification from

any of the professional actuarial
bodies recognised in Singapore.

Note: The above listed are the basic criteria for insurers to be included under CPFIS. The Board, in consultation with the Monetary Authority of Singapore, may consider an applicant for admission, on a case-by-case basis, if the applicant does not meet a specific criterion but has other strengths. Insurers that pass the qualifying criteria stated above will be allowed to offer new investment-linked insurance products (ILPs) and manage ILP sub-funds.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Insurance Act</i> , Cap. 142
Description:	All insurance brokers must be established as Singapore-incorporated companies.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Insurance Act</i> , Cap. 142
Description:	Captive insurers may only establish as Singapore-incorporated companies.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Motor Vehicles (Third Party Risks and Compensation) Act</i> , Cap. 189 <i>Work Injury Compensation Act</i> , Cap. 354
Description:	Compulsory insurance of Motor Third Party Liability and Workmen's Compensation can only be purchased directly or through an intermediary from registered insurers in Singapore.

Sector:	All
Sub-Sector:	
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Financial Advisers Act</i> , Cap. 110 <i>Insurance Act</i> , Cap. 142
Description:	The placement of domestic risks outside Singapore by brokers is subject to approval by the Monetary Authority of Singapore, with the exception of reinsurance risks and insurance risks relating to maritime liabilities of ship owners insured by a maritime mutual insurer, or marine, aviation and transit business insured with an approved MAT insurer.

Sector:	All
Sub-Sector:	
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Banking Act</i>, Cap. 19, MAS Notice 757 <i>Monetary Authority of Singapore Act</i>, Cap. 186, MAS Notice 1105 <i>Finance Companies Act</i>, Cap. 108, MAS Notice 816 <i>Insurance Act</i>, Cap. 142, MAS Notice 109 <i>Securities and Futures Act</i>, Cap. 289, MAS Notice SFA 04-N04
Description:	A non-resident financial institution may in certain circumstances be unable to borrow in Singapore dollars more than S\$5 million from a resident financial institution owing to the following restrictions placed on financial institutions' lending of the Singapore dollar to non-resident financial institutions. A financial institution shall not extend to any non-resident financial institution Singapore dollar credit facilities exceeding S\$5 million per non-resident financial institution: (a) where the Singapore dollar proceeds are to be used outside of Singapore, unless: (i) such proceeds are swapped or converted into foreign currency upon draw-down or before remittance abroad; or (ii) such proceeds are for the purpose of preventing settlement failures where the financial institution extends a temporary Singapore dollar overdraft to any vostro account of any non-resident financial institution, and the financial institution takes reasonable efforts to ensure that

the overdraft is covered within two business days; and

- (b) where there is reason to believe that the Singapore dollar proceeds may be used for Singapore dollar currency speculation, regardless of whether the Singapore dollar proceeds are to be used in Singapore or outside of Singapore.

A financial institution shall not arrange Singapore dollar equity or bond issues for any non-resident financial institution where the Singapore dollar proceeds are to be used outside Singapore, unless the proceeds are swapped or converted into foreign currency upon draw-down or before remittance abroad.

“Non-resident financial institution” means any financial institution which is not a resident as defined in the relevant notice.

Sector:	All
Sub-Sector:	
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Companies Act</i> , Cap. 50
Description:	Every Singapore-incorporated company shall have at least one director who is ordinarily resident in Singapore.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	Banking
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Singapore reserves the right to adopt or maintain any measure affecting the supply of services by foreign banks with Qualifying Full Bank privileges, save that any such measures shall not decrease the Qualifying Full Bank privileges in respect of the supply of services enjoyed by foreign banks with Qualifying Full Bank privileges as of the date of entry into force of this Agreement.
Existing Measures:	<i>Banking Act</i> , Cap. 19, MAS Notice 619

Sector:	Financial Services
Sub-Sector:	Settlement and clearing services for financial assets, including securities, derivative products and other negotiable instruments
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Singapore reserves the right to adopt or maintain any measure affecting the supply of clearing and settlement services for exchange traded securities, financial futures and interbank transfers.
Existing Measures:	<i>Companies Act</i> , Cap. 50 <i>Securities and Futures Act</i> , Cap. 289

Sector:	Financial Services
Sub-Sector:	Social services
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	Singapore reserves the right to adopt or maintain any measure with respect to the provision of law enforcement and the following services to the extent that they are social services established or maintain for a public purpose: income security and insurance, social security, social welfare, social development, poverty reduction, public education, public training, health and childcare.
Existing Measures:	

Sector: Financial Services

Sub-Sector:

Obligations Concerned: National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

Level of Government: Central

Description: Singapore reserves the right to adopt or maintain any measure in the form of subsidies or grants provided by Singapore that affects the supply of any financial service by any financial service supplier, which Singapore deems necessary:

- (a) for the development of local small and medium enterprises; or
- (b) to facilitate or enable the supply of any service to Singapore enterprises that is not being supplied in Singapore or that is not being supplied efficiently.

Existing Measures:

Sector: Financial Services

Sub-Sector:

Obligations Concerned: National Treatment (Article 11.3)
Market Access for Financial Institutions (Article 11.5)

Level of Government: Central

Description: Singapore reserves the right to adopt or maintain any measure in the form of subsidies or grants provided by Singapore in connection with the supply of any financial service involving what Singapore deems as systemically important financial markets infrastructure, including:

- (a) exchanges;
- (b) central depositories;
- (c) repositories;
- (d) clearing and settlement facilities; and
- (e) market operators.

Existing Measures:

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Most-Favoured-Nation Treatment (Article 11.4)
Level of Government:	Central
Description:	1. Subject to paragraph 2, the obligation under Article 11.4 (Most-Favoured-Nation Treatment) shall only apply to differential treatment that is accorded to a country pursuant to a bilateral or multilateral international agreement that is signed and enters into force after the date of entry into force of this Agreement for Singapore and that is not pursuant or related to, or under any prior international agreements which Singapore has with that country. 2. Singapore reserves the right to adopt or maintain any measure that accords preferential treatment to the European Union pursuant to the European Union – Singapore Free Trade Agreement, initialled on 20 September 2013, including any subsequent amendments.
Existing Measures:	

ANNEX III

SCHEDULE OF VIET NAM

HEADNOTES

1. Commitments in these sub-sectors under Chapter 11 (Financial Services) are undertaken subject to the limitations and conditions set forth in these headnotes and in the Schedule below.
2. To clarify Viet Nam's commitments with respect to Article 11.5 (Market Access for Financial Institutions), juridical persons supplying financial services and constituted under the laws, regulations and guidelines of Viet Nam are subject to non-discriminatory limitations on juridical form.¹
3. Article 11.10.1(c) (Non-Conforming Measures) shall not apply to non-conforming measures relating to Article 11.5(b) (Market Access for Financial Institutions).
4. For entries in Section A, all elements of the entry shall be considered in their totality for the purposes of its interpretation. Where there is any inconsistency in relation to the interpretation of an entry, the **Description** element of the entry shall prevail to the extent of the inconsistency.
5. For entries in Section B, where an inconsistency arises in relation to the interpretation of an entry, the **Description** element of the entry shall prevail to the extent of the inconsistency.
6. For greater certainty, limitations on the participation of foreign capital in terms of maximum percentage limits on foreign shareholding or the total value of individual or aggregate foreign investment should not be considered a limitation to Article 11.5 (Market Access for Financial Institutions).

¹ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for depository financial institutions in Viet Nam. This headnote does not affect, or otherwise limit, a choice by a financial institution of the other Party between branches and subsidiaries.

ANNEX III

Section A

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding securities and insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Law No.47/2010/QH12 on Credit Institutions 2010</i> <i>Decree No.39/2014/ND-CP of the Government on operation of finance company and financial leasing company</i> <i>Circular No.40/2011/TT-NHNN of the State Bank of Viet Nam on licensing, organisation and operations of commercial banks, branches of foreign banks, representative offices of foreign credit institutions, other foreign institutions engaged in banking</i>
Description:	Foreign credit institutions ² are only permitted to establish commercial presence in Viet Nam in the following forms: (a) With respect to foreign commercial banks: representative office, branch of foreign commercial bank, commercial joint venture bank with foreign capital contribution not exceeding 50 per cent of chartered capital, joint venture financial leasing company, 100 per cent foreign-invested financial leasing company, joint venture finance company and 100 per cent foreign-invested finance company, and 100 per cent foreign-owned banks. (b) With respect to foreign finance companies:

² “Credit institutions” is defined as in Article 4 of *Law No.47/2010/QH12 on Credit Institution 2010*. For greater certainty, a foreign credit institution does not include branch or an entity that has no independent legal existence of investor.

representative office, joint venture finance company, 100 per cent foreign-invested finance company, joint venture financial leasing company and 100 per cent foreign-invested financial leasing company.

- (c) With respect to foreign financial leasing companies: representative office, joint venture financial leasing company and 100 per cent foreign-invested financial leasing company.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding securities and insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Law No.47/2010/QH12 on Credit Institutions 2010;</i> <i>Decree No.01/2014/NĐ-CP of the Government on acquiring shares of Viet Nam’s commercial banks</i>
Description:	Total equity held by foreign institutions and individuals in each Viet Nam’s joint-stock commercial bank may not exceed 30 per cent of the bank’s chartered capital, unless otherwise provided by Viet Nam’s laws or authorised by a Viet Nam’s competent authority. Equity held by a foreign strategic investor³ and its affiliated persons in each Viet Nam’s joint-stock commercial bank may not exceed 20 per cent of the bank’s chartered capital. In special cases to implement the restructuring of weak credit institutions for the sound banking system, the Prime Minister will decide the total shareholding of foreign investors in a restructured weak credit institution that might exceed the set ceiling proportion on a case-by-case basis.

³ “Foreign strategic investor” means a foreign credit institution which has prestige, financial capacity and ability to assist Vietnamese banks in developing banking products and services, raising management capacity and applying modern technologies; and which has strategic interests conformable with Vietnamese banks’ development strategies and meets specific criteria set by Vietnamese banks.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding securities and insurance)
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Law No.47/2010/QH12 on Credit Institutions 2010</i> <i>Decree no. 39/2014/ND-CP of the Government on operation of finance company and financial leasing company</i> <i>Circular 40/2011/TT-NHNN of the State Bank of Viet Nam on licensing, organisation and operations of commercial banks, branches of foreign banks, representative offices of foreign credit institutions, other foreign institutions engaged in banking</i>
Description:	The conditions for the establishment of a branch of a foreign commercial bank in Viet Nam: the parent bank has total assets of more than US\$20 billion at the end of the year prior to application. The conditions for the establishment of a joint venture bank or a 100 per cent foreign-owned bank in Viet Nam: the parent bank has total assets of more than US\$10 billion at the end of the year prior to application. The conditions for the establishment of a 100 per cent foreign-invested finance company or a joint venture finance company, a 100 per cent foreign-invested financial leasing company or a joint-venture financial leasing company in Viet Nam: the foreign credit institution has total assets of more than US\$10 billion at the end of the year prior to application. Only a natural person who has the nationality of Viet Nam can be allowed to be a founding shareholder of joint stock commercial banks.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding securities and insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Law No.47/2010/QH12</i> on Credit Institutions 2010
Description:	A foreign credit institution or a foreign institution engaged in a banking operation shall only be permitted to establish one representative office in each province or city under the central authority.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding securities and insurance)
Obligations Concerned:	Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Measures:	<i>Law No.47/2010/QH12 on Credit Institutions 2010</i>
Description:	General directors (directors), deputy general directors (deputy directors), chief accountants, directors of branches and directors of subsidiary companies and people assuming equivalent positions must reside in Viet Nam during their term of office whenever they assume the positions in the Board of Directors of a credit institution.

Sector:	Financial Services
Sub-Sector:	Banking and other financial services (excluding securities and insurance)
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Law No.47/2010/QH12</i> on Credit Institutions 2010 <i>Decree No.141/2006/ND-CP</i> on list of legal capital for credit institutions <i>Decree No.10/2011/ND-CP</i> amending and supplementing some articles of <i>Decree No.141/2006/ND-CP</i> on list of legal capital for credit institutions <i>Circular No.21/2013/TT-NHNN</i> on the operational networks of commercial banks
Description:	A foreign bank branch shall not be permitted to: (i) either contribute capital or purchase shares; (ii) carry out activities that the foreign bank is not allowed to conduct in its home country; and (iii) open a transaction point⁴ in any form outside its location which is stated in the establishment licence. Prudential ratios of a foreign bank branch in Viet Nam must be calculated based on its regulatory capital, which must be located in Viet Nam.

⁴ “Transaction point” means a location, excluding ATMs, which is set up outside the office of a foreign bank branch in order to conduct transactions with clients.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Measures:	<i>Law No.24/2000/QH10</i> on Insurance Business
Description:	Foreign natural persons are not allowed to supply insurance agency services in Viet Nam.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Measures:	<i>Law No.61/2010/QH12</i> amending and supplementing some articles of the Law on Insurance Business <i>Decree No.123/2011/NĐ-CP</i> detailing the implementation of a number of articles of the Law amending and supplementing some articles of the Law on Insurance Business and amending and supplementing a number of articles of the <i>Decree No. 45/2007/ND-CP</i> detailing the implementation of a number of articles of the Law on Insurance Business
Description:	Foreign insurance company supplying cross border insurance services not covered in Viet Nam's Annex 11-A (Cross-Border Trade) shall only conduct business via an insurance broker which has the licence to establish and operate in Viet Nam. Foreign insurance broker when supplying cross-border insurance services not covered in Viet Nam's Annex 11-A (Cross-Border Trade) shall only conduct business for insurance company or branch of foreign non-life insurance company which has licence of establishment and operation in Viet Nam.

Sector:	Financial Services
Sub-Sector:	Securities
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Measures:	<i>Law No.70/2006/QH11</i> on Securities <i>Law No.62/2010/QH12</i> amending and supplementing a number of articles of the Law on Securities
Description:	The Viet Nam Securities Depository (VSD) is the only organisation authorised to act as a Central Securities Depository (CSD) which typically supplies services on registration, depository, clearing and settlement of securities and securities transactions.

ANNEX III

Section B

Sector:	Financial Services
Sub-Sector:	Banking and other financial services
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Institutions (Article 11.5) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Description:	Viet Nam reserves the right to adopt or maintain any measure relating to the equitisation of state-owned commercial banks and restructuring process of credit institutions in Viet Nam.
Existing Measures:	<i>Law No.47/2010/QH12 on Credit Institutions 2010</i>

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Description:	Viet Nam may grant advantages or exclusive rights to one or more development financial institutions, co-operative banks, people's credit funds and microfinance institutions including but not limited to Viet Nam Bank for Social Policies, Viet Nam Development Bank, Co-operative Bank of Viet Nam, Bank for Agriculture and Rural Development of Viet Nam, and Mortgage Refinance Bank.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Without limiting Viet Nam's obligations under Article 11.7 (New Financial Services), Viet Nam may impose a pilot testing program for a new financial service and in doing so may impose either a cap on the number of financial service suppliers that may participate in a pilot testing programme or restrictions on scope of pilot testing programme.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	To the extent of financial services not committed under Viet Nam's Annex 11-A (Cross-Border Trade), Viet Nam reserves the right to adopt or maintain any measure with respect to the purchase of financial services by persons located in Viet Nam from financial service suppliers abroad.

Sector:	Financial Services
Sub-Sector:	All
Obligations Concerned:	National Treatment (Article 11.3) Most-Favoured-Nation Treatment (Article 11.4) Market Access for Financial Institutions (Article 11.5) Cross-Border Trade (Article 11.6) Senior Management and Boards of Directors (Article 11.9)
Level of Government:	Central
Description:	Viet Nam reserves the right to adopt or maintain any measure including but not limited to financial support, such as government-supported loans, guarantees and insurance with respect to activities for a public purpose: income security and insurance, social security, social welfare, social development, social housing, poverty reduction, public education, public training, health, childcare, promoting the welfare and employment of ethnic minorities and people living in disadvantaged areas, small and medium enterprises' development, and granting of one-time subsidisation to promote and facilitate the process of equitisation.

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	In addition to the general conditions for being granted the establishment and operation licence, financial service suppliers or investors of a Party asking for the permission to establish foreign insurance enterprises, foreign insurance brokerage enterprises and reinsurance enterprises must satisfy a number of additional conditions on minimum years of experience, value of total assets, making profits and no violation of the laws and regulations on insurance business or of other laws of the country where it has its head office.
Existing Measures:	<i>Law No.24/2000/QH10 on Insurance Business</i> <i>Decree No.45/2007/NĐ-CP</i> detailing the implementation of some articles of the Law on Insurance Business <i>Law No.61/2012/QH12</i> amending and supplementing some articles of the Law on Insurance Business <i>Decree No.123/2011/NĐ-CP</i> detailing the implementation of a number of articles of the Law amending and supplementing some articles of the Law on Insurance Business and amending and supplementing a number of articles of the <i>Decree No.45/2007/NĐ-CP</i> detailing the implementation of a number of articles of the Law on Insurance Business <i>Circular No.124/2012/TT-BTC</i> guiding the implementation of a number of articles of the <i>Decree No.45/2007/NĐ-CP</i> detailing the implementation of some articles of the Law on Insurance Business and <i>Decree No.123/2011/NĐ-CP</i> detailing the implementation of a number of articles of the Law amending and supplementing some articles of the Law on Insurance Business

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	Cross-Border Trade (Article 11.6)
Level of Government:	Central
Description:	In addition to the general conditions for supplying reinsurance services, a foreign reinsurance company must satisfy an additional condition on required credit ratings.
Existing Measures:	<i>Law No.61/2010/QH12</i> amending and supplementing some articles of the Law on Insurance Business <i>Circular No.124/2012/TT-BTC</i> guiding the implementation of a number of articles of the <i>Decree No.45/2007/NĐ-CP</i> detailing the implementation of some articles of the Law on Insurance Business and the <i>Decree No.123/2011/NĐ-CP</i> detailing the implementation of a number of articles of the Law amending and supplementing some articles of the Law on Insurance Business

Sector:	Financial Services
Sub-Sector:	Insurance
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	No foreign insurance company except a foreign non-life insurance company is permitted to open branches in Viet Nam. In order to be granted the licence for the establishment of a non-life insurance branch in Viet Nam, a foreign non-life insurance company must satisfy the conditions under Vietnamese law, including: (a) operational and financial capacity and branch management and supervisory capacity in Viet Nam of foreign non-life insurance company; and (b) cooperation between the foreign insurance administrative body of the country where the company head office is located and the Vietnamese insurance administrative body in managing and supervising the branch of foreign non-life insurance company in Viet Nam.
Existing Measures:	<i>Decree No.123/2011/NĐ-CP</i> detailing the implementation of a number of articles of the Law amending and supplementing some articles of the Law on Insurance Business and amending and supplementing a number of articles of the <i>Decree No.45/2007/ND-CP</i> detailing the implementation of a number of articles of the Law on Insurance Business

Sector:	Financial Services
Sub-Sector:	Securities
Obligations Concerned:	Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	The operation and services provided by branches of a foreign securities company and a fund management company in Viet Nam are subject to approval of the Government of Viet Nam, including the imposition of conditions for the approval.
Existing Measures:	<i>Law No.70/2006/QH11 on Securities</i> <i>Law No.62/2010/QH12 amending and supplementing a number of articles of the Law on Securities</i> <i>Decree No.58/2012/ND-CP dated 20/7/2012 detailing and guiding the Law on Securities and amendments thereof</i>

Sector:	Financial Services
Sub-Sector:	Securities
Obligations Concerned:	National Treatment (Article 11.3)
Level of Government:	Central
Description:	Foreign participation from above 49 per cent to less than 100 per cent of charter capital of a securities company and a fund management company in Viet Nam is subject to the approval of the Government of Viet Nam, including the imposition of conditions for the approval. This entry will be deemed to be a Section A entry under Article 11.10 (Non-Conforming Measures) in five years from the date of entry into force of this Agreement for Viet Nam.
Existing Measures:	<i>Law No.70/2006/QH11</i> on Securities <i>Law No.62/2010/QH12</i> amending and supplementing a number of articles of the Law on Securities Articles 1, 2 and 3 of <i>Decision No.55/2009/QĐ-TTg</i> on percentage of participation of foreign investors in securities market of Viet Nam

Sector:	Financial Services
Sub-Sector:	Securities
Obligations Concerned:	National Treatment (Article 11.3) Market Access for Financial Institutions (Article 11.5)
Level of Government:	Central
Description:	Viet Nam reserves the right to adopt or maintain any measure relating to the establishment, ownership and operation of regulated securities markets and associated infrastructure, including but not limited to Central Securities Depository (including registration, depository, clearing and settlement), Central Counterparty (CCP), Securities Trading Center/Stock and Derivatives Exchanges (including transactions system and infrastructure), Electronic Communication Networks (ECNs) and the designation of a settlement bank. For greater certainty, this reservation does not apply to financial institutions participating in, or seeking to participate in any such regulated markets, or accessing such associated infrastructure, to provide a financial service.
Existing Measures:	

Sector:	Financial Services
Sub-Sector:	Securities
Obligations Concerned:	Most-Favoured-Nation Treatment (Article 11.4)
Level of Government:	Central
Description:	Viet Nam reserves the right to provide differential treatment to a Foreign Central Securities Depository (CSD) with respect to its membership in or interactions with the Viet Nam Securities Depository (VSD), including the designation of settlement bank, according to agreement between the CSD and VSD.
Existing Measures:	