

ANNEX VIII

RESERVATION LISTS

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RESERVATION LISTS

Referred to in Article 34

Part A

The application of Section III (Financial Services) to the EFTA States is subject to the limitations set out in the following lists :

Iceland

Liechtenstein

Norway

Switzerland

Part B

Mexico

Part A

ICELAND

Sector or subsector	Mode of supply subject to reserve	Description of the measure
FINANCIAL SERVICES		
<p>The application of Section III of Chapter III to Iceland is subject to the limitations on Market Access and National Treatment scheduled by Iceland in the “all sectors” section of its GATS schedule and to those relating to the sub-sectors listed below.</p> <p>Commitments herein are in accordance with the GATS “Understanding on Commitments in Financial Services” (hereafter “Understanding”). It is understood that paragraph B.4 of the "Understanding" does not impose any obligation to allow non-resident financial services suppliers to solicit business.</p> <p>Market access commitments with respect to modes 1 and 2 are bound in this Schedule to the extent of the obligations in paragraphs 3 and 4 of the Understanding.</p>		
Insurance and insurance-related services	Cross-border supply	<p>The supply of direct insurance is reserved for Icelandic insurance undertakings or authorized insurance undertakings from another EEA Member State.</p> <p>The supply of insurance broker services is reserved for insurance brokers authorized by the Ministry of Commerce or insurance brokers authorized by competent authorities of another EEA Member State.</p>
	Establishment	<p>Insurance undertakings not established in an EEA Member State require authorization to establish branch offices in Iceland.</p> <p>Any investor, whether resident or non-resident, who acquires or intends to acquire a qualifying holding in an insurance undertaking must give advance notice to the Financial Supervision Authority. The Authority may refuse the acquisition or the exercise of ownership if it believes that the acquisition will affect the sound functioning of the enterprise.</p>

		<p>Founders of an insurance undertaking must be Icelandic residents or legal entities registered in Iceland, citizens of another EEA Member State residing in an EEA Member State or legal entities registered in an EEA Member State.</p> <p>Branch offices of non-EEA insurance undertakings must be managed by a resident agent.</p> <p>Insurance brokers must be resident in Iceland or citizens or legal entities of another EEA Member State residing in an EEA Member State</p>
<p>Banking and other financial services (excluding insurance)</p>	<p>Cross-border supply</p>	<p>Domestic financial institutions shall inform the Central Bank of Iceland of the balances of service providers' accounts held by non-residents.</p>
	<p>Establishment</p>	<p>Credit institutions and undertakings engaged in securities services established in a non-EEA State can establish a branch or a representative office, subject to authorization by the Ministry of Commerce.</p> <p>Credit institutions and undertakings engaged in securities services can only be established as companies with limited liability.</p> <p>Commercial banks and savings banks have exclusive rights to accept deposits and other repayable funds from the public.</p> <p>Public issue of securities shall be conducted by securities undertakings or other parties authorized to provide such services.</p> <p>A founder of a credit institution shall be a natural or legal person resident in Iceland. The Minister of Commerce can grant exemptions from this requirement. Citizens and</p>

	<p>legal persons of other EEA Member States are exempted from the residency requirement.</p> <p>Managers and board members of credit institutions and undertakings engaged in securities services and UCITS shall be resident in Iceland. Citizens of other EEA Member States are exempted from the residency requirement. The Minister of Commerce may grant citizens of non-EEA Member States the same exemptions.</p> <p>Service providers shall inform the Ministry of Commerce of investments made by non-residents in business enterprises in Iceland and the Central Bank of Iceland of investments made by non-residents in securities in Iceland.</p>
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LIECHTENSTEIN

1. The application of Section III of Chapter III to Liechtenstein is subject to the limitations on market access and national treatment scheduled by Liechtenstein in the “all sectors” section of its GATS schedule and to those relating to the sub-sectors listed below.
2. Commitments on banking, securities and insurance services are in accordance with the 'Understanding on Commitments in Financial Services' (hereafter 'Understanding'). It is understood that paragraph B.4 of the 'Understanding' does not impose any obligation to allow non-resident financial services suppliers to solicit business.

Sector or subsector	Mode of supply subject to reserve	Description of the measure
Insurance and insurance related services	1) Cross-border supply 2) Consumption abroad 3) Commercial presence	<p>Establishment of a commercial presence is required for the provision of insurance services in Liechtenstein. Residents may not purchase insurance services in the territory of another Party.</p> <p>Permit for establishment of insurance companies from countries other than Liechtenstein is granted only to companies which are supervised by the Swiss insurance supervision authority;</p> <p>To be recognized for participation in the basic health insurance scheme, health insurance suppliers must be organized in the form of mutual associations (Genossenschaft, Verein: Versicherungsverein auf Gegenseitigkeit or Hilfskasse) or foundations (Stiftung);</p> <p>Duty of security for insurance services; Economic need test for accident insurance services;</p> <p>Commercial presence does not cover the setting up of representative offices</p> <p>Domestic legal entities and the branch or agency establishment of foreign legal entities whose managing or representing bodies, such as the board of directors and the administration, are comprised in the main of foreigners or foreign firms, shall appoint in Liechtenstein a Liechtenstein citizen who is permanently resident here either to represent the legal entity toward the authorities as a legal representative or, empowered as an authorized signatory (procurist), to exercise the representation, without the cooperation of others. Before setting up a commercial presence to provide specific classes of insurance services, a foreign insurer must have been authorised to operate in the same classes of insurance in</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		its country of origin for at least three years
Banking and other financial services (excluding insurances)	1) ¹ Cross border supply 2) Consumption abroad 3) Commercial presence	<p>Participation in settlement and clearing networks is subject to a commercial presence in Liechtenstein According to the practice in Liechtenstein, mutual funds (collective investments) have to be marketed through banks having a commercial presence in Liechtenstein Swiss franc denominated issues can be lead managed only by a bank having a commercial presence (registered office or branch office) in Liechtenstein Subvention for house building is only granted to Liechtenstein citizen, which have to take out the loan for the house building at a domestic bank</p> <p>Swiss franc denominated issues can be lead managed only by a bank having a commercial presence (registered office or branch office) in Liechtenstein Subvention for house building is only granted to Liechtenstein citizen, which have to take out the loan for the house building at a domestic bank</p> <p>Licence granted to banks and financial companies according to Liechtenstein Banking and Financial Companies Act has to be approved by the Liechtenstein parliament</p> <p>Banks and financial companies must be organized in the form of a limited company</p> <p>Financial institutions other than banks and financial companies according to the Liechtenstein Banking and Companies Act are subject to the following licensing requirements: foreign equity ceiling of 49 per cent; foreign voting rights may not exceed 49 per cent; at least one member of the administrative body authorized to manage and represent must be a Liechtenstein citizen domiciled in Liechtenstein, be in possession of the professional licence to act as an auditor or trustee and must work full-time for the juridical person</p> <p>Commercial presence of foreign financial institutions is subject to licensing requirements relating to the name of firm, duties toward the Swiss national bank and regulations on financial institutions in the country of origin.</p>

¹ Covered are not only transactions indicated in paragraph B.3 of the ‘Understanding’ but the whole range of banking and other financial services transactions (excluding insurance)

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		One member of the board of directors and the administrators must have domicile in Liechtenstein. They must be duly authorized to fully represent their company.

		<p>For subsidiaries or branches of insurance companies not incorporated within the European Economic Area, a separation requirement applies between life insurance, non-life insurance and credit risk insurance.</p> <p>Insurance companies incorporated in Norway must be organized as joint stock companies or mutual insurance companies. Insurance brokerage firms incorporated in Norway must be organized as joint stock companies.</p> <p>In Norwegian insurance companies, including subsidiaries of foreign insurance companies, the manager, at least half the members of the board of directors and half the members of the corporate assembly must be permanent residents of Norway. This requirement does not apply to citizens of a state within the European Economic Area when residing in such state. The Ministry of Trade and Industry may grant exemptions from these rules.</p>
<p>Banking and other Financial Services (excluding insurance)</p>	<p>3) Commercial presence</p>	<p>No single or coordinated group of investors may acquire or hold more than 10 per cent of the share capital of commercial banks or financing undertakings, or more than 10 per cent of the equity certificates of savings banks. The Ministry of Finance may in special circumstances make exemptions from these limitations on single investor ownership in such institutions.</p> <p>Notwithstanding the foregoing, foreign banks and financing undertakings may establish partly or wholly owned subsidiaries in Norway. The other owners of such partly owned subsidiaries must be banks or financial institutions respectively.</p>

		<p>Registration of securities, as stated in the act relating to the Norwegian Securities Registry regulating the book-entry registration system for paperless securities, is subject to a monopoly.</p> <p>Commercial banks, securities firms and management companies for collective investment funds incorporated in Norway must be organized as joint stock companies.</p> <p>Branches in Norway of banks, securities firms and management companies for collective investment funds incorporated outside the European Economic Area cannot be account-operators in the Norwegian Securities Registry.</p> <p>In Norwegian commercial banks, financing undertakings, securities firms and management companies for collective investment funds, including subsidiaries of such foreign institutions, the manager, at least half the members of the board of directors and half the members of the corporate assembly must be permanent residents of Norway. This requirement does not apply to citizens of a state within the European Economic Area when residing in such state. The Ministry of Trade and Industry may grant exemptions from these rules.</p> <p>In savings banks and financing undertakings which are not organized as joint stock companies, the members of decision-making bodies must be citizens of states within the European Economic Area and permanently residing in such states. The Ministry of Finance may grant exemptions</p>
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SWITZERLAND

<u>Sector or subsector</u>	Mode of supply subject to reserve	Description of the measure
FINANCIAL SERVICES		
<p>The application of Section III of Chapter III to Switzerland is subject to the limitations on Market Access and National Treatment scheduled by Switzerland in the "all sectors" section of its Schedule of specific commitments annexed to the General Agreement on Trade in Services of the WTO and to those relating to the sub-sectors listed below. Commitments herein are in accordance with the GATS "Understanding on Commitments in Financial Services" (hereafter "Understanding"). It is understood that paragraph B.4 of the "Understanding" does not impose any obligation to allow non-resident financial services suppliers to solicit business.</p>		
<u>Insurance and Insurance-Related Services</u>	All	<p>Monopoly rights as indicated in paragraph B.1 of the "Understanding": a public monopoly on fire and natural damage insurance on buildings exists in the following cantons : Zurich, Berne, Lucerne, Nidwalden, Glaris, Zoug, Fribourg, Soleure, Bâle-Ville, Bâle-Campagne, Shaffhouse, Argovie, St-Gall, Grisons, Appenzell Rhodes Extérieures, Thurgovie, Vaud, Neuchâtel, Jura. In the cantons of Nidwalden and Vaud, the public monopoly on fire and natural damage insurance covers also movable property located in the buildings.</p>
	Cross-border	<p>Transactions as indicated in paragraph B.3 of the "Understanding": the underwriting of aircraft liability insurance requires a commercial presence in Switzerland.</p> <p>Acquisition of real estate by foreigners is limited as indicated above; however, foreign or foreign-controlled insurance companies are granted authorization to invest in real estate, provided the total value of the buyer's property does not exceed the technical reserves required for the company's activities in Switzerland, as well as to acquire property that serves as a security for mortgage loans in case of bankruptcy or liquidation..</p>

		Transactions as indicated in paragraph B.3 of the "Understanding": the underwriting of aircraft liability insurance requires a commercial presence in Switzerland.
	Establishment	Representative offices cannot conduct business or act as an agent; for insurance companies incorporated in Switzerland, the legal form of a joint-stock company (Aktiengesellschaft, société anonyme) or a mutual association (Genossenschaft, société cooperative) is required ; for branches of foreign insurance companies, the legal form of the insurance company in the head office country must be comparable to a Swiss joint-stock company or to a Swiss mutual association; participation in the basic health insurance scheme requires health insurance suppliers to be organized in one of the following legal entities: association (Verein, association), mutual association, foundation (Stiftung, fondation) or joint-stock company; participation in the statutory pension funds scheme (Berufsvorsorge / prévoyance professionnelle) requires pension funds to be organized in the form of a mutual association or a foundation
		A minimum of three years of experience in the direct insurance business in the head office country is required; acquisition of real estate by foreigners is limited as indicated above; however, foreign or foreign-controlled insurance companies are granted authorization to invest in real estate, provided the total value of the buyer's property does not exceed the technical reserves required for the company's activities in Switzerland, as well as to acquire property that serves as a security for mortgage loans in case of bankruptcy or liquidation.

<p><u>Banking and Other Financial Services</u> (excluding Insurance)</p>	<p>All</p>	<p>Monopoly rights as indicated in paragraph B.1 of the "Understanding": two mortgage bonds issuance institutes have been granted an exclusive right for the issuance of specific mortgage bonds (Pfandbrief, lettre de gage); with regard to the first institute only Swiss cantonal banks are accepted as members; in the case of the second institute banks with head office in Switzerland whose national mortgage loan business amounts to at least 60 per cent of the balance sheet can be members. The issuance of other mortgage-backed bonds is not affected by this regulation.</p>
	<p>Cross-border</p>	<p>Foreign investment funds can only be marketed or distributed through a licensed representative agent resident in Switzerland; Swiss franc denominated issues can be lead-managed only by a bank or a securities dealer having a commercial presence (except representative office) in Switzerland.</p>
		<p>Acquisition of real estate by foreigners is limited as indicated above; however, foreign or foreign-controlled banks are granted authorization to acquire property that serves as a security for mortgage loans in case of bankruptcy or liquidation; the issue of foreign collective investment funds is subject to stamp duty.</p>

		Swiss franc denominated issues can be lead-managed only by a bank or a securities dealer having a commercial presence (except representative office) in Switzerland.
	Establishment	Commercial presence of foreign financial service suppliers is subject to specific requirements relating to the name of firm and the regulations on financial institutions in the country of origin; commercial presence may be denied to financial service suppliers whose ultimate shareholders and/or beneficial owners are persons of a non- GATS Member; representative offices can neither conclude or deal business nor act as an agent.
		Acquisition of real estate by foreigners is limited as indicated in Part I; however, foreign or foreign-controlled banks are granted authorization to acquire property that serves as a security for mortgage loans in case of bankruptcy or liquidation.

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Part B

MEXICO

Sector or subsector	Mode of supply subject to reserve	Description of the measure
<p>FINANCIAL SERVICES</p> <p>A) All insurance and insurance-related services</p> <p>(a) Life, accident and health insurance services (CPC 8121)</p> <p>(b) Non-life insurance services (CPC 8129)</p>	Establishment, Cross Border	<p>Established insurance companies may carry out insurance and insurance-related services. Foreign investors may hold up to 49 per cent of the paid-up capital. Foreign investment by governments and official agencies is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p>
<p>(c) Reinsurance and retrocession services (CPC 81299*)</p>	Establishment, Cross Border	<p>This activity may be carried out by established insurance institutions. Foreign investors may hold up to 49 per cent of the paid-up capital. Foreign investment by governments and official agencies is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p> <p>Foreign reinsurance companies may participate in reinsurance operations. According to the applicable regulations, such companies are required to register with the Ministry of Finance and Public Credit (SHCP), which may authorise or refuse registration.</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		<p>Foreign reinsurance companies, which are enrolled in the register kept by the SHCP, may establish representative offices in the country with the prior authorisation of the SHCP. Representative offices of foreign reinsurance companies, according to the applicable regulations, may not act directly or through an intermediary in direct insurance operations.</p>
<p>(d) Services auxiliary to insurance such as:</p> <ul style="list-style-type: none"> - insurance broking and agency services (CPC 8140) 	<p>Establishment, Cross Border</p>	<p>Foreign investors may hold up to 40 per cent of the paid-up capital. The National Foreign Investment Commission (CNIE) can authorise a greater percentage. Foreign investment by governments and official agencies is not allowed. Effective control of the enterprise by the Mexican shareholders is required.</p> <p>Currently, under the insurance law, it is prohibited to contract with foreign companies:</p> <ol style="list-style-type: none"> 1).- Insurance of persons when the person is located in Mexico at the time the contract is celebrated; 2).- Insurance of hulls of ships or airships and of any class of vehicles, against risks proper to the maritime and transport class of insurance, when these ships, airships or vehicles are registered in Mexico or are property of persons resident in Mexico; 3).- Credit insurance, when the insured is subject to Mexican legislation; 4).- Insurance against civil liability,

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		<p>derived from events that may occur in Mexico; and</p> <p>5).- Other classes of insurance against risks that may occur in Mexican territory.</p> <p>Insurance contracted abroad by non-residents to cover their persons or their vehicle risks during their temporary visit to the Mexican territory are not subject to these restrictions.</p> <p>The SHCP can make an exemption in the following cases:</p> <ol style="list-style-type: none">1. Foreign insurers, with a previous authorisation from the SHCP and complying with the requirements that it establishes, may enter into insurance contracts in Mexican territory to cover risks that occur in foreign territory. Only in these cases, foreign insurers are exempt from the restriction related to offering (soliciting) insurance in Mexico. <p>The SHCP with the previous opinion of the National Bonding and Insurance Commission (CNSF), can revoke such authorisation, when it is considered that the interests of the insurance customers are endangered, previous hearing of the insurance company affected; and</p> <ol style="list-style-type: none">2. When no authorised insurance company can or deems convenient to carry out a certain proposed insurance operation, the SHCP, prior verification of these circumstances, may discretionary grant a specific authorisation so that it may be contracted directly with a foreign insurer or through a local insurance company.

Sector or subsector	Mode of supply subject to reserve	Description of the measure
<p>B) Banking and other financial services (excluding insurance).</p> <p>(a) Acceptance of deposits and other repayable funds from the public (CPC 81115-81119)</p>	<p>Establishment, Cross Border</p>	<p>This activity is restricted to established commercial banks. Foreign investment by persons exercising governmental functions is not allowed.</p> <p>In accordance with the applicable financial legislation, representative offices of banking institutions are excluded from this activity.</p>
<p>(b) Lending of all types, including consumer credit, mortgage credit, factoring and financing of financial transactions (CPC 8113)</p>	<p>Establishment, Cross Border</p>	<p>Established commercial banks may carry out lending activities of all types, including consumer credit, mortgage credit, credit discounting and financing of commercial transactions. Foreign investment by persons exercising governmental functions is not allowed.</p> <p>In accordance with the applicable financial legislation, representative offices of banking institutions are excluded from this activity.</p>
<p>- Development Banks - Credit Unions</p>	<p>Establishment, Cross Border</p>	<p>Foreign investments in development banks and credit unions are not allowed.</p> <p>The following activities are reserved solely to Mexican development banks:</p> <p>(a) acting as custodians of securities and cash funds deposited by or in the administrative or judiciary authorities, and acting as custodian of goods that have been seized according to Mexican measures; and</p> <p>(b) managing the savings funds, retirement plans and any other funds or property of the personnel of the Ministry of National Defence, Ministry of Navy and the Mexican armed forces, and performing other financial activities pertaining to the financial resources of such personnel.</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
- Savings and Loan Companies	Establishment, Cross Border	Foreign investment by persons exercising governmental functions is not allowed.
<p>- Limited scope financial institutions</p> <p>- Financial factoring companies</p>	Establishment, Cross Border	<p>Established limited scope financial institutions may carry out only one of the financing activities such as personal credit, consumer credit, mortgage credit or commercial credit. Foreign investors may hold up to 49 per cent of capital stock. Foreign investment by persons exercising governmental functions is not allowed. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p> <p>Established financial factoring companies may carry out factoring activities. Foreign investors may hold up to 49 per cent of the paid-up capital. Foreign investment by persons exercising governmental functions is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p>
(c) Financial leasing services (CPC 8112)	Establishment, Cross Border	Established financial leasing companies may carry out financial leasing activities. Foreign investors may hold up to 49 per cent of paid-up capital. Foreign investment by persons exercising governmental functions is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.

Sector or subsector	Mode of supply subject to reserve	Description of the measure
- Commercial banks	Establishment, Cross Border	Established commercial banks may also carry out financial leasing activities. Foreign investment by persons exercising governmental functions is not allowed.
(d) Trading on own or customers' account on a stock exchange, over-the-counter or otherwise, in: - Money market instruments (checks, bills, certificates of deposit, etc.) (CPC 81339**)	Establishment, Cross Border	Established securities firms and established securities specialists may carry out this activity. Foreign investment by persons exercising governmental functions is not allowed.
- Foreign exchange (CPC 81333)	Establishment, Cross Border	Established commercial banks may carry out this activity. Foreign investment by persons exercising governmental functions is not allowed.
- Foreign exchange firms	Establishment, Cross Border	Established foreign exchange firms may also carry out this activity. Foreign investors may hold up to 49 per cent of the paid-up capital. Foreign investment by persons exercising functions of authority is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.
- Transferable securities (CPC 81321*)	Establishment, Cross Border	Established securities firms and established securities specialists may carry out this activity. Foreign investment by persons exercising governmental functions is not allowed.

Sector or subsector	Mode of supply subject to reserve	Description of the measure
- Other negotiable instruments and financial assets, including bullion (CPC 81339**)	Establishment, Cross Border	Established commercial banks may carry out this activity. Foreign investment by persons exercising governmental functions is not allowed.
(e) Participation in issues of all kinds of securities, including underwriting and placement as agent (whether publicly or privately) and provision of services related to such issues (CPC 8132)	Establishment, Cross Border	Established securities firms and established securities specialists may carry out this activity. Foreign investment by persons exercising governmental functions is not allowed.
(f) Money broking (CPC 81339**) - Commercial banks	Establishment, Cross Border	Established commercial banks may carry out this activity. Foreign investment by persons exercising governmental functions is not allowed.
(g) Asset management, such as cash or portfolio management, all forms of collective investment management, pension fund management, and trust services (CPC 81323*)	Establishment, Cross Border	Established investment companies may carry out activities such as asset management, cash or portfolio management and all forms of collective investment management. Foreign investors may hold up to 49 per cent of overhead capital. Foreign investment by persons exercising governmental functions is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.
- Managing companies of investment companies	Establishment, Cross Border	Established managing companies of investment companies may carry out the administration of investment companies. Foreign investors may hold up to 49 per cent of the capital stock. Foreign investment by persons exercising governmental functions is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to

Sector or subsector	Mode of supply subject to reserve	Description of the measure
<p>- Pension fund management companies</p>	<p>Establishment, Cross Border</p>	<p>investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p> <p>Established pension fund management companies may carry out pension fund management activities. Foreign investors may hold up to 49 per cent of the capital stock. Foreign investment by persons exercising governmental functions is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p> <p>The following activities are reserved solely to Mexican development banks:</p> <p>(a) acting as custodians of securities and cash funds deposited by or in the administrative or judiciary authorities, and acting as custodian of goods that have been seized according to Mexican measures; and</p> <p>(b) managing the savings funds, retirement plans and any other funds or property of the personnel of the Ministry of National Defence, Ministry of Navy and the Mexican armed forces, and performing other financial activities pertaining to the financial resources of such personnel.</p>
<p>- Commercial banks</p>	<p>Establishment, Cross Border</p>	<p>Established commercial banks may carry out this activity. Foreign investment by persons exercising governmental functions is not allowed.</p>
<p>- Securities firms and securities specialists</p>	<p>Establishment, Cross Border</p>	<p>Established securities firms and established securities specialists may carry out this activity. Foreign investment by persons exercising governmental</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		functions is not allowed.
<p>(h) Advisory and other auxiliary financial services, including credit reporting and analysis, investment and portfolio research and advice, advice on acquisitions and on corporate structuring and strategy (CPC 8133)</p> <p>- Credit information companies</p>	Establishment, Cross Border	<p>Established credit information companies (Credit Bureaus) may carry out credit reporting activities. Foreign investors may hold up to 49 per cent of the paid-up capital stock. Effective control of the enterprise by the Mexican shareholders is required. The CNIE can authorise a greater percentage. Foreign investment by persons exercising governmental functions is not allowed.</p> <p>Investment consultants may carry out activities such as investment and portfolio analysis, research and advice, advice on acquisitions and on corporate restructuring and strategy. Foreign investors may hold up to 49 per cent of the capital stock. Foreign investment by persons exercising governmental functions is not allowed. Effective control of the enterprise by Mexican shareholders is required.</p>
<p>C. Others</p> <p>- Holding companies</p> <p>- Guarantee institutions</p>	<p>Establishment, Cross Border</p> <p>Establishment, Cross Border</p>	<p>Foreign investment by persons exercising governmental functions is not allowed.</p> <p>Established guarantee institutions may carry out guarantee services. Foreign investors may hold up to 49 per cent of the paid-up capital of established guarantee institutions. Foreign investment by governments and official agencies is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		<p>Currently, under the guarantee law, it is prohibited to contract with foreign companies guarantees to assure acts of persons that must fulfill obligations in Mexican territory, except in re-guarantee operations and when they are received as surety by Mexican guarantee institutions.</p> <p>The guarantee operations celebrated in violation of the previously mentioned will not produce any legal effect.</p> <p>However, when none of the established guarantee institutions, estimates convenient to practice certain proposed operations, the SHCP, previous confirmation of these circumstances, can discretionally authorise the person to contract the service with a foreign guarantee institution, directly or through a Mexican guarantee institution.</p> <p>It is prohibited to carry out intermediation activities in those operations mentioned above, and also, in guarantee operations granted in an ordinary and onerous way by a natural or legal person, different to authorised guarantee institutions.</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
Re-guarantee	Establishment, Cross Border	<p>This activity may be carried out through established guarantee institutions. Foreign investors may hold up to 49 per cent of the paid-up capital. Foreign investment by governments and official agencies is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p> <p>Foreign re-guarantee companies may participate in re-guarantee operations. According to the applicable regulations, these institutions must register with the SHCP, which may authorise or refuse registration.</p>
General deposit warehouses	Establishment, Cross Border	<p>Foreign investors may hold up to 49 per cent of the paid-up capital of the established general deposit warehouses. Foreign investment by persons exercising governmental functions is not allowed. Effective control of the enterprise by the Mexican shareholders is required. This percentage limit does not apply to investments in foreign financial affiliates as such term is defined in, and subject to terms and conditions under the Affiliates Section.</p>

AFFILIATES SECTION

Sector or subsector	Mode of supply subject to reserve	Description of the measure
Commercial Banks Securities Firms	Establishment, Cross Border	<p>If the sum of the authorised capital of foreign financial affiliates, measured as a percentage of the aggregate net capital of all financial institutions of such type in Mexico, reaches the percentage set forth in the chart in this paragraph for such type of institutions, then Mexico shall have the right, once until 1 January 2004 to freeze such aggregate capital percentage at its then existing level:</p> <p>Commercial Banks 25% Securities Firms 30%</p> <p>If applied, such a restriction will have a duration not to exceed a period of three years.</p> <p>Until 1 January 2004, Mexico may deny a license to establish a foreign financial affiliate if the sum of the authorised capital of all foreign financial affiliates of the same type exceeds the applicable percentage limit described in the prior chart.</p>
Commercial Banks	Establishment, Cross Border	<p>Payments System Protection</p> <ol style="list-style-type: none"> 1. If the sum of the authorised capital of foreign commercial bank affiliates (as such term is above mentioned), measured as a percentage of the aggregate capital of all commercial banks in Mexico, reaches 25 percent, Mexico may request consultations with the other Parties on the potential adverse effects arising from the presence of commercial banks of the other Parties in the Mexican market and the possible need for remedial action, including further temporary limitations on market participation. The consultations shall be completed expeditiously.

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		<p>2. In considering the potential adverse effects, the Parties shall take into account:</p> <p>(a) the threat that the Mexican payments system may be controlled by non-Mexican persons;</p> <p>(b) the effects foreign commercial banks established in Mexico may have on Mexico's ability to conduct monetary and exchange rate policy effectively; and</p> <p>(c) the adequacy of the Financial Services Section of Chapter III in protecting the Mexican payments system.</p>
All financial services	Establishment, Cross Border	<p>Mexico shall retain discretion to approve, on a case-by-case basis, any affiliation of a commercial bank or securities firm with a commercial or industrial corporation that is established in Mexico, if Mexico determines that such affiliation is harmless and, in the case of commercial banks, either (a) not substantial, or (b) the financial-related activities of the commercial or industrial corporation account for at least 90 percent of its annual income worldwide, and the non-financial activities of such commercial or industrial corporation are of a type that Mexico determines to be acceptable. Affiliation with a non-resident commercial or industrial corporation that is not established in Mexico will not be a reason for denial of an application to establish or acquire a commercial bank or securities firm in Mexico.</p>
All financial services	Establishment, Cross Border	<p>Mexico may adopt measures that limit investors (together with its affiliates) to establish no more than one institution of the same type in Mexico.</p> <p>In determining what types of operations an investor of another Party is engaged in for purposes of the preceding sentence, all types of insurance shall be considered to be only one type of financial service; but both life and non-life insurance operations may</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
		<p>be conducted either by a single or separate foreign financial affiliates.</p> <p>Non-bank investors of another Party shall be permitted to establish one or more limited scope financial institutions in Mexico to provide separately consumer lending, commercial lending, mortgage lending or credit card services on terms no less favourable than those applied to like domestic firms under Mexican measures. Mexico may permit lending services closely related to the principal authorised business of a limited scope financial institution to be carried out by that institution. Such institutions shall be provided the opportunity to raise funds in the securities market for business operations subject to normal terms and conditions. Mexico may restrict such limited scope financial institutions from taking deposits.</p>
All financial services	Establishment, Cross Border	Mexico may restrict any foreign financial affiliate from establishing agencies, branches, or other direct or indirect subsidiaries in the territory of any other country.
All financial services	Establishment, Cross Border	<p>Mexico may adopt measures that limit eligibility to establish a foreign financial affiliate in Mexico to an investor of another Party that is, directly or through any of its affiliates, engaged in the same general type of financial services in the territory of the other Party.</p> <p>An investor of another Party that is authorised to establish or acquire, and establishes or acquires, a commercial bank or securities firm in Mexico may also establish a financial holding company in Mexico, and thereby establish or acquire other types of financial institutions in Mexico, under the terms of Mexican regulations.</p>

Sector or subsector	Mode of supply subject to reserve	Description of the measure
All financial services	Establishment, Cross Border	Mexico may maintain measures that limit eligibility of a natural person of a Party that is authorised to supply a financial service and that is not constituted as a financial entity in the territory of that Party to establish a foreign financial affiliate.
Insurance	Establishment, Cross Border	The activities and operations of the existing Mexican governmental insurance programs conducted by <i>Aseguradora Mexicana, S.A.</i> or <i>Aseguradora Hidalgo, S.A.</i> (including insurance for government employees, agencies, instrumentalities and public entities) are excluded from Articles of Establishment, Cross Border and National Treatment for so long as such firm is controlled by the Government of Mexico and for a commercially reasonable time after such governmental control ceases.
All financial services	Establishment, Cross Border	In order to avoid impairment of the conduct of Mexico's monetary and exchange rate policies, cross-border financial service providers of another Party shall not be permitted to provide financial services into the territory of Mexico or to residents of Mexico, and residents of Mexico may not purchase financial services from cross-border financial service providers of another Party, if such transactions are denominated in Mexican pesos.
