

ANNEX VII
PART A
Schedule of the United States

SECTOR: Financial Services

SUB-SECTOR: Banking

TYPE OF RESERVATION: Article 1409 (Staffing)

MEASURE: U.S. citizenship requirements for chief executive officers of
national banks not affiliated or owned by foreign banks

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: The National Bank Act, 12 U.S.C. § 72.

DESCRIPTION: All directors of a national bank must
be citizens of the United States.

Because it is also required that chief
executive officers of all national
banks be directors, a chief executive
officer of a national bank must be a
citizen of the United States. An
exception from these requirements
exists for national banks affiliated
or owned by foreign banks. Such banks
are only required to have citizens
constitute a simple majority of the
directors and need not employ citizens
as chief executive officers.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Banking

TYPE OF RESERVATION: Article 1409 (Staffing)

MEASURE: Residency requirements on boards of directors of national banks

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: The National Bank Act, 12 U.S.C. § 72.

DESCRIPTION: Two-thirds of the directors of a

national bank must have (i) resided for one year prior to their election, and (ii) continue to reside, in the state in which the bank is located or within 100 miles of the national bank.

DURATION: Indeterminate

ANNEX VII
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SECTOR: Financial Services

SUB-SECTOR: Banking

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Limitations on acquisition of interests in banks on an interstate basis

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Bank Holding Company Act of 1956, as amended, 12 U.S.C. § 1842(d); International Banking Act of 1978, as amended, 12 U.S.C. § 3103(a)(5).

DESCRIPTION: Federal authorities may not approve the establishment of, or acquisition of an interest in, a bank subsidiary within a state ("the host state") by a foreign bank that has a full-service branch or bank subsidiary in the United States, unless the measures of the host state expressly permit the transaction. Thus, foreign banks may not acquire interests in banks in some states on the same basis as domestic bank holding companies from the foreign bank's home state. For purposes of determining national treatment under paragraph 6(b) of Article 1407, foreign banks are located in their "home state," as that term is used in the International Banking Act of 1978.

The following types of measures, inter alia, fall into this category:

(a) Foreign banks are expressly excluded from the authority to own banks in certain

regional holding company
laws.

(b) Foreign banks
are implicitly excluded through a
definition of eligible owner
in certain state laws that
requires a majority of the
parent bank's deposits to be
in the United States, in a
particular region of the
United States, or in a
particular state.

(c) Foreign banks
that do not already own a
banking subsidiary in
the United States are
interpreted as not qualifying
as an eligible "bank holding
company" entitled to own
a bank.

DURATION: Indeterminate

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SECTOR: Financial Services

SUB-SECTOR: Banking

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Limitations on ownership of corporations organized under
section 25A of the Federal Reserve Act ("Edge corporations")

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Federal Reserve Act, 12 U.S.C. § 619.

DESCRIPTION: Edge corporations (specialized
international banking companies
chartered under Federal law) may be
owned by domestically-owned banks and
bank holding companies, and by
domestic non-bank companies willing to
restrict their business activities to
those closely related to banking.
Foreign ownership of Edge corporations
is limited to foreign banks and U.S.
subsidiaries of foreign banks. Other

foreign persons may neither directly
nor indirectly own Edge corporations.

DURATION: Indeterminate

ANNEX VII
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SECTOR: Financial Services

SUB-SECTOR: Banking

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Exemption from limitations for federal- and state-owned companies
that own banks

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Bank Holding Company Act of 1956, as amended,
12 U.S.C. § 1841(b)

DESCRIPTION: The Bank Holding Company Act does not apply to companies that
are majority-owned by the Federal and state governments,
whereas companies owned by foreign governments are not
excepted.

DURATION: Indeterminate

ANNEX VII
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SECTOR: Financial Services

SUB-SECTOR: Banking

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Limitations on the ability of foreign banks to accept certain
types of deposits through any form other than an insured banking subsidiary

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: International Banking Act of 1978,
12 U.S.C. §3104 (as amended by The
Federal Deposit Insurance Corporation Improvement Act of 1991,
Pub.L. 102-242, Title II, § 214(a)).

DESCRIPTION: After December 19, 1991, in order to accept or maintain deposit accounts having balances of less than \$100,000, a foreign bank must establish an insured banking subsidiary. As a result, foreign bank branches are prohibited from taking insured deposits unless engaged in that activity on December 19, 1991.

DURATION: Indeterminate

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SECTOR: Financial Services

SUB-SECTOR: Banking

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Limitations on membership in the Federal Reserve System

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Federal Reserve Act, 12 U.S.C. §§ 321, 221, 302;
International Banking Act of 1978, 12 U.S.C. § 3106(d).

DESCRIPTION: Foreign banks with branches and agencies in the United States may not be members of the Federal Reserve System, and may thus not vote for directors of a Federal Reserve Bank.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Banking and Securities

TYPE OF RESERVATION: Articles 1407 and 1408 (National Treatment,
Most-Favored-Nation Treatment)

MEASURE: Limitation on designation of foreign firms as primary dealers in U.S.
government securities

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: The Primary Dealers Act of 1988, 22 U.S.C. §§ 5341-5342.

DESCRIPTION: The Primary Dealers Act of 1988 prohibits a foreign firm to be

designated as a primary dealer in U.S. government debt obligations unless the home country of the foreign firm accords to U.S. firms the same competitive opportunities as are accorded to domestic firms in the underwriting and distribution of government debt instruments in the firm's home country.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Banking and Securities

TYPE OF RESERVATION: Articles 1407, 1408 and 1409 (National Treatment, MFN Treatment, Staffing)

MEASURE: Eligibility of foreign trust indentures

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Trust Indenture Act of 1939, 15 U.S.C.
§ 77jjj(a)(1) and rules thereunder.

DESCRIPTION: Under the Trust Indenture Act of 1939, foreign firms located outside the United States may be prohibited from acting as sole trustees under an indenture for debt securities sold in the United States if U.S. institutional trustees cannot act as sole trustee for securities sold in the foreign country.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Banking and Securities

TYPE OF RESERVATION: Article 1409 (MFN Treatment)

MEASURE: Special reserve bank account

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Rule 15c3-3 of the Securities Exchange
Act of 1934, 17 C.F.R. § 240.15c3-3.

DESCRIPTION: Broker-dealers that maintain their principal place of business in Canada may maintain their reserve requirement at a Canadian bank subject to supervision by an authority of Canada; however, other foreign broker-dealers not in the U.S. or Canada must maintain reserves in the U.S.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Commodity Futures and Options

TYPE OF RESERVATION: Articles 1405 and 1406 (Cross-Border Trade, New Financial Services)

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Commodity Exchange Act, 7 U.S.C. § 2.

DESCRIPTION: Federal law prohibits the offer or sale of futures contracts on onions, options contracts on onions and options on futures contracts on onions in the United States and services related thereto.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Insurance

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE:

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: 31 U.S.C. § 9304

DESCRIPTION: Branches of foreign insurance companies are not permitted to provide surety bonds for U.S. Government contracts.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Banking and Securities

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Differential treatment of foreign and domestic banks under the federal securities laws

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Investment Advisors Act of 1940, 15 U.S.C. § 80b-2 and § 80b-3 and the rules thereunder.

DESCRIPTION: Foreign banks may be required to register as investment advisers under the Investment Advisors Act of 1940 to engage in securities advisory services in the United States, while domestic banks are exempt from registration.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Securities

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Application of the disclosure provisions of the federal securities laws to the U.S. government, government-owned enterprises, and state and local governments.

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Securities Exchange Act of 1934, 15 U.S.C. §§ 78c(a)(12)(A)(i), 78c(a)(12)(A)(ii) and the rules thereunder; Securities Act of 1933, 15 U.S.C. § 77c(a)(2) and the rules thereunder.

DESCRIPTION: U.S. federal, state and local

government securities are exempt from the registration and disclosure provisions of the federal securities laws.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Securities TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Application of the federal securities laws to the U.S. government, government owned enterprises, and state and local governments

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Investment Company Act of 1940, 15 U.S.C. §§ 80a-2(b), and the rules thereunder; Investment Advisers Act of 1940, 15 U.S.C. § 80-2(b), and the rules thereunder.

DESCRIPTION: The Investment Company Act of 1940 and the Investment Advisers Act of 1940 do not apply to investment companies and investment advisers, respectively, that are owned by the federal, state and local governments, whereas investment companies and investment advisers owned by foreign governments are not excepted.

DURATION: Indeterminate

ANNEX VII
PART A
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SECTOR: Financial Services

SUB-SECTOR: Banking and Securities

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE: Application of the federal securities laws to the U.S. government, government-owned enterprises, and state and local governments.

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION: Securities Exchange Act of 1934, 15 U.S.C. §§ 78c(a)(43)(A), 78c(a)(44)(A) and 78c(d) the rules thereunder.

DESCRIPTION: No provision of the Exchange Act applies to the U.S. government. Thus, U.S.-owned exchanges, clearing agencies, brokers, dealers, and banks are not regulated under the Exchange Act. In addition, U.S. government enterprises are exempt from government securities broker and dealer registration and regulation. State and local government officials are also exempted from the registration as brokers, dealers, and municipal securities dealers.

DURATION: Indeterminate

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SECTOR: Financial Services

SUB-SECTOR:

TYPE OF RESERVATION: Article 1407 (National Treatment)

MEASURE:

LEVEL OF GOVERNMENT: Federal

LEGAL CITATION:

DESCRIPTION: Foreign government owned firms are not entitled to extend credit backed by the guarantees of the Commodity Credit Corporation.

DURATION: Indeterminate

ANNEX VII
PART A
Schedule of the United States

The United States shall set out any existing non-conforming measures maintained by California, Florida, Illinois, New York, Ohio, and Texas by the date of entry into force of this Agreement. Existing non-conforming state measures of all other states shall be set out by January 1, 1995.

ANNEX VII
PART B
Schedule of the United States

The United States reserves the right to derogate from Articles 1405(1) and 1408 for the securities sector with respect to Canada. With respect to these Articles, the United States may

adopt or maintain measures affecting cross-border trade in securities services that are more restrictive than measures existing on the date of entry into force of this Agreement.

ANNEX VII
PART C
Schedule of the United States

The United States commits to permit an eligible grupo financiero that, in formation of the grupo in Mexico before the entry into force of this Agreement, lawfully acquires an eligible Mexican bank and a Mexican securities firm which owns or controls a securities company in the United States, to continue to engage through that U.S. securities company in the activities in which that securities company was engaged on the date of acquisition by the grupo for a time period of five years from the date of such acquisition. The U.S. securities firm: (i) shall not be permitted to expand through acquisition in the United States during such period; and (ii) shall be subject to measures consistent with national treatment that restrict transactions between the firms and their affiliates. For purposes of this paragraph: an "eligible grupo financiero" is a Mexican financial group that has not previously benefitted from this commitment; and an "eligible Mexican bank" means any Mexican institución de crédito that owned or controlled a subsidiary bank, or operated a branch or agency, in the United States on January 1, 1992.

ANNEX VII
PART D
Schedule of the United States

For the purposes of Article 1413(2), the United States designates the Department of the Treasury as its governmental agency responsible for banking and other financial services, and the United States Department of Commerce for insurance services.