

September 6, 1992

ANNEX VII

PART B

Schedule of Mexico

TRANSITIONAL EXCEPTIONS

Reservations to Articles 1404 and 1407

1. The provisions of paragraphs 2 through 10 of this Part B of the Schedule of Mexico shall apply during the Transition Period, except as otherwise specifically provided in paragraphs 9 and 10 of this Part B.
2. For the types of financial institutions listed in the chart in this paragraph 2, the maximum capital to be authorized for a Foreign Financial Affiliate, measured as a percentage of the aggregate capital of all financial institutions of the same type in Mexico, shall not exceed the percentage set forth in the chart in this paragraph 2:

<u>Type of Financial Institution</u>	<u>Maximum Individual Capital to be Authorized (Percentage of the Aggregate Capital of all Institutions of the same type)</u>
Commercial Banks	1.5%
Securities Firms	4.0%
Insurance Companies	
Casualty	1.5%
Life and Health	1.5%

In the case of an acquisition by a financial service provider of another Party of a financial institution established in Mexico, the sum of the authorized capital of the acquired institution and the authorized capital of any Foreign Financial Affiliate already controlled by the acquiror may not, at the time of acquisition or at any time thereafter during the Transition Period, exceed the applicable limit set forth in the chart in this paragraph 2.

This paragraph 2 will not apply to new or existing Mexican insurance companies invested in by insurance providers of another Party (or their affiliates) pursuant to paragraph 7 of this Part 3 or paragraph 4 of Part C of the Schedule of Mexico.