

September 6, 1992

ANNEX VII

PART C

Schedule of Mexico

SPECIFIC COMMITMENTS

1. 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 has a commercial presence in Mexico, if Mexico determines that such affiliation is harmless and, in the case of banking, either (a) not substantial, or (b) the financial-related activities of the commercial or industrial commercial corporation are 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 has no commercial presence in Mexico will not be a reason for denial of an application to establish or acquire a commercial bank or securities firm in Mexico.
2. Non-bank financial service providers 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 favorable than those applied to like domestic firms under Mexican measures. Mexico may permit lending services closely related to the principal authorized business of a limited scope financial institution to be carried out by that institution. Such firms 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.
3. Within two years of the entry into force of the Agreement, Mexico shall conduct a study of the desirability and, if desirable, the possible methods of establishing limited scope securities firms which would have more limited powers than current securities firms. Such limited scope securities firms would be subject to differing capital requirements, depending on the type and extent of business conducted, that would permit lower minimum capital requirements than those currently applicable to Mexican securities firms. The basis of the study would be prudential considerations and opportunities for investment in the securities sector. As part of the second annual meeting of the Committee required under Article 1414, Mexico shall report to the other Parties on the outcome of the study, including any plans for the establishment of new categories of securities firms.