

PART FIVE FINANCIAL SERVICES

Chapter Seventeen

Financial Services

Article 1701: Scope and Coverage

1. This Part and Articles 1601, 2001, 2002, 2003, 2010, 2101, 2104, 2105 and 2106 shall apply to financial services and constitute the entirety of the agreement between the Parties with respect to financial services. No other provision of this Agreement confers rights or imposes obligations on the Parties with respect to financial services.
2. The provisions of this Part, with the exception of Article 1601 as referred to in paragraph 1, shall not apply to any measure of a political subdivision of either Party.

Article 1702: Commitments of the United States of America

1. To the extent that domestic and foreign banks, including bank holding companies and affiliates thereof, are permitted to engage in the dealing in, underwriting, and purchasing of debt obligations backed by the full faith and credit of the United States of America or its political subdivisions, the United States of America shall permit domestic and foreign banks, including bank holding companies and affiliates thereof, to engage in the dealing in, underwriting, and purchasing of debt obligations backed to a comparable degree by Canada or its political subdivisions, which include, but are not limited to, obligations of or guaranteed by Canada or its political subdivisions, and obligations of agents thereof where the obligations of the agents are incurred in their capacity as agents for their principals and the principals are ultimately and unconditionally liable in respect of the obligations.
2. The United States of America shall not adopt or apply any measure under federal law that would accord treatment less favourable to Canadian-controlled banks than that accorded on October 4, 1987, with respect to their ability to establish and operate, outside their home states, any state branch, state agency or bank or commercial lending company subsidiary.