

September 6, 1992

## OTHER EXCEPTIONS

11. The provisions of the following paragraphs 12 through 15 of this Part B shall apply immediately upon the entry into force of the Agreement and at all times thereafter, except as otherwise specifically provided in such paragraphs. Any amendment or modification to a measure adopted or maintained pursuant to paragraphs 12 through 15 of this Part B shall not decrease the conformity of the measure, as it existed immediately before such amendment or modification, with Articles 1404 to 1409 of the Agreement.

### Reservation to Article 1407

12. Mexico may require that a Foreign Financial Affiliate (other than a Foreign Insurance Affiliate) be wholly-owned by a financial service provider of another Party (except for directors' nominal qualifying shares). Mexico may also restrict any Foreign Financial Affiliate from establishing agencies, branches, or other direct or indirect subsidiaries in the territory of any other country.

### Reservations to Articles 1404 and 1407

13. Following the Transition Period, acquisition of a commercial bank established in Mexico, or of the assets or liabilities thereof, by a financial service provider of another Party will only be authorized by Mexico, subject to reasonable prudential considerations on a case by case basis, if the sum of the authorized capital of the acquired commercial bank and the authorized capital of any commercial bank in Mexico already controlled by the acquiror would not exceed 4% of the aggregate capital of all commercial banks in Mexico.

14. Mexico may adopt measures that (i) limit eligibility to establish a Foreign Financial Affiliate in Mexico to a financial service provider 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; and (ii) limit such provider (together with its affiliates) to no more than one institution of the same type in Mexico. In determining what types of operations a financial service provider 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 be conducted either by a single or separate Foreign Financial Affiliates.

### Reservation to Articles 1404, 1405 and 1407

15. The existing activities and operations of Mexican governmental insurance programs conducted by Aseguradora Mexicana, S.A. or Aseguradora Hidalgo, S.A. (including