

September 6, 1992

2. The Parties also recognize the principle that financial service providers of a Party should be permitted to participate widely in the market of another Party through the ability:

- (a) to provide in that other Party's territory a range of financial services through separate financial institutions as may be required by that Party;
- (b) to expand geographically within that territory; and
- (c) to own financial institutions without the application of ownership requirements specific to foreign financial institutions.

3. Each Party shall permit financial service providers of another Party that are not already established in its territory to establish financial institutions in the Party's territory. A Party may:

- (a) require such financial service providers to incorporate such financial institutions under its laws; or
- (b) impose other terms, conditions and procedures on establishment that are consistent with Article 1407.

4. At such time as the United States liberalizes its existing measures to permit commercial banks of another Party located in its territory to expand throughout significantly all the United States market either through subsidiaries or direct branches, the Parties shall review and assess market access in each Party, subject to Annex 1404.4, with respect to the principles in paragraphs 1 and 2 with a view to adopting arrangements permitting investor choice as to juridical form of establishment by commercial banks.

5. Each Party shall permit financial institutions of another Party to transfer and process information outside the territory of the Party in electronic or other form as is necessary for the conduct of ordinary business of such institutions.

#### **Article 1405: Cross-Border Trade**

1. No Party may adopt any measure restricting any type of cross-border trade in financial services by financial service providers of another Party that is permitted on the date of entry into force of this Agreement, except to the extent set out in Part B of the Party's Schedule to Annex VII.