

operations may be conducted either by a single or separate foreign financial affiliates.

### **GOVERNMENTAL INSURANCE PROGRAMS**

Type of Reservation:            Establishment of Financial Institutions (Articles 1403)  
   Cross-Border Trade (Article 1404)  
   National Treatment (Article 1405)

15. The activities and operations of the existing Mexican governmental insurance programs conducted by Aseguradora Mexicana, S.A. or Aseguradora Hidalgo, S.A. (including insurance for government employees, agencies, instrumentalities and public entities) are excluded from Articles 1403, 1404 and 1405 for so long as such firm is controlled by the government of Mexico and for a commercially reasonable time after such governmental control ceases.

### **CROSS-BORDER TRADE**

Type of Reservation:            Cross-Border Trade (Article 1404)

16. In order to avoid impairment of the conduct of Mexico's monetary and exchange rate policies, cross-border financial service providers of another Party shall not be permitted to provide financial services into the territory of Mexico or to residents of Mexico, and residents of Mexico may not purchase financial services from cross-border financial service providers of another Party, if such transactions are denominated in Mexican pesos.

### **EXISTING OPERATIONS OF FOREIGN COMMERCIAL BANKS**

Type of Reservation:            Establishment of Financial Institutions (Article 1403)  
   National Treatment (Article 1405)  
   Most-Favored-Nation Treatment (Article 1406)  
   New Financial Services and Data Processing (Article 1407)  
   Senior Management and Boards of Directors (Article 1408)

17. The benefits of this Agreement shall not be extended to a foreign bank branch existing in Mexico on the date of entry into force of this Agreement. The existing legal regime will continue to apply to such a branch for so long as it operates in that form. Such a branch shall be permitted to convert to a subsidiary pursuant to the terms of this Schedule, and upon conversion shall be covered by this Agreement. In the event of conversion the existing