

September 6, 1992

5. Article 1407 shall not apply to the granting by a Party to a financial service provider of an exclusive right to provide a financial service referred to in paragraph 4(a).

6. Each Party shall comply with Annex 1401.6.

#### **Article 1402: Self-Regulatory Organizations**

Where a Party requires financial service providers of another Party to be members of, participate in, or have access to, a self-regulatory organization to provide a financial service in the territory of that Party, the Party shall ensure observance by such organization of this Chapter.

#### **Article 1403: Regulatory Measures**

1. Nothing in this Part shall be construed to prevent a Party from adopting or maintaining reasonable measures for prudential reasons, such as:

- (a) the protection of investors, depositors, financial market participants, policy-holders, policy-claimants or persons to whom a fiduciary duty is owed by a financial service provider or financial institution;
- (b) the maintenance of the safety, soundness, integrity or financial responsibility of financial service providers or financial institutions; and
- (c) ensuring the integrity and stability of a Party's financial system.

2. Nothing in this Part applies to non-discriminatory measures of general application taken by any public entity in pursuit of monetary and related credit policies or exchange rate policies. This paragraph shall not affect a Party's obligations under Article 1106 (Performance Requirements), Article 1109 (Transfers) and Article 2104 (Balance of Payments).

#### **Article 1404: Establishment**

1. The Parties recognize the principle that financial service providers of a Party should be permitted to establish financial institutions in the territory of another Party in the juridical form determined by the provider.