ANNEX III

SCHEDULE OF PERU[1]
(Financial Services)

EXPLANATORY NOTES

1. The Schedule of Peru to this Annex sets out:

   (a) introductory notes that limit or clarify the commitments of Peru with respect to the obligations described in subparagraph (b) and subparagraph (c);

   (b) in Section A, pursuant to Article 9.9.1 (Non-Conforming Measures) of Chapter 9 (Financial Services), Peru's existing measures that are not subject to some or all the obligations imposed by:

      (i) Article 9.3 (National Treatment);

      (ii) Article 9.4 (Most-Favoured-Nation Treatment);

      (iii) Article 9.5 (Market Access for Financial Institutions);

      (iv) Article 9.6 (Cross-Border Trade); or

      (v) Article 9.8 (Senior Management and Boards of Directors); and

   (c) in Section B, pursuant to Article 9.9.2 (Non-Conforming Measures), the specific sectors, sub-sectors or activities for which Peru may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

      (i) Article 9.3 (National Treatment);

      (ii) Article 9.4 (Most-Favoured-Nation Treatment);

      (iii) Article 9.5 (Market Access for Financial Institutions);

      (iv) Article 9.6 (Cross-Border Trade); or

      (v) Article 9.8 (Senior Management and Boards of Directors).

[1] In case of discrepancy or divergence between the authentic texts, the Spanish text of this Schedule shall prevail.

2. Each Schedule entry in Section A sets out the following elements:

(a) **Sector** refers to the sector for which the entry is made;

(b) **Sub-Sector**, where referenced, refers to the specific sub-sector for which the entry is made;

(c) **Obligations Concerned** specifies the obligations referred to in paragraph 1(b) that, pursuant to Article 9.9.1(a) (Non-Conforming Measures), do not apply to the listed measures as indicated in the introductory notes for the Schedule of Peru;

(d) **Level of Government** indicates the level of government maintaining the listed measures;

(e) **Measures** identifies the laws, regulations or other measures for which the entry is made. A measure cited in the **Measures** element:

(i) means the measure as amended, continued or renewed as of the date of entry into force of this Agreement; and

(ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and

(f) **Description**, as indicated in the introductory notes for the Schedule of Peru, provides a general non-binding description of the measure for which the entry is made.

3. Each Schedule entry in Section B sets out the following elements:

(a) **Sector** refers to the sector for which the entry is made;

(b) **Sub-Sector**, where referenced, refers to the specific sub-sector for which the entry is made;

(c) **Obligations Concerned** specifies the obligations referred to in paragraph 1(c) that, pursuant to Article 9.9.2 (Non-Conforming Measures), do not apply to the sectors, sub-sectors or activities listed in the entry;

(d) **Level of Government** indicates the level of government maintaining the listed measures;

(e) **Description** sets out the scope or nature of the sectors, sub-sectors or activities covered by the entry to which the reservation applies; and

(f) **Existing Measures** identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, sub-sectors or activities covered by the entry.

4. Peru recognises that measures falling under exceptions applicable to this Chapter, such as those in Article 9.20 (Exceptions Including for Prudential Reasons), need not be scheduled. Nevertheless, Peru may have listed measures that fall within applicable exceptions. For greater certainty, the listing of a measure in the Schedule of Peru to Annex III is without prejudice to whether that measure or any other measure adopted or maintained by Peru is covered by exceptions such as those in Article 9.20 (Exceptions Including for Prudential Reasons).

INTRODUCTORY NOTES

1. Commitments under Chapter 9 (Financial Services), in the sector and sub-sectors listed in this Schedule, are undertaken subject to the limitations and conditions set forth in these introductory notes and in the Schedule below.

2. To clarify the commitment of Peru with respect to Article 9.5 (Market Access for Financial Institutions), juridical persons supplying financial services constituted under the laws of Peru are subject to non-discriminatory limitations on juridical form.[2]

3. Article 9.9.1(c) (Non-Conforming Measures) shall not apply to those non-conforming measures relating to Article 9.5(b) (Market Access for Financial Institutions).

4. For Section A of this Schedule, **Description** provides a general non-binding description of the measure for which the entry is made.

[2] For example, limited liability partnerships and sole proprietorships with limited liability are generally not acceptable juridical forms for financial institutions in Peru. This introductory note does not affect, or otherwise limit, a choice by an investor of the other Party between branches and subsidiaries.

Section A

III A-PERU-1

Sector	Financial Services
Sub-Sector	Banking and other financial services (excluding insurance)
Obligation Concerned	Market Access for Financial Institutions (Article 9.5)
Level of Government	Central
Measures	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (*Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros*), Law N° 26702 and its amendments
Description	A financial institution of the other Party providing banking services and established in Peru through a branch must assign to its branch certain capital, which must be located in Peru. In addition to measures that Peru may impose in accordance with Article 9.20.1 (Exceptions Including for Prudential Reasons), the operations of the branch are limited by its capital located in Peru.

III A-PERU-2

Sector	Financial Services
Sub-Sector	Insurance and insurance-related services
Obligation Concerned	Market Access for Financial Institutions (Article 9.5)
Level of Government	Central
Measures	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (*Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros*), Law N° 26702 and its amendments
Description	A financial institution of the other Party providing insurance or insurance-related services and established in Peru through a branch must assign to its branch certain capital, which must be located in Peru. In addition to measures that Peru may impose in accordance with Article 9.20.1 (Exceptions Including for Prudential Reasons), the operations of the branch are limited by its capital located in Peru.

III A-PERU-3

Sector	Financial Services
Sub-Sector	Banking and other financial services (excluding insurance)
Obligation Concerned	Cross-Border Trade (Article 9.6)
Level of Government	Central
Measures	Securities Market Law (*Ley del Mercado de Valores*), approved by Legislative Decree N° 861 and its amendments, Articles 280, 333, 337 and Seventeenth Final Provision General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (*Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros*), Law N° 26702 and its amendments, Articles 136 and 296
Description	Financial institutions constituted under the laws of Peru and debt securities offered in a primary or secondary public offering in the territory of Peru must be rated by credit rating companies constituted under the laws of Peru. They may also be rated by other credit rating agencies, but only in addition to the mandatory rating.

III A-PERU-4

Sector	Financial Services
Sub-Sector	Banking and other financial services (excluding insurance)
Obligation Concerned	National Treatment (Article 9.3)
Level of Government	Central
Measures	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (*Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros*), Law N° 26702 and its amendments Law Establishing the Banco Agropecuario (*Ley de Creación del Banco Agropecuario*), Law N° 27603 and its amendments Law Decree N° 18807, Law Establishing the Corporación Financiera de Desarrollo (COFIDE) (*Ley de Creación de la Corporación Financiera de Desarrollo (COFIDE)*) Legislative Decree N° 206, Law on the System of Financial Support and Encouragement for Business Development and its amendments Law Nº 25382, Repeal Legislative Decree N° 725 and amend Article 24 of Legislative Decree N° 206 Law Establishing the Banco de la Nación (*Ley de Creación del Banco de la Nación*), Law N° 16000 and its amendments Law Nº 28579, (*Ley de Conversión del Fondo Hipotecario de la Vivienda - Fondo MIVIVIENDA a Fondo MIVIVIENDA S.A.*) and its amendments Law N° 10769 *(Creando la Caja Municipal de Crédito Popular de Lima*) and its amendments Supreme Decree N° 157-90-EF (*Norman Funcionamiento en el País de las Cajas Municipales de Ahorro y Crédito*) and its amendments Supreme Decree Nº 07-94-EF (*Aprueban el Estatuto del Banco de la Nación*) and its amendments

Description	Peru may grant advantages or exclusive rights, without limitation, to one or more of the following financial entities, as long as they are partially or fully owned by the State: *Corporación Financiera de Desarrollo (COFIDE)*, *Banco de la Nación, Banco Agropecuario*, *Fondo Mivivienda*, *Cajas Municipales de Ahorro y Crédito*, and the *Caja Municipal de Crédito Popular*. Examples of such advantages are the following:[3] The *Banco de la Nación* and *Banco Agropecuario* are not required to diversify their risk; and The *Cajas Municipales de Ahorro y Crédito* may directly sell collateral they repossess in cases of loan default, in accordance with pre-established procedures.

[3] For greater certainty, and notwithstanding the location of this entry within Section A of this Schedule, the Parties understand that the advantages or exclusive rights that Peru may grant to the specified entities are not limited only to the cited examples.

III A-PERU-5

Sector	Financial Services
Sub-Sector	Banking and other financial services (excluding insurance)
Obligations Concerned	Market Access for Financial Institutions (Article 9.5)
Level of Government	Central
Measures	Securities Market Law (*Ley del Mercado de Valores*), approved by Legislative Decree N° 861 and its amendments, Articles 130, 167, 185, 204, 223, 259, 269, 270, 302, 324, 354 and Seventeenth Final Provision Legislative Decree N° 862, Law of the Investment Funds and their Management Corporations (*Ley de Fondos de Inversión y sus Sociedades Administradoras*) and its amendments; Article 12 Law N° 26361, Law on Commodities Exchange (*Ley sobre Bolsas de Productos*) and its amendments, Articles 2, 9 and 15 Law Decree N° 22014 (*Empresas Administradoras de Fondos Colectivos se constituirán como Sociedades Anónimas*), Article 1 Consolidated Text of the Law of Private Pension Funds (*Texto Único Ordenado de la Ley del Sistema Privado de Administración de Fondos de Pensiones*), approved by Supreme Decree N° 054-97-EF, Article 13; and the Regulation of the Consolidated Text of the Law of Private Pension Funds (*Reglamento del Texto Único Ordenado de la Ley del Sistema Privado de Administración de Fondos de Pensiones*), approved by Supreme Decree Nº 004-98-EF, Article 18
Description	Financial institutions established in Peru to supply financial services in the securities or commodities markets or financial services related to asset management, including pension fund managers, must be constituted under the laws of Peru. Therefore, financial institutions of the other Party established in Peru to supply these financial services may not be established as branches or agencies.

III A-PERU-6

Sector	Financial Services
Sub-Sector	All
Obligation Concerned	Cross-Border Trade (Article 9.6)
Level of Government	Central
Measures	General Law of the Financial and Insurance Systems and Organic Law of the Superintendency of Banking and Insurance (*Ley General del Sistema Financiero y del Sistema de Seguros y Orgánica de la Superintendencia de Banca y Seguros*), Law N° 26702 and its amendments
Description	Creditors domiciled in Peru have legal preference with regard to the assets located in Peru of a branch of a foreign financial institution, in case of liquidation of the financial institution or its branch in Peru.

Section B

III B-PERU-1

Sector	Financial Services
Sub-Sector	Insurance and insurance-related services
Obligation Concerned	Cross-Border Trade (Article 9.6)
Level of Government	Central
Existing Measures	Law N° 27181, General Law of Land Transport and Traffic (*Ley General de Transporte y Tránsito Terrestre*) and its Regulation approved by Supreme Decree 024-2002-MTC Law N° 26790, Law on the Modernization of the Social Security in Health (*Ley de la Modernización de la Seguridad Social en Salud*), and its Regulation approved by Supreme Decree N° 03-98-SA
Description	Peru reserves the right to adopt or maintain measures that restrict the acquisition of obligatory insurance outside of Peru, or that require that obligatory insurance be purchased from suppliers established in Peru, such as "Compulsory Car Insurance" (*Seguro Obligatorio de Accidentes de Tránsito - SOAT*) and "Hazardous Work Supplementary Insurance" (*Seguro Complementario de Trabajo en Riesgo*). These restrictions shall not apply to any insurance covered by Annex 9-A (Cross-Border Trade).

III B-PERU-2

Sector	Financial Services
Sub-Sector	Social services
Obligation Concerned	Market Access for Financial Institutions (Article 9.5) Cross-Border Trade (Article 9.6)
Description	Peru reserves the right to adopt or maintain any measure with respect to the provision of law enforcement and correctional services, and the following services to the extent that they are social services established or maintained for a public purpose: income security and insurance, social security, social welfare, public education, public training, health and childcare.