

Annex VII

1. Section A of the Schedule of a Party sets out the reservations taken by that Party, pursuant to Article 1409(1) (Financial Services), with respect to existing measures that do not conform with obligations imposed by:

- (a) Article 1403 (Establishment of Financial Institutions);
- (b) Article 1404 (Cross-Border Trade);
- (c) Article 1405 (National Treatment);
- (d) Article 1406 (Most-Favored-Nation Treatment);
- (e) Article 1407 (New Financial Services and Data Processing); or
- (f) Article 1408 (Senior Management and Boards of Directors).

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

- (a) **Sector** refers to the general sector in which the reservation is taken;
- (b) **Sub-Sector** refers to the specific sector in which the reservation is taken;
- (c) **Industry Classification** refers, where applicable, to the activity covered by the reservation according to domestic industry classification codes;
- (d) **Type of Reservation** specifies the obligation referred to in paragraph 1 for which the reservation is taken;
- (e) **Level of Government** indicates the level of government maintaining the measure for which the reservation is taken;
- (f) **Measures** identifies the laws, regulations or other measures, as qualified by the **Description** element, for which the reservation is taken. 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;
- (g) **Description** sets out references, if any, for liberalization on the date of entry into force of this Agreement pursuant to other sections of a Party's Schedule to this

Annex, and the remaining non-conforming aspects of the existing measures for which the reservation is taken; and

- (h) **Phase-Out** sets out commitments, if any, for liberalization after the date of entry into force of this Agreement.

3. In the interpretation of a reservation, all elements of the reservation shall be considered. A reservation shall be interpreted in the light of the relevant provisions of the Chapter against which the reservation is taken. To the extent that:

- (a) the **Phase-Out** element provides for the phasing out of the non-conforming aspects of measures, the **Phase-Out** element shall prevail over all other elements;
- (b) the **Measures** element is qualified by a specific reference in the **Description** element, the **Measures** element as so qualified shall prevail over all other elements; and
- (c) the **Measures** element is not so qualified, the **Measures** element shall prevail over all other elements, unless any discrepancy between the **Measures** element and the other elements considered in their totality is so substantial and material that it would be unreasonable to conclude that the **Measures** element should prevail, in which case the other elements shall prevail to the extent of that discrepancy.

4. Section B of the Schedule of a Party sets out reservations taken by the Party, pursuant to Article 1409(2), for measures the Party may adopt or maintain that do not conform with obligations imposed by Article 1403, 1404, 1405, 1406, 1407 or 1408.

5. Section C of the Schedule of a Party sets out the commitments to liberalize measures undertaken by that Party pursuant to Article 1409(3).

6. For purposes of this Annex:

CMAF means Clasificación Mexicana de Actividades y Productos (CMAF) numbers as set out in Instituto Nacional de Estadística, Geografía e Informática, *Clasificación Mexicana de Actividades y Productos*, 1988;

CPC means Central Product Classification (CPC) numbers as set out in Statistical Office of the United Nations, Statistical Papers, Series M, No. 77, *Provisional Central Product Classification*, 1991; and

SIC means:

- (a) with respect to Canada, Standard Industrial Classification (SIC) number as set out in

Statistics Canada, *Standard Industrial Classification*, fourth edition, 1980; and

- (b) with respect to the United States, Standards Industrial Classification (SIC) numbers as set out in the United States Office of Management and Budget, *Standard Industrial Classification Manual*, 1987.