

Trade in Services

UNITED STATES OF AMERICA

Schedule of Specific Commitments

Supplement 3

(This is authentic in English only)

This text replaces the Financial Services section contained in document GATS/SC/90/Suppl.1.

**THE UNITED STATES OF AMERICA
SCHEDULE OF SPECIFIC COMMITMENTS**

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
<p>7.FINANCIAL SERVICES A. INSURANCE:</p> <p>1.Commitments in this subsector are undertaken in accordance with the Understanding on Commitments in Financial Services (the “Understanding”), subject to the limitations and conditions set forth in these headnotes and the schedule below.</p> <p>2.The market access commitments in this subsector in respect of mode (1), as described in paragraph 2(a) of Article I of the Agreement, are limited to the services indicated in paragraphs B.3(a) and B.3(b) of the market access section of the Understanding. The market access commitments in this subsector in respect of mode (2), as described in paragraph 2(b) of Article I of the Agreement, are limited to the services indicated in paragraphs B.4(a) and B.4(b) of the market access section of the Understanding. It is understood that paragraph B.4 of the Understanding does not require that non-resident financial service suppliers be permitted to solicit business, and no commitment to such solicitation is undertaken.</p> <p>3.National treatment commitments in this subsector are subject to the following limitation: national treatment with respect to services and service suppliers will be provided according to a non-U.S. service supplier’s state of domicile, where applicable, in the United States. State of domicile is defined by individual states, and is generally the state in which an insurer either is incorporated, is organized or maintains its principal office in the United States.</p> <p>4.Commitments in this sector do not cover measures set out in the entry applicable to “Insurance” in the United States list of exemptions from Article II.</p>			
<p>Direct Insurance</p> <p>a)Life, Accident, and Health Insurance Services (except workers compensation insurance)</p> <p>b)Non-Life Insurance Services</p>	<p>1)Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New Jersey (only with respect to surplus lines), New York (non-life companies are authorized; life and health companies are not), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming.</p>	<p>1)A one per cent federal excise tax is imposed on all life insurance premiums and a four per cent federal excise tax is imposed on all non-life insurance premiums covering US risks that are paid to companies not incorporated under US law, except for premiums that are earned by such companies through an office or dependent agent in the United States.</p> <p>When more than 50 per cent of the value of a maritime vessel whose hull was built under federally guaranteed mortgage funds is insured by a non-US insurer, the insured must demonstrate that the risk was substantially first offered in the</p>	<p>The United States undertakes the obligations contained in Additional Commitments Paper I attached hereto.</p>

Modes of supply: 1) Cross-border supply 2) Consumption abroad 3) Commercial presence 4) Presence of natural persons

Sector or Sub-sector	Limitations on Market Access	Limitations on National Treatment	Additional Commitments
		US market.	
	<p>2)None</p> <p>3)Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, California, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New Jersey (only with respect to surplus lines), New York (non-life companies are authorized; life and health companies are not authorized), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming.</p> <p>Branches are not permitted to provide surety bonds for US federal government contracts.</p>	<p>2)None</p> <p>3)None</p>	

	<p>The following states have no mechanism for licensing initial entry of a non-US insurance company as a subsidiary, unless that company is already licensed in some other US state: Minnesota, Mississippi, and Tennessee.</p> <p>The following states have no mechanism for licensing initial entry of a non-US insurance company as a branch, unless that company is already licensed in some other US state: Arkansas, Arizona, Connecticut, Georgia, Hawaii, Kansas, Maryland, Minnesota, Nebraska, New Jersey, North Carolina, Pennsylvania, Tennessee, Utah, Vermont, Wyoming, West Virginia.</p>		
	<p>US citizenship is required for members of the board of directors of locally established and licensed companies in the following states and in the following shares or numbers: 100 per cent required in Louisiana; three-quarters in Washington (mutual life companies with the majority of the board being resident in the state); two-thirds required in Oklahoma (for stock and mutual companies) and Pennsylvania; a majority required in California (for mutual insurers operating as authorized insurers only in the state of California), Florida (for stock and mutual insurers), Georgia (for stock and mutual insurers with one fourth resident in the state), Idaho (for stock and mutual insurers), Indiana, Kentucky, Mississippi, Ohio (for legal reserve life insurers), Oregon, New York, South Dakota (except if more than 1000 persons are entitled to vote for the board of directors and a majority of the voters reside outside the state, or less</p>		

	<p>than one per cent of the shares are owned by state residents), Wyoming (for an insurer operating as an authorized insurer only in Wyoming); seven in Tennessee (for mutual life insurance companies; three resident in Illinois (for stock, mutual, or legal reserve insurers) and Missouri (life and accident).</p>		
	<p>US citizenship for incorporators of insurance companies is required in the following states and in the following percentages or numbers: 100 per cent in Hawaii, Idaho (for stock or mutual insurer), Indiana, South Dakota and Washington; two-thirds in Arizona (for stock and mutual insurers), two-thirds resident in Georgia (for stock and mutual insurers); a majority in Alaska, Florida (for stock and mutual insurers), Arkansas (majority for mutuals or stock), Kansas (all life insurance companies and mutual insurers other than life), Kentucky (for mutual or stock insurers); Maine (life, health, and accident and mutual aid assoc with state residency for mutuals), Missouri (minimum 13 with overall majority resident in the state), Montana (stock or mutual insurers), Texas (life, health, accident and mutual aid assoc with state residency for mutuals), Wyoming (for reserve stock and mutual insurers).</p>		

State residency is required in the following states for the organizing members of the following types of mutual insurance companies: Arkansas (mutuals and farm mutual insurers), California (county mutual fire insurer); Idaho (all mutuals); Kansas (all mutuals); North Dakota (all mutuals), Minnesota (township mutuals, farmers mutual fire insurance companies); Mississippi (all mutuals); Montana (farm mutual insurer); Vermont (fire cooperatives); Wyoming (farm mutual insurer).

Seven or more US citizens, a majority of whom are residents of the state, may organize a fraternal benefit society in the following states: Alaska, Arizona (requires 10 or more US citizens, a majority of whom are citizens of the state), Arkansas, California, Delaware, Florida, Hawaii, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maine, Maryland, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, New Jersey, North Dakota, Oklahoma (requires 10 or more US citizens, a majority of whom are residents of the state), Oregon, Pennsylvania, South Dakota, Virginia, Vermont, Washington, West Virginia and Wyoming.

<p>c)Reinsurance and retrocession</p>	<p>Twenty-five or more persons domiciled in the state may organize a domestic reciprocal insurer in: Arizona, Arkansas, California, Delaware, Georgia, Idaho, Indiana, Kentucky, Maine, Maryland, Mississippi, Montana, Pennsylvania, South Dakota, Tennessee, Vermont, Virginia, Washington and Wyoming.</p> <p>4)Unbound, except as indicated in the horizontal section</p> <p>1)Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New York (non-life companies are authorized; life and health companies are not), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming.</p>	<p>4)Unbound, except as indicated in the horizontal section</p> <p>1)A one per cent federal excise tax is imposed on all premiums covering US risks that are paid to companies not incorporated under US law, except for premiums that are earned by such companies through an office or dependent agent in the United States.</p> <p>In Texas, total direct reinsurance of mutual life insurance companies may not be entered into with non-US companies.</p>	
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	<p>Insurance companies incorporated in Nevada may purchase reinsurance only from an insurer admitted to Nevada. All insurers writing workers' compensation insurance in Minnesota must purchase reinsurance from the Minnesota Workers' Compensation Reinsurance Authority. Unbound for Maine for the provision of reinsurance for workers' compensation.</p> <p>2) Insurance companies incorporated in Nevada may purchase reinsurance only from an insurer admitted to Nevada. All insurers writing workers' compensation insurance in Minnesota must purchase reinsurance from the Minnesota Workers' Compensation Reinsurance Authority. Unbound for Maine for the provision of reinsurance for workers' compensation.</p>	<p>2) None</p>	
	<p>3) Government-owned or government-controlled insurance companies, whether US or foreign, are not authorized to conduct business in: Alabama, Alaska, Arkansas, Colorado, Connecticut, Delaware, Georgia, Hawaii, Idaho, Kansas, Kentucky, Maine, Maryland, Montana, Nevada, New York (non-life companies are authorized; life and health companies are not), North Carolina, North Dakota, Oklahoma, Oregon, Pennsylvania, Rhode Island, South Dakota, Tennessee, Washington, West Virginia, Wyoming.</p> <p>The following states have no mechanism for licensing initial entry of a non-US insurance company as a subsidiary, unless that company is already licensed in some other US state: Maryland,</p>	<p>3) None</p>	

	Minnesota, Mississippi, and Tennessee. After a license is obtained in some other US state, licensing and entry into the states listed above is permitted.		
	<p>The following states have no mechanism for licensing initial entry of a non-US insurance company as a branch, unless that company is already licensed in some other US state: Arkansas, Arizona, Connecticut, Georgia, Kansas, Maryland, Minnesota, Nebraska, New Jersey, North Carolina, Pennsylvania, Tennessee, Utah, Vermont, Wyoming, West Virginia. After a license is obtained in some other US state, licensing and entry into the states listed above is permitted.</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	4)Unbound, except as indicated in the horizontal section.	
<p>d)Services Auxiliary to Insurance: (applicable to sub-sectors i), ii) and iii) below)</p>	<p>1), 3) Nonresident licenses are not issued to individuals not licensed in another US state in Arkansas (agents, brokers, adjusters, consultants), Connecticut (producers/adjusters/appraisers/consultants/brokers/reinsurance intermediary), Colorado (producer, adjuster and reinsurance intermediary), California (agents/brokers), Delaware (broker/agent/reinsurance intermediary), Georgia (counsellor/adjuster), Florida (agent/broker), Hawaii, Illinois (producers/ adjusters/reinsurance intermediaries), Indiana (agent/broker), Kansas (agent/broker), Kentucky (agent/broker), Louisiana (agent/broker), Maine (agent/broker), Maryland (agent/broker/ reinsurance</p>		

	agent/reinsurance broker), Mississippi (agent/broker), Missouri (brokers), Montana (producer's license/agent/broker), Nevada (solicitor/adjuster/property bondsman/bail solicitor), New Jersey (producer's agent/broker), New Mexico (bailbondsmen/solicitors/broker agent), North Dakota (agents/brokers) Nebraska (producer's license/agent/broker), New York (reinsurance intermediary), North Carolina (reinsurance intermediary),		
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<p>i) Brokerage Services¹</p>	<p>Oregon (agent/adjuster/consultant/reinsurance intermediary), Pennsylvania (adjuster/solicitor), South Dakota (agent), Virginia (agents/brokers/consultants), West Virginia (broker/reinsurance intermediary) and Texas (agent/broker), Washington (agent/broker).</p> <p>1), 3) Brokerage licenses are not issued to non-residents in: South Dakota, Wyoming.</p> <p>Brokerage licenses are issued to non-residents for only certain lines of insurance in: Alabama (all except life, accident & health), Arkansas (property, casualty, surety & marine), California, Louisiana (property & casualty), New Mexico (property & casualty).</p> <p>All states require in-state residency for surplus lines brokers.</p> <p>2) None</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	<p>1), 3) Higher license fees for non-residents may be charged in: Alaska, Arizona, Arkansas, California, Colorado, Georgia, Indiana, Louisiana, Maine, Massachusetts, Montana, Nebraska, Nevada, New Hampshire, New Mexico, North Carolina, North Dakota, Ohio, Oklahoma, Pennsylvania, Rhode Island, South Carolina, Utah, Vermont.</p> <p>2) None</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	
<p>ii) Agency Services</p>	<p>1), 3) Agency licenses are issued to non-residents for all or only certain lines of insurance in: California, Florida (general lines, life & health), Kansas, Kentucky (general lines, life & health), Louisiana (life & health), New Mexico (life & health), Ohio (life & casualty),</p>	<p>1), 3) Higher license fees for non-residents may be charged in: Alaska, Arkansas, California, Colorado, Florida, Indiana, Iowa, Kansas, Kentucky, Louisiana, Maine, Massachusetts, Mississippi, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, North Dakota,</p>	

¹ For transparency purposes, it should be noted that brokerage firms can generally offer services in most states by obtaining licenses as "brokers" and in other states by obtaining licenses to operate as "agents". Brokerage licenses are not issued in Florida, Iowa, Kentucky, Michigan, Minnesota, Mississippi, Oregon, Tennessee, Texas, Virginia, West Virginia, Wisconsin.

	<p>Oregon, Rhode Island (all except general lines), Texas.</p> <p>All states require in-state residency for surplus lines agents.</p> <p>2) None</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	<p>Oklahoma, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Vermont, Wisconsin, Wyoming.</p> <p>2) None</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	
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<p>iii) Consultancy, Actuarial, Risk Assessment, and Claim Settlement Services</p>	<p>1), 3) Licenses are not issued to nonresidents in: Alabama (adjuster, solicitor, service representative), California (adjuster, insurance analyst, motor club agents, bail bondsman), Florida (customer representative), Georgia (counsellor, adjuster), Hawaii (adjuster, solicitor), Idaho (solicitor), Indiana (bail bondsmen), Kentucky (adjuster), Maryland (adjuster), Michigan (adjuster), Montana (adjuster), Nevada (solicitor, adjuster, property bondsman), New Mexico (solicitor), North Carolina (limited representatives, adjusters, motor vehicle damage appraisers, professional bondsmen, runners), Oklahoma (bail license), Oregon, Pennsylvania (motor vehicle damage appraiser), Washington (solicitor, adjuster), West Virginia (adjuster, solicitor), and Wyoming (adjuster, solicitor).</p> <p>In-state residency is required for licensure in: California (for adjusters; and for life and disability insurance analysts), Georgia (for inspection when not accompanied by a licensed resident adjuster), Illinois (for non-resident public adjusters who are licensed in a state which does not permit equal treatment to Illinois residents), Maryland, Mississippi (for independent adjusters), and Nevada (for appraisers and adjusters).</p>	<p>1), 3) None</p>	
	<p>US citizenship is required for licensure in: Alabama (for agents, brokers, solicitors, managing general agents and service representatives), Idaho (for agents, brokers, solicitors and surplus lines brokers), Missouri (for brokers), Nebraska (for brokers), New Mexico (for</p>		

	<p>solicitors and bailbondsmen), Ohio (for surplus lines brokers) and Oklahoma (for bail license).</p> <p>2) None</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	<p>2)None</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	
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B. FINANCIAL SERVICES
(LIMITED TO BANKING AND
OTHER FINANCIAL
SERVICES AND EXCLUDING
INSURANCE):

1. Commitments in these subsectors are undertaken in accordance with the Understanding on Commitments in Financial Services (the “Understanding”), subject to the limitations and conditions set forth in these headnotes and the schedule below.
2. The market access commitments in these subsectors in respect of modes (1) and (2), as described in paragraphs 2(a) and (b) of Article I of the Agreement, are limited to the services indicated in paragraphs B.3(c) and B.4(c) of the market access section of the Understanding, respectively. It is understood that paragraph B.4 of the Understanding does not require that non-resident financial service suppliers be permitted to solicit business, and no commitment to such solicitation is undertaken.
3. National treatment

commitments in these subsectors are subject to the following limitation: National treatment will be provided based upon the foreign bank's "home state" in the United States, as that term is defined under the International Banking Act, where that Act is applicable. A domestic bank subsidiary of a foreign firm will have its own "home state" and national treatment will be provided based upon the subsidiary's home state, as determined under applicable law.²

4. Service suppliers choosing to supply a service through a juridical person constituted under the laws of the United States are subject to non-discriminatory limitations on juridical form.³

5. The offer of new financial services or products is subject, on a non-discriminatory basis, to relevant institutional and juridical form requirements.

² Foreign banking organizations are generally subject to geographic and other limitations in the United States on a national treatment basis. Where such limitations do not conform to national treatment, they have been reserved as market access restrictions. For purposes of illustration, under this approach, the following situation does not accord national treatment and would therefore be scheduled as a limitation: a foreign bank from a particular home state is accorded less favourable treatment than that accorded to a domestic bank from that state with respect to expansion by branching.

³ For example, partnerships and sole proprietorships are generally not acceptable juridical forms for depository financial institutions in the United States.



<p>All Subsectors, except as specifically provided below</p>	<p>1),2),3) Michigan limits, according to the country of their home charters, the banks in which corporate credit unions may place deposits.</p> <p>3)All directors of a national bank must be U.S. citizens unless a national bank is an affiliate or subsidiary of a foreign bank, in which case only a majority of the board need be U.S. citizens.</p> <p>Foreign ownership of Edge corporations is limited to foreign banks and US subsidiaries of foreign banks, while domestic non-bank firms may own such corporations.</p> <p>Federal and state law do not permit a credit union, savings bank, home loan or thrift business in the United States to be provided through branches of corporations organized under a foreign country's law.</p> <p>In order to accept or maintain domestic retail deposits of less than \$100,000, a foreign bank must establish an insured banking subsidiary. This requirement does not apply to a foreign bank branch that was engaged in insured deposit-taking activities on December 19, 1991.</p>	<p>1)None</p> <p>2)None</p> <p>3)Foreign banks are required to register under the Investment Advisers Act of 1940 to engage in securities advisory and investment management services in the United States, while domestic banks are exempt from registration. The registration requirement involves record maintenance, inspections, submission of reports and payment of a fee.</p> <p>Foreign banks cannot be members of the Federal Reserve System, and thus may not vote for directors of a Federal Reserve Bank. Foreign-owned bank subsidiaries are not subject to this measure.</p>	<p>The United States undertakes the obligations contained in Additional Commitments Paper II attached hereto.</p>
	<p>Unbound with respect to paragraph 2(e) of Article XVI of the Agreement, and paragraphs A, B.5 and B.6 of the Understanding in relation to the expansion, via the establishment of a branch or the acquisition of one or more branches of a bank without acquisition of the entire bank, by a foreign bank into</p>		

	<p>another state from its “home state,” as that term is defined under applicable law. Except as specifically set forth elsewhere in this schedule, such expansion shall be provided on a national treatment basis in accordance with headnote 3.</p> <p>Interstate expansion by a foreign bank through the establishment of branches by merger with a bank located outside the “home state,” as that term is defined under applicable law, of a foreign bank is prohibited where Montana or Texas is the home state of the foreign bank or is the state where the bank is located that is to be merged into the foreign bank, resulting in the establishment of branches. Except as specifically set forth elsewhere in this schedule, such expansion shall be provided on a national treatment basis in accordance with headnote 3.</p>		
	<p>Unbound for initial entry by establishment or acquisition of state-chartered banks or state-licensed offices of foreign banks as indicated in the following forms: California (branch; also savings and loan association); Connecticut (bank or holding company; also credit union); Georgia (agency); Illinois (branch); Kentucky (subsidiary); Louisiana (agency); Massachusetts (subsidiary or branch); Michigan (agency); North Carolina (subsidiary, branch, agency, or representative office); Pennsylvania (any deposit-taking or representative bank office); Washington (branch, agency, or representative office). The limitations in this paragraph do not apply to initial</p>		

	<p>establishment or acquisition of a national bank subsidiary by a foreign person or establishment of a federal branch or agency by a foreign bank that does not already have a banking presence in the United States, or generally to interstate expansion. Such limitations may apply to interstate expansion through state-licensed limited branches, agencies, or representative offices.⁴</p>		
	<p>The following states are unbound for the specified activities: Indiana (establishment of service offices by foreign-owned credit unions); Iowa (activities of foreign-owned savings and loan associations; foreign-owned bank or trust company acting as fiduciary; use of satellite banking terminals).⁵</p> <p>Initial entry or expansion by a foreign person (but not a domestic person) through acquisition or establishment of a state-chartered commercial bank subsidiary is prohibited or otherwise limited in the following states: Alabama; Arizona; Arkansas; California (limit on foreign non-bank ownership of international banking corporation); Colorado; Delaware; Indiana; Kansas; Louisiana; Maryland; Michigan; Minnesota; Mississippi; Montana; Nebraska; Nevada; North Carolina; North Dakota; Oklahoma; Oregon; Pennsylvania; South Carolina; Tennessee; Vermont; Virginia;</p>		

⁴ The limitations in this paragraph reflect state reciprocity measures.

⁵ The limitations in this paragraph reflect state reciprocity measures.

	<p>Washington; West Virginia; Wisconsin; Wyoming. The limitations in this paragraph do not apply to establishment or acquisition of a national bank subsidiary by a foreign person that does not already have a banking presence in the United States.</p>		
	<p>The following states limit initial entry or expansion by a foreign person through acquisition or establishment of the following entities: Delaware (savings and loan associations; savings banks); Ohio (savings and loan associations; savings banks; credit unions); Tennessee (savings and loan associations; savings banks; credit unions; trust companies); Washington (savings and loan associations; savings banks; credit unions; trust companies).</p> <p>The boards of directors of depository financial institutions organized under the following states' laws are subject to U.S. citizenship requirements of up to the specified proportions: Alabama (all); Colorado (3/4); District of Columbia (all); Florida (majority); Georgia (all); Indiana (3/4); Iowa (majority); Kentucky (all); Louisiana (majority); Massachusetts (majority); Mississippi (all); Missouri (all); New Hampshire (majority); New Jersey (all); New Mexico (3/4); New York (all; applies also to trustees of mutual savings bank or savings and loan associations, and to committees of credit unions); North Carolina (3/4); North Dakota (majority); Pennsylvania (all, but may be waived); South Dakota (3/4); Tennessee (all); Vermont (2/3); West Virginia (majority); Wisconsin (2/3).</p>	<p>Texas allows pre-judgment seizure remedies and civil discovery requests to be applied against foreign bank agencies, while subsidiaries are exempt.</p> <p>The following states require direct branches or agencies of foreign banks to register under securities broker-dealer or investment adviser measures, while bank subsidiaries of foreign banks are exempt from such registration to the same extent as domestic banks incorporated in the state: Alabama; Arizona; Arkansas; California; Connecticut; Delaware; District of Columbia; Georgia; Idaho; Iowa; Kansas; Louisiana; Maryland; Mississippi; Missouri; Nebraska; New Hampshire; New Jersey; New Mexico; New York; North Carolina; Ohio; Oklahoma; Pennsylvania; South Dakota; Tennessee; Texas; Vermont; Washington. These limitations do not apply to Federally licensed branches or agencies.</p>	

	<p>U.S. citizenship is also required for the incorporators or organizers of depository financial institutions organized under state law. Residence within a state may also be required for directors, incorporators, organizers, or executive committee members of depository financial institutions organized under state law.</p> <p>U.S. citizenship is required to engage in specified activities in the following states: Arizona (collection agency); Indiana (collection agency); Illinois (safe deposits); Nevada (collection agency).</p> <p>Establishment of a branch or agency by a foreign bank is limited as specified in the following states:</p> <p>State branch license subject to certain limitations -- California (no trust/fiduciary powers); Hawaii (no trust/fiduciary powers); Massachusetts; Oregon; Pennsylvania; Utah (no trust/fiduciary powers); Washington (limited trust/fiduciary powers and restricted to one office per bank). These limitations do not apply to Federal branches.</p>	<p>The following states require direct branches or agencies of foreign banks, but not bank subsidiaries of foreign banks, to register or obtain licenses in order to engage in the following activities: Arkansas (selling checks; mortgage transactions); California (selling payment instruments); Delaware (sale or cashing of checks, drafts, money orders; motor vehicle financing; transportation of money/ valuables); Georgia (mortgage lending/brokerage, check selling/cashing); Indiana (money transmission; loan brokerage); Kansas (money transmission); Maryland (selling payment instruments, traveller's checks); Massachusetts (check selling/cashing; foreign transmittal agencies; motor vehicle financing; insurance premium financing; retail instalment sales/servicing; residential real estate mortgage financing -- license requirement applies only to agencies); North Carolina (selling checks); Oklahoma (selling checks); Pennsylvania (mortgage banking/brokerage); Tennessee (money transmission; residential lending/brokerage; industrial loan and thrift activities); Texas (currency exchange or transmission -- does not apply to Texas agencies; selling checks); Virginia (mortgage lending/brokerage; money transmission; sale of money orders; check cashing); Wisconsin (selling checks).</p>	
	<p>State branch license not available, but state agency license is available in Idaho and West Virginia.</p>		

	<p>No state branch or agency license available -- Arizona; Arkansas; Colorado; Indiana; Iowa; Minnesota; Montana; Nebraska; New Mexico; North Dakota; Oklahoma; Rhode Island; South Carolina; South Dakota; Tennessee; Vermont; Virginia; Wisconsin. These limitations do not apply to Federal offices.</p>		
	<p>Branch license not available but agency license is, subject to any specified limitations -- Delaware (state license limited to one office per bank and cannot operate in a manner likely to result in a substantial detriment to existing bank; no fiduciary powers); Florida (available only to a foreign bank with at least \$25 million in capital or that is one of five largest banks in its home country); Georgia (available only to foreign bank with at least \$50 million in excess of liabilities; no fiduciary and limited other powers); Louisiana (limited to parishes with more than 350,000 residents); Mississippi; Missouri (no fiduciary powers); Oklahoma (foreign bank must have at least \$25 million in capital or, <u>inter alia</u>, be one of five largest banks in its home country; special asset maintenance/capital equivalency rules apply, as do other restrictions); Texas (one office only, limited to metropolitan areas with at least 500,000 residents; limited fiduciary powers). Certain restrictions on fiduciary powers apply to federal agencies.</p>	<p>The following states restrict various commodities transactions by foreign bank branches and agencies, but not by other depository financial institutions: Arizona; California; Idaho; Indiana; Iowa; Mississippi; Missouri; Nebraska; New Hampshire; Washington.</p> <p>Offers and sales of securities to foreign bank branches and agencies in the following states are subject to registration/disclosure requirements that do not apply if the transaction involves other financial institutions: Illinois; Indiana; Louisiana; Montana; Nebraska; New Jersey; North Dakota; Tennessee; Texas (applies to branches and agencies of all foreign financial institutions).</p>	

	<p>No branch or state agency license available -- Wyoming.</p> <p>No branch or agency license available -- Alabama; Kansas; Maryland; North Dakota.</p> <p>Representative offices of foreign banks are not permitted in the following states, or are limited as specified: Arizona; Arkansas; Colorado; Kansas; Kentucky; Michigan; Mississippi; Montana; North Dakota; Oklahoma (foreign bank must have at least \$10 million in capital or, <i>inter alia</i>, be one of the five largest banks in its home country; special asset maintenance/capital equivalency requirements may apply); Oregon; Rhode Island; South Carolina; South Dakota; Tennessee; Vermont; Virginia; Wisconsin; Wyoming. Other states require incorporation of representative offices.</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	<p>4)Unbound, except as indicated in the horizontal section.</p>	
<p>Trading of Securities and Derivative Products and Services Related Thereto; Participation in Securities Issues</p>	<p>1), 2), 3) Federal law prohibits the offer or sale of futures contracts on onions, options contracts on onions, and options on futures contracts on onions in the United States, and services related thereto.</p> <p>Unbound for the authority to act as a sole trustee of an indenture for a bond offering in the United States.</p> <p>Unbound with respect to the use of simplified registration and periodic reporting forms for securities issued by small business corporations.</p>	<p>1), 2), 3) None</p>	

	4)Unbound, except as indicated in the horizontal section.	4)Unbound, except as indicated in the horizontal section.	
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Participation in Issues of Government Debt Securities	<p>1), 2) None</p> <p>3)Unbound for the granting or continuation of Federal Reserve designation as a primary dealer in US government debt.</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	<p>1), 2), 3) None</p> <p>4)Unbound, except as indicated in the horizontal section.</p>	
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ATTACHMENT TO THE UNITED STATES SCHEDULE

ADDITIONAL COMMITMENTS PAPER I

- (a) Taking note of principles of federalism under the United States Constitution, recognizing that insurance has been regulated at the state government level since the beginning of insurance regulation in the United States, and further recognizing the provision of the McCarran-Ferguson Act that “[t]he business of insurance...shall be subject to the laws of the several States,” the Government of the United States welcomes efforts by the National Association of Insurance Commissioners (“NAIC”) to promote the harmonization of state insurance regulation, through such steps as its Accreditation Program and the preparation of model insurance laws.
- (b) The Government of the United States notes that under Accreditation Program, the NAIC selects an independent team of auditors to review the compliance of states with the laws, regulations, and regulatory and organizational practices contained in the NAIC accreditation standards. The team reports to the NAIC, which determines whether a state qualifies for accreditation under the standards. As of October 11, 1994, 37 states were accredited by the NAIC through this program.
- (c) The Government of the United States notes that NAIC Model Laws are designed to facilitate legislative and regulatory action on common problems among the states and are intended to save duplication of effort on the part of the states. Some models are adopted by all or most of the states, so there is a harmonizing effect. Some models serve as guidelines which the states may adopt, utilize or amend to fit their individual needs. Certain models have been identified as being of such import that their adoption is necessary for states to be accredited pursuant to NAIC financial regulation standards.
- (d) The Government of the United States encourages the NAIC to continue its effort to work with state governments on these programs.
- (e) Recognizing principles of federalism, the long history of state regulation of insurance in the United States, and the McCarran-Ferguson Act, and noting the concerns of regulators who seek to further increase internationalization of their insurance markets while addressing prudential concerns, the Government of the United States:
- (i) welcomes that the NAIC in October 1993 adopted a model law on the initial entry of non-U.S. insurance providers without their prior establishment in another state, and the Government of the United States encourages the NAIC to continue and as appropriate intensify its efforts with relevant state authorities with regard to this issue;
- (ii) would welcome consideration by the NAIC, if appropriate, of the issue of the time period for review of licensing applications of insurance providers, from the perspective that regulatory authorities should make administrative decisions on completed applications of insurance providers within a reasonable time; and
- (iii) welcomes efforts by the NAIC to review with the states the question of citizenship requirements for the boards of directors of foreign insurance providers, and the Government of the United States encourages the NAIC to continue and as

appropriate intensify its efforts with relevant state authorities within regard to this issue.

- (f)The Government of the United States notes the concern raised by another Member that different state regulations for foreign insurance providers on lines of products permitted, trustee assets requirements, deposit requirements, remittance ceiling and reinsurance trust funds affect foreign insurance providers' ability to enter the insurance market of the United States.

ATTACHMENT TO THE UNITED STATES SCHEDULE

ADDITIONAL COMMITMENTS PAPER II

- (1)The Administration has expressed its support for Glass-Steagall reform on a national treatment basis and will work with Congress to achieve an appropriate framework to accomplish this objective.
 - (2)The Administration, noting that even before the adoption of the Riegle-Neal banking legislation, many states had taken action to liberalize interstate acquisitions of banks on a basis that provided national treatment to foreign banks, welcomes further initiatives by states to provide additional access on a non-discriminatory basis.
 - (3)The Government of the United States has taken action to remove impediments to the offering of securities in the United States by foreign and domestic issuers. The National Securities Markets Improvement Act of 1996 preempts state regulation of offerings of certain securities, including those listed on the New York Stock Exchange, the National Association of Securities Dealers Automated Quotation/National Market System, and securities issued by registered investment companies. This legislation eliminates duplicative state and federal securities legislation in the area of securities registration.
 - (4)Section 7(d) of the Investment Company Act authorizes the SEC to permit a foreign investment company to register and publicly offer its shares in the United States if the SEC makes the following prudential findings:
 1. that it is both legally and practically feasible for the SEC and U.S. investors effectively to enforce the provisions of the Investment Company Act against the investment company, and
 2. that it is consistent with the requirements set forth in the Investment Company Act.
 - (5)The Government of the United States notes that the Federal Reserve, working in cooperation with other domestic supervisory authorities, has established an enhanced framework for the regulation and supervision of U.S. operations of foreign banks, which endeavors to coordinate annual examinations of foreign banks and provide uniform guidance with respect to examination policies.
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