

UNDERSTANDINGS REGARDING
FINANCIAL SERVICES AND SERVICES MEASURES

April 12, 2006

The Governments of the United States of America and the Republic of Peru confirm the following understandings regarding the United States - Peru Trade Promotion Agreement signed this day (the "Agreement") and confirm that these understandings constitute an integral part of the Agreement. For greater certainty,

- (a) nothing in Article 12.6 (New Financial Services) of the Agreement prohibits a Party from requiring the issuance of a decree, resolution, or regulation by the executive branch, regulatory agencies, or central bank, in order to authorize new financial services not specifically authorized in its law;
- (b) a Party may adopt excise or other taxes levied on cross-border services to the extent such taxes are consistent with Articles 11.2 (National Treatment), 11.3 (Most-Favored-Nation Treatment), 12.2 (National Treatment), and 12.3 (Most-Favored-Nation Treatment), subject to Article 22.3 (Taxation) of the Agreement;
- (c) with respect to cross-border trade in financial services, and without prejudice to other means of prudential regulation, a Party may require the authorization of cross-border financial service suppliers of another Party and of financial instruments.
- (d) a Party may apply solvency and integrity requirements to branches of insurance companies of another Party established in its territory, including measures requiring that capital assigned to a branch and technical reserves be effectively brought into the Party's territory and converted into local currency, in accordance with the Party's law; and
- (e) without limiting the other applications or meaning of Article 12.10.2 (Exceptions), including its final sentence, Article 12.10.2 permits a Party to apply non-discriminatory exchange rate regulations of general application to the acquisition by its residents of financial services from cross-border financial service suppliers.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:

FOR THE GOVERNMENT OF THE
REPUBLIC OF PERU:
