

**DRAFT**  
**Subject to Legal Review for Accuracy, Clarity, and Consistency**  
**February 25, 2004**

**ANNEX III: FINANCIAL SERVICES NON-CONFORMING MEASURES**  
**Schedule for Honduras**

Headnotes

1. Commitments in these subsectors under the Agreement are undertaken subject to the limitations and conditions set forth in these headnotes and in Sections A and B below.
2. To clarify the Honduran commitment with respect to Article x.4 of the Agreement (Market Access), juridical persons supplying financial services and constituted under the laws of the Honduras are subject to non-discriminatory limitations on juridical form.<sup>1</sup>

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<sup>1</sup> This headnote is not itself intended to affect, or otherwise limit, a choice by a financial institution of another Party between branches or subsidiaries.

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**ANNEX III: FINANCIAL SERVICES NON-CONFORMING MEASURES**  
**Schedule for Honduras, Section A**

<b>Sector:</b>	Financial Services – Banking and Other Financial Services, Banks, And Loan Associations, Financial Companies
<b>Affected Obligations:</b>	National Treatment (Article ) Most Favored Nation Treatment (Article ) Market Access (Article )
<b>Government Level</b>	Central
<b>Measures:</b>	Ley de Instituciones del Sistema Financiero, Decreto No 170-95, Artículos 5, 17, 18 (a) y (b), y 38  Decreto No 60-99 de fecha 3 de junio de 1999
<b>Description:</b>	Foreign financial institutions must establish as corporations (sociedades anonimas), as branches, or as representative office in conformity with the above-cited measures.  Operations of branches or agencies of foreign banks is limited to the amount of capital assigned to the offices operating in Honduras Branches or agencies of foreign banks may only publish the amount of capital effectively assigned to the offices operating in the country and their respective capital reserves.  The Central Bank of Honduras shall not permit the opening of branches or agencies of foreign banks when there is no reciprocity in their country of origin. <sup>2</sup>

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<sup>2</sup> In this context, a lack of reciprocity means that the law of another country completely excludes the possibility of establishing as a foreign branch.

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**ANNEX III: FINANCIAL SERVICES NON-CONFORMING MEASURES**  
**Schedule for Honduras, Section A**

<b>Sector:</b>	Financial Services - Bureaus of Exchange
<b>Affected Obligations:</b>	National Treatment (Article 2) Market Access (Article 4)
<b>Government Level</b>	Central
<b>Measures:</b>	Ley de Casas de Cambio, Decreto No 16-92, Artículo 4
<b>Description:</b>	Currency exchange bureaus in Honduras must be constituted as public corporations.  The shareholders of currency exchange bureaus must be natural persons with Honduran nationality.

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**ANNEX III: FINANCIAL SERVICES NON-CONFORMING MEASURES**  
**Schedule for Honduras, Section A**

<b>Sector:</b>	Financial Services - Securities Exchanges
<b>Affected Obligations:</b>	Market Access (Article 4 )
<b>Government Level</b>	Central
<b>Measures:</b>	Decreto No 8- 2001, Ley de Mercado de Valores, Artículo 21
<b>Description:</b>	Security exchanges operating in Honduras must be constituted as a public corporation.

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**Schedule for Honduras, Section A**

<b>Sector:</b>	Financial Services – Securities Firms
<b>Affected Obligations:</b>	Market Access (Article 4)
<b>Government Level</b>	Central
<b>Measures:</b>	Decreto No 8- 2001, Ley de Mercado de Valores, Artículo 49
<b>Description:</b>	Securities firms in Honduras must be constituted as public corporations.

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**ANNEX III: FINANCIAL SERVICES NON-CONFORMING MEASURES**  
**Schedule for Honduras, Section A**

<b>Sector:</b>	Financial Services- Fund Administration Companies
<b>Affected Obligations:</b>	Market Access (Article 4)
<b>Government Level</b>	Central
<b>Measures:</b>	Decreto No 8-21 Ley de Mercado de Valores. Artículo 82.  Artículo 3 del Reglamento de las Sociedades Administradoras de Fondos, aprobado mediante Resolución No 171/11-02-2003
<b>Description:</b>	Fund Administration Companies in Honduras must be constituted as public corporations with the exclusive social purpose of administering one or more mutual funds and/or investment funds in accordance with the laws on that matter.

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**ANNEX III: FINANCIAL SERVICES NON-CONFORMING MEASURES**  
**Schedule for Honduras, Section A**

<b>Sector:</b>	Financial Services-Centralized Depositories for the Custody, Compensation and Liquidation of Shares
<b>Affected Obligations:</b>	Market Access (Article 4)
<b>Government Level</b>	Central
<b>Measures:</b>	Decreto No 8 –2001 Ley de Mercado de Valores, Artículos 139
<b>Description:</b>	Depositories for the custody, compensation and liquidation of shares in Honduras must be constituted as public corporations.

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<b>Sector:</b>	Financial Services- Insurance and reinsurance
<b>Affected Obligations:</b>	National Treatment (Article 2)
<b>Government Level</b>	Central
<b>Measures:</b>	<p>Decreto No 22-2001, Ley de Instituciones de Seguros y Reaseguros, Artículos 9, 21, 47, 58, 96, 97</p> <p>Artículos 4, 7, del Reglamento de Establecimientos de Sucursales de Instituciones de Seguros Extranjeras, de la Comisión Nacional de Bancos y Seguros, aprobado mediante Resolución No 948/05-08-2003, publicado en el Diario Oficial “La Gaceta” el 15 de agosto de 2003.</p> <p>Artículo 3 Reglamento de Ajustadores de pérdidas y Auxiliadores de Seguros, aprobado mediante Resolución No 947/05-08-2003 de la Comisión Nacional de Bancos y Seguros de fecha 8 de agosto de 2003, publicado en el Diario Oficial “La Gaceta” el 15 de agosto de 2003</p> <p>Artículo 7. Letra k). Resolución No 443 del 11 de diciembre de 2003.</p>
<b>Description:</b>	<p>Foreign insurance institutions that wish to establish in Honduras must deposit at least ten percent (10%) of the minimum capital of the proposed company in either the Central Bank of Honduras or invest the above amount in State securities. This deposit of 10% of the minimum capital of the proposed company will be refunded once the application is approved or resolved.</p> <p>To act as an insurance agent or broker, an individual must be a Honduran national or a resident of Honduras for at least 3 consecutive years.</p> <p>To serve as adjustors or claim liquidators, accident investigators or damage inspectors, an individual must be a Honduran national or legal resident in Honduras.</p>



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**Schedule for Honduras, Section B**

<b>Sector:</b>	Financial Services-Savings and Loan Cooperatives
<b>Affected Obligations:</b>	National Treatment (Article 2) Most Favored Nation Treatment (Article 3) Market Access (Article 4) Senior Management and Boards of Directors (Article 8)
<b>Government Level</b>	Central
<b>Description:</b>	Honduras reserves the right to adopt or maintain non-conforming measures with respect to the services of Savings and Loan Cooperatives.

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<b>Sector:</b>	All sectors
<b>Affected Obligations:</b>	Market Access (Article 4)
<b>Government Level</b>	Central
<b>Description:</b>	Honduras reserves the right to adopt or maintain measures requiring the incorporation of foreign financial institutions, other than those seeking to operate as banks or insurance companies within Honduras.