

FREE TRADE AGREEMENT
REPUBLIC OF NICARAGUA AND REPUBLIC OF CHINA (TAIWAN)

Annex III

Schedule of the Republic of China (Taiwan)

Headnotes

1. Commitments in these sub-sectors under the Agreement, are undertaken subject to the limitations and conditions set forth in these headnotes and in Sections A and B below.

2. In order to clarify the commitment of the Republic of China (Taiwan) with respect to Article 12.04, juridical persons supplying financial services and organized under the laws of the Republic of China (Taiwan) are subject to non-discriminatory limitations on juridical form.

FREE TRADE AGREEMENT
REPUBLIC OF NICARAGUA AND REPUBLIC OF CHINA (TAIWAN)

Annex III

Schedule of the Republic of China (Taiwan), Section A

Sector:	Financial Services
Subsector:	Banking
Obligations Concerned:	National Treatment (Article 12.02) Market Access (Article 12.04)
Measures:	The Banking Act and the Regulations Governing Foreign Bank Branches and Representative Offices of the Republic of China (Taiwan)
Description:	Bank Branches: The capital that foreign banks assign to their branches in the Republic of China (Taiwan) must be effectively paid and deposited in the Republic of China (Taiwan). A branch of a bank of a foreign country, established under the Banking Act and the Regulations Governing Foreign Bank Branches and Representative Offices of the Republic of China (Taiwan), will be able to grant loans on the total net worth of the parent bank rather than that of the branch in the Republic of China (Taiwan).

FREE TRADE AGREEMENT
REPUBLIC OF NICARAGUA AND REPUBLIC OF CHINA (TAIWAN)

Annex III

Schedule of the Republic of China (Taiwan), Section A

Sector:	Financial Services
Sub-sector:	Insurance and insurance related services
Obligations Concerned:	National Treatment (Article 12.02, Financial Services) Market Access (Article 12.04, Financial Services)
Measures:	Article 8 of the Regulations on Granting Special Approval and Administration of Foreign Insurance Companies of August 22, 2002
Description:	Foreign insurance enterprises applying for approval to establish branch offices in the Republic of China (Taiwan) are required to meet the following requirements: <ol style="list-style-type: none">1. to set aside a minimum working capital; and2. to post a bond at national treasury in the Republic of China (Taiwan).

FREE TRADE AGREEMENT
REPUBLIC OF NICARAGUA AND REPUBLIC OF CHINA (TAIWAN)

Annex III

Schedule of the Republic of China (Taiwan), Section A

Sector:	Financial Services
Sub-sector:	Banking and other financial services (excluding insurance, securities and futures)
Obligations Concerned:	National Treatment (Article 12.02, Financial Services) Market Access (Article 12.04, Financial Services)
Measures:	Article 72, 72-2, 74-1 and/or 75 of the "Banking Act" Articles 3, 14 and 18 of the Regulations Governing Foreign Bank Branches and Representative Offices of June 30, 2004 Article 7 of the Regulation for the Implementation of Offshore Banking Act of December 2, 2003 Article 2 of the Rules Governing Offshore Banking Branches of March 19, 1999
Description:	<u>Foreign bank branches and offshore banking branches:</u> The capital that banks established in foreign countries assign to their branches and offshore banking branches in the Republic of China (Taiwan) must be effectively paid and deposited in the Republic of China (Taiwan).

FREE TRADE AGREEMENT
REPUBLIC OF NICARAGUA AND REPUBLIC OF CHINA (TAIWAN)

Annex III

Schedule of the Republic of China (Taiwan), Section A

Sector:	Financial services
Sub-sector:	Insurance Banking and other financial services (excluding insurance)
Obligations Concerned:	Cross-border Trade (Article 12.05, Financial Services)
Measures:	Insurance: Articles 137 and 163 of Insurance Law of February 4, 2004 Banking: Articles 21, 22, 47-1, and 117 of the Banking Law of February 4, 2004 Article 3 of Offshore Banking Act of October 8, 1997 Articles 12 and 18 of Trust Enterprise Law of February 4, 2004 Article 56 of the Financial Asset Securitization Law of July 24, 2002 Article 35 of the Central Bank of China Act of June 5, 2002 Articles 13, 17 and 21 of Law Governing Bills Finance Business of February 4, 2004 Securities and futures: Article 45, 56 and 105 of Futures Trading Law of June 12, 2002 Article 18, 44, 93 and 138 of the Securities and Exchange Law of June 12, 2002 Article 63 of the Securities Investment Trust and Consulting Act of June 30, 2004
Description:	Financial services providers may not conduct business in the Republic of China (Taiwan) without a proper business license, except: 1. provision and transfer of financial information, and financial data processing and related software;

FREE TRADE AGREEMENT
REPUBLIC OF NICARAGUA AND REPUBLIC OF CHINA (TAIWAN)

2. reinsurance and retrocession services and insurance auxiliary services ;
3. direct insurance and insurance broker services on (a) international maritime shipping and commercial aviation, and (b) goods in international transit.
4. other activities as approved by the governing authority from time to time.

Any entities or persons located in the Republic of China (Taiwan) are allowed to consume financial services abroad, except:

1. direct insurance services, excluding individual life insurance;
2. insurance intermediation services.

FREE TRADE AGREEMENT
REPUBLIC OF NICARAGUA AND REPUBLIC OF CHINA (TAIWAN)

Annex III

Schedule of the Republic of China (Taiwan), Section B

Sector: Financial services

Obligations Concerned: National Treatment (Article 12.02, Financial Services)

Description: Republic of China (Taiwan) reserves the right to accord benefits to financial institutions or public entities wholly or majority owned by the State that supply financial services and are established with a public interest purpose, including but not limited to agriculture production finance, housing credits for low income families, and credits for small and midsize enterprises.

Such benefits shall not disadvantage the core operations of commercial competitors and include, but are not limited to: extension of state guarantees, tax exemptions, exceptions to the usual juridical form requirements, and the legal requirements to begin operations.