

ANNEX 12D
FINANCIAL SERVICES COMMITTEE

Authorities Responsible for Financial Services

1. The authorities responsible for financial services are:
 - (a) for Korea, the *Ministry of Strategy and Finance* and the *Financial Services Commission*, or their successors; and
 - (b) for Peru, the *Ministry of Economy and Finance (Ministerio de Economía y Finanzas)*, or its successors, in coordination with financial regulators.

Elaboration of the Agenda of the Financial Services Committee

2. The Parties anticipate discussing a range of issues in the Financial Services Committee, including measures adopted or maintained by central, regional and local levels of government that affect the supply of financial services by financial institutions or financial service suppliers of either Party. Prior to any meeting of the Committee, the authorities specified in paragraph 1 will provide their counterparts with a list of financial services issues for consideration of the Committee, including any concerns of financial institutions or financial service suppliers that a Party chooses to raise.

**UNDERSTANDING REGARDING
FINANCIAL SERVICES AND SERVICES MEASURES**

The Parties confirm the following understandings regarding this Agreement and confirm that this understanding constitutes an integral part of this Agreement. For greater certainty,

- (a) the Parties confirm that, with respect to cross-border trade in financial services, and without prejudice to other means of prudential regulation, a Party may require the registration or authorization of cross-border financial services suppliers of the other Party and of financial instruments.

The Parties further confirm that, without prejudice to other means of prudential regulation, a Party may require a cross-border financial service supplier of the other Party to provide information, solely for informational or statistical purposes, on the financial services it has supplied in the territory of the Party. The Party shall protect such business information that is confidential from any disclosure that would prejudice the competitive position of the supplier;

- (b) nothing in Article 9.6 (Senior Management and Boards of Directors) limits a Party's ability to require the chief executive officer of a financial institution established under its laws to reside within its territory;
- (c) a Party may apply solvency and integrity requirements to branches of insurance companies of the other 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;
- (d) notwithstanding Article 12.6 (New Financial Services), a Party may issue a decree, resolution, or regulation by the executive branch, regulatory agencies, or central bank, to the extent that such decree, resolution, or regulation is necessary for authorization of new financial services not specifically authorized in its law;
- (e) the Parties recognize the importance of the cross-border transfer of information by financial service suppliers. Korea has expressed its intent to undertake modification to its regulatory regime that will result in its adoption of approaches that will permit the transfer of financial information across borders while addressing such areas as the protection of sensitive information of consumers, prohibitions on unauthorized reuse of the sensitive information, the ability of financial regulators to have access to records of financial service suppliers related to the handling of such information, and requirements for the location of technology facilities;
- (f) without prejudice to other means of prudential regulation, the Parties understand that Peru may have or adopt similar measures to those included in Appendix III-A that:

- (i) are not inconsistent with Article 12.4 (Market Access for Financial Institutions). Any revision, amendment, or modification of those measures or related laws will not be construed to be inconsistent with Article 12.4 to the extent that it does not conflict with the spirit of the original measure; and
 - (ii) fall within paragraph 1 of Article 12.10 (Exceptions). Therefore, Article 12.2 (National Treatment) does not prevent Peru from maintaining them. Any revision, amendment, or modification of those measures or related laws will also fall within the ambit of paragraph 1 of Article 12.10 (Exceptions); and
- (g) the Parties confirm that the following entities, as currently structured, are covered by Chapter Twelve (Financial Services), but shall not be considered financial institutions for purposes of that Chapter: Korea Deposit Insurance Corporation (KDIC), Resolution and Finance Corporation, Export-Import Bank of Korea, Korea Export Insurance Corporation, Korea Technology Credit Guarantee Fund, Credit Guarantee Fund, Korea Asset Management Corporation (KAMCO), and Korea Investment Corporation (KIC).