

**UNDERSTANDINGS REGARDING FINANCIAL SERVICES AND SERVICES MEASURES**

November 22, 2006

The Governments of the United States of America and the Republic of Colombia confirm the following understandings regarding the United States - Colombia 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, and 12.3, 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, 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 COLOMBIA:

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