

**ANNEX III**  
**EXPLANATORY NOTES**

1. The commitments of a Party under Chapter 9 (Financial Services)<sup>1</sup> are undertaken subject to these Explanatory Notes and the Party's Schedule to this Annex.
2. The Schedule of a Party to this Annex sets out pursuant to Article 9.10 (Non-Conforming Measures – Financial Services):
  - (a) in Section A, a Party's existing measures that are not subject to some or all of the obligations imposed by:
    - (i) Article 9.5 (National Treatment – Financial Services);
    - (ii) Article 9.6 (Market Access – Financial Services);
    - (iii) Article 9.7 (Local Presence – Financial Services);
    - (iv) Article 9.8 (Most-Favoured-Nation Treatment – Financial Services); or
    - (v) Article 9.9 (Senior Management and Boards of Directors – Financial Services); and
  - (b) in Section B, the specific sectors, sub-sectors, or activities for which a Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
    - (i) Article 9.5 (National Treatment – Financial Services);
    - (ii) Article 9.6 (Market Access – Financial Services);
    - (iii) Article 9.7 (Local Presence – Financial Services);
    - (iv) Article 9.8 (Most-Favoured-Nation Treatment – Financial Services); or
    - (v) Article 9.9 (Senior Management and Boards of Directors – Financial Services).
3. Each Schedule entry in Section A sets out the following elements:
  - (a) “Sector” refers to the sector for which the entry is made;

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<sup>1</sup> This includes the commitments set out in Annex 9A (Cross-Border Trade in Financial Services).

- (b) “Sub-sector”, where referenced, refers to the specific sub-sector for which the entry is made;
  - (c) “Obligations concerned” specifies the obligations referred to in paragraph 2 that, pursuant to Article 9.10 (Non-Conforming Measures – Financial Services), do not apply to the listed measure(s) as indicated in the introductory note for each Party’s Schedule;
  - (d) “Level of government” indicates the level of government maintaining the listed measures;
  - (e) “Measures” identifies the laws, regulations, or other measures for which the entry is made. A measure cited in the Measures element:
    - (i) means the measure as amended, continued, or renewed as of the date of entry into force of this Agreement; and
    - (ii) includes any subordinate measure adopted or maintained under the authority of and consistent with the measure; and
  - (f) “Description”, as indicated in the introductory note for each Party’s Schedule, either sets out the non-conforming measure or provides a general non-binding description of the measure for which the entry is made.
4. Each Schedule entry in Section B sets out the following elements:
- (a) “Sector” refers to the sector for which the entry is made;
  - (b) “Sub-sector”, where referenced, refers to the specific sub-sector for which the entry is made;
  - (c) “Obligations concerned” specifies the obligations referred to in paragraph 2 that, pursuant to Article 9.10 (Non-Conforming Measures – Financial Services), do not apply to the sectors, sub-sectors, or activities listed in the entry;
  - (d) “Level of government” indicates the level of government adopting or maintaining the listed measures;
  - (e) “Description” sets out the scope or nature of the sectors, subsectors, or activities covered by the entry to which the reservation applies; and
  - (f) “Existing measures”, where specified, identifies, for transparency purposes, a non-exhaustive list of existing measures that apply to the sectors, sub-sectors, or activities covered by the entry.

5. In the interpretation of a Schedule entry in Section B, all elements of the entry shall be considered. The “Description” element shall prevail over all other elements.
6. For the purposes of the Schedules of Australia and the United Kingdom, an entry for a requirement to have a local presence in the territory of Australia or the United Kingdom is made against Article 9.7 (Local Presence – Financial Services), and not against Article 9.5 (National Treatment – Financial Services) or Article 9.6 (Market Access – Financial Services).
7. For greater certainty, measures falling under exceptions applicable to this Chapter, such as those in Article 9.3 (Prudential Exception – Financial Services) and Article 9.4 (Specific Exceptions – Financial Services), need not be scheduled. The listing of a measure in a Party’s Schedule is without prejudice to whether that measure or any other measure adopted or maintained by a Party is covered by exceptions such as those in Article 9.3 (Prudential Exception – Financial Services) and Article 9.4 (Specific Exceptions – Financial Services).
8. For greater certainty, without prejudice to other means of prudential regulation of cross-border supply in financial services, a Party may require the non-discriminatory registration or licensing of cross-border financial service suppliers of the other Party or of financial instruments.
9. A financial service supplier of a Party is only permitted to solicit<sup>2</sup> in the territory of the other Party, consistent with the other Party’s domestic laws and regulations.

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<sup>2</sup> Solicit includes inducing a person in the territory of the other Party to use the financial services provided by the financial service supplier.