

ANNEX IV

Non-Conforming Measures: of Australia

1. A Party's Schedule to this Annex sets out, pursuant to Articles 13.9 (Non-Conforming Measures), the specific sectors, sub-sectors or activities for which that Party may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:
 - (a) Article 13.2 (National Treatment);
 - (b) Article 13.3 (Most-Favoured-Nation Treatment);
 - (c) Article 13.4 (Market Access for Financial Institutions);
 - (d) Article 13.5 (Cross-Border Trade); and
 - (e) Article 13.6 (Senior Management and Boards of Directors).

2. Each Schedule entry sets out the following elements:
 - (a) **Sector** refers to the general sector in which the entry is made;
 - (b) **Obligations Concerned** specifies the obligation(s) referred to in paragraph 1 that, pursuant to Articles 13.9 (Non-Conforming Measures), do not apply to the sectors, sub-sectors or activities listed in the entry;
 - (c) **Description** sets out the scope of the sector, sub-sector or activities to which the entry is made; and
 - (d) **Existing Measures** identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the entry.

3. In accordance with Articles 13.9 (Non-Conforming Measures), the articles of this Agreement specified in the "obligations concerned" element of an entry do not apply to the sectors, sub-sectors and activities identified in the description element of that entry.

DRAFT
SUBJECT TO LEGAL REVIEW FOR ACCURACY, CLARITY, AND CONSISTENCY
MARCH 1, 2004

Sector: Financial services

**Obligations
Concerned:** National treatment

Description: Australia reserves the right to adopt or maintain any measure¹ with respect to the guarantee by the Commonwealth government of Commonwealth-owned entities which may conduct financial operations.

**Existing
Measures:**

¹ That is, measures that would be excluded from the application of Chapter Thirteen (Financial Services) under Article 1.3(b), except for the application of Australia's policy on competitive neutrality which in general allows competition and avoids providing a net competitive advantage to an entity by virtue of its public sector ownership.