Description: The Republic of Peru may grant advantages or exclusive rights, without limitation, to one or more of the following financial entities, so long as they are partially or fully owned by the State: *Corporación Financiera de Desarrollo*(COFIDE), *Banco de la Nación, Banco Agropecuario, Fondo Mi Vivienda, Cajas Municipales de Ahorro y Crédito,* and the *Caja Municipal de Crédito Popular*.

Examples of such advantages are the following[3]:

- The *Banco de la Nación* and *Banco Agropecuario* are not required to diversify their risk; and

- The *Cajas Municipales de Ahorro y Crédito* may directly sell collateral they repossess in cases of loan default, in accordance with pre-established procedures.

[3] For greater certainty, the Parties understand that the advantages or exclusive right that the Republic of Peru may grant to the specified entities are not limited only to the cited examples.

Annex II

Section 1
Schedule of Japan

1. The Schedule of Japan sets out, pursuant to paragraph 2 of Article 8, the reservations taken by Japan with respect to specific sectors, sub-sectors or activities for which it may maintain existing, or adopt new or more restrictive, measures that do not conform with obligations imposed by:

(a) Article 3 (National Treatment);

(b) Article 4 (Most Favoured Nation Treatment);

(c) Article 6 (Prohibition of Performance Requirements); or

(d) Article 12 (Senior Management and Boards of Directors).

2. Each reservation sets out the following elements:

(a) "Sector" refers to the general sector in which the reservation is taken;

(b) "Sub-Sector" refers to the specific sector in which the reservation is taken;

(c) "Industry Classification" refers, where applicable, and only for transparency purposes, to the activity covered by the reservation according to domestic or international industry classification codes;

(d) "Type of Reservation" specifies the obligations referred to in paragraph 1 for which the reservation is taken;

(e) "Description" sets out the scope of the sector, sub-sector or activities covered by the reservation; and

(f) "Existing Measures" identifies, for transparency purposes, existing measures that apply to the sector, sub-sector or activities covered by the reservation.