11	Sector:	Finance
	Sub-Sector:	Financial Services
	Industry Classification:	
	Type of Reservation:	Most Favored Nation Treatment (Article 3)
	Description:	Colombia reserves the right to adopt or maintain any measure that accords treatment inconsistent with most-favored-nation treatment under any bilateral or multilateral international agreement in effect or signed before the date of entry into force of this Agreement. In accordance with the prior paragraph, Colombia reserves the right to adopt or maintain any measure that accords treatment inconsistent with most-favored-nation treatment, for the purpose of complying with the Cartagena Agreement and judicial decisions of the Andean Community.
	Existing Measures:	

Annex III
referred to in Article 11

1. The Contracting Parties confirm their shared understanding that paragraph 1 of Article 11 addresses the following two situations:

(a) the first situation is direct expropriation, where investments are nationalized or otherwise directly expropriated through formal transfer of title or outright seizure; and

(b) the second situation is indirect expropriation, where a measure or a series of measures of a Contracting Party has an effect equivalent to direct expropriation without formal transfer of title or outright seizure.

2. The determination of whether a government measure or a series of government measures of a Contracting Party, in a specific fact situation, constitutes an indirect expropriation requires a case-by-case, fact-based inquiry that considers, among other factors:

(a) the economic impact of the government measure or series of government measures, although the fact that such measure or series of such measures has an adverse effect on the economic value of investments, standing alone, does not establish that an indirect expropriation has occurred;

(b) the extent to which the government measure or series of government measures interferes with distinct and reasonable expectations arising out of investments;

(c) the character of the government measure or series of government measures, including whether such measure is non-discriminatory; and

(d) the objectives of the government measure or series of government measures including whether such measure is taken for legitimate public objectives.

3. Except in such circumstances as when a measure or a series of measures is so severe in the light of their purpose that they cannot be reasonably viewed as having been adopted and applied in good faith, non-discriminatory measures of a Contracting Party that are designed and applied to protect legitimate public welfare objectives in accordance with paragraph 1 of Article 15 do not constitute indirect expropriation.