4. Article 8.11 (Local Presence) shall not apply to services covered by this Annex.

5. In the event of any inconsistency between this Annex and any other provision in this Agreement, this Annex shall prevail to the extent of the inconsistency.

Article 3: New Financial Services

1. Each host Party shall endeavour to permit financial institutions of another Party established in the territory of the host Party to supply a new financial service in the territory of the host Party that the host Party would permit its own financial institutions, in like circumstances, to supply without adopting a law or modifying an existing law.[2]

2. Where an application is approved, the supply of the new financial service is subject to relevant licensing, institutional or juridical form, or other requirements of the host Party.

Article 4: Prudential Measures

Notwithstanding any other provision of this Agreement, a Party shall not be prevented from adopting or maintaining measures for prudential reasons,[3] including for the protection of investors, depositors, policy-holders, or persons to whom a fiduciary duty is owed by a financial service supplier, or to ensure the integrity and stability of the financial system. Where such measures do not conform with the provisions of this Agreement, they shall not be used as a means of avoiding the Party's commitments or obligations under this Agreement.

Article 5: Treatment of Certain Information

Nothing in this Agreement shall be construed to require a Party to disclose information relating to the affairs and accounts of individual customers, or any confidential or proprietary information in the possession of public entities.

Article 6: Recognition

1. A Party may recognise prudential measures of any international standard-setting body, another Party, or a non-Party in determining how its measures relating to financial services shall be applied.[4] Such recognition, which may be achieved through harmonisation or otherwise, may be based on an agreement or arrangement with the international standard-setting body, other Party, or non-Party concerned, or may be accorded autonomously.

2. A Party that is party to an agreement or arrangement referred to in paragraph 1, whether existing or future, shall afford adequate opportunity for other interested Parties, to negotiate their accession to such an agreement or arrangement, or to negotiate comparable ones with it, under circumstances in which there would be equivalent regulation, oversight, implementation of such regulation, and, if appropriate, procedures concerning the sharing of information between the parties to the agreement or arrangement.

3. Where a Party accords recognition autonomously, it shall afford adequate opportunity for any other Party to demonstrate that the circumstances referred to in paragraph 2 exist.

Article 7: Transparency

1. The Parties recognise that transparent measures governing the activities of financial service suppliers are important in facilitating their ability to gain access to, and operate in, each other's markets. Each Party commits to promote regulatory transparency in financial services.

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[2] For greater certainty, a Party may issue a new regulation or other subordinate measure in permitting the supply of the new financial service.

[3] The Parties understand that "prudential reasons" includes the maintenance of the safety, soundness, integrity, or financial responsibility of individual financial institutions or financial service suppliers, as well as the safety and financial and operational integrity of payment and clearing systems.

[4] For greater certainty, nothing in Article 8.6 (Most-Favoured-Nation Treatment) shall be construed to require a Party to accord such recognition to prudential measures of any other Party.