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### DRAFT

CONFIDENTIAL August 27, 1992

#### CHAPTER 21

#### INVESTMENT

## Article 2101: Scope

- This Chapter applies to measures adopted or maintained by a Party relating to:
  - investments of investors of another Party in the territory of the Party existing at the time of entry into force of this Agreement as well as to investments made or acquired thereafter by such investors;
  - investors of another Party; and
  - with respect to article 2108, all investments in the territory of the Party. c)
- A Party has the right to perform exclusively the economic activities set forth in Annex C and to refuse to permit the establishment of investment in such activities.
- This Chapter shall not apply to [financial services except as provided in the Chapter on Financial Services. 11
- Nothing in this Chapter shall be construed to prevent a Party from providing functions or services such as law enforcement, correctional services, income security or insurance, social security or insurance, social welfare, public education, public training. health, and child care, in a manner that is not inconsistent with this Chapter.

## **Article 2102: Environmental Measures**

- Nothing in this Chapter shall be construed to prevent a Party from adopting, maintaining, or enforcing any measure, otherwise consistent with this Chapter, that it considers appropriate to ensure that investment activity in its territory is undertaken in a manner sensitive to environmental concerns.
- The Parties recognize that it is inappropriate to encourage investment by relaxing domestic health, safety or environmental measures. Accordingly, a Party should not waive or otherwise derogate from, or offer to waive or otherwise derogate from, such measures as an encouragement for the establishment, acquisition, expansion, or retention in its territory of an investment of an investor. If a Party considers that another Party has offered such an encouragement, it may request consultations with the other Party and the two Parties shall consult with a view to avoiding any such encouragement.

# TREATMENT OF INVESTORS AND INVESTMENTS

# Article 2103: National Treatment

Mexico will confirm deletion of this paragraph.