

Draft as February 9, 2007
Subject to legal review for accuracy, clarity, and consistency.

[DATE]

The Honorable Susan C. Schwab
United States Trade Representative
Washington, D.C.

Dear Ambassador Schwab:

I have the honor to refer to the United States – Panama Trade Promotion Agreement between our Governments signed this day (the “Agreement”) and to discussions between the representatives of our Governments in the course of negotiations regarding Chapter Twleve (Financial Services) of the Agreement.

I have the further honor to confirm the Parties’ shared understanding regarding the interpretation of Article 26 of Law No. 59 of 1996, which regulates the conduct of Insurance and Insurance related services in the Republic of Panama, and is referenced in Annex III, Section A, Insurance Sector, which is as follows:

Maintenance or renewal of life and health insurance policies is permitted with respect to policies lawfully contracted, prior to the purchaser’s obtaining status as a temporary or permanent resident in Panama and in accordance with the law of the jurisdiction in which the policy is purchased, with an insurance company not licensed to operate in Panama.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments, which shall enter into force on the date of entry into force of the agreement.

Sincerely,

Alejandro Ferrer

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The Honorable Alejandro Ferrer
Minister of Trade and Industries
Republic of Panama

Dear Minister Ferrer:

I am pleased to acknowledge your letter of today's date, which reads as follows:

“[insert text of incoming letter]”

I have the honor to confirm that the understanding referred to in your letter is shared by my Government, and that your letter and this reply shall constitute an agreement between our Governments.

Sincerely,

Susan C. Schwab