

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

[DATE]

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

Dear Minister Ferrer:

We 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 Twelve (Financial Services) of the Agreement.

We have the further honor to confirm the Parties’ shared understanding that:

For greater certainty, the most-favored-nation treatment obligation under Article 12.3.1 applies with respect to the supply by cross-border financial service suppliers of any of the financial services listed in the definition of financial service in Article 12.20 of Chapter Twelve (Financial Services) of the Agreement, and nothing in Article 12.5.1 limits that obligation.

We have the honor to propose that this letter and your letter in reply confirming that your Government shares this understanding shall constitute an integral part of the Agreement.

Sincerely,

Susan C. Schwab  
United States Trade Representative

Clay Lowery  
Assistant Secretary for  
International Affairs  
U.S. Department of Treasury

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

The Honorable Clay Lowery  
Assistant Secretary for International Affairs  
Department of Treasury  
Washington, D.C.

Dear Ambassador Schwab and Mr. Lowery:

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 my Government shares the understanding expressed in your letter and to confirm that your letter and this letter in reply shall constitute an integral part of the Agreement.

Sincerely,

Alejandro Ferrer