[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 of the Agreement.

We have the further honor to confirm the understanding of the Government of the United States of America that:

    The Parties recognize that Panama is still in the process of developing regulations for private pension funds. In addition, the Parties recognize that governments frequently impose criteria, some of which may be prudential in nature, upon the establishment and maintenance of pension funds. The Parties confirm that nothing in Chapter 12 prevents a Party from developing new laws and regulations, not inconsistent with Chapter 12, affecting financial services related to pension funds.

We would be grateful if, by a letter of confirmation in reply, you would confirm that this understanding is shared by your Government.

Sincerely,

Susan C. Schwab  
United States Trade Representative  

Clay Lowery  
Assistant Secretary for International Affairs  
U.S. Department of Treasury
The Honorable Susan C. Schwab  
United States Trade Representative  
Washington, D.C.

The Honorable Clay Lowery  
Assistant Secretary for International Affairs  
Department of the 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 the understanding referred to in your letter is shared by my Government.

Sincerely,

Alejandro Ferrer