

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 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

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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 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