

No. 50895

**United States of America
and
Panama**

**Investment Incentive Agreement between the Government of the United States of America
and the Government of the Republic of Panama. Panama City, 19 April 2000**

Entry into force: *12 July 2000 by notification, in accordance with article 5*

Authentic texts: *English and Spanish*

Registration with the Secretariat of the United Nations: *United States of America, 18 June
2013*

**États-Unis d'Amérique
et
Panama**

**Accord de promotion des investissements entre le Gouvernement des États-Unis d'Amérique
et le Gouvernement de la République du Panama. Panama, 19 avril 2000**

Entrée en vigueur : *12 juillet 2000 par notification, conformément à l'article 5*

Textes authentiques : *anglais et espagnol*

Enregistrement auprès du Secrétariat de l'Organisation des Nations Unies : *États-Unis
d'Amérique, 18 juin 2013*

[ENGLISH TEXT – TEXTE ANGLAIS]

INVESTMENT INCENTIVE AGREEMENT
BETWEEN
THE GOVERNMENT OF THE UNITED STATES OF AMERICA
AND
THE GOVERNMENT OF THE REPUBLIC OF PANAMA

THE GOVERNMENT OF THE UNITED STATES OF AMERICA and THE GOVERNMENT OF THE REPUBLIC OF PANAMA;

AFFIRMING their common desire to encourage economic activities in the Republic of Panama that promote the development of the economic resources and productive capacities of the Republic of Panama; and

RECOGNIZING that this objective can be promoted through investment support in the form of investment insurance and reinsurance, debt and equity investments, and investment guaranties provided by the Overseas Private Investment Corporation (“OPIC”), a development institution and an agency of the United States of America which agency is created by the Congress of the United States of America pursuant to the Foreign Assistance Act of 1961, as amended;

HAVE AGREED as follows:

ARTICLE 1

As used in this Agreement, the following terms have the meanings herein provided.

The term “Investment Support” refers to any debt or equity investment, any investment guaranty and any investment insurance or reinsurance which is provided by the Issuer in connection with a project in the territory of the Republic of Panama.

The term “Issuer” refers to OPIC and any successor agency of the United States of America, and any agent of either.

The term “Taxes” means all present and future taxes, levies, imposts, stamps, duties and charges, whether direct or indirect, imposed in the Republic of Panama and all liabilities with respect thereto.

ARTICLE 2

The two Governments confirm their understanding that the Issuer's activities are governmental in nature and therefore:

(a) The Issuer shall not be subject to regulation under the laws of the Republic of Panama applicable to insurance or financial organizations, but, in the provision of Investment Support, shall be afforded all rights and have access to all remedies of any such entity, whether domestic, foreign, or multilateral.

(b) The Issuer, its assets, property, income, and its operations and transactions authorized by this Agreement shall be immune from all Taxes, as well as from liability for the collection and payment of any Taxes.

(c) If the Issuer makes a payment to any person or entity, or exercises its rights as a creditor or subrogee, in connection with any Investment Support, the Government of the Republic of Panama shall recognize the transfer to, or acquisition by, the Issuer of any cash, accounts, credits, instruments, or other assets in connection with such payment or the exercise of such rights, as well as the succession of the Issuer to any right, title, claim, privilege, or cause of action existing, or which may arise, in connection therewith. To the extent that the laws of the Republic of Panama partially or wholly invalidate or prohibit the acquisition by the Issuer of any interest in any property, including real property, within the territory of the Republic of Panama by the Issuer, the Government of the Republic of Panama shall permit the Issuer to make appropriate arrangements pursuant to which such property interests are transferred to an entity that is permitted to own such interests under the laws of the Republic of Panama.

(d) With respect to any interests transferred to the Issuer or any interests to which the Issuer succeeds under this Article, the Issuer shall assert no greater rights than those of the person, natural or legal, from whom such interests were received, provided that nothing in this Agreement shall limit the right of the Government of the United States of America to assert a claim under international law in its sovereign capacity, as distinct from any rights it may have as the Issuer pursuant to paragraph (c) of this Article.

ARTICLE 3

(a) Amounts in the currency of the Republic of Panama, including cash, accounts, credits, instruments, or otherwise, acquired by the Issuer upon making a payment, or upon the exercise of its rights as a creditor, in connection with any Investment Support for a project in the Republic of Panama, shall be accorded treatment in the territory of the Republic of Panama no less favorable as to use and conversion than the treatment to which such funds would have been entitled in the hands of the person or entity from which such amounts were acquired.

(b) Such currency and credits may be transferred by the Issuer to any person or entity and upon such transfer shall be freely available for use by such person or entity in the territory of the Republic of Panama in accordance with its laws.

ARTICLE 4

(a) Any dispute between the Government of the United States of America and the Government of the Republic of Panama regarding the interpretation of this Agreement or which, in the opinion of either party hereto, presents a question of international law arising out of any project or activity for which Investment Support has been provided shall be resolved, insofar as possible, through negotiations between the two Governments. If, six months following a request for negotiations hereunder, the two Governments have not resolved the dispute, the dispute, including the question of whether such dispute presents a question of international law, shall be submitted, at the initiative of either Government, to an arbitral tribunal for resolution in accordance with paragraph (b) of this Article.

(b) The arbitral tribunal referred to in paragraph (a) of this Article shall be established and shall function as follows:

(i) Each Government shall appoint one arbitrator. These two arbitrators shall by agreement designate a president of the tribunal who shall be a citizen of a third state and whose appointment shall be subject to acceptance by the two Governments. The arbitrators shall be appointed within three months, and the president within six months, of the date of receipt of either Government's request for arbitration. If the appointments are not made within the foregoing time limits, either Government may, in the absence of any other agreement, request the Secretary-General of the International Centre for the Settlement of Investment Disputes to make the necessary appointment or appointments. Both Governments hereby agree to accept such appointment or appointments.

(ii) Decisions of the arbitral tribunal shall be made by majority vote and shall be based on the applicable principles and rules of international law. Its decision shall be final and binding.

(iii) During the proceedings, each Government shall bear the expense of its arbitrator and of its representation in the proceedings before the tribunal, whereas the expenses of the president and other costs of the arbitration shall be paid in equal parts by the two Governments. In its award, the arbitral tribunal may reallocate expenses and costs between the two Governments.

(iv) In all other matters, the arbitral tribunal shall regulate its own procedures.

ARTICLE 5

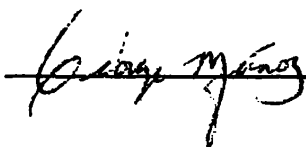
(a) This Agreement shall enter into force on the date on which the Government of the Republic of Panama notifies the Government of the United States of America that all legal requirements for entry into force of this Agreement have been fulfilled. Upon so entering into force, this Agreement shall replace and supercede the Agreement between the United States of America and the Republic of Panama on the Guaranty of Private Investments, effected by exchange of notes signed at Washington, January 23, 1961, and any matter relating to Investment Support or otherwise pending under such agreement shall be treated or disposed of under the terms of this Agreement.

(b) This Agreement shall continue in force until six months from the date of a receipt of a note by which one Government informs the other of an intent to terminate this Agreement. In such event, the provisions of this Agreement shall, with respect to Investment Support provided while this Agreement was in force, remain in force so long as such Investment Support remains outstanding, but in no case longer than twenty years after the termination of this Agreement.

IN WITNESS WHEREOF, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

DONE at Panama City, Panama, on the 19th day of April 2000, in duplicate, in the English and Spanish languages, both texts being equally authentic.

FOR THE GOVERNMENT OF
THE UNITED STATES OF AMERICA:



FOR THE GOVERNMENT OF
THE REPUBLIC OF PANAMA:

