

**SIDE LETTER ON THE WORK PROGRAM ON INVESTOR-STATE DISPUTE
SETTLEMENT AND PUBLIC DEBT**

26 January 2022

The Honorable Gan Kim Yong
Minister for Trade and Industry
Republic of Singapore

Dear Minister Gan

In connection with the signing of the *Pacific Alliance – Singapore Free Trade Agreement* (“the Agreement”),¹ I have the honour to confirm the following understanding reached by the Government of the Republic of Peru and the Government of the Republic of Singapore (each one referred hereinafter as a “Party” and collectively as “the Parties”) during the negotiation of Chapter 8 (Investment) of the Agreement:

1. No investor² of Peru or Singapore shall have recourse to the dispute settlement mechanism under Chapter 8 (Investment), Section B (Settlement of Disputes between a Party and an Investor of another Party) of the Agreement.
2. In case of any dispute between a Party and an investor of the other Party that would otherwise be subject to the Chapter 8 (Investment), Section B (Settlement of Disputes between a Party and an Investor of another Party) of the Agreement, and provided that the same dispute may not be settled within the framework of another agreement between the Party and the State of the investor involved in the dispute, it is understood that such dispute may only be resolved through consultations or negotiations. This may include the use of non-binding third party procedures, such as good offices, conciliation or mediation. A request for consultations and negotiations shall be made in writing and set out a brief description of facts regarding the measure or measures at issue.
3. Unless otherwise agreed, no later than one year after the entry into force of the Agreement, the Parties shall initiate consultations on a mutually advantageous basis for the review of the application of Chapter 8 (Investment), Section B (Settlement of

¹ For greater certainty, the Pacific Alliance - Singapore Free Trade Agreement refers to the agreement signed between the State Parties to the Pacific Alliance Framework Agreement and Singapore in Bogota, Colombia, on 26th January 2022.

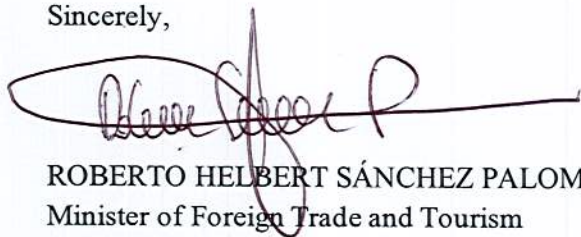
² For greater certainty, an investor has the same meaning as in the Agreement.

Disputes between a Party and an Investor of another Party) of the Agreement. The outcome of the consultations is subject to agreement by the Parties.

4. *No later than three years after the entry into force of this Agreement, the Parties shall initiate consultations regarding the scope of application of Chapter 8 (Investment) related to public debt instruments. The outcome of the consultations is subject to agreement by the Parties.*

I have the honour to propose that this letter, equally authentic in Spanish and English languages, and your letter of confirmation in reply, shall constitute an understanding between the Parties as an integral part of the Agreement for Peru and Singapore.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Roberto Sánchez P.', with a large, sweeping horizontal stroke extending to the right.

ROBERTO HELBERT SÁNCHEZ PALOMINO
Minister of Foreign Trade and Tourism
Republic of Peru

**SIDE LETTER ON THE WORK PROGRAM ON INVESTOR-STATE DISPUTE
SETTLEMENT AND PUBLIC DEBT**

26 January 2022

The Honorable Roberto Helbert Sánchez Palomino
Minister of Foreign Trade and Tourism
Ministry of Foreign Trade and Tourism
Republic of Peru

Dear Minister Sánchez:

I have the honor to acknowledge receipt of your letter of 26 January 2022, which reads as follows:

“In connection with the signing of the *Pacific Alliance – Singapore Free Trade Agreement* (“the Agreement”),¹ I have the honour to confirm the following understanding reached by the Government of the Republic of Peru and the Government of the Republic of Singapore (each one referred hereinafter as a “Party” and collectively as “the Parties”) during the negotiation of Chapter 8 (Investment) of the Agreement:

1. *No investor² of Peru or Singapore shall have recourse to the dispute settlement mechanism under Chapter 8 (Investment), Section B (Settlement of Disputes between a Party and an Investor of another Party) of the Agreement.*
2. *In case of any dispute between a Party and an investor of the other Party that would otherwise be subject to the Chapter 8 (Investment), Section B (Settlement of Disputes between a Party and an Investor of another Party) of the Agreement, and provided that the same dispute may not be settled within the framework of another agreement between the Party and the State of the investor involved in the dispute, it is understood that such dispute may only be resolved through consultations or negotiations. This may include the use of non-binding third party procedures, such as good offices, conciliation or mediation. A request for consultations and negotiations shall be made in writing and set out a brief description of facts regarding the measure or measures at issue.*

¹ For greater certainty, the Pacific Alliance - Singapore Free Trade Agreement refers to the agreement signed between the State Parties to the Pacific Alliance Framework Agreement and Singapore in Bogota, Colombia, on 26th January 2022.

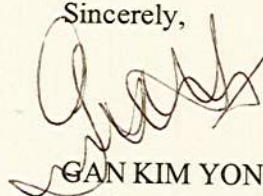
² For greater certainty, an investor has the same meaning as in the Agreement.

3. *Unless otherwise agreed, no later than one year after the entry into force of the Agreement, the Parties shall initiate consultations on a mutually advantageous basis for the review of the application of Chapter 8 (Investment), Section B (Settlement of Disputes between a Party and an Investor of another Party) of the Agreement. The outcome of the consultations is subject to agreement by the Parties.*
4. *No later than three years after the entry into force of this Agreement, the Parties shall initiate consultations regarding the scope of application of Chapter 8 (Investment) related to public debt instruments. The outcome of the consultations is subject to agreement by the Parties.*

I have the honour to propose that this letter, equally authentic in Spanish and English languages, and your letter of confirmation in reply, shall constitute an understanding between the Parties as an integral part of the Agreement for Peru and Singapore.”

I have the honour to confirm that my Government shares the understanding expressed in your letter.

Sincerely,



GAN KIM YONG

Minister for Trade and Industry
Republic of Singapore