

May 28, 2004

The Honorable Marcio Cuevas
Minister of Economy
Guatemala City, Guatemala

Dear Minister Cuevas:

I have the honor to confirm the following understanding reached between the delegations of the United States and Guatemala in the course of negotiations regarding the Insurance entry in Section A of Guatemala's Schedule to Annex III (Financial Services) of the Free Trade Agreement between our Governments signed this day (the "Agreement"):

Insurance branches, when permitted, shall be subject to the requirements established in Guatemala's insurance legislation.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.

Sincerely,

Robert B. Zoellick

COURTESY TRANSLATION

May 28, 2004

The Honorable Robert B. Zoellick
United States Trade Representative
Washington, D.C.

Dear Ambassador Zoellick:

I am pleased to acknowledge your letter of today's date, which reads as follows:

“I have the honor to confirm the following understanding reached between the delegations of the United States and Guatemala in the course of negotiations regarding the Insurance entry in Section A of Guatemala's Schedule to Annex III (Financial Services) of the Free Trade Agreement between our Governments signed this day (the “Agreement”):

Insurance branches, when permitted, shall be subject to the requirements established in Guatemala's insurance legislation.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an agreement between our two Governments.”

I have the honor to confirm that the understanding referred to in your letter is shared by my Government, and that your letter and this reply shall constitute an agreement between our Governments.

Sincerely,

Marcio Cuevas