

**AGREEMENT No. 165
(of August 26th, 2008)**

“Whereby the Acquisition Regulation of the Panama Canal Authority is amended”

**THE BOARD OF DIRECTORS
OF THE PANAMA CANAL AUTHORITY**

WHEREAS:

Article 319, item 6 of the Political Constitution of the Republic establishes that the Board of Directors has the power and duty to exclusively approve regulations to implement the general policies issued by the Legislative Branch as proposed by the Executive Branch, on the acquisition regime of the Authority.

Article 18.5 *c* and *f* respectively of Law 19 of June 11, 1997, whereby the Panama Canal Authority is organized, confers upon the Board of Directors of the Panama Canal Authority the power to approve the regulations applicable to contracting work, supply acquisition, and the rendering of services necessary for the proper functioning of the Canal.

The Board of Directors of the Authority approved the Acquisition Regulation of the Panama Canal Authority, pursuant to Agreement No. 24 of October 4, 1999,

It is deemed necessary, for the sake of the legal and contractual security and the protection of the best interests of the Authority, pursuant to the principles that contractual obligations are of legal enforcement between the parties and shall be fulfilled accordingly, and that covenants shall be fulfilled, to include in the Acquisition Regulation of the Authority, a rule that shall be of general application to all contracts it enters into.

The Administrator of the Authority has submitted for the consideration of the Board of Directors the draft agreement that contains the pertinent modifications to the above.

AGREES:

ARTICLE ONE: A new Article 1b is added to the Acquisition Regulation of the Panama Canal Authority, which shall read:

“**Article 1b.** Nothing in this Regulation shall be applied or interpreted in the sense of granting to any contractor rights or benefits that exceed those stipulated in the contract it entered into with the Authority.”

ARTICLE TWO: This Agreement shall become effective upon its publication in the Panama Canal Record.

Given in the City of Panama, on August twenty-six, two thousand and eight.

TO BE PUBLISHED AND ENFORCED.

Dani Kuzniecky

Diogenes de la Rosa

Chairman of the Board of Directors

Secretary