AGREEMENT ON COOPERATION AND INVESTMENT FACILITATION BETWEEN THE FEDERATIVE REPUBLIC OF BRAZIL AND THE REPUBLIC OF PANAMA

The Federative Republic of Brazil

and

The Republic of Panama

(hereinafter referred to as the “Parties” or individually as “Party”),

Desiring to strengthen and expand the bonds of friendship and the spirit of continued cooperation between the Parties;

Seeking to create and maintain favorable conditions for investments by investors of one Party in the territory of the other Party;

Seeking to stimulate, facilitate, and support bilateral investments, thereby opening new opportunities for integration between the Parties;

Recognizing the essential role of investment in promoting sustainable development;

Considering that the establishment of a strategic partnership between the Parties in the field of investment will bring broad mutual benefits;

Ensuring the regulatory autonomy and policy space of each Party;

Desiring to encourage and strengthen contacts between investors and the governments of both Parties;

Seeking to create mechanisms for technical dialogue and to foster government initiatives that can contribute to a significant increase in mutual investment;

Recognizing the important contribution that investment can make to the sustainable development of the States Parties, including poverty reduction and the promotion of human rights and human development related to investment, while understanding that sustainable development requires the fulfillment of its economic, social, and environmental pillars; and

Seeking to promote a gender perspective in investments, fostering equal rights, treatment, and opportunities between men and women in business, industry, and the world of work, contributing further to sustainable economic growth.

Agree as follows Cooperation and Investment Facilitation Agreement, hereinafter referred to as the “Agreement,” under the following terms:

Part I. INITIAL PROVISIONS AND GENERAL DEFINITIONS

Article 1. Objective

The objective of this Agreement is to promote cooperation between the Parties in order to facilitate and promote mutual investment. To achieve this objective, this Agreement establishes the institutional framework for the management of an investment cooperation and facilitation agenda, mechanisms for risk mitigation and conflict prevention, among other instruments mutually agreed upon by the Parties within the Joint Committee.

Article 2. Definitions

1. For the purposes of this Agreement:

1.1 “Pre-investment activity” means any activity carried out by the investor or its investment in compliance with sectoral limitations on foreign capital and other specific limitations and conditions applicable under any law relating to the admission of investments in the territory of the Party, provided that such activity is carried out prior to the establishment of the investment and that such activity does not give rise to rights or obligations under this Agreement.

1.2 “Substantive business activities” means the actual and continuous economic operations of an enterprise, such as, but not limited to, production, provision of services, administrative management, job creation, technological development, effective commercial activities, or any other activity that contains a factor or element that denotes establishment and operation sufficiently significant to demonstrate an authentic and not merely formal business presence.

1.3 “Company” means any entity constituted or organized under the laws of a Party, whether for profit or not, private or state-owned, and having its domicile and substantial commercial activities in the territory of that Party.

1.4 “Temporary entry and stay” means the entry into and stay in the territory of one Party by a natural person of the other Party who does not intend to establish permanent residence.

1.5 “Host State” means the Party in which the investment is made.

1.6. “Confidential information” means any trade secret, such as financial or technical information, the disclosure of which could result in material loss or gain or damage to competitive positions, and includes information that is otherwise protected from disclosure under the laws of a Party.

1.7 “Investment” means any asset owned by an investor of one Party, established or acquired in accordance with the laws and regulations of the other Party, that has the characteristics of an investment and that, directly or indirectly, allows the investor to exercise control or significant influence over the management of the production of goods or the provision of services in the territory of the other Party, including the contribution of capital, the objective of establishing a lasting interest, the expectation of profit or utility, or the assumption of risk. The forms that an investment may take include, but are not limited to:

a) shares, quotas, participations, and other types of capital in a company;

b) movable or immovable property and other property rights, such as mortgages, pledges, guarantees, encumbrances, or other similar rights and obligations;

c) the rights of exploitation, use, and enjoyment conferred by a license, permit, or concession granted and regulated by the laws of the Host State and/or by a contract; (1)

(1) Whether a type of license, authorization, permit, or similar instrument (including a concession, to the extent that it has the nature of such an instrument) has the characteristics of an investment depends on factors such as the nature, capital outlays, and scope of the rights of the holder, in accordance with the Party's legislation. Among the licenses, authorizations, permits, or similar instruments that do not have the characteristics of an investment are those that do not generate protected rights under domestic law. For greater certainty, the foregoing does not prevent an asset associated with such a license, authorization, permit, or similar instrument from having the characteristics of an investment.

d) rights arising from contracts, including turnkey, construction, production, management, concession, or other contracts;

e) loans to a company and debt instruments of a company, where the original maturity date of the debt instrument is at least three (3) years; and

f) intellectual property rights, as defined or referenced in the TRIPS Agreement.

For the purposes of this Agreement and for greater certainty, “Investment” does not include:

a) an order or judgment rendered in any judicial, arbitral, or administrative proceeding;

b) debt securities issued by a Party or loans granted by one Party to another Party, securities, debentures, loans, or other debt instruments of a state-owned enterprise of a Party that are considered public debt under the laws of that Party;

c) portfolio investments, i.e., those that do not allow the investor to exercise control or significant influence over the management of the company;

d) credit rights arising exclusively from commercial contracts for the sale of goods or services by an investor in the territory of one Party to a national or an enterprise in the territory of the other Party, or the granting of credit in the context of a commercial transaction; or any other monetary claim that does not involve the type of interests set out in subparagraphs (a)

to (f) above; and

e) rights arising from any expenses or other financial obligations incurred by the investor prior to the establishment of the investment, including to comply with foreign capital admission rules or other specific limits or conditions, in accordance with the Host State's investment admission legislation.

1.8 “Investor” means a natural person or company of a Party that has made an investment in the territory of the other Party.

1.9 “Measure” means a law, regulation, rule, procedure, administrative resolution, or any other instrument adopted by a Party. (2)

(2) If a Party accords its permanent residents treatment substantially identical to that accorded to natural persons who are nationals of that Party, its permanent residents shall be included in the definition of natural persons.

1.10 “Natural person” means a citizen or permanent resident of a Party, in accordance with its legislation.

1.11 “Income” means the amounts obtained from an investment, including profits, interest, capital gains, dividends, royalties, and fees.

1.12 “Territory” means:

a) With respect to the Federative Republic of Brazil, the territory, including its land and airspace, the exclusive economic zone, the territorial sea, the continental shelf, the soil and subsoil over which the Party exercises its sovereign rights or jurisdiction, in accordance with international law and its domestic law.

b) With respect to the Republic of Panama, it comprises the land, sea, and air space under its sovereignty, as well as its exclusive economic zone and continental shelf, over which it exercises sovereign rights and jurisdiction, in accordance with international law and its domestic law.

Article 3. Scope and Coverage

1. This Agreement applies to all measures adopted or maintained by a Party in relation to investments of investors of the other Party in its territory, existing on the date of entry into force of this Agreement or established, acquired, and expanded thereafter, which have been admitted by a Party in accordance with the provisions of its national legislation and policies, as applicable at any given time.

2. The provisions of this Agreement do not apply to investments covered by measures existing prior to the date of entry into force of this Agreement. This does not prevent the Parties from discussing issues of mutual interest relating to such measures in the Joint Committee established under this Agreement.

3. This Agreement shall not limit the rights and benefits enjoyed by an investor of a Party under national or international law in the territory of the other Party.

4. For greater certainty, the Parties reaffirm that this Agreement shall be applied without prejudice to the rights and obligations arising from the Agreements of the World Trade Organization.

5. The provisions of this Agreement shall not prevent the adoption and enforcement of new legal requirements or restrictions on investors and their investments, provided that they are consistent with this Agreement.

6. This Agreement shall not apply to:

a) the issuance of compulsory licenses granted in relation to intellectual property rights in accordance with the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property Rights (TRIPS Agreement); or the revocation, limitation, or creation of intellectual property rights, to the extent that the issuance, revocation, limitation, or creation is consistent with the TRIPS Agreement;

b) government procurement by a Party;

c) subsidies or concessions granted by a Party, including government-supported loans, guarantees, and insurance under national development programs and assistance to vulnerable groups;

d) tax measures, except as provided for in Article 10; and

e) any special advantages granted in the Host Party by financial institutions for the purpose of development assistance or

for the development of small and medium-sized enterprises or new industries;

7. This Agreement may not be invoked to challenge any dispute resolved by exhaustion of domestic remedies, where there is protection of res judicata, or any claim relating to an investment that was resolved prior to the entry into force of the Agreement.

Article 4. Entry and Temporary Stay of Investors

1. Each Party shall promptly publish, preferably online, information on the current requirements and procedures for the entry and temporary stay of investors, including, where appropriate, explanatory materials, forms, fees, and relevant documents, so as to enable interested persons of the other Party to become acquainted with those requirements and procedures. This information shall be kept up to date.

2. This Article shall apply to measures affecting the entry and temporary stay of investors of a Party who engage in investment activities and shall not apply to measures of a Party relating to the entry or temporary stay of natural persons in its territory.

3. This Article shall not apply to measures affecting nationals of a Party who wish to access the labor market of the other Party, nor shall it apply to measures relating to nationality, citizenship, residence, or permanent employment.

Part II. REGULATORY AND RISK MITIGATION MEASURES

Article 5. Admission and Treatment

1. Each Party shall treat investors of the other Party and their investments in accordance with its applicable legal system and this Agreement.

2. In accordance with the principles of this Agreement, each Party shall ensure that all measures affecting investment are administered in an objective and impartial manner, in accordance with due process of law and its respective legislation.

3. For greater certainty, the standards of “fair and equitable treatment” and “full protection and security” are not covered by this Agreement and shall not be used as interpretive standards in investment dispute settlement proceedings.

Article 6. National Treatment

1. Without prejudice to measures in force under its legislation on the date of entry into force of this Agreement, each Party shall accord to investors of the other Party treatment no less favorable than that accorded, in like circumstances, to its own investors in relation to the establishment, acquisition, expansion, management, conduct, operation, sale, or other disposal of investments in its territory.

2. Without prejudice to measures in force under its legislation on the date of entry into force of this Agreement, each Party shall accord to investments of investors of the other Party treatment no less favorable than that accorded, in similar circumstances, to investments in its territory by its own investors with respect to the establishment, acquisition, expansion, management, conduct, operation, sale, or other disposal of investments.

3. Nothing in this Agreement shall be construed to prevent a Party from adopting new requirements affecting investors of the other Party, provided that such requirements are not discriminatory and are consistent with this Agreement.

4. For greater certainty, the treatment to be accorded in “like circumstances” depends on the totality of the circumstances, including whether the relevant treatment distinguishes between investors or investments based on legitimate public interest objectives.

5. For greater certainty, this Article shall not be construed to require a Party to compensate for competitive disadvantages that result from the foreign character of the investor or investments.

Article 7. Direct Expropriation

1. In determining the amount of compensation in the event of expropriation, the competent authority of each Party shall follow the provisions of this Article, without prejudice to its laws and regulations.

2. The Parties shall not nationalize or expropriate the investments of investors of the other Party, except when:

a) for purposes of public utility or necessity or social interest;

b) in a non-discriminatory manner;

c) upon payment of effective compensation, as provided for in this Article (3); and

(3) For greater certainty, compensation shall not apply where the expropriation of movable and immovable property results from illegal activities duly proven in accordance with the legal system of the Parties. Such expropriation shall not be subject to dispute settlement proceedings.

in accordance with due process of law.

3. Compensation shall:

a) be paid without undue delay, in accordance with the legal system of the host State;

b) be equivalent to the fair market value of the expropriated investment immediately before the expropriation became effective or before the imminence of the expropriation became public knowledge, whichever occurs first, hereinafter referred to as the “valuation date”; and

c) be fully enforceable and freely transferable, in accordance with the article on transfers.

4. To determine fair market value, the valuation criteria may include the value of the business in operation, the capital invested, the value of the assets, including the declared tax value of tangible property, it being understood that the criteria set forth are merely indicative and do not exclude others that may be relevant.

5. Compensation shall be paid in the currency of the Host State and shall not be less than the fair market value on the date of valuation, plus interest based on market criteria, accrued from the date of valuation to the date of payment, in accordance with the laws of the Host State (4).

(4) In accordance with the laws and regulations of the Parties, compensation for the expropriation of property that does not fulfill its social function may be made in the form of public debt securities. Nothing in this Agreement shall be construed to mean that such form of compensation is incompatible with this Agreement.

6. For greater certainty, this Agreement applies only to direct expropriation, which occurs when an investment is nationalized or otherwise expropriated directly through the formal transfer of title or ownership rights, and does not apply to indirect expropriation.

7. The Parties shall cooperate to improve knowledge of their respective national laws on the expropriation of investments.

Article 8. Compensation for Losses

Investors of a Party whose investments in the territory of the other Party suffer losses due to international or internal armed conflict, revolution, state of national emergency, or insurrection shall receive from the latter Party treatment in respect of restitution, compensation, or other forms of compensation no less favorable than that accorded to its investors or to investors of a third State.

Article 9. Transfers

1. Each Party shall permit the transfer of funds related to an investment from its territory to outside its territory and from outside its territory to its territory after the requirements of its legal system have been met and without undue delay. Transfers shall be made in freely convertible currency at the market exchange rate on the date of transfer, after covering legal fees and taxes. Such transfers include:

a) the initial capital contribution or any increase thereof in connection with the maintenance or expansion of the investment;

b) income directly related to the investment;

c) proceeds from the sale or total or partial liquidation of the investment;

d) salaries and other remuneration received by personnel hired abroad in connection with an investment;

e) repayments of any loan, including corresponding interest, directly related to the investment;

f) the amount of compensation, in the event of expropriation, compensation for losses or temporary use of an investor's investment by the host State Authority; and

g) the value of revenues from the sale of public debt securities on the market, when compensation is paid with such securities.

2. Without prejudice to the provisions of paragraph 1 of this article, a Party may, in a non-discriminatory manner and in good faith, prevent a transfer if such transfer must be prevented under its laws relating to:

a) bankruptcy, insolvency, or protection of creditors' rights;

b) criminal offenses;

c) financial reporting or record keeping of transfers, when necessary to cooperate with law enforcement authorities or financial regulatory bodies; or

d) the enforcement of judgments, sentences, or awards in judicial or administrative proceedings.

3. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining temporary restrictive measures with respect to payments or transfers relating to current transactions in the event of serious balance of payments difficulties or external financial difficulties or threats thereof.

4. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining temporary restrictive measures with respect to payments or transfers related to capital movements:

a) in the event of serious balance of payments difficulties or external financial difficulties or threats thereof; or

b) when, in exceptional circumstances, payments or transfers related to capital movements cause or threaten to cause serious difficulties for macroeconomic management.

5. The adoption of temporary restrictive measures on transfers, where there are serious balance of payments difficulties in the cases described in paragraphs 3 and 4 of this article, shall be non-discriminatory and shall be in accordance with the articles of the Articles of Agreement of the International Monetary Fund.

Article 10. Tax Measures

1. Nothing in this Agreement shall affect the rights and obligations of the Parties under any tax regulations. In the event of a conflict between the provisions of this Agreement and any tax regulations, the provisions of the tax regulations shall prevail.

2. Nothing in this Agreement shall be construed as an obligation of a Party to grant an investor of the other Party, in relation to its investments, the benefit of any treatment, preference, or privilege resulting from a present or future agreement to avoid double taxation to which a Party to this Agreement is or becomes a party.

3. Nothing in this Agreement shall be construed in a manner that prevents the adoption or enforcement of any measure intended to ensure the equitable or effective imposition or collection of taxes as provided for in the legislation of the Parties, provided that such measure is not applied in a manner that constitutes a means of arbitrary or unjustifiable discrimination or a disguised restriction.

Article 11. Prudential Measures

1. Nothing in this Agreement shall be construed to prevent a Party from adopting or maintaining prudential measures, such as:

a) the protection of investors, depositors, financial market participants, policyholders, beneficiaries of policies, or persons to whom a financial institution owes a fiduciary duty;

b) the maintenance of the safety, soundness, solvency, integrity, or financial responsibility of financial institutions; and

c) the preservation of the integrity and stability of a Party's financial system.

2. Where such measures are not consistent with the provisions of this Agreement, they shall not be used as a means to avoid the commitments or obligations of a Party under this Agreement.

Part III. RIGHTS AND OBLIGATIONS OF THE PARTIES AND THEIR INVESTORS

Article 12. Right to Regulate

1. For the purposes of this Agreement, the Parties reaffirm the right of each Party to regulate within its territory to achieve legitimate policy objectives, such as national security, labor, indigenous rights, health, environment, safety, gender equality, social or consumer protection, and cultural diversity. For the purposes of the foregoing, the Parties shall not waive or nullify, in any way, such measures or standards as an incentive for the establishment, acquisition, or expansion in its territory of investments by an investor of the other Party.

2. For greater certainty, the mere fact that a Party takes or does not take a measure that may be inconsistent with an investor's expectations does not constitute a breach of this Agreement, even if there is loss or damage to the investment as a result.

Article 13. Compliance with Domestic Law

The Parties reaffirm and recognize that:

a) investors and their investments must comply with all laws, regulations, administrative guidelines, and policies of a Party relating to the establishment, acquisition, management, operation, and disposal of investments;

b) investors and their investments shall not, before or after the establishment of an investment, offer, promise, or give any undue pecuniary advantage, gratuity, or gift of any kind, directly or indirectly, to a public official or employee of a Party as an incentive or reward for performing or refraining from performing any official act, or to obtain or retain another undue advantage; nor shall they be complicit in inciting, aiding, abetting, or conspiring to commit such acts; and

c) an investor shall provide, in a comprehensive and accurate manner, the information that the Parties require, under applicable law, regarding an investment and the investor's corporate history and practices, for the purposes of government decision-making in relation to that investment or for statistical purposes only.

Article 14. Transparency of Investment Measures

1. Each Party shall publish (5) or make readily available to the public, except in emergency situations, no later than the date of entry into force of this Agreement, all relevant measures of general application relating to matters falling within the scope of this Agreement, so as to enable investors, other interested persons, and other Parties to familiarize themselves with them. Each Party shall publish, no later than at the time of its entry into force for the Party, international agreements to which it is a signatory and that affect investments.

(5) For the purposes of these disciplines, “publish” means to include in an official publication, such as an official gazette, or on an official website.

2. Each Party shall endeavor to allow a reasonable period of time between the publication of the text of a law or regulation referred to in Article 13 and the date on which investors must comply with that law or regulation.

3. Upon publication of a new law or regulation referred to in Article 13, or amendments thereto, or prior to such publication, to the extent possible and consistent with its legal system for the adoption of measures, a Party shall endeavor to explain the purpose and rationale of the law or regulation.

4. Each Party shall make available, by electronic means, information that is important to investors and shall keep the information up to date, as appropriate. Such information shall include:

a) laws and regulations that specifically address foreign direct investment, where they exist;

b) information on sectors that are open, restricted, or prohibited to foreign direct investment;

c) where possible, information on the practical steps relevant to investing in its territory. This information should cover, among other things, the requirements and procedures, where they exist, relating to:

i) establishment of companies and business registration;

ii) connection to essential infrastructure;

iii) acquisition and registration of property;

iv) building permits;

v) capital transfers and payments;

vi) payment of taxes;

vii) public incentives available to investors; and

viii) insolvency resolution; and

d) contact information for the relevant competent authorities.

5. If a Party adopts or maintains measures of general application to facilitate foreign direct investment, it is encouraged to publish or make them available to the public, including by electronic means.

6. No fees shall be charged to any investor or person seeking to invest in the territory of a Party for access to the measures or information provided under this Article.

Article 15. General Principles for Authorization Procedures

1. Each Party shall ensure that the authorization procedures it adopts or maintains do not unduly complicate or delay investment activities.

2. If a Party adopts or maintains measures relating to authorization for an investment, the Party shall ensure that:

a) such measures are based on objective and transparent criteria (6);

(6) These criteria may include, among other things, the competence and capacity to carry out an investment activity, including doing so in a manner consistent with a Party's regulatory requirements, such as health and environmental requirements. Competent authorities may assess the weight to be given to each criterion.

b) such measures do not discriminate between men and women;

c) the procedures are impartial and adequate for applicants to demonstrate whether they meet the requirements, where such requirements exist; and

d) the procedures do not unduly impede compliance with the requirements.

3. The assessment by the relevant competent authorities of a Party of an application for authorization shall be made on the basis of the criteria set out in a measure in accordance with its legal system.

Article 16. Authorization Procedures

1. If a Party requires authorization for an investment, it shall ensure that its competent authorities:

a) to the extent possible, allow an application to be submitted at any time of the year (7). If there is a specific deadline for applying for an authorization, the Party shall ensure that the competent authorities allow a reasonable period of time for the submission of an application;

(7) Competent authorities are not required to begin examining applications outside their official working hours and business days.

(b) accept copies of documents authenticated in accordance with the laws and regulations of the other Party, rather than original documents, unless the competent authorities require original documents to protect the integrity of the authorization process;

c) where a competent authority of a Party requires and retains original documents, any other competent authority of that Party shall, to the extent consistent with the laws and regulations of the Party, accept a certified copy submitted by the applicant or, where applicable, a copy from the authority holding the original;

d) to the extent possible, provide an indicative timeframe for the processing of an application;

e) upon request by the applicant, provide information on the status of the application without delay;

f) to the extent possible, verify without undue delay the compliance of an application for treatment with the laws and regulations of the Party;

g) if they consider an application to be compliant for processing under the laws and regulations of the Party (8), within a reasonable time after the application is submitted, ensure that:

(8) Competent authorities may require that all information be submitted in a specified format in order to be considered "complete for processing."

i) the processing of the application is completed; and

ii) the applicant is informed of the decision on the application (9), to the extent possible, in writing; (10)

(9) Competent authorities may comply with this requirement by informing the applicant in advance in writing, including by means of a published notice, that failure to respond after a specified period of time from the date of submission of the application will indicate its acceptance or rejection.

(10) "In writing" may include in electronic format.

h) if they consider that an application is incomplete for processing in accordance with the laws and regulations of the Party, within a reasonable time after the application is submitted, to the extent possible:

i) inform the applicant that the application is incomplete;

ii) at the request of the applicant, identify the additional information needed to complete the application, or provide guidance on the reasons why the application is considered incomplete; and

iii) give the applicant the opportunity (11) to provide the additional information necessary to complete the application; however, if none of the above options are feasible and the application is rejected as incomplete, ensure that the applicant is informed within a reasonable time after the rejection decision; and

(11) This opportunity does not require a competent authority to extend deadlines.

i) if an application is rejected, to the extent possible, either on its own initiative or at the request of the applicant, inform the applicant in writing of the reasons for the rejection and, where applicable, the procedures for submitting a new application. An applicant shall not be prevented from submitting another application (12) solely on the basis of a previously rejected application.

(12) Competent authorities may require that the content of the application be revised.

2. The competent authorities of a Party shall ensure that, once granted, authorization takes effect without undue delay, subject to applicable terms and conditions. (13)

(13) Competent authorities are not responsible for delays due to reasons beyond their control.

3. Each Party shall, to the extent possible, avoid requiring an applicant to address more than one competent authority for each application for authorization. If an investment falls under the jurisdiction of multiple competent authorities, multiple authorization applications may be necessary. In such cases, to the extent possible and consistent with its legal system, each Party is encouraged to use a single point of entry for such applications.

4. Each Party shall ensure that authorization fees (14) charged by its competent authorities, where they exist, are reasonable, transparent, based on established authority, and do not, by themselves, restrict the investment activities of investors of another Party.

(14) For the purposes of this Agreement, authorization fees do not include fees for the use of natural resources, royalties, payments in connection with auctions, tenders, or other non-discriminatory means of concession, or mandatory contributions for the provision of universal service.

5. Each Party shall, to the extent possible, provide an adequate period of time between the publication of new or amended authorization fees and their entry into force, except in urgent circumstances. These fees shall not be applied until information about them has been published.

Part IV. SUSTAINABLE INVESTMENT

Article 17. Responsible Business Conduct

1. Investors and their investments shall strive to achieve the highest possible level of contribution to the sustainable development of the Host State and the local community by adopting a high degree of socially responsible practices based on the voluntary principles and standards set out in this Article.

2. The Parties shall use their best efforts to encourage investors and their investments to comply with the following voluntary principles and standards for Responsible Business Conduct consistent with the laws adopted by the Host State receiving the investment:

a) contribute to economic, social, and environmental progress, with the aim of achieving sustainable development;

b) respect the internationally recognized human rights of persons involved in the activities of investors;

c) encourage local capacity building through close cooperation with the local community;

d) promote the creation of human capital, especially by creating employment opportunities and offering professional training to workers;

e) refrain from seeking, requesting, or accepting exemptions not provided for in the legal or regulatory framework related to human rights, the environment, health, safety, labor, the tax system, financial incentives, or other issues;

f) support and promote the principles of good corporate governance and develop and apply good corporate governance practices;

g) develop and implement effective self-discipline practices and management systems that promote a relationship of mutual trust between investors and the companies in which they operate;

h) promote awareness and compliance with company policies by employees through adequate disclosure, including through training programs;

i) refrain from taking discriminatory or disciplinary measures against employees who report to the board, management, or competent public authorities, as applicable, regarding practices that violate the law or corporate policy;

j) encourage, to the extent possible, their partners, including service providers and contractors, to apply principles of business conduct consistent with the principles set forth in this article; and

k) refrain from any undue interference in local political activities.

Article 18. Investment and Gender

1. The Parties recognize that inclusive investment policies contribute to the advancement of women's economic autonomy and gender equality, in accordance with Sustainable Development Goal 5 of the 2030 Agenda. The Parties reaffirm their commitment to adopt, maintain, and effectively implement their laws, regulations, policies, and good practices related to gender equality.

2. Each Party shall maintain policies and measures to promote women's access to opportunities and eliminate obstacles in their countries, improving their participation in the national and international economy and contributing to sustainable economic development.

3. Each Party shall promote public awareness of its laws, regulations, policies, and practices on gender equality domestically.

4. The Parties recognize that it is not appropriate to waive or revoke in any way the protection offered by their respective laws and regulations on gender equality in order to weaken or reduce the protections guaranteed by such laws and regulations for the purpose of encouraging investment.

Article 19. Investment Measures and the Fight Against Corruption and Illegality

1. Each Party shall maintain measures to prevent and combat corruption, money laundering, and terrorist financing in relation to matters covered by this Agreement, in accordance with its laws and regulations.

2. Nothing in this Agreement shall require a Party to protect investments made with capital or assets of illicit origin or investments whose establishment or operation has been shown to involve illegal acts and for which national law provides for the confiscation of assets.

3. Investors and their investments shall not, before or after the establishment of an investment, offer, promise, or grant any undue pecuniary or other advantage, either directly or through intermediaries, to a public official of the Host State, a member of that official's family, a business partner, or any person close to the official, for the benefit of that official or any third party, with the aim of causing the official or third party to act or refrain from acting in the exercise of their official functions in order to obtain any favor in relation to a proposed investment or to licenses, permits, contracts, or other rights related to an investment.

4. Investors and their investments shall not be complicit in any act described in paragraph 1 above, including instigation, aiding, abetting, conspiracy to commit, or authorization of such acts. complicity, conspiracy to commit, or authorization of such acts.

5. Investors and their investments shall comply with the legal provisions of the Parties relating to taxation, including the timely payment of their tax obligations.

6. Violation of this Article by an investor or an investment shall be considered a violation of the Host State's domestic law relating to the establishment and operation of an investment.

Article 20. Provisions on Investment and the Environment, Labor Matters, and Health

1. Nothing in this Agreement shall be construed to prevent a Party from adopting, maintaining, or enforcing any measure it deems appropriate to ensure that investment activity in its territory is conducted in accordance with that Party's labor, environmental, and health laws, provided that such measure is not applied in a manner that constitutes a means of arbitrary or unjustifiable discrimination or a disguised restriction.

2. The Parties recognize that it is not appropriate to encourage investment by reducing the requirements of their labor, environmental, or health legislation. Therefore, each Party shall ensure that it does not modify, repeal, or offer to modify or repeal such legislation for the purpose of encouraging the establishment, maintenance, or expansion of an investment in its territory, to the extent that such modification or repeal would lower its labor, environmental, or health requirements or standards. If one Party considers that the other Party has offered such an incentive, the Parties shall address the matter through consultations.

Part V. EXCEPTIONS

Article 21. General Exceptions

Subject to the requirement that such measures are not applied in a manner that constitutes a means of arbitrary or unjustifiable discrimination against the other Party or its investors in like circumstances, or a disguised restriction on investments by investors of the other Party in the territory of a Party, nothing in this Agreement shall be construed to prevent a Party from adopting or enforcing measures:

a) necessary to protect public morals or to maintain public order; (15)

(15) The public policy exception may only be invoked when there is a real and sufficiently serious threat to one of the fundamental interests of society.

b) necessary to protect the life or health of humans, animals, or plants;

c) necessary to secure compliance with laws or regulations that are not inconsistent with the provisions of this Agreement, including those relating to:

(i) the prevention of deceptive and fraudulent practices or to deal with the effects of a breach of contract;

ii) protecting the privacy of individuals in relation to the processing and dissemination of personal data and protecting the confidentiality of individual records and accounts; and

iii) security; and

d) relating to the conservation of exhaustible natural resources, if such measures are applied in conjunction with restrictions on domestic production or consumption.

Article 22. Security Exceptions

Nothing in this Agreement shall be construed to:

a) require a Party to provide any information the disclosure of which it considers contrary to its essential security interests;

b) prevent a Party from taking any action it considers necessary to protect its essential security interests, such as those relating to:

i) fissile or fusion materials, or materials intended for their manufacture;

ii) trafficking in arms, ammunition, and instruments of war, or other related goods and materials, or relating to the provision of services intended directly or indirectly for the supply of military establishments; and

iii) times of war or other emergencies in international relations; and

c) prevent a Party from taking measures to fulfill its obligations under the Charter of the United Nations in the maintenance of international peace and security.

Part VI. INSTITUTIONAL GOVERNANCE AND DISPUTE PREVENTION AND RESOLUTION

Article 23. Joint Committee for the Administration of the Agreement

1. For the purposes of this Agreement, the Parties shall establish a Joint Committee for the administration of the Agreement (hereinafter referred to as the “Joint Committee”).

2. The Joint Committee shall be composed of government representatives from both Parties appointed by their respective Governments.

3. The Joint Committee shall meet on the dates, at the locations, and by the means agreed upon by the Parties. Meetings shall be held at least once (1) a year, with the chairmanship alternating between the Parties.

4. The Joint Committee shall have the following functions and responsibilities:

a) to oversee the implementation and execution of this Agreement;

b) to discuss investment-related issues and promote opportunities for the expansion of mutual investments;

c) to update and coordinate the implementation of the Agendas for Investment Cooperation and Facilitation, in accordance with Article 31;

d) consult with the private sector, civil society, and local communities, where appropriate, on their views on specific issues related to the work of the Joint Committee;

e) resolve amicably any issue or dispute related to investments by investors of one of the Parties;

f) supplement the rules for arbitration disputes between the Parties, if necessary; and

g) interpret the provisions of this Agreement, which shall be binding on the arbitration tribunals.

5. The Parties may establish ad hoc working groups, which shall meet jointly or separately from the Joint Committee.

6. The private sector, civil society, and local communities involved in investment activities may be invited to participate in ad hoc working groups, when authorized by the Joint Committee.

7. The Joint Committee shall establish its own rules of procedure.

Article 24. National Focal Point or Ombudsperson

1. Each Party shall designate a single body or authority as the National Focal Point, or Ombudsperson, whose main responsibility shall be to support investors of the other Party in its territory.

2. In the Federative Republic of Brazil, the National Focal Point or Ombudsperson shall be the Direct Investment Ombudsman (OID) of the Executive Secretariat of the Foreign Trade Chamber (CAMEX).

3. In the Republic of Panama, the National Focal Point or Ombudsperson shall be the Ministry of Commerce and Industries through the National Investment Directorate or its successors.

4. The National Focal Point or Ombudsperson shall, among other responsibilities:

a) respond to the recommendations of the Joint Committee and interact with the National Focal Point of the other Party, in accordance with this Agreement;

b) follow up on requests and inquiries from the other Party or investors of the other Party with the competent authorities and inform the interested parties of the results of its efforts;

c) evaluate, in consultation with the competent government authorities, suggestions and complaints received from the other Party or investors of the other Party and recommend, where appropriate, actions to improve the investment environment;

d) prevent investment disputes, in coordination with the relevant government authorities and private entities;

e) provide timely and useful information on regulatory issues related to investments in general or specific projects; and

f) report on their activities and actions to the Joint Committee, where appropriate.

5. The National Focal Points or Ombudsmen shall cooperate with each other and with the Joint Committee to help prevent disputes between the Parties.

6. Each Party shall determine the deadlines for fulfilling each of its duties and responsibilities, which shall be communicated to the other Party.

7. The Parties shall provide the means and resources for the National Focal Point to perform its functions, as well as ensure its institutional access to other government agencies responsible for the terms of this Agreement.

8. Each Party shall draw up regulations for the functioning of its National Focal Point/Ombudsperson, which shall expressly establish, as appropriate, the deadlines for the performance of its various functions and responsibilities.

Article 25. Exchange of Information between the Parties

1. The Parties shall exchange information, whenever possible and relevant to reciprocal investments, on business opportunities, procedures, and requirements for investment, in particular through the Joint Committee and their National Focal Points.

2. To this end, a Party shall provide, upon request, in a timely manner and respecting the applicable level of protection, information related, in particular, to the following matters:

a) regulatory conditions for investment;

b) government programs and possible related incentives;

c) public policies and regulatory frameworks that may affect investment;

d) legal framework for investments, including legislation on the establishment of companies and joint ventures;

e) relevant international treaties;

f) customs procedures and tax regimes;

g) statistical information on the market for goods and services;

h) available infrastructure and public services;

i) government procurement and public concessions;

j) social and labor legislation;

k) immigration legislation;

l) foreign exchange legislation;

m) legislation relating to specific economic sectors previously identified by the Parties;

n) regional projects and agreements relating to investment; and

o) Public-Private Partnerships (PPPs).

Article 26. Treatment of Protected Information

1. Each Party shall respect the level of protection of information established by the Party that provided it, in accordance with its respective legislation on the matter.

2. Nothing in this Agreement shall be construed to require either Party to provide protected information whose disclosure would impede law enforcement or otherwise be contrary to the public interest or violate privacy or legitimate commercial interests. For the purposes of this paragraph, protected information means confidential business information or information that is considered privileged or protected from disclosure under the applicable laws of a Party.

Article 27. Interaction with the Private Sector

Recognizing the fundamental role played by the private sector, the Parties shall share, among relevant business sectors, general information on investments, regulatory frameworks, and business opportunities in the territory of the other Party.

Article 28. Cooperation between Investment Promotion Agencies

The Parties shall promote cooperation between their investment promotion agencies to facilitate investment in the territory of the other Party.

Article 29. Dispute Prevention Procedure

1. If a Party considers that a specific measure taken by the other Party constitutes a violation of this Agreement, it may invoke this article to initiate a dispute prevention procedure through consultations and negotiations between the Parties within the Joint Committee.

2. The following rules shall apply to the above procedure:

a) to initiate the procedure, the interested Party shall submit a written request to the other Party, identifying the specific measure at issue and stating the factual and legal conclusions supporting the allegation. The Joint Committee shall meet within ninety (90) days of the date of the request;

b) The Joint Committee shall have ninety (90) days from the date of the first meeting, extendable by mutual agreement, to evaluate the submission and prepare a report;

c) The Joint Committee's report shall include:

i) Identification of the Party that alleged the violation;

ii) a description of the measure in question and the alleged violation of the Agreement; and

iii) the conclusions of the Joint Committee; and

d) if the dispute is not resolved after the period established in this Article, or if a Party does not participate in the meetings of the Joint Committee convened in accordance with this Article, the dispute may be submitted by a Party to arbitration, in accordance with Article 30 of this Agreement.

3. If the measure in question affects a specific investor, the official communication shall indicate the name and address of the affected investor.

4. If the investment in question affects one or more specific communities, the Joint Committee's report shall identify the affected communities.

5. When relevant to the analysis of the measure in question, the Joint Committee may invite representatives of the affected investor and community, as well as other interested parties, to appear before the Joint Committee and present their views on the measure.

6. The minutes of the meetings held under the Dispute Prevention Procedure and all related documentation shall be kept confidential, with the exception of the report submitted by the Joint Committee under paragraph 2, subject to the legislation of each Party on the disclosure of information.

Article 30. Resolution of Disputes between the Parties Concerning the Interpretation or Application of this Agreement

1. Once the procedure set forth in Article 29 has been exhausted without the dispute being resolved, either Party may submit a dispute concerning the application of this Agreement to an Arbitral Tribunal. Once the procedures set forth in paragraph 4.g) of Article 23 and in Article 29 have been exhausted and no agreement has been reached, either Party may submit a dispute concerning the interpretation of this Agreement to an Arbitral Tribunal.

2. Article 4 (Entry and Temporary Stay of Investors); Article 17 (Responsible Business Conduct); Article 18 (Investment and Gender); paragraph 1 of Article 19 (Measures on investment and combating corruption and illegality); and paragraph 2 of Article 20 (Provisions on investment and the environment, labor issues, and health) shall not be subject to arbitration.

3. The dispute shall be administered by an ad hoc Arbitral Tribunal. Alternatively, the Parties may, by mutual agreement, choose to submit the dispute to the International Bureau of the Permanent Court of Arbitration or another arbitration institution. Unless otherwise agreed by the Parties, that institution shall apply the provisions of this article.

4. The dispute shall be resolved in accordance with the provisions of this article, Annex II (Rules on Transparency) and, to the extent that they are not inconsistent with this Agreement, the UNCITRAL Arbitration Rules in force on the date of entry into force of this Agreement.

5. The purpose of arbitration on the interpretation of this Agreement is to determine its correct legal meaning.

6. The purpose of arbitration on the application of this Agreement is to declare whether a measure taken by a Party violates its provisions. For greater certainty, the Arbitral Tribunal shall not award damages.

7. This Article shall not apply to any dispute relating to facts that occurred, or any measure taken, before the entry into force of this Agreement.

8. This Article shall not apply to any dispute if more than five (5) years have elapsed since the date on which the Party became aware or should have become aware of the facts giving rise to the dispute.

9. The Tribunal shall consist of three (3) arbitrators. Each Party shall appoint, within ninety (90) days after receiving the notice of arbitration, one member of the Arbitral Tribunal. Within ninety (90) days after the appointment of the second arbitrator, the two members shall appoint a citizen of a third State with which both Parties maintain diplomatic relations, who, upon approval by both Parties, shall be appointed President of the Arbitral Tribunal. The appointment of the President shall be approved by the Parties within thirty (30) days from the date of his or her appointment.

10. If, within the time limits specified in paragraph 9 of this article, the necessary appointments are not completed, either Party may invite the Secretary-General of the Permanent Court of Arbitration to make the necessary appointments. If the Secretary-General of the Permanent Court of Arbitration is a national of one of the Parties or is unable to perform this function, the President of the International Court of Justice shall be invited to make the necessary appointments. If the President of the International Court of Justice is a national of one of the Parties or is unable to perform this function, the most senior member of the International Court of Justice who is not a national of one of the Parties shall be invited to make the necessary appointments.

11. Arbitrators shall:

a) be persons of high moral character, as well as have recognized experience and the necessary knowledge in international investment agreements and public international law;

b) be independent and impartial and not be affiliated, directly or indirectly, with any of the Parties or with the other arbitrators or potential witnesses, nor receive instructions from the Parties; and

c) comply with the Code of Conduct for Arbitrators in International Investment Dispute Settlement (resolution adopted by the United Nations General Assembly on December 7, 2023), as applicable to the dispute, or any other rules of conduct established by the Joint Committee.

12. A person who is a member of the Joint Committee may not serve as an arbitrator in a dispute under this Agreement. For a period of one (1) year, a former member of the Joint Committee may not serve as an arbitrator in any dispute under this Agreement, unless the Parties decide otherwise.

13. The “Notice of Arbitration” and other documents related to the resolution of the dispute shall be filed at the location designated by each Party.

14. The Tribunal shall issue its decision by majority vote and shall decide on the basis of the provisions of this Agreement and the applicable principles and norms of international law recognized by both Parties. Unless the Parties agree otherwise, the decision of the Arbitral Tribunal shall be rendered within one hundred and eighty (180) days, extendable by ninety (90) days, from the date of constitution of the arbitral tribunal.

15. The decision of the Tribunal shall be final and binding on the Parties, which shall comply with it without delay.

16. The Joint Committee shall approve the general rule for determining the fees of arbitrators, taking into account the practices of relevant international organizations.

17. Each Party shall be responsible for the costs of its own legal representation and assistance in the arbitration proceedings. The costs of the arbitration proceedings, including the arbitrator's fees, expenses, allowances, and other administrative costs, shall be borne by the losing Party, unless the Tribunal decides otherwise.

Part VII. AGENDA FOR COOPERATION AND FURTHER FACILITATION OF INVESTMENT

Article 31. Agenda for Cooperation and Further Facilitation of Investment

1. The Joint Committee shall develop, update, and coordinate the implementation of an Agenda for Cooperation and Further Facilitation of Investment on issues relevant to the promotion and improvement of the bilateral investment environment.

2. The issues to be initially discussed by the Parties and their objectives are listed in Annex I – “Agenda for Cooperation and Further Facilitation of Investment.”

3. As a result of discussions within the Joint Committee regarding the Agenda for Cooperation and Additional Investment Facilitation, the Parties may adopt additional commitments.

4. The results of these negotiations shall constitute additional protocols to this Agreement or specific legal instruments.

5. The Joint Committee shall coordinate the schedules for discussions on further cooperation and investment facilitation and the negotiation of specific commitments.

6. The Parties shall submit to the Joint Committee the names of the government agencies and their official representatives involved in these negotiations.

Part VIII. FINAL PROVISIONS

Article 32. Amendments

1. This Agreement may be amended at any time at the request of either Party. The requesting Party shall submit its request in writing, explaining the grounds for the amendment. The other Party shall consult with the requesting Party on the proposed amendment and respond to the request in writing.

2. Any agreement to amend this Agreement under this Article shall be formalized in writing, either in a single written instrument or through an exchange of diplomatic notes. Such amendments shall be binding on the tribunals constituted under Article 30 of this Agreement, and any arbitral award shall be consistent with all amendments to this Agreement.

3. Amendments shall enter into force in accordance with the procedure set forth in Article 33.

Article 33. Final Provisions

1. Neither the Joint Committee nor the Focal Points or Ombudspersons shall in any way replace or prejudice any other agreement or diplomatic channel existing between the Parties.

2. The annexes, exceptions, footnotes, and understandings of this Agreement constitute an integral part thereof.

3. Without prejudice to its regular meetings, ten (10) years after the entry into force of this Agreement, the Joint Committee shall conduct a general review of its implementation and make recommendations on possible amendments, if necessary. if necessary.

4. This Agreement shall enter into force ninety (90) days after the date of receipt of the second diplomatic note indicating that both Parties have completed all necessary internal procedures relating to the conclusion and entry into force of international agreements.

5. Amendments agreed upon by the Parties shall enter into force in accordance with the procedures set forth in paragraph 4 of this article, unless the Parties determine another time frame.

6. Either Party may terminate this Agreement at any time by giving written notice to the other Party. The termination shall take effect on the date agreed upon by the Parties or, if no agreement is reached, three hundred and sixty-five (365) days after the date on which the notice of termination was delivered.

In witness whereof, the undersigned, duly authorized by their respective Governments, have signed this Agreement.

Done at Panama City on January 28, in two originals, in Portuguese and Spanish, all texts being equally authentic.

FOR THE FEDERATIVE REPUBLIC OF BRAZIL

Mauro Vieira

Minister of Foreign Affairs

FOR THE REPUBLIC OF PANAMA

Julio Moltó

Minister of Trade and Industry

ANNEX I. AGENDA FOR ADDITIONAL INVESTMENT COOPERATION AND FACILITATION

1. Payments and transfers

2. Visas

3. Technical and environmental standards

4. Gender

5. Electronic commerce

6. Geographical indications (GIS)

7. Institutional and sectoral cooperation

ANNEX II. TRANSPARENCY RULES APPLICABLE TO ARBITRAL TRIBUNALS ESTABLISHED IN ACCORDANCE WITH THE PROVISIONS OF ARTICLE 30 OF THE AGREEMENT

1. Scope of Application

1. This Annex applies to Arbitral Tribunals established in accordance with the provisions of Article 30 of this Agreement.

2. The Arbitral Tribunal shall have the power to adapt the requirements of any specific provision of these rules to the particular circumstances of the case, if such adaptation is necessary to conduct the arbitration in a practical manner and is consistent with the objective of transparency of these rules, provided that the Parties agree to the proposed changes.

3. In the event of a conflict between a provision of this Annex and a provision of the Agreement, the latter shall prevail to the extent of the conflict.

2. Publication of Information at the Beginning of the Arbitration Proceedings

Once the respondent Party has acknowledged receipt of the Notice of Arbitration, the Party that initiated the arbitration shall promptly make available to the public information about the issuance of the Notice of Arbitration and about the measures alleged to violate the Agreement.

3. Arbitration Proceedings

1. The arbitration proceedings shall respect the principle of transparency, except in the case of confidential or protected information.

2. Confidential or protected information consists of:

a) confidential business information;

b) information protected from disclosure to the public under the Agreement;

c) information provided by a Party that is protected from public disclosure under the laws of that Party;

d) information that is protected and not publicly available under any law or regulation of either Party;

e) information whose disclosure any Party considers contrary to its national security or public order; and

f) information that would compromise the integrity of the arbitration process if made available to the public.

3. Any determination as to whether information is public, confidential, or protected shall be made by the Arbitral Tribunal after consultation with the disputing Parties. Once such a determination has been made, information that is neither protected nor subject to confidentiality shall be made public.

4. The Arbitral Tribunal, after consulting with the disputing parties, shall adopt measures to prevent any confidential or protected information from being made available to the public, including establishing, as appropriate:

(a) deadlines by which a Party to the dispute, a Party not involved in the dispute in the treaty, or a third party must notify that it seeks protection for such information contained in the documents;

(b) procedures for the prompt designation and redaction of specific confidential or protected information contained in those documents; and

(c) procedures for conducting hearings in private.

4. Publication of Documents

1. Subject to the provisions of Article 3, the following documents shall be made available to the public: the notice of arbitration, the response to the notice of arbitration, the opening statement, the counterstatement, and any other additional written statements or submissions by any of the disputing Parties; a table listing all attachments to the aforementioned documents and to expert reports and witness statements, if such a table has been prepared for the proceedings, but not the annexes themselves; any written submissions by third parties; transcripts of hearings, where available; and orders, decisions, and awards of the Arbitral Tribunal.

2. Subject to the provisions of Article 3, expert reports and witness statements, with the exception of related annexes, shall be made available to the public upon request by any person to the Arbitral Tribunal.

3. Subject to the provisions of Article 3, the Arbitral Tribunal may decide, on its own initiative or at the request of any person, and after consulting the Parties to the dispute, whether and in what manner it will make available the annexes and any other documents submitted to or issued by the Arbitral Tribunal that are not covered by paragraphs 1 or 2 above. This may

include, for example, making such documents available at a specific location.

5. Hearings

1. Subject to paragraphs 2 and 3 of this article, hearings for the presentation of evidence or for the oral presentation of arguments (“hearings”) shall be public.

2. Where it is necessary to protect confidential information or the integrity of the arbitral proceedings, in accordance with Article 3, the Arbitral Tribunal shall take the necessary measures to conduct in private that part of the hearing which requires such protection.

3. The Arbitral Tribunal shall make the necessary logistical arrangements to facilitate public access to the hearings (including, where appropriate, the organization of participation by videoconference or other means it deems appropriate). However, the Arbitral Tribunal may, after consulting with the disputing Parties, decide to hold all or part of the hearing in private when this is necessary for logistical or security reasons, such as in cases where circumstances render any arrangement originally envisaged for public access to the hearing unfeasible.

6. Publication of the Final Award

1. Subject to the provisions of Article 3, the Final Award of the arbitration issued by the Arbitral Tribunal shall be made available to the public.

2. If the Final Award contains confidential or protected information, an edited version thereof shall be prepared and made available to the public.