

ANNEX A**EXECUTIVE SUMMARY OF COLOMBIA'S SUBMISSION**

1. Colombia estimates that it will require a period of **12 months** to implement the DSB's recommendations and rulings. Colombia is considering two consecutive stages of implementation. The first stage has been initiated and will take **6 months**. As part of this stage, Colombia will evaluate the specific changes that need to be introduced to the compound tariff and to its customs control and supervision procedures. The second stage will consist of the enactment of two sets of measures, the first modifying the compound tariff and the second introducing improvements to Colombia's customs control and supervision procedures. This stage will take **6 months**.
2. This period is within the guideline provided in Article 21.3 (c) and is a reasonable period of time in light of the particular circumstances of this case.
3. Firstly, as confirmed by the Appellate Body, the compound tariff is a measure to combat money laundering falling within the scope of subparagraphs (a) and (d) of Article XX, and contributes to the fight against money laundering. The fact that the compound tariff is a measure to fight money laundering is relevant for the determination of the reasonable period of time as this means that the measure cannot simply be terminated. To simply terminate the measure would imply endorsing a criminal activity (money laundering), exposing Colombian citizens to the criminal consequences of this activity, and ignoring the government's duty to enforce the Criminal Code, including Article 325. Further, the modification of the compound tariff or its replacement with alternative measures requires coordination and consultations with a number of agencies within the Colombian government.
4. Secondly, the complexity of implementation has been recognized as a relevant factor in determining the reasonable period of time. In this case, designing the implementation measure in light of the findings made by the Appellate Body and the Panel is extremely complex as it will require a rigorous economic analysis to ensure the proper calibration of the measure.
5. Thirdly, Panama's newly adopted Cabinet Decree No. 28 has generated significant antagonism internally in Colombia and undermined political support for the process of implementation, and will likely increase the domestic scrutiny of the implementation measures that Colombia may take. Press reports indicate that the tariff increase is aimed at products in which Colombia is a significant supplier of Panama, and suggest that it is a retaliatory measure against Colombia for its alleged failure to comply with the Appellate Body and Panel's findings in this case. This puts a premium on the need for appropriate internal consultations and will make it more difficult to expedite the process.
6. Fourthly, Colombia is on the verge of putting an end to the longest running internal conflict in Latin America by signing a Peace Agreement with the FARC on September 26, 2016. Colombia's internal conflict has been fuelled by the enormous profits of the drug trade, which are repatriated through money laundering operations such as those at issue in this dispute. Money laundering thus has a significant negative impact on Colombia's welfare and development. The process related to the Peace Agreement puts significant strains on the limited resources that the Colombian government has at its disposal as a developing country as this will require organizing a referendum in a short period and enacting a large package of institutional and legal changes to give effects to the terms of the Peace Agreement. By contrast, Panama has been one of the fastest growing economies worldwide. Colombia is therefore more severely affected by the problems related to its developing country status than Panama and this factor should be considered in determining the reasonable period of time.