

**ANNEX B****EXECUTIVE SUMMARY OF PANAMA'S SUBMISSION\*****I. INTRODUCTION**

1. In its submission, Colombia requested a reasonable period of time for implementation of 12 months. Panama considers that this period of time is unfounded. In the opinion of Panama, the correct period of time is 66 days. However, the establishment of a time period that would have already expired by the time the Arbitrator issued his award would result in the impairment of Panama's right to apply retaliatory measures under Article 22 of the DSU, since authorization to do so expires 30 days after the expiry of the reasonable period of time. Therefore, in order to prevent such impairment to Panama's rights, and given the particular circumstances of these proceedings, Panama would not object if Colombia were granted an additional 13 days from when the award is issued to take the relevant steps to ensure compliance with the recommendations and rulings of the DSB.

**II. WHAT HAS TO BE IMPLEMENTED IN THIS DISPUTE IS A VERY SPECIFIC MATTER**

2. Colombia's implementation obligation is limited to removing the compound tariff's inconsistency with Article II of the GATT 1994, that is, to ensuring that the tariff applicable to the affected products does not exceed the bound levels set out in the Schedule of Concessions. This issue could not be clearer.

3. Accordingly, any period of time for carrying out action that is unrelated to or goes beyond the removal of the inconsistency with Article II of the GATT 1994 cannot be included in the reasonable period of time that is the subject of this arbitration. None of the measures suggested by Colombia seek to ensure that the compound tariff ceases to exceed its bound tariff rates; instead they focus on refining and improving Colombia's criminal policy to combat money laundering.

4. Furthermore, the period of time should not be considered for implementing any action proposed by Colombia that seeks to ensure that its measure is justified by Article XX of the GATT. As has been argued, the only valid actions for the purposes of calculating the reasonable period are those that genuinely seek to ensure that the import tariffs on the products in question respect Colombia's bound tariff rates in light of the interpretation of Article II given by the Appellate Body.

**III. THE 12-MONTH PERIOD REQUESTED BY COLOMBIA IS NOT THE SHORTEST PERIOD POSSIBLE****A. THE STEPS AND TIME PERIODS PROVIDED FOR STAGE 1 OF IMPLEMENTATION PROPOSED BY COLOMBIA MUST BE DISMISSED AS UNFOUNDED**

5. Colombia requests a period of six months for the first stage of its implementation process, which would involve two areas of action. Both areas, however, are actions unrelated to the implementation of the rulings and recommendations of the DSB. Both are aimed at improving Colombia's criminal policy on money laundering, which is extraneous to ensuring that Colombia's tariffs do not exceed the bound rates. Accordingly, these actions, as described, are not relevant to the implementation of Colombia's obligations under Article II of the GATT 1994.

6. Even assuming for the sake of argument that the processes envisaged in Stage 1 did deserve to be included in the calculation of the reasonable period of time, Colombia does not provide any basis for: (i) the need to carry out these steps; and (ii) the proposed duration of these steps.

7. To conclude, Panama requests the Arbitrator to dismiss the time periods contained in Stage 1. Panama will explain below the time frame that corresponds to Stage 1.

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\* This text was originally submitted in Spanish by Panama.