

Dear Minister

In connection with the signing on [X] [X] 2017 of the Peru-Australia Free Trade Agreement (“PAFTA”), I have the honour to confirm the following agreement reached between the Government of Australia and the Government of Peru (the “Parties”) during the course of the negotiations on PAFTA:

- (a) without prejudice to paragraph (b), the Parties agree to terminate the “Agreement between Australia and the Republic of Peru on the Promotion and Protection of Investments”, done in Lima on 7 December 1995 (the “IPPA”), on the date of entry into force of PAFTA (the “date of termination”);
- (b) the IPPA shall continue to apply for a period of five years from the date of termination to any investment (as defined in Article 1(1)(a) of the IPPA) which was made before the entry into force of PAFTA with respect to any act or fact that took place or any situation that existed before the date of termination;
- (c) notwithstanding paragraph (b), an investor (as defined in Article 1(1)(c) of the IPPA) may only submit a claim under Article 13 of the IPPA (Settlement of disputes between a Party and an investor of the other Party) within three years of the date of termination; and
- (d) the Parties agree that the provisions for termination of the IPPA contained in this Note shall, at the date of termination, supersede the provisions for termination contained in Article 16 of the IPPA.

I have the honour to propose that this Note and your Note of confirmation in reply, both equally authentic in the English and the Spanish languages, shall constitute an agreement between the Parties (“the agreement of termination”), which shall enter into force on the date of termination.

Prior to the entry into force of this agreement of termination, each Party shall notify the other Party through diplomatic channels that its domestic requirements have been completed.

Yours sincerely

Dear Minister,

I have the honour to acknowledge receipt of your Note of [X] [X] 2017, which reads as follows:

“In connection with the signing on [X] [X] 2017 of the Peru-Australia Free Trade Agreement (“PAFTA”), I have the honour to confirm the following agreement reached between the Government of Australia and the Government of Peru (the “Parties”) during the course of the negotiations on PAFTA:

- (a) without prejudice to paragraph (b), the Parties agree to terminate the “Agreement between Australia and the Republic of Peru on the Promotion and Protection of Investments”, done at Lima on 7 December 1995, (the “IPPA”), on the date of entry into force of PAFTA (the “date of termination”);
- (b) the IPPA shall continue to apply for a period of five years from the date of termination to any investment (as defined in Article 1(1)(a) of the IPPA) which was made before the entry into force of PAFTA with respect to any act or fact that took place or any situation that existed before the date of termination;
- (c) notwithstanding paragraph (b), an investor (as defined in Article 1(1)(c) of the IPPA) may only submit a claim under Article 13 of the IPPA (Settlement of disputes between a Party and an investor of the other Party) within three years of the date of termination; and
- (d) the Parties agree that the provisions for termination of the IPPA contained in this Note shall, at the date of termination, supersede the provisions for termination contained in Article 16 of the IPPA.

I have the honour to propose that this Note and your Note of confirmation in reply, both equally authentic in the English and the Spanish languages, shall constitute an agreement between the Parties (“the agreement of termination”), which shall enter into force on the date of termination.

Prior to the entry into force of this agreement of termination, each Party shall notify the other Party through diplomatic channels that its domestic requirements have been completed.”

I have the further honour to confirm that the above reflects the agreement reached between the Government of Peru and the Government of Australia during the course of negotiations on PAFTA, and your Note and this Note of confirmation in reply, both equally authentic in the Spanish and English languages, shall constitute an agreement between the Government of Peru and the Government of Australia.

Yours sincerely,