

September 14, 2004

Washington, D.C.

The Honorable Robert B. Zoellick
United States Trade Representative

Dear Ambassador Zoellick:

I have the honor to confirm the following understanding reached between the delegations of the Kingdom of Bahrain and the United States of America in the course of negotiations regarding Chapter Ten (Cross-Border Trade in Services) of the Free Trade Agreement between our Governments signed this day:

During the negotiations, the delegations of Bahrain and the United States discussed the objectives of protecting public morals, preventing fraud, and deterring crime that underlie much regulation of gambling and betting services at the central and regional levels. Such regulations will generally fall within the exceptions provided under subparagraphs (a) and (c)(i) of Article XIV of GATS, as incorporated into the Agreement.

In Bahrain, all gambling and provision of gambling services is prohibited and treated as a criminal offense.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an integral part of the Agreement.

Sincerely,

Abdulla Hassan Saif

Washington, D.C.
September 14, 2004

H.E. Abdulla Hassan Saif
Minister of Finance and National Economy
Kingdom of Bahrain

Dear Minister Saif:

I am pleased to receive your letter of today's date, which reads as follows:

“I have the honor to confirm the following understanding reached between the delegations of the Kingdom of Bahrain and the United States of America in the course of negotiations regarding Chapter Ten (Cross-Border Trade in Services) of the Free Trade Agreement between our Governments signed this day:

During the negotiations, the delegations of Bahrain and the United States discussed the objectives of protecting public morals, preventing fraud, and deterring crime that underlie much regulation of gambling and betting services at the central and regional levels. Such regulations will generally fall within the exceptions provided under subparagraphs (a) and (c)(i) of Article XIV of GATS, as incorporated into the Agreement.

In Bahrain, all gambling and provision of gambling services is prohibited and treated as a criminal offense.

I have the honor to propose that this letter and your letter of confirmation in reply shall constitute an integral part of the Agreement.”

I have the honor to confirm that the understanding referred to in your letter is shared by my Government, and that your letter and this letter in reply shall constitute an integral part of the Agreement.

Sincerely,

Robert B. Zoellick