

No. 24708

**UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND**
and
CUBA

**Agreement on certain commercial debts (with schedules).
Signed at London on 3 October 1985**

Authentic texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland on 28 April
1987.*

**ROYAUME-UNI DE GRANDE-BRETAGNE
ET D'IRLANDE DU NORD**
et
CUBA

**Accord relatif à certaines dettes commerciales (avec annexes).
Signé à Londres le 3 octobre 1985**

Textes authentiques : anglais et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord le 28 avril
1987.*

AGREEMENT¹ BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF CUBA ON CERTAIN COMMERCIAL DEBTS

The Government of the United Kingdom of Great Britain and Northern Ireland (hereinafter referred to as “the Government of the United Kingdom”) and the Government of the Republic of Cuba (hereinafter referred to as “the Government of Cuba”);

As a result of the Conference held in Paris on 19 July 1984 regarding consolidation of Cuban debts at which the Government of the United Kingdom, the Government of Cuba, certain other Governments, the Secretariat of the United Nations Conference on Trade and Development, and the Organisation for Economic Co-operation and Development were represented;

Have agreed as follows:

Article 1. DEFINITIONS

In this Agreement, unless the contrary intention appears:

- (a) “Contract” shall mean a contract as defined in Article 2(1)(a) of this Agreement;
- (b) “Creditor” shall mean a creditor as defined in Article 2(1) of this Agreement;
- (c) “Currency of the debt” shall mean sterling or such other currency not being Cuban Pesos as is specified in the contract;
- (d) “Debt” shall mean any debt to which, by virtue of the provisions of Articles 2 and 9 of this Agreement and of Schedule 2 thereto, the provisions of this Agreement apply;
- (e) “Debtor” shall mean a debtor as defined in Article 2(1) of this Agreement;
- (f) “Maturity” in relation to a debt shall mean the date for the repayment thereof under the relevant contract or under a promissory note or bill of exchange drawn up pursuant to the terms of such contract;
- (g) “Payment in Cuban Pesos” shall mean payment in Cuban Pesos as defined in Article 3 of this Agreement;
- (h) “The Bank” shall mean the Banco Nacional de Cuba;
- (i) “The Department” shall mean the Export Credits Guarantee Department of the Government of the United Kingdom or any other Department thereof which the Government of the United Kingdom may subsequently nominate for the purposes of this Agreement;
- (j) “Transfer scheme” shall mean the transfer scheme referred to in Article 4 of this Agreement.

Article 2. THE DEBT

(1) The provisions of this Agreement shall, subject to the provisions of paragraph (2) of this Article, apply to any debt of principal owed as primary or principal debtor or

¹ Came into force on 3 October 1985 by signature, in accordance with article 11.

as guarantor by the Government of Cuba or by a person or body of persons or corporation resident or carrying on business in Cuba or by any successor thereto (hereinafter referred to as “debtor”) to a person or body of persons or corporation resident or carrying on business in the United Kingdom or to any successor thereto (hereinafter referred to as “creditor”) provided that:

- (a) The debt arises under or in relation to a contract or any agreement supplemental thereto which was made between the debtor and the creditor for the supply from outside Cuba of goods or services or both or of finance therefor, and which allowed credit to the debtor for a period exceeding one year, and which was entered into before 1 September 1982 (hereinafter referred to as a “contract”);
- (b) Maturity of the debt has occurred, or will occur, between 1 January 1984 and 31 December 1984, both dates inclusive, and that after maturity that debt remains unpaid;
- (c) The debt is in respect of a contract guaranteed as to payment of that debt under a guarantee issued by the Department; and
- (d) The debt is not expressed by the terms of the contract to be payable in Cuban Pesos.

(2) The provisions of this Agreement shall not apply to so much of any debt as arises from an amount payable upon or as a condition of the formation of the contract, or upon or as a condition of the cancellation or termination of the contract.

Article 3. PAYMENTS IN CUBAN PESOS IN RESPECT OF DEBTS

Each payment in Cuban Pesos by a debtor in respect of a debt shall upon the entry into force of this Agreement or upon payment by the debtor, whichever is the later, be placed upon deposit in a special account with the Bank. Amounts so deposited shall remain deposited with the Bank until transfer to the creditors in accordance with the provisions of Article 4 of this Agreement.

Article 4. PAYMENTS TO CREDITORS

The Government of Cuba shall ensure that the payments by debtors shall be transferred to the creditors in the United Kingdom in the currency of the debt in accordance with the transfer scheme and the rules set out in Schedule 1 and Schedule 2 respectively to this Agreement. The Government of Cuba warrants the correct and timely transfer of the amounts specified in the contracts subject to the provisions of this Agreement.

Article 5. INTEREST

(1) The Government of Cuba shall be liable for and shall pay to the creditor interest in accordance with the provisions of this Article on any debt to the extent that it has not been settled by payment to the creditor in the United Kingdom pursuant to Article 4 of this Agreement.

(2) Interest shall accrue during, and shall be payable in respect of, the period from maturity until the settlement of the debt by payment to the creditor, and shall be paid and transferred to the creditor concerned in the currency of the debt half-yearly on 1 January and 1 July each year commencing on 1 January 1985.

(3) Interest shall be calculated on the outstanding amount of the debt and paid at the rate of 11.75 per cent per annum and shall be calculated on the basis of a 365-day year.

Article 6. EXCHANGE OF INFORMATION

The Department and the Bank shall exchange all information required for the implementation of this Agreement.

Article 7. OTHER DEBT SETTLEMENTS

(1) If the Government of Cuba agrees with any creditor country other than the United Kingdom terms for the settlement of indebtedness similar to the indebtedness the subject of this Agreement which are more favourable to creditors than are the terms of this Agreement, then the terms of the payment of debts the subject of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article, be no less favourable to creditors than the terms so agreed with that other country notwithstanding any provision of this Agreement to the contrary.

(2) The provisions of paragraph (1) of this Article shall not apply in a case where the aggregate of the indebtedness to the other creditor country is less than the equivalent of SDR 1,000,000.

(3) The provisions of paragraph (1) of this Article shall not apply to matters relating to the payments of interest determined by Article 5 hereof.

Article 8. PRESERVATION OF RIGHTS AND OBLIGATIONS

This Agreement and its implementation shall not affect the rights and obligations of creditors and debtors under their contracts.

Article 9. RULES

In the implementation of this Agreement the rules set out in Schedule 2 to this Agreement shall apply.

Article 10. THE SCHEDULES

The Schedules to this Agreement shall form an integral part thereof.

Article 11. ENTRY INTO FORCE AND DURATION

This Agreement shall enter into force on signature and shall remain in force until the last of the payments to be made to the creditors under Articles 4 and 5 of this Agreement has been made.

[For the testimonium and signatures, see p. 310 of this volume.]

SCHEDULE 1

TRANSFER SCHEME

In respect of each debt of principal which has fallen or will fall due between 1 January 1984 and 31 December 1984, both dates inclusive, and which remains unpaid: an amount equal to the debt shall be paid and transferred by the Government of Cuba to the creditor in the United Kingdom in nine equal and consecutive half-yearly instalments on 1 January and 1 July each year commencing on 1 July 1989.

SCHEDULE 2

RULES

(1) The Department and the Bank shall agree a list of debts to which, by virtue of the provisions of Article 2 of this Agreement, this Agreement applies.

(2) Such a list shall be completed as soon as possible. This list may be reviewed from time to time at the request of the Department or the Bank. The agreement of both the Department and the Bank shall be necessary before the list may be altered or amended or added to.

(3) Neither inability to complete the list referred to in paragraphs (1) and (2) of this Schedule nor delay in its completion shall prevent or delay the implementation of the other provisions of this Agreement.

(4) (a) The Bank shall transfer the necessary amounts to be transferred in the currency of the debt to a bank in the United Kingdom together with payment instructions in favour of the creditor to whom payment is due in accordance with this Agreement.

(b) When making such transfers, the Bank shall give the Department particulars of the debts and of the interest to which the transfers relate.