

No. 25984

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

**Agreement on certain commercial debts (with schedules).
Signed at London on 12 November 1986**

Authentic texts: English and Spanish.

*Registered by the United Kingdom of Great Britain and Northern Ireland
on 21 June 1988.*

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

**Accord relatif à certaines dettes commerciales (avec annexes).
Signé à Londres le 12 novembre 1986**

Textes authentiques : anglais et espagnol.

*Enregistré par le Royaume-Uni de Grande-Bretagne et d'Irlande du Nord
le 21 juin 1988.*

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 18 July 1985 regarding the 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 AND INTERPRETATION

(1) In this Agreement, unless the contrary intention appears:

(a) “The Bank” means the Banco Nacional de Cuba;

(b) “Contract” means a contract entered into before 1 September 1982 the parties to which include a Debtor and a Creditor and which is either for the sale of goods and/or services from outside Cuba to a buyer in Cuba or is in respect of the financing of such a sale and which in either case granted or allowed credit to the Debtor for a period exceeding one year;

(c) “Creditor” means a person or body of persons or corporation resident or carrying on business in the United Kingdom or any successor in title thereto;

(d) “Currency of the Debt” means the currency specified in the relevant Contract as being the currency in which that Debt is to be paid;

(e) “Debt” means any debt to which, by virtue of the provisions of Article 2 and of the operation of the rules specified by Schedule 2, the provisions of this Agreement apply;

(f) “Debtor” means the Government of Cuba (whether as primary debtor or as guarantor) or any person or body of persons or corporation resident or carrying on business in Cuba or any successor in title thereto;

(g) “The Department” means the Secretary of State of the Government of the United Kingdom acting through the Export Credits Guarantee Department or any other Department of the Government of the United Kingdom which that Government may subsequently nominate for the purposes hereof;

(h) “Maturity” in relation to a Debt means the due date for the payment or repayment thereof under the relevant Contract or on a promissory note or bill of exchange drawn up pursuant thereto;

(i) “Transfer Scheme” means the Transfer Scheme specified by Schedule 1;

¹ Came into force on 12 November 1986 by signature, in accordance with article 11.

(j) "United Kingdom" means the United Kingdom of Great Britain and Northern Ireland and includes the Channel Islands and the Isle of Man.

(2) All references to interest shall be to interest accruing from day to day and calculated on the basis of actual days elapsed and a year of 365 days.

(3) Where the context of this Agreement so allows, words importing the singular include the plural and vice-versa.

(4) Unless otherwise indicated reference to a specified Article or Schedule shall be construed as a reference to that specified Article of, or Schedule to, this Agreement.

(5) The headings to the Articles are for ease of reference only and do not form part of this Agreement.

Article 2. THE DEBT

(1) The provisions of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article and the rules specified in paragraph (1) of Schedule 2, apply to every Debt of principal owed by a Debtor to a Creditor and which:

(a) Arises under or in relation to a Contract or any agreement supplemental thereto;

(b) Fell due or will fall due between 1 January 1985 and 31 December 1985, both dates inclusive, and remains unpaid;

(c) Is guaranteed by the Department as to payment according to the terms of the Contracts; and

(d) 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.

(3) The provisions of this Agreement shall not apply to any indebtedness covered by the Agreements between the Government of the United Kingdom and the Government of Cuba on Certain Commercial Debts, signed on 22 July 1983¹ and 3 October 1985² respectively, nor to any payments due under the terms of those Agreements.

Article 3. PAYMENTS IN CUBAN PESOS IN RESPECT OF DEBTS

In addition to the Debts owed by the Government of Cuba as Debtor, where a Debtor has made a payment in Cuban pesos in respect of any Debt, then:

(a) Where the payment was made before entry into force of this Agreement, upon such entry into force, and

(b) Where the payment was made subsequently, upon such payment, the payment of such Debt shall become the obligation of the Government of Cuba. The payment of all such Debt by the Government of Cuba to the Department shall be made in accordance with the provisions of Article 4.

¹ United Nations, *Treaty Series*, vol. 1352, p. 255.

² *Ibid.*, vol. 1461, p. 303.

Article 4. PAYMENTS TO CREDITORS

The Government of Cuba shall pay and transfer to the Department on behalf of and as agent for each Creditor, in the United Kingdom, in the Currency of the Debt, and to an account, details of which shall be notified by the Department to the Government of Cuba, the amounts due to that Creditor in accordance with the Transfer Scheme and the Rules set out in Schedules 1 and 2 respectively.

Article 5. INTEREST

(1) The Government of Cuba shall be liable for and shall pay to the Department interest in accordance with the provisions of this Article on each Debt to the extent that it has not been settled by payment to the Department, in the United Kingdom, pursuant to Article 4. In this respect the Department shall be regarded as acting as agent for each Creditor concerned.

(2) Interest on each Debt shall be deemed to have accrued and shall accrue during, and shall be payable in respect of, the period from Maturity until the settlement of that Debt by payment to the Department as aforesaid, and shall be paid and transferred to the Department, in the United Kingdom, in the Currency of the Debt, half-yearly on 1 April and 1 October each year commencing on 1 April 1986.

(3) If any amount of any instalment payable in accordance with Article 4 is not paid on the due date for payment in accordance with the Transfer Scheme set out in Schedule 1, interest which accrues in respect thereof shall accrue from day to day until the amount is paid and shall be due and payable without further notice or demand of any kind.

(4) If any amount of interest payable in accordance with the provisions of paragraph (2) of this Article is not paid on the due date for payment thereof, the Government of Cuba shall be liable for and shall pay to the Department interest on such amount of overdue interest. Such additional interest shall accrue from day to day from the due date for payment in accordance with the provisions of paragraph (2) of this Article to the date of receipt of the payment by the Department and shall be due and payable, in the United Kingdom, in the Currency of the Debt, without further notice or demand of any kind.

(5) All interest payable in accordance with the provisions of this Article shall be paid at the rate of 11.5 per cent per annum.

Article 6. EXCHANGE OF INFORMATION

The Department and the Government of Cuba 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 indebtedness the subject of this Agreement shall, subject to the provisions of paragraphs (2) and (3) of this Article, be no less favourable to any Creditor than the terms so agreed with that other creditor 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 SDR1,000,000.

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

Article 8. PRESERVATION OF RIGHTS AND OBLIGATIONS

This Agreement and its implementation shall not affect the rights and obligations of any Creditor or Debtor under a Contract other than those in respect of which the parties hereto are authorised to act respectively on behalf of and to bind such Creditor and Debtor.

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 hereof.

Article 11. ENTRY INTO FORCE AND DURATION

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

[For the testimonium and signatures, see p. 140 of this volume — Pour le testimonium et les signatures, voir p. 140 du présent volume.]

IN WITNESS WHEREOF the undersigned, being duly authorised thereto, have signed this Agreement.

DONE in duplicate at London this 12th day of November 1986 in the English and Spanish languages, both texts being equally authoritative.

For the Government
of the United Kingdom
of Great Britain and Northern Ireland:

YOUNG

For the Government
of the Republic of Cuba:

ROLANDO ALVAREZ

EN FE DE LO CUAL, los abajo firmantes, debidamente autorizados a tal efecto, han suscrito este Acuerdo.

HECHO en duplicado en Londres a los 12 días de noviembre 1986 en idiomas inglés y español, teniendo ambos textos igual validez.

Por el Gobierno
del Reino Unido de Gran Bretaña
e Irlanda del Norte:

Por el Gobierno
de la República de Cuba:

SCHEDULE 1

TRANSFER SCHEME

In respect of amounts due in accordance with the provisions of Article 4 payments equal to 100 per cent of each Debt shall be made and transferred, in the Currency of the Debt, in the United Kingdom, by nine equal and consecutive half-yearly instalments on 1 January and 1 July each year commencing on 1 July 1991.

SCHEDULE 2

RULES

(1) *Debt List*

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

(b) 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 of the Bank. The agreement of both the Department and of the Bank shall be necessary before the list may be amended or added to.

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

(2) *Transfer*

As and when payments become due under the terms of this Agreement, the Government of Cuba shall arrange for the necessary amounts to be transferred, in the Currency of the Debt, to the Department and shall give the Department full particulars of the Debts and/or interest to which the transfers relate.