

**No. 26335**

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**ARGENTINA  
and  
CUBA**

**Credit Agreement. Signed at Havana on 27 April 1988**

*Authentic text: Spanish.*

*Registered by Argentina on 29 November 1988.*

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**ARGENTINE  
et  
CUBA**

**Accord de crédit. Signé à La Havane le 27 avril 1988**

*Texte authentique : espagnol.*

*Enregistré par l'Argentine le 29 novembre 1988.*

[TRANSLATION — TRADUCTION]

## CREDIT AGREEMENT<sup>1</sup> BETWEEN THE GOVERNMENT OF THE ARGENTINE REPUBLIC AND THE GOVERNMENT OF THE REPUBLIC OF CUBA

The Government of the Argentine Republic and the Government of the Republic of Cuba;

Taking into account the provisions of the Memorandum of Understanding of 22 March 1988 signed by Dr. Juan Vital Sourrouille, Minister of the Economy of the Argentine Republic, and D. Héctor Rodríguez Llompарт, Minister and President of the National Bank of Cuba, and desiring to promote economic and commercial cooperation between the two countries;

Have agreed as follows:

### *Article I*

The Government of the Argentine Republic shall grant to the Government of the Republic of Cuba a line of credit in the amount of 10.7 million Argentine-Cuban Agreement dollars, against which transactions may be approved until 31 March 1989. For the purposes of granting such approval, account shall be taken of payments which result in credit becoming available and which are made by the National Bank of Cuba up to 8 January 1989, on the understanding that interest payments on transactions approved and executed in 1987 and 1988 shall not create credit availability. Approval shall be subject to the availability of funds as established in this Agreement and to compliance with the Memorandum of Understanding of 22 March 1988.

For the purpose of determining the balance available under the line of credit granted pursuant to this Agreement, the Central Bank of the Argentine Republic shall maintain records indicating the following:

(a) Payments in freely convertible currencies which create credit availability. Payments due up to January 1989 which are made prior to their due date shall make purchasing capacity available in an equivalent amount as from the date of payment.

(b) Purchases in excess of the amount indicated may be made by reducing purchases of foodstuffs.

The credits must be utilized during the period indicated; for this purpose, amounts requested by the National Bank of Cuba up to and including 30 March 1989 shall be taken into account.

### *Article II*

The annual interest rate shall be 6.5% (six and one-half per cent) of the outstanding balance, expressed in Argentine-Cuban Agreement dollars of account.

<sup>1</sup> Came into force on 27 April 1988 by signature, in accordance with article IX.

### Article III

The line of credit referred to in Article I shall be utilized in accordance with the following terms and conditions:

(a) In respect of capital goods (List 1 of OPRAC-1 circular and any amendments made thereto by the Central Bank of the Argentine Republic up to the date of the signing of this Agreement) and up to 15% (fifteen per cent) of the f.o.b. value for spare parts and accessories:

- 15% (fifteen per cent) of the f.o.b. value ex port of embarkation, declared to customs upon departure, at sight;
- The remaining 85% (eighty-five per cent) in up to 17 equal and consecutive semi-annual instalments, the first of which shall fall due 18 months after each shipment.

(b) In respect of durable and semi-durable goods (List 2 of OPRAC-1 circular and any amendments made thereto by the Central Bank of the Argentine Republic up to the date of the signing of this Agreement):

- 20% (twenty per cent) of the f.o.b. value ex port of embarkation, declared to customs upon departure, at sight;
- The remaining 80% (eighty per cent) in up to six equal and consecutive semi-annual instalments, the first of which shall fall due six months after each shipment.

(c) In respect of other goods (List 3 of OPRAC-1 circular and any amendments made thereto by the Central Bank of the Argentine Republic up to the date of the signing of this Agreement):

- 20% (twenty per cent) of the f.o.b. value ex port of embarkation, declared to customs upon departure, at sight;
- The remaining 80% (eighty per cent) in up to two equal and consecutive semi-annual instalments, the first of which shall fall due six months after each shipment.

(d) In respect of other goods (List 4 of OPRAC-1 circular and any amendments made thereto by the Central Bank of the Argentine Republic up to the date of the signing of this Agreement):

- 20% (twenty per cent) of the f.o.b. value ex port of embarkation, declared to customs upon departure, at sight;
- The remaining 80% (eighty per cent) in up to two equal and consecutive semi-annual instalments, the first of which shall fall due six months after each shipment.

(e) In respect of technical services, research and studies:

- 10% (ten per cent), at sight;
- The remaining 90% (ninety per cent) in instalments to be determined by the Central Bank of the Argentine Republic after prior consultation.

(f) In respect of industrial plants or other works considered in their entirety, and purchased as capital goods intended for "turnkey" delivery:

- As agreed by the two institutions.

(g) In respect of vessels characterized as capital goods:

- 15% (fifteen per cent) of the f.o.b. value declared to customs upon departure, at sight, 5% (five per cent) of which shall be payable upon the entry into force of the contract and 10% (ten per cent) of which shall be payable during the construction of the vessel;
- The remaining 85% (eighty-five per cent) in up to 21 equal and consecutive semi-annual instalments, the first of which shall fall due 24 months after the delivery of the vessel.
  - (h) In respect of citrus plants:
    - 15% (fifteen per cent) of the f.o.b. value ex port of embarkation, declared to customs upon departure, at sight;
    - The remaining 85% (eighty-five per cent) in up to 20 equal and consecutive semi-annual instalments, the first of which shall fall due 24 months after each shipment.
  - (i) Payment for other spare parts not included under paragraph (a) above shall be made as follows:
    - 15% (fifteen per cent) of the f.o.b. value ex port of embarkation, declared to customs upon departure, at sight;
    - The remaining 85% (eighty-five per cent) in up to five equal and consecutive semi-annual instalments, the first of which shall fall due 18 months after each shipment.
  - (j) In respect of repairs to vessels and repairs of capital equipment and motors:
    - As agreed by the two institutions.

#### *Article IV*

Argentine freight and insurance pertaining to sales effected under this line of credit may be financed in their entirety on the terms specified in article III, subparagraphs (a), (b), (c), (d), (e), (f), (g), (h) and (i), and the resulting amounts, as well as any price adjustments necessitated by increased costs, shall be regarded as an integral part of the amount specified in article I of this Agreement.

#### *Article V*

Goods exported under the line of credit granted under this Agreement shall be transported by vessels flying the Argentine flag and vessels flying the Cuban flag, on an equal basis. Where transport cannot be effected by vessels of one of the Parties, vessels of the other Party shall be utilized.

#### *Article VI*

For the purposes of the implementation of this Agreement, the Central Bank of the Argentine Republic and the National Bank of Cuba shall agree upon the financial aspects of the technical and operational arrangements and procedures, which, upon signature of the Agreement, shall become a part thereof.

#### *Article VII*

Any doubt or difference of opinion which may arise while this Agreement is in force shall be resolved by mutual agreement between the Parties in whatever manner they deem appropriate.

*Article VIII*

Failure to comply with this or any other agreement between the Central Bank of the Argentine Republic and the National Bank of Cuba shall result in the immediate termination of entitlement to the credit line granted pursuant to this Agreement.

*Article IX*

This Agreement shall enter into force on the date of its signature and shall remain in force until the obligations arising therefrom have been fulfilled.

DONE in the city of Havana, on 27 April 1988, in two original copies, both texts being equally authentic.

For the Government  
of the Argentine Republic:

[DANIEL BERDOU]

For the Government  
of the Republic of Cuba:

[MIGUEL A. CASTILLO]

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