



Treaty Series 29 (2016)

# Agreement

on the Treatment of the Debt between  
the Government of the Republic of Cuba and the Government of the  
United Kingdom of Great Britain and Northern Ireland

Havana, 29 April 2016

[The Agreement entered into force on 29 April 2016]

*Presented to Parliament  
by the Secretary of State for Foreign and Commonwealth Affairs  
by Command of Her Majesty  
July 2016*



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**AGREEMENT ON THE TREATMENT OF THE DEBT BETWEEN  
THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN  
AND NORTHERN IRELAND AND THE GOVERNMENT OF THE  
REPUBLIC OF CUBA**

ARTICLE 1

**Definitions and Interpretation**

- (1) In this Bilateral Agreement, unless the contrary intention appears:
- (a) "**Agreed Minutes**" means the minutes on the Treatment of the Debt of the Republic of Cuba, entitled "Agreed Minutes", signed in Paris on 12 December 2015;
  - (b) "**Arrears**" means the sum of any unpaid principal and unpaid interest (excluding Late Interest) due as at, and including, 31 October 2015 under the Previous Agreements or the Contracts, being sixty-two million eight hundred and twenty-two thousand six hundred and forty-five pounds and twenty-two pence (£62,822,645.22);
  - (c) "**Bank**" means the Banco Nacional de Cuba or any other institution which the Government of the Republic of Cuba may nominate for the purposes of this Bilateral Agreement;
  - (d) "**Business Day**" means a day on which banks are open for domestic and foreign exchange business in London;
  - (e) "**Contracts**" means the agreements listed in the Deed of Conciliation as non previously rescheduled debt, signed by the Department on 28 May 2015 and the Bank on 1 June 2015 and "**Contract**" means any one of those agreements;
  - (f) "**Creditor**" means a person or body of persons or corporation resident or carrying on business in the United Kingdom, the Channel Islands or the Isle of Man, or any successor in title thereto;
  - (g) "**Debtor**" means the Government of the Republic of Cuba, whether as primary debtor or as guarantor, or any person or body of persons or corporation resident or carrying on business in the Republic of Cuba or any successor in obligation to that debtor;
  - (h) "**Department**" means the Export Credits Guarantee Department (operating as UK Export Finance) or any other department or entity that the Government of the United Kingdom may subsequently nominate to perform the functions of the Export Credits Guarantee Department hereunder;

- (i) "**Interest**" means amounts payable under Article 5;
  - (j) "**Late Interest**" means those contractual interest charges accruing between any contractual payment date of principal and/or contractual interest due and not paid as at 31 October 2015 inclusive under the Previous Agreements or a Contract, being one hundred and thirty-nine million one hundred and sixty-one thousand seven hundred and twenty-nine pounds and eighty-seven pence (£139,161,729.87);
  - (k) "**Previous Agreements**" means the Agreements between the Government of the United Kingdom and the Government of the Republic of Cuba on Certain Commercial Debts which entered into force on 22 July 1983, 3 October 1985, 12 November 1986 and 24 September 1987;
  - (l) "**United Kingdom**" means the United Kingdom of Great Britain and Northern Ireland.
- (2) "£", "pounds" and "sterling" denote the lawful currency of the United Kingdom.
- (3) Where the context of this Bilateral Agreement so allows, words importing the singular include the plural and vice versa.
- (4) Unless otherwise indicated, reference to a specified Article shall be construed as a reference to that Article of this Bilateral Agreement.
- (5) The headings to the Articles are for ease of reference only.

## ARTICLE 2

### **Payments under the Previous Agreements**

The provisions of the Previous Agreements insofar as they relate to the payment of any of the Arrears and Late Interest shall cease to apply upon the entry into force of this Agreement.

## ARTICLE 3

### **Payment of Arrears**

The Government of the Republic of Cuba shall pay to the Department the Arrears on the following dates and in the following instalments, each instalment to be paid on each such date.

Repayment Date	Payment (percentage of Arrears)
31 October 2016	1.6160%
31 October 2017	2.0777%
31 October 2018	2.5394%
31 October 2019	3.0012%
31 October 2020	3.4629%
31 October 2021	4.6543%
31 October 2022	4.9793%
31 October 2023	5.3091%
31 October 2024	5.6440%
31 October 2025	5.9838%
31 October 2026	6.3287%
31 October 2027	6.6788%
31 October 2028	7.0342%
31 October 2029	7.3949%
31 October 2030	7.7610%
31 October 2031	8.1326%
31 October 2032	8.5097%
31 October 2033	8.8924%

Further details regarding repayments are set out in Annex I.

#### ARTICLE 4

##### **Cancellation of Late Interest**

Late Interest shall be cancelled as follows:

- (1) 1.6160% of Late Interest shall be cancelled on 1 November 2016 if and only if 1.6160% of Arrears have been paid by 31 October 2016;
- (2) 2.0777% of Late Interest shall be cancelled on 1 November 2017 if and only if 3.6937% of Arrears have been paid according to the provisions described in Article 3;
- (3) 2.5394% of Late Interest shall be cancelled on 1 November 2018 if and only if 6.2332% of Arrears have been paid according to the provisions described in Article 3;
- (4) 3.0012% of Late Interest shall be cancelled on 1 November 2019 if and only if 9.2343% of Arrears have been paid according to the provisions described in Article 3;

- (5) 3.4629% of Late Interest shall be cancelled on 1 November 2020 if and only if 12.6972% of Arrears have been paid according to the provisions described in Article 3;
- (6) 4.6543% of Late Interest shall be cancelled on 1 November 2021 if and only if 17.3515% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (7) 4.9793% of Late Interest shall be cancelled on 1 November 2022 if and only if 22.3308% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (8) 5.3091% of Late Interest shall be cancelled on 1 November 2023 if and only if 27.6399% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (9) 5.6440% of Late Interest shall be cancelled on 1 November 2024 if and only if 33.2839% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (10) 5.9838% of Late Interest shall be cancelled on 1 November 2025 if and only if 39.2676% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (11) 6.3287% of Late Interest shall be cancelled on 1 November 2026 if and only if 45.5964% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (12) 6.6788% of Late Interest shall be cancelled on 1 November 2027 if and only if 52.2752% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (13) 7.0342% of Late Interest shall be cancelled on 1 November 2028 if and only if 59.3094% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (14) 7.3949% of Late Interest shall be cancelled on 1 November 2029 if and only if 66.7042% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (15) 7.7610% of Late Interest shall be cancelled on 1 November 2030 if and only if 74.4652% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (16) 8.1326% of Late Interest shall be cancelled on 1 November 2031 if and only if 82.5977% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;

- (17) 8.5097% of Late Interest shall be cancelled on 1 November 2032 if and only if 91.1075% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5;
- (18) 8.8924% of Late Interest shall be cancelled on 1 November 2033 if and only if 100% of Arrears and the accrued Interest have been paid according to the provisions described in Article 3 and Article 5.

## ARTICLE 5

### **Interest**

- (1) Interest shall accrue on the remaining balance of the Arrears from 31 October 2020 at a fixed rate of one and a half percent (1.5%) per annum, until the date all Arrears have been paid, and shall be payable by the Government of the Republic of Cuba first on 31 October 2021 and then annually on 31 October without further notice or demand of any kind.
- (2) If the Government of the Republic of Cuba fails to make payments required under Article 3 or paragraph (1) of this Article (“**Missed Payment**”), subject to paragraph (4) of this Article, interest at a rate of nine per cent (9%) per annum shall apply on the amount of the Missed Payment accruing day to day from the day of the Missed Payment to the date of settlement and such interest shall be due and payable without further notice or demand of any kind. Cancellation of Late Interest, as described in Article 4, shall automatically cease on the last day of the period commencing on the date of the Missed Payment and ending on the date that is 45 Business Days after the date of the Missed Payment (“**Grace Period**”) and the Late Interest that would otherwise have been cancelled shall be due.
- (3) All Interest shall be calculated on the basis of actual days elapsed and a year of 365 days.
- (4) If there is a Missed Payment, but full settlement of the Missed Payment is made within the Grace Period, interest shall be deemed to have continued to accrue up to the date of the settlement in relation to the remaining balance of the Arrears (including the amount of the Missed Payment) in accordance with paragraph (1) of this Article, except that such interest shall be deemed to have accrued day to day and be due and payable on the date of the settlement without further notice or demand of any kind.

## ARTICLE 6

### **Payments to the Department**

- (1) When payment becomes due under the terms of Article 3 or Article 5, the Debtor, through the Bank, shall arrange for the necessary amounts, without deduction of taxes, fees, other public charges or any other costs incurred outside the United Kingdom, to be paid in sterling to the account notified by the Department to the Bank.
- (2) If the day on which such a payment falls due is not a Business Day payment shall be made on the next succeeding Business Day.
- (3) The Debtor, through the Bank, shall give the Department full particulars of the Arrears, Interest and, if applicable, Late Interest to which the payments relate.

## ARTICLE 7

### **Exchange of Information**

- (1) The Department and the Debtor, through the Bank where appropriate, shall exchange all information required for the implementation of this Bilateral Agreement.
- (2). The implementing entities of this Agreement are:
  - a) For the Government of the Republic of Cuba: the Banco Nacional de Cuba
  - b) For the government of the government of the United Kingdom of Great Britain and Northern Ireland: the Export Credits Guarantee Department (operating as UK Export Finance)
- (3). The contact details for correspondence and communications of the above-mentioned implementing entities are listed in Annex II of this Agreement.

## ARTICLE 8

### **Preservation of Rights and Obligations**

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



ARTICLE 9

**Annexes**

- (1). The Annexes mentioned in this Agreement form an integral part of it.
- (2). In case of mutually recognized assessment error, the amounts erroneously established may be modified by mutual agreement of the Parties.

ARTICLE 10

**Entry into force**

This Agreement shall enter into force on the date of its signature.

Done in duplicate at Havana, this twenty ninth day of April 2016, in the English and Spanish languages, both texts being equally authentic. In case of discrepancies of interpretation, the English text shall prevail.

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

**PHILIP HAMMOND**

**For the Government of the  
Republic of Cuba:**

**RICARDO CABRISAS RUIZ**

## Annex I

Outstanding Arrears				Interest				Total		
Arrears	% due	Due date	GBP	Outstanding Arrears	Interest rate	Calculation period (exclu)	Interest Based on 365 days	Due date	GBP	
62,822,645.22				62,822,645.22	0.00%	31/10/2015	31/10/2016			
62,822,645.22	1.6160%	31/10/2016	1,015,213.95	61,807,431.27	0.00%	31/10/2016	31/10/2017	0.00	31/10/2016	1,015,213.95
62,822,645.22	2.0777%	31/10/2017	1,305,266.10	60,502,165.17	0.00%	31/10/2017	31/10/2018	0.00	31/10/2017	1,305,266.10
62,822,645.22	2.5394%	31/10/2018	1,595,318.25	58,906,846.92	0.00%	31/10/2018	31/10/2019	0.00	31/10/2018	1,595,318.25
62,822,645.22	3.0012%	31/10/2019	1,885,433.23	57,021,413.69	0.00%	31/10/2019	31/10/2020	0.00	31/10/2019	1,885,433.23
62,822,645.22	3.4629%	31/10/2020	2,175,485.38	54,845,928.31	1.50%	31/10/2020	31/10/2021	822,688.92	31/10/2020	2,175,485.38
62,822,645.22	4.6543%	31/10/2021	2,923,954.38	51,921,973.93	1.50%	31/10/2021	31/10/2022	778,829.60	31/10/2021	3,746,643.30
62,822,645.22	4.9793%	31/10/2022	3,128,127.97	48,793,845.96	1.50%	31/10/2022	31/10/2023	731,907.71	31/10/2022	3,906,957.57
62,822,645.22	5.3091%	31/10/2023	3,335,317.06	45,458,528.90	1.50%	31/10/2023	31/10/2024	683,746.08	31/10/2023	4,067,224.77
62,822,645.22	5.6440%	31/10/2024	3,545,710.10	41,912,818.81	1.50%	31/10/2024	31/10/2025	628,692.29	31/10/2024	4,229,456.18
62,822,645.22	5.9838%	31/10/2025	3,759,181.44	38,153,637.36	1.50%	31/10/2025	31/10/2026	572,304.56	31/10/2025	4,387,873.73
62,822,645.22	6.3287%	31/10/2026	3,975,856.75	34,177,780.61	1.50%	31/10/2026	31/10/2027	512,666.70	31/10/2026	4,548,161.31
62,822,645.22	6.6788%	31/10/2027	4,195,798.83	29,981,981.79	1.50%	31/10/2027	31/10/2028	450,961.87	31/10/2027	4,708,465.53
62,822,645.22	7.0342%	31/10/2028	4,419,070.51	25,562,911.28	1.50%	31/10/2028	31/10/2029	383,443.67	31/10/2028	4,870,032.38
62,822,645.22	7.3949%	31/10/2029	4,645,671.79	20,917,239.48	1.50%	31/10/2029	31/10/2030	313,758.58	31/10/2029	5,029,115.46
62,822,645.22	7.7610%	31/10/2030	4,875,665.50	16,041,573.99	1.50%	31/10/2030	31/10/2031	240,623.61	31/10/2030	5,189,424.08
62,822,645.22	8.1326%	31/10/2031	5,109,114.45	10,932,459.54	1.50%	31/10/2031	31/10/2032	164,436.19	31/10/2031	5,349,738.06
62,822,645.22	8.5097%	31/10/2032	5,346,018.64	5,586,440.90	1.50%	31/10/2032	31/10/2033	83,796.61	31/10/2032	5,510,454.83
62,822,645.22	8.8924%	31/10/2033	5,586,440.90	0.00					31/10/2033	5,670,237.51
<b>Total</b>	<b>100.0000%</b>		<b>62,822,645.22</b>					<b>6,367,856.39</b>		<b>69,190,501.61</b>

## ANNEX II

OF THE AGREEMENT ON THE TREATMENT OF THE DEBT BETWEEN THE GOVERNMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND AND THE GOVERNMENT OF THE REPUBLIC OF CUBA.

DETAILS OF THE ACCOUNTS, CORRESPONDENCE AND COMMUNICATIONS OF EACH IMPLEMENTING ENTITY.

FOR THE UK PARTY: EXPORT CREDITS GUARANTEE DEPARTMENT  
(OPERATING AS UK EXPORT FINANCE)

Address:

International Debt Branch  
UK Export Finance  
1 Horse Guards Road  
London  
SW1A 2HQ

Telephone: + 44 (0) 20 7271 8000

E-mail: [IDD1@ukef.gsi.gov.uk](mailto:IDD1@ukef.gsi.gov.uk)

FOR THE CUBAN PARTY: BANCO NACIONAL DE CUBA

The communications and correspondences related to this Agreement shall be addressed to:

Address: Aguiar 456 entre Amargura y Lamparilla  
Habana Vieja  
La Habana, Cuba  
Telephone: (+53) 7 866 9515

E-mail: Aleida González, [aleida@bnc.cu](mailto:aleida@bnc.cu)

Alida Estévez, [alida@bnc.cu](mailto:alida@bnc.cu)

Ovidio Pérez, [ovidio@bnc.cu](mailto:ovidio@bnc.cu)

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