

Protocol between the Government of the Republic of Cuba and the Government of the Slovak Republic for the Implementation of the Agreement for the Consolidation of Economic Relations

The Government of the Republic of Cuba and the Government of the Slovak Republic hereinafter referred to as “the Parties”;

Recognizing the need to implement the Agreement between the Government of the Slovak Republic and the Government of the Republic of Cuba for the Consolidation of Economic Relations, hereinafter referred to as “Consolidation Agreement”, of 13 May 2019;

Recognizing that this Protocol forms an international agreement under the Vienna Convention on the Law of Treaties which directly establishes rights or obligations of entities; and

Desiring to promote, strengthen and diversify economic, commercial and cooperation relations between the two countries on the basis of equality, sovereignty and national independence, and for their mutual benefit;

Agree to sign this Protocol, and for such purpose they agree:

Article 1 Object

1. The sole purpose of this **Protocol** is to implement the Consolidation Agreement by:

Diversification of economic, commercial and cooperation relations between both countries; Facilitation of the treatment of the debt; establishing mechanisms for providing for new government credits.

Article 2 Obligations of the Parties

2.1 Implementation of the Consolidation Agreement shall be carried out in accordance with the national legislation of each country and according to the general principles of international law, and it shall include:

- a) Definition of the institutions which shall implement the Consolidation Agreement;
- b) Diversification of economic, commercial and cooperation relations between designated entities, private or public, on the basis of
 - (I) goods and services agreements,
 - (II) Reciprocal promotion of investments,
 - (III) Joint task on scientific-technical research projects and
 - (IV) Activities related to tourism.

c) Establishing mechanisms for the treatment of the debt of granted credits and for the implementation of new credits according to the interests of both Parties; and

d) Mechanisms of implementation for the functionality of commercial relations, as well as Technical Banking Agreements for the implementation of the accounting and settlement procedure under the Consolidation Agreement among the entrusted Financial Institutions.

Article 3 Designation of Institutions and Entities

3.1 The Parties agree that the executive institutions for implementing the Consolidation Agreement are:

- a) For the Cuban Party - Ministry of Foreign Trade and Investment
- b) For the Slovak Party - Ministry of Finance

3.2 The Parties agree that the Financial Institutions entrusted with the implementation of this Protocol are:

- a) For the Cuban Party: - "BANCO NACIONAL DE CUBA (BNC), to the extent of Decree Law No. 181 dated February 23rd, 1998".
- b) For the Slovak Party EXPORTNO-IMPORTNÁ BANKA SLOVENSKEJ REPUBLIKY (EXIMBANKA SR) to the extent of the Law No. 80/1997 Coll. on Exportno-importnej banke Slovenskej republiky.

3.3 The Parties agree that they may authorize designed entities, either public or private, for the purposes of execution of this Protocol and the Consolidation Agreement in order to support and perform the consolidation of economic relations between the Parties.

Article 4 Diversification of Economic Relations

4.1 - The executive institutions shall interchange and study, on an annual basis, the exportable offers of goods and services, with the objective of, among others, to ensure necessary financial resources for recovery of credits to finance and the treatment of debt.

4.2 - The Parties shall promote interchanges, official visits, business forums and participation in exhibitions and trade affairs that are taking place in their respective territories.

Likewise, the Parties shall provide incentives for cooperation in the field of scientific-technical research in sectors enshrined in the Consolidation Agreement.

Article 5 Implementation Mechanism for the Treatment of Granted Credit Debts

5.1 For the treatment of granted credit debts:

a) Before execution of the debt conciliation the Slovak Party and the Cuban Party are engaged, jointly or separately and taking into account financial conditions of both Parties, to find a solution to reach the execution of the treatment of the debt without undue delay. The Slovak Party shall officially, through the Ministry of Finance, inform about approved agreement which covers request to the treatment of the debt, identifying the positive impact on the economies of both States, the conditions and the proposed amount subject to the treatment of the debt.

b) The Parties may agree at any time to send a written request addressed jointly to the Original Borrower and the Original Lender and ask for a debt conciliation. For the purpose of this Protocol debt conciliation means: the assignment of collection rights or the transfer and acceptance of obligations under the circumstances enshrined in the original agreements. It needs to be in the same amounts of a debt, whole or partial, to be assumed by the Cuban Party and corresponding claim to be assigned to the Slovak Party. Upon such a request, and in accordance with the Preamble of this Protocol the Original Borrower and the Original Lender are obliged jointly and immediately to communicate and to propose a debt conciliation in accordance with this Protocol.

c) In case where the original credit conditions includes the Republic of Cuba securities as accessory guarantees for the original granted financing or other lesser guarantees, these shall be without effect and shall be returned within thirty (30) calendar days from the day of assumption of the debt of the Republic of Cuba. The amount of accessory guarantees shall be returned to the extent of corresponding amount of assuming debt by Government of the Republic of Cuba, as a condition for their assumption of new obligations by the Cuban party in its capacity as the new Borrower. For avoidance of any doubts, the debt conciliation shall not affect the guarantees provided to the amount of the debt which is not subject to the debt conciliation.

d) Both Parties recognizes that financial conditions for the treatment of the debt, in accordance with the Consolidation Agreement, shall not be less favorable than conditions granted in the original credits.

e) After execution of debt conciliation the Cuban party, acting through the Ministry of Foreign Trade and Investment shall inform without undue delay the Slovak

Party about acceptance of the requested treatment of the debt and shall facilitate the treatment of the debt, according to the Consolidation Agreement.

5.2 Sources of the treatment of the debt shall be conducted in the following order:

- a) Unless otherwise agreed in the treatment of the debt, reimbursement, and through for the financial instruments agreed in the Implementing Arrangements as defined in subparagraph b).
- b) The treatment of the debt may include, implementing arrangements for providing goods and services, signed between designated entities or other commercial contracts for the purpose of consolidation of economic relations between the Parties, in particular, but not exclusively for the purpose of the settlement of the debt of the Cuban party (“Implementing Arrangements”). For avoidance of any doubts, the Parties understand that the treatment of the debt through the Implementing Arrangements shall be executed by banking transfers payments to benefit of the Slovak Party and that the ownership of goods and services provided under the Implementing Arrangements shall not be transferred to the ownership of Slovak Party. Therefore, both Parties undertake to facilitate conclusion of the Implementing Arrangements between designed entities in a way which will ensure swift and flexible settlement of the claim of the Slovak Party with the Cuba Party by banking transfers payments as soon as possible. Furthermore, in such a case both Parties shall agree on the allocation of percentages between the treatments of the debt in subparagraph a) and b) of this paragraph, in accordance with amortization terms of projects financed with government credits and pursuing mutual benefits is enshrined in the Preamble of this Protocol.

5.3 The banking transfers payments executed for the treatment of the debt by using sources under paragraph 5.2 shall decrease the debt, which has the Cuban Party has with the Slovak Party, according to the respective provisions in the Consolidation Agreement. The day of the settlement of the debt of the Cuban Party shall be the day when the payment is credited to the account of the Slovak Party as agreed in the Technical Banking Agreement by the entrusted Financial Institutions.

5.4 The Implementation Arrangements used for the treatment of the debt may be amended. Any amendment needs to take into account the obligations and rights assumed under the treatment of the debt and external circumstances.

The prices established in said arrangements shall be those set by the designed entities and approved without undue delay by both Parties, in accordance with their common practice and in reference to the world market prices.

Notwithstanding, the Parties can re-negotiate any conditions with regard of pricing.

Article 6

Implementation Mechanism for a new Government Credits

6.1 Requests for government credits to encourage projects associated with the Consolidation Agreement shall be executed by the Cuban Party by official documents containing the terms and conditions necessary for its financing and they shall include, as a minimum:

- a) the object of financing;
- b) the amount requested;
- c) availability periods for reimbursements;
- d) amortization terms, and
- e) the sources of returns according to the investment recovery period.

6.2 Government credits shall be used to finance projects contributing to the economic growth of the Republic of Cuba and to promote Slovak investors.

6.3 In accordance with Slovak national legislation and on the basis of its best effort, the Slovak Party may evaluate requests for government credits and shall officially inform the Cuban Party after considering financial and other related conditions. The condition precede evaluation of a new government credit provided by the Slovak Party is the settlement of the debt of the Cuban Party under Article 5.3 of this Protocol. The amount of a new government credit subject to evaluation shall correspond to the amount of debt of the Cuban Party settled under Article 5.3 of this Protocol.

6.4 Interest accrued for projects subject to financing shall be paid twice a year on 30 June and 31 December of each year.

6.5 In case, where the payment date should be a non-banking business day, the payment date shall be the day immediately following the non-banking business day.

6.6 The currency used for financing shall be Euro.

6.7 The amount of each utilization of government credits shall be in accordance with the percentage approved by the Parties *as per* the financing of the projects and in a form of financial instruments agreed by the Parties.

6.8 The date for drawing government credits shall be the date corresponding to payment to the exporter and against presentation of the Bill of Landing, acceptance documents or any other financial instrument substantiating the

delivery of goods or services rendered. The drawing of government credits shall not exceed the time period defined in each project to be financed.

6.9 The sources for settlement of government credits subject to financing shall be granted to in the following order:

- a) Reimbursement according to profitability of the project and in accordance with the terms and conditions established for each financial agreement;
- b) Implementing Arrangements signed between the designated entities;
- c) Other investment projects agreed under the terms of the Protocol and the Consolidation Agreement in which a claim of the Slovak Republic may be transformed into the equity, and
- d) Barter.

6.10 The provisions of Article 5 of this Protocol shall apply accordingly to settlement of new government credits.

Article 7

Confirmation of Debt

7.1 At the close of each credit amortization, the Financial Institutions shall confirm the amount of the debt and they shall send the Parties their result.

7.2 Should there be a disagreement in debt confirmation, within a period of time, no greater than thirty (30) calendar days after notification of the disagreement, the financial institutions shall interchange corresponding documentation and they shall agree on the debt amount within a period of time no greater than sixty (60) calendar days after the delivery of the documentation.

7.3 If disagreement in debt confirmation remains after sixty (60) calendar days. Article 9 shall apply of this Protocol.

Article 8

Payments

8.1 Payments shall be made according to the terms and conditions of each project and through the Financial Institutions established by the Parties; for this purpose each Financial Institution shall open an account in Euros in the accounting books for each project. Both institutions shall abstain from any payments of other expenses and/or installments in which they may incur in regards to these accounts.

8.2 Payments covered by this Protocol shall be made in Euros. In the event that a currency other than the Euro has been agreed, the type of exchange rate published by the European Central Bank three (3) business days prior to the payment date shall apply.

8.3 Every payment made by the Cuban Party in treatment of the debt and for granted government credits shall decrease their debt with the Slovak Party; for this purpose, corresponding inter-bank communications shall take place.

Article 9

Resolution of Disagreements

All the discrepancies arising out as result of the implementation herein, shall be solved as per the Article 6 of the Consolidation Agreement.

Article 10

Final Provisions

10.1 This Protocol shall enter into force provisionally as of the date of its signing. This Protocol shall enter into force on the first day of the second month after the last written notification by which the Parties inform *via* diplomatic channels that the national legal conditions necessary for its entry into force have been met.

10.2 This legal instrument shall be valid for three (3) years and may be extended for three years (3 years) periods *via* written notification, in accordance with stipulations in the Consolidation Agreement preceding it.

10.3 This Protocol may be terminated at any time by either of the Parties *via* written notification to the other Party, six (6) months prior to the date which is desired. Termination of this Protocol shall not affect the implementation or any cooperation activity being undertaken under same, and which has not being concluded at the time of the termination of this Protocol and the Consolidation Agreement preceding it.

10.4 This Protocol may be amended, at any time by mutual agreement of the Parties. Any amendments shall enter into force in accordance with the procedure described in this Article.

10.5. The Consolidation Agreement shall be read in conjunction with this document and constitutes an integral part of this Protocol.

IN WITNESSES WHEREOF, the signatories below, duly authorized by their respective governments, sign this Protocol.

Signed in (blank space **until further definition**) in two copies in the Spanish, English and Slovak languages, to the same effect and tenor. In the event of discrepancies in the text, the English-language version shall prevail.

<p>On behalf of the Cuban Party</p> <p>_____</p>	<p>On behalf of the Slovak Party</p> <p>_____</p>
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