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**BANCO CENTRAL DE CUBA**

# GOC-2020-856-EX73

# RESOLUTION No. 177/2020

WHEREAS: Decree-Law 17 “On the Implementation of the Process of Monetary Order”, of November 24, 2020, provides for the monetary and exchange unification and withdrawal of the convertible peso from circulation within a term of one hundred eighty (180) days.

WHEREAS: Resolution 357, of December 20, 1994, of the President of Banco Nacional de Cuba, authorizes the issue of the convertible peso, recognized as unit of account by Resolution 68, of December 10, 2002, of the Minister President of Banco Central de Cuba.

WHEREAS: Resolution 65, of July 16, 2003, and Resolution 80, of October 23, 2004, both issued by the Minister President of Banco Central de Cuba, establish the compulsory use of the convertible peso in transactions carried out by Cuban institutions as well as by the population.

WHEREAS: Resolution 42, of June 13, 2004 of the Minister President of Banco Central de Cuba, establishes the procedure for issuing licenses to operate bank accounts in convertible pesos.

WHEREAS: As of the implementation of the Process of Monetary Order, it is therefore necessary to regulate the handling bank operations in convertible pesos and, consequently, to repeal the aforementioned resolutions.

THEREFORE: In the exercise of the powers and faculties conferred under Article 25, subsection d), of Decree-Law 361 “On Banco Central de Cuba”, of September 14, 2018; hereby, I

# RESOLVE

FIRST: As of Decree-Law 17 “On the Implementation of the Process of Monetary Order”, of November 24, 2020, takes effect, transactions currently denominated and carried out within the national territory in convertible pesos or in foreign currency shall be denominated and carried out in Cuban pesos, except for cases expressly authorized.

The exchange rate of the Cuban peso against foreign currencies is determined by Banco Central de Cuba and published daily on the website of Banco Central de Cuba.

The foreign currency concept refers to freely convertible currencies accepted by Banco Central de Cuba.

SECOND: The exchange rate for the Cuban peso against foreign currencies results from the application by Banco Central de Cuba of a fixed exchange rate system.

THIRD: During the term of one hundred eighty (180) days counted as of the referred Decree-Law 17 of 2020 takes effect, banks and exchange bureaus shall change the convertible pesos for Cuban pesos, and apply the exchange rate of twenty-four (24) Cuban pesos for one (1) convertible peso.

Convertible pesos received are sold to Banco Central de Cuba in accordance with the regulations in force that provide for their withdrawal from circulation.

FOURTH: Cuban natural and legal persons and the other subjects carrying out monetary transactions within the national territory shall operate bank accounts in Cuban pesos, except for cases expressly authorized to operate accounts in foreign currency.

FIFTH: Call deposit accounts, fixed deposit accounts and certificates of deposit in convertible pesos of natural persons, shall be held in that currency for a period of up to one hundred eighty (180) days, and during that term their holders can decide whether to totally or partially change their balance into Cuban pesos at an exchange rate of twenty-four (24) Cuban pesos for one (1) convertible peso, to US dollars or euros.

SIXTH: In the case that the holders decide to convert their balance, totally or partially, of the accounts in convertible pesos to US dollars or euros, the bank shall issue a certificate of deposit in those currencies according to the conditions established for this new product.

The holder of the certificate of deposit in US dollars or euros, once issued, shall not increase his/her balance, withdraw cash in these currencies or transfer them to other bank products in foreign currency; when circumstances within the country may allow to count on foreign currency availability to back these certificates, their conditions shall be modified.

If the customer decides to withdraw his/her funds before they are backed with liquidity, the certificate is cancelled and withdrawal is made in Cuban pesos in the amount of the principal plus the corresponding interests at the rate of exchange which prevails on the day when the operation is performed.

SEVENTH: Bank call deposit accounts and fixed deposit accounts and certificates of deposit in convertible pesos of natural persons held in this currency during the one hundred eighty (180) days established, are automatically converted to Cuban pesos at the rate of exchange of twenty-four (24) Cuban pesos for one (1) convertible peso, in the method and term originally contracted, and they will earn interest in this currency at the corresponding rate.

EIGHTH: Fixed deposit accounts and certificates of deposit in convertible pesos whose holders do not approach the bank to modify them during the one hundred eighty (180) days established, they receive a bonus between 1,5% and 3,5%, according to the term.

Holders of the aforementioned accounts in the previous paragraph who present themselves at banks during the referred period to change them into Cuban pesos, shall only be entitled to interest earned while the rest of conditions agreed in the initial contract are maintained.

NINTH: The balance of bank accounts in convertible pesos of cooperators abroad to which a 30% discount is applied for purchases at shopping centers automatically changes to Cuban pesos at the rate of exchange of twenty-four (24) Cuban pesos for one (1) convertible peso, keeping its current transactions.

Their holders can request, from the account in Cuban pesos, within the aforementioned term of one hundred eighty (180) days, to fully or partially convert the balance they had, at the time the monetary and exchange unification was enacted, to US dollars or euros, availing themselves of the certificate of deposit described in section Sixth.

When the situation of the country´s foreign liquidity allows to back this product, the certificate of deposit´s conditions stated in section Sixth shall be modified and their holders shall keep the condition of the 30% discount.

TENTH: As of this Resolution takes effect, no new deposits in convertible pesos shall be admitted in the accounts of natural persons denominated in that currency and during the referred term of one hundred eighty (180) days, any cash withdrawal from those accounts shall be made in Cuban pesos.

ELEVENTH: Banks shall automatically convert to Cuban pesos, at the exchange rates established in this section, the balance of bank accounts in convertible pesos of legal entities, agencies and bodies of the Central Administration of the State, local bodies of the People´s Power as well as of political, social and mass organizations.

The rate of exchange of one Cuban peso for one convertible peso shall be applied to the balance of bank accounts of the following:

1. Bodies and agencies of the Central Administration of the State;
2. local bodies of the People´s Power;
3. senior business management organizations, enterprises, base business units, budgeted entities and other national entities;
4. political, mass, and social organizations and other forms of association and institutions that receive convertible pesos from the State;
5. forms of the agriculture and livestock cooperative sector;
6. accounts in convertible pesos of the Cuba-Venezuela Comprehensive Agreement; and
7. collateral, escrow and collection accounts, which are backing foreign obligations.

The rate of exchange of twenty-four (24) Cuban pesos for one (1) convertible peso is applied to the balance of bank accounts of the following:

1. Non- agriculture and livestock cooperatives and other forms of non-state business;
2. incentives associated to magnetic cards;
3. political, mass and social organizations and other forms of association and institutions that do not receive convertible pesos from the State;
4. embassies, airlines, news agencies and correspondents;
5. religious institutions;
6. representative offices and agents of foreign corporations;
7. entities authorized to make consignment for a commission;
8. accounts for specific purposes;
9. collaboration projects; and
10. accounts of legal entities that constitute deposits, guarantees or financial intermediation operations with resources from natural persons.

The resulting balances are transferred to the account in Cuban pesos of the holder or to the new account in that currency that is opened by virtue of the holder´s bank on his/her behalf.

TWELFTH: Bank accounts of joint ventures, international association contracts and total foreign capital companies established in Cuba and of consumers and licensees of Mariel Special Development Zone operate under the provisions issued by Banco Central de Cuba to that purpose.

THIRTEENTH: Bank accounts of collaboration projects of legal entities in foreign currency, except for accounts in euros of the Cuba-Venezuela Comprehensive Agreement, which are held denominated in that currency, are converted to Cuban pesos in accordance with the exchange rate to be established.

FOURTEENTH: Legal entities that have issued or accepted payment or credit instruments in convertible pesos before this Resolution taking effect, and which have not been debited yet in their bank accounts, shall present at the bank where they operate, within a term of five (5) business days as of this Resolution taking effect, the bank reconciliation for these accounts, showing the payment or outstanding credit instruments, signed by the persons authorized to operate it.

Legal entities must hand over the book of checks denominated in convertible pesos that they hold to the bank.

FIFTEENTH: Banks shall only accept payment or credit instruments in convertible pesos issued before the date this Resolution enters into force, which are executed at the corresponding rate of exchange.

SIXTEENTH: Checks denominated in convertible pesos held by the beneficiaries are accepted by the banks during their validity, and are deposited in the beneficiaries´ accounts or are cashed in Cuban pesos by applying the corresponding rate of exchange.

SEVENTEENTH: Local letters of credit in convertible pesos presented at banks before the date that this Resolution enters into force, but not issued yet, are returned to their issuer.

EIGHTEENTH: Bills of exchange in convertible pesos presented for collection by the beneficiaries at maturity are paid in Cuban pesos.

NINETEENTH: Bank transfers in convertible pesos presented at banks before this Resolution taking effect, are executed in Cuban pesos, and are applied the exchange rate established under this legal provision.

TWENTIETH: ATMs shall only dispense Cuban pesos, regardless of the currency in which the account associated to the card is denominated.

TWENTY-FIRST: Magnetic cards associated to accounts in convertible pesos are valid up to when the issuing bank decides so, and the operations are performed in Cuban pesos.

TWENTY-SECOND: Operations with international debit or credit cards accepted in Cuba are executed in Cuban pesos, taking into account the exchange rates and commissions applied by the acquirer financial institutions or the processing and control centers of international cards.

TWENTY-THIRD: Cash in convertible pesos in cash funds held by the agencies, bodies of the Central Administration of the State, bodies of the People´s Power, state enterprises and institutions as well as forms of association that receive resources from the State, is changed into Cuban pesos at the exchange rate of one Cuban peso for one convertible peso.

Cash in convertible pesos in cash funds held by non-agriculture and livestock cooperatives and other forms of non-state business, institutions and association forms that do not receive convertible pesos from the State, embassies, airlines, news agencies and correspondents, religious institutions, representative offices, branches and agents of foreign corporations, is changed into Cuban pesos in accordance with the exchange rate to be established.

TWENTY-FOURTH: Financial institutions reschedule or restructure with borrowers funding granted in convertible pesos and denominate the debt in Cuban pesos or in foreign currency, according to the purpose of each financing contract.

TWENTY-FIFTH: Transactions in the national territory are within the scope of actions established under this Resolution, and in no circumstance will they prevent or block the execution of guarantees granted by Cuban financial institutions to foreign institutions or the availability of funds in foreign currency deemed necessary to honor liabilities contracted by Cuban finance institutions with foreign companies.

# SPECIAL PROVISIONS

FIRST: Licenses issued by Banco Central de Cuba to operate accounts in convertible pesos, shall be cancelled as of this Resolution enters into force.

SECOND: Natural persons can keep cash with them of foreign currency of general acceptability in the international exchange markets as well as operate bank accounts in US dollars or euros, according to the modalities offered by banks in accordance with their commercial policy.

THIRD: Savings books associated to accounts in convertible pesos held by the population shall keep their validity and will be updated to the extent that customers approach their banks.

# FINAL PROVISIONS

FIRST: Financial institutions shall carry out the appropriate adjustments set out in the manuals of instructions and procedures and in the automated systems in order to implement the withdrawal of the convertible peso from circulation.

SECOND: The following resolutions of the Minister President of Banco Nacional de Cuba and Banco Central de Cuba shall be repealed:

1. Resolution 357, of December 20 of 1994.
2. Resolution 68, of December 10 of 2002.
3. Resolution 65, of July 16 of 2003.
4. Resolution 42, of June 13 of 2004.

THIRD: This legal provision enters into force on January 1st, 2021.

BE IT PUBLISHED in the Official Gazette of the Republic of Cuba.

BE THE ORIGINAL FILED in the Secretariat of del Banco Central de Cuba.

ISSUED in Havana, on the twenty-sixth of November of two thousand twenty.

## Marta Sabina Wilson González

Minister President

Banco Central de Cuba

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# GOC-2020-857-EX73

# RESOLUTION No. 178/2020

WHEREAS: Decree-Law 17 “On the Implementation of the Process of Monetary Order”, of November 24, 2020, provides for the monetary and exchange unification and withdrawal of the convertible peso from circulation within a term of one hundred eighty (180) days, as of it takes effect.

WHEREAS: The Cuban peso devaluation has economic and financial effects on the business sector, which shall therefore require to establish financial regulations for this sector that are applicable as of the date of the monetary and exchange unification.

THEREFORE: In the exercise of the powers and faculties conferred under Article 25, subsection d), of Decree-Ley 361 “On Banco Central de Cuba”, of September 14, 2018, hereby, I

# RESOLVE

FIRST: A facility in Cuban pesos of transitory character shall be established, intended to finance different modalities recognized as working capital, investments and salary with short-term maturity up to its conversion into the corresponding financing with the purpose of mitigating the effect from the Cuban peso devaluation, which shall be understood as a bridge loan.

SECOND: The bridge loan shall be granted, upon previous request, during the first ninety (90) days after the monetary and exchange unification is enacted, except for the salary increase method set forth in Section third of this Resolution; in all cases it shall be amortized within a period of up to one hundred fifty (150) days as of its granting.

Banks can approve a credit extension up to a term of one hundred eighty (180) days, as an exceptional capacity.

These financings shall be adjusted to the real liquidity demand of the customer, during the validity period of this method.

THIRD: For the purpose of a salary increase, the bridge loan is granted to entities, upon previous request, within the fifteen (15) days before the monetary and exchange unification is enacted so as to meet the liquidity requirements to pay the salary advance as provided for.

FOURTH: Interest rates applicable to the bridge loan shall be valid for the working capital and investment methods on the date this Resolution is issued.

For the salary increase method an annual interest rate of 0,25% shall be applied.

FIFTH: During the validity period of the bridge loan, the entities shall prepare again their cash flows and feasibility studies of investments, as it may correspond, taking into account the effect of the devaluation, thereby presenting them to the bank before the maturity of the financing granted.

SIXTH: In order to apply for a loan bridge, the entities shall present at bank branches, where they operate their current account, the following documents:

1. Application for financing, in which the customer´s requirements are set;
2. accreditation and identification documents of the parties, according with the provisions in force;
3. documents associated to the customer´s Due Diligence as established by Banco Central de Cuba;
4. authorization in the case of investment financing, as it may correspond;
5. feasibility studies of new investment cases, though they may not be updated according to the existing conditions after the monetary and exchange unification; and
6. financial statements of the closing of the month prior to that of the request.

Regarding a bridge loan application for a salary increase, the entities shall adjunct an affidavit of the entity´s legal representative, recognizing the amount corresponding to the salary fund increase approved to the entity, as well as the commitment to their responsibility for the proper use of the funds.

SEVENTH: Banks can only process bridge loan applications for the investment method in the following cases:

1. When their purpose is for production or export services;
2. when connected to the export sector;
3. destined for infrastructure development; and
4. are equal or exceeding fifty percent (50%) of physical implementation.

EIGHT: Entities of the budgetary sector and agencies of the Central Administration of the State are not subject to this bridge loan method, their spending for these concepts are assumed by the State Budget.

NINTH: Bridge loan applications by entities within high- or extremely high-risk classification, shall be analyzed by the banks´ head office and financing shall be only granted if they submit budgetary guarantees or any other acceptable.

TENTH: If the entity is rated with low- or medium-risk due to the analysis conducted under Section Fifth, the bridge loan financing shall be converted to the new corresponding credit method, and the amounts and terms of amortization are determined at that time according to the resulting cash flows and the real financing requirements of the entity.

ELEVENTH: Once elapsed the period of maturity of the bridge loan for the working capital or investment methods, if the entity has not been able to evidence its financial capacity to assume a new financing, bank branches shall proceed to restructure the debts in accordance with the new amortization schedule for repayment agreed between the parties and shall be recorded as a restructured bridge loan.

Monetary resources related to the new repayment schedule shall be discounted at their maturity dates without previous acceptability of the entity´s current account.

In the event of the aforementioned situation in activities that are of the country´s interest and considering that a new bank financing should be granted, despite cash flows and feasibility studies show negative results, the new loan must be backed by a budgetary guarantee, duly formalized, or directly assumed by the State Budget.

TWELFTH: Banks record as debts on account of the State Budget, those obligations that cannot be honored by the entities related to investments, which due to their low level of physical implementation or any other reason it is decided not to continue with the implementation by the Evaluation Commission set up by Agreement 8956 of the Council of Ministers of November 25, of 2020.

Likewise, banks coordinate the amortization period for those debts with the Ministry of Finances and Prices.

THIRTEENTH: Budgetary guarantees are granted, where applicable, for the debt principal, and the entities shall be liable for the payment of the accumulated interests.

# FINAL PROVISION

SOLE: This provision shall take effect as of the date of its publication in the Official

Gazette of the Republic of Cuba.

BE IT PUBLISHED in the Official Gazette of the Republic of Cuba.

BE THE ORIGINAL FILED in the Secretariat of Banco Central de Cuba.

ISSUED in Havana, on the twenty-sixth of November of two thousand twenty.

## Marta Sabina Wilson González

Minister President

Banco Central de Cuba

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# GOC-2020-858-EX73

# RESOLUTION No. 179/2020

WHEREAS: Decree-Law 17 “On the Implementation of the Process of Monetary Order”, of November 24, 2020, provides for the monetary and exchange unification and withdrawal of the convertible peso from circulation within a term of one hundred eighty (180) days, as of the referred unification.

WHEREAS: Given that the new exchange rate exerts additional pressure on the flows in Cuban pesos of entities of the business sector, it is deemed necessary to establish mechanisms that expeditiously cover the initial deficit in Cuban pesos that those entities will have in dealing with foreign obligations.

THEREFORE: In the exercise of the powers and faculties conferred under Article 25, subsection d), of Decree-Law 361 “On Banco Central de Cuba”, of September 14, 2018, hereby, I

# RESOLVE

FIRST: Implementation of a financing mechanism in Cuban pesos, hereafter referred to as the compensatory mechanism, with the purpose of covering the differential between the financial resources required by the entities of the business sector to honor the foreign commitments contracted prior to the monetary and exchange unification and the resources they have available, by applying the rate of exchange in force so that, in accordance with the Plan of the Economy, payment of those commitments with maturity of up to three hundred sixty (360) days after the unification is assured.

SECOND: For legal effects of this Resolution, it is understood by foreign commitments, those obligations denominated in foreign currency, regardless of the place where payment is effected as well as those acquired in foreign currency, recorded in Cuban pesos or convertible pesos.

Foreign currency refers to freely convertible currencies accepted by Banco Central de Cuba.

It is understood by entities of the business sector, enterprises, whichever their subordination, senior business management organizations, national entities and other legal persons associated to the Plan of the Economy, hereafter referred to as entities.

THIRD: With regard to bank debts, the compensatory mechanism is automatically applied at the time the foreign payment is made.

In the case of nonbank debts, the entities shall request the bank, where they operate their current account, for access to the compensatory mechanism, and to that effect they shall present the following documents:

1. Certification issued by the authorized signatures of the entity declaring the debt accounting record.
2. Letter of liquidity position (LP) backing the foreign payment to be made.

FOURTH: The compensatory mechanism shall be granted by the banks, at the time the foreign payment is made, for a period of five hundred forty (540) days and at 0% interest rate.

FIFTH: The entities shall renegotiate with the banks these financings with terms of up to one hundred eighty (180) additional days, when the initial term had not been enough to guarantee its amortization.

In such case, banks shall apply a 0,25% interest rate.

SIXTH: Banco Central de Cuba backs the compensatory mechanism with a financing to banks in the same amount, term and interest rate as those granted by banks to the entities.

The moment the entity amortizes the financing received to the bank by virtue of the compensatory mechanism, the bank shall immediately settle the corresponding debt with Banco Central de Cuba.

SEVENTH: Once the seven hundred twenty (720) days for implementation of the compensatory mechanism have elapsed, in the cases of non-amortized financings, banks will analyze in their respective credit committees if they can be renegotiated again for which it shall be required acceptable business guarantees.

EIGHTH: In the absence of acceptable business guarantees, the case shall be submitted for assessment to the Assessment Commission set up by Agreement 8956 of the Council of Ministers, of November 25, 2020, which determines if it is convenient that the entity continues operating or makes another decision; in all cases, the referred Commission informs the bank in writing on the decision made.

If it is found convenient that the entity should continue operating, the State Budget shall assume the corresponding debts so that banks may proceed to their renegotiation.

NINTH: If the closure or restructuring of the debtor entities is determined, procedures shall be undertaken to recover the financing, according to the priority order established in the legislation in force.

TENTH: Entities that contracted obligations before the monetary and exchange unification which mature as of the three hundred sixty (360) days of its enactment, cannot accede to the compensatory mechanism.

Notwithstanding, if they cannot count on income flows to ensure the necessary resources in Cuban pesos to make foreign payments, they can apply for financing to banks.

Banks shall grant financing for these purposes according to the result of the risk analysis made to the entity and pursuant to the going provisions.

ELEVENTH: Entities contracting foreign obligations as of the monetary and exchange unification with maturity of a term shorter or equal to ninety (90) days counted as of that date, shall accede to a financing mechanism termed bridge loan, according to the terms and conditions established by Banco Central de Cuba.

TWELFTH: Entities contracting foreign obligations as of the monetary and exchange unification with maturities after ninety (90) days, and not counting on income flows that may guarantee them the necessary resources in Cuban pesos to make foreign payments can apply for bank financing.

Banks shall grant financing for these purposes according to the result of the risk analysis made to the entity pursuant to the going provisions.

# TEMPORARY PROVISION

SOLE: The State Budget shall assume the differential due to the effect of the devaluation of operations prior to the monetary and exchange unification, which are:

1. Foreign obligations that are due;
2. obligations contracted by import enterprises with maturity of up to three hundred sixty (360) days after; and
3. foreign debts that have been rescheduled and are recorded at banks.

# FINAL PROVISIONS

FIRST: Banco Central de Cuba issues the internal procedures that may be applicable to implement as provided herein.

SECOND: This legal provision enters into force on the 1st of January, 2021.

BE IT PUBLISHED in the Official Gazette of the Republic of Cuba.

BE THE ORIGINAL FILES in the Secretariat of Banco Central de Cuba.

ISSUED in Havana, on the twenty-six of November of two thousand twenty.

## Marta Sabina Wilson González

Minister President

Banco Central de Cuba

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# GOC-2020-859-EX73

# RESOLUTION No. 180/2020

WHEREAS: Decree-Law 17 “On the Implementation of the Process of Monetary Order”, of November 24, 2020, provides for the monetary and exchange unification and withdrawal of the convertible peso from circulation within a term of one hundred eighty (180) days, and thus deemed necessary to regulate the handling of bank accounts in foreign currencies.

WHEREAS: Article 240.2 of Law 9, “Civil Code” of July 16, 1987, sets forth that payment of obligations in foreign currency shall be authorized in the cases and method established by the law, the Government and the provisions of Banco Central de Cuba.

WHEREAS: Resolution 80, of October 23, 2004, modified in its article 6 and 7 by Resolution 4 of January 8, 2020, both of the Minister President of Banco Central de Cuba, require to be updated in virtue of the implementation of the Process of Monetary Order as well as Resolution 85, of September 20, 2010.

THEREFORE: In the exercise of the powers and faculties conferred under Article 25, subsection d), of Decree-Law 361 “On Banco Central de Cuba”, of September 14, 2018 hereby, I

# RESOLVE

FIRST: Bank accounts open within the national territory in foreign currency by Cuban and foreign natural persons, may remain in their current denomination or converted to Cuban pesos at the holder´s discretion, according to the rate of exchange in force.

The concept of foreign currency refers to the freely convertible currencies accepted by Banco Central de Cuba.

SECOND: The referred bank accounts shall accept in foreign currency, besides cash deposits, bank transfers from abroad and from other accounts opened in foreign currency in Cuban banks.

In addition, cash can be withdrawn in Cuban pesos or foreign currency at the corresponding rate of exchange.

THIRD: Fixed term deposits and certificates of deposit in US dollars from before Resolution 80 of October 23, 2004, of the Minister President of Banco Central de Cuba entering into force, shall maintain the agreed conditions.

FOURTH: Banco Central de Cuba shall issue the corresponding licenses for the opening of bank accounts in foreign currency on behalf of Cuban legal persons at banks operating within the national territory and abroad.

FIFTH: Accounts operated by legal persons in foreign currency at the moment of the monetary and exchange unification, which Banco Central de Cuba does not authorize to maintain, shall be closed and their balance shall be converted to Cuban pesos, in accordance with the corresponding rate of exchange.

SIXTH: Embassies, foreign news agencies and airlines and others similar operate accounts in Cuban pesos and in foreign currency.

SEVENTH: The rest of foreign legal persons not based in the national territory can operate accounts in foreign currency, and at the moment of carrying out their transactions in Cuban pesos, they shall execute them at the rate of exchange that prevails on the day of the operation.

EIGHTH: Religious associations and institutions may open accounts in Cuban pesos and in foreign currency, and when carrying out their transactions in Cuban pesos they shall execute them at the rate of exchange that prevails on the day of the operation.

NINTH: Income in foreign currency received in accounts in Cuban pesos of natural and legal persons are automatically changed by banks into Cuban pesos at the rate of exchange that prevails on the day of the operation.

Legal persons holding accounts in Cuban pesos shall not make deposits in foreign currency cash, unless they are authorized to do so.

TENTH: Cuban legal persons requiring foreign currency from their bank account in Cuban pesos to pay for a trade transaction, pay off a debt or other purpose duly authorized, must carry out the operation under the legislation in force.

ELEVENTH: Natural persons may change foreign currencies into Cuban pesos at the exchange bureaus, bank branches and hotels at the rate of exchange that prevails on the day of the transaction.

Purchase by natural persons of foreign currency with Cuban pesos can be done at exchange bureaus and bank branches.

TWELFTH: Measures established by this Resolution encompass transactions carried out within the national territory and in no case shall they obstruct or obstacle the execution of guarantees granted by Cuban financial institutions to foreign entities or the availability of funds in foreign currency deemed necessary to honor obligations contracted by Cuban financial institutions with foreign entities.

# SPECIAL PROVISION

SOLE: Balances of banks accounts referred to in section Second of this Resolution may be transferred by their holders to bank accounts in US dollars enabled for retail sales in foreign currency.

# FINAL PROVISIONS

FIRST: Repeal of resolutions 80, of October 23, 2004; 85, of September 20, 2010; and 4, of January 8, 2020, all of the Minister President of Banco Central de Cuba.

SECOND: This legal provision enters into force on January 1st, 2021.

BE IT PUBLISHED in the Official Gazette of the Republic of Cuba.

BE THE ORIGINAL FILED in the Secretariat of Banco Central de Cuba.

ISSUED in Havana, on November twenty-six of two thousand twenty.

## Marta Sabina Wilson González

Minister President

Banco Central de Cuba

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# GOC-2020-860-EX73

# RESOLUTION No. 181/2020

WHEREAS: Decree-Law 17 “On the Implementation of the Process of Monetary Order”, of November 24, 2020, provides for the monetary and exchange unification and withdrawal of the convertible peso from circulation within a term of one hundred eighty (180) days, as of it takes effect and thus deemed necessary to regulate the handling of bank accounts of foreign investment methods and of consumers and licensees of Mariel Special Development Zone.

THEREFORE: In the exercise of the powers and faculties conferred under Article 25, subsection d), of Decree-Law 361 “On Banco Central de Cuba”, of September 14, 2018, hereby, I

# RESOLVE

FIRST: As of the monetary and exchange unification joint ventures, contracts of international economic association and enterprises with total foreign capital based in Cuba by virtue of Law 118, “Foreign Investment Law”, of March 29, 2014, shall operate bank accounts in Cuban pesos and foreign currency.

The concept of foreign currency refers to foreign exchange accepted by Banco Central de Cuba.

SECOND: Banks shall automatically convert into Cuban pesos the balance of bank accounts in convertible pesos of joint ventures, contracts of international economic association and enterprises with total foreign capital based in Cuba at the exchange rate of one Cuban peso for one convertible peso.

THIRD: Bank accounts in foreign currency of joint ventures, contracts of international economic association and enterprises with total foreign capital shall keep operating until the balance exhausts; from the enactment of the monetary and exchange unification on these bank accounts shall only accept debits.

FOURTH: As of this Resolution takes effect, joint ventures, contracts of international economic association and enterprises with total foreign capital, shall open new bank accounts in foreign currency where the money contributions from the foreign investor and foreign funding are credited.

FIFTH: Financial resources of accounts in foreign currency, aforementioned in sections Third and Fourth, can be used in foreign trade and investment operations to pay off debts or purchase Cuban pesos in accordance with the exchange rate to be established.

SIXTH: Export incomes shall be converted to Cuban pesos in accordance with the exchange rate to be established and credited to the account in Cuban pesos.

SEVENTH: Consumers and licensees of Mariel Special Development Zone shall continue performing their monetary trade operations in foreign currency and to that effect shall operate bank accounts denominated in that currency.

In addition, they can open bank accounts for spending in Cuban pesos. These accounts are credited with bank transfers form their account in foreign currency at the rate of exchange in force.

The account in Cuban pesos shall be limited only to the users and licensees’ activities with the rest of the economy.

# FINAL RPOVISIONS

FIRST: Bank accounts in convertible pesos backed with liquidity shall be converted to US dollars at the rate of exchange on the day prior to the monetary and exchange unification.

SECOND: This legal provision enters into force on 1st of January of 2021.

BE IT PUBLISHED in the Official Gazette of the Republic of Cuba.

BE THE ORIGINAL FILED in the Secretariat of Banco Central de Cuba.

ISSUED in Havana, on the twenty-sixth of November of two thousand twenty.

## Marta Sabina Wilson González

Minister President

Banco Central de Cuba

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# GOC-2020-861-EX73

# RESOLUTION No. 182/2020

WHEREAS: Decree-Law 17 “On the Implementation Process of Monetary Order”, of November 24, 2020, provides for the monetary and exchange unification and withdrawal of the convertible peso from circulation within a term of one hundred eighty (180) days, as of it takes effect.

WHEREAS: Resolution 71, of July 15, 2013, just as it remained modified by Resolution 77, of May 22, 2015, both of the Minister President of Banco Central de Cuba, establishes the banking rules for the deposits of assets in custody and under administration and which as of the monetary and exchange unification requires to be updated.

THEREFORE: In the exercise of the powers and faculties conferred under Article 25, subsection d), of Decree-Law 361 “On Banco Central de Cuba”, of September 14, 2018, hereby, I

# RESOLVE

FIRST: The depositary institutions Banco de Crédito y Comercio, Banco Metropolitano S.A. and Banco Popular de Ahorro, hereafter referred to as depository institutions, take deposits of assets under administration and in custody of depositor authorities under the legislation in force.

SECOND: Depository institutions only accept assets handed over by officials of the depositor authority duly accredited or by those designated to that purpose.

THIRD: Depository institutions can only accept deposits of the following assets:

1. Money in bills or coins that are legal tender within the nation or abroad;
2. checks, drafts, bonds, stocks or any other credit document denominated in Cuban pesos or foreign currency as well as securities or documents of these securities with stock market value or not, duly endorsed, in applicable cases;
3. gold, silver or other precious metals, in coins or not, and any other good made from precious metals; and
4. precious stones, as well as jewelry, gems or objects made of precious stones and metals or of one of these materials only.

FOURTH: Depository institutions may not accept a deposit when the assets are not of the nature of or lack the appropriate characteristics or requisites; and if accepted, it shall be based on the presumption that these requisites shall be met, so that if later an expert report determines the opposite, they can return the assets to the corresponding deposit.

FIFTH: Depositor institutions, at the moment of making the deposit, shall present documents declaring the following particulars:

1. Number, year and subject of the attestation, denounce, file or cause where the deposit is provided for;
2. denomination of the depositor authority, legal domicile or of the authority empowered by the one the deposit is made for;
3. legal provision protecting the deposit;
4. names and surnames and identity number of the person whom the assets object of the deposit were occupied or of the owner or both;
5. detailed description and state of preservation of the securities or assets referred to in section Third taken into deposit;
6. capacity of convincing evidence or not in the cases of securities or assets referred to in section Third;
7. name, position and signature of the person authorized to request to open the deposit; and
8. date and official stamp of the depositor authority.

SIXTH: Upon acceptance of the deposit, the depository institution makes out a receipt in the form of a record stating the data related in section Fifth; type of deposit; number of the deposit, which is the number for the registration, as well as any other aspect specifying the depositor authority that must be referred to in case its return is decided.

SEVENTH: If there is any variation of the aspects set out in sections Fifth and Sixth, the empowered authority is obliged to communicate such changes immediately after they are produced.

EIGHTH: Depository institutions take into deposit under administration assets set out in subsections a) and b) of section Third, and are not obliged to return or hand over these assets on deposit but rather their amount in Cuban pesos or in foreign currency in accordance with the value placed in the accounting records at the rate of exchange that prevails on the day of the operation.

Assets referred to in subsection a) shall be transferred once they are received by the depository institutions to the Account of the State Budget in Banco Central de Cuba.

Assets related in subsection b), in the corresponding cases, shall be previously endorsed by the depositor authority in favor of the referred depository institutions which act on behalf of the State, for the purposes of collection and deposit into the Account of the State Budget.

In the event that they are not endorsed, they shall be maintained in accordance with the system established in section Tenth.

NINTH: Depository institutions, which within the term of one hundred eighty (180) days established for the withdrawal of the convertible peso from circulation, receive in convertible pesos the assets referred to in subsections a) and b) of section Third, shall proceed to convert them to Cuban pesos in accordance with the exchange rate to be established.

Once the term of one hundred eighty (180) days to withdraw the convertible peso from circulation elapses, only deposits under administration shall be taken in Cuban pesos and in foreign currencies accepted by Banco Central de Cuba.

Assets, referred to in subsection a) of section Third, received after the end of the period established for accepting the convertible peso for its change, shall be deposited in custody; in this case, the authorities empowered may not issue a returnable resolution and therefore, at the end of the penal action, they shall be destroyed according with the procedure established.

TENTH: Depository institutions hold in custody assets set out in subsections c) and d) of section Third, as well as those referred to in subsections a) and b), which are declared as convincing evidence when creating the deposit; and shall be obliged to safe keep, preserve and return or deliver to whom may correspond, or transfer to an entity authorized to trade, in case seizure or confiscation is decided, the same assets that were entrusted in accordance with the provisions set forth herein.

ELEVENTH: Assets related in subsections a) and b) of section Third which are declared false or out of circulation shall be deposited in custody; depository institutions when creating a deposit, must place on record the characteristics of these assets.

In these cases, the empowered authority cannot issue a returnable resolution and therefore, once the matter is solved, the referred assets shall be destroyed in accordance with the procedure established.

TWELFTH: For safekeeping and preservation of assets deposited in custody, the depositor shall proceed to introduce them in a safe deposit box where they shall be maintained duly protected. The box is handed over to the depository institution by the depositor.

The safe deposit box must be closed and sealed with a bank stamp and a number on it, which is fixed by the depositor in front of the staff of the depository institution. All that makes it improbable to open and close the box again without noticeable fingerprints.

The depository institution’s staff extends a signed receipt setting down the sole identification number of the deposit, which is that of the registration in a numbered form, the number of the seal closing the bag received by the depositor, name and surnames and data of the identification document that may be required; the deposit is kept into double custody of the staff who receives it and with access control of the head of the depository institution with faculties to that purpose.

THIRTEENTH: When changes are carried out in the deposits’ custody a written custody agreement is subscribed setting down the number of safe deposit boxes handed over as well as all referring to fulfilment of the preservation requirements of the contents.

If it is transferred from its place to another, it shall be communicated to the depositor authority.

FOURTEENTH: Depository institutions hold deposits into custody until the empowered authority provides for their final destination, which shall be duly notified.

Notification shall adjunct a receipt issued by the depository institution as well as a copy of the resolution or certificate of handing over or delivery, as it may correspond.

FIFTEENTH: Depository institutions quarterly reconcile the position of the assets held in deposit with the depositor entities or the authority empowered whom the making of the deposit into custody is provided for

According to the result of the reconciliation, the depository institutions shall act in accordance with what the authority provides for.

SIXTEENTH: In the event that the empowered authority, by firm resolution or certificate for handing over or delivery as it may proceed, provides for the return or delivery of an asset deposited under administration, the depository institution shall notify Banco Central de Cuba, which remits the communication to the Ministry of Finances and Prices for the purpose of instructing payment in Cuban pesos from the account of the State Budget in Banco Central de Cuba.

When, after the monetary and exchange unification, provision is made for the return or delivery of an asset deposited under administration in convertible pesos, transferred to the State Budget at the rate of exchange of one Cuban peso for a convertible peso, proceedings shall be conducted to return it in Cuban pesos in accordance with the exchange rate to be established.

SEVENTEENTH: In case the empowered authority decides the return or delivery of an asset deposited in custody, having to do with assets that are non-declared false or out of circulation, the depository institutions shall comply with as provided, according to what is set out in the firm resolution or delivery certificate.

If the empowered authorities decide to return the assets deposited in custody in convertible pesos after the monetary and exchange unification but within the one hundred eighty (180) days established to withdraw the convertible peso from circulation, depository institutions shall return them in Cuban pesos, in accordance with the rate of exchange to be established, from the State Budget.

EIHTEENTH: When at discretion of the empowered authority seizure or confiscation of the assets is provided for, the depository institution delivers the assets in custody to the entities empowered to trade them by means of a delivery certificate in accordance with the characteristics of the assets being dealt with and the agreements adopted with these entities.

Trade entities are liable for crediting the value of the sale to the State Budget, under provisions by the Ministry of Finances and Prices.

NINETEENTH: The auditor from each branch of the depository institutions is in charge of supervising the process for opening the safe deposit boxes as well as of verifying their contents.

Before beginning the appraisal, the auditor must verify the existence of all the assets and securities against the original custody agreement; if a difference is found, the depository institutions shall proceed based on provisions under their internal rules for these cases.

The auditor subscribes, in the capacity of supervisor, together with the custodians, any accounting record or receipt deemed necessary to prepare.

The act of appraisal and delivery, if conditions are appropriate, is recorded on video; the recording shall be kept by the depository institution for a five (5) year term.

Custodians, for the purpose of counting on items justifying assets handed over to them for custody, shall enable an expedient for each of them where all documents related to the deposit are stored, including the original appraisal document and delivery certificate.

# SPECIAL PROVISION

SOLE: Banco de Crédito y Comercio, Banco Metropolitano S.A., and Banco Popular de Ahorro establish, together with the People´s Supreme Court, the General Attorney´s Office of the Republic, the General Customs of the Republic, the ministries of Interior, Finances and Prices and Foreign Trade, as well as with the entities empowered to trade the assets, the coordination deemed necessary in the interest in complying with the provisions in this Resolution.

# FINAL PROVISIONS

FIRST: Banco de Crédito y Comercio, Banco Metropolitano S.A., and Banco Popular de Ahorro, shall adjust the bank procedures in force in accordance with provisions herein, within a term of seven (7) days as of this Resolution entering into force.

SECOND: Repeal of Resolution 71, of July 15, 2013, and Resolution 77, of May 22, 2015, both of the Minister President of Banco Central de Cuba.

THIRD: This legal provision enters into force on January 1st, 2021.

BE IT PUBLISHED in the Official Gazette of the Republic of Cuba.

BE THE ORIGINAL FILED in the Secretariat of Banco Central de Cuba.

ISSUED in Havana on the twenty-sixth of November of two thousand twenty.

## Marta Sabina Wilson González

Minister President

Banco Central de Cuba

# GOC-2020-862-EX73

# RESOLUTION No. 183/2020

WHEREAS: Decree-Law 17 “On the Implementation of the Process of Monetary Order”, of November 24, 2020, provides for the monetary and exchange unification and withdrawal of the convertible peso from circulation within a term of one hundred eighty (180) days as of it takes effect.

WHEREAS: Resolution 101, of November 18, 2011, modified by resolutions 12, of February 7, 2013; 87, of September 23, 2014; and 280, of October 25, 2019, all of the Minister President of Banco Central de Cuba, establishes the rules for payment and collection in Cuban pesos, convertible pesos and freely convertible currency derived from a contractual relationship between Cuban legal persons, between them and small farmers legally certifying the land tenure and between Cuban and foreign legal persons with natural persons authorized to engage in self-employed work, it is therefore necessary to repeal and adjust its content pursuant to provisions under the referred Decree-Law.

THEREFORE: In the exercise of the powers and faculties conferred under Article 25, subsection d), of Decree-Law No. 361 “On Banco Central de Cuba”, of September 14, 2018, hereby, I

# RESOLVE

FIRST: In payment and collection operations derived from contractual relationships, methods of payment and credit instruments agreed by the parties shall be used, as provided herein according to the characteristics of the transaction and the safety they offer:

1. Cash: Bills and metal coins in circulation.
2. Bank transfer: It is made by the bank according to its customer´s instructions; through this operation, the amount object of the transfer is debited from the customer´s account and credited into the beneficiary´s account or can be cashed at the window of the banking institution.
3. Check: Credit instrument with a double function: as a credit instrument and payment instrument. It is governed by a special regulation on this matter.
   1. Voucher check: It details the payment concept accurately.
   2. Cashier´s check: It is issued by a banking institution and drawn on its own funds
4. Bills of exchange and promissory notes: They are credit instruments with a double function, as credit instrument and payment instrument, both governed by a special regulation on this matter.
5. Collection order: It is used to regularly debit accounts according to the beneficiary´s demand to withdraw funds with previous authorization, for once, by their holders.
6. Debit or credit card: Methods of electronic payments used in conjunction with authorization and settlement systems of transactions conducted with their support.
7. Local letter of credit: It is issued and advised by Cuban banks with contractual relationships carried out within the national territory; Its issuance and transmission are governed by the Uniform Customs and Practice for Letters of Credit established by the International Chamber of Commerce.

SECOND: The creditor party shall be responsible for claiming that payments are made with safe instruments, with the purpose of ensuring such transaction is adequately performed.

THIRD: Settlement of payment and collection operations between bank branches of a same bank and between interconnected banks through the Public Network of Data Transmission is made electronically in order to debit and credit the respective customers´ accounts in the shortest possible time.

For legal purposes, it shall be considered payment had been made by electronic transfer of funds as of the acceptability by the receiving bank branch of a payment order, which was originated by a document or order given in an electronic terminal to debit the debtor´s account and to credit that of the creditor.

FOURTH: The charge for the services of electricity, telephone, gas, water and fuel is made by the entities that offer those services by means of the collection order without acceptance, unless the parties jointly agree to another payment method or Banco Central de Cuba provides otherwise.

FIFTH: If parties to a contract agree to grant a commercial credit or demand payment of interest in arrears from the debtor, interest rates applied by the financial institutions to credits granted to their customers shall be used as reference.

SIXTH: Presidents of banks or person who they empower in writing may decide the suspension of services to their customers in case of enough evidences of reiterated irregularities and unduly use of the bank services, such as non-fulfillments of the authorized commercial activity, issue of checks without funds, signed in blank or with defects withholding their processing; bills of exchange domiciliated in the bank account without enough funds at maturity or others of a similar nature.

Likewise, bank services shall be suspended at the request of the Ministry of Finances and Prices, in accordance with the procedure established by this ministry.

If services on accounts of legal persons are suspended, it shall be the concern of that who resolves or whom it delegates to revoke that decision, under previous request and on grounds of heads, directors or presidents, as it may correspond, from agencies, bodies of the Central Administration of the State, state enterprises and senior business management organizations, regarding the levels of attention, subordination or sponsorship.

In the cases of suspension of services on accounts of legal persons that are state property, if ninety (90) business days go past counted as of de date for suspension of the bank services without receiving the communication referred to in the previous paragraph, banks shall proceed to close the suspended accounts and credit their eventual balances to the account of the Central State Budget in Banco Central de Cuba.

SEVENTH: This Resolution is applicable to payment obligations from non- contractual relationships between subjects of these regulations.

EIGHTH: Dissents or objections of any of the contracting parties affected by a collection or payment operation processed by a bank branch shall be settled between the contracting parties in accordance with the contracts subscribed and under the legislation in force, without any responsibility of the banking institution, except for the incorrectness of the transaction or the negligence in its procedure may be attributed to it, in which case they shall be resolved in accordance with the provisions regulating the contractual relationships between the bank and its customer, without prejudice of any claim by means of judicial procedure.

# FINAL PROVISIONS

FIRST: Repeal of the following resolutions of the President of Banco Central de Cuba, as well as any other rules of lower status that may oppose the provisions set forth herein:

1. Resolution No. 101, of November 18, 2011.
2. Resolution No. 12, of February 7, 2013.
3. Resolution No. 87, of September 23, 2014.
4. Resolution No. 280, of October 25, 2019.

SECOND: This legal provision shall enter into force on January 1st, 2021.

BE IT PUBLISHED in the Official Gazette of the Republic of Cuba.

BE THE ORIGINAL FILED in the Secretariat of Banco Central de Cuba.

ISSUED in Havana, on the twenty-six of November of two thousand twenty.

## Marta Sabina Wilson González

Minister President

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