AGREEMENT BETWEEN THE GOVERNMENT OF THE REPUBLIC OF HONDURAS AND THE GOVERNMENT OF THE CUBA REPUBLIC FOR THE PROMOTION AND RECIPROCAL PROTECTION OF INVESTMENTS

The Government of the Republic of Honduras and the Government of the Republic of Cuba, hereinafter referred to as the Contracting Parties;

In the desire to create the favorable conditions that allow the investors of one State to make investments in the territory of the other State;

Recognizing that the encouragement and reciprocal protection of such investments through an international agreement will contribute to stimulating trade and promoting the prosperity of both States;

Have agreed as follows:

Article 1. Definitions

For the purposes of this Agreement:

(1) "Investment" means any property or rights in connection therewith, provided that it has been effected, in accordance with the laws and regulations of the Contracting Party, in whose territory exclusively:.

A) property rights over movable and immovable property; As well as all other real rights such as mortgages, security right over property of third parties, or pledge;

B) shares, social quotas and any other type of participation in a company or company;

C) financial credit for sums of money or any other right for obligations or services under a contract with economic value related to investments;

D) intellectual property rights, including copyrights and industrial property rights, technical processes, trademarks, trade names, industrial designs, know-how, goodvvill;

E) by right of right, the right to use the commercial name and fame acquired by a commercial establishment through purchase sale or lease;

F) commercial concessions granted by law or through contracts, including concessions for the search, cultivation, extraction or exploitation of natural resources;

Any change in the way in which the assets are invested does not affect their investment character.

2) "Profits" means the sums generated by an investment and, in particular, not only income, interest, capital income, dividends, royalties and fees;

(3) "Investor" means the following persons who have made investments in the territory of the other Contracting Party, in accordance with this Agreement:

A) Natural persons:

i) With respect to the Republic of Cuba: Natural persons who are citizens of that State in accordance with its laws and have permanent residence in the national territory;

ii) With respect to the Republic of Honduras: Any individual or individual who, in accordance with the legislation of this Contracting Party, is considered to be a national of the same, and who does not have Cuban nationality.

(B) Legal entities or persons, including corporations, corporations, associations or any other organization or organization duly organized in accordance with the law of that Contracting Party and having its headquarters and effective economic activities in the territory of that Party Contractor

(4) "territory" means:

(A) With respect to the Republic of Cuba: the term territory includes, in addition to the terrestrial, maritime and air space under the sovereignty of that State, the marine and submarine areas in which it exercises sovereign rights and jurisdiction, in accordance with its legislation and international right.

B) With respect to the Republic of Honduras: the term "territory" includes the national territory, land, sea and air space, as well as the exclusive economic zone and the continental shelf, over which it exercises sovereign rights and jurisdiction according to its Legislation and what is stipulated in international law.

Article 2. Scope of Application

(1) This Agreement shall apply to investments made before or after its entry into force by investors of one Contracting Party, in accordance with the laws of the other Contracting Party, in the territory of the latter Contracting Party.

(2) This Agreement shall not, however, apply to disputes or disputes which arose prior to its entry into force or are directly related to events occurring before its entry into force.

Article 3. Admission, Promotion and Protection of Investments

(1) Each Contracting Party shall encourage and create conditions conducive to the investment of capital in its territory by investors of the other Contracting Party and, in accordance with its right to exercise the powers conferred by its laws, shall admit such investments.

The Parties shall consult each other, after the entry into force of this Agreement, in order to find the most effective ways of stimulating and promoting the investments of their investors in the territory of the other Contracting Party.

(2) Investments of investors of each Contracting Party shall at all times be treated fairly and equitably in accordance with international law and shall enjoy protection and security in the territory of each Contracting Party. Investments of investors of a Contracting Party shall not be affected in any way by unjustified or discriminatory measures relating to the management, maintenance, use, enjoyment or disposal thereof in the territory of the other Contracting Party. Each Party shall observe the obligations it has entered into in respect of the investments of the investors of the other Contracting Party.

Article 4. Treatment of Investments

(1) Neither Contracting Party shall, under its territory, subject the investments or profits of investors of the other Contracting Party to treatment less favorable than that which it agrees to the investments or profits of its own investors or to The investments or profits of the investors of a third State if the latter treatment were more favorable.

(2) Neither Contracting Party shall subject to investors of the other Contracting Party, in respect of the management, maintenance, use, enjoyment or disposal of its investments, in a territory no less favorable than Which it agrees for its own investors or for the investors of a third state.

(3) For the avoidance of doubt, it is hereby confirmed that the investments or profits of the investors referred to in paragraphs (1) and (2) above are those governed by the domestic legislation protecting foreign investment, and The treatment stipulated under paragraphs (1) and (2) above shall apply to the provisions of Articles 1 to 11 of this Agreement.

Article 5. Compensation for Losses

(1) Investors of one Contracting Party whose investments in the territory of the other Contracting Party sustain losses due to wars or other armed conflicts, a state of national emergency, rebellion, insurrection or mutiny in the territory of the last Contracting Party, shall receive from this Contracting Party in respect of restitution, compensation, compensation or other arrangement no less favorable than that which the latter Contracting

Its own investors or the investments of the investors of a third State. The corresponding payments will be freely transferable.

2. Without prejudice to paragraph 1 of this Article, investors of one of the Contracting Parties who in any of the situations

referred to in that paragraph suffer losses in the territory of the other Contracting Party as a result of:

A) the occupation of their property by their forces or authorities, or;

B) the destruction of their property by their forces or authorities, which was not caused by combat actions or required by the urgency of the situation, will obtain the return or adequate compensation. The corresponding payments will be freely transferable.

Article 6. Expropriation

(1) Investments of investors of either Contracting Party shall not be nationalized, expropriated or subjected to any legal measure having an effect equivalent to nationalization (hereinafter defined as "expropriation") in the territory of the other Contracting Party, except By necessity or public interest or social interest and on a non-discriminatory basis and by the payment of prompt, adequate and effective compensation. Such compensation shall be equivalent to the effective market value of the expropriated investment, immediately prior to the expropriation or the impending expropriation being made public, whichever is first, and shall include interest accrued at the normal commercial rate up to the The date on which their payment is made, will be made delay and must be effectively realizable and will be freely transferable. In determining the market value, factors that could have affected the value of the investment before the expropriation was publicly announced should be taken into account. In the absence of a market, as a basis for determining the value of the investment, the compensation will be calculated on the basis of a fair valuation of the investment value taking into account all relevant factors. The affected investor shall be entitled, under the law of the Contracting Party which he expropriates, to an early review by a judicial authority of this Party of the valuation of his investment in accordance with the principles set forth in this paragraph,

(2) In the event that a Contracting Party expropriates the property of a

Investor established or constituted in accordance with the

Legislation in force in any part of its territory, and in which the

Investors of the other Contracting Party hold shares, shall ensure compliance with the provisions of paragraph (1) of this Article to the extent necessary to ensure prompt, adequate and effective compensation in respect of the investments of its investors of the other Contracting Party which they hold Such actions.

Article 7. Free Transfers

(1) Each Contracting Party shall, without delay, authorize investors of the other Contracting Party, after having fulfilled fiscal obligations, the transfer of funds in freely convertible currency agreed upon by the investor and the Party

In particular, but not exclusively:

A) interest, dividends, income, profits and other income;

B) amortizations of foreign loans related to an investment;

C) the capital or proceeds of the sale or total or partial liquidation of an investment;

(D) the proceeds of (a) settlement of a dispute and compensation in accordance with Articles 5 and 6.

(2) Transfers shall be made, at the exchange rate prevailing on the date of the transfer, in accordance with the law of the Contracting Party which admitted the investment.

Article 8. Exceptions

The provisions of this Agreement relating to the granting of treatment no less favorable than that accorded to investors of either Contracting Party or of a third State shall not be interpreted in such a way as to oblige one of the Contracting Parties to extend to The investors of the other Party the benefits of any treatment, preference or privilege resulting from:

(A) a customs union or similar international agreement, existing or to be signed, to which either Contracting Party has acceded or does so in the future, or

B) any international agreement or arrangement relating wholly or mainly to fiscal policy, or any domestic legislation relating wholly or mainly to such fiscal policy.

Article 9. Subrogation

(1) Where a Contracting Party or a body authorized by it has granted an insurance contract or other financial security against non-commercial risks in respect of any investment by one of its investors in the territory of the other Contracting Party, To recognize the rights of the first Contracting Party, to subrogate itself in the rights of the investor, when he has made a payment under said contract or guarantee.

2) When a Contracting Party has paid its investor and. As such, have assumed their rights, such investor may not claim such rights to the other Contracting Party, unless expressly authorized by the first Contracting Party.

Article 10. Settlement of Disputes between a Contracting Party and an Investor of the other Contracting Party

(1) Disputes arising within the scope of this Agreement between one Contracting Party and an investor of the other Contracting Party which has invested in the territory of the other Contracting Party shall, as far as possible, be settled by Friendly consultations.

(2) If, through such consultations, a solution is not reached within three months from the date of request for settlement, the investor may refer the dispute:

(A) to the competent courts of the Contracting Party in whose territory the investment was made;

(B) to an Ad - hoc tribunal established under the Rules of the United Nations Commission on International Trade Law (UNCITRAL); or

C) an arbitration in accordance with the Rules of Conciliation and Arbitration of the International Chamber of Commerce (CIC)

To this end, each Contracting Party gives its advance and irrevocable consent so that any dispute may be submitted to this arbitration.

(3) Arbitral awards shall be final and binding on the parties to the dispute and shall be enforced in accordance with the domestic law of the Contracting Party in whose territory the investment was made.

(4) The Contracting Parties shall refrain from dealing, through diplomatic channels, with matters relating to disputes submitted to judicial process or to international arbitration, in accordance with the provisions of this article, until the corresponding proceedings are concluded, except in the case The other parties to the dispute have not complied with the judicial decision or the decision of the Arbitral Tribunal, in the terms established in the respective judgment or decision.

Article 11. Dispute Settlement between the Contracting Parties

(1) Disputes between the Contracting Parties concerning the interpretation or application of this Agreement shall, as far as possible, be the result of friendly negotiations.

(2) If a dispute between the Contracting Parties can not be settled by friendly negotiations, the dispute in question shall be referred to an arbitral tribunal at the request of either Contracting Party.

(3) The arbitral tribunal shall be constituted, for each individual case, in the following form: within two months of receipt of the request for arbitration, each Contracting Party shall appoint a member of the tribunal. These two members, in turn, shall appoint a third-country national who, upon approval by the two Contracting Parties, shall be designated as President of the court. The President of the Tribunal shall be a national of a third State with which both Contracting Parties maintain diplomatic and

Shall be appointed within two months of the appointment of the other two members.

(4) If, within the time limits specified in paragraph (3) of this Article, appointments have not been made, either Contracting Party may, in the absence of any other agreement, invite the President of the International Court of Justice to Make the necessary appointments.

If the President is a national of either Contracting Party, or if he is unable to perform such a function, the Vice-President shall be invited to make the appropriate appointments. If the Vice-President is a national of either Contracting Party, or if he is also incapable of performing the above-mentioned function, the Member of the International Court of Justice shall be

invited to follow him in a hierarchical order and not be a national of either Party Contracting Parties, to make the necessary appointments.

(5) The arbitral tribunal shall decide on the basis of the provisions of this Agreement, the principles of international law in the matter and the principles of law recognized by the Contracting Parties. The Court shall decide by majority vote and such decision shall be binding on both Contracting Parties.

6) Each Contracting Party shall bear the expenses of its own member of the tribunal and be represented in the arbitration process; The expenses of the President and other expenses shall be borne equally by the Contracting Parties. However, the court may order that one of the Contracting Parties. However, the court may order one of the Contracting Parties to assume a greater proportion of the costs, and this award shall be binding on both Contracting Parties. The court shall determine its own procedure.

(7) Decisions of the Tribunal shall be final and binding on both Contracting Parties.

Article 12. Application of other Rules

If the provisions of the law of either Contracting Party or the obligations under international law existing at present or established in the future between the Contracting Parties in addition to this Agreement contain rules, whether general or specific, by which Investments made by investors of the other Contracting Party are entitled to receive more favorable treatment than that accorded in this Agreement, such rules shall, to the extent they are most favorable, prevail over this Agreement.

Article 13. Entry Into Force

Each Contracting Party shall notify in writing to the other Contracting Party the completion of the constitutional formalities required in its territory for the entry into force of this Agreement. This Agreement shall enter into force on the date of the last notification.

Article 14. Duration and Termination

This Agreement shall remain in force for a period of ten years and thereafter shall remain in force until the expiration of twelve months from the date on which either Contracting Party has notified the other Party in writing of its intention to terminate it. However, with respect to investments made during the term of the Agreement, its provisions shall remain in force with respect to such investments for a period of 10 years from the date of termination, and without prejudice to the application hereof of The rules of general international law.

IN WITNESS WHEREOF, the representatives of both Governments duly authorized thereto have signed this Agreement.

Done in two copies in the City of Havana, on the 9th day of August 2001, in the Spanish language, both texts being equally valid.

FOR THE GOVERNMENT OF THE REPUBLIC OF HONDURAS

FOR THE GOVERNMENT OF THE REPUBLIC OF CUBA