

## **Resolution No. 92/2004**

**Whereas:** It is essential to guarantee a greater control over the foreign exchange expenditures of Cuban entities and the optimal use of the country's resources, and,

**Whereas:** Recent experience has demonstrated the necessity to introduce a new organizational phase in which all foreign exchange receipts of the Caja Central will be concentrated at the Banco Central de Cuba, and in the current circumstances centralize decisions regarding the use by Cuban entities of convertible peso accounts, and,

**Whereas:** Banco Central de Cuba has been mandated by both the State and Government Councils to implement this policy, which was explained to the December 24<sup>th</sup> session of the National Assembly by comrade Fidel Castro, President of the Councils of State and Ministers.

**Therefore:** It is hereby resolved in application of the mandate thereby conferred to me as Minister President of the Banco Central de Cuba,

### **I RESOLVE:**

**FIRST:** As from January 1<sup>st</sup>, 2005 all convertible currency amounts currently received by the Caja Central, in respect of contributions, taxes, fees and other concepts shall be deposited in an account at the Banco Central de Cuba, denominated "Unique account for foreign exchange receipts of the State". The allocations of such resources will be centrally controlled. Any entity receiving convertible pesos from this account, must purchase them with Cuban Pesos.

Dividends, royalties and other incomes arising from Cuban's entities participation in Joint Ventures and other international economic associations will also be deposited in this account.

**SECOND:** As from February 1<sup>st</sup>, 2005, the Foreign Exchange Approval Committee, presided over by Banco Central de Cuba, shall also authorize transactions in convertible pesos, in addition to the foreign currency transactions which it currently authorizes.

In both cases, authorization must be obtained before the commercial contract is signed, and not at the time of payment as it is done at present. Transactions in convertible pesos or their equivalent in other foreign currencies, for amounts into the limits authorized to each entity in accordance with the characteristics of its economic activity, are excluded from the prior approval requirement. Such transactions will be reported to the Foreign Exchange Approval Committee after event, where will be analyzed, which may originate disciplinary actions such as the removal of such limits from those entities evidencing lack of control or irrational or incorrect use of such faculties.

**THIRD:** In this new organized phase, the Foreign Exchange Approval Committee presided over by Banco Central de Cuba will be reinforced with specialists to be designate by the Ministries of Foreign Trade, Economic and Planning and other organizations as required, in order to guarantee an analysis and process of the transactions as to avoid hold-ups and delays which might affect the efficiency of the enterprises.

**FOURTH:** During the month of February 2005 entities pertaining to the following organizations shall be gradually incorporated in the procedures described in the Second Resolve: Ministries of Tourism, Basic Industry, Transport, Iron and Steel Industry, Construction, Food, Fishing, Informatics and Communications, Civil Aeronautic Institute and the main entities operating the international network of stores that sales in convertible pesos.

**FIFTH:** All other organizations are required to set up Contracting Committees with the participation of delegates from the Foreign Exchange Approval Committee, who will have veto rights over any transaction and in the event of doubt, will take the case for further analysis to the Foreign Exchange Approval Committee.

**SIXTH:** During the first quarter of 2005, the practice by which enterprises make contributions in foreign exchange to their controlling organization for redistribution to other enterprises within the same organization shall be eliminated. Such contributions shall also be made directly into the "Unique account for foreign exchange receipts of the State" account at the Banco Central de Cuba. The convertible peso requirements of the enterprises which produce for the rationed market or for sale in Cuban Pesos will be centrally assigned provided these are purchased with Cuban Pesos.

**SEVENTH:** Cuban banks shall not process any transaction in convertible pesos or foreign currency without the prior authorization of the Foreign Exchange Approval Committee.

**EIGHT:** The measures set out in this Resolution have as their objective not only the most efficient use of the foreign exchange resources, but also to give better guaranties to the external commitments of the Cuban entities.

**Issued in the City of Havana on the 29<sup>th</sup> day of December 2004.**

**Francisco Soberón Valdés  
Minister President  
Banco Central de Cuba**