

Trial on Cuban old debts in London

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Royal Courts of Justice in London, where the High Court of England and Wales is located (Source: [Commons](#))

A trial over a portion of Cuba's old debt [began Monday](#) before the British Royal Court of Justice in London. The plaintiff, a Cayman Islands-based fund, is seeking immediate repayment from Cuba's Central Bank (BNC) of some 72 million euros in government debt dating back to 1984.

The lawsuit comes two years after the first claim was filed by investment fund CRF I Ltd, which had been buying Cuban government bonds since 2009. After failing to reach an out-of-court settlement in 2018, the case now lands in the UK's highest court.

Cuba's central bank commented that, in its view, the fund was not a legitimate holder of the debt securities, as no approval was ever given by the central bank to sell debt to CRF. The debt arrived at the fund through "illegal means and under serious irregularities" "committed by a central bank official and in violation of the law," it said in a statement published in the party newspaper Granma.

"The document issued by this official regarding the alleged assignment did not comply with the legal requirements established both in the agreements governed by English law and in the internal regulations of the Central Bank and Cuban law, and is therefore null and void," the bank added.

The previous creditors of the loans, originally issued in deutschmarks, were Credit Lyonnais Bank Nederland and the Central Bank of Italy.

The court case will now first determine whether CRF is a legitimate creditor or not. Only then can a decision on repayment be made in separate proceedings. The Cuban central bank is represented by a team of English, Cuban and Spanish lawyers.

"The BNC and Cuba have never ignored their debts and have always been interested in negotiating with their legitimate creditors," the bank said in its statement.

So-called "vulture funds" are known for buying up problematic or defaulted loans in order to sue for immediate repayment in full in international courts. Other Latin American countries, such as Argentina, had also fought similar lawsuits in the past, often in court battles that lasted for years.

The process will be closely watched by Cuba's Western creditors, some of whom have been waiting for debt repayment since the current economic crisis began in the wake of the Corona pandemic and tightened U.S. sanctions.