

# FRAMEWORK AGREEMENT OF COOPERATION

between

**THE MINISTRY OF FINANCE  
OF  
THE DOMINICAN REPUBLIC**



**MINISTERIO DE HACIENDA**  
República Dominicana

and

**CHINA EXPORT & CREDIT INSURANCE CORPORATION  
(SINOSURE)**



**中国出口信用保险公司**  
CHINA EXPORT & CREDIT INSURANCE CORPORATION

This **Framework Agreement of Cooperation** is executed as of the date of \_\_\_\_\_ by and between the following parties:

- (1) **Ministry of Finance of the Dominican Republic**, representing the Government of Dominican Republic, with its primary address at Ave. Mexico 45, Gazcue, Santo Domingo, Distrito Nacional, Dominican Republic, (hereinafter referred to as "**MOF of the Dominican Republic**"); and
- (2) **China Export & Credit Insurance Corporation**, a company dully incorporated under the laws of People's Republic of China (business license code 911100007109290334), is the state-funded and policy-oriented insurance institution conducting export credit insurance business in the People's Republic of China with its registered office at North Wing, Fortune Times Building, 11 Fenghuiyuan, Xicheng District, Beijing, 100033 P.R.China (hereinafter referred to as "**SINOSURE**").

The **MOF of the Dominican Republic** and **SINOSURE**, shall be hereinafter jointly referred to as the "Parties", and individually as a "Party".

Whereas:

- (1) Since the establishment of diplomatic relations between the Dominican Republic and the People's Republic of China in May 2018, both Parties will give full play to the complementary advantages to carry out cooperation, mainly but not limited to the fields of infrastructure construction, agriculture, maritime ports, water industry, electricity generation, power grid, railways, government-subsidized housing, bridges, airports, highways, industrial parks, among others;

- (2) On the basis of active practice of current cooperation projects, the Dominican Republic and the People's Republic of China will continue to encourage and support enterprises and financial institutions from both countries to promote the bilateral trade and investment;
- (3) **SINOSURE** is the only state-funded policy-oriented insurance institution conducting export credit insurance business in the People's Republic of China and its business guideline is "by means of insurance service for foreign trade and investment, fully supporting the development of foreign trade and economic cooperation and promoting the economic growth, the employment and the equilibrium of the Parties' balance of payments";
- (4) **MOF of the Dominican Republic** intends to search for and diversify its external financing sources in order to support the development of the key economic fields of the Dominican Republic such as infrastructure construction, manufacturing, agriculture, maritime ports, water industry, electricity generation, power grid, railways, bridges, airports, highways, government-subsidized housing, special economic zones, industrial parks, among others.

**MOF of the Dominican Republic** and **SINOSURE** are willing to make use of their respective experience and channels to promote the bilateral economic, trade and investment cooperation.

Upon friendly negotiation, it is agreed as follows:

## Clause 1

### Quota and Purpose

#### 1.1 Quota

Based on the credit of **the Dominican Republic**, **SINOSURE** is willing to provide insurance support with respect to financing activities with **MOF of the Dominican Republic** acting as borrower or guarantor, following the Dominican Legislation related procedures, in relation with projects applied for by the Government of the Dominican Republic and built and/or operated by Chinese enterprises in the Dominican Republic or export of mechanical and electrical products and whole-set equipments exported by Chinese enterprises to the Dominican Republic.

In addition, based on the acceptable commercial credit of the private companies involved, **SINOSURE** is willing to provide insurance support with respect to projects applied for by Dominican private companies and built and/or operated by Chinese enterprises in the Dominican Republic or export of mechanical and electrical products and whole-set equipments exported by Chinese enterprises to the Dominican Republic. In this case, the Government of the Dominican Republic will not provide a sovereign guarantee.

MOF of the Dominican Republic and **SINOSURE** agree to set an aggregate amount of up to One Billion United States Dollars (\$1,000,000,000 USD) as the cooperation quota (the "Quota"). **SINOSURE** encourages this country to preferably use such quota to finance the referred projects.

The financing bank(s) could be based in China, the Dominican Republic or in a different country. **MOF of the Dominican Republic** will be the Dominican institution approving the use of quota by a specific project, regardless the type of guarantee of such project.

## 1.2 Purpose

The Quota shall be preferably, but not exclusively, used towards construction projects in infrastructure construction, agriculture, maritime ports, water industry, electricity generation, power grid, railways, bridges, airports, government-subsidized housing, highways, special economic zones, industrial parks, and other fields, purchase of large-scale mechanical and electrical products and whole-set equipments which are recommended by the government of the Dominican Republic and have a significant meaning to the development of its economy and society, or other projects recognized by both Parties.

## Clause 2

### Conditions for the Projects

#### 2.1 Eligible Projects

Both parties agree that the construction or purchase projects towards which the Quota is used under this Framework Agreement of Cooperation shall satisfy the following conditions:

- (1) such projects shall be in compliance with relevant export & credit insurance policies and regulations issued by Chinese government, and the underwriting terms and conditions of **SINOSURE**;
- (2) relevant projects shall also be in compliance with the normative documents such as laws, regulations and governmental orders of each of China and the Dominican Republic, and all necessary approval of the Dominican Republic shall have been obtained;
- (3) other conditions that the projects shall satisfy will be agreed on a case-by-case basis.

## 2.2 Approval and Underwriting

The specific project towards which the Quota is proposed to be used and which is proposed to be insured by **SINOSURE** shall be subject to, other than the approval and consent of **SINOSURE**, the approval and consent of the government of China (provided that the approval of the government of China is necessary).

**SINOSURE** will issue the insurance policy respectively for each project in respect of which the approval has been obtained in accordance with the above paragraph.

### Clause 3

#### Cooperation Pattern

The **MOF of the Dominican Republic** is the only governmental institution entitled to negotiate, structure, sign, and provide official information related to any public credit operations which proceeds will fund specific publicly-developed projects. Requests for public financing insured by **SINOSURE** made by other public institutions cannot be accepted. Therefore, **SINOSURE** shall only accept as “official” the information or requests provided by the **MOF of the Dominican Republic**, unless otherwise stated on a specific financing contract.

**MOF of the Dominican Republic** will, from time to time, provide to **SINOSURE** a list of projects which are deemed important by the Dominican Republic and are proposed to be covered under this Framework Agreement of Cooperation, together with the detailed introduction materials of such projects. Each project shall specify the proposed financing structure and especially their type of guarantee. Upon receipt of the list, **SINOSURE** shall take active consideration and promptly provide feedback on whether it agrees in primary to cover the relevant projects under this Framework Agreement of Cooperation.

If, for part of the projects in the list, the Chinese enterprise has not been determined, **SINOSURE** will, as requested by **MOF of the Dominican Republic**, provide a list of eligible enterprises for such projects for **MOF of the Dominican Republic's** reference. **SINOSURE** shall also have the right, but is not obliged, to recommend projects to **MOF of the Dominican Republic**.

**SINOSURE** shall make use of its experience and channels in international financing arrangements to promote the comprehensive cost competitiveness of the projects.

Upon the fulfillment of the following appraisal conditions, among others, **SINOSURE** will try to complete internal appraisal in 40 working days: (1) the financing terms (including premium rate) have been determined; (2) the Chinese enterprises or banks have applied for the insurance and have submitted all materials necessary for **SINOSURE's** appraisal (including, without limitation the commercial contracts, term sheet for the financing, feasibility study report, environment impact assessment report and initiation and approval documents issued by the Dominican Republic).

If approved, **SINOSURE** will submit the underwriting proposal together with the bank's commitment proposal to the government of China for approval (if needed).

In the event that any project is denied by **SINOSURE** or the government of China, **MOF of the Dominican Republic** may propose a new project to substitute the denied project.

Apart from the aforementioned projects, **SINOSURE** will encourage Chinese companies to use Overseas Investment Insurance while investing in the Dominican Republic, in sectors such as manufacturing, special economic zones, logistics, agriculture, fisheries and other services.

**SINOSURE** will also offer short-term credit insurance for Chinese companies engaged in international trade from China towards the Dominican Republic.

#### **Clause 4**

##### **Premium**

The premium rate will be determined on a case-by-case basis. **MOF of the Dominican Republic** and **SINOSURE** may fully negotiate on the premium rate for the projects towards which the Quota is proposed to be used. In accordance with the corresponding regulations for obtaining public financing, once **MOF of the Dominican Republic** firmly and irrevocably accepts the quote of the rate, as specified in an official letter, it shall not search for other financing patterns.

As requested by **MOF of the Dominican Republic**, **SINOSURE** shall, with reference to the financial status and economical development requirement of the Dominican Republic, actively consider providing facilities such as premium financing and premium installments.

So as to carry out the approved projects as soon as possible, **MOF of the Dominican Republic** shall actively urge the relevant Dominican Republic's institutions to perform their obligations and to fulfill the conditions for the effectiveness of the insurance, including, without limitations, to sign and put in force the facility agreement and to pay the premium as required by the relevant facility agreement.

#### **Clause 5**

##### **Confidentiality**

Each Party to this Framework Agreement of Cooperation shall undertake that each party shall have the obligation to keep the content in this Framework Agreement of Cooperation



confidential. Except for the necessary disclosure to competent government authority, councils such as financial and legal advisors, Chinese enterprises, banks, neither Party may disclose any detail of this Framework Agreement of Cooperation to any third party without the consent of the other party, unless required by any laws, regulations or regulatory rules of any competent government authority.

#### **Clause 6**

##### **Further Negotiations**

Both Parties agree that they are willing to take necessary and appropriate actions to consummate this Framework Agreement of Cooperation step-by-step, and to specifically negotiate the terms and conditions for specific projects.

#### **Clause 7**

##### **Effectiveness and Invalidation**

This Framework Agreement of Cooperation shall become effective upon the execution by both parties.

Unless otherwise agreed by both parties, this Framework Agreement of Cooperation shall be terminated on the earlier of: (1) 5 years after the effective date hereof; (2) all projects falling under the Quota set out in Clause 1 of this Framework Agreement of Cooperation having been carried out by **MOF of the Dominican Republic** and **SINOSURE**.

## **Clause 8**

### **Miscellaneous**

Except for Clause 5 (Confidentiality) and Clause 7 (Effectiveness and Invalidation), this Framework Agreement of Cooperation expresses solely both parties' cooperation intentions on relevant issues, and is not legally binding on any party.

This Framework Agreement of Cooperation has been negotiated and written in English and it will be translated to Spanish, according to Dominican laws and regulations, under the understanding that in case of divergence of interpretation, the English version will prevail.

This Framework Agreement of Cooperation will be governed and interpreted in accordance with English law. Any dispute or disagreement arising from the interpretation or implementation of this Framework Agreement of Cooperation between the Parties hereto shall be resolved through amicable consultations in less than 60 days after the notification of the disagreement to the other Party.

The Dominican Republic states that any dispute arising from the implementation of its international financial and commercial contracts, will be submitted to International Arbitration. In that sense: (i) the applicable law and arbitration rules; (ii) the choice of arbitrates and of the arbitral institution; (iii) and the choice of the forum and venue in which the arbitration is to be conducted, will all be of different nationality, national law and jurisdiction than of those of the countries of the signatory parties of such agreements.

This Framework Agreement of Cooperation may be executed in counterparts and this has the same legal effect as if the execution on counterparts were on a single copy of this Framework Agreement of Cooperation.

Both parties agree to promptly seek opportunities to promote the cooperation along with the deepening of the economic and trade cooperation of both countries.

The parties undertake to duly notify in the manner indicated in this agreement, any change in the laws or regulations of one of the parties that is applicable to the execution and implementation of this agreement or of the projects to be financed. The Dominican Republic states that any changes in policies, regulations, and Laws would not immediately apply if such changes create a material impact on the financial contract and the project execution already in implementation. In such cases, the Parties will engage in additional negotiations so as to dedicate their best efforts to reduce the impact and fulfill the original objectives of the projects.

For the convenience of communication, the parties appoint the following persons for daily contact:

Ministry of Finance

SINOSURE

Public Debt Office

Business Development Department

Mrs. Athemayani Del Orbe

Ms. XU Huizhen

Director General of Public Credit

Deputy Division Chief

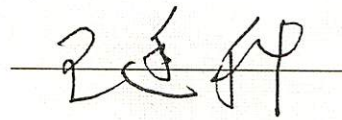
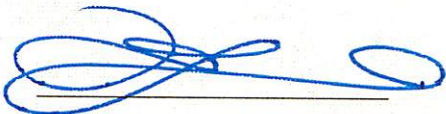
In case of the change in the persons for daily contact, each party shall give prior written notice to the other party.

ANNEX: The Definitions of Key Words in Export Credit Insurance

IN WITNESS WHEREOF, the English version of this Framework Agreement of Cooperation has been signed by the authorized representatives of **MOF of the Dominican Republic** and **SINOSURE** and has come into effect on the date first above written.

Signed by:

Signed by:



Name:

Name:

Mr. Donald Guerrero Ortiz

Mr. WANG Tingke

Title: Minister of Finance  
of the Dominican Republic

Title: President of China Export & Credit  
Insurance Corporation (SINOSURE)

On behalf of:  
The Ministry of Finance  
of the Dominican Republic

On behalf of:  
China Export & Credit Insurance  
Corporation (SINOSURE)

## ANNEX:

### The Definitions of Key Words in Export Credit Insurance

(for reference only)

**Chinese Elements:** the projects insured by **SINOSURE** shall contain specified “Chinese elements”, which will be defined in each project on a case-by-case basis. They may include, but are not limited to, goods, services, and human resources. All projects should include Chinese Elements for at least 60% of the value of the commercial contract, and at least 35% of the value of the commercial contract in case of civil works. All these projects must comply with the Dominican Republic’s legislation.

**Complementary Financing:** means the financing resources that should be provided by the borrower to execute the project, for at least 15% of the value of the commercial contract. **SINOSURE** will only insure up to 85% of the value of the commercial contract. The referred 15% can be provided by the borrower before the project starts and/or during the construction of the project, on a case by case basis.

**Effectiveness of the specific projects financing agreements:** according to Dominican legislation, all commercial contracts and financing agreements for public projects must be approved by the National Congress in order to be effective. This means that all charges, commissions and/or premiums, can only be paid after the referred approval.

**Exporter:** legal entity registered in Mainland China, with license to practice foreign trade and international economic cooperation, and with no deficiency in previous collaborations with **SINOSURE**.

**Grace Period:** can be agreed on a case by case basis; typically, it coincides with the project's disbursement period.

**Insured Amount:** means the principal of the loan and the interests.

**Period of Credit:** the period of credit (including availability period, grace period and repayment period) shall not be less than 7 years and shall not exceed 15 years, or shall be discussed case by case under extreme circumstances.

**Premium Rate:** it will be stated by **SINOSURE** based on, inter alia, the country's risk factors, the period of credit, and the guarantor credit rating. Up to 85% of the premium can be financed, and it has to be paid in no more than 3 installments during the construction of the project.

**Quota:** total amount of financing resources that **SINOSURE** is willing to consider to insure to the Dominican Republic, including all types of guarantees. Each project shall be evaluated independently.