

U.S.-Cuba Trade and Economic Council, Inc.

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Good News: Biden-Harris Administration Approved Second Known License For A United States Company To Export Vehicles And Equipment To Private Companies In Cuba.

Bad News Part One: Biden-Harris Administration (2021-) Continues To Require Payments From The United States And Payments From Cuba To Use Banks In Third Countries- Which Earn Fees From Each Transaction.

Bad News Part Two: Diaz-Canel-Valdes Mesa Administration (2018-) For More Than Two Years Delays Regulations Authorizing Direct Investment In And Direct Financing From Sources In The United States To Privately-Owned Companies In Cuba. The OFAC Authorized The First License On 10 May 2022.

Biden-Harris Administration Issuing Licenses Is Helpful, But Resisting The Implementation Of Direct, Two-Way Payment Processes, Meaning Re-Authorizing Direct Correspondent Banking, Only Reinforces The Issuance Of The Licenses Are *Cosmetic Rather Than A Treatment. Look And Sound Good, But Only On The Surface.*

If The OFAC And BIS Issue Licenses, They Have An Obligation To Provide The Plumbing Required To Make Efficient And Cost-Effective Use Of The Licenses.

Miami, Florida-based **Apacargo Express** reports the company obtained a license from the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury for the export from the United States to the Republic of Cuba: “*cars, trucks, trailers, tractors, and agricultural equipment.*” The company reports the OFAC license authorizes up to US\$10 million in exports during the validity of the OFAC license. The duration of the OFAC license has not been reported. Unknown if the company also has a license from the Bureau of Industry and Security (BIS) of the United States Department of Commerce.

On 17 November 2022, the Biden-Harris Administration (2021-) approved a license application submitted on 22 October 2022 by Columbia, Maryland-based **Premier Automotive Export, Ltd.** (PAE) to the BIS to export electric vehicles and chargers to republic of cuba nationals with the “*ULTIMATE CONSIGNEE: Privately owned companies in the Republic of Cuba owned by Cuba Nationals.*” The BIS license is valid until 30 November 2026. PAE has received five BIS licenses since 2017 including the first BIS license to export an electric vehicle to an embassy located in the Republic of Cuba. [LINK](#).

- [LINK: Home Delivery For Electric Scooters To Cuba: As Biden-Harris Administration Expands U.S. Export Opportunities, A U.S. Company Responds Quickly To Customer Requests. Next Correspondent Banking? December 04, 2022](#)
- [LINK: Ten Months After Denial, Biden-Harris Administration Approves Exports Of Electric Motorcycles, Electric Scooters To Cuba Nationals And To Privately-Owned Companies In Cuba October 05, 2022](#)
- On 28 September 2022, the BIS issued a license to PAE for the export of electric scooters and electric bicycles to Republic of Cuba nationals and to MSMEs.

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- On 15 December 2021, the BIS denied a license application submitted on 30 September 2021 by PAE to export electric vehicles and chargers to republic of cuba nationals. From the license application: “*Specific End Use- Ordinary Cuban Nationals would be the specific End User and purchasing electric vehicle for their own personal transportation.*”
- From the BIS: “*There is a general policy of denial for exports and reexports to Cuba of items subject to the EAR, as described in Section 746.2(b) of the EAR. However, there are exceptions to the general policy of denial, some of which are listed below: ... Items necessary for the environmental protection of U.S. and international air quality, waters and coastlines, including items related to renewable energy or energy efficiency, are generally approved.*”
- A license exception is a general authorization to export or reexport certain items without a license under stated conditions. Only the license exceptions, or portions thereof, listed Section 746.2(a)(1) of the EAR are available for Cuba.... Support for the Cuban People: License Exception Support for the Cuban People (SCP) “§ 740.21 Support for the Cuban People (SCP). (a) Introduction. This License Exception authorizes certain exports and reexports to Cuba that are intended to support the Cuban people by improving their living conditions and supporting independent economic activity; strengthening civil society in Cuba; and improving the free flow of information to, from, and among the Cuban people. (b) Improving living conditions and supporting independent economic activity..... (1) Items for use by the Cuban private sector for private sector economic activities... (2) Items sold directly to individuals in Cuba for their personal use or their immediate family's personal use,” [LINK](#)

Potential customers of PAE have inquired about installment payments for the purchase of EVs. As monthly payments would be minimal in value, the cost for sending the funds through a third country financial institution would be larger than the installment amount. Flexibility to provide installment payments will further enhance the cashflow of an MSME and further connect the MSME with the United States-based company.

In 2017, the **Obama-Biden Administration** (2009-2017) separately authorized **Deere & Company** (2022 revenues approximately US\$52.5 billion) and San Juan, Puerto Rico-based **RIMCO**, the Republic of Cuba distributor for Peoria, Illinois-based **Caterpillar Inc.** (2022 revenues approximately US\$59.4 billion) to establish distribution centers in the Republic of Cuba. At the time, neither Deere & Company nor Caterpillar issued media releases or posted information on their respective Internet sites. Neither company has provided revenues from the Republic of Cuba or identities of purchasers in the Republic of Cuba.

- [LINK: John Deere Could Provide US\\$30 Million In Financing For U.S. Exports To Cuba November 03, 2017](#)
- Since November 2017, Deere & Company delivered more than US\$1 million in agricultural equipment to the Republic of Cuba for use at its distribution center. Antioch, Tennessee-based Wirtgen America, Inc., a subsidiary of Windhagen, Germany-based *Wirtgen Group* (2021 revenues approximately US\$3 billion), a construction equipment machinery subsidiary (acquired in 2017) of Deere & Company has also delivered products to the Republic of Cuba. *RIMCO* continues to deliver equipment for use at its distribution center in the Republic of Cuba, including excavators, backhoes, graders, scrapers, bulldozers, railway fixtures, and signaling equipment, valued at more than US\$4 million

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- since December 2018. John Deere Financial Services was to provide payment terms/financing for the exports, primarily Series 5000 (price range US\$25,000.00 to US\$80,000.00) with a limited quantity of Series 7000 (price range US\$219,000.00 to US\$280,000.00). According to the company, several hundred tractors, parts and accessories may be exported from the United States to the Republic of Cuba during the next four years, with the first deliveries (for testing and evaluation) scheduled for mid-November 2017. The potential value of the several hundred products exported from the United States to the Republic of Cuba that would be financed could range from US\$9 million to US\$30 million. John Deere Financial Services has not commented as to whether the product sales goals have been achieved or if there have been issues relating to the receipt of payments. Caterpillar has not disclosed if the company has provided payment terms for its products exported to the Republic of Cuba.

Biden-Harris Administration MSME Support Background

On 10 May 2022 the Biden-Harris Administration through a two-year license issued by the OFAC authorized the first direct investment in and direct financing to a privately-owned company in the Republic of Cuba owned by a Republic of Cuba national. The OFAC license application was submitted on 10 June 2021.

- [LINK: Biden-Harris Administration Approves First Equity Investment Since 1960 In A Private Cuban Company May 10, 2022](#)
- [LINK: With U.S. Government Authorization For First Direct Equity Investment Into A Private Company In Cuba, Here Is Important Context And Details. About The Parties; About The Message. May 16, 2022](#)
- [LINK: Biden Administration Will Use Cuba's Authorization Of SMSE's As Means To Expand Support For Cuba Private Sector- U.S. Investments And Loans May Be Next June 02, 2021](#)

In 2023, after nearing three years, Denver, Colorado-based Western Union Company (2022 revenue US\$4.5 billion) recommenced electronic transfers from the United States to the Republic of Cuba through an agreement with Republic of Cuba government-operated *Orbit S.A.* which in February 2022 received authorization from the Central Bank of the Republic of Cuba as a “*non-banking financial institution to process money transfers.*” Electronic transfers may be sent from more than 4,400 locations in the United States “*receivers with bank and debit card accounts*” at these three Republic of Cuba government-operated financial institutions: Banco Popular de Ahorro, Banco Metropolitano S.A., Banco de Credito y Comercio (Bandec).

Western Union Company and Orbit S.A. have not yet authorized electronic transfers for commercial transactions by Micro, Small, and Medium-size Enterprises (MSMEs) and to authorize U.S. Dollar electronic transfers from accounts in the Republic of Cuba to recipients in the United States.

- [LINK: Who Or What Is Delaying Western Union From Authorizing Commercial Transfers From U.S.-Cuba And From Cuba-U.S.? Biden? Diaz-Canel? MSME's Waiting With U.S.-Based Companies And Entrepreneurs Apr 22, 2023](#)
- [LINK: Western Union Goes National For U.S. Transfers To Cuba.... When Will Cuba Permit U.S. Investment And Financing For MSMEs In Cuba? No Excuse For Delays. Mar 3, 2023](#)

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In April 2023, Republic of Cuba government-operated financial institutions again accepted U.S. Dollar currency deposits. *“It is very useful for us as a company and more than now we need a lot of capital injection to face the crisis with the purchase of professional machinery. This gives us the possibility of having currency input that currently could not be exchanged into currencies other than USD.”* Owner of an officially-registered MSME located in the Republic of Cuba and owned by a Republic of Cuba national.

- [LINK: Cuba Banks Again Accepting U.S. Dollar Deposits. That's Good. Better Would Be Providing Regulations For U.S.-Sourced Direct Investment And Direct Financing To MSMEs. First OFAC License Waiting... Apr 11, 2023](#)

Wholesale marketplaces are re-opening in the Republic of Cuba, some constructed and operated by companies located in Argentina, Italy, Spain, and potentially Russian Federation, where owners, managers, and employees of MSMEs may purchase inputs. The existence of a wholesale marketplace for MSMEs is a required component for a private sector- the distance between the price of a product purchased by an MSME and the price of the product and service produced and sold by the MSME is the profit- which hopefully the government of the Republic of Cuba will not seek to tax and fee to minimize as such would harm the ability of MSMEs to expand- both revenue and employees.

Links To Related Posts

[Cuba "Streamlining" Approval Process For Agriculturally-Focused Economic Associations With Foreign Capital. Still No Regulations For U.S.-Sourced MSME Private-Sector Foreign Investment/Financing Apr 27, 2023](#)

[Cuba Seeking Investors, Financing For State-Owned Companies. U.S. Entrepreneurs Waiting Since May 2022 For Cuba Regulations To Deliver Investment And Financing To Private Companies In Cuba Apr 27, 2023](#)

[Who Or What Is Delaying Western Union From Authorizing Commercial Transfers From U.S.-Cuba And From Cuba-U.S.? Biden? Diaz-Canel? MSME's Waiting With U.S.-Based Companies And Entrepreneurs Apr 22, 2023](#)

[U.S. Agricultural Interests Want To "Invest" In Cuba? Then Advocate President Diaz-Canel Approve Investment Regulations. OFAC Issued First License In 2022. Use Straight Line- Avoid Consultants. Apr 13, 2023](#)

[Cuba Banks Again Accepting U.S. Dollar Deposits. That's Good. Better Would Be Providing Regulations For U.S.-Sourced Direct Investment And Direct Financing To MSMEs. First OFAC License Waiting... Apr 11, 2023](#)