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Here's The Logic From U.S. Department Of State: *If We Permit It, Cuba Might Not Use It, So We Won't Permit It. But, No One Asked Cuba.*

United States Department of State: *“Regarding direct correspondent banking, U.S. regulations do of course allow for U.S. banks to establish correspondent accounts in Cuba, but not the other way around, as you [recipient of message] note. Two-way direct correspondent banking would indeed likely decrease transactions costs. However, it is our understanding that even if the United States were to authorize direct two-way correspondent banking, Cuban banks would not actually establish accounts in the United States due to outstanding legal judgements against the Cuban government that would freeze and collect any funds a state financial institution held in the United States. Therefore, I expect you're [recipient of message] unlikely to see direct correspondent banking on the horizon.”*

Biden-Harris Administration Adopts “Financial Prior Restraint” To Proactively Prevent United States Marketplace From Deciding Potential Issues And If Their Existence Precludes Engagement.

Why Not Let Marketplace Decide? Biden-Harris Administration Afraid Of Marketplace-Want's To Control When It Should Get Out Of The Way.

Irony? Biden-Harris Administration Mistake Adopted From Obama-Biden Administration.

“We're The Government. Here To Help You” ... Not Reach Your Potential.

The last twelve months disappointingly, but not surprisingly, continue to clarify the government of the Republic of Cuba views as desirable neither direct investment nor direct financing from sources specifically authorized by the Office of Foreign Assets Control (OFAC) of the United States Department of the Treasury to Micro, Small, and Medium-Size Enterprises (MSMEs) located in the Republic of Cuba and owned by Republic of Cuba nationals.

During the last months however, the **Diaz-Canel-Valdes Mesa Administration** (2019-) in the city of Havana, Republic of Cuba, has lavishly promoted the authorization of wholesale marketplaces in the Republic of Cuba, some to be constructed and operated by companies located in Argentina, Italy, and Spain, 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.

Republic of Cuba government-operated financial institutions are again accepting 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***

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other than USD.” Owner of an officially-registered MSME located in the Republic of Cuba and owned by a Republic of Cuba national.

- **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**

After nearing three years, Denver, Colorado-based **Western Union Company** (2022 revenue US\$4.5 billion) recommenced electronic transfers from the United States to three Republic of Cuba government-operated financial institutions located in the Republic of Cuba. Western Union Company and Republic of Cuba government-operated Orbit S.A. have yet to authorize electronic transfers for commercial transactions and to authorize U.S. Dollar electronic transfers from accounts in the Republic of Cuba to recipients in the United States.

- **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**
- **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**

Missing from the formula thus far embraced by the government of the Republic of Cuba is an essential ingredient: **access to capital**. This is not solely about locating capital- finding money is not the problem. This is about moving capital, payments, and other obligations from one point to another point cost-efficiently and transparently.

MSMEs are seeking access to funding not available from sources in the Republic of Cuba. They want direct investment, direct financing, loans, etc. They want the opportunity of identifying funds from sources in the United States. Having a wholesale marketplace is useful- but it will not thrive- and may not be sustainable absent MSMEs with funding to spend for supplies, particularly those MSMEs that want to expand and need to expand.

On 10 May 2022 the **Biden-Harris Administration** (2021-) through a 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.

- **Biden-Harris Administration Approves First Equity Investment Since 1960 In A Private Cuban Company May 10, 2022**
- **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**
- **Biden Administration Will Use Cuba's Authorization Of MSME's As Means To Expand Support For Cuba Private Sector- U.S. Investments And Loans May Be Next June 02, 2021**

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Ironically, where the Diaz-Canel Valdes Mesa Administration reinforces distain for the private sector, the Biden-Harris Administration demonstrates commercial illiteracy from adhering to a perplexing and intellectually deficient then and perplexing and intellectually deficient now embrace of a decision by the **Obama-Biden Administration** (2009-2017).

- **One:** The Diaz-Canel-Valdes Mesa Administration has yet after more than two years to specifically authorize and publish regulations for the delivery of direct investment in and direct financing to a privately-owned company in the Republic of Cuba owned by a Republic of Cuba national.
- **Two:** The Biden-Harris Administration has unfortunately continued to in part mimic the dysfunctionality of the Diaz-Canel-Valdes Mesa Administration by not providing the tools required for direct investment and direct financing to be functional.

Absence of efficient banking for MSMEs constrains their operational efficiencies and their potential. Officials within The White House (National Security Council), the United States Department of State, United States Department of the Treasury, United States Department of Commerce, and United States Department of Agriculture know this to be true- they have heard the message consistently from individuals, companies, and organizations.

Yet, these officials (low-level, mid-level, senior-level; career and political appointees) adhere, like *Flex-Seal*, *Crazy Glue*, and *Velcro*, that perfectly acceptable and logical (which is the most terrifying) for the Biden-Harris Administration to require payments (fee, percentage of transaction) to financial institutions located in third countries for every commercial transaction sent from the Republic of Cuba to the United States and for every commercial transaction sent from the United States to the Republic of Cuba. What grade would that answer receive from a professor at *Harvard Business School*?

That means fees on thus far more than **US\$7 billion**:

- For the period December 2001 through February 2023 from when the first agricultural commodity and food products were exported from the United States to the Republic of Cuba under provisions of the Trade Sanctions Reform and Export Enhancement Act (TSREEA) of 2000, the value delivered was approximately **US\$6,960,713,163.00**.
- For the period 2003 through 2023, the value of healthcare products (medical equipment, medical instruments, medical supplies, pharmaceuticals) delivered from the United States to the Republic of Cuba under provisions of the Cuban Democracy Act (CDA) of 1992 was approximately **US\$36,480,694.00**.
- Additional tens of millions of United States Dollars in commercial payments to the Republic of Cuba for telecommunications, aircraft overflights, cargo, informational materials, artwork, aircraft landing, authorized travel, passport renewals, etc.

The Biden-Harris Administration continues to refuse to authorize direct correspondent banking. Incredulously, the Obama-Biden Administration had authorized United States-based financial institutions to have correspondent accounts at financial institutions located in the Republic of Cuba, but did not authorize Republic of Cuba-based financial institutions to have correspondent accounts with financial institutions located in the United States.

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- **Remittances: Will Biden-Harris Administration Repeat Mistakes Of Obama-Biden Administration And Learn From Mistakes Of Trump-Pence Administration? No Triangles. Yes Loans. Yes Investments. May 18, 2021**

Absent direct correspondent banking and re-establishment of U-turn transactions for financial institutions located in the United States and in the Republic of Cuba, transactions relating to the export from the United States of authorized agricultural commodities, food products, healthcare products, and for authorized services- including the delivery when authorized by the government of the Republic of Cuba of MSME investment and financing, continue to require use of a financial institution located in a third country which adds time, cost, and lacks transparency.

- **Airbnb Successfully Lobbied Trump Administration. Airbnb Should Now Focus On Biden Administration To Advocate For Direct Correspondent Banking So Hosts In Cuba May Access Funds Directly, Efficiently. April 06, 2022**

On 17 November 2022, the Biden-Harris Administration approved a license application submitted on 22 October 2022 by Columbia, Maryland-based [Premier Automotive Export, Ltd.](#) (PAE) to the Bureau of Industry and Security (BIS) of the United States Department of Commerce 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 to 30 November 2026.

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.

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.”*

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

- Potential customers of PAE have inquired about installment payments for 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 also further connect the MSME with the United States-based company.

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Biden-Harris Administration Approves Second Known License For A U.S. Company To Export Vehicles And Equipment To Private Companies In Cuba. Payment? That Remains A Problem. OFAC Doesn't Care. Apr 29, 2023

Conclusions

The Biden-Harris Administration policies and regulations have, thus far, focused upon providing connective and re-connective opportunities to the re-emerging private sector in the Republic of Cuba.

The remaining challenge to transition Biden-Harris Administration policies from aspirational to operational is recreating a cost-efficient, timely, transparent, and secure mechanism to move funds from the United States to the Republic of Cuba and from the Republic of Cuba to the United States through the re-authorization of direct correspondent banking.

The issuance of OFAC licenses and BIS licenses in May 2022, September 2022, November 2022, and April 2023 are by implementation requiring of two-way transfers that are small in value but consistent.

Privately-owned companies located in the Republic of Cuba will need to send funds for product purchases (recently including BIS-licensed electric vehicles), send dividend (profit sharing) payments to the source(s) of direct investment, and sending interest and principal payments to source(s) of direct financing.

For the United States Department of State to continue to require transactions include a third-country financial institution (and the number of third-country financial institutions willing to engage with Republic of Cuba-related transactions continues to decline) is cost inefficient, less transparent, and an impediment to fulfilling the goals of the licenses issued thus far by the OFAC and BIS.

Another Bank Outside U.S. Reported To Cease Providing Wire Transfers To Cuba. No Reason Provided. Shows Urgent Need For Permitting Correspondent Accounts For Cuba Banks With U.S. Banks. December 04, 2022