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Taken Collectively, Commercial And Economic Decisions By Cuba During In 2021 Are Openings For Biden-Harris Administration Remittance Re-Engagement To Support Re-Emerging Private Sectors.

The White House

Washington DC

30 July 2021

President Joe R. Biden, Jr.: *“And the direct State- and I’ve directed the State Department and the Treasury Department to provide me, within one month, recommendations of how to maximize the flow of remittances to the Cuban people, without the Cuban military taking their cut. And we’re working to increase U.S. staffing at our embassy while prioritizing the safety of our personnel.”*

Tuesday, 31 July 2021, is “*within one month*,” and the [Cuba] Remittance Working Group (RWG) recommendations will be presented to President Biden.

By today, the RWG will, if not already, present to President Biden its recommendations for financial re-engagement with the Republic of Cuba.

Unknown is when President Biden will review the recommendations and then determine which, if any, of the recommendations he will implement.

Issues relating to decision-making about withdrawals from Afghanistan, the recurring multi-country impact of “*Havana Syndrome*” upon employees of the United States government, and social media-related regulations issued by the government of the Republic of Cuba will permeate negatively the decision-making process.

The Biden-Harris Administration (2021-) will attempt the impossible- wanting not to be perceived as providing value to the Diaz-Canel-Valdes Mesa Administration (2019-) in Havana. The focus will shift from wanting to provide nothing to limiting what is provided and conditioning where possible what is provided.

There exists an influential constituency within the Biden-Harris Administration and outside of the Biden-Harris Administration who support United States regulations and policies remaining as they are despite hardship inflicted upon the 11.3 million citizens of the Republic of Cuba, with the goal to force more promptly further commercial, economic, and political change within the Republic of Cuba. The constituency’s baseline is from evaluating decisions taken by the Diaz-Canel-Vales Mesa Administration particularly during the last three months- since the protests of 11 July 2021, but collectively since 1 January 2021- and reasonably expecting that the dire financial condition within the 800-mile archipelago will continue, may become worse, and result in a further lessening of control by the government.

Thus, the goals of the Biden-Harris Administration will include balancing perceived and actual value to the government of the Republic of Cuba with perceived and actual value to the 11.3 million citizens of the Republic of Cuba. There will be an emphasis upon support for the re-

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emerging private sectors in the Republic of Cuba which continue to represent the most efficient means of further separating control by the state with self-determination.

During the last nearing nine months, and increasing in frequency during the last three months, the Diaz-Canel-Valdes Mesa Administration has provided foundational assistance to the Biden-Harris Administration by publishing regulations (and publishing intentions to publish regulations) that directly impact commercial and economic sectors. While there remain questions as to how the regulations will be implemented, the expectation is with the government of the Republic of Cuba deeply in debt to importers, exporters, and service providers- and with the situation unlikely to improve quickly, the words in published regulations that are or seem now to be constrictive will eventually be expansive later.

The last ninety days for the Republic of Cuba have, from a commercial perspective, been astonishing in swiftness and depth. Some of what has been approved: Duties and fees eliminated on certain imports; Regulation of cryptocurrency; Postal service to provide financial services; Financing for purchases; Private sector increases access to suppliers, foreign currency; Suspension of tariffs and fees for residential solar systems; Regulations for micro, small, and medium-size enterprises (MSMEs); and Adoption of the LLC as an ownership format.

Since 1 January 2021, the government of the Republic of Cuba merged its two operational currencies, the Convertible Peso (CUC- 1 to US\$1.00) and the Cuban Peso (CUP- 24 to US\$1.00) leaving the CUP. The CUP remains overvalued (“street” value is 60-70 to US\$1.00). Further official devaluation is expected perhaps by the end of 2021. There has been decentralization within the commercial sectors, though there remain opportunities for additional changes. Expanded use by private companies of Republic of Cuba government-operated Fincimex-created American International Services (AIS) card cards issued by Republic of Cuba government-operated Banco Metropolitano. Expanded use of *Moneda Libremente Convertible (MLC)* for transactions. Republic of Cuba government-operated companies and private sector companies may retain from 80% to 100% of revenues from exports.

For the Biden-Harris Administration there now exists opportunities to be practically proactive rather than reactive absent of practical operational considerations.

Authorizing transactions (*direct investment, direct financing, direct correspondent banking, U-turn transactions, electronic remittance transfers*) that directly (not through third countries) and immediately provide value to the re-emerging private sectors.

Because the government of the Republic of Cuba has yet to authorize something is not a reason for the government of the United States to wait until they do so.

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From a United States Department of State spokesperson: *"The Administration has formed a U.S. governmental Remittance Working Group [RWG] to review available options to establish remittance channels so that the Cuban people receive the maximum benefit from remittances their families send. At the President's direction the State Department and the Treasury Department will provide recommendations to the President for how to maximize remittances to the Cuban people, while minimizing or eliminating the Cuban military's ability to take a cut."*

Biden-Harris Administration officials familiar with the process confirm that the members of the RWG are United States Government employees. The RWG includes input from The White House (including National Security Council), United States Department of State, United States Department of the Treasury, United States Department of Defense, United States Department of the Treasury, United States Department of Commerce, United States Department of Justice, and Central Intelligence Agency.

The White House
Washington DC
15 July 2021

President Joe Biden: *"Cuba is a -- unfortunately, a failed state and repressing their citizens. There are a number of things that we would consider doing to help the people of Cuba, but it would require a different circumstance or a guarantee that they would not be taken advantage of by the government -- for example, the ability to send remittances to -- back to Cuba. I would not do that now because the fact is it's highly likely that the regime would confiscate those remittances or big chunks of it."*

LINKS To Recent Remittance-Related Analyses

[By Today, State Department And Treasury Department Were To Deliver Remittance Recommendations To President Biden. Did They? When Will Decisions\(s\) Be Announced? Implemented? August 31, 2021](#)

[Healthcare Crisis In Cuba Provides Additional Questions And Opportunities For Biden-Harris Administration To Address Electronic Remittance Transfers... And Do So Practically August 19, 2021](#)

[Binary: Electronic Remittance Transfer Decision For Biden Administration And Diaz-Canel Administration; And Putting US\\$20 Million Into Perspective August 12, 2021](#)

[Cuba Adopting LLC Structure For Private Sector Is A Message To Biden-Harris Administration- Even If That Was Not \[Primary\] Intention. Familiarity For Sources Of Investment And Financing. August 30, 2021](#)

[Cuba Issues 175 Pages Of Regulations For Micro, Small And Medium-Sized Enterprises \(MSME's\) August 20, 2021](#)

[Defining "Transformative"- Cuba Ratifies Decree-Law Authorizing SME's: Micro \(1-10 employees\), Small \(11-35 employees\), Medium \(35-100 employees\). The Private Sector Has Returned. August 07, 2021](#)

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[Cuba Links Resumption Of Remittances From United States To Expanding Investment Opportunities For Cuban Residents Abroad August 06, 2021](#)

[Cuba Expands Again Role Of Private Sector- Suppliers, Foreign Currency Access August 05, 2021](#)

[Cuba Suspends Tariffs And Fees For Non-Commercial \(SME's Next?\) Solar Systems. Another Opportunity For Biden-Harris Administration To Support U.S. Exporters And Florida Companies Should Benefit. July 30, 2021](#)

[Biden-Diaz-Canel Remittance Compromise: U.S. And Cuba Companies Suspend Transaction Fees Until 31 December 2021. Impact On 800 Publix Markets July 27, 2021](#)

[U.S. Department Of State Memorandum: The 17 Company Members Of The CRWG- Moving Remittances And Using Remittances; Cuba Entities Need Be Part Of The Process July 26, 2021](#)

[If A Product Costs At Least 2,500 Pesos \(US\\$104.16\), Customers In Cuba Now May Obtain Financing: Terms Are 2.5% Interest With 20% Down July 24, 2021](#)

[Biden Administration Wants To Deny Cuba's Government \(Military\) With Earnings- Conditional Resumption Of Product Filled Flights To Airports In Cuba Benefits Self-Employed; By-In From Congress? July 19, 2021](#)

[Is Biden-Harris Administration Nearing Decision To Reverse Trump-Pence Administration Prohibition On Cuba Military Earning Money From Remittances? July 15, 2021](#)

[Cuba Central Bank Authorizes Cuba's Postal Service To Provide Financial Services. Continuing Expansion For Receiving And Spending Funds Assists Private Sector Aug 27, 2021](#)

[Cuba Central Bank Moving Nearer To Regulations For Cryptocurrencies- Another Signal To United States That Cuba Is Changing. Private Sectors Are Expanding- Though Government Remains Reluctant August 27, 2021](#)