

Cuba: Fine to stormy

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So much has changed in international relations over the last five years, much less the last 50, that it is remarkable how some of the conversation about Cuba seems frozen in time.

Certainly, the US embargo, first imposed in 1960, and the passionately fraught relationship of Cuba with the US and its unique Cuban community continues to cast a long shadow from the past upon the present. That shadow still has the power to dominate the headlines and the rhetoric of politicians and elected committees.

However, beneath this shadow, Cuba has been moving for some years to meet foreign investment interest, slowly expand private enterprise and more lately, attract capital with tax incentives, investment “guarantees” and treaties. The world, parts of which have long been willing to re-engage with Cuba postrevolution, has taken notice.

The US during the Obama Administration took a definitive set of steps toward embracing that change with its own liberalising policies. Currently, the mood and rhetoric has sharply shifted, but, as will be described further below, a number of the key Obama era changes remain in place.

These changes would tend to indicate that more relationships between US and Cuban business and government interests will expand in the years ahead.

To review the investment risk and opportunity scene in Cuba today, let’s begin with what Cuba’s policy and procedures are for foreign investment. Then we will turn briefly to tax and investment protection elements any foreign investor should consider. Finally, we will return briefly to the big question: where are US-Cuban relations headed and what impact will they have on Cuba and its people in the years ahead?

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Authors

Ivan A. Sacks

PARTNER | NEW YORK

Private client and tax

 +1 212 848 9820

 ivan.sacks@withersworldwide.com

Josefina Colomar

PARTNER | NEW YORK

Private client and tax

 +1 212 848 9878

 josefina.colomar@withersworldwide.com