

# Cuba

## Legal Provisions

Compiled by:

### Embassy of Switzerland in Cuba

Havana, March 2016

#### GENERAL REMARKS

**Most important legal sources** for foreign investment in Cuba:

- [Ley No. 118/2014](#) de la inversión extranjera. English version.
- [Decreto No. 325/2014](#): “Reglamento de la Ley de Inversion Extranjera” del Consejo de Ministros.
- [Resolución No. 46/2014 y No. 47/2014](#) del Banco Central de Cuba
- [Resolución No. 128/2014 y No. 129/2014](#) del Ministerio de Comercio Exterior y la Inversion Extranjera.
- [Resolución No. 16/2014](#) y [No 42/2014](#) del Ministerio de Trabajo y Seguridad Social.
- [Resolución No. 535/2014](#) del Ministerio de Finanzas y Precios
- [Resolución No 920/2014](#) del Ministerio de Economía y Planificacion
- Acuerdo No.7567 del Consejo de Ministros

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## **CUSTOMS**

Cuba is a member of the World Trade Organization (WTO) and a beneficiary of the General System of Preferences (GSP) scheme with Switzerland. Further memberships include the World Customs Organization and various regional trade agreement protocols. Cuba is neither a member of the World Bank nor the IMF.

The Cuban Customs nomenclature includes the Harmonized Commodity Description and Coding System with an 8-digit breakdown. A distinction is made for the most-favored nation tariffs (member nations of WTO and/or members of other bilateral trade agreements) and for general tariffs (other nations).

Art. XX of GATT defines de import- and export prohibitions, in line with international standards. Particular sanitary and fito-sanitary regulations apply, according to international conventions and UN recommendations of WHO and FAO.

A special customs regime applies to the Special Development Zone of Mariel.

For further information see

[Decree-Law No. 313 "About the Special Development Zone of Mariel"](#) (2013) Gaceta Oficial No. 26 extraordinaria, Chapter VI/Second Section and Chapter V/First Section

[Resoluciones No. 206/2014, 207/2014, 208/2014 y 300/2014](#), Gaceta Oficial No. 30 ordinaria, p. 683ff

## **IMPORT AND EXPORT REGULATIONS**

Article 26.1 of Chapter X of Law No. 118 on Foreign Investment corroborates that all forms of investment shall be entitled to import and export directly whatever is needed for their operation, in accordance with the relevant provisions established. The commercial registration shall be carried out through MINCEX, which will approve the code for the products that the company is authorized to import and export directly. Nevertheless, the acquisition of goods and services in the national market will be encouraged, provided that the said goods and services meet the conditions of the international market.

For the execution of these activities, it is necessary to take into account the content of Resolution No. 50/2014 of MINCEX, which approves the "General Regulations on the Export and Import Activities" aimed at defining the principles and basic standards that are mandatory for the entities authorized to engage in the import and export of goods.

Article 2 of this Resolution establishes that, for the purposes of the aforementioned Regulations, the term "entities" shall apply to those institutions that engage in the import and export of products, and

are registered in the National Registry of Exporters and Importers, attached to the Chamber of Commerce of the Republic of Cuba, excluding totally foreign capital companies.

For further information see

[Ley No. 118 de la inversión extranjera](#) (2014), Gaceta Oficial No. 20 extraordinaria, Chapter XII  
[Resolución No. 50/2014](#), Gaceta Oficial No. 13 extraordinaria, p. 127ff

## CURRENCY REGULATIONS

**Currency:** Cuba uses a system of two currencies. The Cuban peso (CUP or moneda nacional) circulates in bills of 1, 3, 5, 10, 20, 50 and 100 pesos and coins to the value of 1 and 3 pesos. In addition, the convertible peso (CUC) is used for the purchase of most imported goods and more and more services. The banknote **denominations** are 100, 50, 20, 10, 5, 3 and 1, while there are 1CUC, 50c, 25c, 10c and 5c coins. In spite of its name, the convertible peso cannot be exchanged outside Cuba. With a few exceptions, foreigners may cover their expenses only in CUC. The Cuban peso is used for some small purchases (e.g. fruits and vegetables on local markets) only. The country is currently working on the exchange and monetary unification but no date has been communicated so far.

**Money exchange:** 1 CUC is equal to 1 USD according to the official exchange rate (which applies to all banking and commercial operations). In the case of buying and selling operations executed by the population, the exchange is 24 CUP for 1 CUC and 1 CUC for 25 CUP. Exchange services are provided by banks, airports, hotels and exchange houses (CADECAS). The exchange of US dollars is subject to a 10% tax (gravamen), which should however soon be lifted by the Cuban government following new US-regulations that will allow Cuba to use the dollar in international transactions. It is still advisable to bring cash in Swiss francs or Euros.

## STANDARDS, TECHNICAL RULES, LABELLING REGULATIONS

Cuba is a party to a number of international treaties and agreements dealing with the protection of intellectual property, including the World Intellectual Property Organization and the Paris Convention, among others. The Cuban Office for Industrial Property – Oficina Cubana de la Propiedad Industrial (OCPI) and Cuban law firms are member of the Interamerican Association of Industrial Property (ASIPI), the International Association for the Protection of Industrial Property (AIPPI) and participate at the annual meetings of the International Trade Mark Association.

Cuba is member of the International Standardization Organization (ISO). Particular Cuban technical standards might have compulsory or recommendatory nature. The Oficina Nacional de Normalización (NC) is the Cuban authority related to these matters.

**For further information see:**

<http://www.nconline.cubaindustria.cu/> (Sitio Oficial de las Normas Cubanas)

## **PROTECTION OF COMMERCIAL AND INTELLECTUAL PROPERTY**

Cuba is a party to a number of international treaties and agreements dealing with the protection of intellectual property, including

- Agreement on Trade-Related Aspects of Intellectual Property Rights;
- World Intellectual Property Organization;
- Paris Convention;
- Lisbon Agreement; and
- Madrid Protocol.

The Cuban Industrial Property Office (OCPI by its Spanish initials), belonging to CITMA, is the governing entity that grants and registers industrial property rights in favor of natural persons or legal entities, whether national or foreign. The foreign persons with interest in submitting applications for the protection of any modality of Industrial Property in Cuba, must be represented by official Industrial Property agents accredited in Cuba, taking into account whether they have a real and effective domicile or commercial or industrial establishment in Cuba, in compliance with the requirements established in the legislation in force.

There are several specialized law firms in the country where the services of official agents can be requested.

The current legislation referring to Industrial Property may be consulted on the website of the OCPI (<http://www.ocpi.cu>). The main laws are:

- Decree Law No. 203/99 on Trademarks and Other Distinctive Features, whose purpose is the protection of trademarks, commercial names, entrepreneurial logos, establishments' signs and commercial slogans in the Republic of Cuba, by granting Industrial Property rights.
- Decree Law No. 228/02 on Geographic Indications, which regulates the protection of geographic indications as objects of Industrial Property rights.

According to article 58 of Law No. 118, the rights over the revenues obtained in whichever modality of foreign investment, subject to Intellectual Property protection, are regulated by the agreements contained in the constitutive documents, in compliance with the relevant legislation in force.

**For further information see:**

[Ley No. 118 de la inversión extranjera](#) (2014), Gaceta Oficial No. 20 extraordinaria, Chapter XII  
[Decreto Ley No. 203 de Marcas y otros signos](#) (1999), Gaceta Oficial No. 3 extraordinaria, p. 5ff, see also the specific website of [WIPO](#).

[Decreto Ley No. 228 de las Indicaciones Geográficas](#) (2002), Gaceta Oficial No. 11 ordinaria, p. 333ff, see also the specific website of [WIPO](#).

**TAXES**

The **general Cuba tax rules** are set out in Law No. 113 of the Tax System, (Tax Law No. 113 of July 23rd, 2012), published in the Official Gazette No. 53, Regular Issue, on November 21st, 2012.

Joint ventures and foreign and national investors, which are parties to international economic association agreements, shall, for the fulfillment of their tax obligations and their rights as taxpayers, abide by Tax Law No. 113 of July 23rd, 2012, published in the Official Gazette No. 53, Regular Issue, on November 21st, 2012, including the adjustments indicated as part of the **Special Tax System in Chapter XII of Law No. 118 “Foreign Investment Act”**, which stipulates the following facilities, among other aspects:

- Foreign investors shall be exempt from paying personal income taxes for the business' dividends or profits.
- The profit tax shall be paid by applying a 15 % tax rate on the net taxable profit.
- Investors shall be exempt from paying profit taxes for a period of eight years as from the date of their incorporation.
- Investors shall be exempt from paying profit taxes when the reinvestment of net profits and other benefits is authorized.
- There shall be 50% discount on the tax rate applicable to the tax on wholesales and services. There shall also be an exemption from paying this tax during the first year of operations.
- Investors shall be exempt from paying taxes on the use of labor force.
- Investors shall be exempt from paying customs duties for the import of equipment, machinery and other means during the investment process.

**Chapter III, Art. 10 of the Foreign Investment Act** specifies that “Joint ventures and national and foreign investors which are parties to international economic association agreements, shall be subject to the special tax regime established in this Act for until the term for which they were authorized expires.”

Totally foreign capital companies shall be required, for as long as they remain operational, to pay taxes under the law in force, without prejudice to the tax benefits that are to be established by the Ministry of Finance and Prices, provided that this be of interest to the country.

Any foreign investor established in the **Special Development Zone of Mariel** shall pay the taxes stipulated in Law No. 113 “Of the Tax System” dated July 23rd, 2012, with the adjustments contained in its applicable legislation:

Profit Tax:	There is a 10-year exemption from this tax. The Minister of Finance and Prices may extend that period in the cases that could be of interest for the country. Thereafter, a 12 % tax rate shall be applied. Investors shall also be exempt from the tax on re-invested profits.
Tax on the use of Labor Force:	All investors are exempt from this tax.
Tax on sales and services:	All investors shall be exempt during the first year of operations; thereafter, a 1% tax rate shall be applied. The international economic association agreements for hotel, production or services management and the rendering of professional services shall be exempt from this tax.
Customs tax:	There is an exemption for the means, equipment and goods imported for the investment process in the Zone. The General Customs of the Republic of Cuba may grant facilities with regards to the customs formalities required before and during the entrance of goods in the Zone from abroad.
Contribution to social security:	A 14 % tax rate shall be applied to the legal entities that use paid labor force.
Territorial contribution to local development:	All investors are exempt from this tax.
Income tax:	Foreign investors that are natural persons shall be exempt.
Environmental tax:	It shall be paid with a 50% bonus during the investment recovery.

The Ministry of Finance and Prices may generally grant exemptions in respect of all applicable taxes and customs duties. The granting of such exemptions will generally depend on the perceived benefits and size of the investment, the rate of recovery of capital, instructions given by the Executive Committee of the Council of Ministers regarding the priority sectors of the economy and the benefits that may result for the national economy.

Proper accounting books and records must be maintained in accordance with the Cuban Financial Reporting Standards which have been adopted from the International Financial Reporting Standards (IFRS). The financial statements of any entity subject to taxation in Cuba must be audited annually by an auditor that is duly authorized by the Ministry of Finance and Prices.

There is no double taxation agreement between Switzerland and Cuba.

**For further information see:**

[Ley No. 113 del sistema tributaria](#) (2012), Gazeta Oficial No. 53 ordinaria

[Ley No. 118 de la inversión extranjera](#) (2014), Gazeta Oficial No. 20 extraordinaria, Chapter XII

For English version visit the website of [Camara de Comercio de Cuba](#).

[Decreto-Law No. 313 "About the Special Development Zone of Mariel"](#) (2013) Gaceta Oficial No. 26 extraordinaria, Chapter V/Fifth Section

[Decreto-Ley No. 313 de la Zona Especial de Desarrollo Mariel](#) (2013), Gazeta Oficial No. 26 extraordinaria, Art. 57/58

## **COMMERCIAL LAW**

To the extent that foreign investment entities take the form of an anonymous share company (S.A.), such entities are subject to the application of certain provisions of the Cuban Commercial Code. It should be noted that significant parts of the Commercial Code have been repealed by subsequent legislation. Other generally applicable legislation, such as the Cuban Civil Code, the Banking Act, the Environmental Protection Act, the Tax Act, the Procedures Act and others will also be applicable to the operations of foreign investment entities.

Throughout all stages of foreign investment, special attention will be given to the introduction of technology, the protection of the environment and the rational use of natural resources, as stipulated in Chapter XV of the Foreign Investment Act.

MINCEX shall submit all the investment proposals received to the consideration of the Ministry of Science, Technology and Environment (CITMA by its Spanish initials), which shall analyze their environmental and technological feasibility and suitability and decide whether or not an environmental impact assessment is required. It shall likewise decide on the advisability of granting the appropriate licenses and the applicable control and inspection system, in accordance with the legislation in force. It shall also analyze the negative aspects concerning standardization, metrology and quality.

**For further information see:**

[Código de comercio de Cuba](#) (2006)

[Ley No. 59 "Código Civil"](#) (1987)

[Legislación ambiental](#) (diferentes leyes)

## **BUSINESS OPPORTUNITIES**

Investment opportunities in Cuba are promoted through a diverse Portfolio of Opportunities prepared by the Ministry of Foreign Trade and Investment (MINCEX) and approved by the Council of Ministers, and published on a yearly basis, which offers general information on every sector or activity and provides investors with the key elements of the projects prioritized in the country.

**For further information see:**

[2015 Cartera de Oportunidades de Inversión Extranjera](#) (Portfolio of Foreign Investment Opportunities)

## **PROMOTION OF INVESTMENT**

The **Cuban government is actively seeking and promoting foreign investment**, as part of the updating of the Cuban economic model. Foreign investment is aimed at the diversification and expansion of export markets, the access to advanced technologies, the replacement of imports, the obtainment of foreign financing, the creation of new sources of employment, the attraction of new managerial methods and their connection with the development of productive chains, and the change of the country's energy matrix through the use of renewable sources of energy.

According to Article 11.1 of Law No. 118, foreign investment may be authorized in all sectors except for:

- The health care services for the Cuban population, excluding their business systems.
- The education services for the Cuban population, excluding their business systems.
- The armed forces, excluding their business systems.

The sectors considered **priorities** are agriculture and forestry, the pharmaceutical and biotechnological fields, the food, sugar, light, chemical, electronic, iron, steel, and machine industries, as well as tourism, transportation, health care, construction, energy and mines, and wholesale trade.

The investment of foreign capital is governed by **Law No. 118 “Foreign Investment Act”** dated March 29th, 2014, and enforced on June 28th of the same year. The legal framework, which includes supplementary rules of the Law, was published in the Official Gazette No. 20, Special Issue, on April 16th, 2014. It includes Decree Law No. 325/2014 of the Council of Ministers, Resolutions No. 46 and No. 47 of 2014 issued by Banco Central de Cuba (Central Bank of Cuba-BCC by its Spanish initials), Resolution No. 16 of 2014 issued by the Ministry of Work and Social Security (MTSS by its Spanish initials), as well as resolutions No. 128 and No. 129 of 2014 issued by the Ministry of Foreign Trade and Investment (MINCEX).

On May 24th, 2014, Agreement No. 7567 of the Council of Ministers was adopted. Such agreement delegates to the ministers of Foreign Trade and Investment, and Tourism, the duties of approving and authorizing the international economic association agreements aimed at the management of production and services, and the rendering of professional services; and the hotel management agreements respectively.



The **Foreign Investment Act (Chapter III)** provides that foreign investments in Cuba enjoy full protection and security and may not be expropriated, except for reasons of public utility or national interest, as declared by the Cuban Government in accordance with the Cuban constitution and prior to compensation based on the agreed commercial value of the assets, payable in a freely convertible currency. At any time, a foreign investor may sell or transfer to the Cuban Government or a third party, in whole or in part, its interest in a Cuban joint-venture company and prior approval of the Cuban Government. The Foreign Investment Act also guarantees that net profits, dividends and the proceeds resulting from the liquidation or sale of shares in a Cuban joint-venture or full foreign ownership company may be freely repatriated abroad (free from taxes, withholdings and deductions). Swiss investors enjoy additional benefits such as provided by the Agreement for the Promotion and Protection of Investments, executed in 1997 between the Federal Council of Switzerland and the Cuban Government. No agreement on double-taxation exists between Switzerland and Cuba.

Despite the existing and well defined legal framework governing foreign investments, the effective deployment of foreign investment in Cuba remains comparatively small. Limiting factors might be less the disposability of foreign capital eager to work in Cuba (despite the US embargo restrictions) than a rather restrictive handling of the inquiries by Cuba. Equity participations in so deemed “very attractive projects”, particularly in tourism, is kept in Cuban hands.

An agreement on the promotion and protection of Investments was concluded between Switzerland and Cuba in 1996.

[Förderung und den gegenseitigen Schutz von Investitionen](#) (1996): SR 0.975.229.4 (d, f, it)

**For further information see:**

[Resolution on the Guidelines of the Economic and Social Policy](#) (2011)

[Ley No. 118 de la inversión extranjera](#) (2014), Gazeta Oficial No. 20 extraordinaria, Chapter XII

For English version visit the website of [Camara de Comercio de Cuba](#).

[Decree-Law No. 313 “About the Special Development Zone of Mariel”](#) (2013) Gaceta Oficial No. 26 extraordinaria, Chapter V/Fifth Section (in [Spanish](#), [French](#), [Italian](#))

[Decreto Ley No. 327](#), Reglamento del Proceso Inversionista (2015), Gaceta Oficial No. 5 Extraordinaria, p. 27ff

## **MODALITIES OF FOREIGN INVESTMENT**

According to Law No. 118 “Foreign Investment Act” (Art. 13.1), foreign investment shall adopt one of the following modalities:

**Joint Venture:**

A Cuban trading company which adopts the form of a corporation with registered shares in which one or more national investors and one or more foreign investors participate as shareholders. (See Chapter IV, Art. 14)

The establishment of a joint venture requires the drafting of a public deed as an essential condition for its validity. The Articles of Association (which include the provisions related to the organization and operation of the company) as well as the Authorization and the association agreement need to be attached to it. The joint venture acquires legal personality upon being registered in the Business Register.

Joint ventures may establish offices, representations, branch offices and subsidiaries both within the national territory of Cuba and abroad, and participate in entities abroad.

**International Economic Association Agreement:**

An agreement between one or more national investors and one or more foreign investors for the realization of activities fitting an international economic association even without this being a legal entity distinct from that of the parties. (See Chapter IV, Art. 15)

According to article 13.2 of Law No. 118, international economic association agreements include, among others, the risk contracts for the exploration of nonrenewable natural resources, construction, agricultural production, and hotel, production or services management and the contracts for the provision of professional services.

**Totally Foreign Capital Company:**

A trading entity with foreign capital without the involvement of any national investor or natural person with foreign capital. (See Chapter IV, Art. 16)

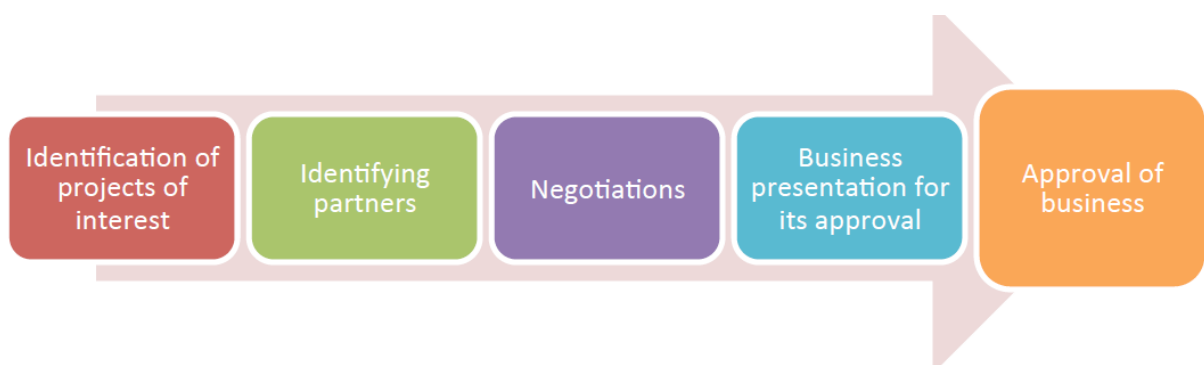
In this modality, the foreign investor shall manage the company, enjoy all the rights thereof and be liable for all the obligations established in the Authorization. In addition, upon the company's registration in the Business Register, foreign investors shall be able to settle within the national territory of Cuba:

- As natural persons, acting on their own behalf;
- As legal entities, by setting up a Cuban subsidiary office of the
- foreign entity they own, by means of a public deed, in the form of a
- corporation with registered shares; or
- As legal entities, by establishing a branch of a foreign entity.

A totally foreign capital company incorporated as a subsidiary shall be able to set up offices, representations, branches and subsidiaries both within the national territory of Cuba and abroad, and have interests in entities abroad.

## ESTABLISHMENT OF BUSINESS

At the moment of deciding on a foreign investment project that could be of economic interest for Cuba, foreign investors could select the project included in the Portfolio of Opportunities that would be the most compatible with their economic interests and possibilities, or could also bring a proposal of a specific project not included in the aforementioned Portfolio, following the steps listed below.



In order to establish an **international economic association**, domestic investors must negotiate with foreign investors every aspect of the investment, including its economic feasibility, their respective contributions as appropriate, the management and administration form of the association, as well as the relevant legal documents for its formalization (article 19.1 of Law No. 118).

In the case of a **totally foreign capital company**, MINCEX shall indicate the foreign investor the Cuban entity in charge of the branch, sub-branch or economic activity in which he intends to invest, and with which he must analyze his proposal and obtain the relevant written authorization (article 19.2 of Law No. 118).

### For further information see:

[Ley No. 118 de la inversión extranjera](#) (2014), Gazeta Oficial No. 20 extraordinaria, Chapter XII  
For English version visit the website of [Camara de Comercio de Cuba](#).

The Second Section of Decree No. 325 stipulates the **documents required** for the presentation to MINCEX of the business proposals involving foreign investment, according to the different modalities defined by Law No. 118.

Article 12.7 of the said Second Section lists the documents to be submitted by the foreign investor, which are the following:

- Authorized copy of the duly authenticated and registered deeds of incorporation, the business register certificate or a similar document of his country of origin that proves his standing, issued not earlier than six months ago.

- Financial statements of the last accounting period, certified by an independent entity.
- Bank guarantees issued not earlier than six months ago.
- Sponsorship letter of the head office, in case the investor is a branch or subsidiary or is represented by an off shore trading company.
- Certified consent of the management body which expresses their approval of the intended investment.
- Duly authenticated powers of attorney.
- Evidence of his experience in the activity targeted for the investment.
- In case of being a natural person, the investor must submit a copy of his identification documents and bank guarantees issued not earlier than six months ago.

The documents proving the incorporation of the company, the certification of its registration in the Business Register and the powers of attorney must be duly authenticated by the authorities of the country, and the Cuban consular office located in such country, and must be translated into Spanish, in case they have been written in another language.

**For further information see:**

[Decreto No. 325](#), Reglamento de la Ley de la Inversión Extranjera (2014), Gaceta Oficial No. 20 Extraordinaria, p. 189 ff.

**SETTING UP A BRANCH OFFICE**

Although Cuba is very eager to attract foreign capital, it has still a rather restrictive legal framework to attract a larger number of companies.

According to **Law 118 Foreign Investment Act** (2014), “joint ventures can establish offices, branch offices and subsidiaries both within the national territory of Cuba and abroad” (Art. 14.8). A totally foreign capital company that is incorporated as a subsidiary also “shall be able to set up offices, representations, branches and subsidiaries both within the national territory of Cuba and abroad” (Art. 16.3).

The legal frame for the opening of branch offices in Cuba is subject to the requirements established in Decree 206 of 1996, “Regulations of the National Registry of Branch Offices and Agents of Foreign Mercantile Societies”, and in Resolution No. 550 of 2001 of MINCEX.

The basic requirements for an application inquiry for a branch office in Cuba include: (i) min. USD 50,000.-- social capital of the foreign company; (ii) min. five years of registration in the country of origin; (iii) min. three years of continuous business with Cuba; (iv) annual business volume with Cuban entities exceeding USD 500,000.--. Exceptions might apply, depending on the state interest in particular foreign company proceeding with the inquiry.

The inquiry for opening a branch office in Cuba must be directed to the Cuban Chamber of Commerce. A typical license to open a branch office in Cuba is timely limited to 3 years, renewable, and would allow the employment of a Cuban workforce (through a state employment agency), the rent of an office, the purchase of cars and the contracting of services (communications, opening of a bank account, else) so to become operative.

The alternative of setting up a branch office is to enter into a representation contract with a Cuban company and/or to contract a consultant (such consultant cannot be involved in negotiations with Cuban entities) with an authorized Cuban Consultancy firm. In exceptional cases, an existing branch of a foreign company might include the representation of another foreign company active in the same economic sector.

Swiss companies are advised to also check experiences with already established firms, for example by contacting the Swiss Cuban Cham.

**For further information see:**

[Ley No. 118 de la inversión extranjera](#) (2014), Gazeta Oficial No. 20 extraordinaria, Chapter XII

For English version visit the website of [Camara de Comercio de Cuba](#).

[Decreto Ley No. 206](#), Reglamento del Registro Nacional de Succursales y Agentes de Sociedades Mercantiles Extranjeras (1996)

[Resolución No. 550 del MINCEX](#) (2001)

Website of [Swiss Cuban Cham](#)

Website of [Centro para la Promoción del Comercio Exterior y la Inversión Extranjera de Cuba](#)

**ENTRY CONDITIONS, WORK PERMITS, RESIDENCE PERMITS, LABOUR LAW**

Entry conditions: Those who want to do business in Cuba need the A-7 visa for Business Explorers, in case of not having previous commercial relations with the country, and the D-7 visa for Traders, which are issued by the relevant Cuban consulate located in their countries of origin. Otherwise, no commercial activity can be carried out. Foreigners and people with no citizenship may apply for the change of the migration classification they have in the national territory.

Further information about the visa process:

<http://www.cubadiplomatica.cu/suiza/FR/ServicesConsulaires.aspx>

Work permits: Art. 28.3 of Law No. 118 on Foreign Investment stipulates that non-permanent residents in the country who are hired by a foreign investment

entity shall be subject to the immigration and alien citizens' laws in force in the country and shall obtain a work permit.

Foreigners and people without temporary resident citizenship, who want to work in Cuba, are required to obtain a work permit in compliance with the provisions established.

The Ministry of Labor and Social Security is responsible for processing and deciding on the granting or not of the work permit, based on requests made by the heads of agencies and national entities. The approval of the Ministry of Foreign Trade and Foreign Investment is a precondition for the application for a work permit, regardless of immigration procedures and authorizations required.

The duration of the work permit may last up to five years from the date of issue or for the term of stay if less. For foreigners or stateless persons who work in foreign companies, trading companies, representations, branches and institutions established in Cuba in whatever legal form, the duration of the permit will coincide with the term of validity of the license or authorization granted to the entity providing the service.

Exceptionally, the Minister of Labor and Social Security may approve, upon request duly justified by the authorities, in case of emerging and urgent circumstances, hiring foreigners and people without temporary resident citizenship for periods of up to thirty days without work permit.

**For further information see:**

[Ley No. 116 Código de Trabajo](#) (2014), Gaceta Oficial No.29 Extraordinaria, p. 453 ff.

**Labour Law:**

This aspect is regulated in Law No. 118 on Foreign Investment and Resolution No. 16/2014 of the Minister of Work and Social Security, entitled "Regulations on the Labor System under Foreign Investment" (see p.236 ff.), in compliance with the provisions of the Labor Code and its supplementary legislation, with the adjustments established by the Foreign Investment Act and the specific legal provisions.

Foreign investment entities must generally comply with applicable labor and social security legislation and must hire Cuban employees in preference to foreign nationals, with the exception of certain top supervisory, administrative and technical positions that may be filled by

foreign temporary residents. Temporary residents employed by foreign investment entities are not subject to Cuban labor and social security legislation. In general, Cuban employees must be hired through a Cuban employment agency, with the result that foreign investment entities pay for employees in freely convertible foreign currency or Cuban Convertible Pesos (CUC) but such employees receive their salary in non-convertible Cuban Pesos (CUP). In certain circumstances, hard currency incentive funds may be established for the benefit of Cuban employees.

On an exceptional basis, the Authorization approving the foreign investment can establish special labor regulations (Law No. 118, Art. 32).

**For further information see:**

[Ley No. 118/2014 de la Inversión Extranjera](#) (Gaceta Oficial No. 20 Extraordinaria, p. 177)

[Resolución No. 16/2014 Trabajo y Seguridad Social](#) (Gaceta Oficial No. 20 Extraordinaria, p. 236)

[Resolución No. 42/2014, Trabajo y Seguridad Social](#) (Gaceta Oficial No. 53 Extraordinaria, p. 1083)

## **BILATERAL AGREEMENTS SWITZERLAND - CUBA**

There are two relevant agreements governing the economic bilateral relations between Switzerland and Cuba; the Trade Agreement and the Agreement for the Promotion and Protection of Investments.

**For further information see:**

[Handels-Abkommen](#) zwischen der Schweizerischen Eidgenossenschaft und der Republik Kuba (1954): SR 0.946.292.941 (d, f, it), [Extension](#) (until 2016).

Abkommen zwischen der Schweizerischen Eidgenossenschaft und der Republik Kuba über die [Förderung und den gegenseitigen Schutz von Investitionen](#) (1996): SR 0.975.229.4 (d, f, it)

## **SOURCES OF INFORMATION AND LINKS**

[Cuba Guía del Inversionista](#) 2015 (Source Camara de Comercio de Cuba)

[Cuba Investor Guide](#) 2014 (Source CEPEC)

[Portfolio of Opportunities for Foreign Investment](#) 2015 (Source CEPEC)

[Cartera de Oportunidades de Inversión Extranjera](#) 2015 (Source CEPEC)

[Download section](#) of the Swiss Cuban Cham

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