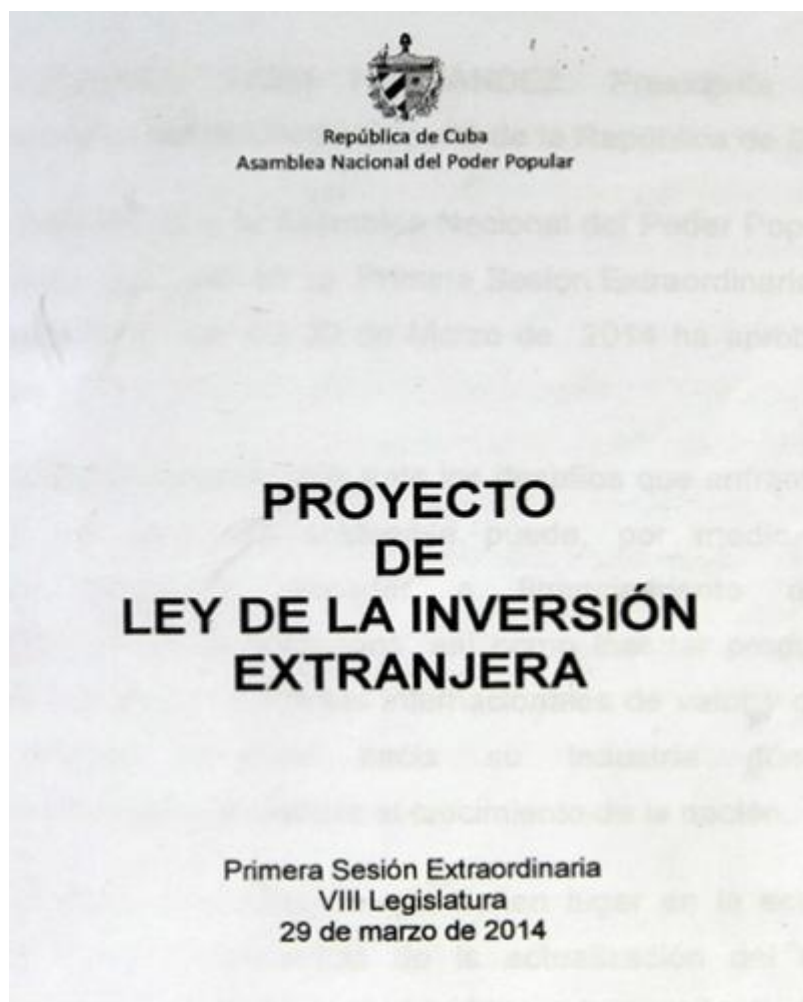


Cuba Publishes New Foreign Investment Law



Havana, April 17 (RHC) – Cuba on Wednesday published the full text of a newly approved foreign investment law that seeks to make it more attractive for foreign investors to do business in the country.

The law was approved by parliament and its broad outlines were aired in state media, and the text is now publicly available after being published in the government's Official Gazette and also as a special tabloid.

The law is set to take effect on June 27th -- 90 days after its approval on March 29th by legislators of the National Assembly of People's Power.

Most of the changes introduced by the new law had already been disclosed by the media, but the complete text of the regulations was made public on Wednesday.

The new legislation replaces an earlier law issued in 1995 when then Cuban leader Fidel Castro decided to open certain sectors of the economy, such as tourism, to foreign investment.

Senior government officials have said Cuba needs over 2 billion dollars a year in foreign investment to revive its economy and attain its 7-percent growth target.

The new law offers investors substantial tax breaks and incentives, including a 50-percent reduction of the income tax rate and an eight-year tax waiver, which could be extended by the Council of Ministers.

It also provides foreign investors with a stronger legal framework, including non-expropriation guarantees, except for reasons of public utility or social interest, and then only with due compensation.

Foreign companies' staff recruitment, barring management posts, will be carried out through a Cuban employment agency, which will be responsible for negotiating with the companies workers' wages, which will be paid in Cuban pesos.

The agency will also charge the companies a 20-percent commission.



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