

Cuba gives more legal guarantees to foreign investors



Cuba offers new guarantees to foreign investors

Havana, Oct 23 (RHC) Cuba released new legal provisions that offer more guarantees to businesses with foreign capital and avoid damages to investors.

Decree-Law 14, approved by the Council of State last September and published Friday in the Extraordinary Official Gazette number 58, provides confidence and security to foreign investors with such actions as mortgages and collateral.

According to María del Carmen March, legal director of the Ministry of Foreign Trade and Foreign Investment (MINCEX), the legal norms will allow businesses with foreign capital to pledge their goods and rights upon authorization from the Council of Ministers.

Speaking to local media, March explained that the decree also authorizes the use of the mortgage on real estate or pledges in sectors of special economic interest, after the express approval of the country's highest governing body.

The provision determines that the State has a preferential right to acquire mortgage securities, said March.

Decree-Law 15, published in the same issue of the Official Gazette, establishes a legal framework for the use of the trust as a guaranteed tool.

Thus, using a written contract, an individual or legal entity may transfer the custody of goods or the ownership of certain rights to a financial entity, commented Marta Lussón, Secretary of the Central Bank of Cuba.

In that case, she said, the Council of Ministers' approval or the Council of State must also be obtained.

This type of action already existed in Cuban legislation, but now the possibility of its use is being extended to other actors in the economy to support external financing, the officials considered.

The use of these rules, which will come into force within 30 days, will facilitate access to external forms of financing and contribute to the development of various areas of the national economy.

Recently, Cuba approved other incentives to foreign investment, such as the possibility of receiving a tax bonus of between 10 and 30 percent of the payment on profits to mixed enterprises that carry out exports from the national territory.

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