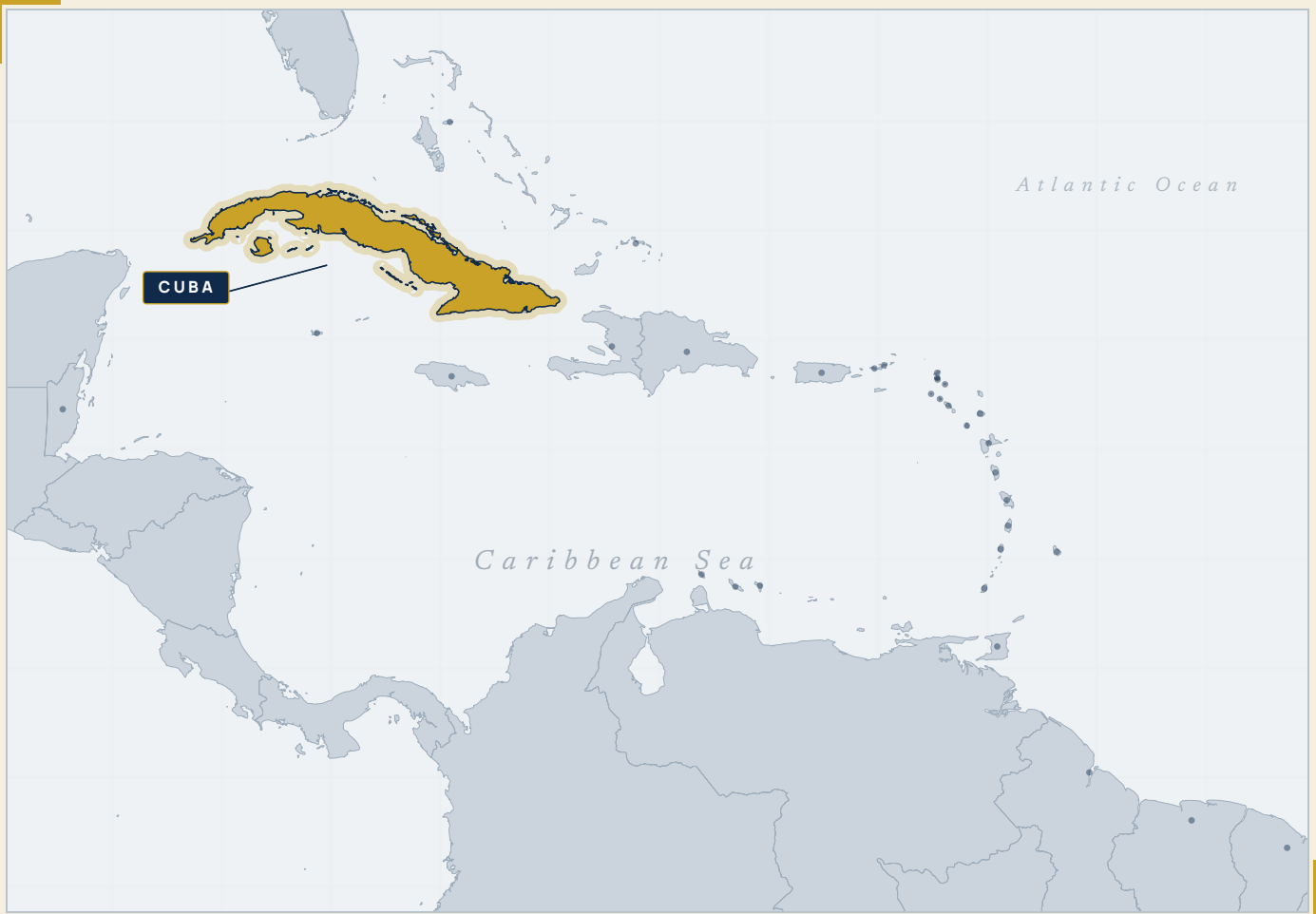




CARIBBEAN TAX SERVICE DESK · GREATER ANTILLES

Cuba

Tax Guide

A guide to corporate, personal and indirect taxes in Cuba

CONTENTS

01	Investment basics	3
02	Corporate taxation	4
03	Corporate taxation (continued)	5
04	Withholding taxes and tax treaties	6
05	Anti-avoidance and international rules	7
06	Compliance for corporations	8
07	Other taxes on corporations	9
08	Personal taxation	10
09	Personal taxation (continued)	11
10	Compliance for individuals	12
11	Sales and services taxes and customs	13
12	Tax calendar and administration	14
13	How Dawgen Global helps	15

FOREWORD

Cuba's tax system is unlike any other in the Caribbean: a single Tax System Law applied through an annual State Budget Law, separate regimes for foreign investment and the Mariel Zone, and no value added tax.

Law 113 of 2012 sets the general taxes on profits, sales, services, payroll and personal income. Foreign investors under Law 118 and businesses in the Mariel Special Development Zone have their own reduced rates and exemptions, and the rules for private businesses and the currency changed several times in 2026.

This guide explains the main taxes on companies and individuals in plain language, current to October 2026 and including the 2026 State Budget (Law 181). It is written for international investors and finance teams assessing Cuba-related activity.

Tax matters are handled by Dawgen Global's Caribbean Tax Service Desk, managed from Kingston. Our work on Cuba is advisory and is provided only where permitted under applicable sanctions laws.

Dr. Dawkins Brown, Ph.D., MCMI, ACFE

Executive Chairman, Dawgen Global

How to use this guide

This guide summarises the main taxes that apply to companies and individuals in Cuba. It is general information, current to October 2026, and is not a substitute for advice on your circumstances. Rates and rules change; speak to us before you act. Our companion Doing Business guide covers set-up, employment and regulation.

FOUNDATIONS

01 Investment basics

Cuba has several official exchange rates, a state-owned banking system and its own accounting standards. Taxes are administered by the National Tax Administration Office (ONAT).

PROFIT TAX**35%**

15% under the Foreign Investment Law;
12% in the Mariel Zone

SALES AND SERVICES TAXES**Generally 10%**

Turnover taxes; there is no VAT

PERSONAL INCOME TAX**Up to 50%**

Progressive; annual exempt minimum of
CUP 39,120

PAYMENTS TO NON-RESIDENTS**4% / 15%**

Gross income of foreign companies /
individuals

PAYROLL**14% + 5%**

Employer social security and labour force
tax

CAPITAL GAINS**No separate tax**

Gains form part of profits; 4% on home
and vehicle sales

Currency and foreign exchange

The Cuban peso (CUP) has several official rates: CUP 24 per US dollar for legal entities, CUP 120 for individuals and a floating rate since December 2025. Foreign currency is controlled and scarce. Foreign-currency income is converted to CUP at the official rate to compute personal income tax.

Accounting and audit

Entities keep accounts under the Cuban accounting standards issued by the Ministry of Finance and Prices. Annual financial statements support the profit tax declaration, and audit and reporting duties depend on the form of investment and its authorisation.

Principal business entities

Joint venture

International economic association contract

Totally foreign capital company

Branch or representation

Mipyme

Non-agricultural cooperative

Self-employed worker

The tax system

The Tax System Law (Law 113 of 2012) sets the taxes, and each year's State Budget Law confirms which apply and at what rates. ONAT collects domestic taxes; the General Customs of the Republic collects duties.

BUSINESS TAX

02 Corporate taxation

Cuban legal persons pay profit tax on worldwide income. Foreign legal persons pay on income obtained in Cuba, with or without a permanent establishment.

Residence and basis

Companies formed in Cuba, including joint ventures and totally foreign capital companies, are Cuban legal persons. A foreign company with a fixed place of business in Cuba, such as an office, branch or factory, has a permanent establishment and is taxed on its profits.

Taxable income

- ◆ Income accrued in the year, less deductible expenses, prior-year losses and authorised reserves
- ◆ Deductible: production and sales costs, administration, depreciation, interest, insurance, advertising and research
- ◆ Not deductible: costs unrelated to the business, undocumented costs, costs of other years and fines
- ◆ The fiscal year is the calendar year

Taxpayer	Rate
General rate, including mipymes	35%
Exploitation of natural resources	Up to 50%, set by the Council of Ministers
Joint ventures and association contracts (Law 118)	15%, after an 8-year exemption
Mariel Zone users and concessionaires	12%, after a 10-year exemption
Totally foreign capital companies	General rules unless benefits are granted
Non-agricultural cooperatives	10% to 45% on profit per member
Foreign companies without a permanent establishment	4% of gross Cuban income

Minimum tax and surtax

There is no surtax or minimum tax. The 1% local development contribution on gross income applies alongside profit tax, and some smaller taxpayers are taxed on gross income instead of profit at rates set by law.

BUSINESS TAX

03 Corporate taxation (continued)

Dividends

Dividends paid to foreign partners in joint ventures and association contracts are exempt and may be transferred abroad in foreign currency under Law 118. Dividends received by Cuban state entities are not subject to profit tax. Dividends received by individuals are personal income.

Capital gains

There is no separate capital gains tax. Gains of companies form part of taxable profit, and transfers of property may also attract transfer tax.

Losses

Tax losses may be set against profits of the following five years, after mandatory reserves are used. Unused losses then expire, and there is no carry-back.

Foreign tax credit

Relief for foreign tax is given mainly under the double tax treaties. Check unilateral relief with ONAT.

Holding companies and groups

There is no participation exemption, holding company regime or group taxation. Each entity declares and pays its own profit tax.

Tax incentives in brief

Incentive	Main benefit
Law 118	8-year profit tax exemption, then 15%; reduced sales tax; labour force tax and customs relief
Maríel Zone	10-year exemption, then 12%; 1% sales and services tax
Reinvested profits	Exempt for Law 118 investors when approved
Mining	Accelerated depreciation and recovery of exploration costs, if authorised
Other relief	Exemptions and bonuses granted by the Ministry of Finance and Prices

CROSS-BORDER PAYMENTS

04 Withholding taxes and tax treaties

Cuban payers withhold tax from payments to non-residents and pay it to ONAT within the first 15 business days of the following month.

Payment	Resident	Non-resident company	Non-resident individual
Dividends	Personal income tax for individuals; state entities not taxed	Exempt for foreign partners under Law 118; otherwise confirm with ONAT	
Interest	Savings account interest of individuals exempt	4% of gross	15% of gross
Royalties	Taxed as income	4% of gross	15% of gross
Service and other fees	5% advance withholding for some individuals	4% of gross	15% of gross
Branch profits	None	Profits of a permanent establishment are taxed; check remittance rules with ONAT	

The 4% applies to Cuban income of foreign companies without a permanent establishment, with no deductions. The payer is jointly liable for tax it fails to withhold. Residents with individual work contracts abroad pay 4% of gross pay.

Tax treaties

Cuba has double tax treaties with Austria, Barbados, China, Portugal, Qatar, Russia, Spain, Venezuela and Vietnam. The Ministry of Finance and Prices publishes the current list.

CARICOM

Cuba is not a party to the CARICOM double taxation agreement. Its trade agreement with CARICOM does not cover income tax.

Claiming treaty relief

The domestic 4% rate is often at or below treaty limits, so treaties matter most for permanent establishment, residence and personal income questions. Keep residence certificates and the contract for each payment.

INTERNATIONAL RULES

05 Anti-avoidance and international rules

Cuba has not adopted the OECD rules on transfer pricing, minimum tax or automatic exchange. Prices and payments are controlled mainly through approvals and price regulation.

Transfer pricing

There is no detailed transfer pricing documentation regime of the OECD type. Transactions with foreign partners and related parties should still be on market terms, consistent with the approved feasibility study, and fully documented. Prices of many goods and services are regulated by the Ministry of Finance and Prices.

Interest limits

There are no thin capitalisation ratios. Interest is deductible where it relates to the business and is documented, and foreign financing often needs approval.

CFC rules

There is no controlled foreign company regime, although Cuban legal persons are taxed on worldwide income.

General anti-avoidance

There is no general anti-avoidance rule of the common-law type. ONAT verifies declarations and can assess tax, surcharges and fines.

Economic substance

There is no economic substance regime. Investors abroad should consider substance rules in their own countries.

Pillar Two

Cuba has announced no global minimum tax rules. Large groups should consider top-up taxes in other countries on Cuban profits taxed at low rates or exempt.

Information exchange

- ◆ **CRS:** Cuba does not exchange under the Common Reporting Standard
- ◆ **FATCA:** no agreement with the United States
- ◆ **Treaties:** information exchange under the bilateral treaties

CORPORATE COMPLIANCE

06 Compliance for corporations

Legal entities register with ONAT, pay advances during the year and file an annual sworn declaration using ONAT's published forms.

Tax year and returns

The fiscal year is the calendar year. There are no consolidated returns: each entity files its own declaration.

1

Monthly taxes

MONTHLY

Sales or services tax within 20 calendar days of month end (60 days for wholesale entities); withholding within 15 business days.

2

Profit tax advances

QUARTERLY

Within 15 business days after each quarter.

3

Sworn declaration and balance

31 MAR

Within the quarter after year end; 31 March in the 2026 campaign.

Penalties and surcharges

Late payment attracts surcharges, and failures to file or errors attract fines under the tax procedure rules. Late-payment surcharges are deductible for profit tax; fines are not.

Audits, records and rulings

ONAT may audit declarations and assess tax for the periods the law allows. Keep accounting records and supporting documents in Spanish. There is no formal advance ruling system, but ONAT and the Ministry of Finance and Prices answer queries.

Objections and appeals

Assessments can be challenged by administrative review within ONAT and then before the courts. Time limits are short and strict.

Practical points

Map every exemption in the authorisation to the tax it relieves and its expiry date. Reconcile foreign-currency and CUP records at the applicable rates, and file on time even when no tax is due.

BEYOND PROFIT TAX

07 Other taxes on corporations

Tax	Rate and base	Who pays
Social security contribution	14% of payroll, including in the Mariel Zone	Employer; employees pay their own share
Labour force tax	5% of payroll; Law 118 and Mariel businesses exempt	Employer
Local development contribution	1% of gross income; Law 118 exempt during investment recovery; Mariel exempt	Entities, paid to the municipality
Special tax on products and services	Excise on selected goods and services, in addition to sales or services tax	Producers, importers, providers
Transfer tax	On transfers of property and rights, at rates in Law 113	Acquirer
Documents tax	Stamps on documents and procedures	Applicant
Land vehicles and vessels	Annual amounts by type	Owners
Environmental taxes	Use of bays, waste discharges, forest resources and water	Users
Agricultural and idle land	Per hectare by category; agricultural land tax not applied in 2026	Landholders
Fees	Tolls, airport and other fees set by law	Users
Capital duty	None	—

Each year's State Budget Law confirms which of these apply, and may suspend some. Taxes incurred in the business, other than profit tax, are generally deductible.

INDIVIDUALS

08 Personal taxation

Residents pay personal income tax on worldwide income; non-residents pay on Cuban-source income only, at a flat rate.

Basis of taxation

- ◆ **Resident:** Cuban nationals and foreigners with permanent residence, on worldwide income
- ◆ **Non-resident:** Cuban-source income only, at 15% of the total with no deductions

Residence

Residence follows immigration status rather than a day count. Confirm the position of long-stay foreign staff with ONAT.

Filing status

Each individual is taxed separately; there is no joint filing.

Taxable income

Wages and bonuses, self-employment and professional income, artistic and intellectual work, dividends, rents and sales of property.

Income	Rate
Self-employed and other declared income	Progressive scale with a top rate of 50%, above an exempt minimum of CUP 39,120 a year
Wages	Monthly withholding above an exempt amount, at progressive rates set by ONAT
Non-residents	15% flat
Work contracts abroad (residents)	4% of gross pay, minimum CUP 500 a month

The 2025 State Budget (Law 174) introduced a scale with more bands and lower rates in each. ONAT publishes the bands.

Exempt income

Family remittances from abroad, pensions and social security benefits, insurance payouts and interest on savings in Cuban banks.

INDIVIDUALS

09 Personal taxation (continued)

Capital gains

There is no general capital gains tax. Sales of homes and vehicles are taxed at 4% of the price or the minimum reference value, rising to 8% for further sales in the same year. The buyer pays transfer tax.

Deductions and reliefs

- ◆ The annual exempt minimum
- ◆ Business expenses, within limits set by the Ministry of Finance and Prices and supported by documents
- ◆ Taxes paid other than personal income tax, including social security contributions
- ◆ Rent paid to authorised entities

Pensions and employment benefits

Pensions are exempt. Bonuses and other pay in addition to wages are taxable, and foreign-currency pay is converted at the official rate.

Tax	Position for individuals
Social security (employee)	5% of pay, 10% on monthly pay above CUP 15,000
Self-employed social security	Contributions under the special scheme
Transfer tax	Paid by the buyer of homes and other property
Inheritance and gifts	Transfer tax applies, with reductions for older heirs and heirs unable to work
Housing tax	Not applied to permanent residents in 2026
Documents tax	Stamps on documents and procedures
Land vehicles	Annual tax by type
Net wealth tax	None
Capital acquisitions tax	None beyond transfer tax

INDIVIDUAL COMPLIANCE

10 Compliance for individuals

Employees are taxed by withholding. Self-employed people and others with declared income pay monthly advances and file an annual sworn declaration.

Employees

The tax year is the calendar year. Employers withhold income tax and the employee's social security contribution each month and pay them to ONAT. Employees taxed this way do not normally file.

Self-employed and other income

When	What
20th of each month	Advance payments for the previous month
28 February	5% reduction if declared and paid by this date
30 April	Annual sworn declaration and balance

A declaration is also due within 15 days of ceasing an activity. Self-employed people under the simplified regime pay fixed quotas instead.

Non-residents and expatriates

- ◆ Non-residents pay 15% of Cuban income, withheld at source as a final tax, and do not file
- ◆ Foreigners with permanent residence are taxed as residents
- ◆ Pay in foreign currency is converted to CUP at the official rate
- ◆ Treaties may help residents of treaty countries on short assignments
- ◆ Foreign staff need a work permit and the matching immigration status
- ◆ Payroll payments and bank channels should be checked against applicable sanctions

Registration

Individuals register with ONAT in their municipality before starting a taxable activity.

INDIRECT TAXES

11 Sales and services taxes and customs

Cuba has no VAT. Sales tax and services tax are charged on turnover, without credit for tax paid on purchases.

Tax	Rate
Sales tax	Generally 10%, including mipymes; rates set by product for other sellers
Services tax	10%
Law 118	50% reduction; exempt in the first year
Mariel Zone	1%; exempt in the first year
Special tax	Excise on selected products and services

Registration and returns

There is no registration threshold: taxpayers register with ONAT on starting activity. Tax is paid monthly, within 20 calendar days of month end, or 60 days for wholesale entities.

No input tax recovery

Tax paid on purchases is not credited. It becomes part of the cost, so tax can build up through the supply chain.

Imported and digital services

There is no specific regime for digital services from abroad. Payments to foreign providers may fall under the 4% tax on non-residents.

Customs and excise

The General Customs of the Republic charges duty under the customs tariff. Equipment imported for Law 118 and Mariel investments is exempt. In 2024 the government announced that duties on imports by the private sector would be charged in foreign currency.

Local development projects from November 2026

Under Resolution 202 of 2026, local development projects pay 10% sales or services tax (5% on retail sales of food from small producers) and 35% profit tax.

ADMINISTRATION

12 Tax calendar and administration

Main tax laws

Tax System Law (Law 113 of 2012); annual State Budget Law (Law 181 for 2026); Foreign Investment Law (Law 118 of 2014) and its regulations; Mariel Zone Decree-Law 313 and Decree 316 of 2013; mipyme rules (Decree-Law 88 of 2024, amended in 2026); customs law.

Authorities

The Ministry of Finance and Prices sets tax policy and grants benefits. ONAT administers domestic taxes, and the General Customs collects duties. Disputes go to administrative review, then the courts.

Recent and upcoming changes

- ◆ **2025:** new personal income tax scale (Law 174)
- ◆ **2026:** Law 181 in force 1 January, with no new general taxes; direct hiring, foreign-currency bonuses and accounts abroad for foreign investors from September
- ◆ **Ahead:** the 2027 State Budget Law, usually approved in December; no date for exchange rate unification

When	What
Early January	Annual declaration campaign opens
20 days after month end	Sales and services taxes; personal advances
15 business days after month end	Tax withheld from non-residents
Monthly, as set by ONAT	Labour force tax and social security
15 business days after each quarter	Profit tax advances
28 February	Last date for the 5% reduction for individuals
31 March	Profit tax declaration and payment (2026 campaign)
30 April	Personal income tax declaration
December	Next year's State Budget Law

Dates follow the calendar fiscal year. ONAT confirms each year's dates and publishes forms on its portal.

YOUR PARTNER

13 How Dawgen Global helps

Our Caribbean Tax Service Desk, managed from Kingston, helps international clients understand the Cuban tax system and plan their position.

Tax compliance

Tax calendars, declaration reviews and reconciliations for Cuban operations.

Corporate tax advisory

Profit tax, exemptions, losses and dividends under Laws 113 and 118.

International tax and transfer pricing

Treaty review, payments to non-residents and pricing with foreign partners.

Indirect taxes (sales tax and customs)

Sales and services taxes, special tax and customs exemptions.

Payroll and employment taxes

Social security, labour force tax and staff tax under the new hiring rules.

Tax disputes and authority engagement

Preparation for ONAT reviews and administrative appeals.

Incentives and investment planning

Law 118 and Mariel Zone benefits, modelled over the project life.

Private client and expatriate tax

Residence, assignments and home-country interaction.

Tax technology and reporting

Group reporting, tax provisions and multi-currency data.

Start with a conversation

Dawgen Global's work on Cuba is advisory: we help international clients understand the Cuban tax system and the position on doing business. This support is provided only where permitted under applicable sanctions laws, and clients should obtain specialist legal advice on sanctions before acting. Some regulated services are performed by affiliated firms; we will advise you of the arrangements when you make a request. Fees are tailored to each client's circumstances and set out in an engagement letter. Email cuba@dawgen.com or info@dawgen.global, or call (876) 926-5210.

Talk to the Caribbean Tax Service Desk about Cuba

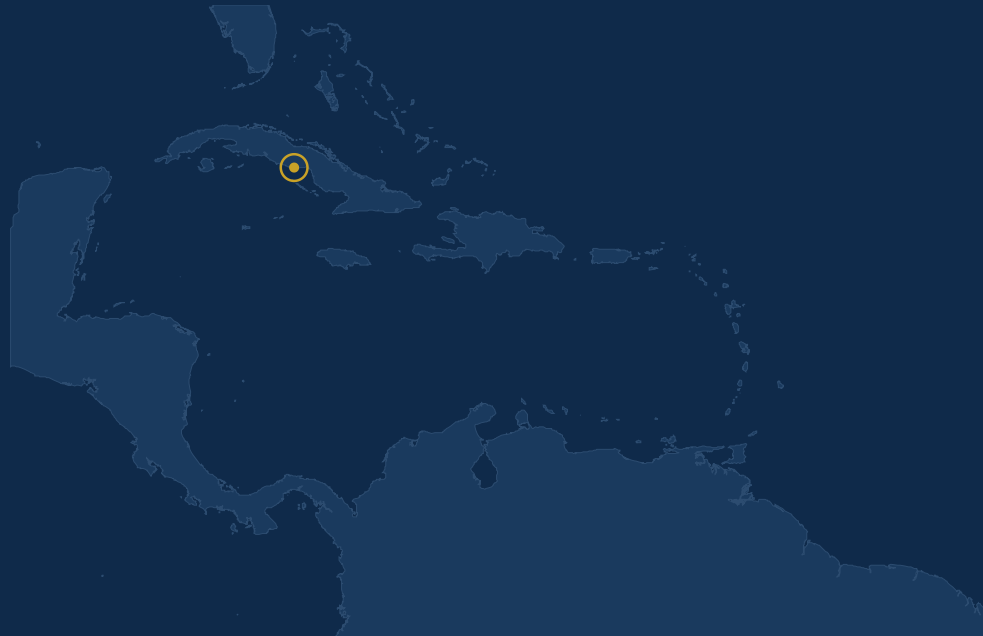
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Key official sources

- National Tax Administration Office, ONAT (onat.gob.cu)
- Ministry of Finance and Prices (mfp.gob.cu)
- Official Gazette of the Republic of Cuba (gacetaoficial.gob.cu)
- Ministry of Foreign Trade and Foreign Investment (mincex.gob.cu)
- Mariel Special Development Zone Office (zedmariel.com)
- Central Bank of Cuba (bc.gob.cu)
- General Customs of the Republic (aduana.gob.cu)
- US Treasury, Office of Foreign Assets Control (ofac.treasury.gov)



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