# Biden Administration Eases Financial Restrictions to Support Private Business Owners in Cuba



The Biden administration announced on Tuesday the easing of certain financial restrictions to support private business owners in Cuba. This policy shift allows independent Cuban entrepreneurs to open and access U.S. bank accounts online, thereby facilitating the import of goods and enabling easier remittances. The goal is to promote the growth of the private sector in Cuba, which aligns with the administration’s objectives to support economic development without bolstering the Cuban government.

Key measures include allowing U.S. bank accounts for Cuban business owners and reinstating U-turn transactions, which permit money transfers routed through the United States. These changes are part of broader efforts to implement commitments made in May 2022, aimed at enhancing economic and internet freedoms for the Cuban people.

The Treasury Department amended the Cuban Assets Control Regulations to exclude entities tied to the Cuban government, including members of the Communist Party and military officers. The announcement comes amidst severe economic conditions in Cuba, characterized by high inflation, frequent blackouts, and food shortages.

The policy adjustments occur against the backdrop of the upcoming U.S. presidential elections, where Cuban-American voters in Florida could be a significant factor. The Biden administration hopes these changes will reduce irregular migration from Cuba, as hundreds of thousands have already migrated due to dire conditions on the island.

This move is part of a broader strategy to counteract Cuba's economic reliance on alliances with Russia and China, promoting the organic growth of its emerging private sector. Since legalizing small and medium-sized enterprises (Pymes) in 2021, over 11,000 private businesses have been registered in Cuba, now accounting for about one-third of the country's employment.