



Cuba

General	Types of indirect taxes (VAT/GST and other indirect taxes).	Cuba does not have a VAT system. A sales tax (<i>impuesto sobre la venta</i>) applies to goods destined for use and/or consumption. There is also an indirect tax that is levied on revenues (<i>impuesto sobre los servicios</i>) realized with rendering of services in Cuba. The rendering of services should be in Cuba to constitute a taxable event for this indirect tax.
	Are there other indirect taxes?	Yes, excise duty (<i>impuesto especial a productos y servicios</i>) on certain goods such as alcohol, cigars, cigarettes, etc.
	What are the standard or other rates (i.e. reduced rate) for VAT/GST and other indirect taxes?	A 2% tax is applied on wholesale sales; 10% tax on retail sales; and 10% rate on services. The tax rates for the excise duties are to be specified in the annual budget law. Information regarding the rates is not provided in the law or in its related regulations and is therefore not yet available.
	Who is required to register for VAT/GST and other indirect taxes?	The persons and entities that are subject to the concerning taxes.
VAT/GST registration	Is voluntary registration for VAT/GST and other indirect taxes possible for an overseas company (e.g. if the annual turnover is below the relevant VAT/GST and other indirect taxes registration threshold)?	No regulations have been promulgated in this respect yet.
	Does an overseas company need to appoint a fiscal representative?	Yes, if it has a permanent establishment.
	Which forms and supporting documentation does an overseas company need to submit for VAT/GST and other indirect tax registrations?	No regulations have been promulgated in this respect yet.
	Is grouping* for VAT/GST and other indirect taxes possible?	No regulations have been promulgated in this respect yet.
VAT/GST compliance	How frequently are VAT/GST and other indirect taxes returns submitted?	Taxpayers are required to submit monthly tax returns.
	What are the exchange rate rules in your country?	The tax return can be filed either in Cuban peso (CUP) or in Cuban convertible peso (CUC).

*By 'grouping' we mean: either a consolidation mechanism between taxpayers belonging to the same group (payment and refund are compensated but taxpayers remain distinct) or a fiscal unity for VAT/GST purposes (several taxpayers are regarded as a single taxpayer).

VAT/GST recovery	Can an overseas company recover VAT/GST and other indirect taxes if it is not registered for VAT/GST and other indirect taxes locally?	No regulations have been promulgated in this respect yet.
	Are there any exemptions with the right to recover or deduct input VAT?	Not applicable since there is no VAT system in Cuba.
	Are there any restrictions to the deduction of input VAT?	Not applicable.
Invoices	Is a business required to issue tax invoices?	Not applicable.
	Is it possible/mandatory to issue invoices electronically?	Not applicable.
	Is it possible for the vendor to issue an invoice, i.e. is self-billing possible?	Not applicable.
Audits	Do 1 audits take place on a regular basis?	The statute of limitation for a tax audit is 5 years.
	Are audits done electronically in your country (e-audit)? If so, what system is in use?	Not applicable.
	What penalties can arise from non-compliance?	Fixed amounts ranging from CUP350 to CUP10,000, or up to 30% of the tax due.
Special indirect tax rules	Are there any special rules for the sale of a company by one taxpayer to another where VAT is not due on the sale?	There are no particular regulations.
	Are there unique specific indirect tax rules that you would not expect to find in 'standard' VAT jurisdictions?	Not applicable.
	Does a reverse charge mechanism apply for goods or services?	Not applicable.
	Are there indirect tax incentives available (e.g. reduced rates, tax holidays)?	Yes, incentives for foreign investments.
Rulings	Are rulings and decisions issued by the tax authorities publicly available?	No.