
Regulations on self-employed business accounts changed

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Resolution No. 904/2018 of the Ministry of Finance and Prices, published on Wednesday in the Official Gazette of the Republic of Cuba, approves modifications in the operation of the business accounts of the holders of six of the self-employed activities approved last June.

Those who exercise the modalities of gastronomic services in restaurants and cafeterias; bar and recreation services; housing, room and space rental; construction, repair and maintenance services of real estate; and passenger transporters with vehicles from four to 14 passengers in Havana, are obliged to open and operate a business bank account in a branch of a Cuban commercial bank, located in the municipality where they pay taxes, which must be declared before the National Tax Administration Office (ONAT).

According to the new rule, the account must be opened in Cuban pesos (CUP) and maintain a minimum balance equivalent to two monthly installments on account of the Personal Income Tax - to which the holder is obliged to pay - one installment less than what was stipulated in the resolution approved last June.

Taxpayers who carry out any of these six activities must deposit in the business account the income generated in the exercise of the activity, with the exception of a fund for minor payments or unforeseen events for an amount of up to 35 percent of the income deposited in the fiscal bank accounts in the previous month, 15 percent more than in the previous provision.

They shall execute through this account the payment of their tax obligations, the liquidations related to capital repairs, constructive maintenance, purchase of means and equipment and services received from other forms of non-state management that they perform through banking instruments, as referred to in the resolution.

In addition, they will make payments in this manner to state entities for the purchase of goods and rendering of services.

The regulation also establishes that, in the event that at the end of the month the minimum balance of this account is lower than that established for operations related to the exercise of economic activity, the holder has a term of five working days to restore the aforementioned minimum balance.

Taxpayers who have bank accounts at the entry into force of the resolution must declare it before the ONAT and recognize one of them as their business account in CUP.

These modifications will be effective as of December 7, when the rest of the rules regulating the exercise of self-employment in Cuba come into force.
