

Western Union resumes remittances to Cuba

17th January 2023



Closed Western Union branch in Havana's "Cuatro Caminos" shopping centre in February 2022
(Source: own photo)

The US financial service provider Western Union resumed remittances to Cuba on January 11th. The resumption comes two years after the company had to close all offices on the island as a result of the US sanctions. The company confirmed that a pilot project has now begun in Florida.

"It gives us great pleasure to announce the resumption of our operations as part of an initial test phase. This involves outgoing remittances from the US to customers with Cuban bank accounts through selected agencies in the US," Western Union's president in North America, Gabriella Fitzgerald, told the Miami Herald newspaper.

Money sent from family and friends abroad was the country's second largest source of foreign exchange until 2020. With the discontinuation of Western Union, remittances from the US had to go through circuitous routes such as direct cash carry by third parties.

At the moment, transfers are possible from about 20 locations in Florida. The maximum transaction amount is 2,000 US dollars. It is not yet known when further options for Western Union transfers will be added. The frequently used variant of transferring money via an app is not yet available in the case of Cuba.

Former US President Donald Trump brought the company's Cuba business to a halt in November 2020 with new sanctions against Fincimex, a financial services provider run by the Cuban military. Fincimex had previously been Western Union's main partner on the island for decades.

In the wake of the announcement of minimal easing steps by the administration of Joe Biden on 16 May 2022, the transfer limits were also lifted again. Cuba had previously created Orbit S.A., a new state-owned financial service provider not affiliated with the military.

Remittances can currently be received into accounts at the Cuban banks Banco Popular de Ahorro, Banco Metropolitano S.A. and Banco de Crédito y Comercio. The fees are eight dollars for a sum of 100 dollars, or 26 dollars for a sum of 1,000 dollars, according to the company.

Meanwhile, the Havana-based Banco Metropolitano announced new limits on cash withdrawals and transfers yesterday. Individuals are now only allowed to withdraw 120,000 pesos or 5,000 dollars per month. The limit per transfer is 80,000 pesos or 1,000 dollars. Purchases and transactions with legal entities as well as business accounts of companies are not affected by the limits. In addition, larger amounts can be declared on a case-by-case basis. The move is intended to comply with international agreements to combat money laundering and tax evasion, the bank said in a statement.