

Light that Cigar

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In this article, Timothy O'Toole discusses how President Obama's recent visit to Cuba symbolizes a new era in U.S. - Cuba relations and impacts companies dealing with Cuba and their financial institutions. "As the trade finance market is observing in Iran, few (if any) banks want to be first in supporting it," O'Toole said. He outlines the main risks and concerns that companies and lenders face in Cuba, including export controls and economic sanctions risks, anti-corruption risks, political stability of changes to the U.S. embargo and imports and exports related risks. "Banks are clearly risk averse when it comes to Cuba, and given the size and scope of recent enforcement actions related to Cuba (and other countries facing U.S. sanctions) that is understandable," O'Toole said. "Until the current administration's new policy lasts from one administration to the next, I think the big banks are going to largely stay on the side, waiting to see what happens."