



Treasury and Commerce Announce Further Amendments to the Cuba Sanctions Regulations

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*Amendments Further Implement President Obama's 2014 Announcement
Related to the Easing of Cuba Sanctions*

WASHINGTON – Today, the Department of the Treasury and the Department of Commerce are announcing additional revisions to the Cuban Assets Control Regulations (CACR) and Export Administration Regulations (EAR), building off the changes put into place by Treasury and Commerce on January 16, 2015 and further delivering on the new direction toward U.S. relations with Cuba that President Obama laid out last December. The changes, consistent with the President's December announcement, will take effect on Monday, September 21, 2015, when the regulations are published in the Federal Register. A fact sheet detailing the revisions, which will be administered by Treasury's Office of Foreign Assets Control (OFAC) and Commerce's Bureau of Industry and Security (BIS), is below.

Treasury Secretary Jacob J. Lew said, "Today's announcement underscores the Administration's commitment to promote constructive change for the Cuban people. These regulatory changes build on the revisions implemented earlier this year and will further ease sanctions related to travel, telecommunications and internet-based services, business operations in Cuba, and remittances. A stronger, more open U.S.-Cuba relationship has the potential to create economic opportunities for both Americans and Cubans alike. By further easing these sanctions, the United States is helping to support the Cuban people in their effort to achieve the political and economic freedom necessary to build a democratic, prosperous, and stable Cuba."

Commerce Secretary Penny Pritzker said, "The regulations published today are designed to empower the Cuban people and support the emerging Cuban private sector, bringing us one step closer to achieving President Obama's historic policy goals. These actions build upon previous Commerce regulatory revisions, and will ease restrictions on authorized travel, enhance the safety of Americans traveling to the country, and allow more business opportunities for the nascent Cuban private sector. These additional adjustments have the potential to stimulate long overdue economic reform across the country and improve the living standards of the Cuban people."

These measures will further facilitate travel to Cuba for authorized purposes; expand the telecommunications and internet-based services general licenses, including by authorizing certain persons subject to U.S. jurisdiction (which includes individuals and entities) to establish a business presence in Cuba, such as through subsidiaries or joint ventures; allow certain persons to establish a physical presence, such as an office or other facility, in Cuba to facilitate authorized transactions; allow certain persons to open and maintain bank accounts in Cuba to use for authorized purposes; authorize additional financial transactions, including those related to remittances; authorize all persons subject to U.S. jurisdiction to provide goods and services to Cuban nationals located outside of Cuba; and allow a number of other activities, including those related to legal services, imports of gifts, and educational activities. These amendments also implement certain technical and conforming changes.

To see the Treasury regulations, which can be found at 31 Code of Federal Regulations (CFR), part 515, please see [here](#). To see the Commerce regulations, which can be found at 15 CFR parts 740, 746, and 772, please see [here](#). Major elements of the changes in the revised regulations include:

Travel –

Facilitating authorized travel and commerce, increasing contact between Americans and Cubans, and supporting civil society in Cuba:

- Transportation by vessel of authorized travelers – between the United States and Cuba only and without stops in third countries – will be authorized by general license. Certain related lodging services aboard vessels used for such travel will also be authorized.
- License Exception Aircraft, Vessels, and Spacecraft (AVS) will authorize temporary sojourns to Cuba of certain categories of vessels. Eligible categories of vessels are cargo vessels for hire for use in the transportation of items; passenger vessels for hire for use in the transportation of passengers and/or items; and recreational vessels that are used in connection with travel authorized by the Treasury.
- License Exception AVS will authorize aircraft on temporary sojourn to remain in Cuba for up to 7 consecutive days and authorizes vessels on temporary sojourn to remain in Cuba for up to 14 consecutive days.
- Close relatives will be allowed to visit or accompany authorized travelers for certain additional activities. In the January changes, OFAC permitted close relatives to join visits related to official government business and certain educational activities, and to visit additional family members residing in Cuba. Close relatives now also will be allowed to visit or accompany authorized travelers for additional educational activities, journalistic activity, professional research, and religious activities, as well as activities related to humanitarian projects and activities of private foundations or certain research or educational institutes. For purposes of this provision, a close relative is defined as someone related to a person by blood, marriage, or adoption – and who is no more than three generations removed from that person or a common ancestor with that person.
- All authorized travelers will be allowed to open and maintain bank accounts in Cuba in order to access funds for authorized transactions while in Cuba.

Telecommunications & Internet-Based Services –

Enhancing the free flow of information to, from, and within Cuba, and better providing efficient and adequate telecommunications services between the United States and Cuba:

- Persons subject to U.S. jurisdiction will be allowed to establish a business presence in Cuba, including through joint ventures with Cuban entities, to provide certain telecommunications and internet-based services, as well as to enter into licensing agreements related to, and to market, such services.
- Persons subject to U.S. jurisdiction will be allowed to import Cuban-origin mobile applications into the United States and to hire Cuban nationals to develop them.
- An existing authorization for the provision of services related to certain consumer communications devices exported to Cuba will be expanded to authorize services related to additional types of items authorized by Commerce, and to add training related to the installation, repair, or replacement of those items.

- License Exception Consumer Communications Devices (CCD) will no longer be limited to sales or donations. This change to License Exception CCD is intended to support other types of transactions, such as leases and loans of eligible items for use by eligible end-users.

Commercial and Financial Transactions –

Refocusing sanctions so they do not prevent day-to-day transactions by Cuban individuals who are outside of Cuba:

- All persons subject to U.S. jurisdiction will be allowed to provide goods and services to individual Cuban nationals located outside of Cuba, provided there is no commercial exportation of goods or services to or from Cuba.
- Banking institutions will be able to open and maintain accounts for Cuban individuals for use while the Cuban national is located outside of Cuba, and to close such accounts.

Physical Presence and Operations in Cuba –

Facilitating certain authorized activities involving Cuba:

- Persons subject to U.S. jurisdiction engaging in the following categories of authorized activities will be allowed to establish and maintain a physical presence, such as an office, retail outlet, or warehouse, in Cuba: news bureaus; exporters of certain goods authorized for export or reexport to Cuba by Commerce and OFAC, such as agricultural products and materials for construction or renovation of privately-owned buildings; entities providing mail or parcel transmission services or certain cargo transportation services; providers of telecommunications or internet-based services; entities organizing or conducting educational activities; religious organizations; and providers of carrier and certain travel services. These individuals and entities will also be authorized to employ Cuban nationals, open and maintain bank accounts in Cuba, and employ persons subject to U.S. jurisdiction in Cuba.

Support for the Cuban People –

Improving living conditions, strengthening civil society, and supporting independent economic activity by the Cuban people:

- License Exception Support for the Cuban People (SCP) will authorize certain exports and reexports of items to Cuba for use in establishing, maintaining, and operating a physical presence in Cuba. Eligible end-users of the items include certain persons providing telecommunications or internet-based services; establishing telecommunications facilities; providing travel or carrier services; organizing or conducting educational activities; or transporting authorized items between the United States and Cuba.
- License Exception SCP will no longer be limited to sales or donations. This change to License Exception SCP is intended to support other types of transactions, such as leases and loans of eligible items for use by eligible end-users.
- Certain temporary reexports from a foreign country to Cuba will be authorized by License Exception SCP when the items are for use in scientific, archeological, cultural, ecological, educational, historic preservation, sporting activities, or in the traveler's professional research and meetings. Previously, this provision was limited to temporary exports by persons departing the United States.
- Certain commodities and software for use in software development may be exported or reexported to eligible end-users in Cuba pursuant to License Exception SCP.
- License Exception SCP will authorize temporary exports and reexports to Cuba of additional categories of items, including certain tools of trade to install, service, or repair items; and certain commodities and software for exhibition or demonstration.

Remittances –

Empowering Cubans with opportunities for self-employment, and in turn strengthening independent civil society:

- The limits on donative remittances to Cuban nationals other than prohibited Cuban Government or Cuban Communist Party officials, currently set at \$2,000 per quarter, will be removed entirely. The limits on authorized remittances that individuals may carry to Cuba, previously \$10,000 for persons subject to U.S. jurisdiction and \$3,000 for Cuban nationals, will also be removed entirely.
- The unblocking and return of remittances that were previously blocked because they exceeded the then-applicable caps on periodic remittances, and of certain previously blocked funds transfers, will be allowed.
- Depository institutions will be allowed to maintain accounts for certain Cuban nationals present in the United States in a non-immigrant status, and will no longer be required to block such accounts if not closed before the Cuban national's departure. Access to such accounts will be limited to while the Cuban national is lawfully present in the United States, although the account may remain open while the Cuban national is not in the United States. The \$250 monthly limit on payments from previously blocked accounts held in the name of such Cuban nationals will be removed to more adequately allow access to funds for living expenses.
- Remittances from Cuba and from Cuban nationals in third countries to the United States will be authorized by general license, and financial institutions will be allowed to provide related services.
- An expanded general license also will authorize additional remittances to Cuban nationals in connection with the administration of estates. This provision complements another general license authorizing all transactions incident to the administration and distribution of the assets of estates in which a Cuban national has an interest.

Legal Services –

Updating the legal services provisions:

- OFAC's existing general license authorizing the provision of certain legal services to Cuba and Cuban nationals will be expanded to allow the receipt of payment for such services. Certain limitations will apply, related to payments from prohibited Cuban Government or Cuban Communist Party officials. Additionally, a new general license will authorize persons subject to U.S. jurisdiction to receive, and make payment for, certain legal services from Cuba or Cuban nationals.

Civil Aviation Safety –

Supporting international aviation and passenger safety:

- A case-by-case review policy will apply to license applications for exports and reexports to Cuba of items to help ensure the safety of civil aviation and the safe operation of commercial passenger aircraft. Items that are to be reviewed pursuant to this policy include aircraft parts and components; software and technology related to safety of flight; air traffic control, aviation communications, and aviation weather related equipment; airport safety equipment; and devices used for security screening of passengers and baggage.

Gift Imports –

Allowing certain gifts:

- Imports of merchandise from Cuba or Cuban-origin merchandise from a third country intended as gifts, excluding alcohol and tobacco products, will be allowed to be sent to the United States provided that the merchandise is not carried by a traveler, the value of the merchandise is not more than \$100, and

the item is a type and in quantities normally given as a gift.

Educational Activities –

Increasing contact between American and Cubans and enhancing the free flow of information to, from, and among the Cuban people:

- Under an expanded general license, additional educational activities involving Cuba and Cuban nationals, including the provision of standardized testing services and internet-based courses, will be authorized.
- Academic exchanges and joint non-commercial academic research with universities or academic institutions in Cuba will also be authorized.
- Travel-related transactions in connection with these activities will also be authorized.

Ordinarily Incident Transactions –

Clarifying the scope of authorized transactions:

- OFAC is clarifying that the Cuba sanctions provisions that are already in place allow most transactions that are ordinarily incident and necessary to give effect to a licensed transaction. For example, certain payments made using online payment platforms are permitted for authorized transactions.

Air Ambulances and Emergency Medical Services –

Facilitating access to emergency medical services:

- The provision of air ambulance and other related emergency medical services to travelers in Cuba will be authorized by general license, and a general license will clarify that the provision of nonscheduled emergency medical services to Cuban nationals in the United States is authorized.

Humanitarian Projects –

Facilitating aid to the Cuban people in times of need and preserving Cuban history:

- The general license authorizing transactions related to specified humanitarian projects will be expanded to include disaster relief and historical preservation.

Supporting Diplomatic Relations –

Supporting the reestablishment of diplomatic relations with Cuba in accordance with the President's announcement:

- OFAC is expanding the general license authorizing transactions with official missions of Cuba to the United States to include international funds transfers.

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