

OFAC

Office of Foreign Assets Control

CUBA:

WHAT YOU NEED TO KNOW ABOUT U.S. SANCTIONS AGAINST CUBA

An overview of the Cuban Assets Control Regulations —
Title 31 Part 515 of the U.S. Code of Federal Regulations

This document is only an overview and should not be relied upon for complete details of relevant restrictions and authorizations. Anyone considering transactions that may be restricted by the sanctions against Cuba should consult 31 CFR Part 515.



Updated September 3, 2009

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I. INTRODUCTION: WHERE ARE THE RULES AND WHO MUST COMPLY?

The Cuban Assets Control Regulations, 31 CFR Part 515 (the “Regulations”), were issued by the U.S. Government on July 8, 1963, under the Trading With the Enemy Act in response to certain hostile actions by the Cuban government. They are still in force today and affect any person subject to U.S. jurisdiction—including all U.S. citizens and permanent residents wherever they are located, all individuals and organizations physically in the United States, and all branches and subsidiaries of U.S. organizations throughout the world—as well as all persons engaging in transactions that involve property in or otherwise subject to the jurisdiction of the United States. The Regulations are administered by the U.S. Treasury Department’s Office of Foreign Assets Control (“OFAC”). Criminal penalties for violating the Regulations range up to 10 years in prison, \$1,000,000 in corporate fines, and \$250,000 in individual fines. Civil penalties up to \$65,000 per violation may also be imposed. Please note that the Regulations require those dealing with (including but not limited to traveling to) Cuba to maintain records for five years and, upon request from OFAC, to furnish information regarding such dealings. The following subjects are governed by the Regulations.

II. WHO CAN GO TO CUBA PURSUANT TO A GENERAL LICENSE?

A “general license” is an authorization the full details of which are provided in the relevant section of the Regulations. A person relying on a general license may engage in the activities it authorizes without needing to write in to OFAC for a letter of specific authorization (a “specific license”). The following travelers may engage in limited Cuba travel-related transactions without specific authorization from OFAC. The potential traveler is advised, however, to review the relevant section of the *Comprehensive Guidelines for License Applications to Engage in Travel-Related Transactions Involving Cuba* (the “Application Guidelines”) to confirm that his or her proposed

travel-related transactions qualify for a general license. The *Application Guidelines* are available on OFAC's website (www.treas.gov/ofac) at http://www.treas.gov/offices/enforcement/ofac/programs/cuba/cuba_tr_app.pdf. Only persons whose travel falls into the categories discussed below or who are specifically licensed by OFAC (see section II.A for information on specific licenses), may engage in limited travel-related transactions ordinarily incident to travel to, from and within Cuba. See section IV for additional details on the travel-related transactions that are authorized.

A. Persons visiting “close relatives” who are nationals of Cuba

Persons visiting a “close relative” who is a national of Cuba, and persons traveling with them who share a common dwelling as a family with them, are authorized to engage in Cuba travel-related transactions pursuant to section 515.561(a)(1) of the Regulations. There is no limit on the duration or frequency of such travel to Cuba. Authorized expenditure limits for travel within Cuba are the same as for all other authorized categories of travel to Cuba (see section IV).

- A “close relative” is any individual related to a person by blood, marriage, or adoption who is no more than three generations removed from that person or from a common ancestor with that person. Example: Your mother's first cousin is your close relative for purposes of this part, because you are both no more than three generations removed from your great-grandparents, who are the ancestors you have in common. Similarly, your husband's great-grandson is your close relative for purposes of this part, because he is no more than three generations removed from your husband. Your daughter's father-in-law is not your close relative for purposes of this part, because you have no common ancestor.

B. Persons visiting “close relatives” who are U.S. Government employees assigned to the U.S. Interests Section in Havana, Cuba

Persons visiting a “close relative” (see section II.A for a definition of “close relative”) who is a U.S. Government employee assigned to the U.S. Interests Section in Havana, as well as persons traveling with them who share a common dwelling as a family with them, are authorized to engage in Cuba travel-related transactions pursuant to section 515.561(a)(2) of the Regulations. There is no limit on the duration or frequency of such travel to Cuba.

C. Journalists and support personnel

Journalists and supporting broadcast or technical personnel regularly employed in that capacity by a news reporting organization and traveling for journalistic activities are authorized to engage in Cuba travel-related transactions pursuant to section 515.563(a) of the Regulations. See section III.D below for information on specific licenses for free-lance journalists.

D. Official U.S. and foreign government travelers (traveling on official business)

U.S. and foreign government officials who are traveling on official business in their official capacities are authorized to engage in Cuba travel-related transactions pursuant to section 515.562 of the Regulations.

E. Officials of intergovernmental organizations of which the United States is a member (traveling on official business)

Officials of intergovernmental organizations, of which the United States is a member, who are traveling on official business in their official capacities, are authorized to engage in Cuba travel-related transactions pursuant to section 515.562 of the Regulations.

F. Full-time professionals engaging in travel related to:

1. Professional research

Full-time professionals are authorized to engage in Cuba travel-related transactions to conduct professional research in their professional areas pursuant to section 515.564(a)(1) of the Regulations, provided that their research (1) is of a noncommercial academic nature; (2) comprises a full work schedule in Cuba; and (3) has a substantial likelihood of public dissemination.

2. Professional meetings organized by an international professional organization

Full-time professionals are authorized to engage in Cuba travel-related transactions to attend professional meetings or conferences in Cuba pursuant to section 515.564(a)(2) of the Regulations, provided that (1) the meeting or conference is organized by an international professional organization, institution, or association that regularly sponsors meetings or conferences in other countries; (2) the organization, institution, or association sponsoring the meeting or conference is not headquartered in the United States unless it has been specifically licensed to sponsor the meeting; (3) the purpose of the meeting or conference is not the promotion of tourism in Cuba or other commercial activities involving Cuba that are inconsistent with the Regulations; and (4) the meeting or conference is not intended primarily to foster production of any biotechnological products.

G. Employees of a U.S. telecommunications services provider or an entity representing such a provider

Employees of a U.S. telecommunications services provider or an entity duly appointed to represent such a provider are authorized to engage in Cuba travel-related transactions under two separate general licenses. Each general license provides that the travelers' schedule of activities may not include free time, travel, or recreation in excess of that consistent with a full work schedule.

- Cuba travel-related transactions incident to the commercial marketing, sales negotiation, accompanied delivery, or servicing in Cuba of telecommunications-related items that have been authorized by the Department of Commerce are addressed in section 515.533(f) of the Regulations. Please see section 515.533(f)(3) for reporting and other requirements concerning these travel-related transactions.
- Travel-related transactions and additional transactions incident to participation in telecommunications-related professional meetings for the commercial marketing of, sales negotiation for, or performance under contracts for the provision of telecommunications services, or the establishment of facilities to provide telecommunications services, are addressed in section 515.564(a)(3) of the Regulations.

H. Employees of a producer or distributor of agricultural commodities, medicine, or medical devices or an entity representing such a firm

Individuals regularly employed by a producer or distributor of agricultural commodities, medicine, or medical devices or an entity duly appointed to represent such a producer or distributor are authorized to engage in Cuba travel-related transactions incident to the commercial marketing, sales negotiation, accompanied delivery, or servicing in Cuba of such items, provided that their schedule of activities does not include free time, travel, or recreation in excess of that consistent with a full work schedule and provided the activities appear consistent with the export or re-export licensing policy of the Department of Commerce. Please see section 515.533(e) of the Regulations for reporting and other requirements concerning these travel-related transactions.

III. WHO CAN GO TO CUBA PURSUANT TO A SPECIFIC LICENSE?

OFAC considers specific license requests on a case-by-case basis related to travel for the activities listed below. Please refer to the *Application Guidelines* for help with determining whether you may be eligible for a specific license. Individuals wishing to obtain a specific license must submit an application to OFAC, prepared either in letter format or using OFAC's automated application form, which is available on OFAC's website (www.treas.gov/ofac) at <https://cubatravel.ofac.treas.gov/>. Applicants must address the criteria set forth in the relevant section of the *Application Guidelines*. Applications should be mailed to the Licensing Division, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, NW, Washington, DC 20220.

A. Educational activities

OFAC may issue specific licenses for up to one year in duration to accredited U.S. undergraduate or graduate degree-granting academic institutions authorizing the institution, its students enrolled in an undergraduate or graduate degree program at the institution, and its full-time permanent employees to engage, under the auspices of the institution, in travel-related transactions incident to the activities listed below. Note that an individual relying on an academic institution's license must carry a letter from the licensed institution (the required content of the letter varies based on the type of activity). Please see the *Application Guidelines* and section 515.565 of the Regulations for more information on specific licenses for educational activities and related requirements. Note that for individuals whose academic institutions have not obtained a specific license, OFAC may issue a specific license to authorize the individual to engage in travel-related transactions incident to the activities described in section III.A.2 or section III.A.3, below.

1. Participation in a structured educational program

Participation in a structured educational program that includes at least 10 weeks in Cuba as part of a course offered at the licensed U.S. undergraduate or graduate institution.

2. Noncommercial, Cuba-related academic research

Noncommercial academic research in Cuba specifically related to Cuba and for the purpose of obtaining a graduate degree (i.e., the proposed research is independent research for writing a master's thesis, doctoral dissertation, or similar document).

3. Participation in a formal course of study at a Cuban academic institution

Participation in a formal course of study no shorter than 10 weeks at a Cuban academic institution provided the Cuban study will be accepted for credit toward the student's degree at the licensed U.S. institution.

4. Teaching at a Cuban academic institution

Teaching at a Cuban academic institution by an individual regularly employed in a teaching capacity at a licensed U.S. undergraduate or graduate institution, provided the teaching activities are related to an academic program at the Cuban institution and the teaching in Cuba is no shorter than 10 weeks.

5. Sponsorship of a Cuban scholar

Sponsorship, including payment of a stipend or salary, of a Cuban scholar teaching or engaging in other scholarly activities at a licensed institution in the United States.

6. Organization of and preparation for the educational activities described above

Organization of and preparation for the educational activities described above by full-time permanent employees of a licensed institution.

B. Religious activities

OFAC may issue specific licenses to religious organizations to authorize individuals affiliated with the organization to engage in travel transactions under the auspices of the religious organization. Applications by religious organizations for such licenses must include examples of the religious activities to be undertaken in Cuba. Travel-related transactions authorized by such a license must be for the purpose of engaging in a full-time program of religious activities in Cuba. All individuals traveling pursuant to a religious organization's license must carry with them a letter from the licensed organization citing the number of the license and confirming that they are affiliated with the organization and are traveling to Cuba to engage in religious activities under the auspices of the organization. Please see the *Application Guidelines* and section 515.566 of the Regulations for more information on specific licenses for religious activities.

Note that persons wishing to travel to Cuba to engage in religious activities that are not authorized pursuant to a religious organization's specific license may apply for a specific license to engage in these activities. Specific licenses may be issued authorizing transactions for multiple trips over an extended period of time to engage in a full-time schedule of religious activities in Cuba.

C. Humanitarian projects and support for the Cuban people

Specific licenses may be issued for (1) travel-related transactions intended to provide support for the Cuban people, such as activities of recognized human rights organizations; and (2) travel-related transactions directly incident to certain humanitarian projects in or related to Cuba that are designed to directly benefit the Cuban people. Licenses may be issued authorizing transactions for multiple trips over an extended period of time by applicants demonstrating a significant record of overseas humanitarian projects. Please see the *Application Guidelines* and sections 515.574 and

515.575 of the Regulations for more information on specific licenses for support for the Cuban people and humanitarian projects.

D. Free-lance journalism

Specific licenses may be issued for travel-related transactions incident to research in Cuba for a free-lance article, provided that certain conditions are met. Licenses may be issued for multiple trips over an extended period of time by applicants demonstrating a significant record of free-lance journalism. Please see the *Application Guidelines* and section 515.563(b) of the Regulations for more information on specific licenses for free-lance journalism.

E. Professional research and professional meetings

Specific licenses may be issued for travel-related transactions incident to professional research or to attend a professional meeting that does not meet the requirements of the relevant general license (described in section II.F.2) may apply for a specific license to engage in these activities. Licenses may be issued for multiple trips over an extended period of time by applicants demonstrating a significant record of research. Please see the *Application Guidelines* and section 515.564(b) of the Regulations for more information on specific licenses for professional research and meetings.

F. Public performances, athletic and other competitions, and exhibitions

Specific licenses may be issued for travel-related transactions incident to athletic competition by amateur or semi-professional athletes or teams traveling to Cuba to participate in an athletic competition held under the auspices of the relevant international sports federation. To qualify, the U.S. participants must have been selected for the competition by the relevant U.S. sports federation, and the competition must be one that is open for attendance and, in relevant situations, participation by the Cuban public.

Specific licenses may also be issued for travel-related and other transactions incident to participation in a public performance, athletic competition not covered by the above criteria, non-athletic competitions, or exhibition in Cuba. The event must be open for attendance and, in relevant situations, participation by the Cuban public, and all profits from the event after costs must be donated to an independent nongovernmental organization in Cuba or a U.S.-based charity, with the objective, to the extent possible, of benefiting the Cuban people. Please see the *Application Guidelines* and section 515.567(b) of the Regulations for more information regarding these specific licenses.

G. Activities of private foundations or research or educational institutions

Specific licenses may be issued for travel-related transactions incident to activities by private foundations or research or educational institutes that have an established interest in international relations to collect information related to Cuba for noncommercial purposes. Licenses may be issued for multiple trips over an extended period of time. Please see the *Application Guidelines* and section 515.576 of the Regulations for more information on specific licenses for the activities of private foundations or research or educational institutions.

H. Activities related to the exportation, importation, or transmission of information or informational materials

Specific licenses may be issued for travel-related transactions incident to the exportation, importation, or transmission of information or informational materials. Please see the *Application Guidelines* and section 515.545 of the Regulations for more information on these specific licenses.

I. Activities related to U.S. exportations to Cuba

Specific licenses may be issued authorizing travel-related transactions incident to the marketing, sales negotiation, accompanied delivery, or servicing in Cuba of exports that appear consistent with the export or re-export licensing policy of the Department of Commerce and are not authorized by the general licenses described above in sections II.G and II.H. (See section 515.533(g) of the Regulations.)

J. Persons visiting “close relatives” who are neither Cuban nationals nor U.S. government employees assigned to the U.S. Interests Section in Havana, Cuba

Specific licenses may be issued for travel-related and other transactions incident to travel to visit a “close relative” (see section II.A for a definition of “close relative”) in Cuba who is neither a national of Cuba nor a U.S. Government employee assigned to the U.S. Interests Section in Havana (see section 515.561(b) of the Regulations).

IV. WHAT CUBA-RELATED TRAVEL TRANSACTIONS ARE AUTHORIZED BY OFAC LICENSES?

A. Generally

Unless authorized by a general or specific license, any person subject to U.S. jurisdiction who engages in any Cuba travel-related transaction violates the Regulations. Persons authorized to engage in Cuba travel-related transactions are allowed to engage in all transportation-related transactions ordinarily incident to travel *to and from* (not within) Cuba without any expenditure limitations. Authorized travelers also may engage in all transactions ordinarily incident to travel anywhere *within* Cuba, such as hotel accommodations, meals, local transportation, and goods personally used by the traveler in Cuba, provided that the total for such expenses does not exceed the State Department “per diem rate” Allowance for Havana, Cuba (<http://aoprals.state.gov>), in place during the period that the travel takes place (travelers can check the current per diem rate on the Internet at <<<http://www.state.gov/www/perdiems/index.html>>>) (see section 515.560(c) of the Regulations).

Pursuant to the separate travel sections referenced above, most authorized travelers may also spend additional money for transactions directly related to the authorized activities in Cuba. For example, journalists traveling in Cuba under the journalism general license (described above at section II.C) may spend money over and above the current per diem for extensive local transportation, the hiring of cable layers, and other costs that are directly related to covering a story in Cuba. Purchases of services unrelated to travel or a licensed activity, such as elective medical services, are prohibited. The purchase of publications, recorded music, and other informational materials is not restricted.

B. Vessels used for travel

All persons onboard vessels, including the owner and crew, must be authorized travelers, as listed above, to engage in travel-related transactions in Cuba. Unauthorized travelers may not purchase meals, pay for transportation, lodging, dockage or mooring fees, cruising fees, visas, or entry or exit fees. Vessel owners are prohibited from carrying passengers to Cuba, and vessels carrying goods or passengers to or from Cuba are prohibited from entering a U.S. port with such goods or passengers on board absent authorization from OFAC (see section 515.207(b) of the Regulations). Vessels traveling to Cuba are also subject to regulations implemented by the Department of Commerce (see 15 CFR Parts 730 *et. seq*) and the United States Coast Guard (see 33 CFR § 107.200 *et. seq*).

C. Travel Service Providers

Any person subject to U.S. jurisdiction who provides services akin to those of a travel agent (for example, arranging travel to, from, or within Cuba, selling tickets for direct charter flights between the United States and Cuba, reserving and selling accommodations for authorized travelers within Cuba, or other travel-related services involving property in which Cuba has an interest) must be specifically licensed as a Travel Service Provider prior to providing any of these services (see section 515.572(a)(1) of the Regulations). A traveler should not use any travel agent or tour operator in the United States that is not a Travel Service Provider. A list of authorized Travel Service Providers is available at http://www.treas.gov/offices/enforcement/ofac/programs/cuba/cuba_tsp.pdf. If you are interested in being licensed as a Travel Service Provider, please consult Circular 2006, which is available on the OFAC website (www.treas.gov/ofac) at <http://www.treas.gov/offices/enforcement/ofac/programs/cuba/circ2006.pdf>, for details on the Service Provider Program requirements.

D. Carrier Service Providers

Any person subject to U.S. jurisdiction who offers direct charter flights or vessel voyages between the United States and Cuba must be specifically licensed as a Carrier Service Provider prior to providing such services (see section 515.572(a)(2) of the Regulations). A list of authorized Carrier Service Providers is available at http://www.treas.gov/offices/enforcement/ofac/programs/cuba/cuba_tsp.pdf. If you are interested in being licensed as a Carrier Service Provider, please consult Circular 2006, which is available on the OFAC website (www.treas.gov/ofac) at <http://www.treas.gov/offices/enforcement/ofac/programs/cuba/circ2006.pdf>, for details on the Service Provider Program requirements.

V. WHAT CAN BE BROUGHT BACK FROM CUBA?

No goods of Cuban origin, other than information or informational materials, may be transported out of Cuba or brought into the United States (see section 515.560(c)(3) of the Regulations). There are no limits on the import or export of informational materials. Such materials—including books, films, posters, photographs, CDs—are statutorily exempt from regulation under the embargo and may be transported freely. However, blank tapes and blank CDs are not considered informational materials (see sections 515.206(a) and 515.332 of the Regulations).

VI. SENDING OR CARRYING MONEY TO CUBA: REMITTANCES

A. Family remittances

Pursuant to section 515.570(a) of the Regulations, persons subject to U.S. jurisdiction aged 18 or older is authorized (by general license) to send remittances to a “close relative” (see section II.A for a definition of “close relative”) in Cuba or Cuban nationals in a third country, provided that the recipient is not a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party, as defined in sections 515.337 and 515.338 of the Regulations. There is no limit on the amount of such authorized remittances or the frequency with which they may be sent. The remittances must not be made from a blocked source and may not be for emigration-related purposes. An authorized traveler may carry up to \$3,000 in authorized family remittances to Cuba (see section 515.560(c)(4) of the Regulations), and a national of Cuba departing the United States may carry back up to \$3,000 received as remittances for him or herself (see section 515.560(d)(2) of the Regulations). Carrying remittances on behalf of others is prohibited.

B. Emigration-related remittances

Pursuant to section 515.570(b) of the Regulations, persons subject to U.S. jurisdiction are authorized (by general license) to send two one-time \$1,000 remittances per payee to enable the payee to emigrate from Cuba to the United States. One remittance of no more than \$1,000 may be sent before the payee has received a valid visa from the U.S. State Department or other approved U.S. immigration documents for the purpose of covering the payee’s preliminary expenses associated with emigrating from Cuba to the United States.

Up to an additional \$1,000 may be sent to a Cuban national for the purpose of enabling him or her to emigrate from Cuba to the United States, including for the purchase of an airline ticket and payment of exit or third-country visa fees or other travel-related fees, after the Cuban national has received a visa or other approved U.S. immigration document. A remitter must be able to provide the visa recipient’s full name, date of birth, visa number, and visa date of issuance at the time this remittance is sent.

These emigration-related remittances may not be made from a blocked source except as discussed below in section VI.C. There is no limit to the amount of authorized per payee emigration-related remittances that an authorized traveler may carry to Cuba but none may be carried until a visa has been issued to each payee and the traveler can provide the visa recipient’s full name, date of birth, visa number, and visa date.

C. Remittances from blocked accounts

Pursuant to a general license, all funds deposited in a blocked account in a banking institution in the United States held in the name of, or in which the beneficial interest is held by, a national of Cuba as a result of a valid testamentary disposition, intestate succession, or payment from a life insurance policy or annuity contract triggered by the death of the policy or contract holder may be remitted to that Cuban national provided that she or he is a “close relative” of the decedent. Such inherited blocked funds may also be remitted as emigration-related remittances in accordance with section VI.B. above to the Cuban national account-holder or beneficiary whether or not she or he is a “close relative” of the decedent. Up to \$300 in any consecutive three-month period may also be sent from *any* blocked account in a banking institution in the United States to a Cuban national in a

third country who is an individual in whose name, or for whose beneficial interest, the account is held. None of these remittances from blocked accounts may be remitted to a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist Party, as defined in sections 515.337 and 515.338 of the Regulations. Please see section 515.570(c) of the Regulations and section XII for more information on remittances from blocked accounts.

D. Specific licenses may be issued pursuant to section 515.570(d) to allow remittances to:

- Independent non-governmental organizations in Cuba;
- A Cuban national in a third country in excess of \$300 in any consecutive three-month period from blocked accounts; or
- Individuals in Cuba to facilitate their non-immigration travel to the United States. Humanitarian need, including illness or other medical emergency, must be demonstrated to obtain a specific license under this subsection.

E. Remittance forwarders

Pursuant to section 515.572(c) of the Regulations, any person subject to U.S. jurisdiction (other than a depository institution, as discussed below) who seeks to provide services in connection with collecting, forwarding domestically, or transferring internationally authorized remittances must be specifically licensed as a Remittance Forwarder prior to providing any of these services. OFAC maintains a current list of Remittance Forwarders (other than depository institutions, which are authorized by general license), Travel Service Providers, and Carrier Service Providers on its website (www.treas.gov/ofac) at http://www.treas.gov/offices/enforcement/ofac/programs/cuba/cuba_tsp.pdf.

Depository institutions, as defined in section 515.333, are authorized by general license to forward remittances. To facilitate this, depository institutions are permitted to set up testing arrangements and exchange authenticator keys with Cuban financial institutions to forward authorized remittances, pursuant to section 515.572 of the Regulations. Depository institutions may not, however, open or use direct correspondent accounts with Cuban financial institutions.

Please consult Circular 2006, which is available on the OFAC website (www.treas.gov/ofac) at <http://www.treas.gov/offices/enforcement/ofac/programs/cuba/circ2006.pdf>, for details on the Service Provider Program requirements. Authorized Remittance Forwarders (including generally authorized depository institutions) must collect information from persons who use their services showing compliance with remittance provisions, must report to OFAC annually on their transactions, and retain the information for five years. Those seeking to become a Remittance Forwarders also should consult Circular 2006.

VII. GENERAL PROHIBITIONS ON EXPORTS, IMPORTS, AND CERTAIN OTHER TRANSACTIONS

A. Exporting to Cuba

Except for publications, other informational materials (such as CDs and certain artwork), certain donated food, certain licensed legal and telecommunications services, and certain goods licensed for export or re-export by the U.S. Department of Commerce (such as medicine and medical

devices, food, agricultural commodities, and gift parcels), no products, technology, or services may be exported from the United States to Cuba, either directly or through third countries, such as Canada or Mexico, absent a specific license from OFAC. This prohibition includes dealing in or assisting with the sale of goods or commodities to or from Cuba, even if done entirely offshore. Such brokering is considered to be dealing in property in which Cuba has an interest and is therefore prohibited. Provision of consulting services is also prohibited. Thus, no U.S. citizen or permanent resident alien, wherever located, and no foreign subsidiary or branch of a U.S. organization, may export products, technology, or services to Cuba or to any Cuban national, wherever they may be located, or broker the sale of goods or commodities to or from Cuba or any Cuban national.

Pursuant to section 515.533 of the Regulations, transactions ordinarily incident to the exportation of items from the United States to Cuba or the reexportation of 100% U.S.-origin items from a third country to Cuba are authorized by general license provided the export is licensed or otherwise authorized by the Department of Commerce. Pursuant to provisions of the Cuban Democracy Act of 1992 (the “CDA”) and the Trade Sanctions Reform and Export Enhancement Act of 2000, the Commerce Department maintains a favorable license policy with respect to the sale and export or re-export of medicine and medical devices, food, and agricultural commodities to Cuba. Those interested in engaging in such exports or re-exports must first obtain authorization from the Commerce Department’s Bureau of Industry and Security. All licensed sales must be financed by cash-in-advance or by third-country banks that are not persons subject to U.S. jurisdiction or owned or controlled by Cuba or Cuban nationals. Foreign subsidiaries of U.S. banks, however, are authorized to directly finance licensed sales of agricultural products. All U.S. banks may advise or confirm any of the transactions authorized above. Section 1705(b) of the CDA provides for donations of food to independent non-governmental organizations or individuals in Cuba. Shipments of food may be donated to non-governmental organizations from the U.S. or from third countries without a license from the U.S. government.

In the mid-1970s, section 515.559 was added to the Regulations to publicize OFAC's policy of licensing foreign subsidiaries of U.S. firms to conduct trade in commodities with Cuba so long as several specific criteria were met. Section 1706(a) of the CDA, however, prohibits the issuance of licenses that would have been issued pursuant to section 515.559, except where a contract was entered into prior to enactment of the CDA or where the exports at issue are medicines or medical supplies or certain telecommunications equipment. Accordingly, OFAC does not license foreign subsidiaries of U.S. firms to conduct trade in commodities with Cuba except in limited circumstances.

Pursuant to the CDA and section 515.207 of the Regulations, no vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has any interest may enter a U.S. port absent authorization from OFAC. The prohibition applies to vessels even if they enter only to take on fuel and supplies (bunker), whether from U.S. fuel providers within the port limits or at offshore points, as well as vessels discharging or loading merchandise offshore, by lighter or otherwise. In addition, vessels that enter a port or place in Cuba to engage in the trade of goods or services are prohibited from entering a U.S. port for the purpose of loading or unloading any freight for 180 days. Pursuant to section 515.550 of the Regulations, a general license authorizes entry into U.S. ports notwithstanding these two vessel prohibitions provided the vessel is engaging solely in trade with Cuba that is authorized by license or exempt from the Regulations

(e.g., vessels carrying authorized exports of agricultural products or donations of food to nongovernmental organizations or individuals).

B. Importing Cuban-origin goods or services

No goods or services of Cuban origin (including most souvenirs) may be imported into the United States either directly or through third countries such as Canada or Mexico. The only exceptions are information or informational materials such as publications or certain artwork, defined in section 515.332 of the Regulations.

C. Transactions involving property in which Cuba or a Cuban national has an interest

In addition to the prohibitions on exports to and imports from Cuba, the Regulations prohibit any person subject to U.S. jurisdiction from dealing in any property in which Cuba or a Cuban national has or has had any interest. Under the Regulations, “property” includes but is not limited to contracts and services. For example, unless authorized, persons subject to U.S. jurisdiction (including U.S. overseas subsidiaries) may not purchase Cuban cigars in Mexico; may not sign a contract with a U.K. firm if the contract terms include Cuba-related provisions (even if those provisions are contingent upon the lifting of the embargo); and may not provide accounting, marketing, sales, or insurance services to a Cuban company or to a foreign company with respect to the foreign company’s Cuba-related business.

D. Nationals of Cuba; specially designated nationals

The Regulations prohibit buying from or selling to Cuban nationals whether they are physically located on the island of Cuba or doing business elsewhere. Most transactions with nationals of Cuba who are lawfully present in the United States in a non-visitor status, however, are generally authorized by section 515.505 of the Regulations. Specific licenses may be granted on a case-by-case basis to unblock Cuban nationals permanently resident in third-countries.

Individuals or organizations who act on behalf of Cuba anywhere in the world are considered by OFAC to be nationals of Cuba. A non-exhaustive list of these names is published in the Federal Register, an official publication of the U.S. Government. This list may be obtained by calling OFAC at 800/540-6322 or on OFAC’s website (www.treas.gov/ofac). The listing, however, is a partial one and any individual or organization subject to U.S. jurisdiction engaging in transactions with foreign nationals must make certain that such foreign nationals are not Cuban nationals.

E. Accounts and assets

There is a total freeze on Cuban assets, both governmental and private, and on financial dealings with Cuba; all property of Cuba and Cuban nationals in the possession or control of persons subject to U.S. jurisdiction is blocked. Any property in which Cuba or a Cuban national has an interest that comes into the United States or into the possession or control of persons subject to U.S. jurisdiction is automatically blocked by operation of law. Banks receiving unlicensed wire transfer instructions in which there is a Cuban interest, or any instrument in which there is a Cuban interest, must freeze the funds on their own books or block the instrument, regardless of origin or destination. “Suspense accounts” are not permitted. Blocking imposes a complete prohibition against transfers or transactions, aside from those authorized by the Regulations. Other payments, transfers, withdrawals, or other dealings may not take place with regard to blocked property unless

authorized by the Treasury Department. Banks are permitted to take normal service charges. Blocked deposits of funds must be interest-bearing. “Set-offs” are not allowed.

Persons subject to U.S. jurisdiction should exercise extreme caution in order not to involve themselves in unlicensed transactions in which Cuba or a Cuban national has an interest. Except as authorized, no bank in the United States or overseas branch or subsidiary of a U.S. bank may advise a letter of credit involving Cuba or a Cuban national nor may it process documents referencing Cuba. All such property must be blocked as soon as it comes within the bank’s possession or control. All persons in possession of blocked property are required to register with OFAC. Persons subject to U.S. jurisdiction who engage in any transaction involving Cuba or a Cuban national, either directly or indirectly, risk substantial monetary penalties and criminal prosecution.

VIII. HUMANITARIAN DONATIONS

There is joint OFAC and Department of Commerce administration over export of gift parcels and humanitarian goods to Cuba to meet basic human needs. OFAC generally licenses certain financial and other transactions related to exports that are licensed by the Commerce Department. See part 740 and 746 of the Department of Commerce’s Export Administration Regulations (15 CFR Chapter 7), which are available online at www.access.gpo.gov/bis/ear/ear_data.html, for the relevant Department of Commerce regulations. Please note that travel-related transactions incident to humanitarian donations must be separately licensed by OFAC.

IX. SENDING GIFT PARCELS

The sending of gift parcels is covered by the Department of Commerce’s regulations at 15 CFR Parts 740 and 746. Gift parcels may be sent or carried by an authorized traveler to an individual or to a religious, charitable, or educational organization in Cuba, subject to limitations set forth in the Department of Commerce’s regulations.

Organizations that consolidate and send multiple gift parcels in single shipments must obtain a validated license from the U.S. Department of Commerce. Each gift parcel in the single shipment must meet commodity, dollar-value, and frequency limitations. If a parcel being shipped or carried to Cuba fails to meet these standards, it is subject to seizure by the U.S. Government. Please contact the Department of Commerce for specific restrictions and details.

X. MAIL AND TELECOMMUNICATIONS SERVICES IN CUBA

A. Mail

All transactions of common carriers incident to the receipt or transmission of mail between the United States and Cuba are authorized.

B. Telecommunications services

Certain telecommunications services, contracts, related payments, and travel-related transactions are authorized by general licenses, pursuant to sections 515.533, 515.542, and 515.564 of the Regulations.

- Persons subject to U.S. jurisdiction may contract with and pay non-Cuban telecommunications services providers to provide services to particular individuals in Cuba

(other than prohibited officials of the Government of Cuba or prohibited members of the Cuban Communist Party, as defined in sections 515.337 and 515.338 of the Regulations). For example, an individual in the United States may contract with and pay a U.S. or third-country telecommunications company to provide cellular telephone service for a phone owned and used by that individual's friend in Cuba. Moreover, a U.S. telecommunications services provider may enter into a contract with a particular individual in Cuba to provide telecommunications services to that individual.

- Telecommunications services providers that are persons subject to U.S. jurisdiction are authorized by general license (1) to make payments incident to the provision of telecommunications services between the United States and Cuba and the provision of satellite radio or satellite television services to Cuba and (2) to enter into and perform under (including making payments) roaming services agreements with telecommunications services providers in Cuba.
- Any entity subject to U.S. jurisdiction relying on these general licenses must notify OFAC in writing within 30 days after commencing or ceasing to offer such services, as well as furnish semiannual reports providing the total amount of all payments made to Cuba or a third country related to telecommunications services authorized pursuant to section 515.542. These reports must include funds paid to third-country carriers for telecommunications transmissions routed from the United States through third countries under transit, refile, or other alternate routing agreements. These reports are due no later than January 15 of each calendar year (for payments made between July 1 and December 31 of the prior year) and July 15 of each calendar year (for payments made between January 1 and June 30).
- Transactions incident to establishing facilities to provide telecommunications services linking the United States and Cuba, including fiber-optic cable and satellite facilities, are authorized by general license. The Bureau of Industry and Security of the Department of Commerce must authorize The exportation and re-exportation of goods and technology for the establishment of telecommunications facilities linking the United States and Cuba must be separately authorized by the Bureau of Industry and Security of the Department of Commerce and OFAC (but see section VII.A. above for a discussion of OFAC's general authorization for exports from the United States and 100 percent U.S.-origin exports from third countries to Cuba that have been authorized by Commerce).

XI. FAIR BUSINESS PRACTICES

Anyone authorized by the U.S. Department of the Treasury to provide Cuba travel-or remittance-related services is prohibited from participating in discriminatory practices of the Cuban government against individuals or particular classes of travelers. The assessment of consular fees by the Cuban government, which are applicable worldwide, is not considered to be a discriminatory practice. However, requiring the purchase of services not desired by the traveler is not permitted. Persons wishing to provide information on such activities should call OFAC's Miami office at 786/845-2829. All information regarding arbitrary fees, payments for unauthorized purposes, or other possible violations furnished to the U.S. Treasury Department will be handled confidentially.

XII. ESTATES

An estate becomes blocked whenever a Cuban national is an heir or is the deceased; money from a life insurance policy is blocked whenever the deceased or beneficiary is a Cuban resident. Please see section 515.570 of the Regulations (discussed above in section VI.) for more information about the ability to make certain remittances from inherited funds.

XIII. SAFE DEPOSIT BOXES

A safe-deposit box is blocked whenever a Cuban has an interest in the property contained in the box or an interest in the box itself. Access to a blocked safe deposit box is authorized under certain conditions. Please see section 515.517 of the Regulations for more information.

XIV. PAYMENTS FOR OVERFLIGHTS

A specific license is required to make payments for charges in connection with overflights of Cuba or emergency landings in Cuba. Banks should request to review the originals of such licenses before executing transfers and should keep a copy for their files. Please see section 515.548 of the Regulations for more information.

XV. EMERGENCIES

In case of emergencies while in Cuba, a traveler should contact the U.S. Interests Section in Havana at 537/833-3551.

In case of emergencies requiring financial transactions such as emergency repair of vessels or medical treatment, travelers are urged to contact OFAC at 202/622-2480, to discuss necessary authorizations.

If you have information regarding possible violations of the Cuban Assets Control Regulations, please call OFAC at 786/845-2829. Your call will be handled confidentially.

This document is explanatory only and does not have the force of law. The statutes, Executive Orders, and implementing regulations relating to Cuba contain the legally binding provisions governing the sanctions, and this document does not supplement or modify those statutes, Executive Orders, or regulations.

The Treasury Department's Office of Foreign Assets Control also administers other sanctions programs involving, for example, certain countries and regimes, designated terrorists and international narcotics traffickers, Foreign Terrorist Organizations, and designated foreign persons who have engaged in activities relating to the proliferation of weapons of mass destruction. For additional information about these programs or about the Cuban sanctions program, please contact the:

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