

Cuba: So Close Yet Still So Far

On December 17, 2014 President Obama announced a plan to begin easing some of the trade and travel restrictions formerly in place with Cuba. The Department of the Treasury's Office of Foreign Assets Control (OFAC) made certain amendments to the Cuban Assets Control Regulations (CACR) to implement the President's plan on January 16, 2015.

On the surface it may appear that these changes allow all Americans to travel to Cuba without asking for permission from OFAC in advance. That is not necessarily the case.

The embargo imposed against Cuba in 1960 remains in effect and most transactions between the United States, or persons subject to U.S. jurisdiction and Cuba continue to be prohibited. OFAC continues to enforce the prohibitions contained in the CACR.

So, what has changed? OFAC has issued general licenses within the 12 categories of authorized travel for many travel-related transactions to, from, or within Cuba that previously required a specific license. These 12 activities are:

- Family visits
- Official business of the U.S. Government, foreign governments, and certain intergovernmental organizations
- Journalistic activity
- Professional research and professional meetings
- Educational activities
- Religious activities
- Public performances, clinics, workshops, athletic and other competitions and exhibitions
- Support of the Cuban people
- Humanitarian projects
- Activities of private foundations or research or educational institutes
- Exportation, importation or transmission of information or informational materials
- Certain authorized export transactions

All other travel-related transactions remain prohibited. Travel to Cuba for tourist activities is still **NOT** permitted.

IMPORTANT: The 12 general licenses cover actual activities in Cuba by an authorized traveler. They do not extend to the traveler taking his or her yacht to Cuba, nor may the yacht be used to transport people between the United States and Cuba.

The yacht itself is subject to the Department of Commerce's Export Administration Regulations (EAR) and requires a specific export license from the Department before the yacht can be temporarily brought into Cuba.

If the owner of the yacht is not operating the yacht alone and has crew and/or passengers, the owner must obtain a specific license from the Office of Foreign Asset Control (OFAC) to transport passengers to and from Cuba.

In addition, each passenger (e.g., crew, guests, family members, etc...) must qualify under one of the 12 general licenses in order to travel to Cuba. Each individual must qualify for authorized activities in his or her own right. If an individual **does not qualify** for one of the 12 general licenses, they must obtain a specific license from OFAC.

While the U.S. has begun to ease (**NOT** remove) restrictions on travel, the Cuba embargo remains in place until the U.S. Congress takes formal action to fully normalize relations with Cuba. We will continue to monitor these changes and provide you with updated information as it becomes available.

For additional guidance, attached is the web address for United States Treasury Department Frequently Asked Questions Related to Cuba as of January 15, 2015.

http://www.treasury.gov/resource-center/sanctions/Programs/Documents/cuba_faqs_new.pdf