

## U.S. DEPARTMENT OF THE TREASURY

## Press Center



## Treasury and Commerce Announce Significant Amendments to the Cuba Sanctions Regulations ahead of President Obama's Historic Trip to Cuba

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*Amendments Expand the Ability of Americans to Visit Cuba, Bolster Trade and Commercial Opportunities, and Reduce Barriers to Financial Transactions by Cuban Nationals*

**WASHINGTON** – Today, the Department of the Treasury's Office of Foreign Assets Control (OFAC) and the Department of Commerce's Bureau of Industry and Security (BIS) announced significant amendments to the Cuban Assets Control Regulations (CACR) and Export Administration Regulations (EAR). These changes, coupled with the arrangement recently [announced by the Departments of State and Transportation](#) allowing scheduled air service between the United States and Cuba, will significantly increase the ability of U.S. citizens to travel to Cuba to directly engage with the Cuban people. Additionally, these regulations expand Cuba and Cuban nationals' access to U.S. financial institutions and the U.S. dollar from Cuba, and will expand the ability for Cubans legally present in the United States to earn stipends and salaries beyond living expenses. These amendments further the new direction toward Cuba that President Obama laid out in December 2014. The changes are outlined below and will take effect on March 16, 2016, when the regulations are published in the Federal Register.

"Today's steps build on the actions of the last 15 months as we continue to break down economic barriers, empower the Cuban people and advance their financial freedoms, and chart a new course in U.S.-Cuba relations. Since December 2014, the Treasury Department and our partners across the Administration have progressively reshaped our regulations in order to empower the Cuban people and enable economic advancements for Cubans and Americans," said Treasury Secretary Jacob J. Lew. "Today we are building on this progress by facilitating travel for additional Americans looking to engage with Cubans; allowing Cuban citizens to earn a salary in the United States; and expanding access to the U.S. financial system as well as trade and commercial opportunities."

"Today's amendments build upon President Obama's historic actions to improve our country's relationship with Cuba and its people. These steps not only expand opportunities for economic engagement between the Cuban people and the American business community, but will also improve the lives of millions of Cuba's citizens," said U.S. Commerce Secretary Penny Pritzker.

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 730-774, please see [here](#) . Major elements of the changes in the revised Treasury and Commerce regulations include:

### Travel and Related Transactions–

- **People-to-people educational travel.** Individuals will be authorized to travel to Cuba for individual people-to-people educational travel, provided that the traveler engages in a full-time schedule of educational exchange activities intended to enhance contact with the Cuban people, support civil society in Cuba, or promote the Cuban people's independence from Cuban authorities and that will result in a meaningful interaction between the traveler and individuals in Cuba. Previously, the general license authorizing educational travel required such trips to take place under the auspices of an organization that was subject to U.S. jurisdiction and required all travelers to be accompanied by a representative of the sponsoring organization. This change is intended to make authorized educational travel to Cuba more accessible and less expensive for U.S. citizens, and will increase opportunities for direct engagement between Cubans and Americans. Persons relying upon this authorization must retain records related to the authorized travel transactions, including records demonstrating a full-time schedule of authorized activities. In the case of an individual traveling under the auspices of an organization that is a person subject to U.S. jurisdiction and that sponsors such exchanges to promote people-to-people contact, the individual may rely on the entity sponsoring the travel to satisfy those recordkeeping requirements. The statutory prohibition on travel for tourist activities remains in place.
- **Payment of salaries.** Cuban nationals in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization will be authorized to earn a salary or compensation, consistent with the terms of the particular visa, provided that the recipient is not subject to any special tax assessments in Cuba. U.S. companies will be authorized to engage in transactions related to the sponsorship or hiring of Cuban nationals to work or perform in the United States similar to nationals from other countries, provided that no additional payments are made to the Cuban government in connection with such sponsorship or hiring. For example, Cuban athletes, artists, performers, and others who obtain the requisite visas will be able to travel to the United States and earn salaries and stipends in excess of basic living expenses. Transactions in connection with the filing of an application for non-immigrant travel authorizations will also be authorized.
- **Cuban-origin merchandise.** OFAC will authorize certain dealings in Cuban-origin merchandise by individuals for personal consumption while in a third-country, and to receive or obtain services from Cuba or a Cuban national that are ordinarily incident to travel and maintenance within a third country. This authorization will allow, for example, Americans traveling in Europe to purchase and consume Cuban-origin alcohol and tobacco products while abroad similar to the travel exemptions in other sanctions programs.

### Banking and financial services –

- **U-turn payments through the U.S. financial system.** U.S. banking institutions will be authorized to process U-turn transactions in which Cuba or a Cuban national has an interest. This provision will authorize funds transfers from a bank outside the United States that pass through one or more U.S. financial institutions before being transferred to a bank outside the United States, where neither the originator nor the beneficiary is a person subject to U.S. jurisdiction.
- **Processing of U.S. dollar monetary instruments.** U.S. banking institutions will be authorized to process U.S. dollar monetary instruments, including cash and travelers' checks, presented indirectly by Cuban financial institutions. Correspondent accounts at third-country financial institutions used for such transactions may be denominated in U.S. dollars.


- U.S. bank accounts for Cuban nationals. U.S. banking institutions will be authorized to open and maintain bank accounts in the United States for Cuban nationals in Cuba to receive payments in the United States for authorized or exempt transactions and to remit such payments back to Cuba.

**Trade and commerce –**

- Physical and business presence. OFAC will expand the existing authorization for “physical presence” (such as an office, retail outlet, or warehouse) to include entities that engage in authorized humanitarian projects, entities that engage in authorized non-commercial activities intended to provide support for the Cuban people, and private foundations or research or educational institutes engaging in certain authorized activities pursuant to sections 515.575, 515.574, and 515.576 of the CACR, respectively. OFAC will also expand the existing authorization for “business presence” (such as a joint venture) to include exporters of goods that are authorized for export or re-export to Cuba or that are exempt, entities providing mail or parcel transmission services or cargo transportation services, and providers of carrier and travel services to facilitate authorized transactions. The revised regulations will also clarify that the physical and business presence authorizations permit exporters and re-exporters of authorized or exempt goods to assemble such goods in Cuba. BIS will make conforming changes to the EAR to generally authorize exports and re-exports of eligible items to establish and maintain a physical or business presence that is authorized by OFAC.
- Importation of software. The CACR currently authorizes the importation of Cuban-origin mobile applications. OFAC will expand this authorization to allow the importation of Cuban-origin software.
- Shipping. BIS will generally authorize vessels to transport authorized cargo from the United States to Cuba and then sail to other countries with any remaining cargo that was unloaded in the United States.
- Cuban private sector. BIS will adopt a licensing policy of case-by-case review for exports and re-exports of items that would enable or facilitate exports from Cuba of items produced by the Cuban private sector.

**Grants and awards –**

- OFAC will authorize the provision of educational grants and awards, and clarify that an existing authorization applies to the provision of grants and awards for the humanitarian projects authorized in OFAC's regulations. This step will further enable U.S. support for educational projects in Cuba and U.S. participation in philanthropic efforts.

For a Spanish translation of the Treasury and Commerce Fact Sheet, please click [here](#) .

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