

## Additional Amendments to Cuba Sanctions Regulations

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### PRACTICE AREAS

- Cuba

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The U.S. Department of the Treasury and the Department of Commerce issued additional amendments to the Cuban Assets Control Regulations and Export Administration Regulations, which went into effect today. These new amendments “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,” according to U.S. Treasury Secretary, Jacob Lew.

Since December 2014, the Obama administration has taken steps, through the amendment of existing regulations, to allow for greater people-to-people travel and commercial ties between the U.S. and Cuba. Although the U.S. embargo against Cuba remains in place, the revised regulations, published in January 2015, together with the new amendments, signal the most significant change in U.S.-Cuba relations in recent history.

Among the major changes included in the new amendments to the Cuba Sanctions Regulations are:

#### Travel

- General license for transportation by vessel of authorized travelers. The personal boat of an authorized traveler must also have the temporary sojourn of the vessel authorized by the Bureau of Industry and Security (BIS) of the U.S. Department of Commerce.
- Persons subject to U.S. jurisdiction providing authorized carrier services by vessel may provide lodging for authorized travelers onboard during the time the vessel is traveling to, from or within Cuba, including when docked in a port in Cuba.
- Close relatives will be allowed to visit or accompany authorized travelers for additional activities such as educational, journalistic, religious, humanitarian, or professional research activities.
- Persons subject to U.S. jurisdiction may open and maintain bank accounts in Cuba to access funds for authorized transactions.

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### Physical Presence and Operations in Cuba

- Persons subject to U.S. jurisdiction will be allowed to establish a business presence in Cuba for certain authorized activities such as: news bureaus, certain exporters of goods authorized for export or re-export to Cuba, telecommunication or internet-based services, entities organizing or conducting educational activities, religious organizations, providers of authorized mail and parcel transmission services and certain cargo transportation services, and providers of carrier and certain travel services. These entities will also be able to employ Cuban nationals.

### Banking, Finance, and Remittances

- 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 those accounts. The accounts may remain open even when the Cuban national is not present in the United States.
- The limit on donative remittances to Cuban nationals, other than prohibited Cuban Government or Cuban Communist Party officials—which was \$2,000 per quarter, is removed entirely. U.S. persons and Cuban nationals have no limits in terms of remittances that may be carried to Cuba.

### Telecommunication and Internet-based Services Providers

- Telecommunication and internet-based services companies may enter into joint ventures with Cuban entities and enter into licensing agreements related to or to market such services.
- Persons subject to U.S. jurisdiction will be allowed to import Cuban-original mobile applications into the United States and to hire Cuban nationals to develop them.
- License Exception Consumer Communications Devices will no longer be limited to sales or donations, other type of transactions such as leases and loans of eligible items will be permitted.

### Estate-related Transactions

- An expanded general license authorizes additional remittances to Cuban nationals in connection with the administration of estates. An additional general license will permit all transactions incident to the administration and distribution of the estate assets in which a Cuban national has an interest.

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### Educational Activities

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

### Legal Services

- The amendments explicitly authorize persons subject to U.S. jurisdiction to receive, and make payment for, certain legal services from Cuba or Cuban nationals.

The McConnell Valdés Cuba Practice Team continues to assist clients by providing guidance with respect to the revised regulations and applicable laws regarding the U.S embargo against Cuba.

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