
US Implements Sixth Round of Eased Cuba Sanctions

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On October 17, the US Departments of Commerce and the Treasury announced the sixth round of eased sanctions and export controls designed to bolster trade between the United States and Cuba. The amendments by the Bureau of Industry and Security (BIS) and the Office of Foreign Assets Control (OFAC) to the Export Administration Regulations (EAR) and Cuban Assets Control Regulations (CACR), respectively, have been integral to the Obama Administration's efforts to normalize relations with Cuba that began in December 2014. These regulatory changes reflect the exercise of presidential authority to reduce existing restrictions on US dealings with Cuba within the constraints of a statutory embargo that only Congress can lift. The recent revisions to the EAR and CACR coincide with the release of a new Presidential Policy Directive setting forth an interagency strategy to continue with the normalization of US-Cuban relations.

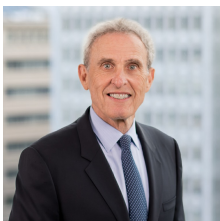
The key changes are summarized as follows:

- *Health-Related Transactions.* OFAC issued a new authorization that will allow persons subject to US jurisdiction to engage in joint medical research projects with Cuban nationals. This authorization encompasses both noncommercial and commercial research. OFAC also issued a new general license authorizing imports of certain Cuban-origin pharmaceuticals, as well as an authorization for the opening of bank accounts in Cuba for conducting such health-related business.
- *Humanitarian-Related Transactions.* OFAC expanded an authorization for grants, scholarships and awards to Cuba or Cuban nationals to include grants, scholarships and awards related to scientific research and religious activities. It also added a new authorization that will allow persons subject to US jurisdiction to provide services to Cuba or Cuban nationals related to developing, repairing, maintaining and enhancing certain Cuban infrastructure in order to directly benefit the Cuban people.
- *Travel-Related Transactions.* OFAC has removed the monetary value limitations on what authorized travelers may import from Cuba into the United States as accompanied baggage for personal use. This includes the value limitation on alcohol and tobacco products not imported for resale. Persons subject to US jurisdiction are also authorized to make remittances to third-country nationals for travel by third-country nationals to, from or

within Cuba.

- **Civil Aviation.** OFAC added a new authorization that will allow persons subject to US jurisdiction to provide civil aviation safety-related services to Cuba and Cuban nationals aimed at promoting safety in civil aviation and the safe operation of commercial aircraft.
- **Trade and Commerce.**
 - OFAC amended its general license authorizing certain transactions incident to exports and reexports authorized by BIS to eliminate references to “100% US-origin items” in order to minimize the circumstances under which persons authorized by Commerce to export or reexport items to Cuba are required to obtain a specific license from OFAC (e.g., they are not required to obtain an OFAC license, even when the items are less than 100% US-origin).
 - BIS has authorized exports of certain consumer goods that are sold online or through other means directly to eligible individuals in Cuba for their personal use.
 - OFAC added an authorization that will allow the importation into the United States or a third country of items that were previously exported or reexported to Cuba pursuant to a BIS or OFAC authorization. This authorization will also permit persons subject to US jurisdiction to service and repair such items.
 - OFAC expanded a general license that will authorize persons subject to US jurisdiction to enter into certain contingent contracts for transactions currently prohibited by the embargo, provided that contract performance is made expressly contingent on prior authorization by OFAC or any other relevant agency.
 - OFAC issued a general license that will waive the restriction prohibiting foreign vessels from entering a US port for purposes of loading or unloading freight within 180 days after calling on a Cuban port for trade purposes if the items the vessel carried to Cuba would, if subject to the EAR, be designated as EAR99 or controlled on the Commerce Control List for antiterrorism reasons only.
 - BIS generally authorized air cargo to transit Cuba, complementing an existing general authorization for cargo transiting Cuba aboard vessels.

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