

**U.S. DEPARTMENT OF THE TREASURY
OFFICE OF FOREIGN ASSETS CONTROL**

FREQUENTLY ASKED QUESTIONS RELATED TO CUBA

This document is explanatory only, does not have the force of law, and does not supplement or modify the Executive Orders, statutes, or regulations relating to Cuba. Where specific questions arise about applicability, scope, impact, or any other aspects of these sanctions, it is the responsibility of individuals or entities seeking guidance to review the relevant statutes, regulations, and Executive Orders, and, if appropriate, consult with legal counsel.

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I. Embargo

- 1. Where can I find the most recent amendments to the Cuban Assets Control Regulations (CACR)?**

See the [Federal Register](#).

- 2. When are the most recent amendments to the CACR effective?**

The most recent amendments will become effective when published in the Federal Register on November 9, 2017.

- 3. Are sanctions on Cuba still in place following the June 16, issuance of the National Security Presidential Memorandum (NSPM) on Strengthening the Policy of the United States Toward Cuba?**

Yes, the Cuba embargo remains in place. Most transactions between the United States, or persons subject to U.S. jurisdiction, and Cuba continue to be prohibited, and OFAC continues to enforce the prohibitions of the CACR. OFAC is issuing regulatory amendments to implement the changes to the Cuba sanctions program outlined in the NSPM. Specifically, OFAC is issuing changes to: restrict persons subject to U.S. jurisdiction from engaging in direct financial transactions with entities and subentities identified on the State Department's List of Restricted Entities and Subentities Associated with Cuba ("[Cuba Restricted List](#)"), with certain exceptions; add requirements to certain categories of educational travel; remove the authorization for individual people-to-people educational travel; add requirements to the travel authorization Support for the Cuban People; and amend the definition of "Prohibited officials of the Government of Cuba."

4. Is the Department of Commerce also amending its regulations?

Yes. The Department of Commerce's Bureau of Industry and Security (BIS), in coordination with OFAC, is also amending its Export Administration Regulations (EAR) (15 CFR Parts 730-774) to implement the NSPM on November 9, 2017. The BIS rule amends the licensing policy for Cuba and portions of three license exceptions available for exports and reexports to Cuba. For additional information, see [BIS's Cuba webpage](#).

II. Travel

For questions regarding travel and accompanied baggage between the United States and Cuba, see the [specific guidance on OFAC's webpage](#).

5. What are the travel authorizations in the Cuba program?

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 (i.e., an application and a case-by-case determination).

Travel-related transactions are permitted by general license for certain travel related to the following activities, subject to the criteria and conditions in each general license: 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 for the Cuban people; humanitarian projects; activities of private foundations or research or educational institutes; exportation, importation, or transmission of information or information materials; and certain authorized export transactions.

In accordance with the NSPM, OFAC is adding a new prohibition to restrict certain direct financial transactions with entities and subentities identified on the State Department's [Cuba Restricted List](#). For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209. In order to implement this prohibition, OFAC is making a conforming change to § 515.421 and is adding corresponding language in the following general licenses: §§ 515.530, 515.534, 515.545, 515.560, 515.561, 515.564, 515.565, 515.566, 515.567, 515.572, 515.573, 515.574, 515.576, 515.577, 515.578, 515.581, 515.584, and 515.590. OFAC has not incorporated this prohibition into certain general licenses in accordance with the exceptions detailed in section 3(a)(iii) of the NSPM.

6. Are authorized travelers who have initiated travel arrangements prior to the addition of an entity or subentity on the State Department's Cuba Restricted List required to cancel their Cuba-related travel plans if their travel arrangements involve direct financial transactions with a listed entity or subentity?

Consistent with the Administration's interest in avoiding negative impacts on Americans for arranging lawful travel to Cuba, any travel-related arrangements that include direct financial transactions with entities and subentities that appear on the State Department's Cuba Restricted List will continue to be permitted, provided that those travel arrangements were initiated prior to the State Department's addition of the entity or subentity to the list. Once the State Department adds an entity or subentity to the Cuba Restricted List, new direct financial transactions with the entity or subentity will not be permitted, unless authorized by OFAC or exempt. For a complete

description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209.

7. Do travelers who fall within the scope of a general license need to submit a written request to OFAC for permission to travel or conduct transactions?

No. No further permission from OFAC is required to engage in transactions by a person who meets all criteria in a general license. Individuals wishing to engage in activities that may fall within the scope of a general license should review the relevant general licenses contained in the CACR to determine whether their travel-related transactions are covered by such general licenses. Persons subject to U.S. jurisdiction who wish to engage in any travel within the 12 categories of activities specified in the CACR that does not meet the requirements of a general license will need to apply for a specific license from OFAC.

8. Is travel to Cuba for tourist activities permitted?

No. Consistent with the Trade Sanctions Reform and Export Enhancement Act of 2000 (TSRA), travel-related transactions involving Cuba are only permitted for the 12 categories of activities identified in the CACR. Travel-related transactions for other purposes remain prohibited.

9. What constitutes “a close relative” for generally authorized family travel?

OFAC regulations generally authorize persons subject to U.S. jurisdiction and those sharing a dwelling with them as a family to visit a close relative in Cuba, including a close relative who is a Cuban national or a person ordinarily resident in Cuba, or to visit or accompany a close relative who is located in or traveling to Cuba pursuant to the authorizations in § 515.562 (official government business), § 515.563 (journalistic activity), § 515.564(a) (professional research), § 515.565(a)(1)(i) through (iv) and (vi) (educational activities), § 515.566 (religious activities), § 515.575 (humanitarian projects), or § 515.576 (activities of private foundations or research or educational institutes). A close relative is defined as 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.” For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.339 and § 515.561. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorizations direct financial transactions with entities and subentities identified on the State Department’s Cuba Restricted List. For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209.

10. Who is generally authorized to engage in travel and travel-related transactions for “journalistic activity”?

OFAC has issued an expanded general license that incorporates prior specific licensing policy and authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to journalistic activities in Cuba. Among other things, this general license authorizes, subject to conditions, full-time journalists, supporting broadcast or technical personnel, and freelance journalists to travel to Cuba. The traveler’s schedule of activities must not include free time or recreation in excess of that consistent with a full-time schedule. An entire group does not qualify for the general license merely because some members of the group qualify individually. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.563.

11. What constitutes generally authorized travel-related transactions for “professional research” and “professional meetings” in Cuba?

OFAC has issued an expanded general license that incorporates prior specific licensing policy and authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to professional research in Cuba. Among other things, this general license authorizes, subject to conditions, professional research in Cuba relating to a traveler’s profession, professional background, or area of expertise. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subentities identified on the State Department’s Cuba Restricted List. The traveler’s schedule of activities must not include free time or recreation in excess of that consistent with a full-time schedule. An entire group does not qualify for the general license merely because some members of the group qualify individually. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.564.

OFAC has issued an expanded general license that incorporates prior specific licensing policy and authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to attendance at, or organization of, professional meetings in Cuba. Among other things, this general license authorizes, subject to conditions, attendance at professional meetings or conferences in Cuba relating to a traveler’s profession, professional background, or area of expertise, as well as organization of such meetings by a traveler whose profession is related to the organization of professional meetings or conferences or who is an employee or contractor of an entity that is organizing the professional meeting or conference. In accordance with the NSPM, OFAC is amending this general license to exclude from its authorization direct financial transactions with entities and subentities identified on the State Department’s Cuba Restricted List. Travel in this category is generally licensed provided that the traveler’s schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule. An entire group does not qualify for the general license merely because some members of the group qualify individually. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.564.

12. What constitutes “educational activities” for generally authorized travel and other transactions?

OFAC is amending the general license for educational activities in accordance with the NSPM to authorize travel that was permitted by regulation on January 27, 2011. In addition, OFAC is adding requirements for certain categories of authorized educational travel that were not permitted by regulation on January 27, 2011 to require that all such travel be conducted under the auspices of an organization that is a person subject to U.S. jurisdiction. In addition, travelers utilizing this authorization must be accompanied by a person subject to U.S. jurisdiction who is a representative of the sponsoring organization. In certain cases where the traveler is an employee, paid consultant, agent, or other representative traveling individually (not as part of a group), the individual may obtain a certification letter from the sponsoring organization. For a complete description of what such a letter must include and which categories of educational travelers may utilize this authorization, see 31 CFR § 515.565(a)(2).

Among other things, this general license authorizes, subject to conditions, faculty, staff, and students at U.S. academic institutions and secondary schools to engage in certain educational activities, including study abroad programs, in Cuba, Cuban scholars to engage in certain educational activities in the United States, and certain activities to facilitate licensed educational programs. U.S. and Cuban universities may engage in academic exchanges and joint non-

commercial academic research under the general license. This provision also authorizes persons subject to U.S. jurisdiction to provide standardized testing services and certain internet-based courses to Cuban nationals. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.565. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209. See also the FAQs below for additional information on educational exchanges not involving academic study pursuant to a degree program and that promote people-to-people contact, as well as on the provision of grants, scholarships, or awards to a Cuban national or in which Cuba or a Cuban national has an interest for educational and other purposes.

13. Are persons subject to U.S. jurisdiction who have initiated travel arrangements to Cuba pursuant to the authorization for educational travel (31 CFR § 515.565(a)) required to cancel their Cuba-related travel plans if their travel arrangements are inconsistent with the CACR as amended on November 9, 2017?

Travelers may engage in educational travel and related transactions for a trip consistent with the authorization for educational travel (31 CFR § 515.565(a)) as the authorization existed on June 16, 2017 when the President announced the new Cuba policy, provided the traveler completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) for that particular trip prior to November 9, 2017 and further provided any new travel-related transactions initiated on or after November 9, 2017 do not involve a direct financial transaction with entities and subentities on the State Department's Cuba Restricted List.

14. Are secondary schools and secondary school students permitted to engage in travel-related transactions under the general license for “educational activities”?

Yes. Educational exchanges, including study abroad programs, sponsored by Cuban or U.S. secondary schools involving secondary school students' participation in a formal course of study or in a structured educational program offered by a secondary school or other academic institution, and led by a teacher or other secondary school official are authorized. Such exchanges must take place under the auspices of an organization that is a person subject to U.S. jurisdiction, and a person subject to U.S. jurisdiction who is an employee, paid consultant, agent, or other representative of the sponsoring organization (including the leading teacher or secondary school official) must accompany each group traveling to Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.565(a)(2)(vi). This authorization allows for participation of a reasonable number of adult chaperones to accompany the secondary school students to Cuba.

15. What constitutes “people-to-people travel” for generally authorized travel?

In accordance with the NSPM, OFAC is amending the general license for people-to-people educational activities in Cuba to remove the authorization for individual people-to-people educational travel. This general license now authorizes, subject to conditions, persons subject to U.S. jurisdiction to engage in certain educational exchanges in Cuba under the auspices of an organization that is a person subject to U.S. jurisdiction and sponsors such exchanges to promote people-to-people contact. Travelers utilizing this general license must ensure they maintain 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 meaningful interaction between the traveler and individuals in Cuba. The predominant portion of the activities must not be with a prohibited official of the Government of Cuba, as defined in 31 CFR § 515.337, or a prohibited member of the Cuban Communist Party, as defined in 31 CFR § 515.338. A person subject to U.S. jurisdiction who is an employee, paid consultant, agent, or other representative of the sponsoring organization must accompany each people-to-people educational group traveling to Cuba to ensure that each traveler has a full-time schedule of educational exchange activities. Individuals 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 may rely on the entity sponsoring the travel to satisfy his or her recordkeeping obligations with respect to the requirements described above. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.565.

16. What is an “organization” in the people-to-people context? Are such organizations required to apply to OFAC for a specific license?

In the people-to-people context, an organization is an entity subject to U.S. jurisdiction that sponsors educational exchanges that do not involve academic study pursuant to a degree program and that promote people-to-people contact. To the extent proposed travel falls within the scope of an existing general license, *including* group people-to-people educational travel, organizations subject to U.S. jurisdiction may proceed with sponsoring such travel without applying to OFAC for a specific license. It is OFAC's policy not to grant applications for a specific license authorizing transactions where a general license is available. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.565(b).

17. What is *individual* people-to-people travel, and who may engage in travel-related transactions for such travel?

Individual people-to-people travel is educational exchange travel that: (i) does not involve academic study; and (ii) does not take place under the auspices of an organization that is subject to U.S. jurisdiction that sponsors such exchanges to promote people-to-people contact. In accordance with the NSPM, OFAC is amending the regulations to remove the general license for individual people-to-people travel and limit the scope of this travel general license to authorize only people-to-people travel conducted under the auspices of an organization. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.565(b).

While new individual people-to-people educational travel will no longer be authorized, travelers who have already completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) prior to the President's announcement on June 16, 2017 may engage in related individual people-to-people travel and transactions. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.565(b) and (e).

18. Who is generally authorized to engage in travel-related transactions for “religious activities”?

OFAC has issued an expanded general license that incorporates prior specific licensing policy and authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to religious activities in Cuba. All persons subject to U.S. jurisdiction, including

religious organizations located in the United States and members and staff of such organizations, are generally authorized to engage in travel-related transactions that are directly incident to engaging in religious activities in Cuba provided, among other things, that the travel must be for the purpose of engaging in a program of religious activities. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subsidiaries identified on the State Department's Cuba Restricted List. The traveler's schedule of activities must not include free time or recreation in excess of that consistent with a full-time schedule in Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.566.

19. What constitutes “public performances, clinics, workshops, athletic and other competitions, and exhibitions” for generally authorized travel?

OFAC has issued an expanded general license that incorporates prior specific licensing policy and authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to organization of and participation in amateur and semi-professional international sports federation competitions as well as other athletic and other competitions and public performances, clinics, workshops, and exhibitions in Cuba. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subsidiaries identified on the State Department's Cuba Restricted List. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.567.

20. What constitutes “support for the Cuban people” for generally authorized travel and other transactions?

This general license authorizes, subject to conditions, travel-related transactions and other transactions that are intended to provide support for the Cuban people, which include activities of recognized human rights organizations; independent organizations designed to promote a rapid, peaceful transition to democracy; and individuals and non-governmental organizations that promote independent activity intended to strengthen civil society in Cuba. In accordance with the NSPM, OFAC is amending this general license to require that each traveler utilizing this authorization engage in a full-time schedule of activities that enhance contact with the Cuban people, support civil society in Cuba, or promote the Cuban people's independence from Cuban authorities and that result in meaningful interactions with individuals in Cuba. OFAC is also amending this general license to exclude from the authorization certain direct financial transactions with entities and subsidiaries identified on the State Department's Cuba Restricted List. The traveler's schedule of activities must not include free time or recreation in excess of that consistent with a full-time schedule in Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.574.

21. What constitutes “humanitarian projects” for generally authorized transactions, including travel-related transactions?

OFAC has issued a general license that incorporates prior specific licensing policy and authorizes, subject to conditions, transactions, including travel-related transactions, that are related to humanitarian projects in or related to Cuba. These authorized humanitarian projects are: medical and health-related projects; construction projects intended to benefit legitimately independent civil society groups; disaster preparedness, relief, and response; historical preservation; environmental projects; projects involving formal or non-formal educational training, within Cuba or off-island, on the following topics: entrepreneurship and business, civil

education, journalism, advocacy and organizing, adult literacy, or vocational skills; community-based grassroots projects; projects suitable to the development of small-scale private enterprise; projects that are related to agricultural and rural development that promote independent activity; microfinancing projects, except for loans, extensions of credit, or other financing prohibited by 31 CFR § 515.208; and projects to meet basic human needs. For persons traveling pursuant to this authorization, the traveler's schedule of activities must not include free time or recreation in excess of that consistent with a full-time schedule in Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.575.

22. What constitutes “activities of private foundations or research or educational institutes” for generally authorized travel?

OFAC has issued a general license that incorporates previous specific licensing policy and authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to activities by private foundations or research or educational institutes with an established interest in international relations to collect information related to Cuba for noncommercial purposes, among other things. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. The traveler's schedule of activities must not include free time or recreation in excess of that consistent with a full-time schedule in Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.576.

Additionally, effective March 16, 2016, OFAC expanded an existing general license to authorize private foundations or research or educational institutes engaging in authorized transactions to establish a physical presence in Cuba, such as an office. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.573(b).

23. What constitutes “exportation, importation, or transmission of information or informational materials” for generally authorized travel?

In 2015, OFAC issued a general license that incorporates prior specific licensing policy and authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to the exportation, importation, or transmission of information or informational materials. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. The traveler's schedule of activities must not include free time or recreation in excess of that consistent with a full-time schedule in Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.545(b)(1).

Additionally, effective January 27, 2016, OFAC issued a general license that authorizes, subject to conditions, travel-related transactions and other transactions that are directly incident to professional media or artistic productions of information or informational materials for exportation, importation, or transmission, including the filming or production of media programs (such as movies and television programs), the recording of music, and the creation of artworks in Cuba, provided that the traveler is regularly employed in or has demonstrated professional experience in a field relevant to such professional media or artistic productions. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. The traveler's schedule of activities must not include free time or recreation in

excess of that consistent with a full-time schedule. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.545(b)(2).

The definition of “information and informational materials” may be found at 31 CFR § 515.332.

24. What are examples of a full-time schedule of activities for authorized travelers?

Authorized travelers to Cuba pursuant to most general license categories are expected to maintain a full-time schedule of activities consistent with the terms of the general license(s) pursuant to which they are traveling. For example:

- An individual traveling to Cuba for four days pursuant to the authorization for professional research and professional meetings (31 CFR § 515.564(a)), such as a professional architect, could participate in a two-day conference on Cuban architecture that directly relates to the traveler’s profession, followed by one day of meetings with Cuban nationals engaging in historical preservation of colonial and baroque buildings in Havana. The following day the traveler could engage in a full day of site visits and fact-finding around Havana at key architectural sites.
- An individual traveling pursuant to the authorization for journalistic activities could engage in three full days of interviews with local residents, followed by one full day of follow-up investigative research at local institutions.
- A group of friends traveling to Cuba could maintain a full-time schedule volunteering with a recognized non-governmental organization to build a school for underserved Cuban children with the local community (31 CFR § 515.574). The travelers would need to ensure that their activities promote independent activity intended to strengthen civil society in Cuba and that they engage in a full-time schedule of activities that enhance contact with the Cuban people, support civil society in Cuba, or promote the Cuban people’s independence from Cuban authorities, and result in meaningful interaction between the travelers and individuals in Cuba.

25. Can I purchase a ticket to Cuba directly from an airline based or operating out of the United States?

Yes, provided that you are authorized to travel to Cuba pursuant to an OFAC general or specific license. Airlines and travelers are responsible for maintaining records of their Cuba-related transactions for at least five years.

26. May a person that qualifies for the general license to provide carrier services transport a third-country national located in the United States to Cuba for travel authorized by a general license under one of the 12 categories of travel listed in Section 515.560 or by specific license from OFAC?

Yes.

27. May I take a commercial passenger ferry to travel to Cuba?

Yes, provided that you are authorized to travel to Cuba pursuant to a general or specific license. Persons subject to U.S. jurisdiction are authorized to provide carrier services by vessel to authorized travelers, and travelers may purchase tickets provided that their travel is authorized pursuant to the CACR. The authorization to provide carrier services is limited to transportation of authorized travelers, directly or indirectly, between the United States and Cuba. Vessel operators and travelers are responsible for maintaining records of their Cuba-related transactions

for at least five years. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.572.

28. May an individual authorized traveler use his or her private boat to travel to Cuba?

A person subject to U.S. jurisdiction engaging in authorized travel pursuant to an OFAC general or specific license may use a personal boat for his or her travel to Cuba provided that the temporary sojourn of the vessel is authorized by the Bureau of Industry and Security (BIS), and provided that he or she otherwise complies with all other applicable U.S. government laws and regulations. Goods exported to Cuba also require a license or must be eligible for a license exception from BIS. See additional guidance on the OFAC website titled [Guidance Regarding Travel Between the United States and Cuba](#).

29. Are U.S. vessels, including private boats and commercial passenger ferries, permitted to carry passengers to or from Cuba?

OFAC has issued a general license authorizing the provision of carrier services between the United States and Cuba, directly or indirectly, by vessel, in addition to the existing authorization for provision of such services by aircraft. Those providing carrier services between the United States and Cuba may require additional authorizations from other U.S. government agencies. Goods exported to Cuba may also require separate authorization from BIS.

30. May vessels transporting authorized travelers to Cuba provide lodging services?

Yes. Section 515.572(a)(4) of the CACR permits persons subject to U.S. jurisdiction providing authorized carrier services by vessel to also provide lodging for authorized travelers onboard during the period of time the vessel is traveling to, from, or within Cuba, including when docked in a port in Cuba.

31. Are authorized U.S. travelers permitted to travel onboard vessels in Cuba to meet their transportation needs within Cuba?

Travel onboard a vessel in Cuba is permitted for authorized travel.

32. Are there any spending limits for authorized U.S. travelers while in Cuba?

There is no specific dollar limit on authorized expenses; however, in accordance with the NSPM, OFAC is amending the CACR to restrict persons subject to U.S. jurisdiction from engaging in direct financial transactions with entities and subsidiaries identified on the State Department's Cuba Restricted List, with certain exceptions. See 31 CFR § 515.209 and § 515.421. Consistent with these authorizations and restrictions, authorized travelers may engage in transactions ordinarily incident to travel within Cuba, including payment of living expenses and the acquisition in Cuba of goods for personal consumption there. In addition, travelers are authorized to acquire in Cuba and import as accompanied baggage into the United States merchandise for personal use only. Value imports remain subject to the normal limits on duty and tax exemptions for merchandise imported as accompanied baggage and for personal use.

33. Are there any CACR restrictions on what foreign persons entering the United States from travel that included Cuba may bring in their accompanied baggage?

A non-U.S. person (i.e. not a U.S. citizen or resident) arriving in the United States is authorized to import Cuban-origin merchandise, including tobacco and alcohol, as accompanied baggage provided the merchandise is not in commercial quantities and not imported for resale. See 31 CFR § 515.569.

34. Can I purchase Cuban-origin cigars and/or Cuban-origin rum or other alcohol while traveling in Cuba?

Persons authorized to travel to Cuba may purchase alcohol and tobacco products while in Cuba for personal consumption. Authorized travelers may also return to the United States with alcohol and/or tobacco products acquired in Cuba as accompanied baggage for personal use. OFAC considers “personal use” of an imported item to include giving the item to another individual as a personal gift, but not the transfer of the item to another person for payment or other consideration.

35. Can I purchase Cuban-origin cigars and/or Cuban-origin rum or other Cuban-origin alcohol while in a third country (i.e. not Cuba)?

Yes, persons subject to U.S. jurisdiction may purchase or acquire Cuban-origin merchandise, including alcohol and tobacco products, while in a third country for personal consumption. Such products may be consumed while in a third country, or imported into the United States as accompanied baggage for personal use only. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.585(c) and (d).

36. As an authorized traveler, may I travel from a third country to Cuba and from Cuba to a third country?

Yes, a person subject to U.S. jurisdiction engaging in authorized travel-related transactions may travel to Cuba from a third country or to a third country from Cuba. Persons subject to U.S. jurisdiction traveling to and from Cuba via a third country may only do so if their travel-related transactions are authorized by a general or specific license issued by OFAC, and such travelers are subject to the same restrictions and requirements as persons traveling directly from the United States.

37. May crew or other personnel involved in the operation of aircraft or vessels transporting authorized travelers to Cuba remain in Cuba along with the aircraft or vessel?

Yes. Effective January 27, 2016, the general license authorizing travel-related transactions incident to the exportation or reexportation of authorized goods includes travel-related and such other transactions directly incident to the facilitation of the temporary sojourn of aircraft and vessels authorized by the Department of Commerce for travel between the United States and Cuba and that are transporting other authorized travelers. This authorization includes travel-related transactions by persons subject to U.S. jurisdiction who are required for normal operation and service on board a vessel or aircraft or who are required to provide services to a vessel in port or aircraft on the ground. Travel-related transactions by such persons must be limited to the duration and scope of their duties in relation to the particular authorized temporary sojourn. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.533(c)(2).

III. Travel and Carrier Services

38. Do air carriers or vessel operators need to obtain specific licenses from OFAC to provide services?

No. A general license authorizes persons subject to U.S. jurisdiction to provide carrier services by vessel or aircraft to, from, or within Cuba, in connection with authorized travel, without the need for a specific license from OFAC. However, while no additional license is required from OFAC, persons providing carrier services may still need to secure regulatory approvals from other concerned U.S. government agencies, including the Department of Commerce's Bureau of Industry and Security, the Department of Transportation's Office of the Secretary and the Federal Aviation Administration, and the Department of Homeland Security. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.572(a)(2).

39. Do travel service providers (such as travel agents and tour group operators) need to obtain specific licenses from OFAC to provide services for travel to Cuba?

No. A general license authorizes persons subject to U.S. jurisdiction, including travel agents and tour group operators, to provide travel services in connection with authorized travel without the need for specific licenses from OFAC. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.572(a)(1). In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization certain direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. The provision of services related to travel for tourist activities or other unauthorized travel to Cuba remains prohibited.

40. May persons subject to U.S. jurisdiction providing carrier services to authorized travelers between the United States and Cuba provide such services via a third country?

Persons subject to U.S. jurisdiction are authorized to provide carrier services either directly or indirectly between the United States and Cuba for authorized travelers, provided that they hold any additional authorizations required by other U.S. government agencies. For example, a vessel operator could transport authorized travelers from the United States to Cuba via stops in a third country. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.572(a)(2). Note that the civil aviation arrangement signed by the United States and Cuba in February 2016 does not contemplate that U.S. carriers providing scheduled air service between the United States and Cuba will be authorized to make traffic stops in third countries.

41. In the case of a customer traveling to or from Cuba under a specific license, may air carriers, vessel operators, and providers of travel services collect and retain on file the specific license number in lieu of a physical or electronic copy of the license?

Yes. Effective October 17, 2016, OFAC amended the recordkeeping requirements applicable to persons subject to U.S. jurisdiction providing authorized carrier or travel services to expressly permit persons providing such services to a customer traveling under a specific license to maintain either the specific license number or a copy of the license on file. *See* 31 CFR § 515.572(b)(1) Persons subject to U.S. jurisdiction providing authorized carrier or travel services that choose to collect the specific license number in lieu of the license must maintain a record of that number, as well as the other required information set forth in § 515.572(b), for at least five years.

42. Are airlines, vessel operators, and travel service providers required to verify that an individual traveler is authorized to travel to Cuba?

Persons subject to U.S. jurisdiction providing authorized carrier or travel services must retain for at least five years from the date of the transaction a certification from each customer indicating the provision of the CACR that authorizes the person to travel to Cuba. In the case of a customer traveling under a specific license, a copy of the license or the license number must be maintained on file. The names and addresses of individual travelers must also be maintained on file for at least five years. See 31 CFR § 515.572(b). This information, including certifications and copies of licenses or license numbers, may be collected and maintained in any form, including electronically.

43. What types of arrangements may airlines enter into with a Cuban national (individual or entity) to facilitate the provision of carrier services between the United States and Cuba?

The entry into blocked space, code-sharing, or leasing agreements to facilitate the provision of carrier services by air is authorized. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.572(a)(2)(ii). Transactions, including the remittance of payments, ordinarily incident to such arrangements are also authorized (*see* 31 CFR § 515.421).

44. To which travelers may I provide carrier services between the United States and Cuba?

See additional guidance on the OFAC website titled [Guidance Regarding Travel between the United States and Cuba](#).

IV. Remittances

45. What changes have been made with respect to authorized remittances by U.S. persons to or relating to Cuba?

Effective November 9, 2017, in accordance with the NSPM, OFAC is amending the definition of “prohibited officials of the Government of Cuba” (31 CFR § 515.337) to add certain individuals. This regulatory change may exclude certain additional persons from receipt of authorized remittances.

Effective January 16, 2015, certain remittances to Cuban nationals for humanitarian projects, support for the Cuban people, or development of private business are generally authorized.

Additional types of remittances are authorized by general license or may be authorized by specific license. See 31 CFR § 515.570 for a complete description of what the OFAC general licenses authorize and the restrictions that apply, as well as statements of specific licensing policy.

Effective September 21, 2015, the dollar limit on authorized remittances travelers to Cuba may carry has been removed. For a complete description of this authorization and the restrictions that apply, see 31 CFR § 515.560(c)(4) and (d)(2).

46. Is a bank, credit union, or money service business (MSB) such as a money remitter permitted to process my authorized remittances to or from Cuba?

Yes. Pursuant to a general license, banking institutions, as defined in 31 CFR § 515.314, U.S.-registered brokers or dealers in securities, and U.S.-registered money transmitters are permitted to process authorized remittances to or from Cuba without having to obtain a specific license, subject to the recordkeeping and reporting requirements set forth in 31 C.F.R § 515.572(b). For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.572(a)(3).

V. Banking

47. What is the Cuba Restricted List and how does it impact Cuba-related transactions?

In accordance with the NSPM, the State Department is publishing a list of entities and subentities that are under the control of, or act for or on behalf of, the Cuban military, intelligence, or security services or personnel, and with which direct financial transactions would disproportionately benefit the Cuban military, intelligence, or security services or personnel at the expense of the Cuban people or private enterprise in Cuba. This list is called the Cuba Restricted List, and is available on the State Department's website at <http://www.state.gov/e/eb/tfs/spi/cuba/cubarestrictedlist/index.htm>. In accordance with the NSPM, OFAC is issuing a new prohibition to restrict direct financial transactions with entities and subentities on the Cuba Restricted List. For a complete description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209. This prohibition applies to the following general licenses: §§ 515.530, 515.534, 515.545, 515.560, 515.561, 515.564, 515.565, 515.566, 515.567, 515.572, 515.573, 515.574, 515.576, 515.577, 515.578, 515.581, 515.584, and 515.590. For a complete description of what each general license authorizes and the restrictions that apply, see the aforementioned general licenses.

OFAC is amending the interpretive provision for incidental transactions to issue conforming edits and clarify that authorized transactions ordinarily incident to licensed transactions exclude direct financial transactions with such entities and subentities if the terms of the applicable general or specific license expressly exclude such direct financial transactions. For a complete description of the scope of the interpretive provision and the restrictions and exceptions that apply, see 31 CFR § 515.421.

48. What are examples of direct financial transactions with an entity or subentity on the State Department's Cuba Restricted List prohibited by 31 CFR § 515.209?

A person subject to U.S. jurisdiction traveling to Cuba to engage in an authorized family visit pursuant to 31 CFR § 515.561 is prohibited from engaging in direct financial transactions with the entities and subentities on the State Department's Cuba Restricted List. As such, this traveler would not be authorized to book a hotel room directly with a hotel included on the Cuba Restricted List.

A individual working for a church subject to U.S. jurisdiction interested in establishing a physical presence in Cuba pursuant to 31 CFR § 515.573(d)(3) is prohibited from engaging in direct financial transactions with the entities and subentities on the State Department's Cuba Restricted List. As such, this traveler would not be able to sign a new contract directly with a real estate company on the Cuba Restricted List to rent a location for the church's physical presence.

49. May the U.S. dollar be used to conduct transactions in Cuba or with Cuban nationals?

Yes. Persons subject to U.S. jurisdiction may engage in transactions in U.S. dollars in Cuba or with Cuban nationals with respect to activity that is authorized pursuant to the CACR. For example, payments for telecommunications services in Cuba provided pursuant to 31 CFR § 515.542 may be made in U.S. dollars. Further, the use of U.S. dollars for transactions that are exempt from the prohibitions of or not otherwise prohibited by the CACR is also authorized. For example, payments related to the importation or exportation of informational materials as defined in 31 CFR § 515.332, such as books or musical recordings, may be made in U.S. dollars.

In addition, 31 CFR § 515.584(d), commonly known as the “U-turn” general license, authorizes U.S. banking institutions to process transactions originating and terminating outside the United States provided that neither the originator nor the beneficiary is a person subject to U.S. jurisdiction. This means that transactions related to third-country commerce involving Cuba or Cuban nationals may be processed in U.S. dollars through the U.S. financial system via financial institutions located in the United States that serve as intermediary banks. Additional FAQs below clarify that foreign branches or subsidiaries of U.S. banking institutions may act as the originating or beneficiary banks for such transactions.

The examples below illustrate some of the transactions and parties that may use the U-turn general license:

Example 1 – Payment from 3rd Country Originator to Cuba



Example 2 – Payment from 3rd Country Originator A/C at Foreign Subsidiary of U.S. FI to Cuba



Example 3 – Payment from Cuban Originator to Third-Country Beneficiary Bank and Beneficiary



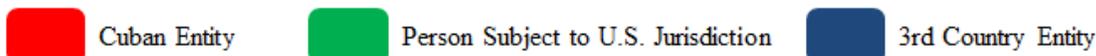
Example 4 - Payment from Cuban Originator to A/C at Foreign Branch of U.S. FI



Example 5 – Payment from Cuban National in 3rd Country to A/C at Foreign Branch of U.S. FI



Example 6 – Commercial Third-Country Transaction Related to Cuba



50. Are authorized travelers permitted to open bank accounts in Cuba?

Yes. Persons subject to U.S. jurisdiction who are traveling to Cuba pursuant to one of the 12 authorized categories of travel may open and maintain bank accounts in order to access funds while located in Cuba for authorized transactions, and are authorized to close such accounts. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.560(c)(6). In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization certain direct financial transactions with entities and subsidiaries identified on the State Department’s Cuba Restricted List. For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209.

51. Are authorized travelers in Cuba permitted to use credit or debit cards issued by a U.S. financial institution?

Yes. Authorized travelers in Cuba are permitted to use credit or debit cards issued by a U.S. financial institution with respect to activity that is authorized pursuant to the CACR. Travelers are advised to check with their financial institution before traveling to Cuba to determine whether the institution has established the necessary mechanisms for its issued credit or debit cards to be used in Cuba. See 31 CFR § 515.560(c)(5) and 515.584(c).

52. Can my bank refuse to allow me to use my credit or debit card in Cuba?

OFAC regulations do not require financial institutions or credit card companies to accept, maintain, or facilitate authorized financial relationships or transactions.

53. Can credit card network operators that are persons subject to U.S. jurisdiction process credit and debit card transactions for individuals traveling to, from, or within Cuba, and related settlements, for third-country financial institutions?

Yes, credit card network operators that are persons subject to U.S. jurisdiction may process such transactions and related settlements for third-country financial institutions. Section 515.584(c) of the CACR authorizes all transactions incident to the processing and payment of credit and debit cards transactions for third-country nationals traveling to, from, or within Cuba.

54. Can U.S. financial institutions, including their foreign branches and foreign-incorporated subsidiaries, permit the use of credit and debit cards they issue by, and process credit and debit card transactions for, third-country nationals whose travel to, from, or within Cuba may not fall within the 12 categories of authorized travel?

Yes. Section 515.584(c) of the CACR authorizes all transactions incident to the processing and payment of credit and debit cards transactions for third-country nationals traveling to, from, or within Cuba. Any person subject to U.S. jurisdiction, including U.S. financial institutions and their foreign branches, may conduct transactions authorized by this section.

55. Are financial institutions other than banks permitted to open correspondent accounts in Cuba?

Depository institutions, as defined in 31 CFR § 515.333, which include certain financial institutions other than banks, are permitted to open correspondent accounts at banks in Cuba. See 31 CFR § 515.584(a).

56. Are Cuban banks permitted to open correspondent accounts at U.S. banks?

No. U.S. depository institutions are permitted to open correspondent accounts at Cuban banks located in Cuba and in third countries, and at foreign banks located in Cuba, but Cuban banks are not generally licensed to open such accounts at U.S. banks. See note to 31 CFR § 515.584(a).

57. May correspondent accounts authorized pursuant to 31 CFR § 515.584(a) or used for transactions authorized by 31 CFR § 515.584(g) be established and maintained in U.S. dollars?

Yes. Correspondent accounts of depository institutions (as defined in 31 CFR § 515.333) at a financial institution that is a national of Cuba authorized pursuant to § 515.584(a) may be established and maintained in U.S. dollars. Such accounts may be used only for transactions that are authorized by or exempt from the CACR. Transactions necessary to establish and maintain

such correspondent accounts – such as originating, processing, and terminating authorized funds transfers in U.S. dollars – are authorized.

Additionally, correspondent accounts used for transactions authorized by 31 CFR § 515.584(g), which permits banking institutions as defined in 31 CFR § 515.314(g) that are persons subject to U.S. jurisdiction to accept, process, and give credit to U.S. dollar monetary instruments presented indirectly by a financial institution that is a national of Cuba, may be denominated in U.S. dollars.

However, financial institutions that are nationals of Cuba remain prohibited from opening correspondent accounts at a U.S. financial institution. For a complete description of what these general licenses authorize and the restrictions that apply, see 31 CFR § 515.584(a) and (g).

58. May U.S. banks open and operate accounts for Cuban nationals lawfully present in the United States?

Banking institutions are permitted to maintain accounts for certain Cuban nationals present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization. Although the account may remain open while the Cuban national is not in the United States, access to such accounts must be limited to while the Cuban national is lawfully present in the United States. Effective September 2015, OFAC amended section 515.571 of the CACR to remove the \$250 cap on payments from blocked accounts held by Cuban nationals in the United States in a non-immigrant status to use for living expenses or other transactions ordinarily incident to their presence in the United States or pursuant to another non-immigrant travel authorization issued by the U.S. government. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.571(a)(5). A Cuban national in Cuba would not be able to access such an account to make and receive certain payments pursuant to the authorization in 31 CFR § 515.584(h); separate accounts would be required to utilize each of these authorizations.

59. Can Cuban nationals lawfully present in a non-immigrant status or pursuant to another non-immigrant travel authorization issued by the U.S. government earn a salary?

Effective March 16, 2016, OFAC has amended section 515.571 of the CACR to remove the limitation on the receipt of compensation in excess of amounts covering living expenses and the acquisition of goods for personal consumption. As a result of this change, Cuban nationals lawfully present in the United States in a non-immigrant status or pursuant to another non-immigrant travel authorization issued by the U.S. government may receive any salary or other compensation consistent with the individual's non-immigrant status or applicable non-immigrant travel authorization provided that the recipient is not subject to any special tax assessment by the Cuban government in connection with the receipt of such salary or other compensation. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.571.

60. May U.S. banks, their foreign branches, and foreign subsidiaries open and operate accounts for Cuban nationals in third countries?

In September 2015, OFAC issued an expanded general license that authorizes all persons subject to U.S. jurisdiction to provide goods and services to Cuban national individuals located in a third country, provided that the transaction does not involve commercial exportation to or from Cuba. Additionally, the general license authorizes banking institutions to open, maintain, and close bank accounts for such Cuban nationals, provided that such accounts are used only while the Cuban

national is located outside of Cuba and may not be used for transactions that involve a commercial exportation of goods or services to or from Cuba. For a complete description of what the OFAC general license authorizes and the restrictions that apply, see 31 CFR § 515.585.

61. May U.S. banks open and operate accounts for Cuban nationals present in Cuba?

Effective March 16, 2016, OFAC issued an authorization to allow banking institutions to open and maintain bank accounts in the United States for Cuban nationals in Cuba to receive payments in the United States for transactions authorized pursuant to, or exempt from the prohibitions of, the CACR and to remit such payments back to Cuba. For example, an author who is a Cuban national located in Cuba may open an account with a bank or online payment platform in the United States to receive payments for sales of her book. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.584(h).

62. In what ways can Cuban nationals lawfully present in the United States participate in the U.S. financial system?

Certain Cuban nationals who have taken up residence in the United States on a permanent basis and who meet the requirements set forth in 31 CFR § 515.505(a) are licensed as unblocked nationals, and may participate fully in the U.S. financial system. See 31 CFR § 515.505(a)(1) and (d).

Pursuant to 31 CFR § 515.571, Cuban nationals who are present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization issued by the U.S. government, such as a non-immigrant visa, may open and maintain bank accounts in the United States, provided that the Cuban-national account holder may only access the account while lawfully present in the United States. Section 515.571 also authorizes such Cuban nationals to engage in normal banking transactions involving foreign currency drafts, travelers' checks, or other instruments negotiated incident to travel in the United States.

63. If a Cuban national resident in the United States has applied to become a lawful permanent resident alien of the United States, does that individual have to apply to OFAC to be treated as an unblocked national?

No. If a Cuban national has taken up residence in the United States and has applied to become a lawful permanent resident alien of the United States and has an adjustment of status application pending, then the Cuban national is considered unblocked and does not need to apply to OFAC to be treated as an unblocked national, provided that he or she is not a prohibited official of the Government of Cuba or a prohibited member of the Cuban Communist party. See 31 CFR § 515.505(a)(1).

64. Should financial institutions apply for a specific license to unblock funds transfers or accounts which meet the conditions for unblocking set forth in 31 CFR §§ 515.505, or 515.584 (e)?

The CACR include a general license authorizing banking institutions to unblock any account that had been previously blocked solely because of the interest therein of one or more persons now licensed as unblocked nationals. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.505(b).

The CACR also include a general license at 31 CFR § 515.584(e) that authorizes the unblocking and return of funds transfers that could have been processed pursuant to 31 CFR §§ 515.562(b), 515.579(b), or 515.584(d) if the processing of those transfers would have been authorized by the current text of the general licenses. Funds unblocked pursuant to 31 CFR § 515.584(e) that were originally blocked on or after August 25, 1997 must be reported to OFAC. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.584.

If your situation appears to meet the requirements of these general licenses, OFAC suggests that you contact the financial institution maintaining the blocked account or blocked funds transfer to request that it review your situation within the context of the terms of the appropriate general license. If the terms of a general license apply, there is no need to seek specific license authorization from OFAC. It is OFAC's policy not to grant specific licenses authorizing transactions for which the provisions of an outstanding general license are applicable. See 31 CFR § 501.801(a).

65. Do U.S. banking institutions need to apply for a specific license to release funds transfers or accounts previously blocked pursuant to the CACR that are now authorized by general license?

If a transaction was previously blocked pursuant to the CACR at the time of the transaction, and the CACR was later amended to allow similar transactions, the earlier transaction is not unblocked unless the CACR amendments include a general license that unblocks previously blocked funds. Transactions must be authorized pursuant to the CACR at the time that they are processed. To the extent that the unblocking of a funds transfer or blocked account is not authorized by a general license, a specific license would be required to release funds transfers or unblock accounts previously blocked.

66. Is a financial institution required to independently verify that an individual's travel is authorized when processing Cuba travel-related transactions?

No. A financial institution may rely on U.S. travelers to provide their certifications of authorized travel directly to the person providing travel or carrier services when processing Cuba travel-related transactions, unless the financial institution knows or has reason to know that the travel is not authorized by a general or specific license.

The CACR requires persons subject to U.S. jurisdiction providing travel or carrier services to retain for at least five years from the date of the transaction a certification from each customer indicating the section of the CACR that authorizes the person to travel to Cuba. See § 515.572(b). U.S. travelers utilizing a general or specific license are also required to retain for five years records associated with their travel to Cuba.

67. Is the U.S. originating bank or U.S. beneficiary bank required to independently verify that a person subject to U.S. jurisdiction is not engaging in a direct financial transaction as defined in § 515.209 when processing Cuba-related transactions?

No. To the extent the transaction involves an entity or subentity on the Cuba Restricted List, a financial institution can rely on the statements of its customer that the transaction is authorized unless it knows or has reason to know the transaction is not authorized. A financial institution is expected to do its normal due diligence with respect to a transaction involving Cuba or a Cuban national.

68. Is a U.S. or third-country financial institution required to independently verify that the underlying transactions giving rise to U.S. dollar monetary instruments presented for processing and payment pursuant to § 515.584(g) are authorized?

No. A financial institution receiving U.S. dollar monetary instruments for processing and payment directly or indirectly (in the case of a U.S. banking institution) may rely on the institution having presented such monetary instruments as confirmation that the underlying transactions are authorized, exempt, or otherwise not prohibited, unless the financial institution knows or has reason to know that the transaction is not authorized, exempt, or otherwise not prohibited. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.584(g).

69. May a person subject to U.S. jurisdiction utilize online payment platforms to facilitate or process authorized transactions involving Cuba or a Cuban entity?

Yes. Subject to certain exceptions, transactions that are ordinarily incident to an authorized transaction are permitted. See the interpretive guidance in 31 CFR § 515.421. Such transactions may include use of online payment platforms to facilitate authorized transactions. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization certain direct financial transactions with entities and subsidiaries identified on the State Department's Cuba Restricted List. For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209.

70. Are U.S. banking institutions authorized to process "U-turn" transactions in which Cuba or a Cuban national has an interest?

Yes. OFAC has issued a general license that authorizes U.S. banking institutions to process funds transfers originating and terminating outside the United States where neither the originator nor the beneficiary is a person subject to U.S. jurisdiction. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.584(d). Such transactions do not fall within the scope of the prohibition on direct financial transactions with entities or subsidiaries on the Cuba Restricted List. See Note to 31 CFR § 515.209.

71. Does § 515.584(d) of the CACR permit authorized U-turn transactions to originate or terminate at foreign branches and subsidiaries of U.S. banking institutions?

Yes. Section 515.584(d) of the CACR authorizes U.S. banking institutions to process funds transfers originating and terminating outside the United States as long as neither the originator nor the beneficiary is a person subject to U.S. jurisdiction. Fund transfers originating and terminating in accounts maintained at foreign branches and subsidiaries of U.S. banking institutions would be consistent with the general license authorization as long as all the other requirements are met. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.584(d).

72. What due diligence is a U.S. banking institution processing an authorized U-turn transaction expected to undertake from a sanctions compliance perspective?

OFAC expects U.S. banks, including their foreign branches and subsidiaries, to conduct due diligence on their own direct customers (including, for example, ownership structure (for entities), proof of citizenship (for individuals), and address information) to confirm that the

transactions being processed are consistent with the U-turn general license authorization. All banks, including those acting solely as intermediaries, should screen against OFAC's SDN List and their own internal filters.

In cases where the remitter or beneficiary of the transaction is not a direct customer, unless a U.S. banking institution that is acting as an intermediary knows or has reason to know that the remitter or beneficiary of a transaction is a person subject to U.S. jurisdiction, the U.S. banking institution may rely on the remitter's and/or beneficiary's address as stated in the transaction to determine whether the remitter or beneficiary is a person subject to U.S. jurisdiction.

With regard to transactions where a bank is acting solely as an intermediary and fails to block a prohibited transaction engaged in by a person subject to U.S. jurisdiction, OFAC will consider the totality of the circumstances surrounding the bank's processing of the transaction, including the factors listed above, to determine what, if any, enforcement action to take against the bank.

Intermediary banks should continue their own internal due diligence measures when processing such transactions, such as screening transactions against OFAC's SDN List as well their own internal filters. Note, however, that transactions meeting the requirements of 31 CFR § 515.584(d) may be processed notwithstanding the involvement of a specially designated national of Cuba, as defined in 31 CFR § 515.306 in the transaction.

VI. Trade/Business

73. Is Cuba open for U.S. business and investment?

Persons subject to U.S. jurisdiction are prohibited from doing business or investing in Cuba unless authorized by OFAC. An OFAC general license authorizes, subject to certain conditions and limitations, the exportation from the United States, and the reexportation from third countries, of items to Cuba where the exportation or reexportation is licensed or otherwise authorized by the Commerce Department's Bureau of Industry and Security (BIS). See 31 CFR § 515.533(a). BIS currently authorizes certain categories of items to be exported or reexported to Cuba. In addition, OFAC currently generally licenses the establishment of a business presence and/or physical presence in Cuba for certain types of entities or persons. See 31 CFR § 515.573. In accordance with the NSPM, OFAC is amending the general licenses for the establishment of a business presence and/or physical presence in Cuba to exclude from the authorizations certain direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209.

74. Are U.S. businesses that are engaged in the Cuban market and that may undertake direct financial transactions with entities included on the State Department's Cuba Restricted List required to terminate their Cuba-related business relationships pursuant to the regulatory amendments?

Consistent with the Administration's interest in not negatively impacting U.S. businesses for engaging in lawful commercial opportunities, most Cuba-related commercial engagements that include direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List continue to be permitted, provided that those commercial engagements were in place prior to November 9, 2017 (or the date the entity or subentity was otherwise added to the Cuba Restricted List, as published in the Federal Register). For example, businesses will be permitted to continue with authorized transactions outlined in contingent or

other types of contractual arrangements agreed to prior to the issuance of the new regulations, consistent with other OFAC authorizations. For a complete description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209.

75. How do U.S. companies know if a Cuban counterpart is affiliated with an entity or subentity on the Cuba Restricted List?

The names of the entities and subentities that the State Department identifies as meeting the criteria set forth in the NSPM are published on the Cuba Restricted List, which is available on the State Department's website and in the Federal Register (updates to the Cuba Restricted List will also be published in the Federal Register). Entities or subentities that are owned or controlled by another entity or subentity on the Cuba Restricted List are not treated as restricted unless also specified by name on the Cuba Restricted List. The Cuba Restricted List is maintained by the State Department on its website:

<http://www.state.gov/e/eb/tfs/spi/cuba/cubarestrictedlist/index.htm>.

76. Can U.S. trade delegations travel to Cuba?

Trade delegations are authorized to travel to Cuba only if each member of the delegation meets the criteria of an applicable general license authorizing travel to Cuba or has obtained a specific license from OFAC. Authorized trade delegations generally fall under one of two general licenses for travel authorization; either (1) 31 CFR § 515.533(c)(1), which authorizes travel-related and other transactions incident to the exportation of certain authorized goods from the U.S. to Cuba, specifically the conduct of "market research, commercial marketing, sales or contract negotiation, accompanied delivery, installation, leasing, servicing, or repair in Cuba of items consistent with the export or reexport licensing policy of the Commerce Department," or (2) 31 CFR § 515.564(a), which authorizes transactions related to professional research or professional meetings in Cuba. For a complete description of what these general licenses authorize and the restrictions that apply, see 31 CFR §§ 515.533(c)(1) and 515.564(a).

77. May U.S. companies exporting authorized goods to Cuba assemble such goods in Cuba?

Persons subject to U.S. jurisdiction that are exporting or reexporting items to Cuba pursuant to an authorization from the Department of Commerce or OFAC or that are otherwise exempt may assemble such items in Cuba provided that the assembly does not involve the incorporation of Cuban-origin goods into items assembled or the processing of any raw materials into finished goods in Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see the note to 31 CFR § 515.573(c)(3).

78. If an authorized export to Cuba requires servicing or repair, may a person subject to U.S. jurisdiction import the item into the United States or a third country for such servicing or repair?

Yes, provided such items were exported or reexported to Cuba pursuant to 31 CFR § 515.533(a) or 31 CFR § 515.559. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.533(b). The exportation or reexportation of repaired or replacement items to Cuba must be separately authorized pursuant to 31 C.F.R. § 515.533(a) or § 515.559, in addition to any Department of Commerce authorization that may be required.

79. Does 31 C.F.R. § 515.533(a) authorize foreign subsidiaries of U.S. companies to export from a third country to Cuba foreign-manufactured items that are subject to the EAR?

No. Consistent with Section 1706 of the Cuban Democracy Act of 1992, (CDA), the general license provided at 31 C.F.R. § 515.533(a) does not authorize any transaction between a U.S.-owned or -controlled firm in a third country and Cuba for the exportation to Cuba of commodities produced in a country other than the United States or Cuba. Such transactions must be specifically licensed pursuant to 31 C.F.R. § 515.559 in addition to any required authorization from the Department of Commerce. There are also restrictions imposed by the CDA on the types of transactions that may be licensed pursuant to that section.

80. May persons subject to U.S. jurisdiction open an office in Cuba?

Effective March 16, 2016, persons subject to U.S. jurisdiction may establish and maintain a physical presence, such as an office, warehouse, or retail outlet, in Cuba to engage in transactions authorized by or exempt from the CACR in the following categories: entities engaging in non-commercial activities authorized by section 515.574 (support for the Cuban people); entities engaging in humanitarian projects set forth in section 515.575(b) (humanitarian projects); private foundations or research or educational institutes engaging in transactions authorized by § 515.576; news bureaus; exporters of certain goods authorized for export or reexport pursuant to 31 CFR §§ 515.533 and 515.559; entities providing mail or parcel transmission services; providers of telecommunications or internet-based services; entities organizing or conducting certain educational activities; religious organizations; and providers of carrier and certain travel services. These persons may employ Cuban nationals in Cuba as well as persons subject to U.S. jurisdiction in Cuba (and such persons may maintain a domicile in Cuba). These persons may open and maintain bank accounts to facilitate authorized transactions. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization certain direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.573. Persons subject to U.S. jurisdiction that do not meet the terms of the general license may apply to OFAC for a specific license. Such applications will be reviewed on a case-by-case basis. Additional authorizations from the Cuban government may also be required.

81. What types of payment or financing terms may be utilized for authorized exports and reexports of items other than agricultural commodities to Cuba?

Section 515.533(a) of the CACR does not restrict payment and financing terms for exports of items from the United States or reexports of 100 percent U.S.-origin items from a third country, other than agricultural commodities. Examples of permissible payment and financing terms for authorized exports and reexports that are not agricultural commodities include: payment of cash in advance; sales on an open account; and financing by U.S. or third-country financial institutions.

OFAC has issued a general license authorizing banking institutions to provide financing for such authorized exports or reexports of items other than agricultural commodities, including issuing, advising, negotiating, paying, or confirming letters of credit (including letters of credit issued by a financial institution that is a national of Cuba), accepting collateral for issuing or confirming letters of credit, and processing documentary collections. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.584(f). In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization certain direct financial transactions with entities and subentities identified on the State Department's

Cuba Restricted List. For a description of the scope of the prohibition on direct financial transactions and the restrictions and exceptions that apply, see 31 CFR § 515.209.

82. What types of payment or financing terms may be utilized for authorized exports and reexports of agricultural commodities to Cuba?

For such exports and reexports, only the following payment and financing terms may be used: payment of cash in advance, or financing by a banking institution located in a third country, subject to certain restrictions. This limitation is required by the Trade Sanctions Reform and Export Enhancement Act of 2000, 22 U.S.C. § 7207(b)(1). See 31 CFR § 515.533(a)(4). Effective October 17, 2016, OFAC amended this provision so that it only applies to exports and reexports of “agricultural commodities,” as defined in 15 CFR part 772, and not to exports or reexports of “agricultural items” authorized pursuant to 15 C.F.R. § 746.2(b)(2)(iv).

83. What does the regulatory term “cash in advance” mean?

The regulatory interpretation of “cash in advance,” which describes one of the permissible payment and financing terms for authorized exports and reexports of agricultural commodities, is “cash before transfer of title and control.” For the full text, see 31 CFR § 515.533.

84. What types of Cuban-origin goods are authorized for importation directly into the United States?

Persons subject to U.S. jurisdiction authorized to travel to Cuba may import into the United States as accompanied baggage merchandise acquired in Cuba – including alcohol and tobacco products – provided that the merchandise is for personal use only. See 31 CFR § 515.560. Persons subject to U.S. jurisdiction located in third countries may purchase or acquire Cuban-origin merchandise – including alcohol and tobacco products – and may import such merchandise into the United States as accompanied baggage provided that the merchandise is for personal use only. See 31 CFR § 515.585. Foreign persons traveling to the United States from a third country may import into the United States as accompanied baggage Cuban-origin merchandise – including alcohol and tobacco products – provided that the merchandise is not in commercial quantities and is not imported for resale. See 31 CFR § 515.569. Normal limits on duty and tax exemptions for merchandise imported as accompanied baggage will apply.

Persons subject to U.S. jurisdiction are also authorized to import certain goods produced by independent Cuban entrepreneurs as determined by the State Department, as set forth in the [State Department’s Section 515.582 list](#). If these goods are for personal use, certain personal exemptions from U.S. Customs and Border Protection may apply.

Persons subject to U.S. jurisdiction are also authorized to import Cuban-origin software, including Cuban-origin mobile applications. See 31 CFR § 515.578.

The importation into the United States of merchandise from Cuba or Cuban-origin merchandise from a third country intended as gifts is authorized, provided that the value of the merchandise is not more than \$100, the merchandise is of a type and in quantities normally given as gifts between individuals, the merchandise is sent and not carried by a traveler, and the merchandise is not alcohol or tobacco products. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.544.

The importation into the United States from Cuba of information and informational materials is exempt from the prohibitions of the CACR. The definition of “information and informational materials” may be found at 31 CFR § 515.332.

85. What types of goods and services produced by independent Cuban entrepreneurs are authorized for importation into the United States from Cuba pursuant to 31 CFR § 515.582?

Pursuant to section 515.582 of the CACR, certain goods and services produced by independent Cuban entrepreneurs, as set forth in a list maintained by the [State Department on its website](#), are authorized for importation, and persons subject to U.S. jurisdiction may engage in associated transactions necessary to import these authorized goods and services. The State Department list provides details of the goods and services authorized for importation into the U.S. from Cuba pursuant to this provision. This list references sections and chapters of the Harmonized Tariff Schedule (HTS) of the United States to indicate categories of goods that are *not* eligible for importation into the United States pursuant to 31 CFR § 515.582, even if such goods were produced by independent Cuban entrepreneurs; any other goods produced by independent Cuban entrepreneurs and not covered by the listed sections and chapters of the HTS may be imported, as provided in the State Department’s Section 515.582 List and subject to compliance with all other relevant requirements under state and federal law and regulations. Section 515.582 of the CACR authorizes the importation of all services supplied by independent Cuban entrepreneurs, again, as provided in the State Department’s Section 515.582 List and subject to compliance with other requirements in state and federal law and regulations.

86. May a person subject to U.S. jurisdiction provide training to a Cuban distributor or customer on the use of goods authorized for export to Cuba by the Department of Commerce?

Yes. OFAC considers the provision of training to persons in Cuba, including to Cuban nationals, on the use of items authorized for export or reexport to Cuba by the Department of Commerce to be ordinarily incident to the export or reexport of the item and therefore authorized by 31 CFR § 515.533(a). Persons subject to U.S. jurisdiction are authorized, subject to certain conditions, to travel to Cuba to provide such training. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.533(c)(1). The exportation or reexportation to Cuba of technology subject to the Export Administration Regulations may require separate authorization from the Department of Commerce

87. Are insurers that are persons subject to U.S. jurisdiction allowed to provide travel insurance to persons subject to U.S. jurisdiction engaged in authorized travel to Cuba?

Yes. See 31 CFR § 515.560.

88. May persons subject to U.S. jurisdiction engaged in authorized travel to Cuba obtain travel insurance from a third-country vendor?

Yes. See 31 CFR § 515.560.

89. May U.S. insurers issue policies and pay claims related to group health, life, and travel insurance on behalf of third-country nationals traveling to or within Cuba?

Yes, provided that the insurance policy is as global policy, and not specific to the third-country national's travel to or within Cuba. Section 515.580 of the CACR authorizes persons subject to U.S. jurisdiction to issue or provide global health, life, or travel insurance policies for individuals ordinarily resident in a country outside of Cuba who travel to or within Cuba, regardless of whether the insurance policy is issued only to that individual or to a group, such as to all employees of a particular company. For instance, a U.S. insurer may pay medical claims pursuant to a group health insurance policy to or on behalf of a covered third-country national injured while traveling in Cuba. However, this provision does not authorize a person subject to U.S. jurisdiction to issue an insurance policy that is specific to travel to Cuba. A separate provision of the CACR, 31 CFR § 515.560, authorizes the provision of health, life, and travel insurance-related services that are specific to Cuba for authorized U.S. travelers.

90. May U.S. insurers, either directly or through third-country subsidiaries, issue policies, or pay insurance or reinsurance claims related to non-U.S. persons providing goods or services that facilitate travel by third-country nationals from a third country to Cuba?

Other than certain global health, life, or travel insurance policies for individuals authorized by 31 CFR § 515.580, absent specific authorization from OFAC, U.S. insurers and their subsidiaries are not permitted to issue policies, provide reinsurance coverage, or pay insurance or reinsurance claims related to non-U.S. persons, including entities such as foreign airlines, providing goods or services that facilitate travel by third-country nationals from a third country to Cuba.

91. Are health, life, or travel insurance policies that are issued to a “group” (e.g., an employer and its employees) authorized by the CACR?

Section 515.580 of the CACR authorizes global health, life, or travel insurance policies covering individuals ordinarily resident in a country outside of Cuba traveling to Cuba. The policy may be issued to a group, such as all employees of a company. The “global” requirement means it cannot be specific to travel to Cuba. For example, it does not authorize an individual travel policy issued to a traveler specifically to cover a trip to Cuba. It also does not authorize issuing a policy to a non-U.S. travel agent specifically to cover its traveler clients where the travel agency is solely in the business of planning trips to Cuba.

92. May persons subject to U.S. jurisdiction provide certain insurance-related services (such as cargo or hull insurance, or reinsurance) to persons subject to U.S. jurisdiction who are engaging in authorized activity in Cuba?

Where the provision of insurance-related services is directly incident to activity authorized by general or specific license, then the provision of such services is authorized as well. For example, § 515.566 of the CACR authorizes travel and travel-related transactions directly incident to engaging in religious activities in Cuba. The provision of health insurance-, life insurance-, and travel insurance-related services to authorized travelers traveling to Cuba pursuant to § 515.566 would be authorized. For additional information, see Note 2 to 31 CFR § 515.560. As an additional example, the provision of insurance to a person subject to U.S. jurisdiction that is incident to convening authorized public performances, clinics, workshops, and athletic competitions, as defined in 31 CFR § 515.567(b), would also be authorized.

Additionally, § 515.533 of the CACR authorizes transactions ordinarily incident to the exportation or reexportation to Cuba of certain goods licensed or otherwise authorized by the Department of Commerce. Transactions directly incident to the exportation or reexportation of such goods, such as the provision of cargo insurance for the transportation of the goods, are

authorized by § 515.533. For additional information, see Note 1 to paragraph (a) of 31 CFR § 515.533.

Persons subject to U.S. jurisdiction, however, are prohibited from engaging in reinsurance arrangements where the underlying activity is not authorized by the CACR. For example, a person subject to U.S. jurisdiction would be prohibited from participating in a reinsurance arrangement that involved coverage for a foreign company that provides investment opportunities in Cuban state-owned businesses.

93. Does a person subject to U.S. jurisdiction require an OFAC specific license to pay an insurance claim that arises from authorized activity in Cuba if the payment involves a Cuban national?

Where the provision of insurance-related services is authorized by general license, either expressly or as a transaction ordinarily incident to a licensed transaction, this authorization extends to the payment or settlement of claims, including to a Cuban national.

94. What are the “180-day rule” and the “goods/passengers-on-board rule”?

The 180-day rule is a statutory restriction prohibiting any vessel that enters a port or place in Cuba to engage in the trade of goods or the purchase or provision of services there from entering any U.S. port for the purpose of loading or unloading freight for 180 days after leaving Cuba, unless authorized by OFAC. This restriction is applied even if a vessel has stopped in Cuba solely to purchase services unrelated to the trade of goods, such as planned ship maintenance. The 180-day rule is separate from a second statutory restriction – the goods/passengers-on-board rule – which prohibits any vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has an interest from entering a U.S. port with such goods or passengers on board, unless authorized or exempt. There are certain exceptions to these rules. For a complete description of the 180-day rule, the goods/passengers-on-board rule, and the general licenses and exemptions that apply, see 31 C.F.R. §§ 515.206, 515.207, and 515.550.

95. Are there any exceptions to the 180-day rule and the goods/passengers-on-board rule?

Yes. OFAC has authorized by general license certain exceptions to these rules. If a vessel engages only in one or more of the following activities with Cuba, it will qualify for the general license and therefore will **not** be subject to the 180-day rule or the goods/passengers-on-board rule:

- Engaging or has engaged in trade with Cuba authorized under the CACR, such as a vessel carrying goods from the United States that are licensed or otherwise authorized for export or reexport to Cuba by the U.S. Department of Commerce pursuant to the EAR;
- Engaging or has engaged in trade with Cuba that is exempt from the prohibitions of the CACR, such as a vessel carrying exclusively informational materials;
- Engaging or has engaged in the export or reexport from a third country to Cuba of agricultural commodities, medicine, or medical devices that, were they subject to the EAR, would be designated as EAR99;
- Carrying or has carried persons between the United States and Cuba or within Cuba pursuant to the general license for the provision of carrier services under the CACR or, in the case of a vessel used solely for personal travel (and not transporting passengers),

pursuant to a license or other authorization issued by the Department of Commerce for the exportation or reexportation of the vessel to Cuba; or

- A foreign vessel that has entered a port or place in Cuba while carrying students, faculty, and staff that are authorized to travel to Cuba pursuant to the general license for educational activities under the CACR.

Additionally, if a vessel's only transactions with Cuba are the exportation to Cuba from a third country of items that, were they subject to the EAR, would be designated as EAR99 or controlled on the Commerce Control List only for anti-terrorism reasons, the vessel will **not** be subject to the 180-day rule.

These exceptions to the 180-day rule do **not** apply to a vessel that:

- Carries for export to Cuba any additional goods that, were they subject to the EAR, would **not** be designated as EAR99 or controlled on the Commerce Control List only for anti-terrorism reasons;
- Picks up any goods in Cuba, unless the transactions involving those goods are authorized by OFAC or exempt from the prohibitions of the CACR; or
- Purchases or provides services in Cuba, other than docking, unloading, or other services associated with normal shipping transactions.

For a complete description of the 180-day rule, the goods/passengers-on-board rule, and the general licenses and exemptions that apply, see 31 C.F.R. §§ 515.206, 515.207, and 515.550.

96. Do the exceptions to the 180-day rule authorize shipments to or from Cuba?

No. The general licenses involving the 180-day rule only authorize certain vessels to enter a U.S. port within 180 days after leaving a port or place in Cuba; they do not authorize any shipments to or from Cuba. Shipments to or from Cuba may be separately authorized under other provisions of the CACR or, as in the case of most shipments from third countries to Cuba, may simply not be subject to the restrictions of the CACR, though other U.S. government agency restrictions may apply. For a complete description of the 180-day rule and the general licenses and exemptions that apply, see 31 C.F.R. §§ 515.206, 515.207(a), and 515.550.

97. If a foreign vessel is traveling to the United States via Cuba with cargo destined for the United States, may goods remain aboard the vessel for delivery to the United States while the vessel is docked in a Cuban port, and may that vessel and its cargo then enter the United States without being subject to the 180-day rule or the goods/passengers-on-board rule?

Yes, provided that no other factors trigger the 180-day rule or the goods/passengers-on-board rule. For example, no goods may be unloaded in Cuba other than goods that would be designated as EAR99 or controlled on the Commerce Control List only for anti-terrorism reasons if they had been exported from the United States; and no merchandise may be loaded in Cuba that is not licensed or exempt. Goods entering the United States that remained on board the ship while it docked in a Cuban port are not considered goods carried to or from Cuba or goods in which Cuba or a Cuban national has an interest for purposes of the goods/passengers-on-board rule. Furthermore, such goods are not considered goods that have been located in or transported through Cuba for the purposes of 31 C.F.R. § 515.204, which prohibits the importation of certain merchandise into the United States. For a complete description of the 180-day rule, the

goods/passengers-on-board rule, the importation prohibition, and the general licenses and exemptions that apply, see 31 C.F.R. §§ 515.204, 515.206, 515.207, and 515.550.

98. May companies that use different ocean carriers as part of a broader shipping service utilizing code-sharing agreements take advantage of the exceptions to the “180-day rule”?

The exceptions to the 180-day rule apply to each individual vessel that meets the requirements of the general license irrespective of any code-sharing arrangement. Thus, any shipping company may deploy a vessel in a broader shipping arrangement and, so long as the vessel meets the terms of the general license, that vessel may enter a U.S. port accordingly. There is no requirement for authorization of the individual companies or the broader code-sharing arrangement. Code-sharing agreements do not affect the general license or its requirements.

VII. Telecommunications

99. What types of telecommunications services are recently authorized under general license?

In 2015, OFAC issued an expanded general license which, subject to conditions, generally authorizes transactions that establish mechanisms to provide commercial telecommunications services in Cuba or linking third countries and Cuba. OFAC has also updated the general licenses authorizing telecommunications-related transactions, including payment related to the provision of telecommunications involving Cuba or provided to Cuban individuals. Pursuant to this provision, U.S. persons may, for example, purchase calling cards for people to use in Cuba and/or pay the bills of such people directly to a telecommunications operator located in Cuba, such as ETECSA. These steps to facilitate improved access to telecommunications services for Cubans and increased international connections are intended to increase the ability of the Cuban people to communicate freely and to better provide for efficient and adequate telecommunications services between the United States and Cuba.

The CACR define telecommunications services to include data, telephone, telegraph, internet connectivity, radio, television, news wire feeds, and similar services, regardless of medium of transmission, including transmission by satellite. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.542.

100. What types of internet-based services are authorized under general license?

Persons subject to U.S. jurisdiction may provide certain services incident to internet-based communications and related to certain authorized exportations and reexportations of communications items. The range of such services was expanded in January 2015 to coincide with changes to Commerce Department regulations, and such services can now be provided for a fee to certain end users. For example, transactions incident to providing fee-based internet communications services such as e-mail or other messaging platforms, social networking, VOIP, web-hosting, or domain-name registration are now authorized in most circumstances. Services related to many kinds of software (including applications) used on personal computers, cell phones, and other personal communications devices are also authorized, along with other services related to the use of such devices. Finally, services such as cloud storage, software design, business consulting, and the provision of IT management and support related to use of hardware and software exported or reexported to Cuba pursuant to the Commerce Department’s License Exception Consumer Communications Device (CCD) authorization or commodities or software used to develop software exported or reexported to Cuba pursuant to the Commerce Department’s

License Exception Support for the Cuban People (SCP) is permitted. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.578.

101. What Is “peering” – an arrangement of traffic exchange between internet networks – authorized by the CACR?

Yes. For example, a U.S. company could enter into a peering arrangement with ETECSA, the Cuban telecommunications provider, for the provision of internet services. *See* § 515.542(b).

102. Are services related to caching, such as the provision of data storage systems that reduce internet network traffic, authorized by the CACR?

Yes. Section 515.578 authorizes the exportation or reexportation to Cuba of services incident to the exchange of communications over the internet. To the extent data caching services are incident to such exchanges of communications, the provision of such services is authorized. Section 515.578 also authorizes the exportation of services, including business consulting and information technology management services that are related to certain consumer communications devices. For instance, the provision by an internet or telecommunications provider of caching services related to items exported to Cuba pursuant to Commerce License Exception Consumer Communications Devices (CCD) or an individual license issued by Commerce is authorized. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.578.

103. What type(s) of business arrangements are telecommunications and internet-based service providers that are subject to U.S. jurisdiction authorized to establish in Cuba?

OFAC has issued an expanded general license that authorizes certain persons subject to U.S. jurisdiction including telecommunications and internet-based service providers to establish a physical and business presence in Cuba to provide authorized telecommunications and internet-based services. A business presence may include subsidiaries, branches, offices, joint ventures, franchises, and agency or other business relationships with any Cuban individual or entity (including ETECSA) and a physical presence may include leasing physical premises, including an office, warehouse, classroom, or retail outlet. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.573.

104. May persons subject to U.S. jurisdiction who open an authorized business or physical presence, such as a joint venture, office, or retail outlet, in Cuba market their telecommunications or internet-based services?

Persons subject to U.S. jurisdiction that are providers of telecommunications or internet-based services who establish a business or physical presence in Cuba pursuant to the authorization in 31 CFR § 515.573 are authorized to engage in marketing related to that business or physical presence.

105. Are persons subject to U.S. jurisdiction engaging in authorized transactions permitted to enter into arrangements with Cuban state-owned entities, such as ETECSA?

Individuals or entities subject to U.S. jurisdiction engaging in authorized transactions, either pursuant to a general or specific license, may engage with Cuban state-owned entities as authorized by the OFAC license. For example, a U.S. company engaging in authorized telecommunications-related transactions pursuant to 31 CFR § 515.542, such as payment for

activation, installation, usage, roaming, maintenance, or termination fees, may engage directly with the Cuban state-owned telecommunications company, ETECSA, for these authorized purposes.

VIII. Third-Country Effects

106. Are Cuban nationals located outside of Cuba still considered blocked?

Yes, but any individual Cuban national who can establish that he or she has taken up permanent residence outside of Cuba and otherwise meets the requirements set forth in 31 CFR § 515.505 is generally licensed as an unblocked national. Additionally all persons subject to U.S. jurisdiction are authorized to provide goods and services to Cuban national individuals located outside of Cuba, provided there is no commercial exportation of goods or services to or from Cuba. Individuals subject to U.S. jurisdiction who are located in a third country may also receive or obtain services from a Cuban national that are ordinarily incident to travel and maintenance within that country. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.585.

107. Can U.S.-owned or -controlled entities in third countries engage in trade/commerce with Cuban nationals located outside of Cuba?

U.S.-owned or -controlled entities in third countries may provide goods and services to a Cuban national located outside of Cuba, provided that the transaction does not involve a commercial exportation, directly or indirectly, of goods or services to or from Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.585.

Other general licenses may authorize persons subject to U.S. jurisdiction, including U.S.-owned or -controlled entities in third countries, to engage in certain specified transactions with Cuban nationals that involve the commercial exportation of services to Cuba. For example, 31 C.F.R. § 515.572(a)(5) authorizes persons subject to U.S. jurisdiction to provide certain civil aviation safety-related services to Cuba or to Cuban nationals, wherever located.

108. Are persons subject to U.S. jurisdiction authorized to provide financial services to Cuban nationals located outside of Cuba?

Yes. Persons subject to U.S. jurisdiction may provide financial services to a Cuban national located outside of Cuba who is an individual, provided that the transaction does not involve a commercial exportation, directly or indirectly, of goods or services to or from Cuba. Additionally, banking institutions are authorized to open and maintain accounts, including the deposit of funds in such accounts by wire transfer, for such Cuban nationals provided that the accounts are used only while the Cuban national is located outside of Cuba and the account is not used for transactions involving a commercial exportation, directly or indirectly, of goods or services to or from Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.585.

IX. Miscellaneous

109. What types of grants or awards in which Cuba or a Cuban national has an interest are authorized for persons subject to U.S. jurisdiction to provide?

OFAC has issued a general license incorporating prior authorizations and expanding them to authorize the provision of certain grants, scholarships, or awards to Cuban nationals or in which Cuba or a Cuban national has an interest. Such grants, scholarships, or awards must relate to educational activities, certain humanitarian projects (as set forth in § 515.575(b)), scientific research, or religious activities. In accordance with the NSPM, OFAC is amending this general license to exclude from the authorization direct financial transactions with entities and subentities identified on the State Department's Cuba Restricted List. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.590.

110. Can a grant authorized pursuant to the CACR be awarded to a Cuban state-owned entity?

Section 515.590 of the CACR authorizes the provision of grants, scholarships, or awards to a Cuban national, including a Cuban state-owned entity provided that entity is not included on the State Department's Cuba Restricted List, and as long as any such grant, scholarship, or award is related to educational activities, humanitarian projects (as set forth in § 515.575(b)), scientific research, or religious activities. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.590.

111. Are specific licenses still required for transactions relative to the administration of a Cuban estate?

OFAC has issued an expanded general license at 31 CFR § 515.523 to authorize all transactions incident to the administration and distribution of the assets of a blocked estate of a decedent. All property distributed pursuant to 31 CFR § 515.523 is unblocked, provided that neither Cuba nor a Cuban national (other than the decedent or a person unblocked pursuant to 31 CFR § 515.505) has an interest in the property. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.523.

Furthermore, 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 policyholder or contract holder may be remitted to the national of Cuba pursuant to 31 CFR § 515.570(g). For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.570(g).

112. What types of projects would fall within the authorization in 31 CFR § 515.575 for microfinancing projects?

Among other things, the provision for microfinancing projects in Section 515.575 of the CACR authorizes the provision of certain financial services to unemployed, underemployed, and low-income Cubans who have little or no access to conventional banks or comparable resources, and which may include a limited return on investment. In addition, Section 515.570(g)(1) of the CACR authorizes remittances to individuals and independent non-governmental entities in Cuba to support authorized microfinancing projects. These provisions would authorize, for example, relatively limited contributions of funds to support individual entrepreneurs in sectors that need access to working capital, investment loans, insurance, or training in order to start or expand their operations. Sections 515.575 and 515.570(g)(1) of the CACR do *not* authorize loans, extensions of credit or other financing related to transactions involving confiscated property the claim to which is owned by a U.S. national, which are prohibited by 31 CFR § 515.208. For additional guidance or fact-specific questions, we would encourage you to contact OFAC.

113. If a person had applied for a specific license from OFAC before the CACR was revised but now believes that the proposed activity is authorized pursuant to a general license, does that person need to wait for his or her specific license application to be adjudicated?

No. If persons meet the qualifications listed in the general license, then they do not need to wait for an official determination from OFAC regarding their specific license application. Persons who have determined they may proceed under a general license may wish to contact OFAC Licensing to withdraw existing applications.

114. Is a person subject to U.S. jurisdiction allowed to purchase or lease real property in Cuba?

Generally no, a person subject to U.S. jurisdiction is not authorized to purchase or lease real property in Cuba. The Cuban Assets Control Regulations (CACR) prohibit any person subject to U.S. jurisdiction from purchasing or leasing property in Cuba unless authorized by OFAC.

Section 515.573 of the CACR authorizes certain entities subject to U.S. jurisdiction to establish a physical and/or business presence in Cuba to conduct authorized activities. The purchase or lease of real property in Cuba by such entities incident to their establishment of such physical or business presence is authorized. Additionally, employees of such entities authorized by § 515.573(a)(4) of the CACR to establish domicile in Cuba may purchase or lease residential property for use while domiciled in Cuba. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.573.

Authorized travelers to Cuba may lease property in Cuba as accommodations for the duration of their stay in Cuba. See 31 CFR § 515.560(c). This authorization is limited to the period of time when the traveler is in Cuba for authorized travel and does not permit the traveler to retain the property upon departure from Cuba.

Transactions related to the purchase or lease of real property in Cuba remain subject to the prohibitions in 31 CFR § 515.208.

115. May persons subject to U.S. jurisdiction import Cuban-origin pharmaceuticals into the United States?

OFAC has issued a general license that authorizes all transactions incident to obtaining approval from the U.S. Food and Drug Administration (FDA) of Cuban-origin pharmaceuticals. The general license includes discovery and development, pre-clinical research, clinical research, regulatory review, regulatory approval and licensing, regulatory post-market activities, and the importation into the United States of Cuban-origin pharmaceuticals. A separate general license authorizes the importation into the United States, and the marketing, sale, or other distribution in the United States, of FDA-approved Cuban-origin pharmaceuticals. For a complete description of what these general licenses authorize and the restrictions that apply, see 31 CFR § 515.547. Those engaging in the aforementioned activities may still need to secure regulatory approvals from other concerned U.S. government agencies, particularly the FDA.

116. May persons subject to U.S. jurisdiction provide services to Cuba or the Cuban government to support infrastructure maintenance and development in Cuba?

OFAC has issued a general license that authorizes persons subject to U.S. jurisdiction to provide Cuba or Cuban nationals (including the Cuban government and state-owned entities) with services related to developing, repairing, maintaining, and enhancing Cuban infrastructure that

directly benefit the Cuban people, consistent with the export or reexport licensing policy of the Department of Commerce. “Infrastructure” in this case means systems and assets used to provide the Cuban people with goods and services produced by the public transportation, water management, waste management, non-nuclear electricity generation, and electricity distribution sectors, as well as hospitals, public housing, and primary and secondary schools. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.591.

117. May persons subject to U.S. jurisdiction provide mail or parcel delivery services to Cuba or Cuban nationals?

With respect to the receipt or transmission of mail and parcels between the United States and Cuba, OFAC issued a general license authorizing persons subject to U.S. jurisdiction to engage in all transactions, including payments, incident to such activities, provided that the importation or exportation of such mail and parcels is exempt from or authorized by the CACR. For a complete description of what this general license authorizes and the restrictions that apply, see 31 CFR § 515.542(a).

This general license does not authorize transactions incident to the receipt or transmission of mail and parcels between third countries and Cuba, or involving Cuban nationals in third countries. To the extent that such mail or parcels contain information or informational materials, as defined in 31 CFR § 515.332, transactions incident to their receipt or transmission are exempt pursuant to 31 CFR § 515.206 or authorized by 31 CFR § 515.545(a). Additionally, the provision of mail or parcel delivery services to a Cuban national who is an individual located in a third country is authorized by 31 CFR § 515.585(a), provided that the transaction does not involve a commercial export of goods or services to Cuba.