

December 19, 2014

## Corporate Update

### *Significant Changes to U.S. – Cuba Policy*

On December 17, 2014, the President of the United States announced additional measures to normalize diplomatic and economic relations between Cuba and United States as well as significant changes to its sanctions policies and regulations with respect to Cuba. These changes will soon be implemented via amendments to regulations of the Departments of Treasury and Commerce.

Major elements of the Administration's new approach include:

#### Establishing Diplomatic Relations with Cuba

- US will re-establish its embassy in Havana and will carry out high-level exchanges and visits between government officials.
- US and Cuba will work together on matters of mutual concern such as migration, counter-narcotics efforts, environmental protection, and human trafficking, among other issues.

#### Expansion of Travel by US Persons to Cuba

- General licenses will be made available for all authorized travelers in the following existing categories: (1) family visits; (2) official business of the U.S. government, foreign governments, and certain intergovernmental organizations; (3) journalistic activity; (4) professional research and professional meetings; (5) educational activities; (6) religious activities; (7) public performances, clinics, workshops, athletic and other competitions, and exhibitions; (8) support for the Cuban people; (9) humanitarian projects; (10) activities of private foundations or research or educational institutes; (11) exportation, importation, or transmission of information or information materials; and (12) certain export transactions that may be considered for authorization under existing regulations and guidelines.
- Travelers in the 12 categories of travel to Cuba authorized by law will be able to make arrangements through any service provider that complies with OFAC's regulations concerning travel services to Cuba, and general licenses authorizing the provision of such services will also be issued.

#### Facilitating Remittances to Cuba by U.S. persons

- Remittance levels will be raised from \$500 to \$2,000 per quarter for general charitable remittances to Cuban nationals (except to certain officials of the government or the Communist Party); and charitable remittances for humanitarian projects, support for the Cuban people, and support for the development of private businesses in Cuba will no longer require a special license.



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- Remittance forwarders will no longer require a special license.

### Expanding Commercial Sales/Exports from the United States of Certain Goods and Services

- Additional items will be authorized for export to Cuba, including certain building materials for private residential construction, goods for use by private sector Cuban entrepreneurs, and agricultural equipment for small farmers.

### Authorizing Import of Limited Goods from Cuba

- Licensed U.S. travelers to Cuba will be authorized to import \$400 worth of goods from Cuba, of which no more than \$100 can consist of tobacco products and alcohol combined.

### Facilitating Authorized Transactions between the United States and Cuba

- U.S. institutions will be permitted to open correspondent accounts at Cuban financial institutions to facilitate the processing of authorized transactions.
- U.S. credit and debit cards will be permitted for use by travelers to Cuba.
- The regulatory definition of the statutory term “cash in advance” will be revised to specify that it means “cash before transfer of title”.

### Increasing Cubans’ Access to Communications and Ability to Communicate Freely

- The commercial export of certain communication devices, related software, applications, hardware, and services, and items for the establishment and update of communications-related systems, will be authorized. This will contribute to the ability of the Cuban people to communicate with people in the United States and the rest of the world.
- Telecommunications providers will be allowed to establish the necessary mechanisms, including infrastructure, in Cuba to provide commercial telecommunications and internet services, which will improve telecommunications between the United States and Cuba.

### Updating the Application of Cuba Sanctions in Third Countries

- General licenses will be issued to authorize U.S. owned or controlled entities in third countries to provide services to, and engage in financial transactions with, Cuban individuals in third countries. In addition, general licenses will: (1) unblock the accounts at U.S. banks of Cuban nationals who have relocated outside of Cuba; (2) permit U.S. persons to participate in third-country professional meetings and conferences related to Cuba; and (3) allow foreign vessels to enter the United States after engaging in certain humanitarian trade with Cuba, among other measures.

### Pursuing discussions with the Cuban and Mexican governments to discuss unresolved maritime boundary in the Gulf of Mexico

- Previous agreements between the United States and Cuba delimit the maritime space between the two countries within 200 nautical miles from shore. The United States, Cuba, and Mexico have extended continental shelf in an area within the Gulf of Mexico where the three countries have not yet delimited any boundaries.

- The United States is prepared to invite the governments of Cuba and Mexico to discuss shared maritime boundaries in the Gulf of Mexico.

You may access the official Fact Sheet: Charting a New Course on Cuba [here](#).

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