

OFAC and BIS Ease Certain Travel and Trade Restrictions Concerning Cuba

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The U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) and the U.S. Department of Commerce's Bureau of Industry and Security (BIS) made regulatory amendments that relax the trade and travel restrictions involving Cuba. To comply with President Obama's April 13, 2009 directive, the agencies have eased restrictions regarding family travel and remittances, the sending of gifts, the donation of consumer communications devices, as well as restrictions related to the telecommunications industry.

Some of the major provisions include the following:

Travel and Remittances

OFAC has eased restrictions for U.S. citizens who are either traveling to visit Cuba, or sending remittances to "close relatives" who are nationals of Cuba. A "close relative" includes immediate family members, cousins, and second cousins. Anyone who shares a common dwelling with the U.S. traveler may accompany him/her. There are no limits on the duration or frequency of these visits.

BIS has lifted the 44-pound limit on personal baggage previously in place for travelers to Cuba. OFAC has increased the amount that travelers currently can spend in Cuba to \$179 per day.

Persons subject to U.S. jurisdiction may now send remittances (including from inherited blocked accounts) to any close relative who is not a "prohibited official of the Government of Cuba" or a "prohibited member of the Cuban Communist Party." There are no limits on the amounts of remittances or frequency with which they may be sent. Additionally, authorized travelers may carry up to \$3,000 worth of such remittances with them when traveling to Cuba. Restrictions for remittances for emigration purposes still apply. Remittances may be made from depository institutions, and OFAC will now allow such institutions to set up testing arrangements and exchange authenticator keys with Cuban financial officials.

Gifts

BIS has eased restrictions on gifts sent to Cuba. Generally, donors may send one gift parcel valued at less than \$800 to any eligible donee each month. The types of eligible items that can be included in such parcels have also been expanded. Gifts may be sent to individuals, other than certain Cuban Government and Cuban Communist Party officials. They may also be sent to any charitable, educational, or religious organization that is not controlled by or administered by the Cuban Government or Cuban Communist Party.

Consumer Communication Devices

BIS has also created a license exception that authorizes, under certain circumstances, the export or reexport of commodities and software, excluding encryption source code. Such commodities and software must be used to exchange information and facilitate interpersonal communications, must be donated, and must be widely available for retail purchase in the United States. Specifically, the items include mobile phones, SIM cards, personal digital assistants, laptop and desktop computers and peripherals (monitors, keyboards, mice, etc.), internet connectivity devices, satellite-based television and radio receivers, digital music and video players and recorders, personal two-way radios and digital cameras. The exports or reexports may be to anyone except certain Cuban Government or Communist Party officials, or organizations administered by them. The exception imposes no limits upon the frequency or value of these shipments.

Telecommunications

OFAC and BIS have eased in several ways the regulations concerning telecommunications transactions and the travel related to those transactions.

First, persons subject to U.S. jurisdiction may now contract with and pay non-Cuban telecommunications services providers to provide services to any Cuban individuals other than certain Cuban Government or Communist Party officials.

Second, telecommunications service providers may now (a) make payments incident to the provision of telecommunications services between the U.S. and Cuba and the provision of satellite radio or satellite television services to Cuba; and (b) enter into and perform under roaming services agreements with telecommunications service providers in Cuba.

Third, transactions incident to establishing facilities to provide telecommunications services linking the U.S. and Cuba are now authorized by license.

In addition to these three changes, travel-related transactions incident to the commercial export of telecommunications-related items and participating in telecommunications-related professional meetings are now permitted, with some restrictions.

Agricultural and Medical Sales

Finally, OFAC created a new general license that authorizes, with some conditions, travel-related transactions that are directly incident to the commercial marketing, sales, negotiation, accompanied delivery, or servicing in Cuba of agricultural commodities, medicine, or medical devices that appear to be consistent with BIS's export or reexport licensing policy. Certain employees may rely upon this general license, which also requires that travelers submit a report regarding those transactions to OFAC at least 14 days before departure for Cuba and within 14 days of return.