



## DEPARTMENT OF THE TREASURY

### Office of Foreign Assets Control

### 31 CFR Part 515

### Cuban Assets Control Regulations

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule.

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**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Cuban Assets Control Regulations to implement the National Security Presidential Memorandum (NSPM), "Strengthening the Policy of the United States Toward Cuba," signed by the President on June 16, 2017. These amendments implement changes to the authorizations for travel to Cuba and related transactions and restrict certain financial transactions. These amendments also implement certain technical and conforming changes.

**DATES:** Effective: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** The Department of the Treasury's Office of Foreign Assets Control: Assistant Director for Licensing, tel.: 202-622-2480, Assistant Director

for Regulatory Affairs, tel.: 202-622-4855, Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490; or the Department of the Treasury's Office of the Chief Counsel (Foreign Assets Control), Office of the General Counsel, tel.: 202-622-2410.

## **SUPPLEMENTARY INFORMATION:**

### **Electronic Availability**

This document and additional information concerning OFAC are available from OFAC's website ([www.treasury.gov/ofac](http://www.treasury.gov/ofac)).

### **Background**

The Department of the Treasury issued the Cuban Assets Control Regulations, 31 CFR part 515 (the "Regulations"), on July 8, 1963, under the Trading With the Enemy Act (50 U.S.C. 4301-41). OFAC has amended the Regulations on numerous occasions. Today, OFAC, the Department of Commerce's Bureau of Industry and Security, and the Department of State are taking coordinated actions to implement the NSPM, "Strengthening the Policy of the United States Toward Cuba," signed by the President on June 16, 2017.

OFAC is making amendments to the Regulations with respect to financial transactions, travel and related transactions, educational activities, support for the Cuban people, and certain other activities, as set forth below.

## **Financial Transactions**

Restrictions on direct financial transactions with certain entities and subentities. In accordance with section 3(a)(i) of 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 service 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 – the State Department’s List of Restricted Entities and Subentities Associated with Cuba (“Cuba Restricted List”). In accordance with section 3(a)(ii) of the NSPM, OFAC is adding new § 515.209 to restrict direct financial transactions with entities and subentities listed on the Cuba Restricted List. OFAC is making conforming edits to § 515.421 to clarify that transactions ordinarily incident to licensed transactions do not include direct financial transactions with such entities and subentities if the terms of the applicable general or specific license expressly exclude such direct financial transactions.

In order to implement this prohibition, OFAC 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.

## **Travel and Related Transactions**

Educational travel. In accordance with section 3(b) of the NSPM, OFAC is revising the categories of educational travel currently set forth in § 515.565(a)(1)-(6) to authorize travel that was permitted by regulation in effect on January 27, 2011.

In addition, OFAC is adding the requirement set forth in the NSPM that certain categories of educational travel authorized by § 515.565(a), which were not permitted by regulation in effect on January 27, 2011, take place under the auspices of an organization that is a person subject to U.S. jurisdiction. This requirement is incorporated in § 515.565(a)(2). The same provision also now will require that all travelers must be accompanied by a person subject to U.S. jurisdiction who is an employee, paid consultant, agent, or other representative of the sponsoring organization, except in cases where the traveler is an employee, paid consultant, agent, or other representative traveling individually (not as part of a group), if the individual obtains a letter from the sponsoring organization. Such a letter must state that: (1) the individual is traveling to Cuba as an employee, paid consultant, agent, or other representative (including specifying the responsibilities of the individual that make him or her a representative) of the sponsoring organization; (2) the individual is acting for or on behalf of, or otherwise representing, the sponsoring organization; and (3) the individual's travel to Cuba is related to his or her role at the sponsoring organization.

In addition, OFAC is adding a "grandfathering" provision in § 515.565(d) to authorize certain travel that previously was authorized where the traveler has already completed at least

one travel-related transaction (such as purchasing a flight or reserving accommodation) prior to [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].

People-to-people educational travel. In accordance with section 3(b)(ii) of the NSPM, OFAC is amending § 515.565(b) to require that people-to-people educational travel be conducted under the auspices of an organization that is subject to U.S. jurisdiction and that sponsors such exchanges to promote people-to-people contact, and that such travelers be accompanied by a person subject to U.S. jurisdiction who is an employee, paid consultant, agent, or other representative of the sponsoring organization. Travel-related transactions authorized pursuant to this section must be for the purpose of engaging, while in Cuba, 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 interactions with individuals in Cuba. In addition, OFAC is adding a "grandfathering" provision in § 515.565(e) to authorize certain people-to-people travel that previously was authorized where the traveler has already completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) prior to June 16, 2017.

Support for the Cuban people. In accordance with section 3(b)(ii) of the NSPM, OFAC is amending § 515.574 to require that each traveler engage in a full-time schedule of activities that result in meaningful interaction with individuals in Cuba and that enhance contact with the Cuban people, support civil society in Cuba, or promote the Cuban people's independence from Cuban authorities.

## **Other Amendments**

Definition of prohibited officials of the Government of Cuba. In accordance with section 3(d) of the NSPM, OFAC is amending the definition of the term *prohibited officials of the Government of Cuba* in § 515.337 to include certain additional individuals. The revised definition corresponds to that which was in place prior to October 17, 2016.

## **Public Participation**

Because the amendments of the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date, as well as the provisions of Executive Order 13771, are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

## **Paperwork Reduction Act**

The collections of information related to the Regulations are contained in 31 CFR part 501 (the “Reporting, Procedures and Penalties Regulations”) and § 515.572 of this part. Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information are covered by the Office of Management and Budget under control numbers 1505-0164, 1505-0167, and 1505-0168. An agency may not conduct or sponsor, and a person is not

required to respond to, a collection of information unless the collection of information displays a valid control number.

### **List of Subjects in 31 CFR Part 515**

Administrative practice and procedure, Banking, Blocking of assets, Cuba, Financial transactions, Reporting and recordkeeping requirements, Travel restrictions.

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR part 515 as set forth below:

### **PART 515—CUBAN ASSETS CONTROL REGULATIONS**

1. The authority citation for part 515 continues to read as follows:

**Authority:** 22 U.S.C. 2370(a), 6001-6010, 7201-7211; 31 U.S.C. 321(b); 50 U.S.C. 4301- 4341; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-114, 110 Stat. 785 (22 U.S.C. 6021-6091); Pub. L. 105-277, 112 Stat. 2681; Pub. L. 111-8, 123 Stat. 524; Pub. L. 111-117, 123 Stat. 3034; E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9989, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 748; Proc. 3447, 27 FR 1085, 3 CFR, 1959-1963 Comp., p. 157; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614.

### **Subpart B — Prohibitions**

2. Add § 515.209 to subpart B to read as follows:

**§ 515.209 Restrictions on direct financial transactions with certain entities and subentities.**

(a) Except as otherwise authorized pursuant to this part, no person subject to U.S. jurisdiction may engage in a direct financial transaction with any person that the Secretary of State has identified as an entity or subentity that is under the control of, or acts for or on behalf of, the Cuban military, intelligence, or security services or personnel and with which direct financial transactions would disproportionately benefit such services or personnel at the expense of the Cuban people or private enterprise in Cuba. For purposes of this prohibition, a person engages in a direct financial transaction by acting as the originator on a transfer of funds whose ultimate beneficiary is an entity or subentity on the State Department's List of Restricted Entities and Subentities Associated with Cuba ("Cuba Restricted List") or as the ultimate beneficiary on a transfer of funds whose originator is an entity or subentity on the Cuba Restricted List, including a transaction by wire transfer, credit card, check, or payment of cash. This prohibition does not apply to certain transactions set forth in paragraphs (b) and (c) of this section.

**Note to paragraph (a):** The names of entities and subentities that the Secretary of State has identified as meeting the criteria set forth in this section are published in the *Federal Register* and incorporated into the Cuba Restricted List. Entities or subentities that are owned or controlled by another entity or subentity on this 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 and will be published in the *Federal Register*. It is also accessible through the following page on the State Department's website:

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

(b) The prohibition in paragraph (a) of this section does not apply to any travel-related transactions, including those that involve direct financial transactions with an entity or subentity on the Cuba Restricted List, provided those travel-related transactions were initiated prior to the date that entity or subentity was added to the Cuba Restricted List as published in the *Federal Register*.

(c) The prohibition in paragraph (a) of this section does not apply to any transactions related to commercial engagements that involve direct financial transactions with an entity or subentity on the Cuba Restricted List, provided those commercial engagements were in place prior to the date that entity or subentity was added to the Cuba Restricted List as published in the *Federal Register*.

**Note to § 515.209:** This section does not prohibit a person subject to U.S. jurisdiction from participating in an indirect financial transaction, such as those authorized pursuant to § 515.584(d) relating to funds transfers or § 515.584(g) relating to U.S. dollar monetary instruments, where the person does not act as the originator or beneficiary on a transfer of funds.

### **Subpart C — Definitions**

3. Revise § 515.337 to read as follows:

**§ 515.337 Prohibited officials of the Government of Cuba.**

For purposes of this part, the term *prohibited officials of the Government of Cuba* means Ministers and Vice-Ministers; members of the Council of State and the Council of Ministers; members and employees of the National Assembly of People's Power; members of any provincial assembly; local sector chiefs of the Committees for the Defense of the Revolution; Director Generals and sub-Director Generals and higher of all Cuban ministries and state agencies; employees of the Ministry of the Interior (MININT); employees of the Ministry of Defense (MINFAR); secretaries and first secretaries of the Confederation of Labor of Cuba (CTC) and its component unions; chief editors, editors, and deputy editors of Cuban state-run media organizations and programs, including newspapers, television, and radio; and members and employees of the Supreme Court (Tribuno Supremo Nacional).

**Subpart D — Interpretations**

4. Amend § 515.421 by removing the text “or” at the end of paragraph (a)(3), removing the period at the end of the introductory text to paragraph (a)(4) and adding the text “; or” in its place, and adding paragraph (a)(5) to read as follows:

**§ 515.421 Transactions ordinarily incident to a licensed transaction.**

(a) \* \* \*

(5) A direct financial transaction prohibited by § 515.209, where the terms of the applicable general or specific license expressly exclude such a transaction.

\* \* \* \* \*

### **Subpart E — Licenses, Authorizations, and Statements of Licensing Policy**

5. Amend § 515.530 by adding paragraph (d) to read as follows:

**§ 515.530 Exportation of powers of attorney or instructions relating to certain types of transactions.**

\* \* \* \* \*

(d) *Certain direct financial transactions restricted.* Nothing in this section authorizes a direct financial transaction prohibited by § 515.209.

6. Amend § 515.533 by revising paragraph (b) to read as follows:

**§ 515.533 Exportations from the United States to Cuba; reexportation to Cuba; importation and servicing or repair of certain items previously exported or reexported to Cuba.**

\* \* \* \* \*

(b) *Importation of certain items previously exported to Cuba; servicing and repair of such items.* All transactions ordinarily incident to the importation into the United States or a third country of items previously exported from the United States to Cuba or exported or reexported from a third country to Cuba, and the servicing and repair of such items, are authorized, provided that:

(1) The items previously were exported or reexported to Cuba pursuant to paragraph (a) of this section or § 515.559; and

(2) The items are being imported into the United States or a third country either:

(i) In order to service or repair them before they are exported or reexported back to Cuba,

or

(ii) To return them to the United States or a third country.

**Note to paragraph (b):** This paragraph does not authorize the exportation or reexportation of any item to Cuba. The exportation or reexportation of serviced, repaired, or replacement items to Cuba must be separately authorized pursuant to paragraph (a) of this section or § 515.559, in addition to any Department of Commerce authorization that may be required.

\* \* \* \* \*

7. Amend § 515.534 by adding paragraph (c) to read as follows:

**§ 515.534 Negotiation of, and entry into, contingent contracts relating to transactions prohibited by this part.**

\* \* \* \* \*

(c) *Certain direct financial transactions restricted.* Nothing in this section authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

8. Amend § 515.545 by redesignating paragraph (c) as paragraph (d) and adding new paragraph (c) to read as follows:

**§ 515.545 Transactions related to information and informational materials.**

\* \* \* \* \*

(c) *Certain direct financial transactions restricted.* Nothing in paragraphs (a) or (b) of this section authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

9. Amend § 515.560 by revising the introductory text to paragraph (c), revising paragraph (c)(1), redesignating paragraph (d) as paragraph (e), and adding new paragraph (d) to read as follows:

**§ 515.560 Travel-related transactions to, from, and within Cuba by persons subject to U.S. jurisdiction.**

\* \* \* \* \*

(c) Except as provided in paragraph (d) of this section, persons generally or specifically licensed under this part to engage in transactions in connection with travel to, from, and within Cuba may engage in the following transactions:

(1) *Transportation to, from, and within Cuba; Cuban visas.* All transportation-related transactions ordinarily incident to travel to, from, and within Cuba, including the acquisition of Cuban visas, are authorized.

\* \* \* \* \*

(d) Nothing in paragraphs (c)(2), (c)(3), and (c)(6)(i) of this section authorizes a direct financial transaction prohibited by § 515.209 if the terms of the applicable general or specific license expressly exclude such a transaction.

\* \* \* \* \*

10. Amend § 515.561 by removing the text “§ 515.565(a)(1) through (4) and (6)” and adding in its place the text “§ 515.565(a)(1)(i) through (iv) and (vi)” and adding a sentence at the end of paragraph (a) to read as follows:

**§ 515.561 Family visits.**

(a) \* \* \* Nothing in this paragraph authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

11. Amend § 515.564 by redesignating paragraph (c) as paragraph (d) and adding new paragraph (c) to read as follows:

**§ 515.564 Professional research and professional meetings in Cuba.**

\* \* \* \* \*

(c) *Certain direct financial transactions restricted.* Nothing in paragraph (a) of this section authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

12. Revise § 515.565 to read as follows:

**§ 515.565 Educational activities.**

(a) *General license for educational activities.* (1) Accredited U.S. undergraduate or graduate degree-granting academic institutions, their students enrolled in an undergraduate or graduate degree program at the institution, and their full-time permanent employees, are authorized to engage, under the auspices of the institutions, in transactions, including the travel-related transactions set forth in § 515.560(c), that are directly incident to the following activities:

(i) Participation in a structured educational program in Cuba as part of a course offered at the U.S. institution, provided the program includes a full term, and in no instance includes fewer than 10 weeks, of study in Cuba. An individual planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a student currently enrolled in an undergraduate or graduate degree program at the institution, or is a full-time permanent



employee of the institution, and that the Cuba-related travel is part of a structured educational program of the U.S. institution that will be no shorter than 10 weeks in duration;

(ii) Noncommercial academic research in Cuba specifically related to Cuba and for the purpose of obtaining a graduate degree. A student planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a student currently enrolled in a graduate degree program at the U.S. institution and that the research in Cuba will be accepted for credit toward that degree;

(iii) Participation in a formal course of study at a Cuban academic institution, provided the formal course of study in Cuba will be accepted for credit toward the student's undergraduate or graduate degree at the U.S. institution and provided that the course of study is no shorter than 10 weeks in duration. An individual planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a student currently enrolled in an undergraduate or graduate degree program at the U.S. institution and that the study in Cuba will be accepted for credit toward that degree and will be no shorter than 10 weeks in duration;

(iv) Teaching at a Cuban academic institution by an individual regularly employed in a teaching capacity at the U.S. institution, provided the teaching activities are related to an academic program at the Cuban institution and provided that the duration of the teaching will be no shorter than 10 weeks. An individual planning to engage in such transactions must obtain a letter from the U.S. institution stating that the individual is a full-time permanent employee regularly employed in a teaching capacity at the U.S. institution;

(v) Sponsorship of a Cuban scholar to teach or engage in other scholarly activity at the U.S. institution (in addition to those transactions authorized by the general license contained in § 515.571); and

**Note to paragraph (a)(1)(v):** See § 515.571(a) for authorizations related to certain banking transactions and receipt of salary or other compensation by Cuban nationals present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization issued by the U.S. government.

(vi) The organization of, and preparation for, the activities described in paragraphs (a)(1)(i) through (a)(1)(v) of this section by a full-time permanent employee of the U.S. institution. An individual engaging in such transactions must obtain a letter from the U.S. institution stating that the individual is a full-time permanent employee of the U.S. institution.

(2) To the extent not authorized in paragraph (a)(1) of this section, persons subject to U.S. jurisdiction, including U.S. academic institutions and their faculty, staff, and students, are authorized to engage in transactions, including the travel-related transactions set forth in § 515.560(c), that are directly incident to the following activities, provided that any travel-related transactions pursuant to these authorizations take place under the auspices of an organization that is a person subject to U.S. jurisdiction, and further provided that all such travelers be accompanied by a person subject to U.S. jurisdiction who is an employee, paid consultant, agent, or other representative of the sponsoring organization, except in cases where the traveler is an

employee, paid consultant, agent, or other representative traveling individually (not as part of a group) and the individual traveler obtains a letter from the sponsoring organization stating that: the individual is traveling to Cuba as an employee, paid consultant, agent, or other representative (including specifying the responsibilities of the individual that make him or her a representative) of the sponsoring organization; the individual is acting for or on behalf of, or otherwise representing, the sponsoring organization; and the individual's travel to Cuba is related to his or her role at the sponsoring organization:

(i) Participation in a structured educational program in Cuba as part of a course offered for credit by a U.S. graduate or undergraduate degree-granting academic institution that is sponsoring the program;

(ii) Noncommercial academic research in Cuba specifically related to Cuba and for the purpose of obtaining an undergraduate or graduate degree;

(iii) Participation in a formal course of study at a Cuban academic institution, provided the formal course of study in Cuba will be accepted for credit toward the student's graduate or undergraduate degree;

(iv) Teaching at a Cuban academic institution related to an academic program at the Cuban institution, provided that the individual is regularly employed by a U.S. or other non-Cuban academic institution;

(v) Sponsorship of a Cuban scholar to teach or engage in other scholarly activity at the sponsoring U.S. academic institution (in addition to those transactions authorized by the general license contained in § 515.571).

**Note to paragraph (a)(2)(v):** See § 515.571(a) for authorizations related to certain banking transactions and receipt of salary or other compensation by Cuban nationals present in the United States in a non-immigrant status or pursuant to other non-immigrant travel authorization issued by the U.S. government.

(vi) Educational exchanges 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. This includes participation by a reasonable number of adult chaperones to accompany the secondary school students to Cuba;

(vii) Sponsorship or co-sponsorship of non-commercial academic seminars, conferences, symposia, and workshops related to Cuba or global issues involving Cuba and attendance at such events by faculty, staff, and students of a participating U.S. academic institution;

(viii) Establishment of academic exchanges and joint non-commercial academic research projects with universities or academic institutions in Cuba;

(ix) Provision of standardized testing services, including professional certificate examinations, university entrance examinations, and language examinations, and related preparatory services for such exams, to Cuban nationals, wherever located;

(x) Provision of internet-based courses, including distance learning and Massive Open Online Courses, to Cuban nationals, wherever located, provided that the course content is at the undergraduate level or below;

(xi) The organization of, and preparation for, activities described in paragraphs (a)(2)(i) through (a)(2)(x) of this section by an employee, paid consultant, agent, or other representative of the sponsoring organization that is a person subject to U.S. jurisdiction; and

(xii) Facilitation by an organization that is a person subject to U.S. jurisdiction, or a member of the staff of such an organization, of licensed educational activities in Cuba on behalf of U.S. academic institutions or secondary schools, provided that:

(A) The organization is directly affiliated with one or more U.S. academic institutions or secondary schools; and

(B) The organization facilitates educational activities that meet the requirements of one or more of the general licenses set forth in paragraphs (a)(1)(i) through (iii), (a)(2)(i) through (iii), and (a)(2)(vi) of this section.

**Note to paragraph (a)(2):** The authorizations in this paragraph extend to adjunct faculty and part-time staff of U.S. academic institutions. A student enrolled in a U.S. academic institution is authorized pursuant to paragraph (a)(2) of this section to participate in the academic activities in Cuba described through any sponsoring U.S. academic institution.

*Example to paragraph (a)(2):* An individual undergraduate student serves as a research assistant at his or her U.S. undergraduate degree-granting academic institution. This individual may travel to Cuba to engage in noncommercial academic research specifically related to Cuba for the purpose of obtaining an undergraduate degree pursuant to paragraph (a)(2)(ii) of this section if the student is either accompanied by an employee, paid consultant, agent, or other representative of the academic institution (either individually or as part of a group), or has obtained a letter from the institution stating that the student is an employee, paid consultant, agent, or other representative (including specifying the responsibilities that make him or her a representative) of the academic institution, that the student is acting for or on behalf of or otherwise representing the academic institution, and that the student's travel to Cuba is related to his or her role at the academic institution.

**Note 1 to paragraph (a):** See § 515.560(c)(6) for an authorization for individuals to open and maintain accounts at Cuban financial institutions; see § 515.573 for an authorization for entities conducting educational activities authorized by § 515.565(a) to establish a physical presence in Cuba, including an authorization to open and maintain accounts at Cuban financial institutions.

**Note 2 to paragraph (a):** The export or reexport to Cuba of goods (including software) or technology subject to the Export Administration Regulations (15 CFR parts 730 through 774) may require separate authorization from the Department of Commerce.

**Note 3 to paragraph (a):** See § 515.590(a) for an authorization for the provision of educational grants, scholarships, or awards to a Cuban national or in which Cuba or a Cuban national otherwise has an interest.

(b) *General license for people-to-people travel.* The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to educational exchanges not involving academic study pursuant to a degree program are authorized, provided that:

(1) The exchanges take place 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;

(2) Travel-related transactions pursuant to this authorization are for the purpose of engaging, while in Cuba, 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;

(3) Each traveler has a full-time schedule of educational exchange activities that result in meaningful interaction between the traveler and individuals in Cuba;

(4) A person subject to U.S. jurisdiction who is an employee, paid consultant, agent, or other representative of the sponsoring organization accompanies each group traveling to Cuba to ensure that each traveler has a full-time schedule of educational exchange activities;

(5) The predominant portion of the activities engaged in by each travelers is not with a prohibited official of the Government of Cuba, as defined in § 515.337, or a prohibited member of the Cuban Communist Party, as defined in § 515.338; and

(6) In addition to all other information required by § 501.601 of this chapter, persons relying on the authorization in paragraph (b) of this section, including entities sponsoring travel pursuant to the authorization in paragraph (b) of this section, must retain records sufficient to demonstrate that each individual traveler has engaged in a full-time schedule of activities that satisfy the requirements of paragraphs (b)(1) through (b)(5) of this section. Individuals may rely on the entity sponsoring the travel to satisfy his or her recordkeeping requirements with respect to the requirements of paragraphs (b)(1) through (5) of this section. These records must be furnished to the Office of Foreign Assets Control on demand pursuant to § 501.602 of this chapter.

*Example 1 to paragraph (b):* An organization sponsors and organizes educational exchanges not involving academic study pursuant to a degree program for travelers to learn side-by-side with Cuban individuals in areas such as environmental protection or the arts. Each traveler in the group will have a full-time schedule of educational exchange activities that result



in meaningful interaction between the travelers and individuals in Cuba. The group will be accompanied by a person who is subject to U.S. jurisdiction who is a representative of the sponsoring organization for the duration of the trip. The organization's activities qualify for the general license for people-to-people travel. In addition, the individual travelers may rely on the entity sponsoring the travel to satisfy their recordkeeping requirements.

*Example 2 to paragraph (b):* An individual plans to travel to Cuba to participate in discussions with Cuban artists on community projects, exchanges with the founders of a youth arts program, and extended dialogue with local city planners and architects to learn about historical restoration projects in Old Havana. The individual traveler will have a full-time schedule of such educational exchange activities that result in meaningful interaction between the traveler and individuals in Cuba. The individual's activities do not qualify for the general license for people-to-people travel because the individual is not 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. The individual's travel may qualify for the general license in § 515.574 (Support for the Cuban People) provided the individual meets all of its requirements.

**Note to paragraphs (a) and (b):** Except as provided in paragraph (b)(6) of this section, each person relying on the general authorizations in these paragraphs, including entities sponsoring travel pursuant to the authorization in paragraph (b) of this section, must retain specific records related to the authorized travel transactions. See §§ 501.601 and 501.602 of this chapter for applicable recordkeeping and reporting requirements.

(c) *Certain direct financial transactions restricted.* Nothing in paragraph (a) or (b) of this section authorizes a direct financial transaction prohibited by § 515.209.

(d) *General license for certain educational travel and related transactions where certain transactions were completed prior to [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER].* Persons subject to U.S. jurisdiction are authorized to engage in educational travel and related transactions for a trip consistent with paragraph (a) of this section as those provisions existed on June 16, 2017, provided the traveler completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) for that particular trip prior to [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER] and further provided any new travel-related transactions initiated on or after [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER] do not involve a direct financial transaction prohibited by § 515.209.

(e) *General license for certain people-to-people travel and related transactions where certain transactions were completed prior to June 16, 2017.* Persons subject to U.S. jurisdiction are authorized to engage in people-to-people travel and related transactions for a trip consistent with paragraphs (b)(1)-(3) of this section as those provisions existed on June 16, 2017, provided the traveler completed at least one travel-related transaction (such as purchasing a flight or reserving accommodation) for that particular trip prior to June 16, 2017, and further provided any new travel-related transactions initiated on or after [INSERT DATE OF PUBLICATION IN FEDERAL REGISTER] do not involve a direct financial transaction prohibited by § 515.209.

(f) Transactions related to activities that are primarily tourist-oriented are not authorized pursuant to this section.

(g) *Specific licenses.* Specific licenses may be issued on a case-by-case basis authorizing the travel-related transactions set forth in § 515.560(c) and such other transactions as are related to educational activities that do not qualify for the general licenses under paragraph (a) or (b) of this section.

13. Amend § 515.566 by adding a sentence at the end of paragraph (a) to read as follows:

**§ 515.566 Religious activities in Cuba.**

(a) \* \* \* Nothing in this paragraph authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

14. Amend § 515.567 by redesignating paragraph (d) as paragraph (e) and adding new paragraph (d) to read as follows:

**§ 515.567 Public performances, clinics, workshops, athletic and other competitions, and exhibitions.**

\* \* \* \* \*

(d) Nothing in paragraph (a) or (b) of this section authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

15. Amend § 515.572 by adding a sentence at the end of paragraph (a)(1) to read as follows:

**§ 515.572 Provision of travel, carrier, other transportation-related, and remittance forwarding services.**

(a) \* \* \* (1) \* \* \* Nothing in this paragraph authorizes a direct financial transaction prohibited by § 515.209 if the terms of the applicable general or specific license authorizing the travel expressly exclude such a transaction.

\* \* \* \* \*

16. Amend § 515.573 by adding paragraph (f) to read as follows:

**§ 515.573 Physical presence and business presence in Cuba authorized; Cuban news bureaus.**

\* \* \* \* \*

(f) *Certain direct financial transactions restricted.* (1) Nothing in paragraph (c)(3) of this section, with the exception of transactions related to exports or reexports of agricultural commodities, medicines or medical supplies, items associated with the provision of telecommunications and internet services for the Cuban people, or items associated with air and sea operations that support permissible travel, cargo, or trade, authorizes a direct financial transaction prohibited by § 515.209. Nothing in paragraph (c)(5) of this section, with the exception of transactions concerning air and sea operations that support permissible travel, cargo, or trade, authorizes a direct financial transaction prohibited by § 515.209.

(2) Nothing in paragraph (d)(2), (3), or (6) of this section authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

17. Amend § 515.574 by redesignating paragraph (a)(2) as (a)(3), adding new paragraph (a)(2), redesignating the Note to paragraph (a) as Note 1 to paragraph (a), adding Note 2 to paragraph (a), redesignating paragraph (c) as paragraph (d), adding new paragraph (c), and adding Examples (1)-(3) to § 515.574 to read as follows:

**§ 515.574 Support for the Cuban people.**

(a) \* \* \*

(2) Each traveler engages in a full-time schedule of activities that:

(i) Enhance contact with the Cuban people, support civil society in Cuba, or promote the Cuban people's independence from Cuban authorities; and

(ii) Result in meaningful interaction with individuals in Cuba.

\* \* \* \* \*

**Note 2 to paragraph (a):** Staying in a room at a rented accommodation in a private Cuban residence (*casa particular*), eating at privately-owned Cuban restaurants (*paladares*), and shopping at privately-owned stores run by self-employed Cubans (*cuentapropista*) are examples of activities that qualify for this general license. However, in order to meet the requirement for a full-time schedule, a traveler must engage in additional authorized Support for the Cuban People activities.

\* \* \* \* \*

(c) *Certain direct financial transactions restricted.* Nothing in paragraph (a)(1)(iii) of this section authorizes a direct financial transaction prohibited by § 515.209, with the exception of transactions on behalf of a non-governmental organization.

\* \* \* \* \*

*Example 1 to § 515.574:* An individual plans to travel to Cuba, stay in a room at a rented accommodation in a private Cuban residence (*casa particular*), eat at privately-owned Cuban restaurants (*paladares*), and shop at privately-owned stores run by self-employed Cubans (*cuentapropista*) during his or her four-day trip. While at the *casa particular*, the individual will have breakfast each morning with the Cuban host and engage with the Cuban host to learn about Cuban culture. In addition, the traveler will complete his or her full-time schedule by supporting Cuban entrepreneurs launching their privately-owned businesses. The traveler's activities promote independent activity intended to strengthen civil society in Cuba. Because the individual's qualifying activities are not limited to staying in a room at a rented accommodation in a private Cuban residence (*casa particular*), eating at privately-owned Cuban restaurants (*paladares*), and shopping at privately owned stores run by self-employed Cubans (*cuentapropista*) and the traveler maintains a full-time schedule that enhances contact with the Cuban people, supports civil society in Cuba, and promotes the Cuban people's independence from Cuban authorities, and that results in meaningful interaction between the traveler and Cuban individuals, the individual's travel qualifies for the general license.

*Example 2 to § 515.574:* A group of friends plans to travel and maintain a full-time schedule throughout their trip by volunteering with a recognized non-governmental organization to build a school for underserved Cuban children with the local community. In their free time, the travelers plan to rent bicycles to explore the streets of Havana and visit an art museum. The travelers' trip would qualify for the general license because the volunteer activities promote

independent activity intended to strengthen civil society in Cuba and constitute a full-time schedule that enhances contact with the Cuban people and supports civil society in Cuba, and results in meaningful interaction between the travelers and individuals in Cuba.

*Example 3 to § 515.574:* An individual plans to travel to Cuba, rent a bicycle to explore the neighborhoods and beaches, and engage in brief exchanges with local beach vendors. The individual intends to stay at a hotel that does not appear on the Cuba Restricted List (see § 515.209). The traveler's trip does not qualify for this general license because none of these activities promote independent activity intended to strengthen civil society in Cuba.

18. Amend § 515.576 by redesignating paragraph (c) as paragraph (d) and by adding new paragraph (c) to read as follows:

**§ 515.576 Activities of private foundations or research or educational institutes.**

\* \* \* \* \*

(c) *Certain direct financial transactions restricted.* Nothing in paragraph (a) authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

19. Amend § 515.577 by adding paragraph (f) to read as follows:



**§ 515.577 Authorized transactions necessary and ordinarily incident to publishing.**

\* \* \* \* \*

(f) *Certain direct financial transactions restricted.* Nothing in this section authorizes a direct financial transaction prohibited by § 515.209.

20. Amend § 515.578 by redesignating paragraph (f) as paragraph (g) and adding new paragraph (f) to read as follows:

**§ 515.578 Exportation, reexportation, and importation of certain internet-based services; importation of software.**

\* \* \* \* \*

(f) *Certain direct financial transactions restricted.* Nothing in paragraphs (d) or (e) authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

21. Amend § 515.581 by adding a sentence at the end to read as follows:

**§ 515.581 Transactions related to conferences in third countries.**

\* \* \* Nothing in this paragraph authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

22. Amend § 515.584 by revising paragraph (f) to read as follows:

**§ 515.584 Certain financial transactions involving Cuba.**

\* \* \* \* \*

(f) Any banking institution, as defined in § 515.314, that is a person subject to U.S. jurisdiction is authorized to provide financing for exports or reexports of items, other than agricultural commodities, authorized pursuant to § 515.533, 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. With the exception of transactions related to exports or reexports of medicines or medical supplies, items associated with the provision of telecommunications and internet services for the Cuban people, or items associated with air and sea operations that support permissible travel, cargo, or trade, nothing in this paragraph authorizes a direct financial transaction prohibited by § 515.209.

\* \* \* \* \*

23. Amend § 515.590 by revising the introductory text to read as follows:

**§515.590 Certain grants, scholarships, and awards.**

The provision of grants, scholarships, or awards relating to the following activities to a Cuban national or in which Cuba or a Cuban national otherwise has an interest is authorized, provided that nothing in this section authorizes a direct financial transaction prohibited by § 515.209:

\* \* \* \* \*

Dated: November 6, 2017

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John E. Smith,  
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