

President Donald J. Trump rolls back Obama Cuba Policy

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PRACTICE AREAS

- Cuba

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On June 16, 2017, President Donald J. Trump announced changes to the policy of the United States toward Cuba, as more fully explained in the *National Security Presidential Memorandum on Strengthening the Policy of the United States Toward Cuba* (the “Memorandum”), also issued on the same day. President Trump directed the Secretary of the Treasury and the Secretary of Commerce, as appropriate and in coordination with the Secretary of State and the Secretary of Transportation, to initiate a process to adjust current regulations regarding transactions with Cuba. This process must commence within 30 days from June 16, 2017.

To further explain the changes in policy, the Department of the Treasury’s Office of Foreign Assets Control (OFAC) published a document listing *Frequently Asked Questions on President Trump’s Cuba Announcement*. According to OFAC, if a “traveler has already completed at least one travel-transaction (such as purchasing a flight or reserving accommodation) prior to [President Trump’s] announcement on June 16, 2017, all additional travel-related transactions for that trip, whether the trip occurs before or after OFAC’s new regulations are issued, would also be authorized, provided the travel-related transactions are consistent with OFAC’s regulations as of June 16, 2017.”

The key changes to the U.S. policy toward Cuba are the following:

- End economic practices that disproportionately benefit the Cuban government or its military, intelligence or security agencies or personnel, such as GAESA (Grupo de Administración Empresarial S.A., its affiliates, and subsidiaries), at the expense of the Cuban people;
- Enhance travel restrictions to insure adherence to the statutory ban on United States tourism to Cuba. For example, travel for non-academic educational purposes will be limited to group travel. The new policy ends individual people-to-people travel. These new changes will not take effect until the new regulations are issued;
- Although the new policy will not result in changes to other (non-individual people-to-people) authorizations for travel, after the new regulations are issued, travel-related transactions with prohibited entities (such as GAESA)

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generally will not be permitted

- The announced changes will not change the authorization for sending remittances to Cuba
- Persons subject to US jurisdiction will still be able to engage in authorized travel to Cuba by cruise ship or passenger vessel
- The forthcoming regulations will be prospective and thus will not affect existing contracts and OFAC specific licenses

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