

Client Alert

September 2020

Something Old, Something New—US Activates Prohibitions on Cuban Rum and Cigars, Hotel Lodging, and Further Limits Travel to Cuba

What Happened: The US announced new restrictions prohibiting Americans from importing Cuban rum and cigars, lodging in Cuban government hotels, and participating or organizing conferences, seminars, workshops, exhibitions, and other events without specific authorization.

The Bottom Line: US Continues to Increase Sanctions and Pull Back from Obama Era Easing of Restrictions.

The Full Story

On September 23, 2020, the Trump administration and the Department of the Treasury's Office of Foreign Assets Control (OFAC) announced amendments to the Cuban Assets Control Regulations, which they will publish on September 24. The State Department is also issuing the Cuba Prohibited Accommodations List (CPA List).

The amendments include § 515.210, which prohibits any person subject to US jurisdiction from lodging, paying for lodging, or making any reservation for or on behalf of a third party to lodge, at any property in Cuba that the US Secretary of State has identified in the CPA List. The State Department will maintain the CPA List and publish it in the *Federal Register* and on the State Department's website. On the CPA List will be properties owned or controlled by the Cuban government, a prohibited Cuban official, a prohibited member of the Cuban Communist Party, or their close relatives, as defined in the regulations. Currently, the CPA List includes 433 properties.

Accordingly, OFAC has made conforming edits to other regulations to include the lodging prohibition. Specifically, § 515.421, where previously any transaction ordinarily incident and necessary to a licensed transaction was authorized, OFAC has now expressly excluded lodging at any property on the CPA List. Likewise, OFAC amended 14 general licenses in Subpart E of the regulations to exclude from their scope lodging at any property on the CPA List. For instance, amended sections include § 515.561 concerning family visits, § 515.559 concerning certain export and import transactions by US-owned or -controlled foreign firms, § 515.564 concerning professional research and professional meetings in Cuba, and § 515.567, concerning public performances, clinics, workshops, competitions, and exhibitions in Cuba.

Further, OFAC is amending the regulations to prohibit the importation into the US of Cuban-origin alcohol and tobacco products. This prohibition includes Cuban alcohol and tobacco purchased for personal use and Cuban alcohol and tobacco bought or acquired in a third country for personal use. Previously, Americans could bring these items in their baggage with some restrictions.

OFAC has also eliminated the general authorization policy for professional research, professional meetings, public performances, clinics, workshops, competitions, and exhibitions in Cuba. Thus, the US no longer allows persons subject to US jurisdiction to attend or organize these events in Cuba without specific licenses or authorizations from OFAC.

Individuals and companies subject to US jurisdiction should be careful when traveling to Cuba to abide by these new restrictions and request the necessary licenses for any upcoming events.

Hunton Andrews Kurth LLP will continue to closely monitor related developments on this issue and the broader US sanctions regime for Cuba. In the meantime, please contact us if you have any questions or would like further information.

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