



# Exports and Reexports to Cuba

## Overview

Cuba is under a comprehensive embargo and has been designated by the Secretary of State as a sponsor of international terrorism. The Department of Commerce's Bureau of Industry and Security (BIS) controls exports and reexports to Cuba. The Department of the Treasury's Office of Foreign Assets Control (OFAC) controls imports and blocks all transactions related to Cuban assets, which includes the travel prohibitions. BIS processes proposed exports to Cuba under a general policy of denial. However, there are several categories of items that BIS can approve for export to Cuba. These include:

- medicines and medical devices;
- low-level telecommunications equipment for the international gateway;
- items for news bureaus and groups that promote democracy;
- sales and donations of agriculture commodities to individuals, governmental, and nongovernmental organizations; and
- certain aircraft and all vessels on "temporary sojourn" to Cuba.

While these items are eligible for export to Cuba, they must be licensed by BIS.

## Background

The U.S. export embargo dates from February 3, 1962, when President Kennedy issued Proclamation 3447. Implementing the embargo, BIS controls exports to Cuba and OFAC controls imports and blocks all transactions related to Cuban assets, which includes financial restrictions related to travel in Cuba. BIS is the export licensing agency. OFAC has established a general license for transactions incident to exports authorized by BIS.

Subsequent laws - - the Cuban Democracy Act of 1992 (the CDA) and the Cuban Liberty and Democratic Solidarity Act of 1996 (the "Libertad Act") - - increased the restrictions on trade with Cuba. For example, the CDA imposed new restrictions on vessel-related transactions, but also includes provisions for allowing exports in support of the Cuban people, such as:

- donations of food to individuals and nongovernmental organizations;
- medicines and medical devices;
- low-level FCC-approved telecommunications equipment to support the international gateway; and
- items for news bureaus and groups that promote democracy.

While these exports are permissible, they require a BIS export license.



### Medical Exports

Provisions of the CDA govern exports of medicines and medical supplies and equipment to Cuba, either by sale or donation. In March 1998, the President announced that the United States would help to facilitate medical sales.

BIS requires that exporters have on-site monitoring of medical items that are exported to Cuban government entities. This condition is required by

the CDA. Monitors may include the exporter, a third party (such as a charitable organization, a third country diplomat, or a religious group), or some other mutually agreeable arrangement.

BIS has a Fact Sheet on its webpage that explains the guidelines for sales and donations of medicines, medical supplies, and equipment to Cuba. This includes guidance on how to complete the license application form.

### Telecommunications Equipment

The Libertad Act specifies that telecommunications equipment eligible for export to Cuba must be solely for the purpose of supporting the international gateway in order to maintain adequate telecommunications services *between* the United States and Cuba. The Libertad Act prohibits exports of telecommunications equipment to the Cuban domestic infrastructure. Licenses for exporting eligible telecommunications equipment are reviewed by BIS on a case-by-case basis.

### Items for News Bureaus and Groups that Promote Democracy

To promote the free flow of information and as authorized by the Libertad Act, BIS reviews applications for exports of equipment to Cuba to establish and operate Western news bureaus on a case-by-case basis. Likewise, BIS will authorize exports of certain equipment (e.g., low level computers and office equipment) to human rights groups and non-governmental organizations involved in the promotion of activities intended to strengthen civil society in Cuba. We review these applications on a case-by-case basis.

### Agricultural Commodity Exports

In January 1999, the U.S. Government initiated case-by-case licensing of sales of food to non-government organizations in Cuba. The Congress expanded this in late 2000, with the passage of the Trade Sanctions Reform and Export Enhancement Act (TSRA). The TSRA expanded what was eligible for export from food to a wide array of agricultural commodities. This includes food for people and animals, but also includes items such as livestock, beverages, wood and wood

products, and tobacco. The TSRA specified that the eligible items were those defined in Section 102 of the Agricultural Trade Act of 1978. The Agriculture Department compiled a list of these eligible items, and it is available on the BIS webpage. TSRA also expanded upon the existing U.S. Government policy to allow sales to Cuban government organizations.

Additionally, the TSRA requires an expedited export review process, instead of the standard export licensing procedures set forth in Executive Order 12981 (which provides up to 39 days for initial interagency review). BIS and OFAC, which also has responsibilities under the TSRA (for Iran, Libya, and Sudan), published implementing regulations in late July 2001. BIS created a hybrid license exception, called License Exception Agriculture Commodities (AGR), under which exporters submit a notification for review by the U.S. Government. BIS reviews the notification and also refers it to the State and Defense Departments, which vet the notification during a review period of nine business days. If the three agencies approve the notification, the exporter receives written authorization to ship under the license exception, AGR. This authorization is a seven-digit alphanumeric number, beginning with "F" and followed by six numbers. The authorization is not an export license.

Exporters of TSRA-eligible items are not required to seek authorization under the TSRA procedures. They may seek a standard export license. However, the TSRA requires that exporters must ship pursuant to a written contract and that the shipments must be completed within 12 months of the date of the contract. TSRA also requires that for exporters' sales they must obtain cash in advance or third country financing for all authorized exports. The financial restrictions in dealing with Cuba are incorporated into OFAC's regulations. Exporters must comply with these conditions, whether authorized under AGR or under a license.

While TSRA does not apply to reexports or exports from abroad containing U.S. origin controlled content, BIS will, to the extent possible, provide the same expedited authorization treatment for reexports as to exports from the United States that are governed by TSRA. Please note that certain reexports involving U.S. persons, as defined in OFAC's Cuban Assets Control Regulations, must be denied pursuant to section 1706 of the Cuban Democracy Act of 1992, as amended.

Since BIS implemented its TSRA program in late July 2000, its average processing time for TSRA-eligible cases has been about 12 business days. It has processed almost 550 TSRA-eligible cases through June 2003. BIS is required under TSRA to submit a quarterly and biennial report to the Congress that includes the number of TSRA-eligible cases processed and their average processing times. These reports are included on the BIS webpage.

### Certain Aircraft

A BIS license is required for aircraft flying on "temporary sojourn" to Cuba. Certain aircraft are eligible to travel to Cuba under the provisions of a license exception for aircraft and vessels (License Exception AVS). In general, large U.S. registered commercial planes are eligible for AVS. Few small private passenger planes qualify because they typically do not have the requisite Federal Aviation Administration certifications, as specified below. This control stems

from the shoot-down by Cuban military aircraft of three small U.S. private planes off the shores of Cuba in 1996.

The eligibility criteria for License Exception AVS for aircraft are:

- The aircraft must operate under an Air Carrier Operating Certificate, Commercial Operating Certificate, or Air Taxi Operating Certificate issued by the Federal Aviation Administration (FAA) or be conducting flights under operating specifications approved by the FAA;
- Operational control of the aircraft must not be sold or transferred;
- The aircraft cannot carry any item from the United States that has not been licensed; and
- The aircraft cannot be used in any foreign military activity while abroad.

Most aircraft eligible for AVS are Carrier Service Providers that are authorized by OFAC. OFAC maintains a list of authorized Carrier Service Providers on its webpage.

The U.S. Government will only approve those license applications for “temporary sojourn” if the flights are for recognized activities - - such as humanitarian efforts, agricultural sales, or news bureaus - - in support of U.S. foreign policy objectives. BIS will not approve aircraft license applications related to sport and recreational activities.

Note that travelers on aircraft destined for Cuba, whether under License Exception AVS or a BIS export license, must be separately authorized by OFAC for any financial expenditures associated with their travel.

### Vessels

The export license requirements related to vessels were imposed by the Cuban Democracy Act of 1992, as amended. There are three different statutory requirements related to vessels. They are:

- Any vessel that engages in trade with Cuba cannot load or unload any freight anywhere in the United States within 180 days from departing the Cuban port, unless authorized by a license from OFAC;
- Any vessel carrying goods or passengers to or from Cuba, or carrying goods in which Cuba or a Cuban national has any interest, cannot enter any U.S. port without OFAC authorization; and
- “Ship stores” cannot be exported on any vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has an interest, without a BIS license.

The BIS license requirement is for the “ship stores” on-board a vessel. Examples of ship stores are the bunkering fuel, petroleum and related items, and food and medicine for the crew. A specific BIS license is required, even though the vessel is only going on “temporary sojourn” to

Cuba. BIS processes “ship stores” vessel license applications under the same procedures as all license applications, per Executive Order 12981. BIS recommends to shipping companies seeking “ship stores” vessel licenses that they apply for licenses for their fleets or class of vessels appropriate for the type of authorized goods that will typically be transported, rather than for individual vessels. Because a BIS license is valid for 24 months, these shipping companies would not need to seek additional licenses during that 24 month validity period. BIS has experienced an increase in “ship stores” vessel license applications as a result of the increase in agriculture trade since the passage of the TSRA. Please note that all vessels, excluding those controlled by the State Department on the U.S. Munitions List, are controlled on the Commerce Control List. Most vessels are controlled in Export Control Classification Number (ECCN) 8A992.f; some are controlled in ECCN 8A001. There are no vessels that are classified as EAR99.

If you have specific inquiries regarding exports or reexports to Cuba, please contact the BIS Export Counseling Division at 202-482-4811 or submit a query from the BIS webpage.

## **U.S. Trade with Cuba**

The number of licenses issued for exports to Cuba is historically low. In 2000, the last full year before TSRA went into effect, the Commerce Department approved 318 cases with a total value of \$479 million. The three largest categories of cases were as follows:

- 71 of 318 cases were for medical donations. These were valued at \$235.9 million, or 49 percent of the total for the year;
- 53 cases were for medical sales, with a total value of \$35.6 million; and
- 41 cases were for consolidated gift parcels, with a total value of \$145.6 million. Because there is no mail service between Cuba and the United States, family members in the United States send gift parcels to their family members in Cuba through consolidators. The value of these individual parcels is limited to \$200 each (excluding the value of any food in the parcel), and they cannot ship more than one per month to each recipient. There is no limit on the frequency and value of gift parcels that contain only food.

It has been our experience, based on monitoring export trade statistics, that what is actually shipped is dramatically lower than what is authorized. While the total value of export licenses in 2000 was \$479 million, what actually shipped in that year, based on actual export data published by the International Trade Commission, was valued at only \$6.7 million, corresponding to only one percent of what was authorized.

The number and value of BIS authorized cases has increased since implementation of TSRA. Last year BIS approved 688 cases with a total value of \$2.1 billion.

TSRA-eligible commodities account for the vast majority of these authorized exports, accounting for 44 percent of the cases (306 out of 688) and 76 percent of the value (\$1.6 billion of \$2.1 billion). The two other top categories of authorized exports were:

- 165 of 688 cases for items for a Food and Ag Expo held in Havana in late September 2002, valued at \$11.9 million. These were a mix of permanent and temporary exports, for all items needed at the Expo, ranging from displays to food samples to trash bags; and
- 49 of 688 were for consolidated gift parcels, valued at \$257.1 million.

We know from actual shipment data that U.S. exports to Cuba in 2002 were much lower than what was authorized. Total U.S. exports were \$144.4 million, of which almost all - - \$138.2 million - - was for agricultural products. This ag value corresponds to about 8 ½ percent of what was authorized under TSRA. Part of the reason for the difference in the statistics is that what is authorized is based on estimates, while the actual numbers are based on collected export data.

#### **Authorized Trade with Cuba - 2003 (Jan. 1 to Jun. 30)**

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<b>Commodity</b>	<b>No. of Cases</b>	<b>Value</b>
Agricultural	61	\$ 330,455,000
Medical donations	38	21,776,000
Consolidated gift parcels	28	122,500,000
Vessels ("temporary sojourns")	26	n/a
Aircraft ("temporary sojourns")	22	n/a
Other humanitarian donations	10	35,308,000
Medical sales	8	16,505,400
Non-governmental organizations	4	881,800
Misc.	2	1,520
Telecommunications	1	50,000
Air safety	1	38,650
<b>TOTALS</b>	<b>201</b>	<b>\$ 527,516,370</b>

## Authorized Trade with Cuba - 2002

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<b>Commodity</b>	<b>Number of Cases</b>	<b>Value</b>
Agricultural	306	\$ 1,596,542,000
Food/Ag Exhibit	165	11,879,000
Aircraft (“temporary sojourns”)	54	n/a
Consolidated gift parcels	49	257,130,000
Medical donations	48	105,530,000
Vessels (“temporary sojourns”)	22	n/a
Medical sales	22	92,546,000
Other humanitarian donations	13	37,700,000
Non-governmental organizations	7	604,000
Food donations	2	215,000
<b>TOTALS</b>	<b>688</b>	<b>\$ 2,102,146,076</b>

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- Notes: Dollar values are those authorized, not shipped.  
The agriculture statistics include licenses and AGR authorizations.  
The Food/Ag Exhibit exports were a mix of permanent and temporary exports.  
The aircraft and vessel cases were “temporary sojourns” and have no value.
- Source: Bureau of Industry and Security ECASS Licensing Database, August 2003

## Authorized Trade with Cuba - 2001

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Commodity	Number of Cases	Value
Agricultural	50	\$ 1,064,420,000
Consolidated gift parcels	43	302,900,000
Medical sales	35	34,100,000
Medical donations	33	37,222,000
Aircraft (“temporary sojourns”)	32	n/a
Vessels (“temporary sojourns”)	12	n/a
Other humanitarian donations	12	21,678,000
Non-governmental organizations	7	313,000
Air safety	2	27,308,000
Other temporary exports	2	2,747,000
Food donations	2	215,000
Embassies	1	35,000
TOTALS	231	\$ 1,488,420,000

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- Notes: Dollar values are those authorized, not shipped.  
The agriculture statistics include licenses and AGR authorizations.  
The aircraft and vessel cases were “temporary sojourns” and have no value.
- Source: Bureau of Industry and Security ECASS Licensing Database, August 2003

*Prepared August 2003*



**All Export Commodities: FAS Value by FAS Value  
For Cuba**

**U.S. Total Exports**

**Annual + Year-To-Date Data from Jan - May**

HTS Number	2001	2002	2002 YTD	2003 YTD
	<i>In Actual Dollars</i>			
1001902055 WHEAT AND MESLIN, EXCEPT SEED, NESOI	0	22,788,519	16,005,399	4,832,297
1201000040 SOYBEANS, WHETHER OR NOT BROKEN, EXCEPT SEEDS FOR SOWING	0	20,922,283	9,795,622	8,213,401
0207140010 CHICKEN CUTS AND EDIBLE OFFAL (INCLUDING LIVERS) FROZEN, LEG QUARTERS	1,703,610	19,553,058	6,359,116	11,567,885
2304000000 SOYBEAN OILCAKE AND OTHER SOLID RESIDUES RESULTING FROM THE EXTRACTION OF SOY BEAN OIL, WHETHER OR NOT GROUND OR IN THE FORM OF PELLETS	0	19,281,467	3,807,234	12,745,142
1005902035 YELLOW DENT CORN (MAIZE), U. S. NO. 3, EXCEPT SEED	1,938,289	16,389,426	2,355,139	12,880,315
<b>Subtotal :</b>	3,641,899	98,934,753	38,322,510	50,239,040
<b>All Other:</b>	3,216,761	45,461,358	18,243,329	41,698,966
<b>Total</b>	<b>6,858,660</b>	<b>144,396,111</b>	<b>56,565,839</b>	<b>91,938,006</b>

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Sources: Data on this site have been compiled from tariff and trade data from the U.S. Department of Commerce, the U.S. Treasury, and the U.S. International Trade Commission.



# U.S. Trade Balance with Cuba

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## Trade with Cuba : 2003

*NOTE: All figures are in millions of U.S. dollars*

| MONTH        | EXPORTS      | IMPORTS     | BALANCE      |
|--------------|--------------|-------------|--------------|
| January      | 17.00        | 0.00        | 17.00        |
| February     | 10.10        | 0.00        | 10.10        |
| March        | 18.30        | 0.10        | 18.20        |
| April        | 24.80        | 0.10        | 24.70        |
| May          | 21.90        | 0.00        | 21.90        |
| <b>TOTAL</b> | <b>91.90</b> | <b>0.20</b> | <b>91.70</b> |

- *TOTALS may not add due to rounding.*
- *Table reflects only those months for which there was trade.*
- *CONTACT: Data Dissemination Branch, (301)763-2311*
- *SOURCE: U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch, Washington, D.C. 20233*

## Trade with Cuba : 2002

*NOTE: All figures are in millions of U.S. dollars*

| MONTH     | EXPORTS | IMPORTS | BALANCE |
|-----------|---------|---------|---------|
| January   | 10.00   | 0.00    | 10.00   |
| February  | 14.10   | 0.00    | 14.10   |
| March     | 8.10    | 0.00    | 8.10    |
| April     | 17.70   | 0.00    | 17.70   |
| May       | 6.50    | 0.00    | 6.50    |
| June      | 18.10   | 0.00    | 18.10   |
| July      | 8.60    | 0.00    | 8.60    |
| August    | 11.40   | 0.00    | 11.40   |
| September | 16.30   | 0.00    | 16.30   |
| October   | 5.00    | 0.20    | 4.80    |
| November  | 21.50   | 0.00    | 21.50   |
| December  | 8.60    | 0.00    | 8.60    |

|              |               |             |               |
|--------------|---------------|-------------|---------------|
| <b>TOTAL</b> | <b>145.60</b> | <b>0.30</b> | <b>145.30</b> |
|--------------|---------------|-------------|---------------|

- *TOTALS may not add due to rounding.*
- *Table reflects only those months for which there was trade.*
- *CONTACT: Data Dissemination Branch, (301)763-2311*
- *SOURCE: U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch, Washington, D.C. 20233*

### **Trade with Cuba : 2001**

*NOTE: All figures are in millions of U.S. dollars*

| <b>MONTH</b> | <b>EXPORTS</b> | <b>IMPORTS</b> | <b>BALANCE</b> |
|--------------|----------------|----------------|----------------|
| January      | 0.30           | 0.00           | 0.30           |
| February     | 0.10           | 0.00           | 0.10           |
| March        | 0.10           | 0.00           | 0.10           |
| April        | 0.80           | 0.00           | 0.80           |
| May          | 0.10           | 0.00           | 0.10           |
| July         | 0.30           | 0.00           | 0.30           |
| August       | 0.30           | 0.00           | 0.30           |
| September    | 0.20           | 0.00           | 0.20           |
| October      | 0.10           | 0.00           | 0.10           |
| November     | 0.10           | 0.00           | 0.10           |
| December     | 4.80           | 0.00           | 4.80           |
| <b>TOTAL</b> | <b>7.10</b>    | <b>0.00</b>    | <b>7.10</b>    |

- *TOTALS may not add due to rounding.*
- *Table reflects only those months for which there was trade.*
- *CONTACT: Data Dissemination Branch, (301)763-2311*
- *SOURCE: U.S. Census Bureau, Foreign Trade Division, Data Dissemination Branch, Washington, D.C. 20233*

## Proclamation 3447 - Embargo on All Trade with Cuba

WHEREAS the Eighth Meeting of Consultation of Ministers of Foreign Affairs, Serving as Organ of Consultation in Application of the Inter-American Treaty of Reciprocal Assistance, in its Final Act resolved that the present Government of Cuba is incompatible with the principles and objectives of the Inter-American system; and, in light of the subversive offensive of Sino-Soviet Communism with which the Government of Cuba is publicly aligned, urged the member states to take those steps that they may consider appropriate for their individual and collective self-defense;

WHEREAS the Congress of the United States, in section 620(a) of the Foreign Assistance Act of 1961 (75 Stat. 445), as amended, has authorized the President to establish and maintain an embargo upon all trade between the United States and Cuba; and

WHEREAS the United States, in accordance with its international obligations, is prepared to take all necessary actions to promote national and hemispheric security by isolating the present Government of Cuba and thereby reducing the threat posed by its alignment with the communist powers:

NOW, THEREFORE, I, JOHN F. KENNEDY, President of the United States of America, acting under the authority of section 620(a) of the Foreign Assistance Act of 1961 (75 Stat. 445), as amended, do

1. Hereby proclaim an embargo upon trade between the United States and Cuba in accordance with paragraphs 2 and 3 of this proclamation.
2. Hereby prohibit, effective 12:01 A.M., Eastern Standard Time, February 7, 1962, the importation into the United States of all goods of Cuban origin and all goods imported from or through Cuba; and I hereby authorize and direct the Secretary of the Treasury to carry out such prohibition, to make such exceptions thereto, by license or otherwise, as he determines to be consistent with the effective operation of the embargo hereby proclaimed, and to promulgate such rules and regulations as may be necessary to perform such functions.
3. AND FURTHER, I do hereby direct the Secretary of Commerce, under the provisions of the Export Control Act of 1949, as amended (50 U.S.C. App. 2021-2032), to continue to carry out the prohibition of all exports from the United States to Cuba, and I hereby authorize him, under that Act, to continue, make, modify, or revoke exceptions from such prohibition.

Source: The provisions of Proclamation 3447 of February 3, 1962, appear at 27 Federal Register 1085, 3 CFR, 1959-1963 Comp., p. 157, unless otherwise noted.

## **Guidelines on Sales and Donations of Medicines and Medical Equipment to Cuba**

These guidelines supplement the Export Administration Regulations (EAR) as they relate to the export of medical items to Cuba, and do not replace the relevant sections of the EAR. Exporters should consult the relevant sections of the EAR to ensure compliance with all BXA regulations. You are encouraged to follow these guidelines to assist us in processing your license applications more efficiently.

### **Current Procedures**

On March 20, 1998, the President announced a number of steps to increase the flow of humanitarian aid to the Cuban people, including improving the procedures for sale of medicines, medical equipment and supplies. In consultation with other agencies, the Commerce Department issues licenses for the export to Cuba of medical items, either donated or sold. The Commerce Department and other agencies have developed procedures to expedite processing of humanitarian medical licenses. In addition, Commerce will work with exporters on the monitoring and on-site verification requirements for medical sales or donations to governmental entities in Cuba.

### **Background**

Since 1992, provisions of the Cuban Democracy Act have governed the export of medicines and medical supplies and equipment to Cuba, either by sale or donation. In March 1998, the President announced that the United States would help to facilitate medical sales. This effort will build on the impact of the Pope's January 1998 visit to Cuba in supporting the role of religious groups and other elements of civil society, thereby helping prepare the Cuban people for a democratic transition.

### **Points of Contact**

The following persons can advise you on export license procedures and policies as they relate to Cuba:

John Bolsteins  
Office of Strategic Trade & Foreign Policy Controls  
Bureau of Export Administration  
US Commerce Department  
Telephone: 202-482-3283  
Telefax: 202-482-6088

Office of Cuban Affairs  
Bureau of Inter-American Affairs  
US State Department  
Telephone: 202-647-9273  
Telefax: 202-736-447

Clara David  
Office of Foreign Assets Control  
US Treasury Department

Telephone: 202-622-2480

Telefax: 202-622-1657

The Commerce Department licenses the export of U.S. goods and technology to Cuba. The Treasury Department authorizes the travel of groups and individuals to Cuba and family remittances. The State Department provides overall policy guidance on Cuba.

### **License Requirements**

Because Cuba is an embargoed country, practically all U.S. goods require a Commerce export license. Export license applications for most goods are subject to a policy of denial, although some specific goods are subject to case-by-case review. The United States generally approves export applications for the sale or donation of medicines, medical equipment and supplies, and the donation of food, clothing and other designated humanitarian items. All the medicines, medical equipment and supplies discussed here require a U.S. Commerce Department export license. Commerce export licenses are valid for 24 months, during which time shipments against the license can be made.

### **Required Forms**

Commerce Department Multipurpose Application Form BXA-748P is the standard export license application form. You may obtain the forms by calling the Department of Commerce in Washington D.C. on (202)482-4811 or our Western Regional Office at (949) 664-0144, or by contacting Commerce Department district offices located in all major U.S. cities.

### **Filling out the Application Forms**

Form BXA-748P. This will guide you on how to fill out relevant boxes on the export license application for medical sales and donations. This will supplement the instructions on the application's cover page. Box numbers omitted below are self-explanatory; not all boxes will apply.

- Box 5/Type of application: check either export or reexport.
- Box 6/Documents submitted: check "letter of explanation."
- Box 9/Special purpose: enter "sale (or donation) of medicines, medical equipment or supplies."
- Box 14/Applicant: Your/your company name and address.
- Box 16/Purchaser: The name and address of the Cuban purchaser.
- Box 17/Intermediate: The name and address of intermediate parties to the transaction.
- Box 18/Ultimate consignee: The name and address in Cuba.
- Box 19/End-user: The names and addresses of the individuals, groups or institutions (e.g. hospital, clinic) to which the ultimate consignee will pass the goods.

Note: For boxes 16 through 19, they could all in some cases be the same party. In other transactions, not all of these boxes would apply. P.O. Box numbers are not acceptable.

- Box 21/End-use: Be specific and precise in describing this. For example, don't just say that a specific medical device will be used for "medical purposes;" give its specific function (e.g. treatment of diabetes; for kidney dialysis, etc.).
- Box 22a/Export Control Classification Number (ECCN): Most often this will be "EAR99," a classification which covers most humanitarian goods, including medicines, medical equipment and supplies. Most manufacturers of specialized drugs and vaccines know the classification for their products. Technically sophisticated equipment, such as those incorporating computers, may have a different classification. Inquire with the manufacturer or Commerce Department representative indicated above if you don't know.
- Box 22b/CTP: This number applies to computer exports and is a determination of the computer's capability. Generally, the limit for computers that may be approved for export to Cuba is a CTP of 24.8 MTOPS, equivalent to a computer with a 486-level microprocessor. Inquire with the Commerce Department representative indicated above if you don't know.
- Box 22j/Description: Be precise in describing the items to be exported. To use just "medical items" is not sufficient. Attach a product list if necessary. You may develop categories for equipment (e.g. medical devices to assist the handicapped such as crutches, wheelchairs, walkers, etc.) that cover a wide range of goods. You may use generic names of drugs versus brand names if you will be exporting more than one brand name product. For transactions extending over a longer period of time, you may estimate values and quantities. Even if an item is donated, it has a fair market value or price which you should provide.
- Box 24/Information: You must describe here or in the attached letter of explanation the on-site verification/monitoring arrangements you have made to ensure that the items are routed to, and used by, those intended. This should include the name of the party doing the monitoring, the frequency of monitoring and who will retain records of monitoring. The monitoring entity options include, but are not limited to, monitoring by the applicant, religious or charitable groups, western diplomats or international nongovernmental groups. The monitor must keep records of the on-site inspections and make them available to U.S. Government authorities upon request. Records must be retained for five years from the date of export.

Applications for the export of medical donations to non-governmental entities (e.g. churches, charitable groups, international humanitarian aid organizations) will need nothing in Box 16. Be sure to write in Box 24 that this is a "medical donation."

[Please note that under the CDA, the on-site monitoring requirement

applies to all sales, and also applies to all donations of medical equipment, instruments and supplies. Monitoring also applies to donations of medicines except to nongovernmental organizations for humanitarian purposes.]

You may also submit applications electronically using BIS's [Simplified Network Application Process \(SNAP\)](#).





U.S. Department of the Treasury  
Office of Foreign Assets Control



# CUBA

## What You Need To Know About The U.S. Embargo

### An overview of the Cuban Assets Control Regulations Title 31 Part 515 of the U.S. Code of Federal Regulations

■ **INTRODUCTION** - The Cuban Assets Control Regulations, 31 CFR Part 515 (the "Regulations") were issued by the U.S. Government on 8 July 1963 under the Trading With the Enemy Act in response to certain hostile actions by the Cuban government. They are still in force today and affect all U.S. citizens and permanent residents wherever they are located, all people and organizations physically in the United States, and all branches and subsidiaries of U.S. organizations throughout the world. The Regulations are administered by the U.S. Treasury Department's Office of Foreign Assets Control. The basic goal of the sanctions is to isolate the Cuban government economically and deprive it of U.S. dollars. Criminal penalties for violating the sanctions range up to 10 years in prison, \$1,000,000 in corporate fines, and \$250,000 in individual fines. Civil penalties up to \$55,000 per violation may also be imposed. Please note that the Regulations require those dealing with Cuba to maintain records and, upon request from the U.S. Treasury Department, to furnish information regarding such dealings.

■ **EXPORTING TO CUBA** - Except for publications, other informational materials (such as CDs and works of art), certain donated food, and certain goods licensed for export or re-export by the U.S. Department of Commerce (such as medicine and medical supplies, food, and agricultural commodities), no products, technology, or services may be exported from the United States to Cuba, either directly or through third countries, such as Canada or Mexico. This prohibition includes dealing in or assisting the sale of goods or commodities to or from Cuba, even if done entirely offshore. Such brokering is considered to be dealing in property in which Cuba has an interest. Provision of consulting services is also prohibited. Thus, no U.S. citizen or permanent resident alien, wherever located, and no foreign subsidiary or branch of a U.S. organization may export products, technology, or services to Cuba or to any Cuban national, wherever they may be located, or broker the sale of goods or commodities to or from Cuba or any Cuban national.

Pursuant to provisions of the Cuban Democracy Act of 1992 (the "CDA") and the Trade Sanctions and Export Enhancement Act of 2000 (the "TSRA"), the Commerce Department authorizes the sale and export or re-export of medicine and medical supplies, food and agricultural commodities to Cuba. Those interested in engaging in such exports or re-exports must first obtain authorization from the Commerce Department's Bureau of Export Administration. All licensed sales may be financed by cash in advance or by third-country banks that are not Specially Designated Nationals. Foreign subsidiaries of U.S. banks are authorized to directly finance licensed sales of agricultural products. All U.S. banks may advise or confirm any of the above.

Section 1705(b) of the CDA provides for donations of food to independent non-governmental organizations or individuals in Cuba. Shipments of food can be donated to non-governmental organizations from the U.S.

or from third countries without the need for a license from the U.S. government. The CDA specifically provides that payments to Cuba involving telecommunications may be made pursuant to specific license. In the mid-1970s, Section 515.559 was added to the Regulations to allow OFAC to license foreign subsidiaries of U.S. firms to conduct trade in commodities with Cuba so long as several specific criteria were met. Section 1706(a) of the CDA, however, prohibits the issuance of a license that would have been issued pursuant to § 515.559, except where a contract was entered into prior to enactment of the CDA or where the exports at issue are medicines or medical supplies.

Unless otherwise authorized, no vessel carrying goods or passengers to or from Cuba or carrying goods in which Cuba or a Cuban national has any interest may enter a U.S. port. The prohibition also applies to vessels which enter only to take on fuel and supplies (bunker), whether from U.S. fuel providers within the port limits or at offshore points, as well as vessels discharging or loading merchandise offshore, by lighter or otherwise. In addition, vessels which enter a port or place in Cuba to engage in the trade of goods or services are prohibited from loading or unloading any freight at any place in the U.S. for 180 days. Prohibited entry does not apply to vessels engaging solely in trade with Cuba authorized by license or exempt from the Regulations (e.g., vessels carrying authorized exports of agricultural products or donations of food to nongovernmental organizations or individuals).

■ **IMPORTING CUBAN-ORIGIN GOODS OR SERVICES** - Goods or services of Cuban origin may not be imported into the United States either directly or through third countries, such as Canada or Mexico. The only exceptions are: \$100 worth of Cuban merchandise which may be brought into the United States as accompanied baggage by authorized travelers arriving from Cuba; publications, artwork, or other informational materials; merchandise other than tobacco or alcohol and not in commercial quantities carried as accompanied baggage by foreign persons legally entering the United States; and merchandise for which a specific license has been received.

■ **TRANSACTIONS INVOLVING PROPERTY IN WHICH CUBA OR A CUBAN NATIONAL HAS AN INTEREST** - In addition to the prohibitions on exports to and imports from Cuba, the Regulations prohibit any person subject to U.S. jurisdiction from dealing in any property in which Cuba or a Cuban national has an interest. Under the Regulations, "property" includes but is not limited to contracts and services. For example, unless otherwise authorized, persons subject to U.S. jurisdiction (including U.S. overseas subsidiaries) may not purchase Cuban cigars in Mexico; may not sign a contract with a U.K. firm if the contract terms include Cuba-related provisions (even if those provisions are contingent upon the lifting of the embargo); and may not provide accounting, marketing, sales, or insurance services to a Cuban

company or to a foreign company with respect to the foreign company's Cuba-related business.

■ **SPECIALLY DESIGNATED NATIONALS** - The Regulations prohibit buying from or selling to Cuban nationals whether they are physically located on the island of Cuba or doing business elsewhere on behalf of Cuba. Individuals or organizations who act on behalf of Cuba anywhere in the world are considered by the U.S. Treasury Department to be "Specially Designated Nationals" of Cuba. A non-exhaustive list of their names is published in the Federal Register, an official publication of the U.S. Government. This list may be obtained by calling the Office of Foreign Assets Control at 202/622-2490. The listing, however, is a partial one and any individual or organization subject to U.S. jurisdiction engaging in transactions with foreign nationals must take reasonable care to make certain that such foreign nationals are not acting on behalf of Cuba. Individuals and organizations subject to U.S. jurisdiction who violate the Regulations by transacting business with Specially Designated Nationals of Cuba are subject to criminal prosecution or civil monetary penalties.

■ **ACCOUNTS AND ASSETS** - There is a total freeze on Cuban assets, both governmental and private, and on financial dealings with Cuba; all property of Cuba, of Cuban nationals, and of Specially Designated Nationals of Cuba in the possession or control of persons subject to U.S. jurisdiction is "blocked." Any property in which Cuba has an interest which comes into the United States or into the possession or control of persons subject to U.S. jurisdiction is automatically blocked by operation of law. Banks receiving unlicensed wire transfer instructions in which there is a Cuban interest, or any instrument in which there is a Cuban interest, must freeze the funds on their own books or block the instrument, regardless of origin or destination. "Suspense accounts" are not permitted. Blocking imposes a complete prohibition against transfers or transactions of any kind. No payments, transfers, withdrawals, or other dealings may take place with regard to blocked property unless authorized by the Treasury Department. Banks are permitted to take normal service charges. Blocked deposits of funds must be interest-bearing. "Set-offs" are not allowed.

Persons subject to U.S. jurisdiction are required to exercise extreme caution in order not to knowingly involve themselves in unlicensed transactions in which Cuba has an interest. Except as authorized, no bank in the U.S. or overseas branch or subsidiary of a U.S. bank may advise a letter of credit involving Cuba nor may it process documents referencing Cuba. All such "property" must be blocked as soon as it comes within the bank's possession or control. All persons in possession of blocked property are required to register with the Office of Foreign Assets Control. Persons subject to U.S. jurisdiction who engage in any commercial dealings that involve unauthorized trade with Cuba, either directly or indirectly, risk substantial monetary penalties and criminal prosecution.

■ **SENDING GIFTS** - Gift parcels may be sent or carried by an authorized traveler to an individual or to a religious, charitable, or educational organization in Cuba for the use of the recipient or of the recipient's immediate family (and not for resale), subject to the following limitations: the combined total domestic retail value of all items in the parcel must not exceed \$200 (with the exception of donations of food, which are not so restricted); not more than one parcel may be sent or given by the same person in the U.S. to the same recipient in Cuba in any one calendar month; and the content must be limited to food, vitamins, seeds, medicines, medical supplies and devices, hospital supplies and equipment, equipment for the handicapped, clothing, personal hygiene items, veterinary medicines and supplies, fishing equipment and supplies, soap-making equipment, or certain radio equipment and batteries for such equipment. Organizations that consolidate and send multiple gift parcels in single shipments must obtain a validated license from the U.S. Department of Commerce. Each gift parcel in the single shipment must meet commodity, dollar-value, and frequency limitations. If a parcel being shipped or carried to Cuba fails to meet these standards, it is subject to seizure by the U.S. Government.

■ **CUBA-RELATED TRAVEL TRANSACTIONS** - Only persons

whose travel falls into the categories discussed below may be authorized to spend money related to travel to, from, or within Cuba. Persons licensed to engage in travel-related transactions in Cuba may spend up to the State Department Travel *Per Diem* Allowance for Havana, Cuba for purchases directly related to travel in Cuba, such as hotel accommodations, meals, local transportation, and goods personally used by the traveler in Cuba (travelers can check the current *per diem* rate on the Internet at <<<http://www.state.gov/www/perdiems/index.html>>>). Most licensed travelers may also spend additional money for transactions directly related to the activities for which they received their license. For example, journalists traveling in Cuba under the journalism general license (described below) may spend money over and above the current per diem for extensive local transportation, the hiring of cable layers, and other costs that are directly related to covering a story in Cuba. Licensed travelers may also spend an additional \$100 on the purchase of Cuban merchandise to be brought back with them to the United States as accompanied baggage, but this \$100 authorization may be used only once in any 6-month period. Purchases of services unrelated to travel or a licensed activity, such as non-emergency medical services, are prohibited. The purchase of publications and other informational materials is not restricted.

■ **WHO CAN GO** : The following travelers are authorized, under OFAC general license, to engage in travel transactions while in Cuba:

- Journalists and supporting broadcasting or technical personnel (regularly employed in that capacity by a news reporting organization and traveling for journalistic activities).
- Official government travelers (traveling on official business).
- Members of international organizations of which the United States is also a member (traveling on official business).
- Persons traveling once a year to visit Cuban nationals who are close relatives (additional trips within one year will need an OFAC specific license).
- Travelers who have received specific licenses from OFAC prior to going.
- Full-time professionals whose travel transactions are directly related to professional research in their professional areas, provided that their research: (1) is of a noncommercial academic nature, (2) comprises a full work schedule in Cuba, and (3) has a substantial likelihood of public dissemination.
- Full-time professionals whose travel transactions are directly related to attendance at professional meetings or conferences in Cuba organized by an international professional organization, institution, or association that regularly sponsors such meetings or conferences in other countries. The organization, institution, or association sponsoring the meeting or conference may not be headquartered in the United States unless it has been specifically licensed to sponsor the meeting. The purpose of the meeting or conference cannot be the promotion of tourism in Cuba or other commercial activities involving Cuba, or to foster production of any biotechnological products.
- Amateur or semi-professional athletes or teams traveling to participate in Cuba in an athletic competition held under the auspices of the relevant international sports federation. The athletes must have been selected for the competition by the relevant U.S. sports federation, and the competition must be one that is open for attendance, and in relevant situations participation, by the Cuban public.

**Specific licenses for educational institutions:** Specific licenses may be issued by OFAC to authorize travel transactions related to certain educational activities by students or employees affiliated with a licensed academic institution. Such licenses are only available to U.S. academic institutions accredited by an appropriate national or regional accrediting association, and such licenses must be renewed after a period of two years. Once an academic institution has applied for and received such a specific license, the following categories of travelers affiliated with that academic institution are authorized to engage in travel-related transactions incident to the following activities without seeking further authorization from the Office of Foreign Assets Control:

- Undergraduate or graduate students participating in a structured

educational program as part of a course offered at a licensed college or university. Students planning to engage in such transactions must carry a letter from the licensed institution stating: 1) the institution's license number, 2) that the student is enrolled in an undergraduate or graduate degree program at the institution, and 3) that the travel is part of an educational program of the institution.

- Persons doing noncommercial Cuba-related academic research in Cuba for the purpose of qualifying academically as a professional (e.g., research toward a graduate degree). Students planning to engage in such transactions must carry a letter from the licensed institution stating: 1) the institution's license number, 2) that the student is enrolled in a graduate degree program at the institution, and 3) that the Cuba research will be accepted for credit toward that graduate degree.
- Undergraduate or graduate students participating in a formal course of study at a Cuban academic institution, provided the Cuban study will be accepted for credit toward a degree at the licensed U.S. institution. A student planning to engage in such transactions must carry a letter from the licensed U.S. institution stating: 1) the institution's license number, 2) that the student is currently enrolled in an undergraduate or graduate degree program at the institution, and 3) that the Cuban study will be accepted for credit toward that degree.
- Persons regularly employed in a teaching capacity at a licensed college or university who plan to teach part or all of an academic program at a Cuban academic institution. An individual planning to engage in such transactions must carry a letter from the licensed institution stating: 1) the institution's license number, and 2) that the individual is regularly employed by the licensed institution in a teaching capacity.
- Cuban scholars teaching or engaging in other scholarly activities at a licensed college or university in the United States. Licensed institutions may sponsor such Cuban scholars, including payment of a stipend or salary. The Cuban scholar may remit all such stipends or salary payments back to Cuba.
- Secondary school students participating in educational exchanges sponsored by Cuban or U.S. secondary schools and involving the 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. A reasonable number of adult chaperones may accompany the students to Cuba. A secondary school group planning to engage in such transactions in Cuba must carry a letter from the licensed secondary school sponsoring the trip stating: 1) the school's license number, and 2) the list of names of all persons traveling with the group.
- Full-time employees of a licensed institution organizing or preparing for the educational activities described above. An individual engaging in such transactions must carry a letter from the licensed institution stating: 1) the institution's license number, and 2) that the individual is regularly employed by the institution.

**Specific licenses for religious organizations:** Specific licenses may be issued by OFAC to religious organizations to authorize individuals affiliated with the organization to engage in travel transactions under the auspices of the religious organization. Applications by religious organizations for such licenses should include examples of the religious activities to be undertaken in Cuba. All individuals traveling pursuant to a religious organization's license must carry with them a letter from the licensed organization confirming that they are affiliated with the organization and that they are traveling to Cuba to engage in religious activities under the auspices of the organization.

**Other specific licenses:** Specific licenses may be issued by the Office of Foreign Assets Control on a case-by-case basis authorizing travel transactions by the following categories of persons in connection with the following activities:

- Humanitarian Projects and Support for the Cuban people - (1) Persons traveling in connection with activities that are intended to provide support for the Cuban people, such as activities of recognized human rights organizations; (2) Persons whose travel transactions are directly related to certain humanitarian projects in or related to Cuba that are designed to directly benefit the Cuban people. Licenses authorizing transactions for multiple trips over an extended period of time are available.
- Free-Lance Journalism - Persons with a suitable record of publication who are traveling to Cuba to do research for a free-lance article. Licenses

authorizing transactions for multiple trips over an extended period of time are available for applicants demonstrating a significant record of free-lance journalism.

- Professional Research and Professional Meetings - Persons traveling to Cuba to do professional research or to attend a professional meeting that does not meet the requirements of the relevant general license (described above). Licenses authorizing transactions for multiple trips over an extended period of time are available.
- Religious Activities - Persons traveling to Cuba to engage in religious activities that are not authorized pursuant to a religious organization's specific license. Licenses authorizing transactions for multiple trips over an extended period of time are available.
- Public Performances, Clinics, Workshops, Athletic and Other Competitions, and Exhibitions - Persons traveling to participate in a public performance, clinic, workshop, athletic or other competition (that does not meet the requirements of the general license described above), or exhibition. The event must be open for attendance, and in relevant situations participation, by the Cuban public, and all profits from the event after costs must be donated to an independent nongovernmental organization in Cuba or a U.S.-based charity, with the objective, to the extent possible, of promoting people-to-people contacts or otherwise benefitting the Cuban people. In addition, any clinics or workshops in Cuba must be organized and run, at least in part, by the licensee.
- Activities of Private Foundations or Research or Educational Institutions - Persons traveling to Cuba on behalf of private foundations or research or educational institutes that have an established interest in international relations to collect information related to Cuba for noncommercial purposes. Licenses authorizing transactions for multiple trips over an extended period of time are available.
- Exportation, Importation, or Transmission of Information or Informational Materials - Persons traveling to engage in activities directly related to the exportation, importation, or transmission of information or informational materials.
- Licensed Exportation - Persons traveling to Cuba to engage in activities directly related to marketing, sales negotiation, accompanied delivery, or servicing of exports of food and agricultural commodities, medical products or other exports that are consistent with existing Department of Commerce regulations and guidelines with respect to Cuba, including certain exports engaged in by U.S.-owned or -controlled foreign firms.

**Applying for a specific license:** Persons wishing to travel to Cuba under a specific license should send a letter specifying the details of the proposed travel, including any accompanying documentation, to David Mills, Chief of Licensing, Office of Foreign Assets Control, U.S. Department of the Treasury, 1500 Pennsylvania Ave., NW, Washington, DC 20220. Academic institutions wishing to obtain one of the two-year specific licenses described above should send a letter to the same address requesting such a license and establishing that the institution is accredited by an appropriate national or regional accrediting association. Religious organizations wishing to obtain one of the two-year specific licenses described above should send a letter to the same address requesting such a license and setting forth examples or religious activities to be undertaken in Cuba.

**Provision of travel services:** U.S. travel service providers, such as travel agents and tour operators, who handle travel arrangements to, from, or within Cuba must hold special authorizations from the Office of Foreign Assets Control to engage in such activities. These authorizations are issued based on written applications from the service providers, subject to appropriate checks by the Treasury Department. A traveler should not use any travel service provider that does not hold valid Treasury authorization. An up-to-date list of the authorized service providers is maintained on OFAC's website. If in doubt about the status of a service provider's authorization, travelers should call the Office of Foreign Assets Control at 305/810-5140. Only carrier service providers that have been authorized by OFAC may operate direct passenger charter flights between Miami and Havana.

**Unauthorized travel-related transactions:** Unless otherwise authorized, any person subject to U.S. jurisdiction who engages in any travel-related transaction in Cuba violates the Regulations.

■ **WHAT CAN BE BROUGHT BACK** - The above listed travelers may reenter the United States with up to \$100 of Cuban origin goods for personal use, such as cigars and rum. [Section 515.560(c) (3) of the Regulations]. If unauthorized U.S. travelers return from Cuba with Cuban origin goods, such goods, with the exception of informational materials, may be seized at Customs' discretion. [Section 515.204 of the Regulations]. There are no limits on the import or export of informational materials. [Section 515.206 of the Regulations]. Such materials are statutorily exempt from regulation under the embargo and such items as books, films, tapes and CDs may be transported freely. However, blank tapes and CDs are not considered informational materials and may be seized.

■ **VESSELS** - All persons on board vessels, including the owner, must be authorized travelers, as listed above, to engage in travel-related transactions in Cuba. If you are not an authorized traveler, you may not purchase meals, pay for transportation, lodging, dockage or mooring fees, cruising fees, visas, entry or exit fees and you may not bring any Cuban origin goods back to the United States. Any payment to the Marina Hemingway International Yacht Club is considered a prohibited payment to a Cuban national and therefore in violation of the Regulations. Vessel owners are prohibited from carrying travelers to Cuba who pay them for passage if the owner does not have a specific license from OFAC authorizing him or her to be a Service Provider to Cuba.

■ **FULLY HOSTED TRAVELERS** - Fully-hosted travelers may travel to Cuba without contacting OFAC if the traveler's Cuba related expenses are covered by a person not subject to U.S. jurisdiction. Travel to Cuba is not fully hosted if a person subject to U.S. jurisdiction pays—before, during, or after the travel—any expenses related to the travel, including the cost of traveling to Cuba on a Cuban carrier, even if the payment is made to a third-country person or entity that is not subject to U.S. jurisdiction. Examples of costs commonly incurred by travelers to and in Cuba are for meals, lodging, transportation, bunkering of vessels or aircraft, visa, entry or exit fees, and gratuities. In addition, fully-hosted travel to and from Cuba cannot be aboard a direct flight between the United States and Cuba. Fully-hosted travelers may not bring back any Cuban origin goods, except for informational materials. [See Note to Section 515.420(c) of the Regulations.]

Any person subject to U.S. jurisdiction determined to have traveled to Cuba without an OFAC general or specific license is presumed to have engaged in prohibited travel-related transactions. In order to overcome this presumption, any traveler who claims to have been fully hosted or not to have engaged in any travel-related transactions must be able to provide a signed explanatory statement, accompanied by relevant supporting documentation, showing that no transactions were engaged in by the traveler or on the traveler's behalf by any person subject to U.S. jurisdiction, stating that payments made by any non-U.S. host were not in exchange for services provided, and providing a day-to-day account of financial transactions waived or entered into on behalf of the traveler. A fully-hosted traveler must also provide an original signed statement from the sponsor or host, specific to the traveler, confirming that the travel was fully-hosted and the reasons for the travel. For a complete list of all evidence necessary to rebut the presumption of travel-related transactions, see Section 515.420 of the Regulations. Fully-hosted travelers are also prohibited from providing any unauthorized Services to Cuba or to Cuban nationals or within Cuba.

■ **EMERGENCIES** - In case of emergencies requiring financial transactions such as emergency repair of vessels or medical treatment, travelers are urged to contact OFAC at (202)622-2480, to discuss necessary authorizations.

■ **HUMANITARIAN DONATIONS** - There is a joint OFAC and Commerce Department ("USDOC") administration over export of gift parcels and humanitarian goods to Cuba to meet basic human needs. If an export is licensed by USDOC, OFAC authorizes certain financial and other transactions related to that export. [See part 746 of the USDOC's Export Administration Regulations (15 C.F.R. Chapter 7), which are available on-line at [http://w3.access.gpo.gov/bis/ear/ear\\_date.html](http://w3.access.gpo.gov/bis/ear/ear_date.html), for

the relevant USDOC regulations.] Please note that travel-related transactions incident to humanitarian donations must be separately licensed by OFAC.

■ **SENDING OR CARRYING MONEY TO CUBA** - U.S. persons aged 18 or older may send to the household of any individual in Cuba or to a Cuban national in a third country "individual-to-household" cash remittances of up to \$300 per household in any consecutive three-month period, provided that no member of the household is a senior-level Cuban government or senior-level Cuban communist party official. No more than a combined total of \$300 of individual-to-household remittances may be sent by a remitter to any one household in any consecutive three-month period, regardless of the number of persons residing in that household. A licensed traveler may carry up to ten of his or her own \$300 household remittances to Cuba.

U.S. persons also may send up to \$1,000 per payee on a one-time basis as an "emigration-related" remittance to a Cuban national to enable the payee to emigrate from Cuba to the United States. Specifically, up to \$500 may be remitted to a Cuban national prior to the payee's receipt of a valid U.S. visa or other U.S. immigration document, and up to \$500 may be remitted to the Cuban national after the payee receives a valid U.S. visa or other U.S. immigration document. A licensed traveler may only carry immigration remittances to Cuba if the visa has already been issued.

Remittances may be transferred through a financial institution or through an OFAC-licensed remittance forwarder. Service providers, including financial institutions originating transfers on behalf of non-aggregating customers, must obtain an affidavit from the remitter certifying that each individual-to-household does not exceed \$300 in any consecutive three month period and that each emigration-related remittance meets the requirements of the Regulations. Remitters can expect to have their identity, date of birth, address, and telephone number verified.

Specific licenses may be issued on a case-by-case basis authorizing remittances:

- to independent nongovernmental organizations in Cuba;
- to households of Cuban nationals living outside of Cuba in excess of \$300 per quarter from blocked accounts; or
- to individuals in Cuba to facilitate their non-immigrant travel to the United States under circumstances where humanitarian need is demonstrated, including illness or medical emergency.

■ **FAIR BUSINESS PRACTICES** - Anyone authorized by the U.S. Department of the Treasury to provide Cuban travel services or services in connection with sending money to Cuba is prohibited from participating in discriminatory practices of the Cuban government against individuals or particular classes of travelers. The assessment of consular fees by the Cuban government, which are applicable worldwide, is not considered to be a discriminatory practice. However, requiring the purchase of services not desired by the traveler is not permitted. Persons wishing to provide information on such activities should call 305/810-5170. All information regarding arbitrary fees, payments for unauthorized purposes, or other possible violations furnished to the U.S. Treasury Department will be handled confidentially.

■ **ESTATES AND SAFE DEPOSIT BOXES** - An estate becomes blocked whenever a Cuban national is an heir or is the deceased; money from a life insurance policy is blocked whenever the deceased is a Cuban resident. The heir of a person who died in Cuba, or the beneficiary of a life insurance policy of a person who died in Cuba, may apply for a license from the Office of Foreign Assets Control to unblock the estate or insurance proceeds. Persons administering or interested in a blocked estate should contact the Office of Foreign Assets Control at 202/622-2480 for more information. A safe-deposit box is blocked whenever a Cuban has an interest in the property contained in the box. Access to a blocked safe deposit box for inventory purposes may be granted under certain conditions, but the contents of the box remain blocked and may not be removed without the permission of the Office of Foreign Assets

Control. Authorized remittances may be made from blocked estates.

must be in a currency other than U.S. dollars.

■ **PAYMENTS FOR OVERFLIGHTS** - Private and commercial aviators must obtain a specific license authorizing payments for overflight charges to Cuba. Banks will ask to see the originals of such licenses before executing transfers and keep a copy for their files. Such transfers

If you have information regarding possible violations of the Cuban Assets Control Regulations, please call the Office of Foreign Assets Control at 305/810-5170. Your call will be handled confidentially.

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This document is explanatory only and does not have the force of law. The statutes, Executive Orders, and implementing regulations relating to Cuba contain the legally binding provisions governing the sanctions and this document does not supplement or modify those statutes, Executive Orders, or regulations.

The Treasury Department's Office of Foreign Assets Control also administers sanctions programs involving Libya, Iraq, North Korea, the Balkans, Iran, Syria, Sudan, Burma (Myanmar), the Federal Republic of Yugoslavia (Serbia and Montenegro), Sierra Leone, Liberia, Zimbabwe, Foreign Terrorist Organizations, designated terrorists and narcotics traffickers, and designated foreign persons who have engaged in activities related to the proliferation of weapons of mass destruction. For additional information about these programs or about the Cuban sanctions program, please contact the:


**OFFICE OF FOREIGN ASSETS CONTROL**

U.S. Department of the Treasury  
Washington, D.C. & Miami, Florida  
202-622-2520 / 305-810-5140  
<<<http://www.treas.gov/ofac>>>

(03-24-2003)

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- see Page 6 for CUBAN REMITTANCE AFFIDAVIT -



## CUBAN REMITTANCE AFFIDAVIT

Original prepared by  
Remittance Agency  
08/08/2004  
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This affidavit is to be completed by the remitter, pursuant to the Cuban Assets Control Regulations, 31CFR Part 515, under the Trading with the Enemy Act, 50 U.S.C. App. 1-44, and the Cuban Liberty and Democratic Solidarity Act, 22 U.S.C. 6001-6010. It is to be submitted to the remittance service provider and kept on file for five years, subject to audit by the U.S. Department of the Treasury.

Esta declaración jurada tiene que ser llenada por el remitente, en conformidad con el "Control y Regulaciones de Bienes Cubanos," 31 CFR Parte 515, bajo la "Ley Sobre Comercio con el Enemigo," 50 U.S.C. App. 1-44, y bajo la "Ley Relativa a Cuba Sobre la Libertad y la Solidaridad Democrática," 22 U.S.C. 6001-6010. Esta declaración jurada debe ser presentada a la agencia remitente y mantenida en los archivos por cinco años y esta sujeta a auditoría por el Departamento del Tesoro de los EE.UU.

I, \_\_\_\_\_, DECLARE AND STATE THAT      YO, \_\_\_\_\_, DECLARO, Y AFIRMO QUE,  
(Print name)      (Escriba en letra de molde)

THE FOLLOWING IS TRUE AND ACCURATE TO THE BEST OF MY KNOWLEDGE:      A MI CONOCIMIENTO, LO SIGUIENTE ES VERDICO Y CORRECTO.

EMIGRATION REMITTANCE

1. I understand that I may send up to \$1000 per paper to enable the paper to emigrate to the United States. Only one of these remittances may be sent before the paper has received a valid visa from the U.S. State Department. I certify that my total emigration remittance to this paper will not be greater than \$1000.

Name of Paper: \_\_\_\_\_

Paper's Date of Birth: \_\_\_\_\_

2. If sending more than \$500, OR I have already sent a pro-visa emigration remittance to this paper, I certify that the paper has received an immigration visa from the U.S. State Department as follows:

Number of Paper's Visa: \_\_\_\_\_

Date of Paper's Visa: \_\_\_\_\_

REMITSA DE EMIGRACION

1. Entiendo que yo puedo enviar hasta US\$1000 por beneficiario para ayudarle a emigrar a los EE.UU. Solo puede estar remesa enviada antes de que el beneficiario haya recibido una visa válida del Departamento del Estado de los EE.UU. Yo afirmo que el total de las remesas de emigración a este beneficiario no será mayor de US\$1000.

Nombre del beneficiario: \_\_\_\_\_

Fecha de Nacimiento del beneficiario: \_\_\_\_\_

2. Estoy enviando más de US\$500 o ya he enviado una remesa de emigración pro-visa a este beneficiario. Yo afirmo que el beneficiario ha recibido del Departamento del Estado de los Estados Unidos la visa de inmigración siguiente:

Número de Visa del beneficiario: \_\_\_\_\_

Fecha de Visa del beneficiario: \_\_\_\_\_

INDIVIDUAL TO HOUSEHOLD REMITTANCE

I understand that I may send up to \$300 per paper's household in a 3-month period provided that no member of that household is a senior-level Cuban government or Communist party official. The total combined amount of Individual to Household Remittances I send may not exceed \$300 per paper's household in a 3-month period. I certify that I am 18 or older, that no member of the paper's household is a senior-level Cuban government or Communist party official, and that this payment will not exceed the combined Individual to Household Remittance Remittance limit of \$300 per paper's household in a 3-month period.

Name of Paper: \_\_\_\_\_

Paper's Address: \_\_\_\_\_

REMITSA DE INDIVIDUO A CASA

Entiendo que puedo enviar hasta US\$300 por hogar beneficiario en un periodo de tres meses siempre y cuando ningún miembro del hogar del beneficiario sea oficial mayor del gobierno de Cuba o un oficial mayor del partido comunista. La cantidad total de Remesas Individuo a Casa que envío no debe exceder US\$300 por hogar beneficiario en un periodo de tres meses. Yo afirmo que soy mayor de 18 años y que ningún miembro del hogar del beneficiario es oficial mayor del gobierno de Cuba o un oficial mayor del partido comunista y que este pago no excederá la cantidad total de Remesas de Individuo a Casa de US\$300 por hogar beneficiario en un periodo de tres meses.

Nombre del Beneficiario: \_\_\_\_\_

Dirección del Beneficiario: \_\_\_\_\_

SIGNATURE OF REMITTER (REMITENTE)

Street Address (Dirección): \_\_\_\_\_

City, State and Zip Code (Ciudad, Estado, Área Postal): \_\_\_\_\_

Telephone Number (Número de Teléfono): \_\_\_\_\_

Mother's Maiden Name (Apellido de soltera de su madre): \_\_\_\_\_

Date of birth of remitter (Fecha de nacimiento del remitente): \_\_\_\_\_

Witnessed by employee of remitting agency (Firmado de Testigo del Empleador de la Agencia Remitente):

Signature (Firma) \_\_\_\_\_

Name of Remitting Agency (Nombre de la Agencia Remitente) \_\_\_\_\_

Date (Fecha) \_\_\_\_\_

TD F90-22-52



U.S. Department of the Treasury  
Office of Foreign Assets Control



# CIVIL PENALTIES

## Rights and Procedures — Cuba Program

### A. Your Rights

■ **RIGHT TO RESPOND IN WRITING** - You have the right to respond to the Office of Foreign Assets Control ("OFAC") in writing within 30 days of the mailing or other service of your Prepenalty Notice. In your written response, you should state why you believe there should not be a penalty and/or forfeiture, or why the penalty should be less than the amount proposed in your Prepenalty Notice. You must admit or deny each of the alleged violations listed in the "Violations" section of your Prepenalty Notice. If you do not address a particular alleged violation, OFAC will consider that you have admitted that violation. Any defense or explanation you have previously made to OFAC, the U.S. Customs Service, or any other agency must be repeated in your written response. Any defense you wish to assert must be included in your written response. You must sign your written response. If you do not submit a written response, you may be issued a final Penalty Notice imposing the penalty proposed in your Prepenalty Notice.

■ **RIGHT TO AGENCY HEARING AND PRE-HEARING DISCOVERY** - You have the right to an agency hearing in Washington, D.C. to present your defenses to the imposition of the penalty and/or forfeiture proposed in your Prepenalty Notice. You also have the right to pre-hearing discovery, including review of all non-privileged documents that OFAC used as the basis for issuing your Prepenalty Notice. If you wish to request an agency hearing and pre-hearing discovery, you must include these requests in your written response. A mere reservation of your right to a hearing and pre-hearing discovery in your written response will not be considered by OFAC to assert or preserve your hearing and pre-hearing discovery rights. If you do not include requests for a hearing and pre-hearing discovery in your written response, filed by the due date specified in "B" below, you will waive these rights. OFAC will then proceed to determine whether to impose, reduce, or cancel the penalty and/or forfeiture proposed in your Prepenalty Notice based on any written response you have submitted and any relevant facts. Sections 515.705-.717 of the Cuban Assets Control Regulations, 31 C.F.R. Part 515, explain the hearing procedures. You may also withdraw a hearing request once made and seek administrative determination, but the withdrawal must be made in writing.

Please note that OFAC is currently suspending all discovery deadlines that follow receipt of any request for a hearing and pre-hearing discovery. If you request a hearing and pre-hearing discovery, OFAC will inform you as soon as those discovery deadlines are reinstated.

■ **RIGHT TO JUDICIAL REVIEW** - If OFAC eventually imposes a penalty and/or forfeiture in this matter, you have the right to seek judicial review of that final agency action in a federal court.

### B. Due Date

If your Prepenalty Notice was mailed to you, your written response must be postmarked or date-stamped by the U.S. Postal Service (or foreign postal service, if mailed abroad) or courier service provider (if transmitted to OFAC by courier) on or before the 30<sup>th</sup> day after the postmark date on the envelope in which you received your Prepenalty Notice or, if you refused delivery or otherwise avoided receipt, on or before the 30<sup>th</sup> day after the date on OFAC's stamped postal receipt. You should retain copies of dated courier receipts or other evidence of the date of mailing.

If your Prepenalty Notice was personally delivered to you (not mailed), your written response must be postmarked or date-stamped, as described above, on or before the 30<sup>th</sup> day after the date of delivery. If you choose to send a copy of your written response by facsimile (202/622-1657), you must also send your response to OFAC by mail or courier and your response must be postmarked or date-stamped, as described above, on or before the applicable due date listed above. If a due date falls on a federal holiday or weekend, that due date is extended to include the following business day.

### C. OFAC's Mailing Address

Office of Foreign Assets Control, Civil Penalties Program, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220.

### D. Election of Proceedings (options available to you)

■ **ADMINISTRATIVE DISPOSITION** - You may submit a written response, as described in A. above, to OFAC concerning your Prepenalty Notice. OFAC will review your written response and determine whether to impose, reduce, or cancel the penalty proposed in your Prepenalty Notice. If you do not submit a written response within the relevant 30 day period, you may be issued a final Penalty Notice assessing the penalty proposed in your Prepenalty Notice.

■ **AGENCY HEARING** - You may request an agency hearing and pre-hearing discovery (as described in A. above) in your written response. Please note the current suspension of discovery deadlines explained in A. above. If a hearing is requested, the final disposition of your case will be determined by a hearing officer.

■ **SETTLEMENT** - You may call the OFAC contact person listed below if you wish to negotiate a settlement to resolve this matter informally. A settlement can be reached anytime before you are issued a Penalty Notice or if you decide to withdraw a hearing request after you have made one. Please note that settlement talks do not take the place of a written response and the existence of settlement talks will not postpone the 30-day due date for submission of your written response including your requests for a hearing and pre-hearing discovery, unless a settlement is reached prior to that 30-day due date.

### E. Collection

If OFAC issues you a final Penalty Notice after reviewing any timely written response you may have submitted, you have 30 days to remit or otherwise make arrangements for payment. Any penalty not timely paid will be referred for administrative collection measures or to the United States Department of Justice for collection litigation. Please note that any person issued a penalty by a federal agency must provide a taxpayer identification number/Social Security number. OFAC discloses that it intends to use that number for collecting and reporting any delinquent penalty amount(s).

### F. Contact Person

Please feel free to contact Mrs. B.S. Scott, Chief, Civil Penalties Program, (202) 622-6140, if you have any questions or if you wish to discuss informal settlement of this proposed penalty.

- see inside -

## FREQUENTLY ASKED QUESTIONS ABOUT OFAC CIVIL PENALTIES

The following Questions and Answers have been prepared in an effort to assist you in understanding the procedures followed by the Office of Foreign Assets Control ("OFAC") in administering its Civil Penalties Program. These Questions and Answers are not part of your Prepenalty Notice nor are they formal interpretations of any law or regulations administered by OFAC. Accordingly, although every attempt has been made to provide Questions and Answers that are useful and accurate, only the Regulations (and not these Questions and Answers) provide the authoritative statement of your rights and the procedures to be followed.

**Q:** *What is a Prepenalty Notice?*

**A:** A Prepenalty Notice is a letter from OFAC informing you that OFAC intends to penalize you for possible violations of the OFAC regulations. This notice is the first stage in a penalty procedure, and you have several options for responding.

**Q:** *Is the Prepenalty Notice charging you with a crime?*

**A:** No. The notice is informing you that OFAC believes you may have violated its regulations and seeks a monetary penalty and/or forfeiture.

**Q:** *Do you have a right to respond to the Prepenalty Notice?*

**A:** Yes. You have the right to make a formal written response. You may also begin settlement negotiations by phone, but such negotiations do not take the place of a written response unless a settlement is reached.

**Q:** *What is your deadline for responding to a Prepenalty Notice?*

**A:** Your response to your Prepenalty Notice must be postmarked or date-stamped by the U.S. Postal Service (or foreign postal service, if mailed abroad) or courier service provider (if transmitted to OFAC by courier) on or before the 30<sup>th</sup> day after the following: after the postmark date on the envelope in which you received your Prepenalty Notice—if the Prepenalty Notice was mailed to you; after the date on OFAC's stamped postal receipt—if you refused delivery or otherwise avoided receipt of the Prepenalty Notice; after the date of delivery to you—if your Prepenalty Notice was personally delivered to you. If a due date falls on a federal holiday or weekend, that deadline is extended until the following business day.

**Q:** *What forms do you need to complete your written response?*

**A:** There are no forms and you may simply send a handwritten or typed letter.

**Q:** *What should you include in your written response?*

**A:** Your written response must include your full name, address, telephone number, and facsimile number, if available. You must either admit or deny each specific violation alleged in the "Violations" section of your Prepenalty Notice. You must also state if you have no knowledge of a particular violation. Include any information you wish to supply in your defense, whether or not you have previously submitted that information to OFAC, the U.S. Customs Service, or any other agency. Any evidence which you may have that substantiates a defense or other factor which you wish OFAC to consider should be submitted with your response. Also, if you wish to request a hearing and pre-hearing discovery (such as a review of the non-privileged documents OFAC relied upon in issuing the Prepenalty Notice), you must include these requests in your timely-filed written response; if you do not, you will lose the opportunity to make these requests.

**Q:** *Where do you send your written response?*

**A:** Send your written response to: Office of Foreign Assets Control, Civil Penalties Program, U.S. Department of the Treasury, 1500 Pennsylvania Avenue, N.W., Washington, D.C. 20220. We suggest that you use certified or registered mail, return receipt requested (or similar services provided by courier services), which will provide you with evidence of the date of mailing and the date of receipt by OFAC.

**Q:** *Can you fax a copy of your written response?*

**A:** You can fax a copy of your written response to OFAC at (202)622-1657, but you must also send your response to OFAC at the above address by mail or courier, postmarked or date-stamped on or before the relevant 30-day deadline.

**Q:** *What happens if you do not file a written response to the Prepenalty Notice?*

**A:** If you do not file a written response, OFAC will conclude that you have decided not to respond to your Prepenalty Notice and you may be issued a final Penalty Notice imposing the penalty proposed in your Prepenalty Notice. You will also waive your right to a hearing and pre-hearing discovery.

**Q:** *Do you have a right to an agency hearing? Where would this hearing be held?*

**A:** You have a right to an agency hearing to present your case before a final penalty is imposed. The hearing will be held in Washington, D.C.

**Q:** *How do you request a hearing?*

**A:** Your request for a hearing must be included in your written response, and it must be filed at OFAC within the relevant 30-day deadline. Either you or your lawyer must sign the hearing request.

**Q:** *Can you review the documents OFAC used in determining to issue the Prepenalty Notice?*

**A:** If you request a hearing, you may also request pre-hearing discovery (including a review of the non-privileged documents OFAC has relied upon). However, you must include your request in your written response, which must be filed at OFAC within the relevant 30-day deadline.

- continued on Page 3 -



**Q:** *What happens if you do not request a hearing and pre-hearing discovery or if you cancel a scheduled hearing?*

**A:** If you do not request a hearing and pre-hearing discovery in your written response or if you cancel a scheduled hearing, you will have waived your right to a hearing and pre-hearing discovery. OFAC will then base its decision of whether to impose a penalty and/or forfeiture on your written response (if submitted) and any relevant facts that are available.

**Q:** *If you request a hearing and pre-hearing discovery, what happens next?*

**A:** If you request a hearing and pre-hearing discovery, OFAC will send you a letter confirming receipt of your requests and either informing you of the date of your hearing or notifying you that OFAC has not yet set a hearing date and will inform you when the date is set. The hearing procedures (including pre-hearing discovery deadlines) are set out for you in sections 515.705-.717 of the Cuban Assets Control Regulations.

**Q:** *How soon after you request a hearing and pre-hearing discovery does the pre-hearing discovery have to begin?*

**A:** OFAC has suspended all discovery deadlines that follow receipt of any hearing and pre-hearing discovery requests until further notice. If you request a hearing and pre-hearing discovery, you may begin pre-hearing discovery at any time, but OFAC will not be required to respond to your discovery requests (nor will you be required to respond to OFAC's discovery requests) until OFAC has informed you that the discovery deadlines have been reinstated.

**Q:** *Can I change my mind and withdraw a hearing request?*

**A:** Yes, you may withdraw a hearing request that you have made. OFAC will then proceed to consider the case administratively without a hearing unless you decide to enter into settlement negotiations.

**Q:** *Is settlement an option? If so, how is this arranged?*

**A:** Yes, settlement is an option. You may offer a settlement in your written response, or you may contact the OFAC Civil Penalties Program to discuss a settlement at any time prior to the issuance of a final Penalty Notice. You may discuss settlement even after you have requested an agency hearing. Please note that settlement discussions do not take the place of a written response and will not postpone the 30-day due date for submission of your written response and request for a hearing and pre-hearing discovery, unless a settlement is actually completed prior to the 30-day due date.

**Q:** *What is the effect of a settlement with OFAC?*

**A:** A settlement amount agreed upon and paid ends any further enforcement action by OFAC with respect to the OFAC violations which were alleged in the Prepenalty Notice. No Penalty Notice is subsequently issued, nor is there a formal finding by OFAC that the alleged violations were, in fact, committed. The settlement amount paid is considered a voluntary payment, not a penalty. If the actions or transactions which produced the violations alleged by OFAC also involved alleged violations of laws enforced by other Federal agencies (such as the U.S. Customs Service), the settlement entered into with OFAC does not preclude further civil penalty or other action by such other agencies for the alleged violations of the laws they enforce unless the settlement agreement so states and is agreed to by the other agencies involved (sometimes referred to as a "global settlement").

**Q:** *Can you arrange an installment plan to pay a settlement?*

**A:** Yes, once you and OFAC have agreed upon a settlement amount, you can arrange an installment payment plan with the Treasury Department's Financial Management Division. OFAC will assist you in contacting the appropriate person there.

**Q:** *Do you need to submit a written response if a settlement is reached?*

**A:** No, you do not need to submit a written response if a settlement is reached before the 30-day written response period has ended.

**Q:** *What happens if you do not reach a settlement with OFAC within 30 days?*

**A:** If you do not reach a settlement with OFAC within 30 days, OFAC will proceed with a final determination and will base its decisions of whether to impose a penalty and/or forfeiture only on your written response (if submitted) and any other relevant facts. At that point, OFAC generally is not required to consider issues discussed and defenses presented during settlement negotiations unless they are repeated in a formal written response.

**Q:** *What happens if you do not pay the penalty assessed by OFAC?*

**A:** All unpaid penalties are referred either for Treasury Department administrative collection measures or to the United States Department of Justice for collection litigation in federal court. Administrative collection usually includes interest, charges, and fees. Administrative collection measures may include referring the unpaid penalty to a private collection agency or offsetting the amount due against other payments made by the U.S. Government to you, such as income tax refunds.

**Q:** *Can you arrange an installment plan to pay an assessed penalty?*

**A:** Yes, arrangements can be made upon request to the Treasury Department's Financial Management Division.

**Q:** *Whom can you contact at OFAC to further discuss this matter?*

**A:** You can contact **Mrs. B.S. Scott, Chief, Civil Penalties Program, at (202)622-6140.**

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The Treasury Department's Office of Foreign Assets Control administers sanctions programs involving Libya, Iraq, Sudan, the Federal Republic of Yugoslavia (Serbia and Montenegro), the Western Balkans, Cuba, the National Union for the Total Independence of Angola (UNITA), North Korea, Iran, Syria, Burma (Myanmar), Sierra Leone, Liberia, Foreign Terrorist Organizations, designated terrorists and narcotics traffickers, and the proliferation of weapons of mass destruction. For additional information about the sanctions, please contact the:

**OFFICE OF FOREIGN ASSETS CONTROL**

U.S. Department of the Treasury  
1500 Pennsylvania Avenue, N.W.  
Washington, D.C. 20220  
202/622-2520

(11-06-02)

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## CUBA TRAVEL ADVISORY

**WARNING: TOUR PACKAGES FOR SCUBA DIVING, BICYCLING, HUNTING, FISHING, HIKING OR OTHER TOURIST TRAVEL IN CUBA ARE ILLEGAL**

It has come to the attention of the Office of Foreign Assets Control ("OFAC") that certain specialty tours to Cuba that are offered by travel agencies in third countries are marketed to U.S. travelers as being in compliance with the prohibitions of the U.S. embargo against Cuba. These trips are usually designed for individuals with an interest in outdoor activities, such as scuba diving, bicycling, hunting or fishing. The sales material often maintains that because the traveler prepays the third-country travel agency for expenses that otherwise would be paid by the traveler while within Cuba, such as hotels, meals, ground transportation, equipment rental and services, etc., this type of trip is in compliance with the applicable U.S. regulations on travel-related transactions involving Cuba that apply to persons subject to the jurisdiction of the United States.

This advisory is to alert U.S. travelers who participate in such trips that engaging in prepaid arrangements for travel expenditures otherwise prohibited by the Cuba Assets Control Regulations, 31 CFR Part 515 (the "Regulations"), will expose travelers to the possibility of civil monetary penalties from OFAC. [Return to the OFAC directory and click on the button marked LEGAL to see a copy of the Regulations.]

A Cuban vacation package that is prepaid by U.S. travelers through a travel agency located in a third country does not qualify as "fully-hosted" travel as described in the Regulations. This is true regardless of the type of currency that is used to purchase the package tour. This type of trip is simply an "all-inclusive" vacation package similar to ones available at most resort and vacation destinations anywhere in the world. The Regulations prohibit all transactions relating to travel-related tourist transactions in Cuba including prepayment in third countries for Cuba-related expenses.

U.S. travelers must take care in relying upon the Cuba travel-related information made available by travel agencies operating within or outside the United States as a definitive source of information on the U.S. economic embargo against Cuba. In the event you have any questions about travel transactions with Cuba, please contact OFAC or carefully check the Regulations before you engage in any activities that may be in a violation of the law. The Regulations are the definitive statement of the law with respect to the prohibitions of the U.S. embargo with respect to Cuba.

Date 06/27/01

## CUBAN CIGAR UPDATE

The revival of interest in cigars and cigar smoking underscores the need to remind the public of the prohibitions that have been in place for many years with respect to cigars of Cuban origin. The number of attempted importations of Cuban cigars into the United States is rising and, because dealing in such cigars may lead to Treasury enforcement actions, the public should be aware of - and make every effort to observe - the prohibitions which are in effect.

Only persons returning from Cuba after a licensed visit there are permitted to bring Cuban cigars into the United States, provided the value of such cigars does not exceed 100 US dollars and the cigars are for that person's personal use and not for resale. All other importations of Cuban cigars are illegal. All offers to buy or sell such cigars in the United States involve cigars that are imported illegally. Contrary to what many people may believe, it is illegal for travelers to bring into the United States Cuban cigars acquired in third countries (such as Canada, England, or Mexico).

It is also illegal for U.S. persons to buy, sell, trade, or otherwise engage in transactions involving illegally-imported Cuban cigars. The penalties for doing so include, in addition to confiscation of the cigars, civil fines of up to \$55,000 per violation and, in appropriate cases, criminal prosecution which may result in higher fines and/or imprisonment.

These prohibitions are applicable to all goods of Cuban origin and are an important element of the comprehensive program of economic sanctions against the Cuban Government which have been in place since 1963. Those sanctions have had the support of the last seven Administrations.

The U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") administers the embargo of Cuba. Suspected embargo violations may be reported telephonically to OFAC's Enforcement Division at (202)622-2430 or via facsimile at 202-622-1657.

June 19, 1998

COMPL 97145