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Practice Update

White House Publishes Third Round of Regulatory Reforms to Cuba Sanctions

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'Musicabana' also Announces Major International Music Festival in Havana

The U.S. Treasury Department's Office of Foreign Assets Control (OFAC) and the Commerce Department's Bureau of Industry and Security (BIS) recently published a series of revisions to the Cuba sanctions regime that appear to encourage American companies to pursue opportunities that further White House policies of rapprochement.

While breaking some new ground, last week's changes seem geared largely toward facilitating many of the activities first authorized last January following President Obama's historic December 2014 announcement. For example:

- In January 2015, BIS enacted regulations allowing Americans to export non-agricultural goods to Cuba to support the Cuban people and private enterprises on the island. Since that time, U.S. companies have reported that Cuban importers are hesitant to purchase U.S. goods because U.S. exporters have been prohibited from offering credit terms. Last week's regulations remove payment and financing restrictions for authorized exports and explicitly allow banks to issue, advise, negotiate, pay and/or confirm letters of credit. This is the first time in decades that U.S. exporters

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of goods to Cuba will be permitted to extend credit terms to their buyers.

- In January 2015, OFAC issued general licenses allowing U.S. companies to develop, sell, and market travel-related services—including carrier services (flights)—to the island. However, more than a year later none of the major U.S. carriers has established regularly scheduled service to Cuba. Last week's changes include OFAC authorizations explicitly allowing blocked space, code-sharing agreements, and leasing arrangements with Cuban airlines. Moreover, OFAC amended rules that had previously prohibited pilots and crewmembers from formally entering Cuban territory (they were not allowed to pass through Cuban immigration). This will no doubt come as a relief to crewmembers of airplanes and vessels, who will be allowed to spend the night in Cuba, when required.
- In January 2015, OFAC issued a general license allowing U.S. persons to organize workshops, clinics, and public performances in Cuba, provided that such events were open to the Cuban public and that any profits were donated. Last week's modifications clarified several regulatory ambiguities that had made it difficult for U.S. persons to organize events in Cuba, such as sports exhibitions, concerts, and conferences. Moreover, OFAC issued rules explicitly authorizing a range of new activities pertaining to film, media, and artistic productions in Cuba.

'Musicabana' Announces Major International Music Festival in Havana

The New York-based not-for-profit organization Musicabana Foundation, an Akerman client, has announced the first annual Musicabana International Music Festival, which will take place from May 5 to 8 in Havana and will be the largest jointly-produced music event by American and Cuban partners in more than 30 years. The festival will also be the largest gathering of Cuban artists in a

generation, featuring performances by Cuban musicians Pablo Milanés, Carlos Varela, Los Van Van, Orquesta Aragón, Habana d'Primera, Ibeyi, among others. International superstars Sean Paul and Carlinhos Brown will also perform.

The festival organizers also recently announced the launch of Musicabana VIP travel packages, which they say will allow all U.S. citizens to attend music festivals and cultural events in Cuba in full compliance with applicable travel rules, simply by booking travel through an online portal.

While the legal framework that Musicabana is operating under was built before the new regulations came out, the above mentioned regulations will make it easier for similar concerts to take place in the future.

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