

Practice Update

New Cuba Executive Order Adds Targeted Sanctions Authority While Preserving CACR Licenses

May 6, 2026

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On May 1, 2026, the President issued a new Executive Order (EO 14404) adding targeted sanctions authorities related to Cuba. EO 14404 is issued under several authorities, including the International Emergency Economic Powers Act (IEEPA), the National Emergencies Act (NEA), section 212(f) of the Immigration and Nationality Act, and 3 U.S.C. § 301. It builds on the national emergency declared in EO 14380 of January 29, 2026, concerning threats posed by the Government of Cuba to U.S. national security and foreign policy.

According to the White House fact sheet accompanying EO 14404, the Administration has stated that the new sanctions are intended to hold Cuban regime officials and their enablers accountable for serious human rights abuses, corruption, and activities that threaten U.S. national security and foreign policy. EO 14404 broadens existing Cuba sanctions authorities to target individuals and entities that support Cuba's security and intelligence apparatus, facilitate repression, or materially assist the Cuban government. The Administration further cited Cuba's alignment with hostile foreign actors, support for terrorism, repression of political opponents, and its role in enabling hostile intelligence and military activities

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near U.S. territory as constituting an “unusual and extraordinary threat” requiring decisive action.

The Cuban Assets Control Regulations (CACR), 31 C.F.R. Part 515, remain the primary framework governing U.S. sanctions involving Cuba. The CACR already broadly restrict transactions involving Cuba or Cuban nationals unless authorized by OFAC through regulations, rulings, instructions, licenses, or otherwise. Importantly, EO 14404 expressly states that it does not affect the validity of licenses issued under Part 515, meaning existing CACR general licenses remain effective unless OFAC later changes them.

EO 14404’s main practical effect is to create an additional IEEPA-based designation authority focused on certain foreign persons connected to specified sectors of the Cuban economy. Designations under this authority may be made by the Secretary of State, in consultation with the Secretary of the Treasury; or by the Secretary of the Treasury, in consultation with the Secretary of State.

In particular, EO 14404 authorizes sanctions against foreign persons determined to operate, or to have operated, in the following sectors^[1]:

- Energy
- Defense and related material
- Metals and mining
- Financial services
- Security
- Any other sector of the Cuban economy that Treasury, in consultation with State, may later identify

EO 14404 also authorizes sanctions against persons who are owned, controlled, or directed by the Government of Cuba or a blocked person; act for or on behalf of the Government of Cuba or a blocked person; materially support the Government of Cuba

or a blocked person; serve as certain leaders, officials, senior executive officers, or board members of the Government of Cuba or blocked entities; are Cuban government agencies or instrumentalities; engage in serious human rights abuse or corruption related to Cuba; or are adult family members of persons designated under EO 14404.

In addition to blocking sanctions, EO 14404 includes an immigration component under INA § 212(f). It suspends immigrant and nonimmigrant entry into the United States for persons who meet one or more of EO 14404's sanctions criteria, unless the Secretary of State determines that entry would be in the national interest of the United States.

For businesses and financial institutions, the takeaway is that the CACR remains the starting point for Cuba sanctions compliance. If a transaction is prohibited under Part 515, a valid general or specific license is required. If a transaction is authorized under Part 515, EO 14404 preserves that authorization unless OFAC later amends or withdraws it. EO 14404 should be viewed as an added layer of targeted secondary sanctions risk, especially for dealings involving the Cuban energy, defense, metals and mining, financial services, and security sectors, as well as Cuban government-linked counterparties and persons designated under EO 14404.

[1] Sector designations will be determined by the Secretary of the Treasury, in consultation with the Secretary of State.

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