

Practice Update

New U.S. Sanctions Target Cuban Government Actors and Related Entities

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On June 4, 2026, the U.S. Department of State announced new sanctions against five Cuban-linked entities and five individuals under Executive Order 14404, part of the administration's broader Cuba sanctions framework addressing repression in Cuba and threats to U.S. national security and foreign policy. The action blocks the designated persons' property and interests in property that are in the United States or within the possession or control of U.S. persons and heightens sanctions exposure for non-U.S. persons, including foreign financial institutions and companies, that engage in dealings involving designated parties or certain identified sectors of the Cuban economy.

Key Developments

According to the Department of State, the June 4 action designates the following parties pursuant to Executive Order 14404:

- **Ministry of the Revolutionary Armed Forces of Cuba (MINFAR)**, identified as a political subdivision, agency, or instrumentality of the Government of Cuba.
- **Cuban Institute of Friendship with the Peoples (ICAP)**, identified as a political subdivision, agency, or instrumentality of the Government of Cuba.

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- **Amistur Cuba SA**, designated for being owned, controlled, or directed by, or acting for or on behalf of, ICAP.
- **Committees for the Defense of the Revolution (CDR)**, designated for being owned, controlled, or directed by, or acting for or on behalf of, the Government of Cuba.
- **Minera la Victoria S.A.**, a Cuban gold-mining joint venture designated for operating in the metals and mining sector of the Cuban economy.
- **Miguel Diaz-Canel Bermudez**, President of Cuba.
- **Lis Cuesta Peraza**, spouse of Miguel Diaz-Canel Bermudez.
- **Manuel Anido Cuesta**, adult family member of Lis Cuesta Peraza and stepson of Miguel Diaz-Canel Bermudez.
- **Alejandro Castro Espin**, former head of Cuban intelligence services.
- **Raul Alejandro Castro Calis**, adult family member of Alejandro Castro Espin.

Sanctions Implications

As a result of these designations, all property and interests in property of the designated persons that are in the United States or that come within the possession or control of U.S. persons are blocked and must be reported to the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC). In addition, any entity owned 50 percent or more, directly or indirectly and individually or in the aggregate, by one or more blocked persons is also blocked.

Unless authorized by OFAC or otherwise exempt, U.S. persons generally are prohibited from engaging in transactions or dealings involving the property or interests in property of designated or otherwise blocked persons. The announcement also underscores potential exposure for non-U.S. persons, including foreign banks and companies, that provide services to designated parties or engage

in certain transactions involving persons designated under Executive Order 14404. The administration further signaled that foreign persons operating in the energy, defense and related materiel, metals and mining, financial services, or security sectors of the Cuban economy may face sanctions risk under the Order.

The June 4 announcement also reiterates that the Cuban Assets Control Regulations (CACR) remain in effect. Executive Order 14404 operates alongside, and does not displace, existing CACR prohibitions, authorizations, and exemptions. As a result, parties with Cuba-facing operations should assess both the new Executive Order-based sanctions exposure and pre-existing CACR restrictions when evaluating counterparties, contractual rights, payment flows, and any steps involving blocked property.

Sanctions Risk for Non-U.S. Persons

OFAC clarified in FAQ 1258, also published on June 4, that non-U.S. persons, including foreign financial institutions, may face sanctions exposure for engaging in transactions involving persons designated pursuant to Executive Order 14404, including GAESA, MININT, and MINFAR. This risk extends to transactions involving entities that are owned, directly or indirectly, 50 percent or more by one or more of these blocked persons, consistent with OFAC's 50 percent rule. As a result, many entities identified on the Cuba Restricted List (CRL) may present equivalent sanctions exposure where they are owned or controlled by GAESA, MININT, or MINFAR. OFAC further indicates that non-U.S. persons may be subject to enforcement action where their activities involve or provide support to such blocked persons or related sectors of the Cuban economy. In light of this guidance, non-U.S. persons should consider implementing enhanced, risk-based due diligence measures when assessing transactions involving these counterparties or their affiliated entities.

Practical Considerations for Clients

- Screen counterparties, beneficial owners, and related parties against the newly designated names and consider 50 percent rule implications.
- Review Cuba-related transactions, services, joint ventures, logistics arrangements, and financing structures for direct or indirect touchpoints with designated parties or identified sectors.
- Evaluate whether any existing or proposed dealings are authorized by a general or specific OFAC license or otherwise exempt.
- Implement enhanced screening and beneficial ownership verification protocols to identify direct and indirect exposure to GAESA, MININT, MINFAR, and any entities owned 50 percent or more by such parties, including entities on the CRL.
- Consider escalation protocols for transactions involving foreign financial institutions or non-U.S. intermediaries where secondary-sanctions risk may arise.
- Preserve records and develop a reporting plan if blocked property is identified or comes within U.S. jurisdiction or the control of a U.S. person.

Akerman will continue monitoring developments under Executive Order 14404 and related Cuba sanctions authorities. Clients with questions regarding sanctions screening, transaction structuring, licensing, or potential reporting obligations should consult counsel regarding the application of these measures to specific facts and counterparties.

This information is intended to inform firm clients and friends about legal developments, including recent decisions of various courts and administrative bodies. Nothing in this Practice Update should be construed as legal advice or a legal opinion, and readers should not act upon the

information contained in this Practice Update without seeking the advice of legal counsel. Prior results do not guarantee a similar outcome.