akerman

Practice Update

Cuba in June 2026: Reform on the Island, Pressure from Washington

June 24, 2026

By Pedro A. Freyre, Augusto E. Maxwell, and Odette Ponce

June 2026 produced a sequence of related actions that sharpen the risks for companies engaging in Cuba. After EO 14404 was issued on May 1, 2026, and GAESA was designated on May 7, the State Department continued building out the new sanctions architecture in June, including June 4 designations involving Alejandro Castro Espín and Minera La Victoria and a June 23 action targeting five entities and one individual tied to the Cuban regime's revenue-generation network.

Also on June 23, the Supreme Court decided *Exxon Mobil Corp. v. Corporación CIMEX, S.A.*, holding that Helms-Burton independently abrogates sovereign immunity for Cuban agencies and instrumentalities.

In Havana this month, the government announced and advanced a broad economic reform package that, if implemented, would move Cuba further toward market mechanisms and new forms of foreign and diaspora investment.

Washington's Escalating Use of EO 14404

The United States has been using EO 14404 as a rolling pressure tool against the Cuban government to push for both economic and political reforms. The EO 14404 designations have been issued at a frequent pace: GAESA was designated on May 7; on June 4 sanctions were announced designating

Related People

Pedro A. Freyre
Augusto E. Maxwell
Odette Ponce

Related Work

Cuba
Economic Sanctions and Export Controls
International

Related Offices

Miami

Alejandro Castro Espín and Minera La Victoria; on June 11 the U.S. designated CUPET for operating in the Cuban energy sector; and on June 23 designations targeting five entities and one individual tied to the regime's revenue-generation network were announced.

The designations are not isolated measures; they show an effort to use EO 14404 repeatedly to identify the Cuban government's corporate nodes and make them more difficult for foreign partners, banks, logistics providers, and investors to support.

The June 23 Expansion of Revenue-Network Designations

The June 23 State Department action is significant because it moved beyond energy and squarely targeted the regime's money, logistics, metals, and mining channels.

The newly designated targets include GAESA-linked financial institutions RAFIN S.A. and Banco Financiero Internacional S.A.; logistics and warehousing company Almacenes Universales S.A. (AUSA); state-owned GeoMinera, S.A.; Empresa Siderúrgica José Martí (Antillana de Acero); and Annalie Lilliam Rueda Cardero, an adult family member of Alejandro Castro Espín.

For companies, the practical impact is broader screening and diligence: AUSA's role in port-related storage, handling, transportation, and container traffic at the Port of Mariel and BFI's role in transactions involving foreign entities moving in and out of Cuba make logistics and payment routes central to any Cuba transaction analysis.

Cuba's Domestic Reform Push

On June 12, Cuban President Miguel Díaz-Canel announced a package under the 2026 Economic and Social Program aimed at decentralizing economic control, reducing bureaucracy, and giving municipalities and state enterprises more operational autonomy. Reported measures included allowing state companies to participate directly in the foreign-exchange market, giving them more flexibility over wage systems; expanding municipal authority over local enterprises and foreign-currency revenues; easing foreign-trade bottlenecks; encouraging Cubans abroad to serve as potential investors; and beginning a shift from subsidizing products toward subsidizing vulnerable people.

On June 18, Cuba's National Assembly approved more than 175 reforms. If fully implemented, the package could represent one of the most significant changes to Cuba's economic model since 1959. Reported elements included permitting private banks, allowing larger private firms and multiple-firm ownership, opening parts of the real estate sector to private development, allowing private shareholders or equity stakes in state companies, and authorizing sales of certain state-owned properties to national and foreign entities, including Cubans residing abroad. The practical effect remains uncertain, however, because full regulatory details and an implementation calendar had not yet been published.

Helms-Burton After *Exxon v. CIMEX*

The Supreme Court's June 23 decision in *Exxon Mobil Corp. v. Corporación CIMEX, S.A. (Cuba)* adds a litigation dimension to the same pressure campaign.

The Court held that the Helms-Burton Act itself abrogates the sovereign immunity of Cuban agencies and instrumentalities, meaning plaintiffs suing those entities under Helms-Burton do not also need to satisfy one of the FSIA's exceptions.

Helms-Burton gives U.S. nationals that own claims to property confiscated by the Cuban Government a cause of action against any person that traffics in that property, and the statute defines "person" to include an agency or instrumentality of a foreign state. Exxon alleged that CUPET and CIMEX had operated and profited from Exxon's expropriated oil refinery, terminals, packaging plants, and more than one hundred service stations in Cuba since their confiscation in 1960. Exxon sought more than $1 billion in damages (certified claim value plus prejudgment interest and statutory treble damages). The Court held that this structure clearly abrogates the sovereign immunity of Cuban agencies and instrumentalities, so plaintiffs suing those entities under Helms-Burton do not also need to satisfy one of the FSIA's exceptions.

The Court's decision therefore complements the sanctions campaign: EO 14404 blocks and deters transactions and foreign investment with designated Cuban state actors, while Helms-Burton now offers a clearer pathway for plaintiffs to sue Cuban agencies and instrumentalities alleged to have profited from confiscated property.

What This Means

The broader takeaway from June 2026 is that Cuba's economic outlook may change significantly in the coming months. At the same time, the United States is using sanctions and litigation tools to make engagement with the Cuban government, its state companies, and its revenue-generating networks more costly and legally risky. Cuba's gradual decentralization of certain economic sectors may signal a more market-oriented future, but that shift will unfold under heightened U.S. scrutiny.

For foreign companies, banks, logistics providers, and investors, the central question is no longer only whether a Cuban opportunity appears commercially available under Cuban law. It is also whether the transaction would involve an EO 14404 target, a blocked property interest, a GAESA-linked logistics or financial channel, or property that could raise Helms-Burton trafficking concerns.

In short, June 2026 should be read as a turning point in both Cuban economic policy and U.S. sanctions strategy. Havana's economic opening is likely to be tested against Washington's constraints on the state-linked institutions most likely to intermediate, finance, or benefit from expanded economic activity. That tension will shape the next phase of Cuba's commercial and real estate markets.

This post is for informational purposes only and does not constitute legal advice. Cuba's announced economic reforms remain subject to implementation details, and the sanctions and Helms-Burton analysis above reflects authorities and judicial decisions in effect as of June 23, 2026.
