

Practice Update

U.S. Eases Cuba Travel Restrictions

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The United States government this morning published new regulations greatly easing U.S. restrictions on travel to Cuba as part of broader efforts to implement policy directives issued by President Obama in mid-December. The changes will allow Americans to visit the island for a wide range of reasons without seeking prior permission from the Treasury Department's Office of Foreign Assets Control (OFAC).

For the first time since the embargo was imposed in the early 1960s, air carriers, travel agencies, and other travel services providers will also be permitted to sell Cuba-related products and services without prior OFAC approvals and Americans who visit the island will no longer be required to adhere to strict spending limits while overseas. Licensed travelers will now be allowed to use U.S.-issued credit and debit cards on the island and to import, as accompanied baggage, up to \$400 in Cuban merchandise, provided alcohol and tobacco products constitute less than \$100.

Combined, 12 categories of travel that previously required special licenses will be permitted, subject to certain conditions. Individuals who meet the conditions laid out in the regulations will not need to apply to OFAC for a travel license.

The categories are:

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- **Family visits:** U.S. persons and those with whom they share a common dwelling may travel to Cuba to visit relatives on the island. While this category existed prior today's changes, spending limits and other restrictions have been lifted.
- **Official business of the U.S. government, foreign governments, and certain intergovernmental organizations:** While travel by U.S. government officials had been authorized by general license, this category has been expanded to include explicit authorizations for employees of intergovernmental organizations.
- **Journalistic activity:** While full-time employees of accredited news gathering organizations had been authorized, this category has been expanded to include freelance projects undertaken by individuals with a history of previous journalistic experience.
- **Professional research and professional meetings:** While travel by full-time professionals was previously allowed provided that research was non-commercial in nature, travelers were expected to publicly disseminate their findings. This category is no longer limited to non-commercial research and the public dissemination expectation has been dropped.
- **Educational activities, including secondary school, undergraduate, graduate, and post-graduate studies:** Prior to today's changes, travel related to undergraduate, graduate, and post-graduate studies had been permitted, subject to certain limitations. This category has been expanded to include secondary-school studies and several limitations have been lifted. Moreover, educational travel of a non-academic nature, so-called "people-to-people" travel, will be authorized by general license.
- **Religious activities:** Travel licenses for religious travel have been expanded.
- **Public performances, clinics, workshops, athletic and other competitions, and exhibitions:** Prior today's changes, entities wishing to organize

or participate in public performances, etc. were required to apply for advanced permission. Such groups will now be allowed to travel without prior authorization, subject to several important limitations.

- **Support for the Cuban people, including travel to assist and support entrepreneurs on the island:** Authorizations for travel to Cuba for the purpose of supporting the Cuban people and Cuban entrepreneurs have been expanded.
- **Humanitarian projects:** Authorizations for travel to Cuba for humanitarian purposes have been expanded.
- **Travel by staff, members and employees of private foundations or research or educational institutes:** Prior today's changes, staff and members of private foundations and research institutes were required to apply for advanced permission. Such groups will now be allowed to travel without prior authorization, subject to several limitations.
- **Individuals engaged in the exportation, importation, or transmission of information or information materials:** Authorizations for travel-related transactions in this area have been expanded.
- **Representatives from a wide range of industries who wish to travel to Cuba to engage in market research and other activities:** Licenses for travel relating to authorized commercial activities have been expanded to include market research.

While today's changes do not lift the general prohibition on tourist travel to Cuba, they do greatly expand the number of Americans who can visit the island without prior OFAC approval. Other changes, such as authorizations affecting banking, insurance, and financial services providers, as well as telecommunications and Information and Communications Technology (ICT) companies will also take effect today and will authorize travel to

Cuba for commercial purposes across numerous sectors.

Members of Akerman's Cuba Practice are actively reviewing the new Treasury and Commerce department rules and will be issuing additional sector-specific updates in the coming weeks.

About the Authors

Pedro A. Freyre is chair of Akerman's International Practice. He is a nationally recognized authority on the U.S. Embargo on Cuba. Pedro advises U.S.-based companies on the types of business transactions that are legal in Cuba under the U.S. embargo, helps U.S. entities that are engaged in authorized activities in connection with entering the Cuban market, and advises foreign entities that are involved in Cuba business on implications with U.S. law.

Augusto E. Maxwell is chair of Akerman's Cuba Practice and has travelled extensively to the island in representation of U.S. clients. He is a Lecturer of Law at Columbia University School of Law, where he co-teaches a seminar titled "Cuba: Law Policy and Transition."

Carlos E. Méndez-Peñate is co-chair of Akerman's Latin America & the Caribbean Practice and he focuses his practice on investing and financing matters in the region. In association with the Council of the Americas, Carlos is a regular participant in high-level delegations to Cuba during which economic reform and entrepreneurship issues are discussed with high-ranking Cuban government officials and foreign diplomats.

Matthew D. Aho helps clients identify opportunities at the nexus of Cuba policy and business. While at the Council of the Americas, the Western Hemisphere's premiere business membership organization, he led discussions between Fortune 500 executives and U.S. government officials about Cuba policies affecting banking, telecommunications, pharmaceuticals, hospitality,

agriculture, and more. Matthew is an authority on the embargo and frequently accompanies clients to the island. He is a member of the Cuba Study Group. (Not admitted to the practice of law.)

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