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## DEPARTMENT OF THE TREASURY

### Office of Foreign Assets Control

### 31 CFR Part 515

### Cuban Assets Control Regulations

**AGENCY:** Office of Foreign Assets Control, Treasury.

**ACTION:** Final rule.

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**SUMMARY:** The Department of the Treasury's Office of Foreign Assets Control (OFAC) is amending the Cuban Assets Control Regulations to further implement elements of the policy announced by the President on December 17, 2014 to engage and empower the Cuban people. These amendments remove certain payment and financing restrictions for authorized exports and reexports to Cuba of items other than agricultural items or commodities and further facilitate travel to Cuba for authorized purposes by allowing blocked space, code-sharing, and leasing arrangements with Cuban airlines and authorizing additional travel-related and other transactions directly incident to the temporary sojourn of aircraft and vessels. These amendments also authorize additional transactions related to professional meetings and other events, disaster preparedness and response projects, and information and informational materials, including transactions incident to professional media or artistic productions in Cuba.

**DATES:** Effective: [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

**FOR FURTHER INFORMATION CONTACT:** The Department of the Treasury's Office of Foreign Assets Control: Assistant Director for Licensing, tel.: 202-622-2480, Assistant Director for Regulatory Affairs, tel.: 202-622-4855, Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490; or the Department of the Treasury's Office of the Chief Counsel (Foreign Assets Control), Office of the General Counsel, tel.: 202-622-2410.

**SUPPLEMENTARY INFORMATION:**

**Electronic and Facsimile Availability**

This document and additional information concerning OFAC are available from OFAC's website ([www.treasury.gov/ofac](http://www.treasury.gov/ofac)). Certain general information pertaining to OFAC's sanctions programs also is available via facsimile through a 24-hour fax-on-demand service, tel.: 202-622-0077.

**Background**

The Department of the Treasury issued the Cuban Assets Control Regulations, 31 CFR part 515 (the "Regulations"), on July 8, 1963, under the Trading With the Enemy Act (50 U.S.C. App. 5 et seq.). OFAC has amended the Regulations on numerous occasions.

Most recently, on January 16 and September 21, 2015, OFAC amended the Regulations, in coordinated actions with the Department of Commerce, to implement certain policy measures announced by the President on December 17, 2014 to further engage and empower the Cuban people. Today, OFAC and the Department of Commerce are taking additional coordinated actions in support of the President's Cuba policy.

The Department of Commerce is amending the exceptions to the general policy of denial in the Export Administration Regulations (EAR) for exports and reexports to Cuba by identifying additional types of exports and reexports that are subject to a general policy of approval, including items for safety of civil aviation and safe operation of commercial aircraft engaged in international air transportation. Commerce is also amending the exception to the general policy of denial in the EAR for exports and reexports to Cuba by identifying types of exports and reexports that will be reviewed to determine, on a case-by-case basis, whether such transactions meet the needs of the Cuban People.

OFAC is making additional amendments to the Regulations with respect to non-agricultural export trade financing and travel and related services, as set forth below.

### **Non-Agricultural Export Trade Financing**

OFAC is amending section 515.533(a) to remove the former limitations on payment and financing terms for all exports from the United States or reexports of 100 percent U.S.-origin

items from a third country that are licensed or otherwise authorized by the Department of Commerce, other than exports of agricultural items or commodities. As required by the Trade Sanctions Reform and Export Enhancement Act of 2000, 22 U.S.C. 7207(b)(1), such agricultural exports continue to be authorized only if one of the payment and financing terms specified in the statute are used. OFAC also is amending section 515.584 to add an authorization for depository institutions to provide financing for such authorized exports and making a conforming change to section 515.421.

### **Travel and Related Services**

Carrier services by air. In parallel with the Department of Commerce's amendments relating to the safety of civil aviation, OFAC is amending section 515.572 to authorize the entry into blocked space, code-sharing, and leasing arrangements to facilitate the provision of carrier services by air authorized pursuant to section 515.572(a)(2), including the entry into such arrangements with a national of Cuba.

Temporary sojourn. OFAC is amending section 515.533 to authorize travel-related and other transactions directly incident to the facilitation of the temporary sojourn of aircraft and vessels as authorized by the Department of Commerce for travel between the United States and Cuba, including by certain personnel required for normal operation and service on board a vessel or aircraft or to provide services to a vessel in port or aircraft on the ground.

Transactions related to information and informational materials. OFAC is amending section 515.545 to expand the general license authorizing travel-related and other transactions that are directly incident to the export, import, or transmission of informational materials to include professional media or artistic productions in Cuba. Such productions include media programs (such as movies and television programs), music recordings, and the creation of artworks. OFAC is removing a restriction in an existing general license and explicitly authorizing transactions relating to the creation, dissemination, or artistic or other substantive alteration or enhancement of informational materials, including employment of Cuban nationals and the remittance of royalties or other payments. OFAC also is making a conforming change to section 515.206.

Professional meetings. OFAC is amending section 515.564 to authorize travel-related and other transactions to organize professional meetings or conferences in Cuba.

Public performances, clinics, workshops, athletic and other competitions, and exhibitions. OFAC is amending section 515.567 to authorize travel-related and other transactions to organize amateur and semi-professional international sports federation competitions and public performances, clinics, workshops, other athletic or non-athletic competitions, and exhibitions in Cuba. OFAC is also removing the existing requirements for certain events that all U.S. profits from the event after costs be donated to an independent nongovernmental organization in Cuba or a U.S.-based charity and that workshops and clinics be organized and run, at least in part, by the authorized traveler.

Humanitarian projects. OFAC is amending section 515.575 to expand the list of authorized humanitarian projects to include disaster preparedness and response.

### **Public Participation**

Because the amendments of the Regulations involve a foreign affairs function, Executive Order 12866 and the provisions of the Administrative Procedure Act (5 U.S.C. 553) requiring notice of proposed rulemaking, opportunity for public participation, and delay in effective date are inapplicable. Because no notice of proposed rulemaking is required for this rule, the Regulatory Flexibility Act (5 U.S.C. 601-612) does not apply.

### **Paperwork Reduction Act**

The collections of information related to the Regulations are contained in 31 CFR part 501 (the “Reporting, Procedures and Penalties Regulations”) and section 515.572 of this part. Pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. 3507), those collections of information are covered by the Office of Management and Budget under control numbers 1505-0164, 1505-0167, and 1505-0168. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid control number.

### **List of Subjects in 31 CFR Part 515**

Administrative practice and procedure, Banking, Carrier services, Cuba, Financial transactions, Reporting and recordkeeping requirements, Travel restrictions.

For the reasons set forth in the preamble, the Department of the Treasury's Office of Foreign Assets Control amends 31 CFR part 515 as set forth below:

## **PART 515—CUBAN ASSETS CONTROL REGULATIONS**

1. The authority citation for part 515 continues to read as follows:

**Authority:** 22 U.S.C. 2370(a), 6001-6010, 7201-7211; 31 U.S.C. 321(b); 50 U.S.C. App 1-44; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-114, 110 Stat. 785 (22 U.S.C. 6021-6091); Pub. L. 105-277, 112 Stat. 2681; Pub. L. 111-8, 123 Stat. 524; Pub. L. 111-117, 123 Stat. 3034; E.O. 9193, 7 FR 5205, 3 CFR, 1938-1943 Comp., p. 1174; E.O. 9989, 13 FR 4891, 3 CFR, 1943-1948 Comp., p. 748; Proc. 3447, 27 FR 1085, 3 CFR, 1959-1963 Comp., p. 157; E.O. 12854, 58 FR 36587, 3 CFR, 1993 Comp., p. 614.

### **Subpart B — Prohibitions**

2. Amend § 515.206 by removing Examples # 1-4 and adding a Note to paragraph (a) to read as follows:

**§ 515.206 Exempt transactions.**

\* \* \* \* \*

**Note to paragraph (a):** See § 515.545 for general licenses authorizing certain travel-related and other transactions that are directly incident to the export, import, or transmission of informational materials and certain transactions related to the creation, dissemination, or artistic or other substantive alteration or enhancement of informational materials.

\* \* \* \* \*

#### **Subpart D — Interpretations**

3. Amend § 515.421 by revising paragraph (a)(4) to read as follows:

#### **§ 515.421 Transactions ordinarily incident to a licensed transaction.**

(a) \* \* \*

(4) In the case of export or reexport-related transactions authorized by § 515.533(a), payment or financing that is not authorized by § 515.533 or § 515.584(f).

\* \* \* \* \*

#### **Subpart E — Licenses, Authorizations, and Statements of Licensing Policy**



4. Amend § 515.533 by revising the introductory text to paragraph (a)(2), redesignating the note to paragraph (a) as Note 1 to paragraph (a), adding Note 2 to paragraph (a), and revising paragraph (d) to read as follows:

**§ 515.533 Exportations from the United States to Cuba; reexportations of 100% U.S.-origin items to Cuba; negotiation of executory contracts.**

(a) \* \* \*

(2) In the case of agricultural commodities, as that term is defined in 15 CFR part 772, or agricultural items authorized for export or reexport pursuant to 15 CFR 746.2(b)(2)(iv), only the following payment and financing terms may be used:

\* \* \* \* \*

**Note 2 to paragraph (a):** The limitation in paragraph (a)(2) applies only to payment and financing terms for exports or reexports of agricultural items or commodities and is required by the Trade Sanctions Reform and Export Enhancement Act of 2000, 22 U.S.C. 7207(b)(1). For other authorized exports and reexports, paragraph (a) does not restrict payment and financing terms. See § 515.584 for an authorization for depository institutions to provide financing for authorized exports and reexports of items other than agricultural items or commodities.

\* \* \* \* \*

(d) General license for travel-related transactions incident to exportation or reexportation of certain items. (1) The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to the conduct of market research, commercial marketing, sales or contract negotiation, accompanied delivery, installation, leasing, or servicing in Cuba of items consistent with the export or reexport licensing policy of the Department of Commerce are authorized, provided that the traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule.

(2) The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to the facilitation of the temporary sojourn of aircraft and vessels as authorized by 15 CFR 740.15 (License Exception Aircraft, Vessels and Spacecraft) or pursuant to other authorization by the Department of Commerce for travel between the United States and Cuba authorized pursuant to this part, including travel-related transactions by personnel who are persons subject to U.S. jurisdiction and who are required for normal operation and service on board a vessel or aircraft, as well as personnel who are persons subject to U.S. jurisdiction and who are required to provide services to a vessel in port or aircraft on the ground, provided that:

(i) The aircraft or vessel must be transporting individuals whose travel between the United States and Cuba is authorized pursuant to any section of this part other than paragraph (d)(2) of this section; and

(ii) Such travel-related transactions by such personnel are limited to the duration and scope of their duties in relation to the particular authorized temporary sojourn.

\* \* \* \* \*

5. Amend § 515.545 by revising paragraphs (a) and (b), redesignating the Note to § 515.545 as Note 1 to § 515.545, and adding Note 2 to § 515.545 to read as follows:

**§ 515.545 Transactions related to information and informational materials.**

(a) Transactions relating to the creation, dissemination, artistic or other substantive alteration, or enhancement of informational materials are authorized, including employment of Cuban nationals and remittance of royalties or other payments in connection with such transactions. This section authorizes marketing related to the dissemination of such informational materials but does not authorize other marketing or business consulting services.

(b) General license. (1) The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to the exportation, importation, or transmission of information or informational materials as defined in § 515.332 are authorized, provided that the traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule.

(2) The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to professional media or artistic productions of information or informational materials for exportation, importation, or transmission, including the filming or production of media programs (such as movies and television programs), the recording of music, and the creation of artworks in Cuba, are authorized, provided that the traveler is regularly employed in or has demonstrated professional experience in a field relevant to such professional media or artistic productions, and that the traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule.

\* \* \* \* \*

**Note 2 to § 515.545:** See § 515.332(a)(2) for clarification as to the types of artworks that are considered to be informational materials.

6. Amend § 515.564 by revising the introductory text to paragraph (a)(2), paragraph (a)(2)(ii), and paragraph (a)(2)(iv) and adding a note to paragraph (a)(2) to read as follows:

**§ 515.564 Professional research and professional meetings in Cuba.**

(a) \* \* \*

(2) Professional meetings. The travel-related transactions set forth in § 515.560(c) and such additional transactions as are directly incident to travel to Cuba to attend or organize professional meetings or conferences in Cuba are authorized, provided that:

\* \* \* \* \*

(ii) For a traveler:

(A) Attending a professional meeting or conference, the purpose of the meeting or conference directly relates to the traveler's profession, professional background, or area of expertise, including area of graduate-level full-time study;

(B) Organizing a professional meeting or conference on behalf of an entity, either the traveler's profession must be related to the organization of professional meetings or conferences or the traveler must be an employee or contractor of an entity that is organizing the professional meeting or conference.

\* \* \* \* \*

(iv) The traveler's schedule of activities does not include free time or recreation in excess of that consistent with a full-time schedule of attendance at, or organization of, professional meetings or conferences.

**Note to § 515.564(a)(2):** Transactions incident to the organization of professional meetings or conferences include marketing related to such meetings or conferences in Cuba.

\* \* \* \* \*

7. Amend § 515.567 by revising the introductory text to paragraph (a), revising paragraph (b), redesignating the Note to § 515.567(a) and (b) as Note 1 to § 515.567(a) and (b), and adding Note 2 to § 515.567(a) and (b) to read as follows:

**§ 515.567 Public performances, clinics, workshops, athletic and other competitions, and exhibitions.**

(a) General license for amateur and semi-professional international sports federation competitions. The travel-related transactions set forth in § 515.560(c) and such other transactions as are directly incident to participation in athletic competitions in Cuba by amateur or semi-professional athletes or athletic teams, or organization of such competitions, are authorized, provided that:

\* \* \* \* \*

(b) General license for public performances, clinics, workshops, other athletic or non-athletic competitions, and exhibitions. The travel-related transactions set forth in § 515.560(c) and such other transactions as are directly incident to participation in or organization of a public

performance, clinic, workshop, athletic competition not covered by paragraph (a) of this section, non-athletic competition, or exhibition in Cuba by participants in or organizers of such activities are authorized, provided that the event is open for attendance, and in relevant situations participation, by the Cuban public.

Example 1 to § 515.567(a) and (b): An amateur baseball team wishes to travel to Cuba to compete against a Cuban team in a baseball game in Cuba. The game will not be held under the auspices of the international sports federation for baseball. The baseball team's activities therefore would not qualify for the general license in paragraph (a). The game will, however, be open to the Cuban public. The baseball team's activities would qualify for the general license in paragraph (b).

Example 2 to § 515.567(a) and (b): A U.S. concert promoter wishes to organize a musical event in Cuba that would be open to the public and feature U.S. musical groups. The organizing of the musical event in Cuba by the U.S. concert promoter and the participation by U.S. musical groups in the event would qualify for the general license in paragraph (b).

\* \* \* \* \*

**Note 2 to § 515.567(a) and (b):** Transactions incident to the organization of amateur and semi-professional international sports federation competitions and public performances, clinics, workshops, other athletic or non-athletic competitions, and exhibitions include marketing related to such events in Cuba.

\* \* \* \* \*

8. Amend § 515.572 by revising paragraph (a)(2) and the introductory text to the Note to § 515.572 to read as follows:

**§ 515.572 Authorization to provide travel services, carrier services, and remittance forwarding services.**

(a) \* \* \*

(2) Authorization to provide carrier services. (i) Persons subject to U.S. jurisdiction are authorized to provide carrier services to, from, or within Cuba in connection with travel or transportation, directly or indirectly, between the United States and Cuba of persons, baggage, or cargo authorized pursuant to this part.

(ii) The entry into blocked space, code-sharing, or leasing arrangements to facilitate the provision of carrier services by air authorized pursuant to section 515.572(a)(2) is authorized, including the entry into such arrangements with a national of Cuba.

\* \* \* \* \*



**Note to § 515.572:** The following persons may be transported, directly or indirectly, between the United States and Cuba by a person authorized to provide carrier services:

\* \* \* \* \*

9. Amend § 515.575 by revising paragraph (b) to read as follows:

**§ 515.575 Humanitarian projects.**

\* \* \* \* \*

(b) Authorized humanitarian projects. The following projects are authorized by paragraph (a) of this section: medical and health-related projects; construction projects intended to benefit legitimately independent civil society groups; disaster preparedness, relief, and response; historical preservation; environmental projects; projects involving formal or non-formal educational training, within Cuba or off-island, on the following topics: entrepreneurship and business, civil education, journalism, advocacy and organizing, adult literacy, or vocational skills; community-based grassroots projects; projects suitable to the development of small-scale private enterprise; projects that are related to agricultural and rural development that promote independent activity; microfinancing projects, except for loans, extensions of credit, or other financing prohibited by § 515.208; and projects to meet basic human needs.

\* \* \* \* \*

10. Amend § 515.584 by adding paragraph (f) to read as follows:

**§ 515.584 Certain financial transactions involving Cuba.**

\* \* \* \* \*

(f) Depository institutions, as defined in § 515.333, are authorized to provide financing for exports or reexports of items, other than agricultural items or commodities, authorized pursuant to § 515.533, including issuing, advising, negotiating, paying, or confirming letters of credit (including letters of credit issued by a financial institution that is a national of Cuba), accepting collateral for issuing or confirming letters of credit, and processing documentary collections.

Dated: January 21, 2016

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John E. Smith,  
Acting Director, Office of Foreign Assets Control  
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